Metro North Hospital and Health Service

2014 ANNUAL REPORT 2015

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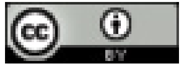

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ACCESSIBILITY

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

Office of the
Metro North Hospital and Health Board

Level 14, Block 7
Royal Brisbane and Women's Hospital
Herston Queensland 4029
www.health.qld.gov.au/metronorth

1 September 2015

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 present the Annual Report 2014-15 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 accessed via the Metro North Hospital and Health Service website www.health.qld.gov.au/metronorth.

Yours sincerely

Dr Paul Alexander AO
Chair
Metro North Hospital and Health Board

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Metro North Hospital and Health Service (MNHHS) 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.

MNHHS 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 2014–15 is provided in the table below.

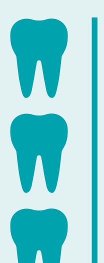
Staff	13,545 (MOHRI FTE)
Investment in care	$2,195,322,747
Sites	5 hospitals with 2,298 available beds, 15 community, Indigenous and subacute service locations, 27 oral health facilities and 12 mental health facilities
Hospital admissions	218,633 people admitted
Ambulance arrivals	91,617 ambulance arrivals handled by our emergency departments
Emergency	268,773 attendances
Outpatient services	841,204 people received care as outpatients
Surgical operations	26,687 elective operations and 16,382 emergency/acute operations performed
Children	15,334 children under age 18 were admitted to MNHHS wards and units
Births	7,916 babies born at our facilities
Mental health	352,406 contacts
Community health	280,301 hours of direct primary care
X-ray and ultrasound	278,100 x-ray and ultrasound attendances
Dental	752,733 weighted occasions of service
Breastscreens	41,402 breastscreens performed

1,429	30	14
July 2013	June 2014	June 2015

A REDUCTION IN ELECTIVE SURGERY LONG WAITS

A continued reduction in elective surgery long wait patients that were ready-for-care in 2014 –2015

ZERO LONG WAIT DENTAL LISTS



6,394
July 2013

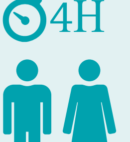
0
June 2014

0
June 2015

MORE HOSPITAL ADMISSIONS

200,060	206,478	218,633
2012/13	2013/14	2014/15

ADMITTED OR TREATED AND DISCHARGED IN 4 HOURS*



People admitted or treated and discharged within four hours of presentation to an emergency department

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

74% 2013/14 — 183,951 PATIENTS TREATED

70% 2012/13 — 151,551 PATIENTS TREATED

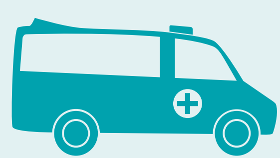
INCREASED NUMBER OF ATTENDANCES TO EMERGENCY DEPARTMENTS

268,773
2014/15

254,768
2013/14

235,864
2012/13

AN INCREASE IN AMBULANCE ARRIVALS



80,941	85,567	91,617
2012/13	2013/14	2014/15

** Excludes manually collected Kilcoy data.*

1.0 GENERAL INFORMATION

1.1 Message from the Board Chair and Chief Executive

Metro North Hospital and Health Service continues to strengthen its delivery of public healthcare. With a commitment to developing responsive, integrated and patient-centred services we are firmly focussed on improving equity of access and health outcomes for the people and communities we serve.

During 2014-15 staff innovation and dedication has driven improvement across all areas of our Hospital and Health Service and we acknowledge the depth of talent and commitment that has made this possible.

Our results demonstrate our commitment to providing safe, reliable and timely care. This year's achievement highlights include no long wait dental lists for a second consecutive year and a reduction in waiting times for elective surgery and specialist outpatient appointments.

A number of strategies were put in place to improve access to outpatient appointments and by the end of this financial year we were able to exceed targets for Category 1 and Category 2 patients. In addition, elective surgery patients are experiencing shorter wait times than they did a year ago across all categories. The biggest improvement has been for non urgent long wait patients requiring surgery. As at 30 June 2015, there were only 14 patients waiting past the clinically recommended timeframes with average overdue days significantly reduced.

All this has been achieved as the demand for health services continues to grow. Since the end of the 2013–14 financial year we have had 14,005 more Emergency Department attendances, an additional 12,155 patients have been admitted to our hospitals and 19,444 more people have received care as an outpatient.

With the ever increasing demand placed on health services, we have been actively planning for the future. In December 2014 we launched the Health Service Strategy 2015–2020 to outline the direction and priorities for Metro North Hospital and Health Service over the next five years. This strategy has been a 12-month journey involving consultation with a large number of clinicians, staff, executive, community and health partners. It represents considerable investment in a wide range of improvements to facilities and services across Metro North and will enable our clinicians and staff to manage increasing demand through continuous improvement and innovation.

Prioritised health strategies have two major complementary focus areas. Firstly, expanding services to respond to growth in demand and, secondly, working in partnership to better integrate care across all providers with patient empowerment at the centre. We recognise that we are part of the broader healthcare system and must work with community and healthcare partners to achieve sustainable service delivery that meets the increased demand for services into the future.

A number of projects will be delivered under our Health Service Strategy. This includes the provision of Intensive Care Unit beds at Redcliffe and Caboolture hospitals, additional rehabilitation beds at The Prince Charles Hospital (TPCH), provision of non-complex Ear Nose and Throat (ENT) services at Redcliffe, a step-up step-down short term mental healthcare facility and the establishment of a multi-specialty rehabilitation unit at Royal Brisbane and Women's Hospital. These projects will complement those already introduced such as enhanced paediatric allied health services at Caboolture and a state-of-the-art centre for heart and lung patients at TPCH.

Each year the MNHHS Board invests in its Support, Explore, Excel & Deliver (SEED) program. In 2014–15, $1 million was invested in 15 projects, which will deliver innovative healthcare. This year an additional $1 million has been allocated to the Leading Innovation through Networking and Knowledge-sharing (LINK) initiative. The focus of this initiative is to support partnership projects that collaboratively address the areas of hospital admission and discharge practices, and avoidance of unnecessary hospital admissions and readmissions. The aim is integrated and connected care ensuring MNHHS works in partnership to keep people out of hospital who do not need to be there and support people to leave hospital as soon as is clinically safe.

In line with National Health Reform and the Queensland Government's key health priorities, we continue to engage with consumers, communities, stakeholders and staff to improve our service delivery. Our Community Board Advisory Group (CBAG) is central to these efforts.

This financial year CBAG has contributed to strategic planning and has been involved in the development of key engagement and partnership initiatives such as the Metro North Health Forum on Reform and LINK. Our facilities and services continue to seek consumer feedback to improve patient experience.

Hospitals across Metro North have also been lauded for their thriving culture of research and the delivery of technology-enhanced models of care. These results can be achieved only through the excellence and commitment of our clinical and support staff.

The past year has also been one of celebration across Metro North.

The Prince Charles Hospital marked its 60th year in October. From humble beginnings as the Brisbane Chest Hospital in 1954, TPCH is now internationally recognised as a leader in coronary care. In May, the hospital marked 25 years of cardiac transplants.

In March, Metro North celebrated 25 years of the bone marrow transplant service at RBWH, and in June Redcliffe Hospital celebrated its 50th anniversary.

These milestones allow us to not only recognise the vital medical services provided, but also provide an opportunity to further connect with patients, families, carers and community supporters.

We are proud of the achievements in Metro North during 2014–15 and would like to thank members of the Board, executive team, our partners and especially our staff for their efforts and commitment in delivering outstanding healthcare to our community.

Dr Paul Alexander AO
Chair
Metro North Hospital and Health Board

Mr Ken Whelan
Chief Executive
Metro North Hospital and Health Service

EXPANDED CHILDREN'S SERVICES BRING BETTER CARE

Some of MNHHS's youngest patients now have better access to high quality healthcare with the opening of expanded Allied Health services at Caboolture Hospital.

A new Ear, Nose and Throat (ENT) service was welcomed by staff, families and patients at Caboolture Hospital. Young patients Elouise and Jackson Bates were among the first to receive minor surgery for an ear, nose or throat condition. They are pictured here with registered nurse Erin Mampara and mum Melissa Baker.

As part of the service improvements, Caboolture Hospital now has a specialist children's audiology service and a paediatric Ear, Nose and Throat (ENT) service.

The services demonstrate MNHHS's commitment to provide better access to high quality, safe and family-centred health services where they are needed in the community.

The audiology service provides specialist testing for children and infants at risk of developing hearing loss. The service will also assess children with speech and language delay, frequent middle ear problems and children with physical and/or intellectual disability.

In the first three months of the ENT service, 37 patients have received minor surgery such as the removal of adenoids and perforated ear drums, with more than 100 outpatient appointments.

The ENT initiative means local children no longer have to travel to Lady Cilento Children's Hospital (LCCH) for minor procedures.

Caboolture Hospital is continuing to work closely with specialist staff from the LCCH to identify children on the wait list for surgery whose condition can be treated locally.

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

Metro North Hospital and Health Service (MNHHS) is an independent statutory body overseen by a local Hospital and Health Board. MNHHS is responsible for the delivery of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services.

MNHHS's main function is to engage with the community and collaborate with healthcare partners to enable the delivery of high quality hospital and health services, teaching, research and other services as stated in the Service Agreement.

The MNHHS Service Agreement is negotiated annually with the Department of Health and is publicly available at: https://publications.qld.gov.au/dataset/metro-north-hhs-service-agreements

MNHHS also has the following functions:

- To ensure the operations of MNHHS are carried out efficiently, effectively and economically
- To comply with the health service directives that apply to MNHHS
- To contribute to and implement statewide service plans that apply to MNHHS and undertake further service planning that aligns with the statewide plans
- To monitor and improve the quality of health services delivered by MNHHS, including implementation of the National Safety and Quality Health Service Standards
- To develop local clinical governance arrangements for MNHHS
- To undertake minor capital works, and major capital works approved by the Department of Health Chief Executive, in the health service area
- To maintain land, buildings and other assets owned by MNHHS

- To cooperate with other providers of health services – including other Hospital and Health Services, the department and providers of primary healthcare – in planning for and delivering health services
- To cooperate with local primary healthcare organisations
- To arrange for the provision of health services to public patients in private health facilities
- To manage the performance of MNHHS against the performance measures stated in the Service Agreement
- To provide performance data and other data to the Department of Health Chief Executive
- To consult with health professionals working in MNHHS, health consumers and members of the community about the provision of health services.

