ANNUAL REPORT
2015–2016

Metro North Hospital and Health Service

Queensland
Government

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ACCESSIBILITY

Public Availability

Where possible, readers are encouraged to download the report online at: www.health.qld.gov.au/metronorth

Where this is not possible, printed copies are available using one of the contact options below:

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Interpreter Services Statement

Metro North Hospital and Health Service is committed to providing accessible services to the community from culturally and linguistically diverse backgrounds.

If you have difficulty in understanding the annual report, please contact us on 07 3646 8111 and we will arrange an interpreter to communicate the report to you effectively.

Information Security

This document has been security classified using the Queensland Government Information Security Classification Framework (QGISCF) as UNCLASSIFIED – FINAL VERSION and will be managed according to the requirements of the QGISCF.

LETTER OF COMPLIANCE

Queensland Government

Metro North
Hospital and Health Service

6 September 2016

The Honourable Cameron Dick MP
Minister for Health and
Minister for Ambulance Services
GPO Box 48
BRISBANE QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2015-16 and Financial Statements for Metro North 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 2009, and
- The detailed requirements set out in the Annual Report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found on page 100 of this annual report.

Yours sincerely

Dr Robert Stable AM
Chair
Metro North Hospital and Health Board

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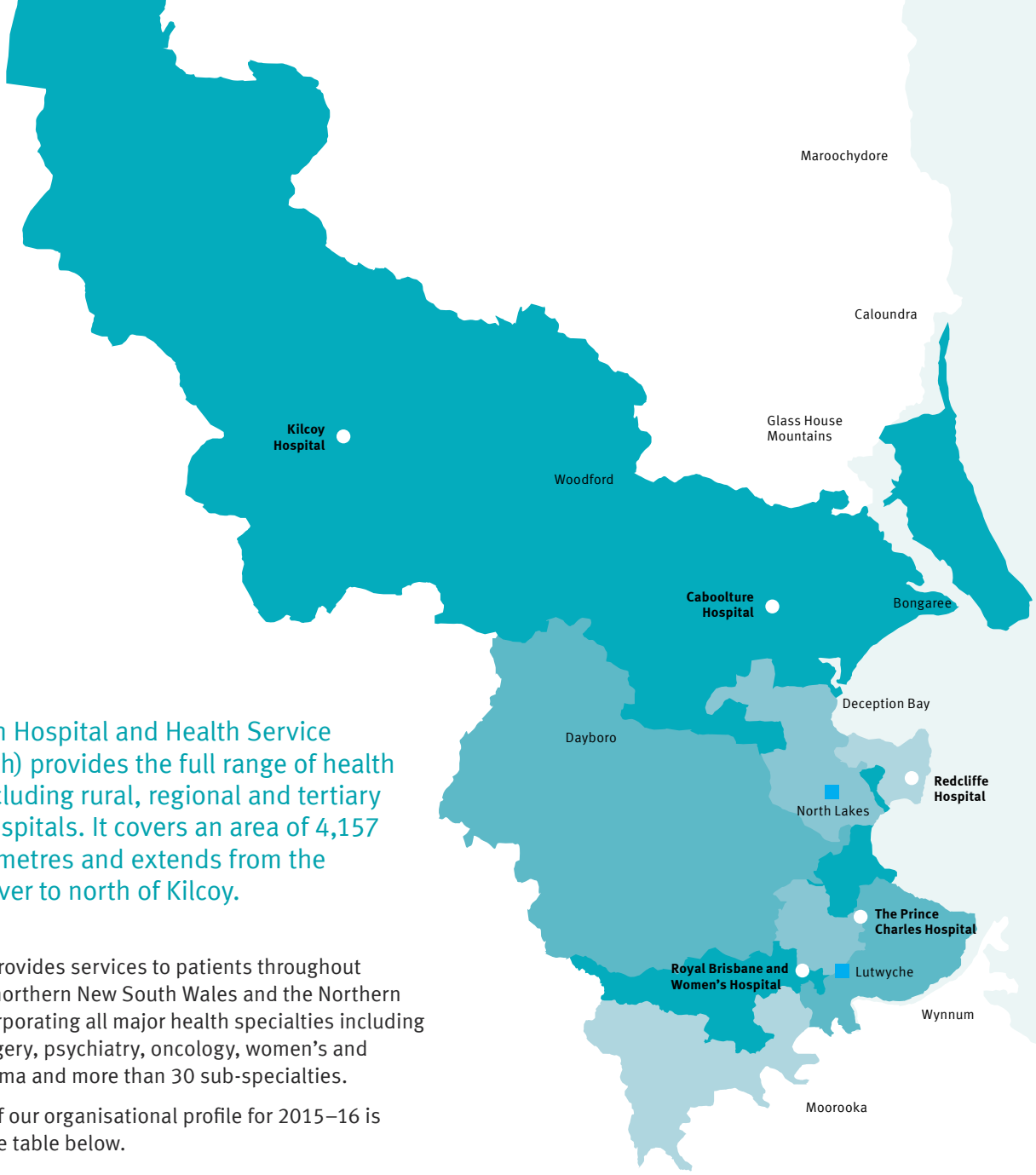


Metro North Hospital and Health Service (Metro North) provides the full range of health services including rural, regional and tertiary teaching hospitals. It covers an area of 4,157 square kilometres and extends from the Brisbane River to north of Kilcoy.

Metro North provides services to patients throughout Queensland, northern New South Wales and the Northern Territory, incorporating all major health specialties including medicine, surgery, psychiatry, oncology, women's and newborn, trauma and more than 30 sub-specialties.

An overview of our organisational profile for 2015–16 is provided in the table below.

Staff	14,478 (MOHRI FTE)
Investment in care	$2.458 billion
Sites	5 hospitals with 2,276 available beds, 14 community, Indigenous and subacute service locations, 27 oral health facilities and 12 mental health facilities
Hospital admissions	239,376 people admitted
Ambulance arrivals	94,824 ambulance arrivals handled by our emergency departments
Emergency	280,266 attendances
Outpatient services	891,969 people received care as outpatients
Surgical operations	46,187 elective and emergency operations performed
Children	15,785 children under age 18 were admitted to Metro North wards and units
Births	8,061 babies born at our facilities
Mental health	411,333 contacts
Community health	302,537 hours of direct primary care
X-ray and ultrasound	304,251 x-ray and ultrasound attendances
Dental	748,936 weighted occasions of service
Breastscreens	43,019 breastscreens performed

2015–16 Fast facts

Putting people first

7% INCREASE IN SURGICAL ACTIVITY

MORE HOSPITAL ADMISSIONS

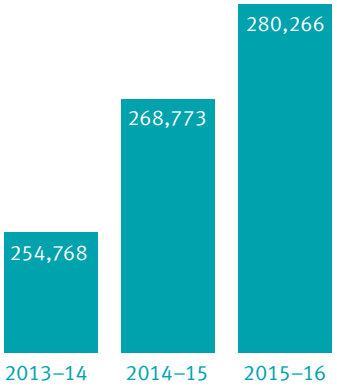
206,478 2013–14

218,633 2014–15

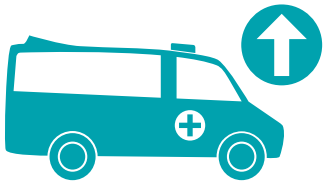
239,376 2015–16

INCLUDING AN **8.7% INCREASE IN EMERGENCY ADMISSIONS**

INCREASED NUMBER OF PRESENTATIONS TO EMERGENCY DEPARTMENTS



INCREASE IN AMBULANCE ARRIVALS



94,824 2015–16

91,617 2014–15

48% REDUCTION IN LONG WAITS ENT OUTPATIENTS (1,447 PATIENTS) SINCE JUNE 2015

196,363 ADMITTED OR TREATED AND DISCHARGED IN 4 HOURS*

People admitted or treated and discharged within four hours of presentation to a Metro North ED

73% 2014–15 — **194,240** PATIENTS TREATED WITHIN 4 HOURS

74% 2013–14 — **183,950** PATIENTS TREATED WITHIN 4 HOURS

** Excludes manually collected Kilcoy data.*

ZERO LONG WAIT DENTAL LISTS

3 years of maintained zero long waits

1.0 GENERAL INFORMATION

1.1 Message from the Board Chair and Chief Executive

As demand for our services continued to grow, we remained committed to providing compassionate, innovative and responsive health care. The 2015-16 financial year was extremely busy for Metro North and despite significant increases in activity, we largely met our targets or maintained our performance. Financially, Metro North finished the year with a balanced budget, despite increases in work load. Where there was additional funding, we invested in our workforce to ensure equitable, safe and high quality health services. We also welcomed new members to our Board and Executive.

A major focus for the financial year was to strengthen our workforce and organisational culture through innovation, development opportunities and a targeted strategy to better engage with our staff. As one of Queensland's largest employers, we employ 14,478 full-time equivalent staff. Throughout 2015–16, we invested in an additional 897 mostly frontline staff, including 390 FTE graduate nurses. We also provided clinical training places for third and fourth year medical students, equivalent to 239 full time positions. Our commitment to training included supporting more than 30,000 hours of allied health student placements through the year, almost a quarter of Queensland's allied health placements, as well as our school based trainees.

Our people are our greatest asset and most valuable resource. As such, a strong focus was to implement our *Putting people first* strategy to better engage with our staff. Our leadership team held workshops with hundreds of staff right across the service to gather ideas and implement solutions to improve our systems, engagement and culture for staff, patients and partners. Out of these workshops, we supported 71 local pilot initiatives with the potential to be scaled up across the hospital and health service. Many of these were focussed on staff health and wellbeing. Acknowledging staff achievement was an important part of reconnecting. As such, we celebrated our first Metro North Staff Excellence Awards in September 2015 with over 100 nominations and nine category winners. More staff were willing to give us their thoughts, ideas and opinions on things we did well and areas of needing improvement in the annual Working for Queensland survey, with over 5,000 staff taking part.

As a statutory agency, Metro North works as part of the Queensland Department of Health to deliver on health care priorities for the community and advocates for additional services as required. This is illustrated by our success in negotiating a new 132-bed Specialist Rehabilitation and Ambulatory Care Centre to form the cornerstone of the Herston Quarter redevelopment.

"Strong leadership is crucial to a positive workplace culture and engaged staff. During the year we strengthened our executive leadership, including finalising our Clinical Stream leaders and appointing new executives in key roles."

Our strong stance and firm response to occupational violence resulted in our Chief Executive leading the state-wide taskforce aimed at implementing solutions.

Metro North's individual directorates and facilities have long had a strong emphasis on research and innovation. We have vital partnerships with universities and research bodies, as well as our hospital foundations which support research funding. We were pleased to establish the Metro North Office of Research to provide support, guidance and governance to our researchers and enable further innovation. The inaugural Metro North Research Excellence Awards were also held in May 2016, recognising both new and established researchers from across the organisation.

In May we refreshed our Board, with six new Members including a new Chair. We acknowledge the work of the previous Board and continue to expand on the foundation built in the first years of Metro North as a Hospital and Health Service. The Board brings a wealth of health care, business and specialist experience and provides oversight, advice and strategic direction. During the year we also strengthened our executive leadership, including finalising our Clinical Stream leaders and appointing new executives in key roles. We revised our health service strategy and developed a comprehensive plan for engaging our consumers.

Immediately following the peak winter period in 2015, we began planning for winter 2016. This included developing a range of initiatives to manage the anticipated surge in activity and vaccinating more than 11,000 staff against influenza during the campaign. One initiative was the establishment of the clinically-led Patient Access Coordination Hub (PACH), an innovative health care logistics centre to monitor and manage patient flow across Metro North as a whole network. Additionally, we formed innovation alliances across the health service with our partners to map the patient journey through major clinical handover points from the community and general practice to acute care and back home. These initiatives allowed for a bird's eye view of our health service to anticipate and manage increased seasonal demand.

Some of our major milestones for the year include the launch of our NeoRESQ centralised neonatal retrieval service, development of the *Vision for Brighton* Health Campus, commencement of expansion works at Caboolture Hospital in response to community growth, reaffirmation of our relationship with the Brisbane North PHN and extension of telehealth services. Such successes would not be possible without the ongoing commitment of our staff to providing compassionate, connected and innovative health care.

Dr Robert Stable AM
Chair
Metro North Hospital and Health Board

Mr Ken Whelan
Chief Executive
Metro North Hospital and Health Service

1.2 Role of Metro North Hospital and Health Service (Metro North)

Established on the 1 July 2012 Metro North Hospital and Health Services is an independent statutory body overseen by a local Hospital and Health Board under the *Hospital and Health Boards Act 2011 (Qld)*.

Metro North Hospital and Health Service delivers responsive, integrated, and connected care to local communities and provides specialty services for patients throughout Queensland, northern New South Wales and the Northern Territory. Our clinical services incorporate all major health specialties including medicine, surgery, psychiatry, oncology, women's and newborn, trauma and more than 30 sub-specialties.

A comprehensive and diverse range of health services are delivered from:

- The Royal Brisbane and Women's and The Prince Charles Hospitals are tertiary/quaternary referral facilities, providing advanced levels of health care which are highly specialised, such as heart and lung transplantation, genetic health and burns treatment.
- Redcliffe and Caboolture Hospitals are major community hospitals providing a comprehensive range of services across the care continuum.
- Kilcoy Hospital is a regional community hospital.
- Mental Health, Oral Health, and Community, Indigenous and Subacute Services are provided from many sites including hospitals, community health centres, residential and extended care facilities and mobile service teams.

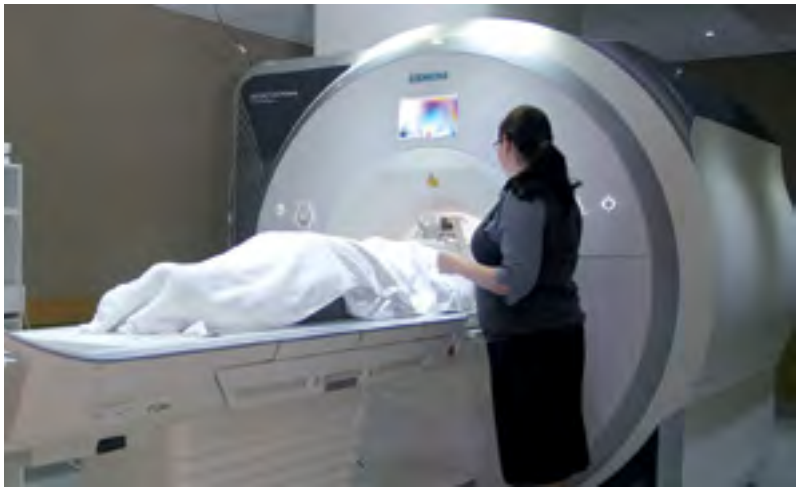
Scanning centre to transform disease research and treatment

The diagnosis and treatment of cancers, mental health disorders and conditions such as dementia are set to reach new heights following the launch of a $24 million facility that combines state-of-the-art equipment with world-class research and clinical expertise.

Herston Imaging Research Facility (HIRF) sits on the Royal Brisbane and Women's Hospital (RBWH) Campus. Facility Medical Director Dr Liz Kenny said the new centre was one of the most exciting clinical imaging ventures in the Asia Pacific.

"It will become the centre of clinical research in Queensland through the use of cutting-edge imaging equipment and will contribute to the understanding of diseases and the development of new drugs and treatment therapies," Dr Kenny said.

Dr Kenny, who is also the RBWH's senior radiation oncologist, said the facility featured hybrid scanners which combined magnetic resonance imaging (MRI), positron emission tomography (PET) and computed tomography (CT), allowing molecular processes and anatomical images to be captured simultaneously.



"This results in a faster and more efficient process for researchers, clinicians and patients," she said.

The facility is a collaboration between The University of Queensland, Metro North HHS, QUT and the QIMR Berghofer Medical Research Institute, with Siemens as an industry supporter.

It has been funded by the Queensland Department of Science, Information Technology and Innovation ($3 million), the Commonwealth Government ($3 million), the Australian Cancer Research Foundation ($2 million), the RBWH Private Practice Trust Fund ($1.5 million) and external funding bodies.

- A dedicated Public Health Unit focused on preventing disease, illness and injury and promoting health and wellbeing across the community.
- Woodford Correctional Centre which provides offender health services.
- The state-wide Clinical Skills Development Centre is one of the world's largest providers of health care simulation.

The Strategic Plan 2015–19 outlines how we will meet the needs of our growing population over the duration of the plan.

Vision

Metro North exemplifies compassionate, innovative and high quality health care, providing one hospital and health service for many.

Our Values

- Respect
- Teamwork
- Compassion
- Shared responsibility

Our Objectives

1. To support and enable our people to lead and deliver excellent patient centred care and high quality services,
2. Prioritise effort and investment to meet the most significant health needs of our communities,
3. Work with health care partners to improve service integrations and coordination across primary, community, and hospital care,
4. Provide our community with value by making the best use of health resources to improve health equity and outcomes.

Our core pillars

We have a strong focus on, and commitment to, service delivery and education and training.

In particular, our focus on excellence ensures a thriving culture of research that delivers continuous service improvement and evidence-based care.

Metro North exemplifies compassionate, innovative and high quality health care, providing one hospital and health service for many.

VALUES

RESPECT

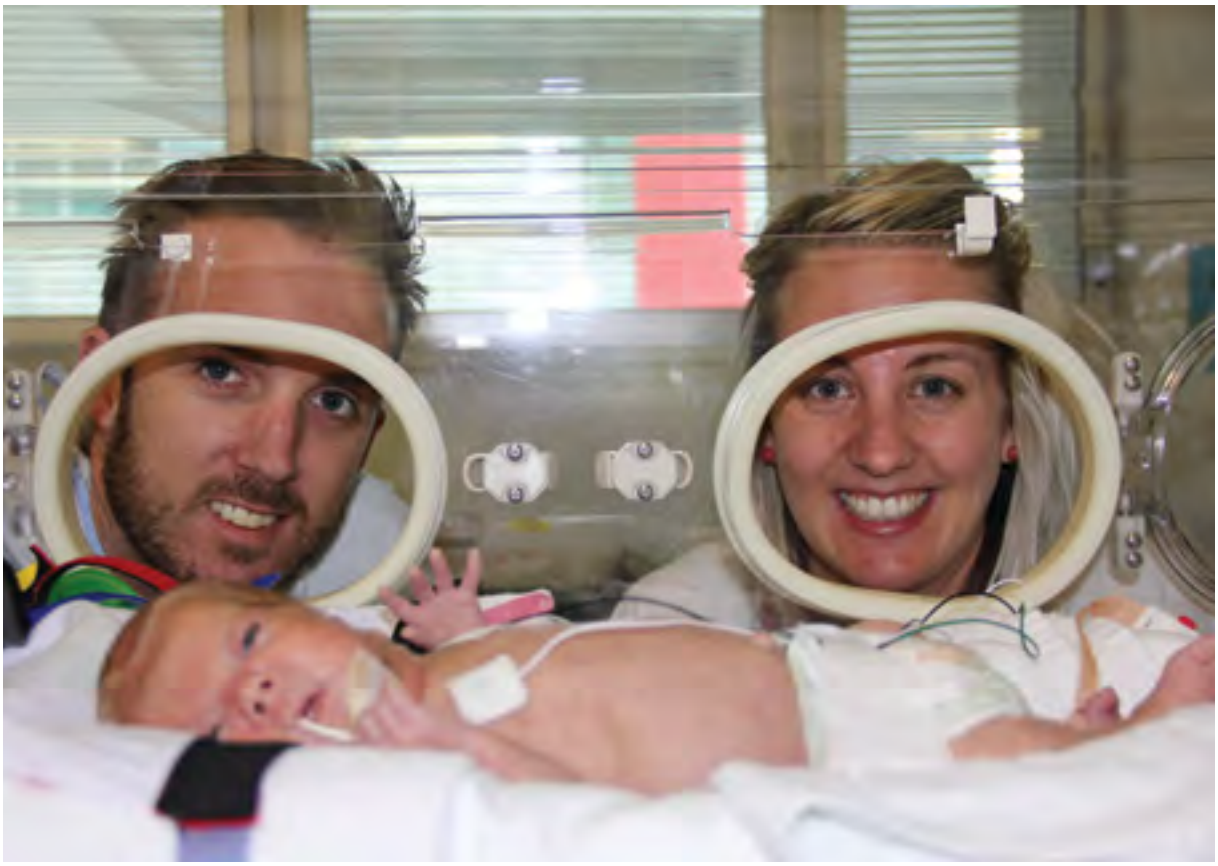
TEAMWORK

COMPASSION

SHARED RESPONSIBILITY

New service saving the lives of the smallest Queenslanders

Some of our most vulnerable and tiniest patients have access to treatment faster than ever before thanks to NeoRESQ, a new centralised neonatal retrieval service coordinated by Royal Brisbane and Women's Hospital (RBWH).



Brett, Andrea and Baby Beau were flown to RBWH from Tweed Heads.

Officially launched in November 2015, NeoRESQ provides life-saving assistance to vulnerable and sick babies in regional communities. Since the service started more than 400 babies have been retrieved and admitted to South East Queensland Neonatal Units. More than half the babies (213) were admitted to RBWH.

The partnership between RBWH and Mater Mother's Hospital services hospitals throughout central and southern Queensland and northern New South Wales and a central coordination point reduces the need for regional centres to interact with multiple service providers.

Dedicated neonatal medical and nursing staff are able to safely transport babies faster, by air or road, treating babies born unwell or prematurely who need acute medical care that is not available locally.

Dedicated staffing means Neonatal Intensive Care Unit (NICU) clinicians can focus on inpatient care without the added stress of arranging or attending patient retrievals.

Department of Neonatology Acting Director and NeoRESQ Medical Lead Dr Pieter Koorts said the NeoRESQ team was privileged to be able to help so many parents and their babies.

"Every little life we take responsibility for, whether that be by helicopter or ambulance, is well looked after with staff available around the clock specialising in providing high-quality care," Dr Koorts said.

Rehabilitation services are delivered by a multidisciplinary team of medical, nursing and allied health staff who work together to provide holistic care and intensive therapies to the patient.

Rehab patients return home sooner

Additional beds at The Prince Charles Hospital are allowing more patients requiring specialist rehabilitation services to return home sooner.

Eight extra beds were opened in the hospital's Rehabilitation and Acute Stroke (RAS) unit in September 2015 to help support the growing number of patients requiring rehabilitation services.

Medical Director of Geriatric Medicine and Rehabilitation Dr Keren Harvey said rehabilitation is identified as a priority in Metro North's Health Service Strategy 2015-20.

"It was identified that there was a need to meet a rising demand for general rehabilitation services as well as highly specialised rehabilitation services for patients with complex care needs," Dr Harvey said.

"The RAS unit provides comprehensive general rehabilitation services covering neurological, orthopaedic, cardiac, respiratory, geriatric, cancer, pain and amputation rehabilitation."

The unit will help patients build strength and restore physical and psycho-social function so they are capable of returning to their own home with community supports as appropriate.

Rehabilitation services are delivered by a multidisciplinary team of medical, nursing and allied health staff who work together to provide holistic care and intensive therapies to the patient. The increase brings the unit to 29 beds.

Registered Nurse Megan Massey with patient, Sister Zoe Fitzpatrick

"It has also created more capacity in other areas of the hospital to treat patients with more acute or chronic conditions," Dr Harvey said.

"It means that patients requiring rehabilitation services can obtain access to dedicated services faster and return home sooner."

One-stop Kidney-Endocrine Clinic

People with diabetes, kidney disease and bone complications can now access specialist care at a new one-stop monthly clinic at North Lakes Health Precinct.

Renal Clinical Nurse Consultant Bernadette Taylor said that this new initiative enables patients to see both a kidney and endocrine specialist doctor at the same appointment, making it more convenient and reducing travel time.

"There is a strong link between diabetes and chronic kidney disease and the treatment of one can affect the other," Ms Taylor said.

"In this new clinic, the two specialist teams work together to develop a treatment plan."

The combined clinic was developed after the Chronic Kidney Disease team identified that 45% of their patients were diabetic but were not all were seeing an endocrinologist.

Through Metro North's LINK innovation program funding, the two services were able to pilot the program at North Lakes, with support from endocrinologist Dr Sam Donaldson, nephrologist Dr Adrian Kark and the Community Diabetes team.

Over the course of the trial, the team expects to see about 50 new and continuing patients. While the initial numbers are small, the benefits to the patients and the health service are huge. Unmanaged diabetes is the main cause of chronic kidney disease requiring dialysis.

"The joint clinic will help patients better manage both conditions, improving continuity and quality of care and enhancing experience and satisfaction for patients and clinicians," Ms Taylor said.

"It is hoped that this clinic will reduce hospital admission and the overall associated cost of care."

Queensland has the country's highest rate of hospital admission for diabetic complications. Chronic kidney disease affects one in nine adults. Metro North's kidney health services are managed out of the Royal Brisbane and Women's Hospital.

Renal nurse Bernadette Taylor, Dr Sam Donaldson, diabetes educator Sharon Munsie, and Dr Adrian Kark getting ready for the first clinic.

The vision for aged care

Plans are under way to establish Brighton Health Campus as an international leader in the health and wellbeing of older and vulnerable people with complex care needs.

This vision for the campus was developed by an independent community-led Steering Committee, chaired by former Councillor for Deagon Ward Denise Herbert, through extensive consultation with patients, residents, staff and community groups.

Four themes were identified to guide the enhancement of services for older people at the facility: delivering health services, creating a community, social health and wellbeing, and research, training and education.

Queensland Council on the Ageing CEO Mark Tucker-Evans has been appointed to lead the implementation committee. Mr Tucker-Evans also represents the needs of older people on Metro North's Community Board Advisory Group.

In addition to the recommendation to return Gannet House to full capacity for residential aged care, plans also include the creation of a research and education hub at Brighton specialising in aged care.

Extra beds to meet demand at Caboolture

Caboolture Hospital will receive an extra 32 beds as demand for health care in the region continues to grow.

Work is well under way on the project to establish an additional 32-bed adult inpatient ward at the hospital by early 2017. The extra beds will be distributed across a range of adult specialties including coronary care, as well as general medicine.

The number of inpatient beds at the hospital will increase to 265, including beds in adult wards, paediatrics, mental health and emergency department. The number of adult inpatient beds will increase to 123, which gives the hospital the ability to treat an additional 2,500 adult patients per year.

Caboolture Hospital's Staff Specialist Dr Iain Borthwick said the new ward would also allow the hospital to provide more specialised care to patients who have suffered a stroke.

Caboolture Hospital Staff Specialist Dr Iain Borthwick (left) and Emergency Department Dr Christine Waller welcome the news that the hospital will receive additional beds.

