

## A. Full responses from entities

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As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments 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 detailed responses we received.

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



## Comments received on 10 December 2021 from Director-General, Department of Health



Queensland Health

+Enquiries to:

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Our ref:  
Your ref:

Mr Brendan Worrall  
Auditor-General  
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Dear Mr Worrall

Thank you for your letter dated 19 November 2021, regarding Queensland Audit Office's (QAO) proposed report to Parliament titled 'Health 2021'.

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 to your report.

It is pleasing to note that the Department and all 16 HHSs received unmodified opinions on their annual financial statements for the 2020-21 financial year. This has been achieved within the legislative deadlines, despite the impact of COVID-19 pandemic on staff and workloads.

Noted below are our responses to matters raised in the proposed report.

**Recommendation 1: Procurement and contracting controls need to be strengthened**  
Queensland Health recognises the need for continuous improvement and development of systems and system controls. Initiatives are underway for the continued strengthening of procurement and contracting controls. Appropriate training has been developed and is continuously subject to review for content and delivery enhancements. Options for a more centralised contract register and storage system are currently under review.

**Recommendation 2: The Department of Health should arrange for another entity to manage hotel quarantine debts**

I appreciate QAO recognising the considerable additional administrative demands that the quarantine fee invoicing, management and collection processes have imposed on the Department. Your noting of the unaccounted administrative burden and associated payroll costs highlights some of the additional costs arising as a consequence of the pandemic. We agree that Queensland Health's resources are better directed toward the provision of health services. Alternative possibilities for the management, invoicing and collection of quarantine fees are currently under review.

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#### **Information systems controls and cyber security**

Queensland Health continues to be vigilant about information systems controls and cyber security risks. The resolution, in 2021, of significant deficiencies highlighted in your 2020 report is evidence of our continued focus on strengthening cyber security. We have in place a continuous program to manage cyber security risks including ransomware. The program includes training, awareness and targeted campaigns and cultural practice improvement initiatives to ensure a cyber aware workforce. The IT department is constantly working on cyber security strategies for the prevention, detection, response and recovery from any cyber-attacks or other threats to information systems.

#### **Future capital requirements to meet changing service delivery needs**

Queensland Health is very aware of the steadily increasing Queensland population and the related demand this places on future capital requirements and asset maintenance. Your proposed report notes that HHSs continue to face significant challenges in funding the anticipated maintenance of their assets. QAO recommends that all 17 entities should continue work on addressing Recommendation 5 from the QAO report Health 2020 (Report 12: 2020–21), which is to prioritise high-risk maintenance.

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, etc.) and projected year for completion. The processes in place provide a mechanism for the identification and prioritising of high-risk maintenance within the constraints of available financial resources.

#### **Financial sustainability**

QAO has again commented on health entities' ongoing financial sustainability. It is pleasing to note the improved performance of most HHSs. The proposed report notes that while the HHSs have a combined operating surplus of \$33 million (2019–20: \$82 million operating loss) that this was partly due to the Australian Government guaranteeing its funding in 2020–21 in recognition of the impact of the COVID-19 pandemic. Fourteen of the 16 HHSs reported an operating surplus, and only two reported an operating loss (2019–20: 11 HHSs reported a loss).

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 Department has applied efficiency and productivity dividends on HHSs. Efficiency dividends encourage HHSs to identify cost savings by reducing how much the department funds them, without reducing their target service levels. In 2021–22, the savings generated through the application of efficiency dividends have been reinvested back into front line care across the state. Queensland Health continues to focus on efficiency dividend strategies to increase productivity and deliver required service levels.

#### **The ambulance service is facing increasing demand**

I appreciate QAO recognising the constantly increasing demand for all services provided by the Queensland Ambulance Service (QAS), and the challenges presented by the COVID-19 pandemic. In addition to the impact of COVID-19, your proposed report notes that QAS continues to experience constantly increasing demand arising from Queensland's increasing population. Your report further notes that increased demand also arises from the supply of new services, such as the rapid deployment of seven fever clinics, hotel quarantine



relocation transportation and assistance/attendance at vaccination centres. Queensland's ageing population is another factor in the increasing demand for QAS services. QAS have noted that while people over 65 years of age account for 15 per cent of the population, this age group makes up 36.7 per cent of QAS total workload. Workloads are also being affected by increasingly complex cases, including mental health issues.

QAO have 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. The proposed report recognises that the COVID-19 pandemic has placed further pressure on emergency departments. Hospitals have had to adopt new infection control measures for the safety of staff and patients. These requirements increase the time taken to provide treatment and affect patient flow.

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. The Department is currently working on improving emergency services. In this, it is supported by the Queensland Government's Care4Qld Strategy announced in May 2021, which aims to improve access to emergency services and unplanned care across Queensland. As noted in your proposed report the Code 1 lost time has improved recently, following initiatives implemented as part of the Care4Qld Strategy.

As noted in your proposed report, QAS have also addressed the increased demand in mental health incidents. This strategy includes programs such as the Mental Health Liaison Service and the Mental Health Co-responder Program. Both these programs provide for early QAS engagement and cooperation with senior mental health clinicians and relevant HHS staff.

Thank you again for seeking our comments. Should you require further information, the Department of Health's contact is [redacted]

Yours sincerely



Dr John Wakefield PSM  
Director-General