MNHHS Clinical Service Profile

The clinical service profile within MNHHS ranges from tertiary and quaternary referral to general hospital and includes subacute as well as community based services. Major health specialties provided within MNHHS include Medicine, Surgery, Psychiatry, Oncology, Women's and Newborn, and Trauma Services. Sub-specialties include:

- Surgical: Burns, Cardiothoracic, ENT, Ophthalmology, General Surgery, Neurosurgery, Oral and Maxillofacial, Orthopaedic, Plastics and Reconstructive, Transplants (Heart and Lung), Vascular, Thoracic and Urology.
- Medical: Cardiology, Clinical Immunology and Allergies, Endocrinology, Gastroenterology and Hepatology, Dermatology, Geriatric Medicine, Infectious Diseases, Internal Medicine and Aged Care, Neurology, Pharmacy and Clinical Pharmacology, Nuclear Medicine, Paediatrics, QLD PET Service, Renal Medicine, Rheumatology, Thoracic Medicine, and Palliative Care Services.
- Women's and Newborn: Gynaecology, Maternity Services, Paediatric Services, Neonatology, Neonatal Intensive Care Unit, Special Care Nursery, Fetal Diagnosis and Treatment, Breast Health, Maternal Fetal Medicine, Gynaecological Oncology, and Neonate Retrieval Service for Northern NSW and Pacific Rim.
- Cancer Care: Radiation Oncology, Medical Oncology and Bone Marrow Transplant/Haematology.
- Critical Care: Emergency Medicine, Intensive Care Medicine, and the Multidisciplinary Pain Centre.
- Subacute Services: Palliative Care, Rehabilitation, Transition Care, Hospital in the Home, Residential Aged Care, Psychogeriatric, Geriatric Evaluation and Management, Acquired Brain Injury, Intellectual and Physical Disability, Sexual Health, and HIV Services.
- Mental Health Services: Perinatal, Child and Adolescent Psychiatry, Alcohol, Tobacco and Other Drug Services, Community Forensic Mental Health Services, Geriatric Psychiatry, and Community Mental Health Services.
- Oral Health Services: General Practice Oral Health, Child and Adult Specialist Oral Health Services.

Royal Brisbane and Women's Hospital (RBWH) Mental Health Nursing Director, Lisa Fawcett, receives the Mental Health Nurse of the Year 2014.

NURSE CHAMPIONS MENTAL HEALTH

Royal Brisbane and Women's Hospital (RBWH) Mental Health Nursing Director, Lisa Fawcett, was honoured by the Australian College of Mental Health Nurses (ACMHN) as the Mental Health Nurse of the Year 2014.

Lisa has worked tirelessly to build an engaged mental health nursing workforce with a focus on highlighting the professional skills and motivations for working with consumers towards recovery.

"It is a privilege to maintain a career in the specialty of mental health. As nurses, one of our fundamental responsibilities is advocacy for people with mental health issues and their carers," Lisa said.

"The mental health community deserves the best care that we, as individuals and teams, can deliver," she said.

ACMHN President Professor Wendy Cross said Lisa leads by example, particularly in regard to her strong consumer focus.

"Her efforts have led to better outcomes for consumers, and greater job satisfaction among her staff," Professor Cross said.

2.0 NON-FINANCIAL PERFORMANCE

2.1 Government objectives for the community

With the change of government in February 2015, Metro North Hospital and Health Service has focussed its efforts on implementing the government's objectives for the community:

- Delivering quality frontline services
- Building safe, caring and connected communities
- Protecting the environment
- Creating jobs and a diverse economy.

2.2 Other whole-of-government plans/specific initiatives

Metro North Hospital and Health Service objectives and strategic priorities are guided by the National Health Reform Agreement. Strategic priorities also align with the Queensland Government's key health priorities which are:

- strengthening our public health system
- providing responsive and integrated government services
- supporting disadvantaged Queenslanders
- ensuring safe, productive and fair workplaces
- achieving better health education and training outcomes.

2.3 Agency objectives and strategic priorities (MNHHS)

MNHHS developed its Health Service Strategy 2015-2020 to address challenges it shares with other health services including the increasing demand for services, changing care needs, pressure on existing infrastructure and the need to maintain a skilled and committed workforce.

The Health Service Strategy has a five year outlook and supports MNHHS to invest in responsive and integrated services for identified priority areas to strengthen the delivery of public healthcare. 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
  - State-wide and regional services
- Work in partnership to better connect care across the system.

The Strategy was developed in extensive consultation with clinicians and community partners. Implementation commenced in December 2014.

WARD 4EAST OPENS

Metro North Hospital and Health Service has invested $5 million in the refurbishment of a medical ward at Redcliffe Hospital.

Ward 4East comprises of 26 beds and features single rooms as well as four-bed rooms, which includes ensuites.

Delirium and Falls Unit (DAFU) patients were the first to occupy the refurbished ward. The DAFU area has been designed to allow all patients to be monitored at all times by nursing and medical staff.

The $5 million funding to give the ward its make-over is part of the $320 million Queensland Government Backlog Maintenance Remediation Program.

At the launch of the Tracheostomy Management Team (TMT), Metro North Hospital and Health Service Board member Associate Professor Cliff Pollard joined patient Ted Martin (right), his wife Dianne Martin (second from left) and TMT clinical nurse coordinator Karyn Heineger to cut a celebratory cake.

GROWING INNOVATIVE CARE SOLUTIONS

Improved healthcare outcomes for patients are being provided through Metro North Hospital and Health Service's (MNHHS) innovative Support Explore, Excel and Deliver (SEED) projects.

In 2014-15, the MNHHS Board invested $1 million to fund 15 SEED projects. One of these initiatives was the Tracheostomy Management Team (TMT) at the Royal Brisbane and Women's Hospital, which comprises a multidisciplinary team drawn from medical, nursing, speech pathology and physiotherapy.

The TMT engaged with consumers early in the project, interviewing patients to gain feedback on their care and experience with having a tracheostomy. This information has contributed to quality improvement initiatives.

Dianne Martin's husband Ted was admitted to RBWH's Intensive Care Unit in March after an accident and underwent a tracheostomy.

Speaking at the TMT's launch, Mrs Martin praised the team's staff for their open and transparent communication.

"Members of the trache team introduced themselves and described their roles and purpose and explained what they were doing and why and continued to do that throughout our hospital journey," she said.

"Their responses were always in plain English."

"They were fantastic, professional and compassionate. It truly was patient-centred care."

Challenges and Opportunities

As Metro North continues to deliver excellent patient-centred care, it is facing a number of strategic risks and opportunities:

- Responding to demand for healthcare services from an ageing and growing population as well continuing to provide care for Queenslanders outside the catchment as a provider of specialised tertiary services.
- Collaborating with our healthcare partners to better connect care for our patients. We are part of a broader health care system and to make a difference we must work closely with our community and healthcare partners so that together we can provide high quality, integrated patient care.
- Ensuring communities, consumers and clinicians are central to health service planning, design, delivery and evaluation particularly in tackling chronic disease.
- Driving improvements to quality, safety and efficiency through clinical streams in partnership with hospital networks.
- Working with the Commonwealth to ensure Metro North is well placed to respond and benefit from the introduction of the National Disability Insurance Scheme (NDIS) in 2016, the introduction of Primary Health Networks (PHNs) in 2015 and changes in Commonwealth and State funding models.
- Aligning resources to meet current service needs and areas of future growth.
- Attracting and developing an increasingly specialised and multi-disciplinary workforce providing care across a range of settings.
- Introducing innovative solutions and new technologies and treatments while managing rising costs of healthcare.

Members of The Prince Charles Hospital Endoscopy Project team were winners at the 2014 Queensland Health Awards.

EXCELLENCE IN INNOVATION AND PERFORMANCE

Metro North Hospital and Health Service's excellent standard of world class, leading-edge clinical services was recognised at the 2014 Queensland Health Awards.

The Fostering Innovation category was awarded to the Department of Anaesthesia, Royal Brisbane Women's Hospital for The Green Room – a dedicated, in-theatre, ultrasound guided procedure room created to improve clinical outcomes such as better pain management, in addition to a focus on efficiency, patient experience, quality assurance and medical education. This is a grass roots initiative developed by clinicians locally, who identified an area for improvement and engineered a practical solution.

The Excellence in Performance category was awarded to The Prince Charles Hospital Endoscopy Project and Endoscopy Nurses Collaborative.

The project delivered significant increases in endoscopic activity in three years, with procedures rising from 4,000 to 7,000 in 2014.

The increased activity improved the quality of standard polyp and adenoma detection rates, which are estimated to be highest in the state and comparable with world-class US departments.

Metro North Hospital and Health Service was also recognised with a Highly Commended accolade for The Elective Surgery Patient Long-Wait Reduction Strategy.

TAKING NURSING PROFESSIONALISM TO THE NEXT LEVEL

Adjunct Associate Professor Alanna Geary, Dr Raymond Chan and Professor Patsy Yates from Royal Brisbane and Women's Hospital won the Excellence in Leadership award at the annual Premier's Awards.

The award was in recognition for taking nursing professionalism to the next level: the Cancer Nursing Professorial Precinct Initiative. The team was celebrated for building a world-class academic comprehensive cancer centre, the Cancer Nursing Professorial Precinct aims to create capacity for embedding research into clinical practice by bringing the brightest minds together. This strategic collaboration between cancer nurses at the Royal Brisbane and Women's Hospital, Metro North Hospital and Health Service, and the academics at Queensland University of Technology fosters innovation in a highly complex and challenging area of healthcare.

Metro North Surgery and Perioperative Services received the Highly Commended award for Customer Focus.

Adjunct Associate Professor Alanna Geary.

2.4 Agency service areas, service standards and other measures

MNHHS is responsible for the direct management of the facilities within its geographical boundaries including Royal Brisbane and Women's Hospital, The Prince Charles Hospital, Redcliffe Hospital, Caboolture Hospital, Kilcoy Hospital and Brighton Health Campus and Services.

MNHHS has grown its knowledge base in respect of the capacity and condition of its built infrastructure in 14/15. MNHHS has commissioned and conducted further analysis of the condition of its infrastructure, the relative utilisation of its facilities, current and future costs of continuing to operate from current locations.

As a result MNHHS has prioritised its investment and continues to successfully identify and address backlog maintenance issues. It has received a further performance incentive payment from the Department during the year and remains on track to complete the four year Backlog Maintenance Remediation Program by 2017.

During 2014–15, the key initiatives the MNHHS focussed on included:

- improving outpatient access by reducing long wait patients
- continued improvement in reducing emergency room waiting times in accordance with the NEAT
- continuing to build on 2013–14 successes in reducing long wait patients on the elective surgery waiting lists
- investing in and enhancing the MNHHS information, communications and technology infrastructure and services
- integrated Electronic Medical Record implementation
- repairing and improving plant, building and equipment through the Backlog Maintenance Remediation Program
- expansion of the Redcliffe and Caboolture Paediatric Services.