2.0 NON-FINANCIAL PERFORMANCE

2.1 Government objectives for the community

Committed to contributing to the Queensland Government's objectives, Metro North Hospital and Health Services has focussed its efforts on implementing the government's objectives for the community.

Delivering quality frontline services

Quality frontline services are realised across Metro North with all services successfully achieving Australian Council on Health Care Standards accreditation.

The quality of frontline services is strongly affected by the level of employee engagement. Participation in the annual employee engagement survey increased by 14 per cent in 2016 and showed that over 80 per cent of employees have high job engagement and satisfaction across Metro North.

Building safe, caring and connected communities

Metro North recognises quality health care can only be realised by understanding the needs of consumers and the community through establishing strong dynamic partnerships. In 2015 Metro North developed *Connecting for Health*, a strategy that outlines our commitment to inclusive engagement, involvement and partnership with consumers and the community. Aligned with the *Putting People First* strategy, consumers and community have the opportunity to partner with us and contribute ideas for innovation or improvement based on their personal experience or that of their community. At a strategic level, this includes over 60 consumers and community members involved as consumer advisors or representatives on committees and working groups across all Metro North hospitals.

Achievements include establishing a Community Board Advisory Group that provides a vital link between Metro North and the community and a staff Consumers Leaders Group. Local Consumer Advisory Groups have also been established at four of the five hospitals and in Mental Health.

Protecting the environment

Metro North is committed to delivering sustainable and safe infrastructure policy and built solutions. The HHS currently has over $300M worth of capital projects in various stages of development —all of which are delivered with the environment in mind.

Staff are supported to make recycling easy and to think about paper use through the implementation of new systems and education. The HHS also has an ongoing program to reduce our power usage.

Creating jobs and a diverse economy

Metro North employs more than 14,400 full time equivalent employees and over 17,400 headcount making it one of Queensland's largest employers. In 2015–16 Metro North welcomed:

- a 21.6 per cent increase in the number of new nursing and midwifery graduates
- a record number of nursing and allied health graduates placed in hospitals across Metro North
- establishment of medical officer information support systems
- establishment of leadership development programs.

Metro North employs more than 14,400 full time equivalent employees and over 17,400 headcount making it one of Queensland's largest employers

Partnership supports local jobs

When you meet Caboolture high school student Daniel Tucker you can tell that he is a young man with a grand plan.

While studying year 11 at Caboolture State High School, Daniel jumped at the chance to join 15 other high school students participating in the first ever Caboolture Health Care Academy trial.

Daniel said that he has always been interested in working in a hospital.

"Working as a doctor or a nurse would be a great job, but performing a job behind the scenes is more my type of role," Daniel said.

As part of the Academy, Daniel is working toward a Certificate II in Health Support Services, as he continues studying, and participating in Caboolture State High School's Triple S Leadership Program.

"I am looking forward to getting a job after I leave school to help me through university," Daniel said.

"I see the Academy as a good stepping stone to gain the experience to do this.

"Ultimately, when I finish high school I want to study a Bachelor of Science at university."

As part of the Academy, Daniel is working closely with teachers and hospital staff to complete a learning program at TAFE and gain on the job training at Caboolture Hospital as a patient porter, food services staff member or cleaner.

The Caboolture Health Care Academy trial is a partnership between Caboolture State High School, St Columban's College, TAFE Queensland Brisbane (Caboolture Campus) and Caboolture Hospital.

2.2 Other whole-of-government plans/specific initiatives

Metro North's objectives and strategic priorities are guided by the National Health Reform Agreement and the vision and 10 year strategy for health in Queensland – *My health, Queensland's future: Advancing health 2026*.

Key directions of the strategy, which underpin Metro North strategic priorities are:

- Promoting wellbeing
- Delivering health care
- Connecting health care
- Pursuing innovation

Metro North is supporting the implementation of other key state and national reform agendas including:

- leadership of the implementation of the DoH occupational violence taskforce
- the Queensland Government's commitments for health in Metro North
- National Disability Insurance Scheme
- initiatives to achieve Closing the Gap targets
- initiatives in response to the Queensland Government response to the report of the Special Taskforce on Domestic and Family Violence, *Not Now, Not Ever: Putting an End to Domestic and Family Violence in Queensland*

2.3 Agency objectives and strategic priorities (Metro North)

Significant progress occurred in 2015–16 toward implementing the Metro North Health Service Strategy 2015–2020. The strategy has a five-year outlook, setting out how Metro North will achieve its Strategic Plan objectives. Particular focus is given to supporting investment in responsive and integrated services for identified priority areas to strengthen the delivery of public health care. Models of care will support equity of access and outcomes for all patients, particularly those who are disadvantaged. Priority areas identified in the strategy are:

- increasing capacity for our services to support population growth
- supporting mental health needs of our communities
- supporting rehabilitation needs of our communities

other service priorities including:

– children's health services

– stroke services

– statewide and regional services

- work in partnership to better connect care across the system.

Community Health goes mobile

Keeping up with paperwork and emails can be tricky for a busy clinician on the road. But a mobile tablet trial is making life easier for community-based health teams.

The Out & About Mobile Technology project, coordinated by Metro North IT's Trisha Belford, trialled three different tablets in the field to see which work best for mobile clinicians in Community, Indigenous & Subacute Services (CISS).

"Each device has benefits and issues," Ms Belford said. "We're looking for the best service for a clinician out in the client's home. Some clinicians don't need access to every program."

The nine-month pilot tested the usability of Samsung Galaxy, Apple iPad and HP Revolve tablets and access to Queensland Health's various software, intranet, and clinical tools.

"We did a six week trial with three services, weeded out any issues, and then rolled in another service every six weeks," Ms Belford said. "All home care services will eventually have mobile devices. We've been measuring and evaluating the project all the way through."

The project aims to increase occasions of service by reducing the amount of times clinicians need to visit the office between clients. Doing paperwork on the go will ensure other members of the team can see the most up-to-date client information.

"We have also started doing mobile telehealth from the client's home," Ms Belford said.

The trial included Community Transition Care Program, Palliative Care, Community Based Rehabilitation Team, Post Acute Care Service, Aged Care Assessment Team, Hospital in the Home, Complex Chronic Disease Team, and the Community Diabetes team.

"We've trialled it with staff from different centres, seeing where the network can pick up 4G to map how it works across CISS services," Ms Belford said.

Maternity patients glowing with new online resource

Pregnant women can now access antenatal education online, thanks to the Royal Brisbane and Women's Hospital's innovative new GLOW program. Launched in April 2016, GLOW resources are offered to pregnant women intending to deliver at the hospital.

Clinical Midwife Consultant Libby Ryan led the project to provide women with an alternative to the traditional face-to-face antenatal classes.

"We're thrilled to be able to offer women online learning which provides a flexible way to access antenatal information," Ms Ryan said.

"Everyone who signs up to the program will have online access for a year. It gives women the opportunity to go back to topics of interest like breastfeeding where the information is more useful once you're home with the baby."

The topics covered include pregnancy, breastfeeding, labour, what happens after the baby is born and other useful resources.

Mum-to-be Katrina Clamp said the program was really simple to use.

"I really enjoyed the videos and it's great to learn information about what to expect during my time in hospital," Ms Clamp said.

Staff and patients tested out GLOW during the official launch during Patient Experience Week

GPLOs help improve access in outpatients

Working in partnership to better connect care across the health system is a priority for Metro North Hospital and Health Service and Brisbane North PHN.

Twelve local general practitioners have been recruited to improve the patient journey by working with specialist outpatient services across our hospitals to improve the systems and services that underpin efficient patient flow.

The General Practitioner Liaison Officers (GPLOs) work in a range of specialty areas across hospital outpatient departments. They draw on their knowledge of general practice, referral systems and clinical handover processes to make recommendations for improvement.

Coordinated by Metro North and the PHN, GPLOs work in selected specialty outpatient departments, such as rheumatology, cardiology, orthopaedics, neurology, maternity, and ear, nose and throat. Over time, the program will expand into other specialist outpatient areas.

GPLO Dr James Martin said GPs can have a positive influence on communication between hospitals and primary care.

"Through involvement in specialist outpatient departments across the North Brisbane and Moreton Bay region, GPLOs can identify practical strategies which can positively impact patient outcomes," Dr Martin said.

The GPLO program has been operating in our region since 2013 and has contributed to a range of outcomes including:

- implementing strategies to address waiting times in specialist outpatient departments
- supporting Metro North to improve its interface with primary care
- assist with creating standardised referral criteria in the region for most major specialties
- supporting the development of Clinical Prioritisation Criteria
- working with clinical sub-streams to better structure services around common patient pathways
- providing direct liaison with GPs to improve patient referrals
- reviewing specialist outpatient department waiting lists to inform decision-making around timely access for patients, and
- helping the PHN address inequality and improve health care delivery in the region.

GPLOs also work with the Brisbane North PHN's Pathways Program to develop care pathways for a range of clinical conditions to support management in primary care. There are currently more than 90 pathways pages covering around 50 clinical conditions.

Dr James Martin is a GPLO working with Brisbane North PHN and the Metro North Hospital and Health Service in the area of rheumatology.

GPLOs also work with the Brisbane North PHN's Pathways Program to develop care pathways for a range of clinical conditions to support management in primary care.

Achievements for 2015-16:

Active implementation of the *Health Service Strategy 2015-2020* has resulted in:

- enhanced subacute rehabilitation service capacity at The Prince Charles Hospital,
- investment in neuro-otology specialty services at the Royal Brisbane and Women's Hospital,
- growth in intensive care service in the northern region of Metro North with new beds opening at Caboolture and Redcliffe Hospitals,
- expansion of the Indigenous hospital liaison service to be available to seven days a week,
- health service planning commenced for children's services, cancer services, heart and lung services, stroke services, rehabilitation services and Genetic Health Queensland.

Further *Health Service Strategy 2015–2020* initiatives commenced in 2015–16 include:

- development of comprehensive multidisciplinary team epilepsy services at RBWH,
- investment in a step-up/step-down mental health facility at Nundah. The facility will provide short term mental health care for those who need it when they leave hospital, or for those who could benefit from short term care to avoid a hospital admission,
- development of a Police, Ambulance and Clinical Early Response (PACER) model at Caboolture and Redcliffe Hospitals to build on existing relationships and provide an appropriate response for people who may be at risk / in crisis,
- increase capacity of the RBWH milk bank to enable back-transfer babies to have access to donor milk,
- investment in expansion of point of care for echocardiography, including improving early access for Aboriginal and Torres Strait Islander communities to detect rheumatic heart disease, and improving early access for the general community to detect heart failure disease,
- collaboration with subacute services in Metro North to develop and implement a model of service and associated inpatient services that meets the needs of older people with a mental illness who have subacute care needs.

Forum spotlight on integration

Integrated care and health reform were on the agenda at the third annual Metro North Health Forum hosted by Metro North Hospital and Health Service and Brisbane North PHN.

Metro North HHS Chief Executive Ken Whelan talks about the importance of connected care

This year's forum was the largest, attracting more than 300 health professionals, service providers and consumer representatives to hear updates on the National Disability Insurance Scheme (NDIS), mental health, and initiatives to help people access the right care, in the right place, at the right time.

Metro North HHS Chief Executive Ken Whelan said that although integrated care is extremely challenging, connecting care is something that's very achievable.

"If we are to make a difference at a system level, the HHS needs to have its act together and be very clear about what it does, what it doesn't do, and how it's going to work in partnership with those people that can provide health care, in some cases better than Metro North," he said.

2.4 Agency service areas, service standards and other measures

In addition to active implementation of the *Health Service Strategy 2015–2020*, Metro North has also achieved many key performance indicators identified in the *Strategic Plan 2015–19*.

Establishing and implementing clinical streams

Six clinical streams were established in 2015. Clinical streams support direction to provide integrated and coordinated patient-centred care across Metro North, crossing traditional hospital location boundaries. Six clinical streams currently operational include:

- women's and children
- medicine
- surgical
- cancer care
- heart and lung
- critical care.

Achievements in 2015-16 include:

- a review of neurology long wait referrals completed in May 2016. As a result a neurology clinical nurse has been recruited to undertake long wait phone clinics and map referral criteria processes across Metro North;
- new rheumatology clinics commenced at Redcliffe, RBWH and Caboolture and TPCH including specialist gout, biological, pharmacist and nurse clinics;
- rheumatology referral guidelines developed and implemented across Metro North;
- advance care planning education sessions with our communities occurred in 2015–16;
- a trial at RBWH to better support the care of people in the hospital setting who have dementia through introducing two nurse champions;
- implementation of the Queensland Ambulance to Patient Off-Stretcher Time (POST) strategy across Metro North.

Award winning waste management

Metro North Hospital and Health Service's 'Green Team' is leading the way in recycling waste and health materials with award-winning, international-first and environmentally sustainable practice.

Metro North environmental waste manager Gregg Butler said the team's success is down to experience, commitment and a proactive approach.

"We are very proactive, we don't just wait for waste to come to us we actively look for it," Mr Butler said.

"Our motto is to recycle and regenerate. We want to make sure that materials brought on site have a purpose and a second purpose."

With an Australian Council on Health care Standards (ACHS) 'Met with Merit' accreditation, the 'Green Team' has been implementing initiatives such as a colour coded 'know which bin to throw it in' disposal system, sourcing nil-cost suppliers, waste segregation and power usage reduction.

Financially, there have been significant savings made across Metro North through the implementation of these award winning initiatives.

"People don't realise that there is money to be made in waste and if it's handled correctly, the savings are enormous," Mr Butler said.

Metro North is also known for its international waste management education program and was recognised by the Australian Leadership Awards for educating overseas students in correct protocols for environment and waste.

Facts and Figures of Metro North Recycling

- Cardboard – 50 to 60 tonnes a month
- Paper – 12 tonnes a month
- Batteries – 8 tonnes a month
- Clinical waste – cut from 90% of waste to 30% of waste across Metro North
- Saved $120,000 from the waste budget in the Green Team's first year

Working together to improve health

Pictured (L-R) are: Ms Shelley Kleinhans (Chief Operations Officer, Brisbane North PHN), Jeff Cheverton (Deputy CEO, Brisbane North PHN), Dr Elizabeth Whiting (Executive Director, Clinical Services, Metro North), Chris Seiboth (Executive Director, Community, Indigenous & Subacute Services), Terry Mehan (Executive Consultant, Metro North), Pauline Coffey (Executive Manager, Commissioned Services, Brisbane North PHN), Luke Worth (Executive Director, Metro North), Ms Abbe Anderson (CEO, Brisbane North PHN), Ken Whelan (Chief Executive, Metro North).

Metro North Hospital and Health Service has reaffirmed its commitment to work together with key partner Brisbane North PHN to improve continuity of quality patient-centred care.

The protocol between the two organisations recognises that better health outcomes are achievable when there is effective collaboration between primary health care and hospital services.

The agreement further strengthens the long history of collaboration between the largest hospital service in the nation and one of Queensland's key health agencies.

The two organisations will work together to better manage health resources across the health system in Metro North and identify and prioritise local health needs to ensure patients can access the care they need in the right place and at the right time.

App Tracks Indigenous Health on the Go

A new mobile device app is helping to inform and shape Indigenous health services on the go. The Effort Tracker app was developed for Metro North's Aboriginal and Torres Strait Islander Health Unit as a way to capture data across a mobile and dispersed team.

The Effort Tracker records the Indigenous patient experience with on-the-spot accurate, relevant and timely data which will help inform service provision, resource allocation and policy development and to enable comparisons with non-Indigenous outcomes.

The custom-built application works across multiple platforms, computer, tablet and smart phones, so staff can use it wherever they are. It streamlines data collection for Indigenous health staff working across Metro North's various facilities.

Data from the app helps the unit plan for service provision, track incidences of discharge against medical advice, and reduce potentially preventable hospitalisations. It also provides a way for staff to reduce the numbers of patients not recorded as identifying as Aboriginal or Torres Strait Islander.

Establishing and implementing the Patient Access Coordination Hub

Implemented in May 2016 the Patient Access Coordination Hub (PACH) is a health care logistics hub that uses live data from across the network and partners to see the whole system live in action. The service currently operates over 12 hours per day including the peak activity period seven days a week. PACH is staffed with four assistant nursing directors and a medical director, all with extensive experience in patient flow and bed management. This team identifies delays and blockages across the entire HHS and takes immediate action to resolve them ensuring patients get the right treatment where and when they need it.

LINK and SEED innovative projects

Introduced in 2015, LINK innovation funding contributes to our commitment to work in partnership to better connect care across the system. Ten innovation projects were funded through LINK which all commenced in December 2015 and will be completed by December 2016. These projects develop or build on new and established partnerships including those with Brisbane North PHN, Micah, Footprints, MS Queensland and many more. Some of the projects include: GP rapid access to consultative expertise, extended eligible private midwife practices, MS connect, and a private public kidney partnership.

SEED funding is now in its fifth year and demonstrates our continued commitment to developing a culture of innovation and excellence from the ground up. SEED projects trial innovative ways to deliver quality health care. Projects are selected on the basis of their potential effect on reducing unnecessary hospital admission or re-admissions, improving discharge and admission practices and delivering quality patient-centred care. In 2015, 11 projects were funded including: RBWH Long Stay Patient Project, "Pen Pals" – Statewide Enteral Nutrition Feeding Program, Moving Brighton Forwards, and Central Venous Access Device Registry.

Implemented in May 2016 the Patient Access Coordination Hub (PACH) is a health care access coordination hub that uses live data from across the Metro North network and partners to see the whole system live in action.

Telehealth – The best thing since sliced bread!

Lynette Davidson and Jessie, the Jack Russell

Ask patient Lynette Davidson about telehealth and the care she received at Kilcoy Hospital and she will tell you that it was the "best thing since sliced bread".

"Teleconferencing is one of the greatest ideas that the hospital has brought in. It was brilliant. When I needed to speak to a doctor at Redcliffe Hospital – I would sit up in bed and get all dolled up for television," Lynette said.

"It was so good I didn't have to go all the way to Redcliffe Hospital Fracture Clinic in an ambulance and wait at the hospital, then come all the way back."

After breaking her leg in a fall last year, Lynette had to undergo surgery at Redcliffe Hospital, before she was offered a place at Kilcoy Hospital to recover under the care of allied health and nursing staff.

"When I was at Kilcoy all I had to do was focus on mending my leg," Lynette said.

"The allied health assistant and nurses were so friendly and encouraging, they were absolutely wonderful."

Lynette is one of more than 100 patients in the past year who have benefited from the expansion of allied health services at Kilcoy to support a geriatric evaluation and management model of care.

Kilcoy Hospital Director of Nursing Lyndie Best said the expansion saw eight hospital beds dedicated to elderly patients recovering from various conditions like falls, surgery or heart attacks.

"The service includes increased visits from allied health staff in the areas of occupational therapy, speech therapy, dieticians, physiotherapy, psychology and social work, plus the introduction of a full-time allied health assistant," Ms Best said.

Lynette also enjoyed the beautiful gardens at Kilcoy and the areas where patients could go sit in the sun.

"When Graham the gardener wasn't there we would go around and pinch a rose," Lynette added.

Although she loved her stay at Kilcoy Hospital, Lynette was glad to settle back into her life, talk to her friends and walk her treasured Jack Russell terrier, Jessie.

Bus Stop Therapy

Patients who are confused or at risk of falling are being supported by a novel diversion activity program at Redcliffe Hospital's Delirium and Falls Unit (DAFU).

A bus stop has been installed in the unit as a point of interest and focus for patients who are unwell and have a tendency to wander or try to leave the unit.

Director of Medicine and Older Persons Services Dr Catherine Yelland said the bus stop was installed to help keep patients engaged.

"Complete with a bench and bus timetables, patients are able to quietly wait for the bus," Dr Yelland said. "One patient even commented that the bus stop had been upgraded since he was last there."

She says many patients with delirium or dementia want to go home, and will walk around, trying to leave. Patients in the eight-bed DAFU are often confused or at risk of falling, and can be watched more closely in this special part of Ward 4East which is set up to make their daily routine appear as normal as possible.

Future innovations include a walking track and the corridor walls now have pictures of Redcliffe scenes which encourage patients to reminisce. Beach and forest scenes also provide a calming spot to take a break while walking.

These innovations are based on what is best practice in the care of patients who are confused, and will enhance the excellent nursing care given in DAFU. The concept will be shared with colleagues in other hospitals.

DAFU nurse Simon Gibbs and Wardie Scott Clark test drive the newly installed bus stop in Redcliffe Hospital's Delirium and Falls Unit (DAFU).

Partnerships to address challenges of chronic disease management

The integrated care alliance between Metro North and Brisbane North PHN has worked together during the year to support people with chronic diseases to manage their disease with appropriate community support preventing hospital admission. Together the HHS and PHN have targeted strategies to work with patients who regularly present to hospital emergency departments and to work with general practitioners across the region to improve the uptake of the chronic disease management Medicare items.

Innovation Alliance solutions

Since March 2016 over 100 of our most influential clinicians, administrators and operational staff have come together at more than 20 Innovation Alliance meetings to share data, agree on problem areas and identify high value solutions to the problems of patient access and flow across Metro North hospital and community services. This included key partners from Brisbane North PHN, residential aged care, Queensland Ambulance Services, other HHSs, state-wide agencies and GPs.

The Alliances have identified approximately 20 prioritised solutions to challenges of patient access and flow in the patient journey, including:

- *Inter-hospital transfer initiative* to discharge patients safely back to their local hospital in a much more timely and well governed way.
- *Improved Metro North residential aged care pathways*. This includes a revitalised policy, better integration with the sector to facilitate timely discharge, and improved discharge planning and use of transition capacity.
- *Improved QCAT timeliness*. In partnership with the Department of Justice and Attorney-General a new model will be trialled commencing July 2016.
- *Improved performance metrics and visibility across patient transitions*. The key performance and capacity metrics of priority to clinicians were developed and will be integrated into systems such as the Patient Access Coordination Hub and the enterprise Contracting and Performance Reporting System in partnership with the Department of Health.
- *Improved clinical communication* with our partners, such as improving discharge summaries, and redevelopment of "Yellow Envelopes" as a method for communicating key patient information between hospitals and aged care facilities.

Importantly, while many of these solutions are not necessarily new, they are solutions that are produced, owned, and being taken forward by staff on the ground.

Improving outpatient access by reducing long wait patients

The Improving Outpatient Access (IOA) initiative is on track to meet the goal of less than 11,245 long wait outpatients for in-scope specialties. In May 2016, Metro North recorded its lowest long wait numbers for this initiative, 11,785 patients. General Practitioner Liaison Officers are supporting the development and implementation of initiatives to support sustainable outpatient services, including improved referral management, streaming of patients and alternative pathways of care.

Business Process Improvement Officers at each site have increased scheduling and room use efficiencies, ensuring clinic and room use and appointment attendance are maximised.

Telehealth services

Telehealth continues to grow as a priority service across Metro North. Teleconferencing equipment has been set up in RBWH emergency department and operating room to assist with red blanket trauma patients who require urgent surgery, saving time by allowing theatre staff to view the patient and vital signs before they reach the operating theatre.

Community, Indigenous and Subacute Services have started home based telehealth services for wound and stoma patients. Nursing teams are able to receive advice, support and education via telehealth. This has resulted in reductions in patient travel within Metro North.

Kidney Health telehealth services commenced in June at North Lakes (supported by RBWH) to Kilcoy Hospital reducing the need for patients to travel.

29.5%

INCREASE IN TELEHEALTH

(NON-ADMITTED SERVICES)

4,543 2014–15 **5,884** 2015–16

Patients benefitting from new tracheostomy management program

Patients are now going home sooner thanks to an innovative new approach to managing tracheostomies.

The benefits have included reductions in the amount of time taken to remove a tracheostomy tube, shorter hospital stays for patients, fewer complications and reduced numbers of readmissions in emergency and intensive care.

A patient experience DVD has been developed to easily explain tracheostomy procedures and emergency kits containing spare tracheostomy tubes are now readily available.

The improvements follow a successful pilot program in early 2015 which involved a four person multidisciplinary Tracheostomy Management Team including a medical consultant, clinical nurse coordinator, speech pathologist and physiotherapist.

To develop the Tracheostomy Management Team model of care, the team talked to patients with a tracheostomy and their families to learn their primary concerns. This feedback was vital in improving the model of care and developing new staff education resources.

The new approach is delivering consistent treatment across all acute wards that receive patients following treatment in intensive care, generating great outcomes and a positive response from patients.

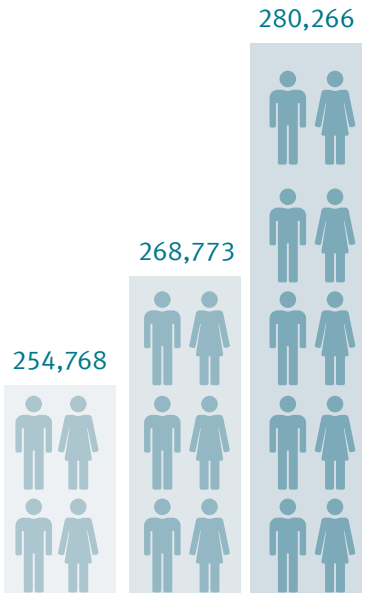
The pilot program was established with SEED funding support received from Metro North Hospital and Health Service.

Rockhampton grandmother Patricia Wehmeier at the Royal Brisbane and Women's Hospital in June 2016.

2.5 Non Financial performance: An Overview

The following is an overview of Metro North's actual performance results for each service standard, with a comparison of target to actual for the financial year.

EMERGENCY



INCREASE IN PRESENTATIONS

	Notes	2014–15 Actual	2015–16 Target	2015–16 Actual
Service standards*				
Percentage of patients attending emergency departments seen within recommended timeframes:				
– Category 1 (within 2 minutes)		99%	100%	99%
– Category 2 (within 10 minutes)		73%	80%	74%
– Category 3 (within 30 minutes)		61%	75%	59%
– Category 4 (within 60 minutes)		75%	70%	77%
– Category 5 (within 120 minutes)		92%	70%	95%
Percentage of emergency department attendances who depart within four hours of their arrival in the department		73%	90%	71%
Patients treated within four hours of their arrival in the department		194,240	–	196,363
Median wait time for treatment in emergency departments (minutes)		19	20	19

* Excludes manually collected Kilcoy data.

ELECTIVE SURGERY

LESS THAN 1% LONG WAITS AT 30 JUNE 2016
WITH AVERAGE OVERDUE DAYS REDUCED TO
CAT 2: 25 DAYS
CAT 3: 27 DAYS

Percentage of elective surgery patients treated within clinically recommended times:

– Category 1 (30 days)		95%	› 98%	95%
– Category 2 (90 days)		93%	› 95%	93%
– Category 3 (365 days)		96%	› 95%	97%

OUTPATIENTS

TARGETS EXCEEDED
FOR IMPROVING OUTPATIENT ACCESS (IOA)

The number of long wait patients waiting for a new case appointment has reduced in the 'Improving Outpatient Access Specialist Outpatient Clinics'.