Looking forward MNHHS has, in consultation with clinicians and key stakeholders, also undertaken a comprehensive master planning exercise. This exercise which has been conducted at The Prince Charles, Caboolture, Redcliffe and The Royal Brisbane and Women's hospitals identifies opportunities for current and potential growth on site to meet the demands of a growing and ageing population and to respond to clinical priorities identified in the MNHHS Strategic Plan 2015–2019.

NEW HOSPITAL FACILITY IMPROVES CARE FOR CANCER PATIENTS

A new state-of-the-art healthcare facility at The Prince Charles Hospital (TPCH) will mean improved care for patients living with cancer.

Opened in June, the new facility is a modern, purpose-built centre providing care to patients with a range of conditions including lung and bowel cancer.

The facility is a 'one-stop-shop' that provides patients access to all necessary oncology services in one single location, including day oncology, radiation oncology and haematology clinics.

The growth of patients cared for by TPCH's Cancer Care Service has increased significantly in the last decade. Since 2005, the number of patients with cancer cared for by TPCH has approximately doubled.

TPCH's Cancer Care Service provides oncology treatment and support to clients from within the Metro North Hospital and Health Service catchment.

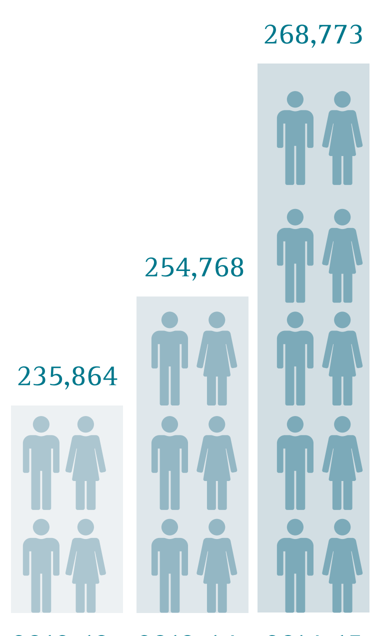
Specialising in lung cancer treatments, the service provides lung cancer care and access to clinical trials to patients from other Hospital and Health Services.

It also runs an internationally renowned cancer research centre specialising in thoracic malignancies.

2.5 Non-financial performance: An overview

The following is an overview on MNHHS's non-financial performance, with a comparison of target to actual for the financial year.

EMERGENCY



INCREASE IN PRESENTATIONS

	Notes	2013–14 Actual	2014–15 Target	2014–15 Actual
Service standards** Percentage of patients attending emergency departments seen within recommended timeframes:				
– Category 1 (within 2 minutes)		100%	100%	99%
– Category 2 (within 10 minutes)		74%	80%	73%
– Category 3 (within 30 minutes)		64%	75%	61%
– Category 4 (within 60 minutes)		74%	70%	75%
– Category 5 (within 120 minutes)		92%	70%	92%
Percentage of emergency department attendances who depart within four hours of their arrival in the department		74%	86%*	73%
Patients treated within four hours of their arrival in the department		183,951	–	194,240
Median wait time for treatment in emergency departments (minutes)		18	20	19

* Target changed during 2015. ** Excludes manually collected Kilcoy data.

ELECTIVE SURGERY

LESS THAN 1% LONG WAITS AT 30 JUNE 2015 WITH AVERAGE OVERDUE DAYS REDUCED TO

CAT 2: 31 DAYS

CAT 3: 12 DAYS

Percentage of elective surgery patients treated within clinically recommended times:

	Notes	2013–14 Actual	2014–15 Target	2014–15 Actual
– Category 1 (30 days)		94%	>98%	95%
– Category 2 (90 days)		81%	>95%	93%
– Category 3 (365 days)		87%	>95%	97%

OUTPATIENTS

Percentage of specialist outpatients waiting within clinically recommended timeframes:

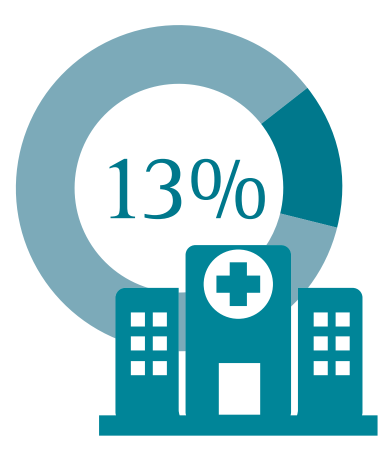
	Notes	2013–14 Actual	2014–15 Target	2014–15 Actual
– Category 1 (within 30 days)		57%	49%	58%*
– Category 2 (within 90 days)		37%	37%	44%*
– Category 3 (within 365 days)		65%	90%	68%*

* Now includes all outpatient wait lists for all MNHHS facilities

ACTIVITY AND EFFICIENCY

AVERAGE COST PER WEIGHTED ACTIVITY UNIT FOR ACTIVITY BASED FUNDING FACILITIES

$4,509



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

	Notes	2013–14 Actual	2014–15 Target	2014–15 Actual
Total weighted activity units:	1			
– Acute Inpatients		190,222	191,713	196,067
– Outpatients		49,521	51,977	49,549
– Subacute		18,911	18,584	19,263
– Emergency Department		35,831	36,311	37,953
– Mental Health		29,112	28,252	30,202
– Interventions and Procedures		24,986	25,979	25,238
Average cost per weighted activity unit for Activity Based Funding facilities	2	$4,379	$4,357	$4,509
Rate of healthcare associated *Staphylococcus aureus* (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	3	1.48	Less than or equal to 2/10,000	1.19
Number of in-home visits, families with newborns		10,171	16,181	14,573
Rate of community follow-up within 1–7 days following discharge from an acute mental health inpatient unit		62%	> 60%	61%
Proportion of re-admissions to an acute mental health inpatient unit within 28 days of discharge		15.0%	< 12%	13.0%
Ambulatory mental health service contact duration		143,550	161,211	165,973

1. For comparative purposes, all WAU is reported under the current funding model (phase 17).
2. Average cost per WAU (comparative) recast for phase 17 and revised metric applied for consistent reporting.
3. *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

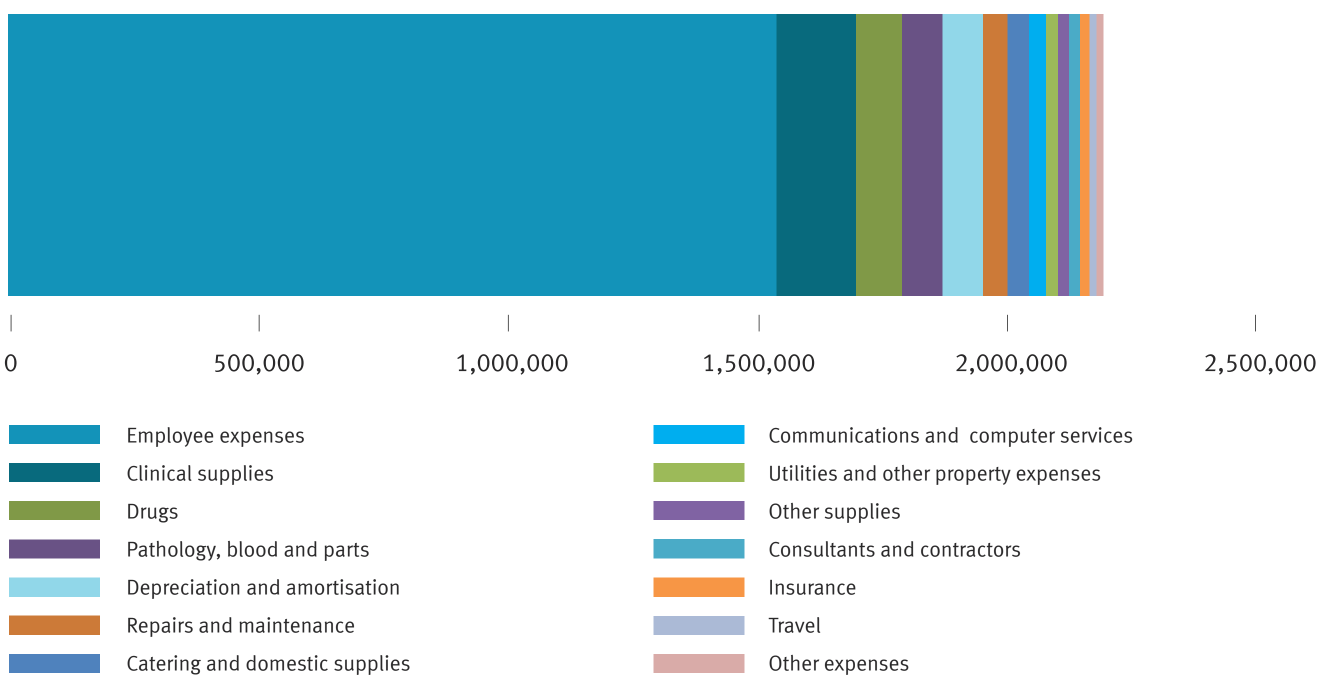
High Level Profit and Loss

	2015 $'000	2014 $'000
Revenue		
User Charges and fees	188,731	172,927
Funding for the provision of public health services	1,950,768	1,915,732
Grants and Other Contributions	21,748	32,025
Other Revenue	34,132	36,677
Total Revenue	**2,195,379**	**2,157,361**
Expenses		
Employee Expenses	1,542,890	2,251
Supplies and Services	562,064	2,012,516
Depreciation and Amortisation	80,772	73,226
Other Expenses	14,069	13,522
Total Expenses	**2,199,795**	**2,101,515**
Operating result from continuing operations	**(4,416)**	**55,846**

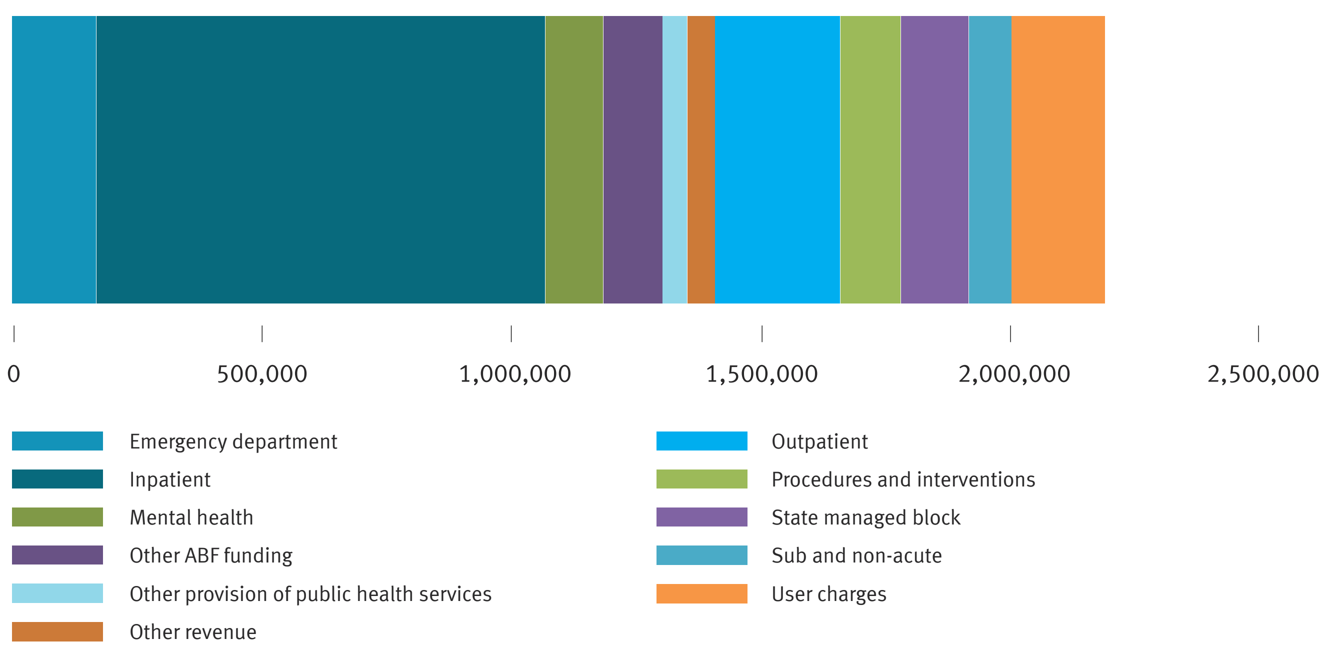
High level Balance Sheet

	2015 $'000	2014 $'000
Assets		
Cash	130,367	167,698
Receivables	60,086	57,874
Property, plant and equipment	1,199,075	1,259,391
Other	23,019	19,255
Total Assets	**1,412,547**	**1,504,218**
Liabilities		
Payables	55,835	151,386
Other	65,673	1,939
Total Liabilities	**121,508**	**153,325**
Net Assets	**1,291,039**	**1,350,893**

Expenses from continuing operations

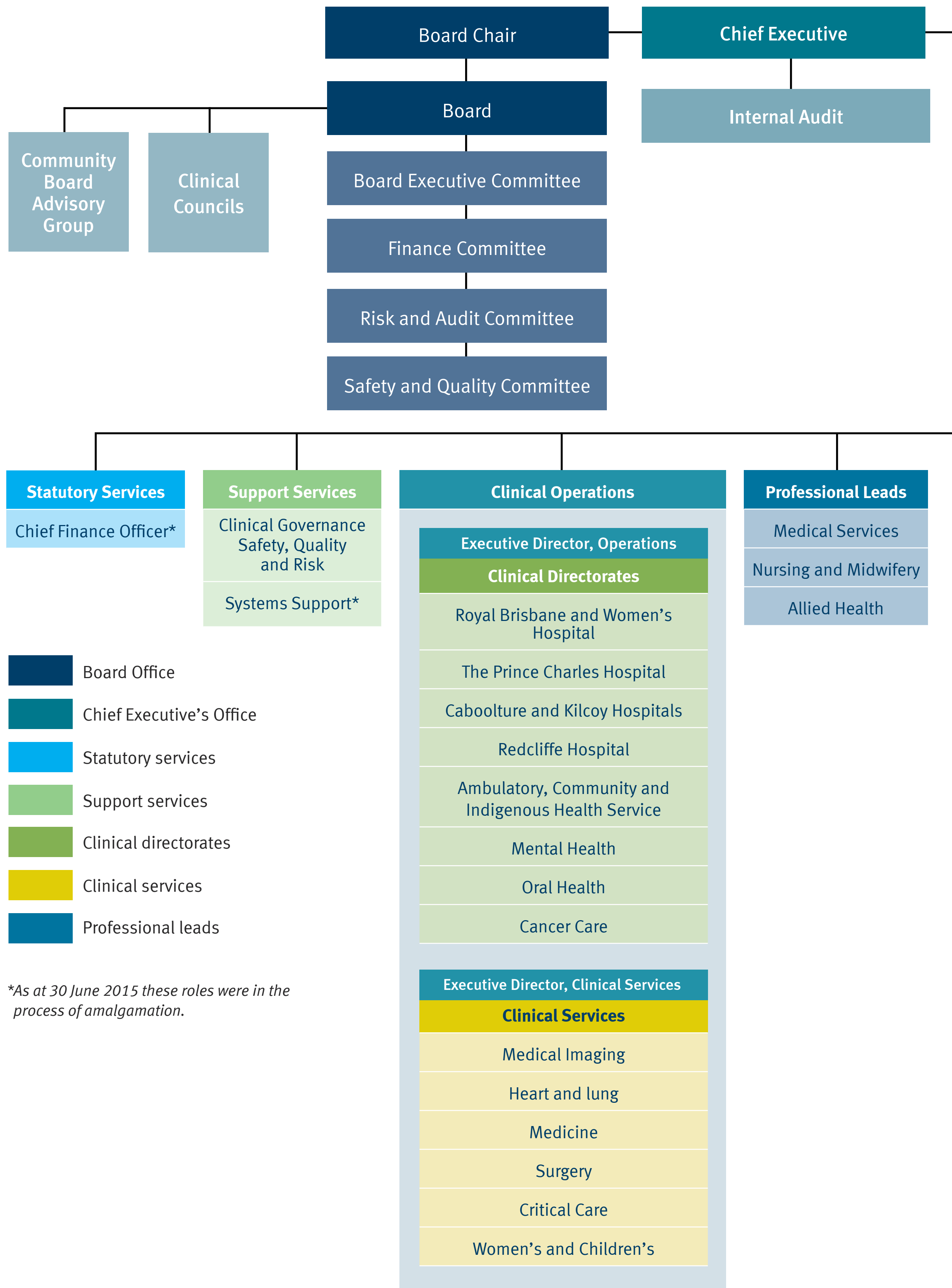


Income from continuing operations



4.0 GOVERNANCE – MANAGEMENT AND STRUCTURE

4.1 Organisational structure



**As at 30 June 2015 these roles were in the process of amalgamation.*

SPECIALIST DIABETES SERVICE FOR CHILDREN LAUNCHED

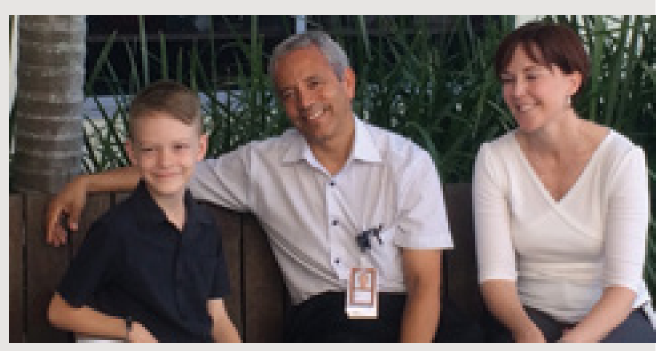
An initiative at North Lakes Health Precinct is a welcome relief for parents of children with Type 1 diabetes.

North Lakes Diabetes Service and Redcliffe Hospital Paediatric Ward have teamed up to give families the option to access services at North Lakes Health Precinct within the first day of diagnosis.

This new collaboration will see the number of days a child is admitted to Redcliffe Hospital with Type 1 diabetes significantly reduced.

Speaking at the launch of the service in March, Clinical Diabetes Nurse Practitioner Robyn Mallett said families now had an opportunity to receive specialised care from the multidisciplinary diabetes team at the North Lakes Health Precinct instead of staying in hospital.

"Children newly diagnosed with Type 1 Diabetes Mellitus could stay in hospital for up to seven days," Ms Mallett said.



Mitchell Rix, Dr Marlon Radcliffe and Robyn Mallett at the launch of the diabetes service initiative.

"This option allows the child to stay with their family in the comfort of their own home but receive the same high level of care from the Diabetes Team at North Lakes as they would have received if they had been admitted to the Redcliffe Children's Ward.

"We want to empower families when dealing with a new diagnosis not just by treating the symptoms but through ongoing care, support, education and collaboration about the condition," she said.

TELEHEALTH TECHNOLOGY PUTTING RURAL PATIENTS FIRST

Kilcoy Hospital has been working with other Metro North Hospital and Health Service (MNHHS) facilities to improve access to specialist outpatient services through the use of telehealth technology.

Telehealth delivers real-time health consultations online by providing specialist healthcare via video link up.

Kilcoy Hospital Director of Nursing and Facility Manager, Lyndie Best, said telehealth services give patients living in rural, remote and outer metropolitan locations greater access to a range of specialist consultations.

"Telehealth is increasing the capacity to offer outpatient sessions to the community of Kilcoy and surrounds for specialist appointments that occur in Brisbane, Redcliffe and Caboolture," Ms Best said.

Kilcoy Hospital provides blood tests prior to telehealth sessions, which are then made accessible to the specialist. Plain X-rays can also be performed if required by Nursing Operators at Kilcoy.

"We are also holding a separate mobile telehealth, unit which is able to connect to the Fracture Clinic appointments at Redcliffe Hospital for the patients who are non-weight bearing for a period of time, and are unsafe to travel home," Ms Best said.

"X-rays can also be performed prior to these scheduled sessions and any other information such as physiotherapy updates can be provided.

"Telehealth prevents a rather long and sometimes uncomfortable trip, for some, from Kilcoy to Redcliffe Hospital."

Other uses being explored with telehealth extend to working with other disciplines such as physiotherapists, occupational therapists and psychologists over distance.

4.2 The Board

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

The functions of the Board include:

- Developing the strategic direction and priorities for the operation of MNHHS
- Monitoring compliance and performance
- Ensuring safety and quality systems are in place which are focused 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 who reside in the local catchment area, strengthening local decision making and accountability for health policies, programs and services within MNHHS. Each of the Board Members brings a wealth of experience and knowledge in public, private and not-for-profit sector with a range of clinical, health and business experience. The following committees support the functions of the Board, each operates with terms of reference describing the purpose, role, responsibilities, composition, structure and membership. An external review of Board and committee governance arrangements was undertaken by Emeritus Professor Geoff Kiel between September and November 2014.