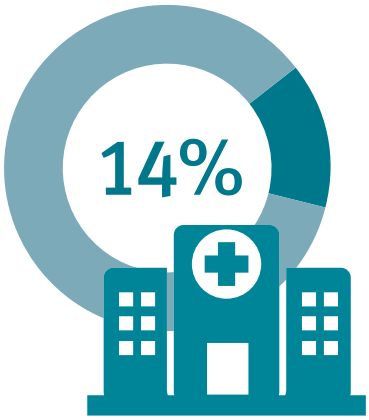
14–15 Actual	15–16 Target	**15–16 Actual**
16,245 patients	11,245 patients	**10,750 patients**

ACTIVITY AND EFFICIENCY

3.5 MILLION
EPISODES OF CARE PROVIDED ACROSS OUR SERVICES

239,376
ADMISSIONS TO HOSPITAL

AVERAGE COST PER WEIGHTED ACTIVITY UNIT FOR ACTIVITY BASED FUNDING FACILITIES
$4,961



RE-ADMITTED TO AN ACUTE MENTAL HEALTH INPATIENT UNIT WITHIN 28 DAYS

	Notes	2014–15 Actual	2015–16 Target	2015–16 Actual
Total weighted activity units:	1	361,576	360,125	394,561
– Acute Inpatients		201,987	201,518	219,150
– Outpatients		44,368	53,242	48,189
– Subacute		21,696	16,114	20,358
– Emergency Department		37,150	34,387	39,028
– Mental Health		28,760	25,888	37,633
– Interventions and Procedures		27,615	28,976	30,202
Average cost per weighted activity unit for Activity Based Funding facilities		$4,787	$4,919	$4,961
Rate of health care associated *Staphylococcus aureus* (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	2	1.19	Less than 2/10,000 acute public hospital patient days	0.91
Rate of community follow-up within 1–7 days following discharge from an acute mental health inpatient unit		61%	› 65%	63%
Proportion of re-admissions to an acute mental health inpatient unit within 28 days of discharge		13%	‹ 12 %	14%
Ambulatory mental health service contact duration (hours)		165,973	› 161,759	151,063

1. All WAU actuals reported under the funding model (phase 18).
2. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.

3.0 FINANCIAL PERFORMANCE

3.1 Summary of financial performance

High Level Profit and Loss

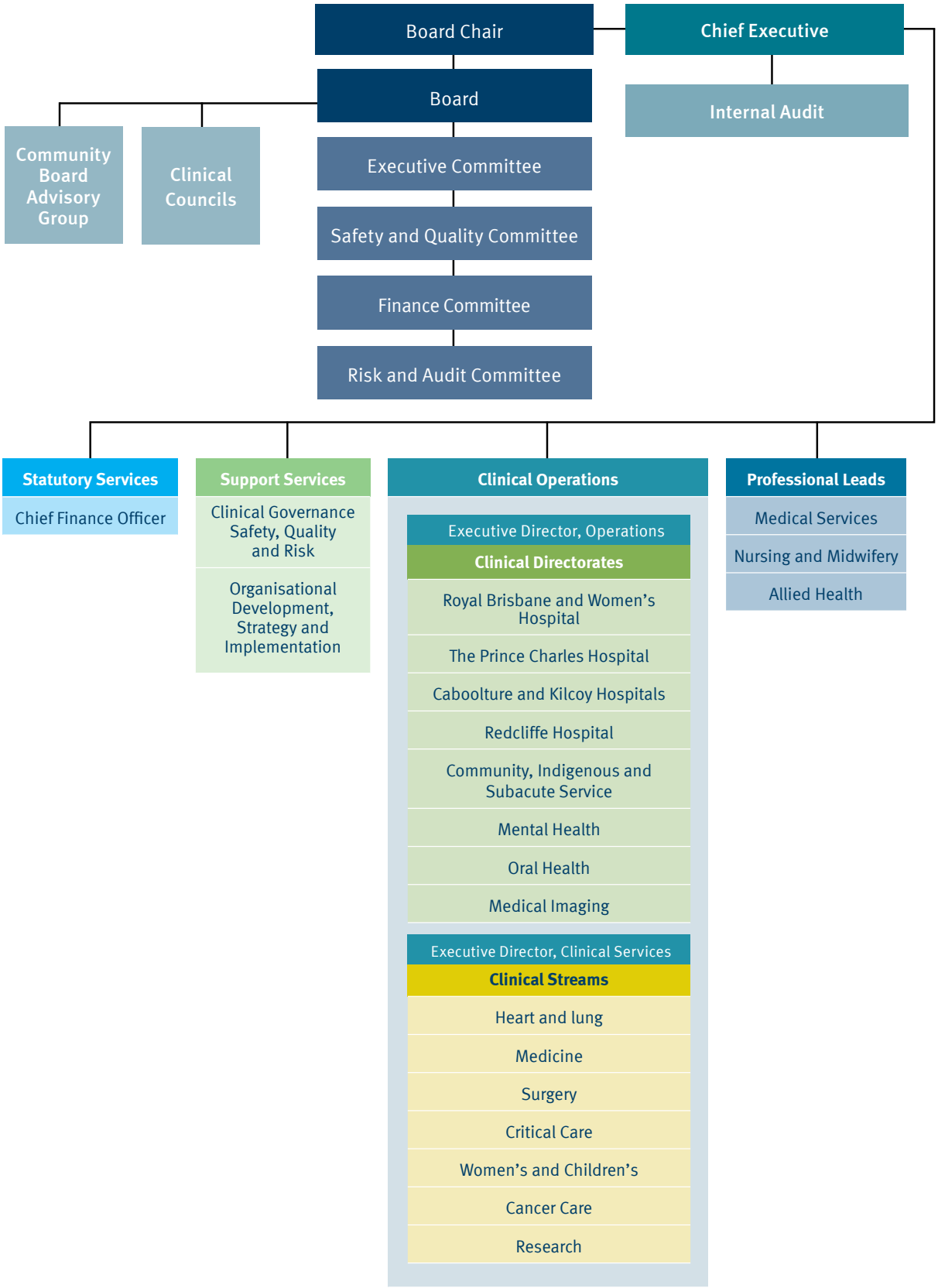
	2016 $'000	2015 $'000
Revenue		
User Charges and fees	243,992	188,731
Funding for the provision of public health services	2,152,035	1,948,327
Grants and Other Contributions	21,932	24,189
Other Revenue	42,855	34,132
Total Revenue	**2,460,814**	**2,195,379**
Expenses		
Employee Expenses	1,720,390	1,542,890
Supplies and Services	637,726	562,064
Depreciation and Amortisation	90,590	80,772
Other Expenses	11,944	14,069
Total Expenses	**2,460,650**	**2,199,795**
Operating result from continuing operations	**164**	**(4,416)**

High level Balance Sheet

Assets		
Cash	73,049	130,367
Receivables	117,867	60,086
Property, plant and equipment	1,223,008	1,199,075
Other	43,407	23,019
Total Assets	**1,457,331**	**1,412,547**
Liabilities		
Payables	78,643	55,835
Other	62,977	65,673
Total Liabilities	**141,620**	**121,508**
Net Assets	**1,315,711**	**1,291,039**

4.0 GOVERNANCE – MANAGEMENT AND STRUCTURE

4.1 Organisational structure



CBAG ensures community voice in health care

Community Board Advisory Group (CBAG) members play an important role in ensuring consumers and members of the community have a voice in public health matters.

Metro North Hospital and Health Service established CBAG in 2013 to recognise and address the needs and involvement of our consumers and carers in the provision and improvement of health services.

CBAG comprises 24 representatives from peak consumer and community organisations including state-wide and local organisations. Member organisations represent people with chronic conditions, hard to reach populations and those with special health needs. Brisbane North PHN and the Metro North HHS Executive and Board are also represented.

This collaboration with health consumers and the community sector plays a vital role in improving health services and is integral to the delivery of high quality, safe coordinated care.

Metro North aspires to be a recognised leader in consumer, carer and community engagement and always looks to provide accessible opportunities for engagement.

Metro North aspires to be a recognised leader in consumer, carer and community engagement and always looks to provide accessible opportunities for engagement

Since its establishment, CBAG has achieved:

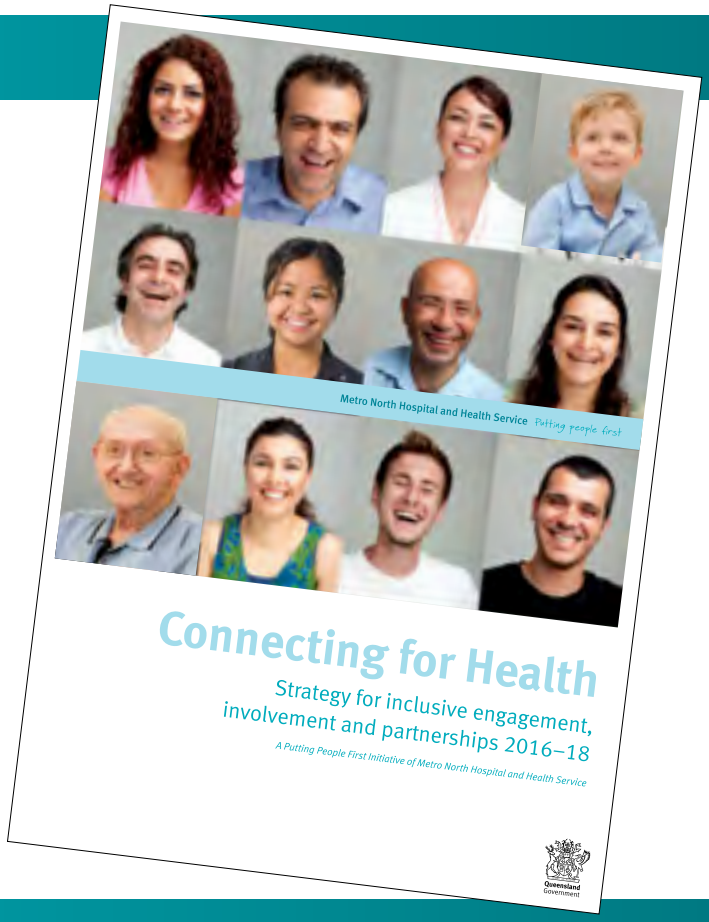
- Input into revision of Metro North's Strategic Plan and development of the Health Service Strategy and *Putting people first* strategy
- Identified emergent community engagement priorities for Metro North and guided the revision of the Consumer and Community Engagement Strategy – *Connecting for Health*
- Guided the design and implementation of the LINK (Leading Innovation through Networking and Knowledge sharing) partnership fund. Ten innovative partnership projects have been funded in 2015–16. This program is assisting Metro North to connect with the wider care provider system to provide care in the right place, at the right time in innovative ways.
- Input and participation in annual Metro North Health Forums on 'Patients at the Centre of Care' (2014) and 'Health Reform' (2015) and 'Working together to improve health' (2016)
- Input into the Leadership Values Framework for the Metro North Clinical Council
- Review of policies and procedures including those relating to consumer and community partnerships
- Informed Metro North about Interstate Rankings on Selected Health Indicators Australia 2012 which were included on the agenda for Chief Executive Forum
- Input into Metro North's ethics review, chronic disease model of care, the Quality of Care Report 2015
- Currently assisting the development of indicators for measuring, monitoring, evaluating and reporting on continuous improvement in consumer and community engagement.

Connecting for better health

Metro North Hospital and Health Service is committed to ensuring consumers and communities have a voice when it comes to their health care.

The *Connecting for Health* Strategy for inclusive engagement, involvement and partnerships 2016-18 sets a clear direction for meaningful engagement into the future building on Metro North's current strengths in this area.

More than 50 stakeholders including consumer representatives, partner organisations, volunteers and staff contributed to the development of *Connecting for Health*.



Ideas into action with a people focus

Initiatives ranging from health and wellbeing to improving patient education have been put into action as part of Metro North's *Putting people first* Strategy.

With a focus on people, the strategy enables hospitals and services across Metro North to improve the patient experience, support and develop staff, and work with partners to better connect care and improve health outcomes.

Ideas for projects have been developed from feedback provided by hundreds of staff who took part in *Putting people first* workshops and surveys.

In its first year more than 70 initiatives have been launched to bring the strategy to life. This includes many projects run at a local hospital or service level including:

- New patient education materials at Redcliffe Hospital and interactive resources to support patients with chronic disease at home
- Launch of the ICU Empathy Project at The Prince Charles Hospital to improve the patient experience for end of life care and long stays in the Intensive Care Unit
- Trial of a Safe Wards program in Mental Health to support staff to reduce conflict and contain aggressive behaviours
- New staff health and wellbeing programs at Caboolture Hospital and Community, Indigenous and Subacute Services and the launch of an Employee Wellbeing Service at the Royal Brisbane and Women's Hospital.

The strategy has also seen the launch of programs of work involving the whole HHS including seven Winter Strategy Innovation Alliances to address peak demand, establishment of an internal taskforce to address occupational violence and the launch of the Metro North Staff Wellness Portal. Ongoing engagement with staff will continue to identify new initiatives.

ICU patients supported with EMPATHY

Critically ill patients are benefitting from a new project to increase their physical and emotional wellbeing in intensive care at The Prince Charles Hospital.

The EMPATHY Project (End of Life Care Management and Planning and The Hard Yards) is looking to set a new benchmark in the delivery of care for long term intensive care unit (ICU) patients and those nearing the end of their life.

ICU physician and project medical lead Associate Professor Nikki Blackwell said the focus of EMPATHY is to create an environment that is as positive as possible for ICU patients both clinically and emotionally.

"Our ICU is known for delivering first class care, but out of necessity this care is delivered in a physical environment with intimidating equipment, continuous noise and intrusive bright lights," Associate Professor Blackwell said.

"We want to create a more peaceful and therapeutic environment and improve the care experience for patients and their families."

The focus is to integrate compassionate care with appropriate, excellent medical treatment during complex critical illness and at the end of life.

The project will enable staff to work with patients and families to measure improvement in the patient experience, and formalise the excellent care already provided by ICU staff to patients.

"Communicating effectively with people who are at their most vulnerable is challenging. We want to improve the way we do this to ensure we can be respectful of patient and family needs," Associate Professor Blackwell said.

"A number of our ICU staff have done specialised training to put themselves in the role of patient and consider how they would take care of themselves in these situations. This, in turn, allows them to bring a compassionate presence to their work."

The EMPATHY team has developed a comprehensive checklist within the patient's electronic health records to formalise and document their work. Patient and family decisions are recorded along with individualised end of life care plans. The project has also delivered improvement to the physical environment such as MP3 players at the bedside and a bush-to-beach mural added to the outdoor balcony.

4.2 The Board

The Board is appointed by the Governor in Council on the recommendation of the State Minister for Health and Minister for Ambulance Services and is responsible for the governance activities of the organisation, deriving its authority from the *Hospital and Health Boards Act 2011 (Qld)* and the *Hospital and Health Boards Regulation 2012 (Qld)*.

The functions of the Board include:

- Developing the strategic direction and priorities for the operation of Metro North
- Monitoring compliance and performance
- Ensuring safety and quality systems are in place which are focussed on the patient experience, quality outcomes, evidence-based practice, education and research
- Developing plans, strategies and budgets to ensure the accountable provision of health services
- Ensuring risk management systems are in place and overseeing the operation of systems for compliance and risk management reporting to stakeholders
- Establishing and maintaining effective systems to ensure that the health services meet the needs of the community.

The Board are all independent members, strengthening local decision making and accountability for health policies, programs and services within Metro North. Each of the Board Members brings a wealth of experience and knowledge in public, private and not-for-profit sectors with a range of clinical, health and business experience.

During the reporting period, terms of office of three members expired on 17 May 2016 and one member resigned office. Outgoing members of the Board were Dr Paul Alexander AO, Mr Vaughan Howell, Professor Nicholas Fisk and Mr Len Scanlan.

A schedule of Board Member attendance at Board and Committee meetings for 2015–16 is available in Appendix 2.

The following committees support the functions of the Board, each operates with terms of reference describing the purpose, role, responsibilities, composition, structure and membership.

Executive Committee

The role of the Executive Committee is to support the Board by working with the Chief Executive to progress strategic issues and ensure accountability in the delivery of services within Metro North. The committee oversees the development of the Strategic Plan and monitors performance, the development of the clinician, consumer and community engagement strategies and the primary health care protocol, and works with the Chief Executive in responding to critical and emergent issues.

Safety and Quality Committee

The role of the Safety and Quality Committee is to provide strategic leadership in relation to clinical governance. The committee oversees the safety, quality and effectiveness of health services and monitors compliance with plans and strategies, while promoting improvement and innovation for the safety and quality of services within Metro North.

Finance and Performance Committee*

The role of the Finance and Performance Committee is to oversee the financial performance, systems, risk and requirements of Metro North. The committee reviews the financial strategy, financial policies, annual operating plans and capital budgets, cash flows and business plans to ensure alignment with key strategic priorities and performance objectives.

Risk and Audit Committee

The role of the Risk and Audit Committee is to oversee the internal and external audit function and matters relating to risk and compliance for financial, accounting and legislative requirements. The committee provides independent assurance and assistance to the Board on the risk, control and compliance frameworks and external accountability responsibilities as prescribed in the *Financial Accountability Act 2009, Auditor-General Act 2009, Financial Accountability Regulation 2009* and *Financial and Performance Management Standard 2009*.

* *The Board approved the Finance Committee be renamed the Finance and Performance Committee on 5 July 2016 to more accurately reflect the scope of the Committee's role.*

Metro North Board back row (l-r): Mr Philip Davies, Ms Bonny Barry, Mr Mike Gilmour, Associate Professor Cliff Pollard, Dr Kim Forrester.
Front row (l-r): Professor Helen Edwards, Mr Geoff Hardy, Professor Robert Stable (Chair), Professor Mary-Louise Fleming, Dr Margaret Steinberg.

Professor Robert Stable AM
MBBS, DUniv (QUT), MHP, FRACGP, FAICD

Board Chair

Professor Stable's 45 year career in health has included roles as a General Practitioner, a Flying Doctor, Vice-Chancellor and President of Bond University, Director-General of the Queensland Department of Health, Member and Chair of the Australian Health Ministers' Advisory Council, Hospital Medical Superintendent, and Chief Executive.

He holds Board appointments as Chair of Health Workforce Queensland, and Director of the Royal Flying Doctor Service – Queensland Section, Rural Health Workforce Australia and North and West Remote (Primary) Health.

He is a Fellow of the Royal Australian College of General Practitioners (FRACGP) and the Australian Institute of Company Directors (FAICD), has a Master of Health Planning (MHP) degree from the University of New South Wales and an undergraduate degree in Medicine (MBBS) from the University of Queensland.

Professor Stable was appointed a Member of the Order of Australia in 2013 and received a Centenary Medal in 2001.

Dr Kim Forrester
RN, BA, LLB, LLM (Advanced), PhD, Member AICD

Deputy Chair* and Chair, Safety and Quality Committee

Dr Kim Forrester is a registered nurse and barrister at law. Her clinical background includes intensive and coronary care nursing. She is a member of the Australian College of Nursing and established the Masters in Emergency Nursing program at Griffith University where she was also a foundation academic in the School of Medicine. Dr Forrester is an Associate Professor in the Faculty of Health Sciences and Medicine at Bond University.

As a barrister, Dr Forrester's areas of legal practice include coroner's inquests, professional regulation and child protection. She held the position of Assistant Commissioner (legal) on the Queensland Health Quality and Complaints Commission from 2006 to 2009 and is a member of the Queensland Law Society's Elder Law Committee. She publishes extensively in the area of health law including as editor of the Nursing Column in the *Journal of Law and Medicine*, and co-author of *'Essentials of Law for Health Professionals'*, *'Australian Pharmacy Law and Practice'* and *'Essentials of Law for Medical Practitioners'*.

* *Governor in Council approved the appointment of Dr Kim Forrester as Deputy Chair on 26 August 2016.*

Mr Mike Gilmour*
Dip Acctg, MBA, FCPA, FAICD, JP (Qual)

Chair, Finance and Performance Committee

Mike has over 40 years' experience as a senior finance and commercial executive. Mike's health care appointments include Uniting Healthcare Queensland, a private hospital group (The Wesley Hospital Auchenflower, St Andrews War Memorial Hospital, The Sunshine Coast Private Hospital, etc), and the Royal Flying Doctor Service Queensland. Mike has significant experience in governance, having held many appointments as a non executive director, which currently include: Isis Central Sugar Mill Ltd, Open Minds Australia Ltd (Chair), Aviation Australia Pty Ltd and Sugar Research Australia Ltd.

Mike is a member of the CPA Australia Disciplinary Tribunal.

Mike's past appointments include: inaugural Chair of the Metro North Brisbane Medicare Local, Director of South East Alliance of General Practice, Chair Southbank Institute of Technology and Chair Metropolitan South Institute of TAFE, Director Centre for Rural and Remote Mental Health, Company Secretary and financial advisor to the Palm Island Community Company. He is a former President of the Queensland Division of CPA Australia.

Mr Geoff Hardy*
B Bus (Econ), Dip HA, Grad Dip Commerce (Mkt), MAICD, AFCHSM

Chair, Risk and Audit Committee

Mr Geoff Hardy's extensive career in health care management has spanned over 30 years, including operational roles at Royal North Shore Hospital, Westmead and the Royal Women's Hospital in Melbourne. After a period as Chief Executive at one of Ramsay Healthcare's facilities, he established and ran their Malaysian subsidiary working closely with the Malaysian Ministry of Health in the planning of several major new facilities.

In addition to a period as a consultant to health care organisations in Queensland, Mr Hardy has also worked as CEO of two Brisbane law firms and was Global Leader for a commercial advisory practice providing strategic and commercial advice to government clients around the world.

In recent years he has worked more broadly as an advisor to governments and private sector clients on significant infrastructure projects in the transport, health care and resources sectors, and is currently AECOM's Infrastructure Advisory Leader for Australia & New Zealand and their market sector lead for Health care and Transaction Advisory.

Associate Professor Cliff Pollard AM
BD, MB BS QLD, FRACS, FRCS Edin, FACS

Member and representative on the Royal Brisbane and Women's Hospital Foundation Board

Associate Professor Cliff Pollard is a retired general surgeon. He completed his surgical training in Queensland and obtained post-Fellowship experience in the United Kingdom. Dr Pollard has been the staff surgeon and visiting medical officer at Redcliffe Hospital, prior to moving to the Royal Brisbane and Women's Hospital in 2008 as the inaugural Director of the Trauma Service. He retired in 2012.

Dr Pollard has a major interest in all aspects of trauma management in both pre-hospital and hospital environments and he has presented widely on the topic both nationally and internationally. As a member of the Royal Australian Army Medical Corps, he deployed to Bougainville and East Timor. Dr Pollard is a member of the Royal Australasian College of Surgeons (RACS) National and Queensland Trauma Committees, the State Trauma Clinical Network, the Australian Trauma Registry Executive and Steering Committee, and the Department of Transport Serious Injury Expert Panel.

A former examiner in general surgery for the Royal Australasian College of Surgeons, Dr Pollard also teaches anatomy in the Advanced Surgical Anatomy Course in the School of Medicine at The University of Queensland. Dr Pollard is also involved in research activities including the Brisbane Diamantina Health Partnership Trauma, Critical Care and Recovery Stream and Queensland University of Technology CARRS-Q.

Ms Bonny Barry
RN BNsg Member AICD

Member and representative on The Prince Charles Hospital Foundation Board

Ms Bonny Barry is a Registered Nurse with over 28 years' experience in community, hospice, hospital and clinic settings in Queensland and Victoria. She is currently a member of the nursing team at a large retirement village in the Brisbane northern suburbs.

Ms Barry was the Professional Officer for Aged Care and Private Hospitals for the Queensland Nurses Union for six years. From 2001, she was State Member for Aspley for eight years, and served on several parliamentary committees including Chair of Caucus, Chair of Health Estimates and the Assistant Minister for Education, Training and the Arts from 2006 to 2009.

More recently, Ms Barry has worked for the private sector before returning to nursing in 2012. She is co-author of *The Nature of Decision Making of the Terminally Ill*.

* *The Board approved on 5 July 2016 that Mike Gilmour chair the Finance and Performance Committee and Geoff Hardy chair the Risk and Audit Committee.*

Mr Philip Davies
MSc, FAICD

Member

During a diverse health sector career spanning more than 35 years, Mr Philip Davies has worked as a management consultant, a senior public servant in three government health administrations, and an academic.

His extensive career includes appointments as a specialist health management consultant with Coopers and Lybrand (now PWC), Deputy Director-General in both the Queensland Department of Health and the New Zealand Ministry of Health, Senior Health Economist at WHO Headquarters in Geneva, and Deputy Secretary for the Commonwealth Department of Health.

Mr Davies holds a Masters in Management Science, is a Fellow of the Australian Institute of Company Directors, and Adjunct Professor for Griffith University, QUT and the University of Technology Sydney. He is currently an independent consultant in health policy, financing and governance for clients in Australia and the Pacific region.

Professor Helen Edwards OAM
DipApSc, BA, BA (Hons), PhD, FACN, FAAN, MAICD

Member

Professor Edwards is a Registered Nurse and Registered Psychologist. She is currently the Assistant Dean (International and Engagement) for the Faculty of Health, Queensland University of Technology, and a member of the Institute of Health and Biomedical Innovation.

Professor Edwards has 34 years of experience in higher education and health sectors and has served on several state and national committees. She is a Board Member of the Australian Nursing and Midwifery Accreditation Council and has served on three retirement village boards. She also is a current member of the NHMRC Ethics Committee. Professor Edwards is internationally recognised for her research in wound management, ageing and chronic disease. She was involved in establishing the Wound Management Innovation Cooperative Research Centre which is the largest wound research initiative globally. It focusses on development of cost-effective and practical wound therapies, diagnostics and interventions.

Dr Margaret Steinberg AM
PhD (Child Health and Education), MPhty (Research), BPhty (Hons), Dip Phty, University of Queensland

Member and Sponsor, Community Board Advisory Group (CBAG)

Dr Margaret Steinberg has expertise in governance and ethical decision making, as well as experience as a clinician, health administrator, academic and director of public, private and third sector organisations. She is a former Commissioner of the Criminal Justice and Crime and Misconduct Commissions and Chair of their Audit and Governance Committees. She was Foundation Deputy President of the Guardianship and Administration Tribunal, Assistant Commissioner of the Health Quality and Complaints Commission and Chair of its Consumer Advisory Committee.

Dr Steinberg holds a PhD in Child Health and Education and a Masters of Physiotherapy. Her work has been recognised through a Churchill Fellowship (in early intervention), an NHMRC/ PHRDC Travelling Fellowship (in telemedicine/telecommunications and health), and a World Health Organisation study (in HIV/AIDS).

In 2003, Dr Steinberg was made a Member of the Order of Australia in recognition of her service to public health and welfare policy through research in the areas of ageing, disability and social justice.

Professor Mary-Louise Fleming
BEd (QUT), MA (Ohio), PhD (Qld), Member AICD

Member

Professor Mary-Louise Fleming is Head of the School of Public Health and Social Work at the Queensland University of Technology. She has experience in teaching and research in higher education, public health and health promotion for over 30 years.

Her research activity focusses on evaluation research and translational research for the World Health Organisation, both Commonwealth and Queensland Governments, as well as consultancy projects for Queensland Health and the not-for-profit sector. Professor Fleming has co-authored two books on health promotion and public health, and contributed to several other books.

Professor Fleming is currently the Director of the Australia China Centre for Public Health at QUT and is a Board member of Wesley Medical Research. Her appointments have included Health Promotion Queensland, Board of the Wesley Research Institute, Board of Governors St Andrew's Hospital, National Heart Foundation and the Queensland Cancer Fund and Chair of the Quality Management Committee for Breastscreen Queensland.

4.3 Executive Management

The Board appoints the Health Service Chief Executive (HSCE) and delegates the administrative function of Metro North HHS to the HSCE and those officers to whom management is delegated. The HSCE's responsibilities are:

- Managing the performance and activity outcomes for Metro North,
- Providing strategic leadership and direction for the delivery of public sector health services in the HHS,
- Promoting the effective and efficient use of available resources in the delivery of public sector health services in the HHS,
- Developing service plans, workforce plans and capital works plans,
- Managing the reporting processes for performance review by the Board,
- Liaising with the executive team and receiving committee reports as they apply to established development objectives,
- The HSCE may delegate the Chief Executive's functions under the *Hospital and Health Boards Act 2011 t*o an appropriately qualified health executive or employee.

Health Service Chief Executive

Adjunct Professor Ken Whelan

As Chief Executive of Metro North Hospital and Health Service, Ken Whelan is responsible for the day to day management of Australia's largest public health authority. Prior to his commencement with Metro North, Ken was the Deputy Director General, System Purchasing and Performance Division for New South Wales Ministry of Health.

Originally from a nursing background, Ken has been in Senior Management for the past 23 years. For 15 of those years, he has held Chief Executive positions in both New Zealand and Australia.

Ken has led provincial district and metro district health boards in New Zealand, and led a tertiary facility in Queensland as well as a regional Queensland health district.

Ken has brought strong strategic and operational experience to Metro North and is committed to working with health facilities to ensure they provide sustainable health services that meet the needs of the populations they serve.

The following Senior Executive positions support the HSCE in the development and execution of the Metro North strategy as approved by the Board. The list includes the names of incumbents as at 30 June 2016.

Executive Director Operations
Mr Shaun Drummond

Chief Finance Officer
Mr James Kelaher

Executive Director Clinical Governance, Safety, Quality and Risk
Ms Linda Hardy

Executive Director Clinical Services
Dr Elizabeth Whiting

Executive Director Organisational Development, Strategy and Implementation
Mr Luke Worth

Professional Leads

Executive Director Medical Services
Dr Donna O'Sullivan

Executive Director Nursing and Midwifery Services
Adjunct Associate Professor Alanna Geary

Executive Director Allied Health
Mr Mark Butterworth

Directorate Executive Directors

Executive Director RBWH
Dr Amanda Dines

Executive Director TPCH
Mr Anthony Williams

Executive Director Redcliffe Hospital
Ms Gayle Sutherland

Executive Director Caboolture and Kilcoy Hospitals
Dr Lance Le Ray

Executive Director Community, Indigenous and Subacute Services
Mr Chris Seiboth

Executive Director Oral Health Services
Mr Andrew McAuliffe

Executive Director Mental Health Services
Associate Professor Brett Emmerson

Executive Director Medical Imaging
Associate Professor Noelle Cridland

Clinical Stream Executive Directors

Executive Director Heart and Lung
Professor Darren Walters

Executive Director Medicine
Dr Jeffrey Rowland

Executive Director Surgery
Dr Jason Jenkins

Executive Director Critical Care
Dr Colin Myers

Executive Director Women's and Children's
Ms Tami Photinos

Executive Director Cancer Care
Associate Professor Glen Kennedy

Research

Executive Director Research
Professor Scott Bell

"When there is an issue, the true magnitude and extent of the work that is done behind the scenes is rarely apparent."

Public defenders

Every day Metro North's Public Health Unit works behind the scenes and on the frontlines to improve people's lives and respond to health emergencies.

The unit—one of the largest in the state—could best be described as the quiet achievers of the Hospital and Health Service. Metro North Public Health Unit (MNPHU) Director John Piispanen said public health is one of those services that is practically invisible when the work is done well.

"When there is an issue, the true magnitude and extent of the work that is done behind the scenes is rarely apparent," Mr Piispanen said.

Comprising public health physicians and nurses, epidemiologists, a medical entomologist, environmental health officers and support staff, the unit deals with anything from outbreaks of food poisoning and infectious diseases such as whooping cough, to making sure the water supply is safe following a flood or cyclone.

Last year's measles outbreak among students at The University of Queensland highlighted the scope and teamwork needed to manage even a relatively small infectious disease outbreak.

Metro North led a South East Queensland coordinated response to the outbreak over a two month period, carrying out more than 500 vaccinations and following up with many more people who may have been exposed to the disease.

"It was a great and supportive team effort across not only MNPHU, but across all affected Queensland Health departments and Hospital and Health Services," Mr Piispanen said.

"It shows how work done by the PHU can negate issues and minimise their worst outcomes."

Caboolture community spirit stronger than ever under new alliance

Local kids with learning disabilities are being given an extra helping hand thanks to the launch of a new Caboolture Health Care Alliance.

Caboolture and Kilcoy Hospitals Executive Director Dr Lance Le Ray said the care we provide to patients and their children doesn't need to stop when they leave our hospitals.

"The Alliance is seeing the hospital, Caboolture Super Clinic and local organisations working together to help families in the Caboolture and surrounding regions," Dr Le Ray said.

"We have been able to support 26 families who have children who suffer an intellectual impairment, have behavioural problems or development delays through this unique partnership."

For Morayfield parents Tracey and Neville Welsh, the alliance has been a godsend for their son Scott, who now sees a regular paediatrician at the Caboolture Super Clinic.

"Having a specialist doctor for Scott has been great. The doctor has gone into depth about our son's diagnosis and has actually gone out of their way to seek and get more information for us and identify other care options," Mr Welsh said.

"Through this paediatrician we now know the appropriate medication to support Scott's condition, to calm him down and help him sleep better at night."

Families are also receiving ongoing care and support through organisations like the Bay Child Family Network, Disability Services Queensland and ENCIRCLE (crisis accommodation service).

Pictured above: *An inaugural Charter of Support was signed by Caboolture Hospital and nine organisations and health care providers to help local kids with learning disabilities*

GRACE at TPCH

Patients are accessing faster care and reducing emergency department demand with the introduction of an innovative project at The Prince Charles Hospital.

The project, GRACE – GP Rapid Access to Consultative Expertise, aims to reduce the number of General Practitioner referrals to the emergency department (ED) and promotes patients accessing the right care in the right place the first time.

GRACE has introduced a hotline to provide GPs with direct access to internal medicine services, bypassing ED. The line is managed by members of the Internal Medicine team including a Clinical Nurse Consultant or Medical Registrar, supported by the on-call Consultant Physician.

The hotline provides general practitioners with timely access to expertise regarding assessment, management and treatment of patients needing acute inpatient care.

TPCH Director of Internal Medicine Services Dr Jeff Rowland said the presence of the hotline has facilitated a range of more targeted care pathways outside of the ED including same day direct admission to the hospital's Rapid Assessment Medical and Surgical unit and appointments in the Day Unit for Investigation and Therapy.

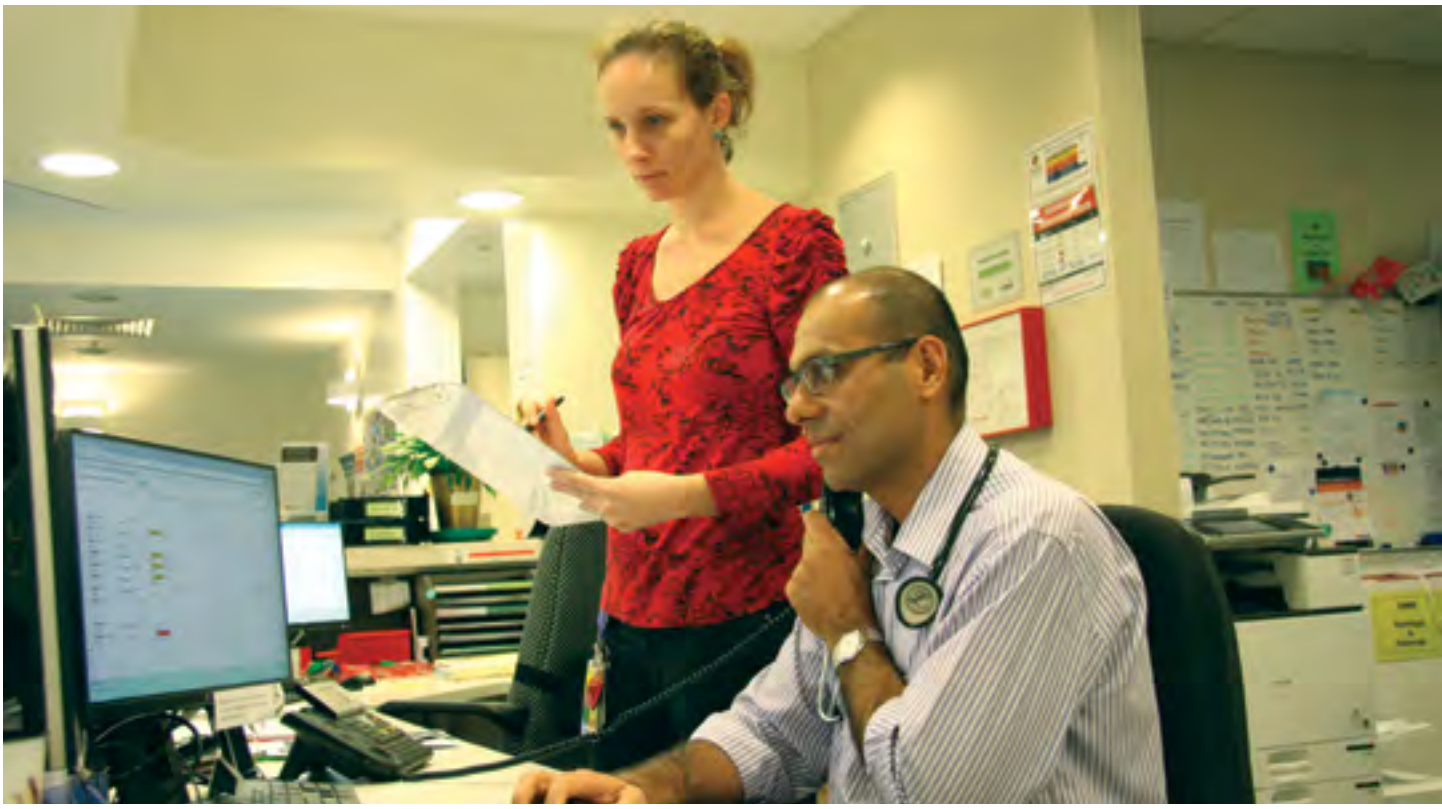
"Since the commencement of the project in March 2016, it has been identified that TPCH's Emergency Department sees around 180 patients every week who have been referred by their GP," Dr Rowland said.

"By working with ED staff, we have been able to identify suitable GP-referred patients in triage who can be pulled safely into the RAMS unit."

While still in its early stages, the GRACE project is bringing positive results. Of the total number of calls received through the GRACE hotline, 75 per cent of patients were able to avoid the ED and could be referred to more appropriate care options.

"Our aim is to work with GPs to increase the number of calls we receive. We are working with our local community and GPs to ensure that their patients access the right care in a timely way," Dr Rowland said.

"This improves the patient's experience in hospital and means they can access the care they need sooner."



Managing the GRACE Hotline - Senior Medical Officer, Dr Gurudev Kewalram, and Project Officer, Rosalee Trent.

4.4 Public Sector Ethics Act

Metro North is committed to upholding the values and standards outlined in the *Code of Conduct for the Queensland Public Service*, which was developed in accordance with the four core principles contained in the *Public Sector Ethics Act 1994:* Integrity and impartiality, Promoting the public good, Commitment to the system of government, and Accountability and transparency.

Each principle is strengthened by a set of values and standards of conduct, describing behaviour which will demonstrate that principle.

All staff employed in Metro North are required to undertake training in the *Code of Conduct for the Queensland Public Service* during their orientation, and re-familiarise themselves with the Code at regular intervals. The orientation program includes conflict of interest, fraud, and bullying and harassment to ensure all staff have a good understanding of their requirements under the *Code of Conduct for the Queensland Public Service*. Communications relating to the standard of practice are also regularly released.

Other mandatory training for staff includes: Occupational violence prevention orientation, Aboriginal and Torres Strait Islander cultural practice, and *Australian Charter of Health Care Rights* awareness.

4.5 Queensland Public Sector Values

The values of the Queensland Public Sector are demonstrated in the work of Metro North's more than 14,400 full time equivalent employees and over 17,400 headcount delivering services from the north of the Brisbane River to the north of Kilcoy.

Customers first – delivering responsive, integrated and connected care to local communities and providing speciality services for patients throughout Queensland, northern New South Wales and the Northern Territory.

Ideas into action – improving health care outcomes through innovative programs such as the Support, Explore, Excel & Deliver (SEED) program which is delivering 11 innovative health care projects.

Unleash potential – creating a culture of leadership and innovation across all hospitals and health sites where excellence in patient-centred care is the number one priority.

Be courageous – working with our partners across the health care, community, research and government sectors in a collaborative and transparent way to deliver better and more integrated services to patients.

Empower people – delivering excellent care particularly during periods of high demand (eg flu season).

Research and Development at Metro North

Metro North has a strong research culture, with multidisciplinary research programs undertaken across medical, nursing, allied health streams.

The Board and Executive strongly support enhancing our research capability across Metro North as part of the *Health Service Strategy 2015–2020*. This aligns with Queensland Government objectives outlined in the Queensland Science and Research Priorities.

Metro North is currently engaged in 718 active studies, with a value of approximately $70 million, of which 211 new studies commenced in 2015–16.

The financial investment in these 211 studies new studies is in excess of $40 million, comprising:

- $22m through agreements with Queensland and interstate universities
- $7m through National Health and Medical Research Council funding
- $8m in commercially sponsored clinical trials
- Metro North-funded clinical and research staff (Metro North has approximately 1,700 staff who are identified as contributing to our resarch and development programs in various full and part-time capacities).

Researchers receive support from a variety of funding partners including The Prince Charles Hospital Foundation and RBWH Foundation.

5.0 GOVERNANCE – RISK MANAGEMENT AND ACCOUNTABILITY

5.1 Risk Management

Metro North is committed to managing risks in a proactive, integrated and accountable manner through designated clear structures and ownership of risk accountabilities and responsibilities, systems and processes for risk management. The Board and senior leadership drive an organisational culture that values open, fair and accountable behaviours, and that encourages staff members to proactively manage risks. The Board has communicated a zero tolerance for preventable patient harm as the key organising principle for all risk identification, assessment, treatment and monitoring.

Metro North has established and maintained an appropriate risk management system based on the Australian/New Zealand Standard ISO31000:2009 *Risk Management – Principles and guidelines* (AS/NZS ISO 31000) and the National Safety and Quality Health Service Standard 1, Governance for Safety and Quality in Health Service Organisations.

A review of the entire risk management process, including capability and governance systems occurs annually to ensure the system remains fit for purpose and up-to-date, and is delivering effective and robust risk management practices. Internal audit has assisted to provide direction for areas of development and will continue to undertake an annual audit to provide assurance that the risk management framework is operating effectively. The annual review provided assurance that the organisation's operational and business units are compliant with policies and procedures relating to risk management, and that risks are being effectively monitored and treated to an agreed level. The review assessed the risk management system as having been effectively implemented across operational, organisational and strategic risk registers.

The annual 'lessons learned' have been used to enhance the risk management system, and include:

- An enhanced focus on risk opportunities as well as possible threats, and the effect these may have on the ability of Metro North to meet its objectives,
- A revision of strategic risks as part of the revised strategic plan,
- A realignment of risk registers to ensure all operational and business units are integrated within the structure,
- Enhanced integration of risk management into planning processes and key components of decision-making, policy development, and resource allocation,
- Development of support programs of education, training and development for staff with key responsibilities,
- A review of the risk matrix to better align with the Board's risk appetite and clinical context of the organisation,
- Improvements to risk reporting tools and processes.

The Metro North Strategic Plan 2015–2019 outlines the following strategic risks for the organisation:

Responding to community need

- The need to respond to demand outside the catchment to provide care for a significant number of Queenslanders as a provider of specialised tertiary services
- An increasing population in relatively disadvantaged northern end of our boundary
- Ageing population
- Increasing burden of chronic disease

A more efficient and productive health system

- Inequity of access to services
- Mismatch of resources between current services and areas of growth and need
- Potential for inconsistency of quality of services
- Inability to rapidly adopt and fund new expensive technologies and treatments
- Rising costs of health care

Workforce capability

- Increasing competition for health care workers
- Need for increased specialised knowledge
- Ability to work across disciplines and care settings

Easing the pressure

Choosing the right treatment can make a world of difference to patient recovery time, particularly if the patient is vulnerable and immobile. Contemporary research in the Intensive Care Unit (ICU) at Redcliffe Hospital is identifying the best methods of treatment for patients susceptible to pressure injury.

Chief Investigator Jodie Gordon, Project Officer Monica Stankiewicz and Research Assistant Wendy Brown are researching the efficacy of two products commonly used in the prevention of pressure injuries in patients who are critically ill.

Ms Gordon says patients in ICU are the sickest in our hospital and are often given medications which can leave the skin vulnerable to difficult-to-treat pressure injuries.

"In the past there have been a number of randomised controlled trials to support the use of dressing versus no dressing, but there is little evidence showing a comparison between different types of dressing," Jodie says.

"Different patients in the study are being treated with different products during the 12 month study."

ICU clinicians have been pivotal in supporting the research and ensuring its success, especially around the regular collection data.

The study will assist clinicians to make informed choices regarding the most effective dressings to use in ICU and in other areas of the hospital where patients may be prone to pressure injury.

Pictured above: *Getting under way on pressure injury research are, from left, Barb Williams (ICU) Monica Stankiewicz, Jodie Gordon and Anita Weier (ICU).*

Researchers at forefront of innovations in patient care

Metro North is proud of the vibrant research culture that exists across all its health services.

Our researchers are among the best in the world. Their work is helping to not only advance patient care, but also provides a glimpse into the next generation of treatments that have the potential to make a difference to people's lives the world over.

To celebrate the depth and breadth of this quality work, Metro North hosted its inaugural Research Excellence Awards in May.

Professor Michael Breakspear was named Researcher of the Year.

The Researcher of the Year was decided from winners of the seven Research Excellence Award categories.

Improving patient outcomes in an acute care setting

- Professor Alison Mudge, Improving health outcomes for older patients in the acute care setting

Promoting Healthy Minds and Bodies

- Professor James Scott, Improving the mental health of Australian youth

Innovation and Creativity

- Associate Professor Daniel Chambers and the Queensland Lung Transplant Service Research Team

Chronic disease and community care

- Dr Helen Healy and the CKD.QLD Collaborative, Improving management of Chronic Kidney Disease (CKD)

Technology and Biotechnology

- Professor Michael Breakspear, Using neuroimaging to understand brain network disturbances in psychiatry

Integrated care – Health Service Research

- Professor Louise Cullen and the Emergency Cardiology Research Group, Improving ED assessment of chest pain

Rising star – Early Career Researcher

- Dr Dylan Flaws, Acute Coronary Syndrome Pathway improving outcomes

Pictured above: *Professor Michael Breakspear receiving his award from Board Chair Dr Robert Stable and Chief Executive Ken Whelan.*

Rising Star – Early Career Researcher

This year, Dr Dylan Flaws was awarded The Rising Star – Early Career Research Award for his work in improving outcomes in 'Acute Coronary Syndrome Pathway'.

This award recognises an individual who demonstrates outstanding potential as a future research leader in their area of expertise.

Dr Flaws is a respected and influential researcher whose publication list already stands at 18.

Among his many accomplishments is the creation of the Emergency Department Acute Chest-pain Score (EDACS), which is now being used across New Zealand and many Australian hospitals.

He has established himself as an expert in the field of clinical predictive modelling and decision aids, and has been invited on multiple occasions to be an expert reviewer of papers submitted to Academic Emergency Medicine.

John Fraser (left) with our Rising Star Early Career Researcher, Dylan Flaws.

He has received a Department of Health Junior Research Fellowship to further develop his skills and apply them to the clinical problem of delirium, which affects all areas of medicine.

Researcher of the Year

The Inaugural Researcher of the Year Award was presented to Professor Michael Breakspear.

Professor Breakspear also took home this year's Technology and Biotechnology Award for his work on brain network disturbances in psychiatry using neuroimaging.

He is known as a leading international researcher in the application of brain network theory in understanding psychiatric disorders.

Professor Breakspear's research is ground-breaking and will help us address some of the biggest mental and neurological health challenges of our time, such as depression, bipolar disorder and dementia. Its non-invasive procedure means it can be easily translated into clinical practice.

His research has been internationally recognised and published in world renowned scientific journals.

Pictured above: *Professor Michael Breakspear, Researcher of the Year 2016.*

New hope for patients with chronic lung disease

Ground-breaking stem cell therapy research at The Prince Charles Hospital has the potential to change the lives of people affected by chronic lung disease.

The Queensland Lung Transplant Service's Head of Research Associate Professor Daniel Chambers said he is hoping the research will not only extend the survival rates of the many Australians who have had a lung transplant, but also ultimately transform the quality of life for people with any lung disease.

"Chronic lung conditions are debilitating and ultimately fatal, with many patients needing a lung transplant in the long term," Associate Professor Chambers said.

"We are investigating the role of stem cell therapy for targeted lung conditions to identify new ways to assist in the long term management of patients with currently incurable conditions."

The team is also investigating the role of stem cell therapy in the prevention of chronic rejection after a lung transplant.

"This is good news for transplant patients given chronic rejection is the biggest risk to their survival," Associate Professor Chambers said.

The research team has already conducted multiple world-first trials to evaluate the feasibility and safety of intravenous stem cell and T-cell therapy in lung fibrosis, pulmonary hypertension, lung transplant rejection, drug-refractory viral infection and related malignancies.

Patient Matt Meyers has experienced the benefits of the research first hand. After receiving a life-saving heart-lung-liver transplant for cystic fibrosis, Matt was unable to recover when he developed post-transplant lymphoma which was unresponsive to conventional chemotherapy.

The research team stepped in and were able to obtain compassionate access to a third party T-cell product they are developing in collaboration with QIMR-Berghofer and a corporate partner. After receiving this ground-breaking treatment, Matt recovered to return home and enjoy life.

With the support of Metro North Hospital and Health Service and The University of Queensland, Associate Professor Chambers is establishing an Australian-first Centre for Lung Regeneration, where stem cell science can be translated into the clinic. The Centre will be the largest of its kind in the world.

Matt Meyers and Associate Professor Chambers

5.2 External Scrutiny

The operations of Metro North are subject to regular scrutiny and validation from numerous external agencies.

In 2015–2016, Parliamentary reports tabled by the Auditor-General which broadly considered the performance of Metro North included:

- Hospital and Health Services: 2014–15 financial statements (Report 5, 2015–2016);
- 2015–16 Queensland public hospital operating theatre efficiency (Report 15, 2015–2016).

The recommendations contained within these Auditor-General reports were considered and action was taken to implement recommendations or address any issues raised, where appropriate.

The Australian Council on Health care Standards (ACHS) conducted a Periodic Review visit for accreditation of hospital and health services in September 2015 for the following services:

- The Prince Charles Hospital
- Redcliffe Hospital
- Caboolture Hospital
- Kilcoy Hospital
- Community, Indigenous & Subacute Services
- Mental Health services.

In May 2016, RBWH underwent an Organisation-wide Survey with ACHS.

All services successfully met all assessed standards, and maintained their accredited status.

All services are currently accredited with ACHS and the Australian Aged Care Quality Agency for aged care services.

5.3 Internal Audit

The Internal Audit function provides an independent and objective assurance and consulting service to management and the Board. The audits undertaken are risk based and are designed to evaluate and improve the effectiveness of risk management, control and governance processes.

Annual and strategic audit plans are developed in consideration of the Board's risk management and governance processes, designed and maintained by management. Following consultation with management and members of the Risk and Audit Committee, annual audit plans are approved by the Board.

Service delivery and audit operations are aligned with the Institute of Internal Auditors – Australia, International Professional Practices Framework (IPPF). The IPPF provides a proven, professional and defendable audit methodology through a conceptual framework that defines the role of internal audit, provides a code of ethics to comply with and prescribes International Standards that guide audit teams with regard to auditor attributes, delivery of audits (planning through to reporting) and other best practice principles. This framework supports the delivery of effective, efficient and economical audits.

Internal Audit operates with due regard to Treasury's Audit Committee Guidelines, a Board approved Charter, and contemporary internal audit standards.

The delivery of audits is assisted through a co-source partnership arrangement with an accounting firm and engagement of subject matter experts as required. Although the function liaises regularly with the Queensland Audit Office, it remains independent of the QAO.

Key activity and achievements of Internal Audit during the 2015-16 year included the engagement of a health consultant to assist with and undertake clinical audits as part of the broader Internal Audit team, and developing and refining existing Internal Audit practices to further integrate and support Board and management assurance needs.

In addition, a number of audit projects were completed during the year including:

- Payroll – review of rosters, overtime and leave
- Credentialing – Medical staff
- Management of medical fatigue
- Approval for new clinical products and procedures
- Social media
- Review of research practices
- Business continuity plans – Operations
- Disaster recovery plans – Information technology
- Management of patient and staff feedback

5.4 Information systems and record keeping

The Public Records Act 2002, Information Standard 40: Recordkeeping (IS40), and *Information Standard 31: Retention and Disposal of Public Records (IS31)* provides overarching governance for recordkeeping practices across Metro North.