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 MNHHS. 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 healthcare protocol, and works with the Chief Executive in responding to critical and emergent issues.

Finance Committee

The role of the Finance Committee is to oversee the financial performance, systems, risk and requirements of MNHHS. 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*.

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 MNHHS.

SCHOLARSHIPS HELP BUILD KNOWLEDGE AND SKILLS

Metro North Hospital and Health Service Chairman's Scholarship is designed to build knowledge and skills needed to position Metro North as a world-class academic health science centre.

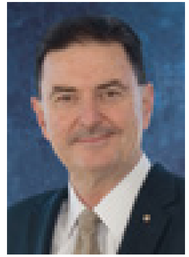
The scholarship program is funded by the MNHHS Board.

The 2014-2015 recipients are Acting Professor Sue Patterson, Principal Research Fellow, Mental Health at Royal Brisbane and Women's Hospital (RBWH) and Caboolture Hospital (pictured below), and Satyan Chari, an Occupational Therapist and PhD Candidate, Metro North Safety and Quality Unit at RBWH.

Sue's work and studies will be in the area of consumer and community engagement and embedding research within health services. She is completing placements with two world-leading institutions committed to application of patient experience to quality improvement and integration of research and practice. Upon completion of the scholarship period, Sue will use the ideas, knowledge, and networks gained through this experience to facilitate a growing culture of innovation across mental health clinical teams.

Satyan leads the inpatient fall prevention program at RBWH. He is undertaking immersive residencies in world renowned healthcare institutions in the United States.

Upon completion of the scholarship period, Satyan will leverage the ideas, knowledge, and networks gained through this experience to facilitate a growing culture of innovation using HSE methods across Metro North clinical teams.



Dr Paul Alexander AO
Board Chair

Dr Paul Alexander is a general practitioner with over 30 years experience in private practice and clinical executive posts. Paul has held board positions in military, private practice, commercial and not-for-profit organisations.

For more than 15 years, Paul has worked as a general practitioner in Morayfield. He is also a medico-legal consultant, providing education and support to the medical profession throughout Queensland. Paul is the Independent Health Advisor for the Department of Immigration and Border Protection and Chair of The University of Queensland Healthcare Board.

Paul has had an extensive career in the Australian Defence Force, joining the Army in 1976 and completing his medical training at the University of Melbourne in 1978. He has undertaken a varied number of command, management and clinical positions within Defence including postgraduate medical training in the UK in Sports Medicine and Tropical Medicine, commanding both field medical units and military hospitals.

In 2000, Paul took up full-time clinical practice in Brisbane in a large group medical practice where he undertook the role of Managing Partner. Paul was promoted to Brigadier in January 2004 and assumed the position of Assistant Surgeon General Australian Defence Force – Army. In 2011, Paul was made an Officer in the Military Division of the Order of Australia for distinguished service to Defence in the field of health. Paul completed his tenure as Commander Joint Health and Surgeon General Australian Defence Force in 2012, where he was responsible for the provision of healthcare to the Australian Defence Force.

Paul has qualifications from the Interagency Institute for Health Care Executives (George Washington University) and the INSEAD International Directors Program. He is a Fellow of the Royal Australasian College of Medical Administrators, a Fellow of the Australasian College of Legal Medicine and a Fellow of the Australasian College of Tropical Medicine.

Mr Vaughan Howell
Deputy Board Chair
Chair, Finance Committee

Mr Vaughan Howell has a career spanning more than 30 years working in the health service industry, managing organisations in the public, private and not-for profit sectors in Australia and the UK. His key success has been leading organisations through difficult and critical periods focussing on strategy and implementing major service redesign that has produced effective, efficient and economic, patient focussed services.

His leadership and commitment to excellence has been recognised by organisations such as the Australian Quality Council, The Australian Human Resources Institute, and the Australian Institute of Marketing, Australian Private Hospitals Association and Baxter Healthcare.

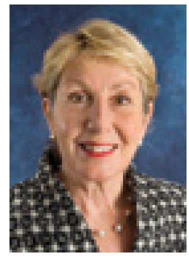
Vaughan is an experienced Board Member having served on health and welfare boards in Australia and the UK. Vaughan is a graduate of the University of Queensland with major interests, apart from health service redesign, in incorporating the innovative use of technologies, in bioethics, research ethics, knowledge and skills transference. He has served on committees and taskforces that have considered the impacts of bio-ethics on the philosophy of service delivery. He currently undertakes interesting esoteric management consulting assignments.

Mr Leonard (Len) Scanlan
Chair, Risk and Audit Committee

Mr Lenard (Len) Scanlan is a former Auditor-General of Queensland and has been appointed a National Fellow of the Institute of Public Administration Australia for his outstanding contribution to the practice of public administration.

Len is a graduate of the Queensland Institute (now University) of Technology, with a Bachelor of Business (Accy), and the University of Queensland with a Bachelor of Arts (Government) and a Masters of Public Administration.

Len now operates a consultancy business focussing on audit committees, governance and boards for both the private and public sectors and is an Adjunct Professor at the University of Queensland. Among his business interests Len is a non-executive director of Queensland Urban Utilities, Queensland Building and Construction Commission, and Chairman of Ganes Ltd. He chairs the Metro North Risk and Audit Committee, and the Audit Committee for the Royal National Association. Len was a non-executive director of the Medical Benevolent Association of Queensland Ltd (resigning in May 2015). He has received a number of awards, including the Centenary Medal Award.

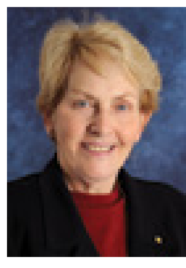


Dr Kim Forrester
Chair, Safety and Quality Committee

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.

Kim established the Masters in Emergency Nursing program at Griffith University and was a foundation academic in the School of Medicine. She currently holds an academic appointment as Associate Professor in the Faculty of Health Sciences and Medicine at Bond University.

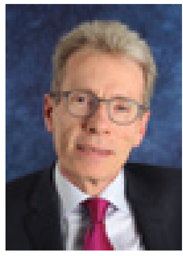
Kim's areas of legal practice include coroner's inquests, professional regulation and child protection. She held the position of Assistant Commissioner (legal) on the Queensland Health Quality and Complaints Commission from 2006 to 2009 and is a member of the Queensland Law Society's Elder Law, and Health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



Professor Helen Edwards OAM
Member

Professor Helen Edwards is Assistant Dean (International and Engagement), Faculty of Health, Queensland University of Technology (QUT) in Brisbane and a member of the Institute of Health and Biomedical Innovation. Helen is a Program Leader for the Wound Management Innovation Cooperative Research Centre and was involved in establishing this $110 million centre, the largest wound research initiative globally. It focusses on development of cost effective and practical wound therapies, diagnostics and interventions.

Helen is also internationally recognised for her work in ageing and chronic disease. Her research is focussed on evaluating models of care for people with chronic wounds and self-management of chronic disease. She leads the wound management research team in the Faculty of Health at QUT and works with multidisciplinary teams and in partnership with industry. Professor Edwards is also a Board Member of the Australian Nursing and Midwifery Accreditation Council.



Professor Nicholas Fisk
Member

Professor Nicholas Fisk is Executive Dean of the Faculty of Medicine and Biomedical Sciences at the University of Queensland with responsibility across population health, preclinical and clinical medicine and four hospital-based research institutes. He practices as a maternal-fetal specialist at Royal Brisbane and Women's Hospital.

Nicholas was Director of the University of Queensland's Centre for Clinical Research (UQCCR), before becoming Executive Dean in 2010. From 1992 to 2007, he was Professor of Obstetrics and Gynaecology at Imperial College and Hammersmith Hospitals, London. His research interests lie in stem cell biology, multiple pregnancy and clinical obstetrics and he has published over 400 papers, reviews and editorials, including in prestigious periodicals such as Lancet, JAMA and New England Journal of Medicine.

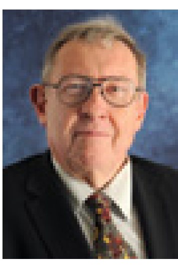
Nicholas is a member of editorial boards including PLOS Medicine and Stem Cells Translational Medicine, and holds a visiting professorship at the National University of Singapore. He Chairs the Deans of Medicine Committee for the Group of Eight Universities in Australia and is a member of the Association of Academic Health Centres International Steering Committee. His current professional affiliations include Fellowship of the Academy of Health and Medical Sciences and Board Member, Brisbane Diamantina Health Partners.

PROVIDING A LINK TO BETTER CARE

Metro North Hospital and Health Service continues to work with community partners to drive improvements in health service delivery.

The $1 million Leading Innovation through Networking and Knowledge-sharing (LINK) initiative, launched in May, aims to further improve patient experiences, outcomes, continuity and quality of care by collaboratively addressing hospital admission and discharge practices, and avoidance of unnecessary hospital admissions and readmissions.

It's all about integrated and connected care and ensuring MNHHS works in partnership to deliver the right care, at the right place, at the right time.



Associate Professor Cliff Pollard AM
Member

Associate Professor Cliff Pollard AM is a retired general surgeon. He undertook his surgical training in Queensland and obtained post Fellowship experience in the United Kingdom. Cliff has been a 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, retiring in 2012. As a member of the Royal Australian Army Medical Corps, he deployed to Bougainville and East Timor.

Cliff 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. More recently Cliff was the Chair of the Statewide Trauma Clinical Network. Cliff has been an examiner in general surgery for the Royal Australasian College of Surgeons and currently teaches anatomy in the Advanced Clinical Anatomy Course. Cliff holds an Adjunct Associate Professor position in the School of Medicine, University of Queensland.

Dr Margaret Steinberg AM
Member and Sponsor, Community Board Advisory Group (CBAG)

Dr Margaret Steinberg AM 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. Margaret 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.

Margaret has a special interest in governance, public and community health and currently sits on a number of professional disciplinary and regulatory Tribunals as well as being Patron, Governor or Director of third sector organisations. Margaret has a PhD (Child Health and Education) and Masters of Physiotherapy. Her awards include a Churchill Fellowship (disability), NHMRC/PHRDC Travelling Fellowship (telemedicine) and WHO study (HIV/AIDS).

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

COMMUNITY AND CONSUMER ENGAGEMENT HIGHLIGHT

The Metro North Hospital and Health Service (MNHHS) Community Board Advisory Group (CBAG) was established in October 2013 to drive partnerships and engagement with consumers and communities.