Metro North continues to develop recordkeeping capability. In 2015, an Enterprise Records Management Team was established to lead improvements to corporate recordkeeping systems, procedures and practices. This team has introduced the electronic Document and Records Management System (eDRMS) and a suite of corporate recordkeeping governance, with training and support provided to all new users to ensure employees are equipped to meet their corporate records management obligations.

The Office of the Chief Executive, in conjunction with the Enterprise Records Management Team, maintains the use of the electronic record management system TRIM for key correspondence to and from the office.

Throughout Metro North, corporate recordkeeping leadership, authority and responsibilities are assigned to appropriately qualified and experienced staff. A corporate recordkeeping strategy was developed to support staff to meet their roles and responsibilities in relation to the creation, capture and management of corporate records, and ensure compliance with legislative, business and accountability requirements.

Clinical records are maintained in accordance with a retention and disposal system compliant with the *Queensland State Archives Health Sector (Clinical Records) Retention and Disposal Schedule (QDAN683 V.1).*

Information disclosures

Section 160 of the *Hospital and Health Boards Act 2011* requires that any confidential information disclosures made in the public interest by a service are outlined in the annual report for that service. There was one disclosure of confidential information by Metro North Hospital and Health Service under this provision in 2015–16:

- Release of medical information to Queensland Police to enable investigation of serious armed assault with alleged perpetrator at large posing a threat to patient and public.

Open data

Additional annual report disclosures relating to expenditure on consultancy, overseas travel and implementation of the Queensland Language Services Policy are published on the Queensland government's open data website www.data.qld.gov.au

Reducing malnutrition in oncology patients

Royal Brisbane and Women's Hospital Nutrition and Dietetics researchers are receiving international recognition for a combined research project helping oncology patients at risk of malnutrition.

Along with specialists from the Cancer Care Services Head and Neck clinic and Speech Pathology, the department is using data collected at the hospital to identify patients at greatest risk of malnutrition and dehydration, fitting them with a feeding tube before treatment for their cancer starts.

Dietitian Team Leader Teresa Brown has been very encouraged by the success of the research findings and the reduction in negative feeding outcomes seen in the patients.

"By identifying patients that presented with certain tumours in the head and neck region and that were expected to have chemotherapy and radiotherapy concurrently, we could recommend that the patient be fitted with a feeding assistance device known as a PEG tube," said Ms Brown.

"This is now the standard protocol for the nutrition and swallowing management of patients with head and neck cancer and has been adopted as best clinical practice into several hospitals in Australia."

Breakthroughs such as this help to reduce malnutrition and dehydration, as well as weakness and fatigue, which can prevent unplanned hospital admissions and improve quality of life.

Dietitian Teresa Brown

Mark Wilson was diagnosed with throat cancer at the age of 55 and understands the impact of assisted feeding while undertaking concurrent therapy treatment.

"I had always been a strong and active person. I swam a lot and had never really spent much time in hospital. From day one I was told that my treatment would likely affect me eating and drinking normally," Mr Wilson said.

"It was a little overwhelming at first. But every day I am grateful for the team of people that looked after me every step of the way. I am three weeks into my treatment and have started using the PEG tube and it's given me peace of mind that I never knew I would have."

5.5 Patient Safety and Quality of Care

Safeguarding and improving the safety and quality of patient care is a key priority and informs all aspects of the provision of services and decisions across the health service.

The Board, Chief Executive and management are responsible and accountable for ensuring the systems and processes are in place to support clinicians in providing safe, high quality care, and in ensuring clinicians participate in governance activities. These systems are established to set, monitor and improve the performance of the organisation, and communicate the importance of the patient experience and safe, high quality health care, to all members of the workforce.

The governance of clinical care occurs within the context of the role of the Board, and includes financial and corporate functions, setting strategic direction, managing risk, improving performance and ensuring compliance with statutory requirements.

The development of the Clinical Governance Policy and associated framework in 2015-2016 supports Metro North to systematically prevent avoidable harm to patients. The framework outlines how we will methodically measure care outcomes, understand the key drivers to those outcomes, and how to make those outcomes best in class.

The establishment of the clinical governance framework provides an integrated system of governance, risk and compliance that actively manages patient safety and quality risks.

There are five key elements within the framework that communicate strategies to enhance the delivery of clinical care, and ensure the approach is organised and optimised to take advantage of the scale, size and capability across the organisation:

1. **Governance and quality improvement systems: delivering quality reliably**

   Formal systems and processes have been designed to enable staff to effectively fulfill the responsibilities and accountabilities of their roles and to continuously improve to maximise patient safety and quality of care. A suite of policies, procedures and protocols form the clinical governance system that guides safe practice.

2. **Clinical practice: clinical effectiveness through measurement of performance**

   Care provided by the clinical workforce is guided by the current best practice. Defined clinical care protocols will be implemented to ensure the processes to support the early identification, early intervention and appropriate management of patients at increased risk of harm are in place and supported by systems to escalate the level of care when there is an unexpected deterioration in health status.

3. **Performance and skills management: engaged and effective workforce**

   Support is required to ensure clinicians and managers have the skills, knowledge and training to perform the tasks that are required of them and that they understand the concept of governance. Processes are in place to support the appropriate selection and recruitment of staff, credentialing of clinical staff including annual performance review and individual development, maintenance of professional standards, and control of the safe introduction of new therapies or procedures.

4. **Incident and complaints management: optimising and standardising processes through organisational learning**

   Patient safety and quality incidents and near misses are recognised, reported and analysed, and this information is used to improve safety systems. The system of detecting incidents, near misses and risks (including clinical incidents and patient complaints) uses multiple methods of information to inform clinical improvement strategies, as part of the integrated clinical risk management program.

5. **Patient rights and engagement: consumer participation and partnership**

   Consumer participation occurs at all four levels of the organisation (individual person and their family, service line, organisation, and broader community) through activities such as informed decision making and feedback, community consultation and consumer partnership on governance and management committees, and within improvement initiatives or clinical risk management activities.

   Consumer participation is sought as part of planning, policy development, health service management, clinical research, training programs and guideline development.

Leadership for safety and quality across all levels of the organisation is aimed at supporting the individual and collective efforts of all staff to be part of a culture devoted to quality. Targeted action plans are implemented as part of integrated planning across Metro North to apply the clinical governance framework and improve the safety and quality of patient care.

6.0 GOVERNANCE – HUMAN RESOURCES

6.1 Workforce planning, attraction and retention, and performance

Metro North currently employs 14,478 full-time equivalent (FTE) employees and 17,471 headcount to deliver its services across multiple sites, and has experienced a 5.8% permanent separation rate. The number of full-time equivalent employees has increased by 6.6% since the 2014-15 financial year. The highest percentage growth has been in Caboolture and Kilcoy Hospitals, which reflects increases in service demand across the health service. The tables below display the number of employees by work location and employment stream.

Table 1 employees by work location

	5 July 2015	19 June 2016	Change %	% of Total
Royal Brisbane & Womens Hospital	6,005	6,430	7.1%	44.4%
The Prince Charles Hospital	2,915	3,138	7.7%	21.7%
Redcliffe Hospital	1,423	1,516	6.5%	10.5%
Caboolture Hospital	1,032	1,125	9.0%	7.8%
Kilcoy Hospital	37	40	8.4%	0.3%
Metro North HHS Other	2,170	2,229	2.8%	15.4%
Total MOHRI Occupied FTE	**13,582**	**14,478**	**6.6%**	

Table 2 employees by employment stream

Metro North Workforce Profile	5 July 2015	19 June 2016	Change %	% of Total
Managerial and Clerical	2,303	2,488	8.0%	17.2%
Medical incl VMOs	1,768	1,913	8.2%	13.2%
Nursing	5,922	6,324	6.8%	43.7%
Operational	1,576	1,634	3.6%	11.3%
Trade and Artisans	104	105	1.3%	0.7%
Professional and Technical	1,908	2,015	5.6%	13.9%
Total MOHRI Occupied FTE	**13,582**	**14,478**	**6.6%**	

Long term service demand forecasts were used to support the establishment of the Metro North workforce planning strategy with detailed workforce plans being established for Metro North facilities and professional groups encompassing strategies to identify future workforce requirements including:

- workforce numbers, job roles and skillsets to meet changing community needs and demographics,
- develop and use the current workforce capability based on identified workforce needs,
- identify and retain skilled and capable employees for the future ensuring a sustainable, engaged, flexible and diverse workforce.

To support these initiatives, a *Putting people first* strategy has been implemented incorporating the introduction of a staff wellness portal, succession planning and the delivery leadership programs. These programs support the development of future business leaders and establishing career paths within Metro North to retain current leaders. These programs include an executive leaders program to support the development of future senior leadership capability.

Metro North are committed to establishing a diverse and inclusive workforce through the establishment of diversity targets including setting targets to increase female representation in leadership roles at all levels.

These initiatives have seen a 14% increase in employee participation in the annual employee engagement survey.

The next generation of doctors and nurses

Metro North Hospital and Health Service welcomed 164 new junior doctors at the start of the year – eight more than last year.

They have been joined by more than 390 nursing graduates who joined our ranks progressively from the start of 2016.

The new interns have been placed at The Prince Charles, Royal Brisbane and Women's, Caboolture and Redcliffe Hospitals to undertake rotations in medicine, surgery, emergency medicine and additional elective terms in other specialised areas.

Internships across Metro North facilities are always highly sought after, and successful interns have graduated from universities across Queensland and other states.

Their preference for Metro North facilities highlights the national and international standard of our training institutions and research facilities.

Pictured top: *RBWH interns*
Pictured above: *Redcliffe interns*

Metro North is the pilot site for the state-wide implementation of an integrated workforce management system including roster management. The use of technology will be a key enabler of building efficiencies into the management of the workforce.

As Queensland's largest health care provider, Metro North has established strong partnerships with universities and research bodies to support the attraction and retention of leading health care professionals and clinicians.

As Queensland's largest health care provider, Metro North has established strong partnerships with universities and research bodies to support the attraction and retention of leading health care professionals and clinicians.

From high school to a health career

A bid to build a future health workforce through a School Based Trainee Program is paying huge dividends as it enters its 11th successful year.

Many of the 142 year 10 students who enrolled in the program over the past 11 years have secured successful health careers. Students train one day a week during school terms at Redcliffe, Caboolture and Kilcoy Hospitals and Community, Indigenous and Subacute Services while continuing their year 11 and 12 studies.

Of those enrolled in the program, 82 per cent completed their training and 61 per cent have been employed through hospital casual pools.

Seventeen new positions are now being offered to students in 32 eligible schools in the Moreton Bay area for the 2017 intake. Students currently in year 10 who have an interest in health are encouraged to choose from a range of traineeships in health related programs.

Sheoni Stainwell is just one example of the program's success. As a graduate in 2011 her focus turned to nursing studies at Caboolture QUT which led to a position as a Graduate Nurse in the Day Procedure Unit at Redcliffe Hospital in 2016.

Sheoni Stainwell – From Trainee to Graduate Nurse

Workforce Health and Safety

A successful financial year for the Health and Safety Unit, reaching a peak in March 2016 when Metro North received a successful outcome of a full Australian Standard 4801/4:2001 Occupational Health and Safety Management Systems audit conducted by an independent auditor. Metro North demonstrated a significant improvement since the last audit in 2014, with no non-conformances assessed across 26 criteria.

The Health and Safety Unit also participated in the three accreditation processes receiving two Met with Merit, demonstrating the continued improvements and the high standards of the Health and Safety Management Systems within Metro North.

Workers Compensation and Rehabilitation:

- Workers Compensation measures have improved resulting in quicker and durable return to work outcomes across Metro North. Assisted by increased management engagement standardised injury management processes and system across Metro North.

Workforce Performance Indicators

Hours lost (WorkCover Vs Occupied FTE) – 0.32% (Target 0.35%)

This result is a 5.9% reduction of injured employees from the 2015–16. This significant reduction is due to enhanced rehabilitation processes and an increased focus on early return to work programs.

Average days paid per approved WorkCover claim have been reported as 19.76 which is 2.42 days below the health industry average, a 10.6% reduction from the previous financial year.

These improvements have been achieved despite a 32.4% increase in Workers Compensation claims since the previous financial year, and FTE growth.

Sick leave – 3.41% (Target 3.0%)

Sick leave performance has improved by 1.7% from 2014–15.

Celebrating Staff Excellence

Metro North Hospital and Health Service has an impressive record of achievement and high performance across all its facilities and services. The inaugural Metro North Hospital and Health Service Staff Excellence Awards were held in September 2015 to celebrate the people and teams who make this possible.

The awards also recognised the importance of partnerships, education and training and the value that excellence in these areas brings to patients and communities. Importantly, the awards celebrate those who demonstrate a strong commitment to our values.

There were 37 finalists for the nine categories, chosen from 122 nominees:

People Focus

- BreastScreen Queensland Brisbane Northside Service

Fostering Innovation

- RBWH Elective Surgery Pod – Let's do it together

Excellence in Performance

- Redcliffe ICU Nutrition Service

Excellence in Leadership

- Nutrition and Dietetic Communities of Practice Metro North

Values in Action

- Caboolture Hospital Flood response

Excellence in Integrated Care

- Vicky Stewart – Vestibular Model of Care

Patient as Partners

- CleftPALS Children's Oral Health Service

Excellence in Clinical Education and Training

- Dr Trevor Hollingsworth, Clinical Lead Education at Redcliffe Caboolture Mental Health Service

Excellence in Training and Education

- RBWH Cancer Care Administration – The Joy of Work

The calibre of the nominations reflected the extraordinary talent that exists within Metro North, with 19 Highly Commended nominations also recognised.

HR Services

The business partnering model for HR Services, introduced in 2014–15, is now fully integrated and allows effective delivery of HR advice and support into our business across all campuses. HR Services' core purpose is to partner with and enable business managers to support patient centred service delivery through best practice workforce management. HR Services also supports business managers to identify, address and resolve workforce issues that affect patient care and health service delivery.

To complement this, upon consultation with major client groups and stakeholders, HR Services designed and implemented its Operational Plan for 2015–16. This plan aligned closely with Metro North's *Putting people first* strategy and contemporary public sector employment framework principles. The plan contained a number of strategies to build line manager capability to manage their human resources more effectively at the local level. Some of these strategies centred on early intervention tools and techniques for managing absenteeism and undesirable conduct while others focussed on best practice performance and development planning for managers to put in place for their team members. These were supported with coaching sessions for line managers and education / awareness sessions to team members on these topics.

As these strategies gain traction over the ensuing year, Metro North expects to see a continued modest reduction in complex HR matters and an increase in employee engagement, as evidenced in the record level of staff participation in the Working for Queensland employee survey during May this year.

Special initiatives supported by HR Services include the implementation of the Public Service Commission Chief Executive Directive 4/15: Support for employees affected by domestic and family violence. Introduced in November 2015 to provide a health and safe working environment for all public service employees, this directive recognises that sometimes employees face difficult situations in their work and personal life that may affect their attendance, performance at work or safety. HR Services continues to raise awareness and encourage completion of online awareness programs, and provide advice and guidance in support options available to employees including Special Leave, flexible working arrangements and counselling support services.

Recruitment Services

Phase 3 implementation of the Springboard e-Recruitment system was finalised as scheduled by 30 September 2015. Requests to hire are now consistently managed online for over of 99% of vacancies resulting in greater efficiencies in processing times and positive business outcomes due to a reduction in vacant positions. In the 2015–16 financial year, the Metro North Recruitment team received and processed 1385 requests to hire.

Benefits realised through roll out of the Springboard system has enabled the implementation of continuous improvement strategies, ongoing review of current practices and implementation of contemporary strategies to influence use of best practice in recruitment and selection processes and decisions to address skills shortage issues and support a high level of role and organisational fit.

Industrial Relations

During the 2015–16 financial year, Metro North continued to navigate the industrial environment with minimal industrial disputation reaching the Queensland Industrial Commission. The number and length of suspensions are at their lowest since recordkeeping commenced in 2014. Metro North continues to engage with the industrial unions to further enhance constructive relationships and employee satisfaction.

6.2 Early retirement, redundancy and retrenchment

During the period, 11 employees received redundancy packages at a total cost of $734,036.

MILESTONE MOMENTS 2015–16

Midwives Holding Hands of 2,000 bubs

More than 300 mums and bubs, dads and children came together to celebrate a very important milestone for Caboolture Hospital's Holding Hands Midwife Group Practice.

Newborn Rogue, Willow and Scout are pictured with Wamuran mum Jess Creagh who has nothing but praise for the Holding Hands midwives.

Holding Hands celebrated the birth of more than 2000 Moreton Bay bubs and 10 years of service.

For Wamuran mum Jess Creagh, the Holding Hands midwives were a blessing and helped her three beautiful daughters Willow, Scout and newborn Rogue into the world.

"The care I received from my midwife and the Holding Hands team was amazing. It made me feel at ease and very comfortable," Jess said.

"It was nice to have a familiar face during my pregnancy, birth and home visits for my three daughters who were born in 2012, 2014 and more recently in January 2016.

"I can't find anything that the midwives could improve on. They are truly amazing women."

Holding Hands began in 2006 and is based on a successful and safe model of care where the midwife is the primary carer for women during pregnancy, birth and the first few weeks of newborn care.

Caboolture Hospital Director of Nursing and Midwifery Anne Clayton said demand for the midwifery-led services has grown substantially in the past decade in Caboolture.

"More than 40 per cent of mothers who give birth at the hospital now see the same midwife or group of midwives," Ms Clayton said.

"Women who access midwife-led services are able to develop a very trusting bond with the same midwife or group of midwives."

The Holding Hands Midwife Group Practice is based at the Jinibara State School Early Learning and Development Centre, and is one of four in the Moreton Bay region.

MILESTONE MOMENTS 2015–16

Kilcoy Hospital facelift makes a world of difference

Kilcoy Hospital has received a much welcomed facelift to its inpatient and outpatient facilities.

As part of the refurbishments, the old maternity wing and parts of the nursing quarters have been modernised to cater for new allied health services at the hospital.

There is a new gym where physiotherapists can treat patients in a more relaxed and improved space, and social workers have an area where they can speak privately with relatives.

As part of the enhancements, a new telehealth room has been fully equipped for teleconferencing for outpatient appointments, reducing the need for patients to travel to other facilities.

Kilcoy Hospital Director of Nursing Lyndie Best said the mobile telehealth service was allowing staff to deliver a range of wound care and orthopaedic specialist outpatient appointments and inpatient assessments at the bedside.

"Improved videoconferencing facilities have allowed us to start outpatient appointments for renal patients for the first time," Ms Best said.

Other improvements have included the redesign of the palliative care room to be a more intimate space for families to come together with their loved ones.

Ms Best said the modernisation of Kilcoy Hospital has included a new reception area, as well as improved spaces for the visiting Maternity Services from Caboolture.

Keeping Australia Alive – an in-depth look at our health care system

It was lights, camera and action when the ITV production team rolled in to film an Australian-first documentary featuring the Royal Brisbane and Women's Hospital (RBWH).

Keeping Australia Alive focused on our diverse health care system. The documentary looked at several different hospitals and health services on the same day over a 24-hour period.

RBWH's world-leading trauma and neonatal services were highlighted in the six-part documentary and gave viewers a great insight into the grey area between life and death, a space where many of our dedicated team work.

Our P.A.R.T.Y program in the spotlight again – saving and changing lives throughout Queensland schools.

Professor Kwun Fong

$1m grant to establish centre at TPCH for lung cancer early detection

The Prince Charles Hospital (TPCH) and The University of Queensland (UQ) will lead a new centre dedicated to the early detection of lung cancer following a grant of $1 million from the Australian Cancer Research Foundation (ACRF).

The new Australian Cancer Research Foundation Centre for Lung Cancer Early Detection will be based at TPCH.

Professor Kwun Fong, Director of UQ's Thoracic Research Centre at TPCH, said the centre would focus on the discovery and development of innovative methods for early stage detection of lung cancer.

"Lung cancer remains the biggest cause of cancer deaths in Australia and worldwide and has a very low five-year survival rate in comparison to many other common cancer types. Early detection can therefore significantly improve health and treatment outcomes for patients with lung cancer," Professor Fong said.

The centre will have major collaborations across key Australian and international sites. Due to the clinical focus of the research, the team will be able to translate findings directly into daily clinical practice.

7.0 FINANCIAL STATEMENTS

7.1 General information

The Metro North Hospital and Health Service is a Queensland Government statutory body established under the *Hospital and Health Boards Act 2011* and its registered name is "Metro North Hospital and Health Service".

The Metro North Hospital and Health Service is controlled by the State of Queensland which is the ultimate parent entity.

The head office and principal place of business of the Metro North Hospital and Health Service is:

Level 14, Block 7
Royal Brisbane and Women's Hospital
Herston QLD 4029

For information in relation to the health service's financial statements please call 07 3647 9508, email MD16-MetroNorthHHS@health.qld.gov.au or visit our internet site http://www.health.qld.gov.au/metronorth/

7.0 FINANCIAL STATEMENTS

Statement of Comprehensive Income for the year ended 30 June 2016

Operating result

	Notes	2016 Actual $'000	2015 Actual $'000
Income from continuing operations			
User charges and fees	A1-1	243,992	188,731
Funding for the provision of public health services	A1-2	2,152,035	1,948,327
Grants and other contributions		21,932	24,189
Other revenue		40,249	34,076
Total revenue		**2,458,208**	**2,195,323**
Gain on disposal/re-measurement of assets		2,606	56
Total income from continuing operations		**2,460,814**	**2,195,379**
Expenses from continuing operations			
Employee expenses	A2-1	1,720,390	1,542,890
Supplies and services	A3-1	637,726	561,967
Grants and subsidies		1,607	1,422
Depreciation and amortisation	B5-1	90,590	80,772
Impairment losses		3,613	5,953
Other expenses	A3-2	6,724	6,791
Total expenses from continuing operations		**2,460,650**	**2,199,795**
Operating result from continuing operations		**164**	**(4,416)**
Other comprehensive income			
Items that will not be reclassified subsequent to operating result:			
Increase/(decrease) in asset revaluation surplus	B7-1	53,525	-
Total other comprehensive income		**53,525**	**-**
Total comprehensive income		**53,689**	**(4,416)**

The accompanying notes form part of these statements.

Statement of Financial Position as at 30 June 2016

	Notes	2016 Actual $'000	2015 Actual $'000
Current assets			
Cash and cash equivalents	B1-1	73,049	130,367
Receivables	B2-1	117,867	60,086
Inventories	B3-1	23,424	15,582
Other assets		8,852	4,104
Total current assets		**223,192**	**210,139**
Non-current assets			
Property, plant and equipment	B5-1	1,223,008	1,199,075
Intangible assets	B4-1	11,005	3,161
Other assets		126	172
Total non-current assets		**1,234,139**	**1,202,408**
Total assets		**1,457,331**	**1,412,547**
Current liabilities			
Payables	B6-1	78,643	55,835
Accrued employee benefits	A2-1	61,682	64,465
Unearned revenue		1,295	1,208
Total current liabilities		**141,620**	**121,508**
Total liabilities		**141,620**	**121,508**
Net assets		**1,315,711**	**1,291,038**
Equity			
Contributed equity		1,170,990	1,200,006
Accumulated surplus (deficit)		73,795	73,631
Asset revaluation surplus	B7-1	70,926	17,401
Total equity		**1,315,711**	**1,291,038**

The accompanying notes form part of these statements.

Statement of Changes in Equity
For the year ended 30 June 2016

	Notes	Accumulated Surplus/ (deficit)	Asset Revaluation Surplus	Contributed Equity	Total Equity
		$'000	$'000	$'000	$'000
Balance at 1 July 2014		**78,047**	**17,401**	**1,255,445**	**1,350,893**
Operating result from continuing operations		(4,416)	–	–	(4,416)
Other comprehensive income					
Increase in asset revaluation surplus		–	–	–	–
Total comprehensive income for the year		**(4,416)**	**–**	**–**	**(4,416)**
Transactions with owners as owners					
Equity injections – Minor Capital Funding		–	–	22,791	22,791
Equity withdrawals – depreciation and amortisation	(B4, B5-1)	–	–	(80,752)	(80,752)
Non-appropriated equity asset transfers		–	–	2,522	2,522
Net transactions with owners as owners		**–**	**–**	**(55,439)**	**(55,439)**
Balance as at 30 June 2015		**73,631**	**17,401**	**1,200,006**	**1,291,038**

	Notes	Accumulated Surplus/ (deficit)	Asset Revaluation Surplus	Contributed Equity	Total Equity
		$'000	$'000	$'000	$'000
Balance at 1 July 2015		**73,631**	**17,401**	**1,200,006**	**1,291,038**
Operating result from continuing operations		164	-	-	164
Other comprehensive income					
Increase in asset revaluation surplus		-	53,525	-	53,525
Total comprehensive income for the year		**164**	**53,525**	**-**	**53,689**
Transactions with owners as owners					
Equity injections – Minor Capital Funding		-	-	44,630	44,630
Equity withdrawals – depreciation and amortisation	(Note B4, B5-1)	-	-	(90,588)	(90,588)
Non–appropriated equity asset transfers		-	-	16,942	16,942
Net transactions with owners as owners		**-**	**-**	**(29,016)**	**(29,016)**
Balance as at 30 June 2016		**73,795**	**70,926**	**1,170,990**	**1,315,711**

The accompanying notes form part of these statements.

Statement of Cash Flows
For the year ended 30 June 2016

	Notes	2016 Actual $'000	2015 Actual $'000
Cash flows from operating activities			
Inflows			
User charges		226,480	187,417
Funding for the provision of public health services		2,019,233	1,862,959
Grants and other contributions		21,482	21,748
Interest received		749	682
Other revenue		37,925	33,319
GST collected from customers		5,531	5,878
GST input tax credits from Australian Taxation Office		30,372	27,806
Outflows			
Employee expenses		(1,723,173)	(1,553,199)
Supplies and services		(627,376)	(585,330)
Grants and subsidies		(2,007)	(1,422)
Other expenses		(5,749)	(5,437)
GST paid to suppliers		(29,508)	(28,189)
GST remitted to Australian Taxation Office		(5,277)	(5,873)
Net cash provided by (used in) operating activities	CF-1	**(51,318)**	**(39,641)**
Cash flows from investing activities			
Inflows			
Sales of property, plant and equipment		458	199
Outflows			
Payments for property, plant and equipment		(43,614)	(21,566)
Payments for intangible assets		(8,727)	(1,633)
Net cash provided by (used in) investing activities		**(51,883)**	**(23,001)**
Cash flows from financing activities			
Inflows			
Equity transferred		45,883	25,311
Net cash provided by (used in) financing activities		**45,883**	**25,311**
Net increase/(decrease) in cash and cash equivalents		(57,318)	(37,331)
Cash and cash equivalents at the beginning of the financial year		130,367	167,698
Cash and cash equivalents at the end of the financial year	B1-1	**73,049**	**130,367**

The accompanying notes form part of these statements.