CBAG comprises representatives from consumer and community organisations who partner with MNHHS to improve quality of life for our community and to support people with chronic conditions, hard to reach populations and those with special health needs to access hospital and health services. The Metro North Brisbane Medicare Local (now PHN) also provided valuable representation.

Engagement priorities

- Form meaningful partnerships to support innovation and ensure that patients, carers and families are at the centre of care
- Connect MNHHS with the wider care provider system so people can access integrated care from the right care provider at the right time and in the right place
- Enable equity of access to MNHHS services, particularly for hard to reach populations and those with special health needs

Achievements

- Instrumental in developing the LINK (Leading Innovation through Networking and Knowledge-sharing) initiative for partnerships in continuity of care
- Contributed to the development of major strategic work, including the inaugural Health Service Strategy, the revised MNHHS Strategic Plan, and the Putting People First Strategy
- Provided community perspective in the implementation of these key strategies
- Involved in the Metro North Health Forum on Reform held in June 2015 – a collaboration between Metro North Brisbane Medicare Local and Metro North Hospital and Health Service
- Reviewed MNHHS consumer and community engagement and partnership policies
- Identified emergent community engagement priorities for MNHHS.

4.3 Executive Management

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

- Managing the performance and activity outcomes for MNHHS
- 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 to an appropriately qualified health executive or employee.

Health Service Chief Executive

Mr Ken Whelan

As Chief Executive, Metro North Hospital and Health Service (MNHHS) Ken Whelan is responsible for the day to day management of Australia's largest public health authority.

Prior to his commencement with MNHHS, Ken was the Deputy Director General, System Purchasing and Performance Division for New South Wales Ministry of Health.

Ken's career originated from a nursing background but has been in Senior Management for the past 23 years. For 15 of those years, he has held the position of Chief Executive in both New Zealand and Australia.

Ken has led provincial district health boards 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 MNHHS and is committed to working with health facilities to ensure they provide sustainable health services that meet the needs of the populations they serve.

During 2014/2015 financial year, Mr Malcolm Stamp was employed as the MNHHS Chief Executive until 8 September 2014. Ms Kerrie Mahon was appointed as the Interim Chief Executive from 8 September 2014 until 10 November 2014. Mr Terry Mehan was appointed to act in the role from 10 November 2014 until 8 May 2015 and Mr Ken Whelan commenced in the role on 13 May 2015.

The following Senior Executive Leadership Team positions support the HSCE in the development and execution of the MNHHS strategy as approved by the Board. List includes the names of incumbent as at 30 June 2015.

Executive Director Operations
Mr Shaun Drummond

Chief Finance Officer
Mr Robert Dubery

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

Executive Director Clinical Services
Dr Elizabeth Whiting

Executive Director System Support
Mr Brian Howell

Professional Leads

Executive Director Medical Services
Dr Judy Graves

Executive Director Nursing and Midwifery Services
Adj Assoc Professor Alanna Geary

Executive Director Allied Health
Mr Mark Butterworth

Directorate Executive Directors

Executive Director RBWH
Dr Judy Graves

Executive Director TPCH
Mr Anthony Williams

Executive Director Redcliffe Hospital
Ms Lexie Spehr

Executive Director Caboolture and Kilcoy Hospitals
Dr Lance Le Ray

Executive Director Ambulatory, Community, & Indigenous Health Service
Ms Mary Slattery

Executive Director Oral Health Services
Dr Katie Tran

Executive Director Mental Health Services
Assoc Professor Brett Emmerson

Executive Director Medical Imaging
Ms Vanessa Clarke

Clinical Stream Executive Directors

Executive Director Medicine
Dr Elizabeth Whiting

Executive Director Surgery
Dr Jason Jenkins

Executive Director Critical Care
Dr Colin Myers

Executive Director Cancer Care
Dr Amanda Dines

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

Executive Director Heart and Lung
Professor Darren Walters

IMPROVING MEDICAL IMAGING INFORMATION SHARING

Medical Imaging has embarked on an ambitious information technology (IT) transformation program to ensure seamless information sharing across Metro North Hospital and Health Service facilities.

Medical Imaging is the visualisation of body parts, tissues or organs for use in clinical diagnosis, treatment and disease monitoring, such as X-rays and ultrasound scans.

The ability to make all imaging studies available between facilities will allow both treating and reporting clinicians to access a patient's entire medical imaging history, regardless of their treatment location.

The availability of this information will provide:

- improved treatment of patients with clinicians being able to access entire patient imaging record
- reduction of imaging examinations as previous imaging from another department may provide the information required, and
- improved imaging reporting as reporting clinicians will have access to more information regarding their patient.

The announcement to establish two Intensive Care beds at Caboolture Hospital was welcomed by staff, pictured here with the Metro North Board Chair Dr Paul Alexander (far right) and the then, Acting Chief Executive Terry Mehan (second from left).

NEW MODEL BOOSTS INTENSIVE CARE SERVICES IN THE NORTH

Metro North Hospital and Health Service is delivering on its commitment to place resources on the frontline where they are needed most.

Following the release of the Health Service Strategy 2015 – 2020 it was announced that Redcliffe and Caboolture hospitals would each receive two ICU beds.

Clinicians from Redcliffe and Caboolture Hospitals and hospital Executive Directors collaborated to develop a joint model for intensive care service delivery and establish a Caboolture Redcliffe Intensive Care Unit (CRICU).

This innovative model will enable a team of clinicians to deliver an ICU service across the two hospitals, supported by smart use of ICT and technology.

Metro North Hospital and Health Board Chair, Dr Paul Alexander AO, and Director of ICU at Redcliffe Hospital Dr Hamish Pollock (at right) share the good news about the increase in ICU beds with hospital staff.

4.4 Public Sector Ethics Act 1994

MNHHS 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; Accountability and transparency.

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

All staff employed in MNHHS 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. During 2014–15, the orientation program was updated to ensure conflict of interest, fraud and bullying and harassment are clearly addressed 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 regularly repeated.

4.5 Queensland Public Sector Values

The values of the Queensland Public Sector are demonstrated in the work of Metro North's more than 13,000 employees 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 healthcare outcomes through innovative programs such as the Support, Explore, Excel & Deliver (SEED) program which is delivering 15 innovative healthcare 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 healthcare, 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 (e.g. flu season).

AeHRC and CSIRO Scientists –project leader Dr Qing Zhang, team leader Dr Mohan Karunanithi, Post Doctoral Fellow Marlien Varnfieldk and research scientist Dr Hang Ding.

MOBILE HEALTH APP WINS NATIONAL INNOVATION AWARD

Technology is allowing the home delivery of hospital care to patients with chronic disease across Metro North.

The Mobile Technology Enabled Rehabilitation (MoTER) platform innovation won the health category at the national iAwards, which recognise Australian-based information and communication technologies which have the potential to have or are already having a positive impact on the community.

The MoTER platform is the result of an ongoing collaboration between The Prince Charles Hospital (TPCH) and Subacute and Ambulatory Care Services (SaAS) of MNHHS, Australian e-Health Research Centre (AeHRC) and CSIRO. It was developed to help manage rehabilitation services for chronic diseases including cardiac diseases, chronic obstructive pulmonary disease (COPD) and diabetes.

The platform consists of a smartphone application that can be tailored to a patient's individual medical profile, and an internet application that updates the progress of their rehabilitation and ongoing care from home.

Patients use the MoTER application on their smartphone to measure physiological data such as intensity and speed of walking, gather vital sign measurements from medical devices, and make health entries of their wellbeing.

Education is delivered via audio and video content on the phone and daily motivational and educational text messages are sent to the patient's phone. Specialised clinicians set personalised goals and give feedback at weekly phone or video calls.

FIRST INNOVATIVE O-ARM TECHNOLOGY IN A QUEENSLAND PUBLIC HOSPITAL

Royal Brisbane and Women's Hospital is Queensland's first public hospital to introduce the O-Arm – a multi-dimensional surgical imaging platform used in spine, orthopaedic, and trauma-related surgeries.

Orthopaedics Deputy Director Dr Dennis Hartig said the Medtronic O-Arm will increase the efficiency and safety of surgery.

"The technology produces high quality intra-operative images of a patient's anatomy, confirming the placement of surgical implants and potentially eliminating repeated surgeries," Dr Hartig said.

"The most impressive feature is the navigation system which allows surgeons to visualise the anatomy in 3D," he said.

"This improves patient care by more safely placing implants and potentially decreasing the length of surgery.

"Patients benefit from fewer surgical complications, and a shorter surgical procedure."

Dr Hartig has frequently used the O-Arm at other hospitals and believes it is an important evolution in surgical technique.

"Some cases which previously have not been amenable to surgical management will now be operable," Dr Hartig said.

"The O-Arm will improve efficiencies and patient outcomes.

"The patient is central to everything we do."

Deputy Director Orthopaedics Dr Dennis Hartig and Registered Nurse Anna Dowe with the O-Arm.

5.0 GOVERNANCE – RISK MANAGEMENT AND ACCOUNTABILITY

5.1 Risk Management and audit

MNHHS is committed to managing risks in a proactive, integrated and accountable manner through clear key structures, systems and processes for risk management.

Risk management within MNHHS is managed according to an integrated Risk Management Framework aligned with the Australian/New Zealand Standard for Risk Management – Principles and Guidelines and is consistent with the Department of Health risk management policy and implementation standard.

In accordance with the approved 2013-14 Internal Audit Plan, the Risk Management Framework has been revised to support an organisation-wide integrated risk management system with more explicit articulation of the Board risk tolerance as well as the escalation and reporting requirements for significant risks.

The MNHHS Strategic Plan 2014-18 outlines the following key strategic risks:

- Rapidly increasing demand for health services – as a result of population growth and ageing, increasing incidence of chronic disease, high consumer expectations and the impact of technology. MNHHS has recognised service demand resulting from population growth particularly in the northern sector of MNHHS. As a result, the MNHHS Health Service Strategy 2015-2020 has prioritised increasing capacity to meet population growth in the northern sector of MNHHS.
- Maintaining a skilled and committed workforce – rapid and ongoing change places significant pressure on staff, impacting on recruitment and retention. Effective service redesign requires system-wide, systematic and simultaneous changes to service models and work practices putting additional demands on staff to respond.
- Reputational damage and loss of public confidence – Metro North is committed to maintaining and enhancing the public and community's confidence in the high quality of care provided by its services.
- Managing cost pressures – the cost of health care is rising at a rate in excess of any health funder's ability to respond. A major challenge for MNHHS will be to achieve the price and activity benchmarks set by the Department of Health as the system funder, and the national funding price set by the Commonwealth.

Doctor Louise Cullen speaks to the media about Rapid Assessment of Cardiac Chest Pain Research.

HEART ATTACK OR INDIGESTION? FAST-TRACKING IS FINDING OUT

More than 90,000 Queenslanders check into hospital Emergency Departments each year with chest pain.

The good news is that only about only one in five of those patients is actually suffering a heart attack; the rest are diagnosed as indigestion or other less serious conditions.

Now, ground-breaking research into cardiac emergencies is helping to free up hospitals beds and save health dollars as well as provide the best patient care and the best possible outcomes.

Royal Brisbane and Women's Hospital emergency physician Dr Louise Cullen and cardiologist Dr William Parsonage have devised a method to speed up diagnosis and shorten hospital stays for patients who present with symptoms of possible acute coronary syndrome.

Their Rapid Assessment of Cardiac Chest Pain Research has shown it can reduce the length of hospital stay for most of these patients from 25 hours down to eight hours, which could free up the equivalent of 42,500 bed days per year if utilised across Queensland Health.

Dr Cullen said with Queensland's population expanding and ageing, causing a four per cent annual increase in demand on hospital emergency departments, the research was vital.

"With Rapid Assessment of Cardiac Chest Pain, we can give back clinician and health resource hours to those who have more acute cases to treat," Dr Cullen said.

The $1 million research project was funded by the Queensland Emergency Medicine Research Foundation (QEMRF).

Early findings from Dr Cullen's research are already in use in emergency departments in several regional Queensland hospitals.

The MNHHS Risk Management Framework clearly states that risk management is a responsibility of all staff and includes defined roles, responsibilities and accountabilities allocated to specific officers and management levels across the organisation. Risk management is integrated into MNHHS systems and process and is a key consideration for all planning and activities.

MNHHS use a centralised risk register sponsored by Department of Health, known as QHRisk, and connect to DSS-QHRisk module to support quality executive reporting. Risk registers are independently managed by each MNHHS clinical directorate and service, and are supported by delegated Risk Coordinators. Risk management is championed by MNHHS executive through an integrated system of committees including MNHHS executive, clinical directorates and service management committees.

Risks that are rated as 'very high' and 'high' are are reported to the MNHHS Executive on a monthly basis and are also provided to the Board Risk and Audit Committee to ensure that appropriate risk treatments and management plans are in place.

MNHHS maintain engagement with the Department of Health and other Hospital and Health Services through its participation in the Health System Risk Working Group to ensure good governance and alignment with best practice.

5.2 External Scrutiny

Royal Brisbane and Women's Hospital (RBWH) and the Oral Health Service remain ACHS accredited through to 2018 with an Organisational Wide Survey due in 2016.

The Prince Charles Hospital, Redcliffe Hospital, Caboolture and Kilcoy Hospitals, and Ambulatory, Community and Indigenous Health Service (now Community, Indigenous and Subacute Services) remain ACHS accredited through to 2017 with a periodic independent ACHS review in 2015.

IMPROVING ACCESS TO HEALTH SERVICES

With 10 per cent of residents in the Metro North catchment speaking a language other than English at home, improving access to health services for this group is a key priority.

Inner city locations show a higher than average proportion of residents who are born overseas and speak languages other than English at home. For example, Nundah and surrounding suburbs had the highest proportion of residents (17%, or 17,314 persons) who speak a language other than English as their first language. While Toowong recorded the greatest number of residents who speak a language other than English at home (19,679 persons or 14%)*.

Metro North has recently undertaken a review of its interpreter services to ensure the services caters to the needs of an increasing number of people who speak a language other than English at home.

This review has indicated improvements that can be made to interpreter services, and also to a range of other factors that contribute to improving access and care for people from culturally and linguistically diverse (CALD) backgrounds. One key area is language and health literacy which are critical skills that can impact on CALD people's access to services, communication with health professionals and the quality of care they receive.

That is why equity of access to health services is one of the Metro North Community Board Advisory Group's key engagement priorities.

5.3 Internal Audit

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

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.

The 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.

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 (QAO) it remains independent of the QAO.

Key activity and achievements of Internal Audit during the 2014-15 year included an independent Quality Assessment of the Internal Audit function by the Institute of Internal Auditors – Australia (IIA). The IIA concluded that "There is general conformance with the Standards and the IIA Code of Ethics. This is the top rating that can be given."

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

- Project management framework
- Activity based funding – Coding complexity
- Sentinel events
- IT – Governance
- Medical officer contracts
- Compliance framework
- Procurement and contract management
- Review of Kilcoy Hospital
- Payroll – Recruitment processes.

10%, or 83,142 people, in the MNHHS catchment speak a language other than English at home.

* Sourced from *Population Health Report 2013/14* compiled by Elliott Whiteing Pty Ltd for Metro North Brisbane Medicare Local.

SUPPORTING PATIENT-CENTRED CARE

At Metro North Hospital and Health Service we put people first. Critical to this is our continued focus on patient-centred care, consumer engagement and patient experience.

An online training module has been developed to introduce all staff to these concepts. This training was developed with consumer input and feedback. The training provides definitions, examples and case studies. The program was launched in mid-June 2015 and 111 staff had completed it by 30 June.

The module has opened up conversation in this space, giving staff an avenue to highlight areas for future education and to make suggestions for how they can be more patient-focussed each day. This feedback is being used to develop a suite of education modules for staff.

5.4 Information systems and record keeping

Section 160 of the Hospitals and Health Board Act 2011 requires that any confidential information disclosures made in the public interest by a Servicer are outlined in the Annual Report for that Service. There were no disclosures of confidential information by MNHHS under this provision in 2014-15.

The Office of the Chief Executive has implemented an electronic record management system (TRIM) this year for key correspondence to and from the office. This system is under evaluation to assess the suitability for use across all Metro North services.

MNHHS maintains its clinical records in accordance with a retention and disposal system which is in accordance with the Queensland State Archives Health Sector (Clinical Records) Retention and Disposal Schedule (QDAN683 V.1). Compliance with these requirements is externally assessed as part of the ACHS EQuIP National Standards accreditation requirements.

STATE-OF-THE-ART CENTRE IMPROVES CARE FOR HEART AND LUNG PATIENTS

Patients with complex heart and lung conditions are benefitting from a purpose built state-of-the-art health care facility at The Prince Charles Hospital (TPCH).

The 14-bed Heart Lung Complex Care Centre, which opened last November, ensures patients continue to receive the best care in a comfortable setting specifically tailored to their clinical needs.

Cystic Fibrosis (CF) is genetic condition resulting in chronic lung disease, reduced nutrition and reduced life expectancy.

Since 1996, the number of patients with CF cared for by TPCH has almost tripled. Patients can have up to four admissions each year, with some admissions lasting 14 days or more.

TPCH's Director of Cystic Fibrosis Professor Scott Bell said patients have very specific clinical requirements due to the nature of their condition.

"Patients with CF are susceptible to bacterial infections and in some possible cross-infection occurring between patients," he said.

"In a normal hospital ward setting, the opportunity for patient-to-patient contact naturally increases, particularly if patients are in hospital for a period of time. Patients can have up to four admissions each year, with some admissions lasting 14 days or more."

As the State's centre for adult CF care, the service today cares for around 300 patients from around Queensland and northern NSW, achieving world class results. It has a strong research program enhancing evidence for the best ways to deliver care and treatments.

Professor Bell said the rapid increase in patient numbers over the years provided an opportunity to study ways infection can be spread and to review current accommodation, and custom build a facility in line with international CF care standards.

"Optimising the healthcare experience will enhance the quality of life of adults living with CF in Queensland" said Professor Bell.

5.5 Patient Safety and Quality of Care

Safeguarding and improving the safety and quality of patient care is a key priority of Metro North Hospital and Health Service, and informs all aspects of the provision of services and decisions across the health service.

The Board and executive ensure reported incidents are regularly audited, that the most serious incidents are reviewed in accordance with policy, and that aggregated and trended analysis is provided and reviewed regularly. Key aspects of the effectiveness of the incident management system have been reviewed by both internal audit and procedural outcomes to ensure the process remains consistent with best practice.

To ensure the ongoing effectiveness of the patient clinical governance system, the design, performance, and supporting frameworks of assurance for several other key elements within the system were also evaluated and improved:

- Governance and Quality Improvement systems:
  - the systems for identifying safety and quality risks were reviewed and revised as part of the integrated risk management framework
  - the framework for policy and procedure development was reviewed, with a streamlined system implemented, supported by an enhanced online register for ease of access and use for staff.
- Collecting and reviewing Safety and Quality performance data:
  - a revised reporting schedule was implemented to ensure that over time all services, locations, risks and dimensions of quality and safety were covered. The suite of safety and quality indicators, along with targeted governance reports, were enhanced to support a relevant and comprehensive performance reporting framework.
- Patient healthcare rights and engagement:
  - a review of consumer advisory and engagement processes has resulted in an enhanced process for the development and registering of patient information brochures, with consumers assisting to ensure all patient information brochures are reviewed prior to publication.

Consumers rate overall impressions of care as 93% positive.

National Safety and Quality Health Service Standards

The *National Safety and Quality Health Service (NSQHS) Standards* were developed by the Australian Commission on Safety and Quality in Health Care (the Commission) in consultation and collaboration with jurisdictions, the private sector, health professionals and patients. As part of the organisation's commitment to safeguarding and improving the safety and quality of services, the board, executive and management, consumers and clinicians have engaged in the implementation of the Standards and further developing the governance systems and performance monitoring of these standards across the organisation.

Metro North is working closely with consumers and the community to ensure the organisation meets and exceeds the standards, with a particular emphasis on Standard 2: Partnering with Consumers.

Local Safety and Quality Committees

Metro North organisation-wide safety and quality activities are directed and monitored by the Metro North Executive Safety and Quality Committee.

Each facility or service maintains a local Quality and Safety Committee that meets monthly and assists the Board and executive to implement and monitor the performance of the organisation's clinical governance framework and its elements.

Members of these committees include executive and senior managers, quality and safety staff, clinicians and clinical leaders and consumer representatives. All facilities have governance structures that facilitate and promote consumer engagement activities as part of service planning, delivery and evaluation, and in the analysis of safety and quality data and the development of actions plans for improvement.

Metro North Quality of Care Report

In keeping with the organisation's commitment to communicating the importance of the patient experience and high quality care outcomes, an inaugural 'Quality of Care Report' was released in November 2014. This report outlined the organisation's achievements in relation to quality of care, using patient and staff stories to illustrate the partnerships that support continuity of care, how research is applied to improve patient outcomes, and how the organisation is responding to the diverse needs of patients, consumers, and the community served. The Quality of Care Report is now an annual publication to share key initiatives and outcomes with the community.