Notes to the statement of cash flow
For the year ended 30 June 2016

	2016 $'000	2015 $'000
CF-1 Reconciliation of surplus to net cash from operating activities		
Surplus for the year	164	(4,416)
Adjustments for:		
Non-cash equity withdrawal - depreciation funding	(90,588)	(80,752)
Depreciation and amortisation expense	90,590	80,772
Property, plant and equipment revaluation (increment)/ decrement	(1,477)	-
Impairment loss	3,613	5,953
(Gain)/ Loss on sale of property, plant and equipment	206	1,200
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables	(62,512)	(7,788)
(Increase)/decrease in GST receivables	1,118	(378)
(Increase)/decrease in inventories	(7,842)	(1,252)
(Increase)/decrease in recurrent prepayments	(4,702)	(1,081)
Increase/(decrease) in unearned revenue	87	(657)
Increase/(decrease) in accrued salaries and wages	(4,726)	16,923
Increase/(decrease) in other employee benefits	1,943	(27,232)
Increase/(decrease) in payables	22,808	(20,851)
Increase/(decrease) in other payables	-	(82)
Net cash from operating activities	**(51,318)**	**(39,641)**

General information

Metro North Hospital and Health Service was established on 1 July 2012, as a not-for-profit statutory body under the *Hospital and Health Boards Act 2011*. Metro North Hospital and Health Service is responsible for providing primary health, community and public health services in the area assigned under the *Hospital and Health Boards Regulation 2012*.

The Metro North Hospital and Health Service is controlled by the State of Queensland which is the ultimate parent entity.

The head office and principal place of business of the Metro North Hospital and Health Service is:

Level 14, Block 7
Royal Brisbane and Women's Hospital
Herston QLD 4029

Statement of compliance

Metro North Hospital and Health Service has prepared these financial statements in compliance with section 62(1) of the *Financial Accountability Act 2009* (QLD) and section 43 of the *Financial and Performance Management Standard 2009* (QLD).

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the year ending 30 June 2016 and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Metro North Hospital and Health Service has applied those requirements applicable to a not-for profit entity, as the Metro North Hospital and Health Service is a not-for- profit entity. Except where stated, the historical cost convention is used.

The reporting entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of the Metro North Hospital and Health Service.

Presentation matters

Currency and Rounding

Amounts included in the financial statements are in Australian dollars and 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.

Comparatives

The comparative information has been restated where necessary to be consistent with disclosures in the current reporting period and to improve transparency across the years.

Current/Non-Current Classification

Assets and liabilities are classified as either current or non-current in the Statement of Financial Position and associated notes.

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 the Metro North Hospital and Health Service does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

Authorisation of financial statements for issue

The financial statements are authorised for issue by the Chair of the Metro North Hospital and Health Board and the Health Service Chief Executive and Chief Finance Officer at the date of signing the Management Certificate.

A1. Revenue

	2016 $'000	2015 $'000
A1-1 User charges and fees		
Hospital fees	122,581	110,763
Sales of good and services	121,411	77,968
Total	**243,992**	**188,731**

Accounting Policy – User Charges and Fees

User charges and fees are recognised as revenue when earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue.

Revenue in this category primarily consists of hospital fees (patients who elect to utilise their private health cover) and sales of goods and services which includes reimbursements of pharmaceutical benefits.

	2016 $'000	2015 $'000
A1-2 Funding for the provision of public health services		
Activity based funding	1,805,327	1,651,769
Block funding	141,610	136,434
Other	205,098	160,124
Total	**2,152,035**	**1,948,327**

Accounting Policy – Funding for the Provision of Public Health Services

Funding is provided predominantly from the Department of Health for specific public health services purchased by the Department from Metro North Hospital and Health Service in accordance with a service agreement. The Australian Government pays its share of National Health funding directly to the Department of Health, for on forwarding to the Hospital and Health Service. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by Metro North Hospital and Health Service. The funding from the Department of Health is received fortnightly in advance. At the end of the financial year, a financial adjustment may be required where the level of services provided is above or below the agreed level.

The service agreement between the Department of Health and the Metro North Hospital and Health Service dictates that depreciation and amortisation charges that are incurred by the Metro North Hospital and Health Service are funded by the Department of Health via non-cash grant revenue. This transaction is shown in the Statement of Changes in Equity as a non-appropriated equity withdrawal.

A2 Employee Expenses

	2016	2015
	$'000	$'000
Employee expenses		
Employee benefits		
Wages and salaries	1,364,234	1,221,325
Employer superannuation contributions	140,133	125,640
Annual leave levy/expense	161,573	144,947
Long service leave levy/expense	28,472	25,663
Termination Payments	1,618	2,850
Employee related expenses		
Workers compensation premium	12,190	11,357
Payroll tax	4	(45)
Other employee related expenses	12,166	11,153
Total	**1,720,390**	**1,542,890**
Full-Time Equivalent Employees	14,478	13,545

Accounting Policy – Employee Benefits

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at current salary rates.

As Metro North Hospital and Health Service expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Under the Queensland Government's Annual Leave Central Scheme (ALCS) and Long Service Leave Scheme, a levy is made on the Metro North Hospital and Health Service to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears. Non-vesting employee benefits, such as sick leave, are recognised as an expense when taken.

Employer superannuation contributions are paid to QSuper for all employees and include superannuation contributions to a number of self-managed superannuation funds for Board members. QSuper is the superannuation scheme for Queensland Government employees, and the rates are determined by the Treasurer on the advice of the State Actuary. The QSuper scheme had defined benefit and defined contribution categories. Contributions are expensed in the period in which they are paid or payable and the Metro North Hospital and Health Service's obligation is limited to its contribution to QSuper and the self-managed superannuation funds.

The provisions for annual leave, long service leave and superannuation are reported on a whole-of government basis pursuant to *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

A2-2 Key Management Personnel Disclosures

Board remuneration

The Metro North Hospital and Health Service is independently and locally controlled by the Hospital and Health Board (Board). The Board appoints the Health Service Chief Executive and exercises significant responsibilities at a local level, including controlling the financial management of the Service and the management of the Service's land and buildings *(section 7 Hospital and Health Boards Act 2011)*.

Position and Name	Responsibilities (as at 30 June 2016)	Contract classification and appointment authority	Date appointed to position (Date ceased from position)
Board Chair – Professor Robert Stable AM	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance. *Committee Memberships:* Chair of the Board Executive committee	Chairperson *Hospital and Health Boards Act 2011* Section 25 (1) (a)	18/5/2016
Board Chair – Dr Paul Alexander AO	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance. *Committee Memberships:* Chair of the Board Executive committee Acting Chair of the Board Risk and Audit committee (4/11/2015-17/05/2016)		1/7/2012 (17/5/2016)
Deputy Board Chair	Vacant (from 17/5/2016 to 30/6/2016)		
Deputy Board Chair – Mr Vaughan Howell	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance. *Committee Memberships:* Chair of the Board Finance committee Member of the Board Risk and Audit committee Member of the Board Executive committee	Deputy Chairperson *Hospital and Health Boards Act 2011* Section 25 (1) (b)	1/7/2012 (17/5/2016)
Board Member – Ms Bonny Barry	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance. *Committee Memberships:* Member of the Board Finance committee Member of the Board Executive committee	Board Member *Hospital and Health Boards Act 2011* Section 23 (1)	18/5/2016
Board Member – Mr Philip Davies	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance. *Committee Memberships:* Member of the Board Risk and Audit committee Member of the Board Executive committee		18/5/2016
Board Member – Professor Helen Edwards OAM	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance. *Committee Memberships:* Member of the Board Safety and Quality committee Member of the Board Finance committee		7/9/2012
Board Member – Professor Nicholas Fisk	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance. *Committee Memberships:* Member of the Board Safety and Quality committee		7/9/2012 (17/5/2016)

Position and Name	Responsibilities (as at 30 June 2016)	Contract classification and appointment authority	Date appointed to position (Date ceased from position)
Board Member – Professor Mary-Louise Fleming	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance. *Committee Memberships:* Member of the Board Safety and Quality committee	Board Member *Hospital and Health Boards Act 2011* Section 23 (1)	18/5/2016
Board Member – Dr Kim Forrester	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance. *Committee Memberships:* Chair of the Board Safety and Quality committee Member of the Board Executive committee Member of the Board Risk and Audit committee		18/5/2013
Board Member – Mr Mike Gilmour	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance. *Committee Memberships:* Member of the Board Finance committee Member of the Board Risk and Audit committee		18/5/2016
Board Member – Mr Geoff Hardy	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance. *Committee Memberships:* Member of the Board Risk and Audit committee Member of the Board Finance committee		18/5/2016
Board Member – Associate Professor Cliff Pollard AM	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance. *Committee Memberships:* Member of the Board Safety and Quality committee Member of the Board Executive committee		7/9/2012
Board Member – Mr Leonard Scanlan	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance. *Committee Memberships:* Chair of the Board Risk and Audit committee Member of the Board Finance committee Member of the Board Executive committee		7/9/2012 (30/10/2015)
Board Member – Dr Margaret Steinberg AM	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance. *Committee Memberships:* Member of the Board Safety and Quality committee Member of the Board Risk and Audit committee Member of the Board Finance committee Member of the Board Executive committee		1/7/2012

A2-2 Key Management Personnel and Remuneration Expense (continued)

Details of Key Management Personal

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Metro North Hospital and Health Service during 2015-16.

Incumbent	Contract Classification and Appointment Authority	Date of Initial Appointment (Date ceased from position)
Chief Executive		
The Health Service Chief Executive is responsible for the strategic direction and the efficient, effective and economic administration of the health service.		
Adjunct Professor Ken Whelan	*Hospital and Health Boards Act 2011*, 10S24/S70 01	11/5/2015
Executive Director, Operations		
Provide operational leadership, direction and day to day management, including infrastructure, of the Metro North Hospital and Health Service to optimise quality health care and business outcomes.		
Mr Shaun Drummond	*Hospital and Health Boards Act 2011*, HES4	8/12/2014
Chief Finance Officer		
Responsible for developing, implementing, managing and monitoring the financial framework, corporate financial systems, controls and budget administration of the health service.		
Mr James Kelaher, BA, MBA, FCPA, Member of RMIA	*Hospital and Health Boards Act 2011*, HES3	12/10/2015
Mr Robert Dubery, FCPA, FCMA, CGMA, GAICD	*Hospital and Health Boards Act 2011, HES3*	13/03/2013 (19/10/2016)
Executive Director, Clinical Services		
Responsible for monitoring and strategically directing the budgetary and activity performance of the Metro North Hospital and Health Service's clinical streams and assist the Health Service Chief Executive and other Executive Directors in effective management of not only the Clinical Streams but also Metro North Hospital and Health Service as an entity.		
Dr Elizabeth Whiting, BA, MB BCH BAO, FRACP, FRANZSGM	Medical Officers' (Queensland Health) Certified Agreement (No.3) 2012, MMOI4	1/9/2014
Executive Director, Clinical Governance, Safety, Quality and Risk		
Provide strategic leadership, direction and day to day management of the Metro North Hospital and Health Service's governance, quality and risk functions to optimise quality health care, statutory and policy compliance and continuously improving business outcomes.		
Ms Linda Hardy, RN	*Hospital and Health Boards Act 2011, HES3*	29/06/2015
Executive Director, Organisational Development, Strategy and Implementation		
Responsible for the delivery of key initiatives in response to strategic and operational plans and imperatives including sustainability of services, patient flow initiatives and the design of new services.		
Mr Luke Worth	*Hospital and Health Boards Act 2011, HES2*	28/09/2015
Executive Director, Royal Brisbane and Women's Hospital		
Responsible for the management of the efficient, effective and economic administration of the operations of the Royal Brisbane and Women's Hospital.		
Dr Amanda Dines	Medical Officers' (Queensland Health) Certified Agreement (No.4) 2015, MMOI2	17/08/2015
Adjunct Associate Professor Alanna Geary (acting)	Nurses and Midwives (Queensland Health) Certified Agreement (EB8) 2012, NRG12-1	2/6/2016 (16/08/2015)
Executive Director, The Prince Charles Hospital		
Responsible for the management of the efficient, effective and economic administration of the operations of the Prince Charles Hospital.		
Mr Anthony Williams	*Hospital and Health Boards Act 2011*, HES2	30/03/2015

Incumbent	Contract Classification and Appointment Authority	Date of Initial Appointment (Date ceased from position)
Executive Director, Caboolture and Kilcoy Hospitals		
Responsible for the management of the efficient, effective and economic administration of the operations of the Caboolture and Kilcoy Hospitals.		
Dr Lance LeRay, MBBS MPH FRACGP FRACMA	Medical Officers' (Queensland Health) Certified Agreement (No.3) 2012, MMOI2	21/11/2014
Executive Director, Redcliffe Hospital		
Responsible for the management of the efficient, effective and economic administration of the operations of the Redcliffe Hospital.		
Ms Lexie Spehr	Nurses and Midwives (Queensland Health) Certified Agreement (EB8) 2012, NRG12-1	1/03/2013
Ms Gayle Sutherland (acting)	*Hospital and Health Boards Act 2011, HES2*	9/05/2016
Executive Director, Community, Indigenous and Subacute Services		
Responsible for the management of the efficient, effective and economic administration of the operations of primary health, community health and aged care within the health service.		
Mr Christopher Seiboth, BSocSc, AssocDAppSc	*Hospital and Health Boards Act 2011, HES2*	3/08/2015
Ms Mary Slattery	*Hospital and Health Boards Act 2011*, HES2	9/8/2013 (9/8/2015)
Executive Director, Mental Health Services		
Responsible for providing sustainable and appropriate mental health care across the health service through efficient, effective and economic administration.		
Associate Professor Brett Emmerson, MBBS, MHA, FRANZCP, FRACMA	Medical Officers' (Queensland Health) Certified Agreement (No.3) 2012, MMOI4	15/05/2013
Executive Director, Oral Health Services		
Responsible for providing sustainable and appropriate oral health care across the health service through efficient, effective and economic administration.		
Mr Andrew McAuliffe, GDipSocSc(Health), BAppSc (Phty)	*Hospital and Health Boards Act 2011, HES2*	6/07/2015
Executive Director, Medical Imaging		
Responsible for the strategic direction, professional development and quality of medical imaging services within the health service.		
Ms Noelle Cridland	*Hospital and Health Boards Act 2011, HES2*	7/10/2015
Executive Director, Medical Services		
Responsible for the strategic direction, professional development and quality of medical services within the health service.		
Dr Donna O'Sullivan, MBBS BHA MPH FRACMA	Medical Officers' (Queensland Health) Certified Agreement (No.4) 2015, MMOI3	1/04/2013
Dr Judy Graves (acting)	Medical Officers' (Queensland Health) Certified Agreement (No.4) 2015, MMOI2	3/04/2015 (17/01/2016)
Executive Director, Nursing and Midwifery Services		
Responsible for the strategic direction, professional development and quality of nursing services within the health service.		
Adjunct Associate Professor Alanna Geary	Nurses and Midwives (Queensland Health) Certified Agreement (EB8) 2012, NRG12-1	16/03/2015
Adjunct Associate Professor Robyn Fox	Nurses and Midwives (Queensland Health) Certified Agreement (EB8) 2012, NRG12-1	2/06/2015 (14/08/15)
Executive Director, Allied Health Services		
Responsible for the strategic direction, professional development and quality of allied health services within the health service.		
Mr Mark Butterworth, BAppSc, GradDipBA	Health Practitioners' (Queensland Health) Certified Agreement (No. 2) 2011 HP8-4	2/02/2013

Key Management Personnel and Remuneration Expense (continued)

Remuneration Policies

Section 74(1) of the *Hospital and Health Boards Act 2011* provides that each person appointed as a health executive must enter into a contract of employment. The Health Service Chief Executive must enter into the contract of employment with the Chair of the Board for the Hospital and Health Service and a Health Executive employed by a Hospital and Health Service must enter into a contract of employment with the Health Service Chief Executive. The contract of employment must state the term of employment (no longer than 5 years per contract), the person's functions and any performance criteria as well as the person's classification level and remuneration entitlements.

Remuneration packages for key executive management personnel comprise the following components:

- Short term employee expenses include:
  - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position
  - Non-monetary benefits – consisting of provision of vehicle and expense payments together with fringe benefits tax applicable to the benefit.
- Long term employee expenses include long service leave accrued.
- Post employment expenses includes expenses in respect of employer superannuation obligations.
- Termination benefits 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.
- Performance bonuses are not paid under the contracts in place.

Total expenses and termination benefits are calculated on a 'total cost' basis and includes the monetary and non-monetary expenses, long term employee expenses and post employment expenses.

Board Remuneration Expense

Remuneration paid, or owing, to board members during **2015-16** was as follows:

	Short term employee expenses			
	Monetary expenses	Non–monetary expenses	Post employment expenses	Total expenses
Board Members	$'000	$'000	$'000	$'000
Board Chair – Dr Paul Alexander AO	84	-	9	93
Board Chair – Emeritus Professor Robert Stable AM	7	-	1	8
Deputy Chair – Mr Vaughan Howell	50	-	5	55
Mr Leonard Scanlan	19	-	2	21
Dr Clifford Pollard AM	46	-	12	58
Dr Margaret Steinberg AM	51	-	5	56
Professor Helen Edwards OAM	48	-	5	53
Professor Nicholas Fisk	41	-	4	45
Dr Kim Forrester	51	-	5	56
Mr Philip Davies	4	-	-	4
Mr Mike Gilmour	4	-	-	4
Ms Bonny Barry	4	-	-	4
Professor Mary-Louise Fleming	5	-	1	6
Mr Geoff Hardy	3	-	-	3
Total Remuneration	**417**	**-**	**49**	**466**

The Metro North Hospital and Health Service has reimbursed board members a total of $83.91 for out-of-pocket expenses incurred whilst travelling on approved board business including attendance at board meetings.

Remuneration paid, or owing, to board members during **2014-15** was as follows:

	Short term employee expenses			
	Monetary expenses	Non–monetary expenses	Post employment expenses	Total expenses
Board Members	$'000	$'000	$'000	$'000
Board Chair – Dr Paul Alexander AO	93	-	9	102
Deputy Chair – Mr Vaughan Howell	57	-	6	63
Mr Leonard Scanlan	54	-	5	59
Dr Clifford Pollard AM	50	-	5	55
Dr Margaret Steinberg AM	53	-	5	58
Professor Helen Edwards OAM	47		5	52
Professor Nicholas Fisk	43	-	5	48
Dr Kim Forrester	49	-	5	54
Total Remuneration	**446**	**-**	**45**	**491**

Key Management Personnel (KMP) Remuneration Expense

The following disclosures focus on the expenses incurred by Metro North Hospital and Health Service that are attributable to key management positions during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

2015-16

	Short term employee expenses					
	Monetary expenses	Non–monetary expenses	Long term expenses	Post employment expenses	Termination benefits	Total expenses
Position	$'000	$'000	$'000	$'000	$'000	$'000
Chief Executive	479	-	9	48	-	536
Executive Director, Operations	257	13	5	27	-	302
Chief Finance Officer	242	-	4	22	58	326
Executive Director, Clinical Services	511	1	10	38	-	560
Executive Director, Clinical Governance, Safety, Quality and Risk	201	1	4	20	-	226
Executive Director, Organisational Development, Strategy and Implementation	163	-	3	17	-	183
Executive Director, Royal Brisbane and Women's Hospital	413	1	8	33	-	455
Executive Director, The Prince Charles Hospital	199	-	4	20	-	223
Executive Director, Redcliffe Hospital	229	-	4	23	-	256
Executive Director, Caboolture and Kilcoy Hospitals	449	-	9	33	-	491

2015-16 continued

	Short term employee expenses					
	Monetary expenses	Non–monetary expenses	Long term expenses	Post employment expenses	Termination benefits	Total expenses
Position	$'000	$'000	$'000	$'000	$'000	$'000
Executive Director, Community, Indigenous and Subacute Services	225	-	4	18	132	379
Executive Director, Mental Health	475	1	9	35	-	520
Executive Director, Oral Health	187	-	4	19	-	210
Executive Director, Medical Imaging	232	-	4	22	-	258
Executive Director, Medical Services	690	1	13	46	-	750
Executive Director, Nursing and Midwifery Services	251	-	4	23	-	278
Executive Director, Allied Health	219	1	4	20	-	244
Total Remuneration	**5,422**	**19**	**102**	**464**	**190**	**6,197**

2014-15

	Short term employee expenses					
	Monetary expenses	Non–monetary expenses	Long term expenses	Post employment expenses	Termination benefits	Total expenses
Position	$'000	$'000	$'000	$'000	$'000	$'000
Chief Executive	567	13	10	51	210	851
Chief Operating Officer (from 1/7/2014 to 24/7/2014)	21	-	-	1	-	22
Acting Executive Director, Operations (from 10/11/2014 to 30/6/2015)	152	19	3	16	-	190
Chief Finance Officer	228	-	4	23	-	255
Executive Director, Clinical Services (1/9/2014 to 30/6/2015)	418	-	8	30	-	456
Executive Director, Clinical Governance, Safety, Quality and Risk	138	-	3	16	-	157
Acting Executive Director, Royal Brisbane and Women's Hospital	409	-	7	32	39	487
Acting Executive Director, The Prince Charles Hospital	204	-	4	17	-	225
Executive Director, Redcliffe Hospital	221	-	4	17	-	242
Acting Executive Director, Caboolture and Kilcoy Hospitals (from 1/7/2014 to 31/8/2014 and 24/11/2014 to 30/6/2015)	338	-	7	27	-	372

2014–15 continued

	Short term employee expenses					
	Monetary expenses	Non–monetary expenses	Long term expenses	Post employment expenses	Termination benefits	Total expenses
Position	$'000	$'000	$'000	$'000	$'000	$'000
Executive Director, The Prince Charles, Caboolture and Kilcoy Hospitals (from 1/9/2014 to 23/11/2014)	89	-	2	5	-	96
Executive Director, Mental Health Services	425	1	8	32	-	466
Executive Manager and Director of Nursing, Community, Indigenous and Subacute Services	174	-	3	16	-	193
Executive Director, Oral Health Services	113	-	2	12	-	127
Executive Director, Nursing Services	236	-	3	6	-	245
Executive Director, Medical Services	528	1	11	40	-	580
Executive Director, Allied Health Services	172	-	3	19	-	194
Executive Director, Corporate Services and Performance (from 1/7/2014 to 19/3/2015)	151	1	2	6	185	345
Acting Executive Director, Systems Support Services (from 16/02/2015 to 30/6/2015)	78	-	1	8	-	87
Total	**4,662**	**35**	**85**	**374**	**434**	**5,590**

A3 - Other Expenses

A3-1 Supplies and services

Accounting Policy – Services Received Free of Charge or for Nominal Value

Contributions of services are recognised only if the services would have been purchased if they had 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.

The Metro North Hospital and Health Service receives corporate services support from the Department of Health for no cost. Corporate services include accounts payable services, payroll services, taxation services, some supply services and information system support services. As the fair value of these services is unable to be estimated reliably, no associated revenue and expense is recognised in the Financial Statements of the Metro North Hospital and Health Service.

Accounting Policy – Insurance

Metro North Hospital and Health Service is covered by the Department of Health's insurance policy with the Queensland Government Insurance Fund (QGIF) and pays a fee to the Department of Health as a fee for service arrangement.

QGIF covers property and general losses above a $10,000 threshold and health litigation payments above a $20,000 threshold and associated legal fees. Premiums are calculated by QGIF on a risk assessment basis.

	2016 $'000	2015 $'000
A3-1 Supplies and services		
Consultants and contractors	19,498	21,736
Electricity and other energy	19,104	17,809
Patient travel	9,973	9,732
Other travel	4,330	3,948
Water	3,370	3,696
Building services	2,468	2,731
Computer services	12,149	14,771
Insurance	21,948	19,618
Motor vehicles	867	778
Communications	20,709	18,492
Repairs and maintenance	46,588	49,877
Minor works including plant and equipment	3,227	2,644
Operating lease rentals	4,134	4,803
Drugs	134,067	91,569
Clinical supplies and services	179,858	160,233
Catering and domestic supplies	42,899	42,902
Pathology, blood and parts	98,897	82,105
Other	13,640	14,523
Total	**637,726**	**561,967**

A3-2. Other Expenses

Audit Expenses

Total audit fees paid to the Queensland Audit Office relating to the 2015-16 financial year are $320,000 (2015:$330,000). There are no non-audit services included in this amount.

Accounting Policy – Special payments

Special payments include ex-gratia expenditure and other expenditure that the Metro North Hospital and Health Service is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, the Metro North Hospital and Health Service maintains a register setting out the details of all special payments greater than $5,000. The total of all special payments (including those of $5,000 or less) is within the category of Other Expenses in the financial statements. In 2015-16, ex-gratia payments of $33,173 (2015:$80,000) were made, consisting of three reportable payments totalling $16,150 (2015:$62,558) and a number of smaller non-reportable payments. Two reportable payments totalling $10,000 relate to patient medical claims and one payment of $6,150 was made to a patient for loss of personal property.

B. Notes about our financial position

	2016 $'000	2015 $'000
B1. Cash and cash equivalents		
Cash at bank and on hand	54,164	111,581
QTC cash funds	18,885	18,786
	73,049	**130,367**

Cash on deposit with QTC represents cash contributions from external entities and other benefactors in the form of gifts, donations and bequests for specific purposes. These funds are deposited with Queensland Treasury Corporation and set aside for specific purposes underlying the contribution. Cash on deposit is at call and is subject to floating interest rates. The annual effective interest rate is 2.85% (2015:2.84%).

Accounting Policy – Cash and Cash Equivalents

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked as at 30 June as well as deposits at call with financial institutions. Metro North Hospital and Health Service's bank account is grouped within the Whole-of-Government set-off arrangement with the Queensland Treasury Corporation and, as a result, does not earn interest on its surplus funds nor is it charged interest or fees for accessing its approved cash overdraft facility. Interest earned on the aggregate set-off arrangement balance accrues to the consolidated fund.

B2. Receivables

	2016 $'000	2015 $'000
B2-1 Receivables		
Trade receivables	67,251	50,919
Less: Allowance for impairment	(8,882)	(9,311)
Accrued Interest and Other	3	78
	58,372	**41,686**
GST receivable	3,027	3,891
GST payable	(863)	(609)
	2,164	**3,282**
Funding public health services	57,331	15,118
Total	**117,867**	**60,086**
Movements in the allowance for impairment loss		
Balance at beginning of the year	9,311	7,388
Amounts written off during the year	(4,043)	(4,030)
Increase/(decrease) in allowance recognised in operating result	3,614	5,953
Total	**8,882**	**9,311**

Accounting Policy – Receivables

Trade receivables are measured at their carrying amount less any impairment, which approximates fair value at reporting date. Trade receivables are initially recognised at the amounts due at time of sale or service delivery and are generally settled within 30-120 days, while some other trade receivables may take longer than twelve months to settle.

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets inclusive of any provisions for impairment. Credit risk management strategies are disclosed in Note C2-2.

B2-2. Impairment of Receivables

(i) Accounting Policy - Impairment of receivables

Throughout the year, Metro North Hospital and Health Service assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, changes in debtor credit ratings and current outstanding accounts over 120 days. The allowance for impairment reflects Metro North Hospital and Health Service's assessment of the credit risk associated with receivables balances and is determined based on historical rates of bad debts (by category) over the past three years and management judgement. All known bad debts are written-off when identified.

The allowance for impairment reflects the occurrence of loss events. If no loss events have arisen in respect of a particular debtor, or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If Metro North Hospital and Health Service determines that an amount owing by such a debtor does become uncollectible (after appropriate range of debt recovery actions), that amount is recognised as a bad debt expense and written-off directly against receivables. In other cases where a debt becomes uncollectible but the uncollectible amounts exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a bad debt expense and written-off directly against receivables.

Impairment loss expense for the current year regarding the Metro North Hospital and Health Service's receivables is $3.61M (2015:$5.95M).

Ageing of trade receivables

	Neither past due nor impaired	Past due but not Impaired	Impaired	Gross receivables	Allowance for impairment	Net receivable
	$'000	$'000	$'000	$'000	$'000	$'000
2016 Trade Receivables						
Less than 30 days	28,187	6,905	705	35,797	(705)	35,092
30 to 60 days	-	4,954	785	5,739	(785)	4,954
61 to 90 days	-	4,422	665	5,087	(665)	4,422
Greater than 90 days	-	13,901	6,727	20,628	(6,727)	13,901
Total overdue	**28,187**	**30,182**	**8,882**	**67,251**	**(8,882)**	**58,369**

	Neither past due nor impaired	Past due but not Impaired	Impaired	Gross receivables	Allowance for impairment	Net receivable
	$'000	$'000	$'000	$'000	$'000	$'000
2015 Trade Receivables						
Less than 30 days	17,032	5,931	358	23,321	(358)	22,963
30 to 60 days	-	4,593	336	4,929	(336)	4,593
61 to 90 days	-	2,606	195	2,801	(195)	2,606
Greater than 90 days	-	11,446	8,422	19,868	(8,422)	11,446
Total overdue	**17,032**	**24,576**	**9,311**	**50,919**	**(9,311)**	**41,608**

B3. Inventories

	2016	2015
	$'000	$'000
Inventories held for distribution - at cost		
Medical supplies and equipment	23,115	15,352
Catering and domestic	375	294
	23,490	**15,646**
Less: Loss of service potential	(135)	(135)
	23,355	**15,511**
Other	69	71
Total	**23,424**	**15,582**

Accounting Policy – Inventories

Inventories consist mainly of medical supplies and equipment, drugs and other pharmaceuticals held for distribution to, and consumption by, hospitals.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is measured at their weighted average cost including expenditure incurred in acquiring them and bringing them to their existing location and condition and is adjusted for loss of service potential. These supplies are expensed on issue from the Metro North Hospital and Health Service's main storage facilities.

B4. Intangible Assets

30 June 2016	Software purchased $'000	Software generated $'000	Software work in progress $'000	Total $'000
Cost	3,994	5,239	8,555	17,788
Less: Accumulated amortisation	(1,957)	(4,826)	-	(6,783)
Carrying amount at 30 June 2016	**2,037**	**413**	**8,555**	**11,005**
Represented by movements in the carrying amount				
Carrying amount at 1 July 2015	2,520	641	-	3,161
Additions	172	-	8,555	8,727
Amortisation expense	(654)	(229)	-	(883)
Carrying amount at 30 June 2016	**2,038**	**412**	**8,555**	**11,005**

30 June 2015	Software purchased $'000	Software generated $'000	Software work in progress $'000	Total $'000
Cost	3,822	5,239	-	9,061
Less: Accumulated amortisation	(1,302)	(4,598)	-	(5,900)
Carrying amount at 30 June 2015	**2,520**	**641**	**-**	**3,161**
Represented by movements in the carrying amount				
Carrying amount at 1 July 2014	1,526	253	34	1,813
Additions	1,634	-	24	1,658
Transfers to HHSs	-	617	-	617
Write-off to Software Work in Progress	-	-	(58)	(58)
Amortisation expense	(640)	(229)	-	(869)
Carrying amount at 30 June 2015	**2,520**	**641**	**-**	**3,161**

Accounting Policy – Intangibles

Intangible assets with a cost or other value equal to or greater than $100,000 are recognised in the financial statements. Items with a lesser value are expensed. The residual value is zero for all the Metro North Hospital and Health Service's intangible assets.

The assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Intangible assets are amortised on a straight-line basis over their estimated useful life with a residual value of zero. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis. The useful life for the Hospital and Health Services (HHS's) software is 5 years.

B5 Property Plant and Equipment

B5-1 Property, Plant and Equipment - Balances and Reconciliations of Carrying Amount

30 June 2016	Land	Buildings	Buildings	Plant and Equipment	Capital works in Progress	Total
	Level 2*	Level 3**	Level 2**			
	$'000	$'000	$'000	$'000	$'000	$'000
Gross	365,725	1,368,917	930	336,405	9,116	2,081,093
Less: Accumulated depreciation	-	(646,135)	(420)	(211,530)	-	(858,085)
Carrying amount at 30 June 2016	**365,725**	**722,782**	**510**	**124,875**	**9,116**	**1,223,008**
Represented by movements in carrying amount:						
Carrying amount at 1 July 2015	318,079	758,162	518	122,070	246	1,199,075
Transfers in from other Queensland Government entities	-	15,293	-	396	-	15,689
Acquisitions		1,295		33,412	8,907	43,614
Disposals	-	-	-	(665)	-	(665)
Transfers between classes	-	37	-	-	(37)	-
Net revaluation increments/ (decrements)	47,646	6,823	16	517	-	55,002
Depreciation expense	-	(58,828)	(24)	(30,855)	-	(89,707)
Carrying amount at 30 June 2016	**365,725**	**722,782**	**510**	**124,875**	**9,116**	**1,223,008**

30 June 2015	Land	Buildings	Buildings	Plant and Equipment	Capital works in Progress	Total
	Level 2*	Level 3**	Level 2**			
	$'000	$'000	$'000	$'000	$'000	$'000
Gross	318,079	1,072,454	540	318,826	246	1,710,145
Less: Accumulated depreciation	-	(314,292)	(22)	(196,756)	-	(511,070)
Carrying amount at 30 June 2015	**318,079**	**758,162**	**518**	**122,070**	**246**	**1,199,075**
Represented by movements in carrying amount:						
Carrying amount at 1 July 2014	318,079	805,003	540	133,386	2,384	1,259,392
Acquisitions major infrastructure transfers	-	-	-	18,415	526	18,941
Transfers in from other Queensland Government entities	-	1,851	-	65	-	1,916
Donated assets	-	-	-	341	-	341
Disposals	-	-	-	(1,225)	(387)	(1,612)
Transfers between classes	-	2,277	-	-	(2,277)	-
Depreciation expense	-	(50,969)	(22)	(28,912)	-	(79,903)
Carrying amount at 30 June 2015	**318,079**	**758,162**	**518**	**122,070**	**246**	**1,199,075**

**Level 2 land assets comprise land with an active market*
***Level 3 building assets are special purpose built and have no active market. Level 2 building assets are buildings with an active market.*

B5-2 Accounting Policies - 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 recognised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

Class	Threshold
Land	$1
Buildings and Land Improvements*	$10,000
Plant and Equipment	$5,000

**Land improvements undertaken by Metro North Hospital and Health Service are included with buildings.*

Initial measurement

Property, plant and equipment are initially recorded at consideration plus any other costs directly incurred in bringing the asset to the condition ready for use.

Where assets are received free of charge from another Queensland Government entity, the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation. Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at date of acquisition in accordance with *AASB 116 Property, Plant and Equipment*.

Subsequent expenditure is only capitalised when it is probable that future economic benefits associated with the expenditure will flow to the Metro North Hospital and Health Service. Ongoing repairs and maintenance are expensed as incurred.

Plant and equipment is measured at cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment at cost should not materially differ from their fair value.

Land and buildings are measured at 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, less any subsequent accumulated depreciation and impairment losses where applicable.

Key judgement and estimate: In respect of the abovementioned asset classes, the cost of items acquired during the financial year has been judged by management of the Metro North Hospital and Health Service to materially represent their fair value at the end of the reporting period.

Revaluation of property, plant and equipment at fair value

To ensure the carrying amounts of the land and buildings asset classes reflect their fair value, land and buildings asset classes are revalued on an annual basis. The concept of materiality is considered in determining whether only those material assets within the class, rather than all assets of the class, are revalued. In applying the concept of materiality to asset revaluations, the Metro North Hospital and Health Service has an appropriately robust policy for identifying those assets to be included or excluded as part of the revaluation process. For financial reporting purposes, the revaluation process is managed by Financial Control with input from the Chief Finance Officer (CFO). The appointment of the independent valuer was undertaken following recommendations to, and endorsement by, the Risk and Audit Committee. The outcome of the annual valuation process is reported to the Metro North Hospital and Health Service Risk and Audit Committee.

The annual valuation process for a class of land or buildings carried at fair value may incorporate either one or both of the following revaluation methodologies:

- Appraisals undertaken by independent professional valuer or internal expert; or
- Use of appropriate and relevant indices.

Revaluations using independent professional valuers are undertaken with sufficient regularity to ensure assets are carried at fair value. However, if a class of asset experiences significant and volatile changes in fair value (i.e. where indicators such as property market and construction cost movements suggest that the value of the class of assets may have changed significantly from one reporting period to the next), it is subject to such revaluations in the reporting period.

The fair values reported by Metro North Hospital and Health Service are based on appropriate valuation techniques that maximises the use of available and relevant observable inputs and minimises the use of unobservable inputs (refer to Note B5-3).

The valuer supplies the indices used for the various types of assets. 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.

Any revaluation increments arising from the revaluation of an asset is credited to the asset revaluation surplus of the appropriate asset class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. 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.

Buildings are revalued using a cost valuation method known as depreciated replacement cost. Accumulated depreciation is adjusted to equal the difference between the gross amount and the carrying amount, after taking into account accumulated impairment losses and changes in remaining useful life. This is generally referred to as the 'gross method'.

Depreciation

Property, plant and equipment are depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Metro North Hospital and Health Service. Annual depreciation is based on fair value and Metro North Hospital and Health Service's assessments of the remaining useful life of individual assets. Land is not depreciated as it has an unlimited useful life.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity.

Key Judgement: Buildings are recognised and depreciated as one asset using a weighted average of the remaining useful lives of the building's significant parts.

Key Judgement: Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset.

Key Estimates: The estimated useful lives of the assets are reviewed annually and where necessary, are adjusted to better reflect the pattern of consumption of the asset. In reviewing the useful life of each asset, factors such as asset usage and the rate of technical obsolescence are considered. Metro North Hospital and Health Service has assigned nil residual values to all depreciable assets.

For each class of depreciable assets, the following depreciation rates were used:

Class	Depreciation rates
Buildings	2.5% – 3.33%
Plant and equipment	5.0% – 20.0%

Impairment of non-current assets

Key judgement and estimate: All non-current and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, Metro North Hospital and Health Service determines the asset's recoverable amount (higher of value-in- use and fair value less costs to sell). Any amount by which the asset's carrying amount exceeds the recoverable amount is considered an impairment loss. An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount, in which case the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

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. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

B5-3 Valuation of Property, Plant and Equipment including Key Estimates and Judgements

Land

Land is measured at fair value utilising either independent revaluation or applying an interim revaluation methodology, resulting in an index, developed by the State Valuation Service.

The State Valuation Service provides an individual factor change per property derived from the review of market transactions (observable market data). These market movements are determined having regard to the review of land values undertaken for each local government area issued by the Valuer-General Department of Natural Resources and Mines.

During 2015-16, land was comprehensively revalued by State Valuation Service (SVS) effective 30 June 2016. The Herston Campus land parcel was split into two parcels of approximately 5 hectares and 12 hectares. The 5 hectare parcel within the Herston campus is subject to commercial redevelopment, however under current zoning, its highest and best use is that of a hospital precinct.

The valuation methodology takes into consideration specific valuation indicators such as location, size, zoning regulations and recent market data.

The land valuation program for 2015–16 resulted in a valuation increase of $47.646M (2015:nil) to the carrying amount of land. The revaluation increment reverses a previous revaluation decrement of $1.477M which was recognised in 2012–13.

Buildings

An independent valuation of the building portfolio was performed during 2015–16 by independent quantity surveyors AECOM using a combination of comprehensive valuation and indexation. All building assets will be comprehensively revalued over a three year period. The methodology used by AECOM takes into account the specialised nature of health service buildings and the fair value is determined by using the depreciated replacement cost method. Depreciated replacement cost is determined as the replacement cost less the cost to bring to current standards.

Key Judgement and Estimate: The methodology applied by the valuer is a financial simulation in lieu of a market-based measurement as these assets cannot be bought and sold on the open market. A replacement or reproduction cost is estimated by creating a cost build up (cost estimate) of the asset through the measurement of key quantities such as:

- Asset type (clinical building, administration, clinic etc.)
- Gross floor area (where high-set residences have been inspected, only the main upper floor has been measured)
- Number of floors
- Girth of the building
- Height of the building
- Number of lifts
- Location

The model developed by the valuer creates an elemental cost plan using these quantities. It can apply to multiple building types and relies on the valuer's experience of managing construction costs.

The cost model is updated each year and tests are done to compare the model outputs on actual recent projects to ensure it produces a true representation of the cost of replacement or reproduction. The costs are at Brisbane prices and published location indices are used to adjust the pricing to suit local market conditions. Live project costs from across the state are also assessed to inform current market changes that may influence the published factors.

The key assumption on the replacement cost is that the estimate is based on replacing the current function of the building with a building of the same form (size and shape). This assumption has a significant impact if an asset's function changes. The cost to bring to current standards is the estimated cost of refurbishing the asset to bring it to current standards.

The cost to bring to current standards or as new condition is a component for establishing the likely 'exit price' of any transaction in the principal market for an asset of this type. For each of the five condition ratings, the estimate is based on professional opinion as well as having regard to historical project costs.

In assessing the cost to bring to current standard or as new condition, a condition rating is applied based upon the following information:

- Visual inspection of the asset;
- Asset condition data and other information provided by Metro North Hospital and Health Service; and
- Previous reports and inspection photographs if available (to show the change in condition over time).

In assessing the condition of a building the following ratings are applied by the valuers:

Category	Condition	Comments
1	Very good condition	Only normal maintenance required
2	Minor defects only	Minor maintenance required (up to 5% of capital replacement costs)
3	Maintenance required to return to accepted level of service	Significant maintenance required (up to 50% of capital replacement cost)
4	Requires renewal	Complete renewal of the internal fit out and engineering services required (up to 70% of capital replacement cost)
5	Assets unserviceable	Complete asset replacement required

The assessment of the condition rating indirectly impacts on the depreciated replacement cost of the buildings.

Where indices are used in the revaluation process, the application of such indices results in a valid estimation of the asset's fair value at reporting date. The Metro North Hospital and Health Service ensures there is sufficient evidence that the index used is robust, valid and appropriate to the assets to which it is being applied. This process includes, but is not limited to:

- obtaining a Metro North Hospital and Health Service specific index from a qualified quantity surveyor, which includes key considerations such as construction cost escalation and changes to building design requirement specific to health care assets;
- assessing the reasonableness of the indices;
- questioning the underlying assumptions used to derive the indices; and
- analysing the trend of change in values over time.

Annually, management assess the relevance and suitability of indices used, based on the Metro North Hospital and Health Service's own particular circumstances.

The gross value is reduced to the written down value using estimates of remaining useful life as assessed by the surveyors. Estimates of remaining life are based on the assumption that the asset remains in its current function and will be maintained. No allowance has been provided for significant refurbishment works in the estimate of remaining life as any refurbishment should extend the life of the asset.

Buildings have been valued on the basis that there is no residual value.

The building valuation program for 2015–16 resulted in a net valuation increase of $6.839M (2015:nil).

B6 Liabilities

	2016 $'000	2015 $'000
B6-1 Payables		
Trade creditors	72,670	50,397
Other creditors	5,973	5,438
Total	**78,643**	**55,835**

Accounting Policy – Payables

Payables are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled within the creditor's normal payment terms.

B7 Equity

	Land $'000	Buildings $'000	Artworks & Books $'000	Total $'000
B7-1 Asset revaluation surplus				
Balance 1 July 2015	-	17,401	-	17,401
Revaluation increments/ (decrements)	47,646	6,839	517	55,002
Reversal of decrement	(1,477)	-	-	(1,477)
Balance 30 June 2016	**46,169**	**24,240**	**517**	**70,926**

Accounting Policy – Revaluation Surplus

The asset revaluation surplus represents the net effect of revaluation movements in assets.

SECTION C: Notes about risks and other accounting uncertainties

C1-1: Accounting Policies and Basis for Fair Value Measurement

Fair Value

Fair value is the price that would be received to sell 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 values reported by Metro North Hospital and Health Service are based on valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued, and include, but are not limited to, published sales data for land and residual dwellings.

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 Metro North Hospital and Health Service 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 benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair Value Hierarchy

All Metro North Hospital and Health Service assets and liabilities 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 specific appraisals:

- 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 within 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 Metro North Hospital and Health Service'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 valuations in the fair value hierarchy is as follows:

- Unrestricted land – level 2 fair value hierarchy
- Buildings – level 2 and 3 fair value hierarchy

Refer to note B5-1 for specific disclosures relating to fair value hierarchy.

Valuations assume a nil residual value. Significant capital works, such as a refurbishment across multiple floors in a building, will result in an improved condition assessment and higher depreciated replacement values.

C2: Financial risk disclosures

C2-1: Financial instrument catagories

Metro North Hospital and Health Service has the following categories of financial assets and financial liabilities:

	Notes	2016 $'000	2015 $'000
Category			
Financial assets			
Cash and cash equivalents	B1-1	73,049	130,367
Receivables	B2-1	117,867	60,086
Total		**190,916**	**190,453**
Financial liabilities			
Financial liabilities measured at amortised cost:			
Payables	B6-1	78,643	55,835
Total		**78,643**	**55,835**

Accounting Policy – Financial Instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Metro North Hospital and Health Service becomes a party to the contractual provisions of the financial instrument.

The Metro North Hospital and Health Service holds financial instruments in the form of cash and cash equivalents and receivables and payables. Financial instruments are classified and measured as follows:

- cash and cash equivalents – held at fair value;
- receivables – held at amortised cost; and
- payables – held at amortised cost.

C2-2 Financial risk management

Metro North Hospital and Health Services activities expose it to a variety of financial risks - credit risk, liquidity risk and interest rate risk. Financial risk management is implemented pursuant to Government and Metro North Hospital and Health Service policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of Metro North Hospital and Health Service.

Metro North Hospital and Health Service measures risk exposure using a variety of methods as follows:

- Credit risk: Ageing analysis, cash inflows at risk
- Liquidity risk: Monitoring of cash flows by active management of accrual accounts
- Interest Rate risk : Interest rate sensitivity analysis.

(a) Credit Risk

Credit risk is the potential for financial loss arising from a counterparty defaulting on its obligations. The maximum exposure to credit risk at balance date is equal to the gross carrying amount of the financial asset, inclusive of any allowance for impairment. The carrying amount of financial assets, which are disclosed in more detail in notes B1 and B2, represents the maximum exposure to credit risk at the reporting date.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position, except for GST. No collateral is held as security and no credit enhancements relate to financial assets held by Metro North Hospital and Health Service.

There are no significant concentrations of credit risk.

(b) Liquidity Risk

Liquidity risk is the risk that Metro North Hospital and Health Service will not have the resources required at a particular time to meet its obligations to settle its financial liabilities.

Metro North Hospital and Health Service is exposed to liquidity risk through its trading in the normal course of business and aims to reduce the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations at all times. An approved debt facility of $23M under Whole-of-Government banking arrangements to manage any short-term cash shortfalls has been established. No funds had been withdrawn against this debt facility as at 30 June 2016.

All financial liabilities are current in nature and will be due and payable within twelve months. As such no discounting of cash flows has been made to these liabilities in the Statement of Financial Position.

(c) Interest Rate Risk

Metro North Hospital and Health Service has interest rate exposure on the 24-hour call deposits, however there is no risk on its cash deposits. Metro North Hospital and Health Service does not undertake any hedging in relation to interest rate risk.

Changes in interest rate have a minimal effect on the operating result of Metro North Hospital and Health Service.

(d) Fair value

Cash and cash equivalents are measured at fair value. All other financial assets and liabilities are measured at cost less any allowance for impairment, which, given the short-term nature of these assets, is assumed to represent fair value.

C3. Commitments

(a) Non-cancellable operating lease commitments

Commitments under operating leases at reporting date are exclusive of anticipated GST and are payable as follows:

	2016 $'000	2015 $'000
Operating Leases		
No later than 1 year	1,158	1,036
Later than 1 year but no later than 5 years	3,904	1,789
Later than 5 years	-	322
Total	**5,063**	**3,147**

Metro North Hospital and Health Service has non-cancellable operating leases relating predominantly to office and residential accommodation. Lease payments are generally fixed, but with escalation clauses on which contingent rentals are determined. No lease arrangements contain restrictions on financing or other leasing activities.

(b) Capital expenditure commitments

Material classes of capital expenditure commitments exclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

	2016 $'000	2015 $'000
Plant and equipment		
No later than 1 year	9,491	5,295
Later than 1 year but no later than 5 years	-	-
Later than 5 years	-	-
Total	**9,491**	**5,295**

(c) Accounting policy – Commitments

Due to a change in reporting requirements, expenditure commitments, other than capital expenditure commitments and non-cancellable operating leases, have been excluded from reported commitments. Only non-recoverable GST has been included in calculating the value of these commitments.

C4. Contingencies

As at 30 June 2016, the following cases were filed in the courts naming the State of Queensland acting through the Metro North Hospital and Health Service as defendant:

	2016 number of cases	2015 number of cases
Supreme Court	3	3
District Court	2	-
Magistrates Court	3	2
Tribunals, commissions and boards	3	14

(a) Litigation in Progress

It is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time. Health litigation is underwritten by the Queensland Government Insurance Fund (QGIF). Metro North Hospital and Health Service's maximum exposure is limited to an excess per insurance event up to $20,000. The Metro North Hospital and Health Service's net exposure is not material.

C5. Future impact of accounting standards not yet effective

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future commencement dates are set out below:

AASB 124 – Related Party Disclosures

From reporting periods beginning on or after 1 July 2016, Metro North Hospital and Health Service will need to comply with the requirements of *AASB 124 Related Party Disclosures*. This accounting standard requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities. Metro North Hospital and Health Service already discloses information about the remuneration expenses for key management personnel (refer Note A2) in compliance with Queensland Treasury's Financial Reporting Requirements for Queensland Government Agencies. Due to the additional guidance about the KMP definition in the revised AASB 124, Metro North Hospital and Health Service will be assessing whether its responsible Minister should be part of its KMP from 2016-17. If the responsible Minister is assessed as meeting the KMP definition, no associated remuneration figures will be disclosed by Metro North Hospital and Health Service, as it does not provide the Minister's remuneration. Comparative information will continue to be disclosed in respect of KMP remuneration.

The most significant implications of AASB 124 for the Health Service's financial statements will be the disclosures to be made about transactions with related parties. For any such transactions, from 2016-

17, disclosures will include the nature of the related party relationship, as well as information about those transactions' terms/conditions and amounts, any guarantees given/received, outstanding receivables/ payables, commitments, and any receivables where collection has been assessed as being doubtful. In respect of related party transactions with other Queensland Government controlled entities, the information disclosed will be more high level, unless a transaction is individually significant. No comparative information is required in respect of related party transactions in the 2016-17 financial statements.

AASB 15 Revenue from Contracts with Customers

This standard will become effective from reporting periods beginning on or after 1 January 2018 and contains much more detailed requirements for the accounting for certain types of revenue from customers. Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from sales of the Health Service's goods and services, such that some revenue may need to be deferred to a later reporting period to the extent that the Health Service has received cash, but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime). Metro North Hospital and Health Service is yet to complete its analysis of current arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

These standards will become effective from reporting periods beginning on or after 1 January 2018. The main impacts of these standards on Metro North Hospital and Health Service are that they will change the requirements for the classification, measurement, impairment and disclosures associated with Metro North Hospital and Health Service's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

Metro North Hospital and Health Service has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, Metro North Hospital and Health Service's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the Health Service enters into, all of Metro North Hospital and Health Service's financial assets are expected to be required to be measured at fair value (instead of measurement classifications presently used in Note B2-1). In the case of Metro North Hospital and Health Service's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value. Changes in the fair value of those assets will be reflected in Metro North Hospital and Health Service's operating result.

Another impact of AASB 9 relates to calculating impairment losses for Metro North Hospital and Health Service's receivables. Assuming no substantial change in the nature of Metro North Hospital and Health Service's receivables, as they do not include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, Metro North Hospital and Health Service will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised.

Metro North Hospital and Health Service will not need to restate comparative figures for financial instruments on adopting AASB 9 from 2018–19. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2018-19 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the Health Service enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment.

All other Australian Accounting Standards and interpretations with future commencement dates are either not applicable to Metro North Hospital and Health Service's activities, or have no material impact on Metro North Hospital and Health Service.

C6. Subsequent events

Restoration and Redevelopment of the Herston Quarter

On the 10 July 2015, the Queensland Government announced its plans to progress the redevelopment of the Herston Quarter with the announcement of three proponents for the development work. The Queensland Government has now announced that Australian Unity is the preferred tenderer to develop the five-hectare site adjacent to the Royal Brisbane and Women's Hospital over a 10 year period. The project will deliver a mix of health, aged care, retirement living and residential accommodation to complement and support the current adjacent health, research and education uses. The project will also include a 132-bed public health care facility known as the Specialist Rehabilitation and Ambulatory Care Centre. The Queensland Government has announced that the Herston Quarter redevelopment may result in the transfer of land and buildings to the Queensland Government, for nil consideration.

SECTION D: What we look after on behalf of third parties

D1: Granted private practice

Granted Private Practice permits Senior Medical Officers (SMOs) employed in the public health system to treat individuals who elect to be treated as private patients.

Granted Private Practice provides the option for SMOs to either assign all of their private practice revenue to the HHS (assignment arrangement) and in return receive an allowance, or for SMOs to share in the revenue generated from billing patients and to pay service fees to the HHS (retention arrangement).

All monies received for Granted Private Practice are deposited into separate bank accounts that are administered by the Metro North Hospital and Health Service on behalf of the Granted Private Practice Senior Medical Officers. These accounts are not reported in the Metro North Hospital and Health Service Statement of Financial Position.

All assignment option receipts, retention option services fees and service retention fees are included as revenue in the Statement of Comprehensive Income of the Metro North Hospital and Health Service on an accrual basis. The funds are then subsequently transferred from the Granted Private Practice bank accounts into the Metro North Hospital and Health Service operating account and general trust bank account (for the service retention fee portion).

	2016 $'000	2015 $'000
Receipts		
Billings - (Doctors and Visiting Medical Officers)	63,446	60,011
Interest	110	110
Total receipts	**63,556**	**60,121**
Payments		
Payments to medical practitioners	15,918	16,828
Hospital and Health Service recoverable administrative costs	43,352	40,841
Hospital and Health Service education/travel fund	3,385	4,031
Total payments	**62,655**	**61,700**
Closing balance of bank account under a trust fund arrangement not yet disbursed and not restricted cash	**5,969**	**5,068**

D2: Fiduciary trust transactions and balances

The Metro North Hospital and Health Service acts in a fiduciary capacity in relation to a number of Patient Trust bank accounts. Consequently, these transactions and balances are not recognised in the financial statements. Although patient funds are not controlled by the HHS, trust activities are included in the audit performed by the Auditor-General of Queensland.

	2016 $'000	2015 $'000
Patient Trust receipts and payments		
Receipts		
Patient trust receipts	5,055	5,444
Total receipts	**5,055**	**5,444**
Payments		
Patient trust payments	4,882	5,599
Total payments	**4,882**	**5,599**
Increase/decrease in net patient trust assets	173	(155)
Patient trust assets opening balance	186	341
Patient trust assets closing balance	**359**	**186**
Patient trust assets		
Current assets		
Cash at bank and on hand	-	-
Patient trust and refundable deposits	359	186
Total	**359**	**186**

D3: Restricted Assets

The Metro North Hospital and Health Services receives cash contributions primarily from private practice clinicians and from external entities providing 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. At 30 June 2016, an amount of $20.7 million (2015: $18.8 million) in General Trust is set aside for specified purposes defined by the contribution.

SECTION E: Other Information

E1: First year application of new standards or change in accounting policy

Change in Accounting Policy

Metro North Hospital and Health Service did not voluntarily change any of its accounting policies in 2015–16.

Accounting Standards early adopted for 2015-16

Two Australian Accounting Standards have been early adopted for the 2015–16 year as required by Queensland Treasury. These are:

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]

The amendments arising from this standard seek to improve financial reporting by providing flexibility as to the ordering of notes, the identification and location of significant accounting policies and the presentation of sub-totals, and provide clarity on aggregating line items. It also emphasises only including material disclosures in the notes.

Metro North Hospital and Health Service has applied this flexibility in preparing the 2015–16 financial statements, including co-locating significant accounting policies with the related breakdowns of financial figures in the notes.

AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]

This standard amends *AASB 13 Fair Value Measurement* and provides relief to not-for-profit public sector entities from certain disclosures about property, plant and equipment that is primarily held for its current service potential rather than to generate future net cash inflows. The relief applies to assets under *AASB 116 Property, Plant and Equipment* which are measured at fair value and categorised within Level 3 of the fair value hierarchy (refer to Note C1-1).

As a result, the following disclosures are no longer required for those assets. In early adopting the amendments, the following disclosures have been removed from the 2015–16 financial statements:

- Disaggregation of certain gains/losses on assets reflected in the operating result;
- Quantitative information about the significant unobservable inputs used in the fair value measurement; and
- A description of the sensitivity of the fair value measurement to changes in the unobservable inputs.

Accounting standards applied for the first time in 2015–16

No new Australian Accounting Standards effective for the first time in 2015–16 had any material impact on this financial report.

E2: Taxation

The Metro North Hospital and Health Service is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only Commonwealth taxes recognised by the Metro North Hospital and Health Service.

The Australian Taxation Office has recognised the Department of Health and sixteen Hospital and Health Services as a single taxation entity for reporting purposes All FBT and GST reporting to the Commonwealth is managed centrally by the department, with payments/receipts made on behalf of Metro North Hospital and Health Service reimbursed to/from the department on a monthly basis. GST credits receivable from, and GST payable to the ATO, are recognised on this basis. Refer to Note B2.

E3: Service Concession Arrangements

Public Private Partnership (PPP) arrangements are a contractual obligation between the Department of Health and the counterparty listed below. These arrangements are located on land that is recognised as an asset in the financial statements of the Metro North Hospital and Health Service (subject to an operating lease with the Department of Health). Public Private Partnership (PPP) arrangements operating for all or part of the financial year are as follows.

Note that all of the following are Build-Own-Operate-Transfer (BOOT) arrangements.

Facility	Counterparty	Term of Agreement	Commencement date
Butterfield Street Car Park	International Parking Group Pty Limited	25 years	January 1998
The Prince Charles Hospital Car Park	International Parking Group Pty Limited	22 years	November 2000
The Prince Charles Hospital Early Education Centre	Queensland Child Care Services Pty Ltd	20 years	April 2007

Butterfield Street Car Park

A $2.5M up-front payment for rental of land on which the car park has been built was received at the commencement of car park operations in January 1998. This amount was transferred to the Royal Brisbane and Women's Hospital Foundation via a Deed of Assignment in June 1998. Rental income of $0.3M plus CPI per annum to January 2019 increasing to $0.6M plus CPI per annum for the remainder of the lease period, as well as other payments when gross car park receipts exceeds particular targets have also been assigned under the same Deed of Assignment to Royal Brisbane and Women's Hospital Foundation.

Metro North Hospital and Health Service does not incur any revenue or expenses relating to this car park. Under the agreement, the Department of Health and the Metro North Hospital and Health Service's staff are entitled to concessional rates when using the car park.

The Prince Charles Hospital Car Park

A $1.0M up-front payment for rental of land on which the car park has been built was received at the commencement of car park operations in November 2000. This amount was transferred to The Prince Charles Hospital Foundation via a Deed of Assignment. Rental of $0.05M per annum has also been assigned under the same Deed of Assignment to The Prince Charles Hospital Foundation. Under the agreement, the Department of Health and the Metro North Hospital and Health Service's staff are entitled to concessional rates when using the car park.

The Prince Charles Hospital Early Education Centre

The developer constructed a 150-place early education centre in April 2007 on site at the hospital. The developer operates and maintains the facility at its sole cost and risk. Under the agreement, staff on site are given priority access to child care. Rental of $0.1M per annum is charged for the land and is adjusted for CPI annually. From the 1st July 2014, the rights to the inflows from this arrangement transferred from the Department of Health to the Metro North Hospital and Health Service due to the legal title transfer of land and buildings. The duration of this arrangement is 20 years, expiring in April 2027, with an option to extend by 10 years. The estimated future cashflows are shown below:

	2016 $'000	2015 $'000
Inflows		
Not later than 1 year	93	91
Later than 1 year but not later than 5 years	400	394
Later than 5 years but not later than 10 years	572	562
Later than 10 years	125	249
Outflows		
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years but not later than 10 years	-	-
Later than 10 years	-	-
Estimated Net Cash Flow	**1,190**	**1,296**

These facilities are not recorded as assets by the Metro North Hospital and Health Service; however it does receive rights and incurs obligations under these arrangements, including:

- *rights to receive the facility at the end of the contractual terms; and*
- *rights and obligations to receive cash flows in accordance with the respective contractual arrangements, other than those which are received by the respective Hospital Foundations under a Deed of Assignment.*

E4: Collocation arrangements

Collocation arrangements are a contractual obligation between the Metro North Hospital and Health Service and the counterparty listed below. These arrangements are located on land that is recognised as an asset in the financial statements of the Metro North Hospital and Health Service. Collocation arrangements operating for all or part of the financial year are as follows.

Facility	Counterparty	Term of Agreement	Commencement date
Caboolture Private Hospital	Affinity Health Ltd	25 years	May 1998
Holy Spirit Northside Private Hospital*	The Holy Spirit Northside Private Hospital Ltd	66 years	September 1999

**Under the terms of the collocation agreement with Holy Spirit Northside Private Hospital, Metro North Hospital and Health Service is entitled to receive a one-off rent payment of $1.35M as at 30 June 2016, with annual rent payments of $1.8M indexed for CPI until the expiration of the agreement in November 2065.*

The estimated rent income (inclusive of CPI increment of 3% per annum) is shown below:

	2016 $'000
Inflows	
Not later than 1 year	1,800
Later than 1 year but not later than 5 years	7,756
Later than 5 years but not later than 10 years	11,079
Later than 10 years	182,399
Total estimated lease income	**203,034**

SECTION F: Budget vs actual comparison

F1: Budget vs actual comparison – statement of comprehensive income

F1-1: Budget to actual comparison - Statement of Comprehensive Income

	Actual Result 2016 $'000	Original Budget 2016 $'000	$'000	% of original budget
Operating result				
Income from continuing operations				
User charges and fees	243,992	205,919	38,073	18%
Funding for the provision of public health services	2,152,035	1,936,242	215,793	11%
Grants and other contributions	21,932	15,215	6,717	44%
Other revenue	40,249	15,918	24,331	153%
Total Revenue	**2,458,208**	**2,173,294**	**284,914**	**13%**
Gain on disposal/re-measurement of assets	2,606	-	2,606	-%
Total Income from Continuing Operations	**2,460,814**	**2,173,294**	**287,520**	**13%**
Expenses from continuing operations				
Employee expenses	1,720,390	1,521,139	(199,251)	(13%)
Supplies and services	637,726	550,194	(87,532)	(16%)
Grants and subsidies	1,607	1,147	(460)	(40%)
Depreciation and amortisation	90,590	83,940	(6,650)	(8%)
Impairment losses	3,613	7,005	3,392	48%
Other expenses	6,724	9,869	3,145	32%
Total Expenses from Continuing Operations	**2,460,650**	**2,173,294**	**(287,356)**	**(13%)**
Operating Results from Continuing Operations	**164**	**-**	**164**	**-%**
Other Comprehensive Income				
Items that will not be reclassified subsequently to profit or loss				
Increase/(decrease) in asset revaluation surplus	53,525	-	53,525	-%
Other comprehensive income for the year	**53,525**	**-**	**53,525**	**-%**
Total comprehensive income for the year	**53,689**	**-**	**53,689**	**-%**

F1-2: Explanation of Major Variances - Statement of Comprehensive Income

User charges and fees exceeded the budget of $205.9M by $38.1M (18%). This is due to the impact of new high cost Hepatitis 'C' drug cost recoveries. Claim values at the Royal Brisbane and Women's Hospital have increased by $37M since the introduction of the Hepatitis drug to the Pharmaceutical Benefits Scheme (PBS) schedule in March 2016. Neither the additional cost nor the recovery, were included in the Metro North Hospital and Health Service 2015–16 Budget.

Funding for the provision of public health services exceeded the budget of $1.94B, by $216M (11%). Activity of 394,561 Weighted Activity Units (WAU) was higher than the budget of 360,125 WAU. Additional activity and growth equated to $87M of funding. In addition, funding received for the enterprise bargaining 2.5% increase as part of the Government's State wage policy of $41M was not included in the budget. There was also unbudgeted funding of $30M for additional public clinic activity and additional depreciation of $11.4M. Other additional unbudgeted funding for a range of other initiatives, totalling $51M, included funds to reinvigorate Biala Sexual Health Clinic, Ear Nose Throat (ENT) Long Wait Outpatient reduction, additional graduate nursing positions and funding for a Comprehensive Epilepsy Program.

Other revenue of $40.2M exceeded budget of $15.9M by $24.3M (153%). A revised cost and distribution model for blood products for 2015–16 meant an additional $5.9M of blood cost recoveries from Children's Health Queensland. This recovery was offset against expenditure in the budget, as were $21.4M of other cost recoveries, made up of salary recoveries of $14.3M and charges to other HHS's of $7.1M.

Employee expenses exceeded the budget of $1.52B, by $199M (13%). This is due to the enterprise bargaining increase of 2.5%, and additional frontline staff which has increased clinical throughput and enabled access to growth funding.

Supplies and services expenses exceeded the budget of $550M, by $87.5M(16%). $36M of this is due to increased expenditure on Hepatitis 'C' high cost drugs which were introduced at Metro North Hospital and Health Service during the 2015-16 financial year, and $5.9M on blood clotting products, recoverable from Children's Health Queensland. The other supplies and services budget of $418.7M was exceeded by $45.8M due to increased clinical consumables as a result of additional activity.

F2: Budget vs actual comparison – statement of financial position

F2-1: Budget to actual comparison - statement of comprehensive income

	Actual Result 2016 $'000	Original Budget 2016 $'000	Variance $'000	% of original budget
Current assets				
Cash and cash equivalents	73,049	135,729	(62,680)	(46%)
Receivables	117,867	51,584	66,283	128%
Inventories	23,424	14,741	8,683	59%
Other assets	8,852	3,595	5,257	146%
Total Current Assets	**223,192**	**205,649**	**17,543**	**9%**
Non-Current Assets				
Property, plant and equipment	1,223,008	1,358,631	(135,623)	(10%)
Intangible assets	11,005	295	10,710	3631%
Other assets	126	90	36	40%
Total Non-Current Assets	**1,234,139**	**1,359,016**	**(124,877)**	**(9%)**
Total Assets	**1,457,331**	**1,564,665**	**(107,334)**	**(7%)**

F2-1: Budget to actual comparison - statement of comprehensive income continued

	Actual Result 2016 $'000	Original Budget 2016 $'000	Variance $'000	% of original budget
Current Liabilities				
Payables	78,643	79,659	1,016	1%
Accrued Employee Benefits	61,682	54,020	(7,662)	(14%)
Unearned Revenue	1,295	1,866	571	31%
Total Current Liabilities	**141,620**	**135,545**	**(6,075)**	**(4%)**
Total Liabilities	**141,620**	**135,545**	**(6,075)**	**(4%)**
Net Assets	**1,315,711**	**1,429,120**	**(113,409)**	**(8%)**
Equity				
Contributed equity	1,170,990	1,158,479	(12,511)	(1%)
Accumulated surplus/(deficit)	73,795	66,047	(7,748)	(12%)
Asset revaluation surplus	70,926	204,594	133,668	65%
Total Equity	**1,315,711**	**1,429,120**	**113,409**	**8%**

F2-2: Explanation of Major Variances - Statement of Financial Position

Cash and cash equivalents were $62.7M (46%) less than budget at the end of the financial year. This was due mainly to the accrued government funding of $57.3M, for activity related funds not received by Metro North Hospital and Health Service prior to the end of the financial year.

Receivables were $66.3M (128%) greater than budget at the end of the financial year. This was due mainly to the accrued government funding $57.3M. Other accrued revenue also included PBS recoveries of $7M which is $5M greater than budget.

Inventories were $8.7M (59%) greater than budget at the end of the financial year. During the financial year additional high cost Hepatitis 'C' drugs were added to the PBS. The inventory of these drugs, held at the end of the year, was not anticipated at the time of the budget being developed.

Property, plant and equipment was $135.6M (10%) lower than budget at the end of the financial year. This was due to the actual revaluation increase of $55M being less than anticipated in the budget.

Asset revaluation surplus was $133.7M (65%) less than budget at the end of the financial year. This was due to the $55M increase in valuation being less than anticipated in the original budget.

F3: Budget vs actual comparison – statement of cash flows

F3-1: Budget to actual comparison - Statement of Cash Flows

	Actual Result 2016 $'000	Original Budget 2016 $'000	Variance $'000	% of original budget
Cash flows from operating activities				
Inflows				
User charges and fees	226,480	197,665	28,815	15%
Funding for the provision of public health services	2,019,233	1,936,242	82,991	4%
Grants and other contributions	21,482	15,215	6,267	41%
Interest received	749	634	115	18%
Other revenue	37,925	15,284	22,641	148%
GST collected from customers	5,531	-	5,531	-%
GST input tax credits from ATO	30,372	39,723	(9,351)	(24%)
Outflows				
Employee expenses	(1,723,173)	(1,512,257)	(210,916)	14%
Supplies and services	(627,376)	(551,305)	(76,071)	14%
Grants and subsidies	(2,007)	(1,147)	(860)	75%
Other expenses	(5,749)	(8,945)	3,196	(36%)
GST paid to suppliers	(29,508)	(39,749)	10,241	(26%)
GST remitted to ATO	(5,277)	-	(5,277)	-%
Net cash from/(used by) operating activities	**(51,318)**	**91,360**	**(142,678)**	**(156%)**
Cash flows from investing activities				
Inflows				
Sales of property, plant and equipment	458	(924)	1,382	(150%)
Outflows				
Payments for property, plant and equipment	(43,614)	(40,364)	(3,250)	8%
Payments for intangible assets	(8,727)	-	(8,727)	-%
Net cash from/(used by) investing activities	**(51,883)**	**(41,288)**	**(10,595)**	**26%**
Cash flows from financing activities				
Inflows				
Equity transferred	45,883	(43,576)	89,459	(205%)
Net cash from/(used by) financing activities	**45,883**	**(43,576)**	**89,459**	**(205%)**
Net increase/(decrease) in cash and cash equivalents	**(57,318)**	**6,496**	**(63,814)**	**(982%)**
Cash & cash equivalents at the beginning of the financial year	**130,367**	**129,233**	**1,134**	**1%**
Cash & cash equivalents at the end of the financial year	**73,049**	**135,729**	**(62,680)**	**(46%)**

F3-2: Explanation of Major Variances - Statement of Cash Flows

Cash used for employee expenses exceeded the budget of $1.51B, by $211M (14%). This is the cash impact of the increased staffing levels relating to the additional activity, and the 2.5% enterprise bargaining increases and related back-pays during the year.

Cash used for the payment of Supplies and services expenses exceeded the budget of $551M, by $76M (14%). This is the cash impact of the increased expenditure on Hepatitis 'C' high cost drugs and blood clotting products. Cash expenditure for other supplies and services also exceeded budget due to increased clinical consumables as a result of additional activity.

Cash flow from equity transferred was $89.5M (205%) greater than budget for the financial year. Depreciation and amortisation funding of $83.9M is treated as a cash item (equity withdrawal) in the budget, however depreciation and amortisation of $90M is a non-cash item and not included in the actual cash flow.

Management Certificate

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1) (b) of the Act, we certify that in our opinion:

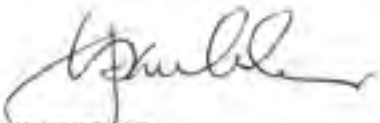
(a) the prescribed requirement for establishing and keeping the accounts have been complied with in all material respects; and

(b) the statements have been drawn up to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of Metro North Hospital and Health Service for the financial year ended 30 June 2016 and of the financial position of the Health Service at the end of the year; and

(c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

Professor Robert Smith AM
Board Chair
Date: 29th August 2016

Adjunct Professor Ken Whelan
Chief Executive
Date: 29th August 2016



Mr James [illegible]
FCPA, MBA, BA
Chief Finance Officer
Date: 29th August 2016

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Metro North Hospital and Health Service

Report on the Financial Report

I have audited the accompanying financial report of Metro North Hospital and Health Service, which comprises the statement of financial position as at 30 June 2016, 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 significant accounting policies and other explanatory information, and certificates given by the Board Chair, Chief Executive and Chief Finance Officer.

The Board's Responsibility 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 prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

7.3 Independent Auditor's Report (continued)

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

(i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Metro North Hospital and Health Service for the financial year 1 July 2015 to 30 June 2016 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

QUEENSLAND 31 AUG 20 AUDIT OFFICE

D J OLIVE FCPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

Appendix 1: Glossary

ABF	Activity Based Funding
ACHS	The Australian Council on Healthcare Standards
CaPRS	Contracting and Performance Reporting System
CBAG	Community Board Advisory Group
CISS	Community, Indigenous and Subacute Services
CT	Computed tomography
DAFU	Delirium and Falls Unit
ED	Emergency Department
eDRMS	Electronic document and records management system
ES	Elective Surgery
FTE	Full Time Equivalent
GP	General Practitioner
GPLOs	General Practitioner Liaison Officers
GRACE	GP Rapid Access to Consultative Expertise
HSCE	Health Service Chief Executive
HHS	Hospital and Health Service
ICU	Intensive Care Unit
IPPF	International Professional Practices Framework
IOA	Improving Outpatient Access
LINK	Leading Innovation through Networking and Knowledge sharing
MNHHS	Metro North Hospital and Health Service
MNPHU	Metro North Public Health Unit
MOHRI	Minimum Obligatory Human Resource Information
MRI	Magnetic resonance imaging
MRSA	Methicillin-resistant Staphylococcus aureus
NDIS	National Disability Insurance Scheme
NEAT	National Emergency Access Target
NeoRESQ	Neonatal Retrieval Emergency Service
NICU	Neonatal Intensive Care Unit
NEST	National Elective Surgery Target
PACH	Patient Access Coordination Hub
P.A.R.T.Y.	Prevent Alcohol and Risk-Related Trauma in Youth program
PET	Positron emission tomography
POST	Patient Off Stretcher Time
QAO	Queensland Audit Office
QCAT	Queensland Civil and Administrative Tribunal
QIMR	Queensland Institute of Medical Research
RAS	Rehabilitation and Acute Stroke Unit
RBWH	Royal Brisbane and Women's Hospital
SEED	Support, Explore, Excel & Deliver
SRACC	Specialist Rehabilitation and Ambulatory Care Centre
TPCH	The Prince Charles Hospital
WAU	Weighted Activity Unit

Appendix 2: Board Member meeting attendance 2015–16

The number of Board and Committee meetings attended by each member during the reporting period is set out in the table below.

† During the reporting period, the terms of office of three members expired on 17 May 2016 and one member resigned from office.

^ From 18 May 2016, six new Board members including the Chair commenced. As such, not all Board Members were eligible to attend all meetings during the reporting period.

Position and name	**Board** (13 meetings held)	**Executive Committee** (5 meetings held)	**Safety and Quality Committee** (6 meetings held)	**Finance and Performance Committee** (7 meetings held)	**Risk and Audit Committee** (5 meetings held)
Board Chair Professor Robert Stable AM^	2/2	1/1	NA	NA	NA
Board Chair Dr Paul Alexander AO†	11/11	3/4	NA	NA	2/4
Deputy Board Chair Mr Vaughan Howell †	10/11	4/4	NA	6/6	4/4
Board Member Ms Bonny Barry^	2/2	1/1	NA	1/1	NA
Board Member Mr Philip Davies^	2/2	0/1	NA	NA	1/1
Board Member Professor Helen Edwards OAM	12/13	NA	6/6	4/4	NA
Board Member Professor Nicholas Fisk†	10/11	NA	2/6	NA	NA
Board Member Professor Mary-Louise Fleming^	2/2	NA	1/1	NA	NA
Board Member Dr Kim Forrester	13/13	4/5	6/6	NA	5/5
Board Member Mr Mike Gilmour^	2/2	NA	NA	1/1	1/1
Board Member Mr Geoff Hardy^	1/2	NA	NA	1/1	1/1
Board Member Associate Professor Cliff Pollard AM	13/13	1/1	6/6	NA	NA
Board Member Mr Leonard Scanlan†	6/6	2/2	NA	3/3	2/2
Board Member Dr Margaret Steinberg AM	13/13	1/1	6/6	6/6	4/4

Not all Board members are members of each committee (denoted as NA).

Appendix 3: 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 8	p3
Accessibility	Table of contents	ARRs – section 10.1	p4
	Glossary	ARRs – section 10.1	p98
	Public availability	ARRs – section 10.2	p2
	Interpreter service statement	*Queensland Government Language Services Policy* ARRs – section 10.3	p2
	Copyright notice	*Copyright Act 1968* ARRs – section 10.4	p2
	Information licensing	*QGEA – Information licensing* ARRs – section 10.5	p2
General information	Introductory information	ARRs – section 11.1	p6
	Agency role and main functions	ARRs – section 11.2	p10
	Operating environment	ARRs – section 11.3	p6, 10–15
Non-financial performance	Government's objectives for the community	ARRs – section 12.1	p16
	Other whole-of-government plans / specific initiatives	ARRs – section 12.2	p18
	Agency objectives and performance indicators	ARRs – section 12.3	p18
	Agency service areas and service standards	ARRs – section 12.4	p22, 28,29
Financial performance	Summary of financial performance	ARRs – section 13.1	p30
Governance – management and structure	Organisational structure	ARRs – section 14.1	p31
	Executive management	ARRs – section 14.2	p39
	Government bodies (statutory bodies and other entities)	ARRs – section 14.3	NA
	Public Sector Ethics Act 1994	*Public Sector Ethics Act 1994* ARRs – section 14.4	p43
	Queensland public service values	ARRs – section 14.5	p43

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Risk management	ARRs – section 15.1	p44
	Audit committee	ARRs – section 15.2	p35
	Internal Audit	ARRs – section 15.3	p49
	External Scrutiny	ARRs – section 15.4	p48
	Information systems and record keeping	ARRs – section 15.5	p49
Governance – human resources	Workforce planning and performance	ARRs – section 16.1	p52
	Early retirement, redundancy and retrenchment	Directive No. 11/12 *Early Retirement, Redundancy and Retrenchment* Directive No. 16/16 *Early Retirement, Redundancy and Retrenchment (from 20 May 2016)* ARRs – section 16.2	p56
Open Data	Consultancies	ARRs – section 17 ARRs – section 34.1	p50
	Overseas travel	ARRs – section 17 ARRs – section 34.2	p50
	Queensland Language Services Policy	ARRs – section 17 ARRs – section 34.3	p50
Financial Statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	p95
	Independent Auditors Report	FAA – section 62 FPMA – section 50 ARRs – section 18.2	p96

FAA *Financial Accountability Act 2009*
FPMS *Financial and Performance Management Standard 2009*
ARRs Annual report requirements for Queensland Government agencies

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