COMMITTED TO RESEARCH

Metro North Hospital and Health Service is home to some of the world's leading researchers. Our thriving culture of research is delivering continuous service improvement and evidence-based care.

In September 2014, the Metro North Research Committee was established to develop an overarching framework for research across the organisation. Committee Chair Professor Lawrie Powell said research brings enormous benefits to the health system.

"Hospitals with a strong research culture attract staff with inquiring minds, with tenacity and pursuit of excellence. Such staff themselves attract others and students of like mind. The end result is a higher quality of healthcare at cheaper cost," Professor Powell said.

Committee members include representatives from nursing, medical services and allied health as well as university partners.

MNHHS is also part of the Brisbane Diamantina Health Partners (BDHP), which brings together the State's leading Hospital and Health Services, including Metro South HHS, Children's Health and Mater Health, Queensland's major universities and institutes for medical research.

The position of BDHP is that better healthcare can be delivered by closer integration of research, education and clinical care. This position well reflects MNHHS's commitment to its core pillars of research, training, education and service delivery.

HOOKWORM RESEARCH LOOKS PROMISING FOR COELIAC DISEASE SUFFERERS

Ground-breaking Queensland medical research involving hookworms may one day lead to the cure for a debilitating intestinal disorder affecting millions worldwide.

The research project is investigating the effects of hookworms on patients with coeliac disease and is led by Australian leading hookworm experts, Professor Alex Loukas from James Cook University in Cairns, and Gastroenterologist Dr John Croese at The Prince Charles Hospital.

Dr Croese has long suspected that one reason patients appear more prone to inflammatory bowel disease and other diseases such as coeliac disease than occurs in less affluent people was that intestinal parasites have been effectively eradicated from developed countries.

"In the one out of every 70 Australians who suffer from coeliac disease, the immune system reacts abnormally to gluten resulting in small bowel damage. Symptoms vary but the most common include gastrointestinal upsets such as diarrhoea, constipation, nausea, vomiting, cramping and bloating.

"Other symptoms, some more severe may include fatigue, weakness, anaemia, unexplained weight loss or gain, bone and joint pains, recurrent mouth ulcers or swelling of mouth or tongue.

"Our researchers are testing whether the specific chemical released by the hookworm may suppress inflammation associated with coeliac disease, inflammatory bowel disease, and other intestinal disorders," Dr Croese said.

6.0 GOVERNANCE – HUMAN RESOURCES

6.1 Workforce planning, attraction and retention, and performance

MNHHS currently employ 13,545 full-time equivalent (FTE) employees to deliver its services across multiple sites and has experienced a 5.7% permanent separation rate. The number of full-time equivalent (FTE) employees has increased by 6.8% since the 2013-14 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.

Table1 employees by work location

Division facility				
	28 June 2014	**21 June 2015**	**Change %**	**% of total**
Royal Brisbane and Women's Hospital	5,679	6,002	5.7%	44.3%
The Prince Charles Hospital	2,753	2,883	4.7%	21.3%
Redcliffe Hospital	1,283	1,430	11.5%	10.6%
Caboolture Hospital	901	1,023	13.5%	7.6%
Kilcoy Hospital	31	38	22.6%	0.3%
Metro North Hospital and Health Services Other	2,038	2,169	6.4%	16.0%
Total MOHRI Occupied FTE	**12,685**	**13,545**	**6.8%**	

Table 2 employees by employment stream

Professional stream				
MNHHS Workforce profile	**28 June 2014**	**21 June 2015**	**Change %**	**% of total**
Managerial and clerical	2,063	2,292	11.1%	16.9%
Medical incl. VMOs	1,671	1,771	6.0%	13.1%
Nursing	5,490	5,892	7.3%	43.5%
Operational	1,565	1,575	0.6%	11.6%
Trade and artisans	110	107	-2.7%	0.8%
Professional and technical	1,786	1,908	6.8%	14.1%
Total MOHRI Occupied FTE	**12,685**	**13,545**	**6.8%**	

Dr Rhys Thomas and 94 interns start their career at RBWH.

METRO NORTH'S NEW RECRUITS

Metro North Hospital and Health Service hospitals welcomed 157 interns across the service in January 2015.

Royal Brisbane and Women's Hospital had the largest cohort of junior doctors with 95, followed by Redcliffe Hospital with 27, The Prince Charles Hospital (TPCH) with 20, and Caboolture with 15.

RBWH also welcomed 89 new nurses and midwives in January, including 66 graduates. In one of the biggest intakes in recent years, nurses have been allocated to every service line within the hospital.

Between January and March 2015, TPCH welcomed 85 new nursing staff, Caboolture 18 nursing graduates, and Redcliffe 22.

GRADUATE NURSE FOLLOWS IN HER MOTHER'S FOOTSTEPS

For one 2015 graduate the first day on the job was extra special. Aliza Nasato is following in the footsteps of her mother Gillian, a long-serving staff member and Acting Nursing Director of Cancer Care Services.

Aliza, who works in ward 5C, has always been interested in health, fitness and nutrition so nursing was a natural career choice for her.

"Mum and I share a passion for haematology oncology which I identified during my clinical placement in ward 5C as a nursing student as well as by nursing my grandfather through pancreatic cancer," Aliza said.

"Working in the same service line as mum is an absolute bonus."

Gillian, who has worked at RBWH for 29 years, said she is immensely proud of her daughter and all she has achieved to date.

"As a mother I tried to influence her to work hard, take care of herself and to be caring and generous towards others, advice I am certain all mothers give to their children," Gillian said.

"If my footsteps are now a path she is travelling, then I see that as a positive road to be on."

Aliza Nasato follows in the footsteps of her mother Gillian.

Left to right: Dan Minchin (Silver Chain), Jeff Cherverton (Medicare Local), Terry Mehan MNHHS and Abbe Anderson (Medicare Local*). * Now PHN.*

COLLABORATION IS KEY TO SUCCESSFUL HEALTH REFORM

Some of the brightest minds in health, aged and community care gathered in Brisbane recently for the second annual Metro North Health Forum.

The forum was hosted by Metro North Hospital and Health Service (MNHHS) and Metro North Brisbane Medicare Local, which is now known as Brisbane North Primary Health Network (PHN).

The forum was designed around the theme 'Reform. Ready. Set. Go' and covered recent national health reforms, explained what they meant for the sector and provided vision for the future.

The diverse agenda covered primary and acute care, aged and community care, mental health and the National Disability Insurance Scheme.

Around 230 health professionals and consumers attended the Metro North Health Forum, representing corporate and non-profit health providers, peak organisations and government agencies.

The diverse agenda covered primary and acute care, aged and community care, mental health and the National Disability Insurance Scheme.

Long term service demand forecasts were used to support the establishment of the Metro North workforce planning strategy. This encompasses strategies to:

- Identify future workforce requirements including workforce numbers, job roles and skillsets to meet changing community needs
- Develop and utilise the capability of the current workforce based on the identification of the workforce needs
- Identify and retain skilled and capable employees for the future ensuring a sustainable, flexible and diverse workforce.

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

The delivery of the MNHHS leadership framework has commenced, supporting the development of future business leaders and establishing career paths within MNHHS to retain current leaders. This framework includes a health emerging leaders program to support the development of future senior leadership capability.

Workforce Health and Safety

The MNHHS Health and Safety Unit introduced a People Focussed Safety framework incorporating a Health and Safety Management System. The Health and Safety Management System will support the HHS through Health and Safety related issues, accreditation and audit processes while providing a proactive people focussed approach to support the health and wellbeing of staff.

The MNHHS Health and Safety Operational Plan supports the People Focussed Safety framework by providing activities and structure to ensure a safe and productive working environment for staff. This includes:

- Preventative strategies for key health and safety risks, including reinforcing a risk management approach for health care ergonomics including patient handling, manual handling tasks, and slip, trips and falls
- Increasing awareness and communications regarding health and safety matters throughout all levels of the organisation
- Standardising core health and safety compliance elements including incident reporting and investigation, audit and inspections, consultative arrangements, safe work practices and procedures, injury management and common law.

Key achievements for the Health and Safety Unit include:

- A significant saving from the previous financial year Worker's Compensation premium with a further saving predicted in the 2015/2016 premium notice
- The successful completion of an internal AS/NZ 4801:2001 audit, resulting in no non-conformances
- An 8% improvement rate in uptake of Work Area Inspection Checklist across MNHHS
- Development of a MNHHS people focussed Health & Safety Management System ensuring a complete approach to compliance and accreditation related activities
- Spotlight programs focussing on high risk areas have been implemented. These programs address issues such as complex human resources and health and safety claims and cases, facilities with a high occurrence of occupational violence
- Increased management engagement and standardised injury management system and processes has resulted in lower than industry average Worker's Compensation measures and with faster and durable return to work outcomes.

Workforce Performance Indicators

Hours lost (WorkCover Vs Occupied FTE) – 0.34% (Target 0.35%).

This result is an 16.7% reduction of injured employees from the 2013/14 FY. Rehabilitation process enhancements and an increased focus on the early return to work have resulted in the significant reductions.

Sick leave – 3.47% (Target 3.0%)

Sick leave performance has improved by 4.7% from 2013/14 FY.

The contributors to the reduction include:

- Statutory claims: Metro North currently reporting 7.6% below the industry standard
- Lower average days to first return to work – Metro North is 5.7 days below the industry average; and
- Average days paid per approved WorkCover claim – Metro North remains above the industry standard by 2.1 days.

NEW SERVICE SUPPORTS INDIGENOUS PATIENTS

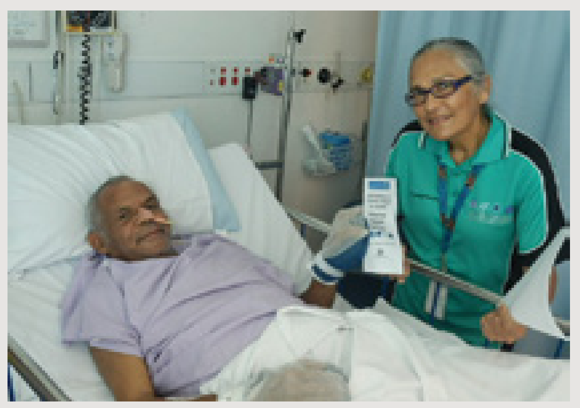
Hospital stays can often be a confronting experience, but a new service for patients at Royal Brisbane and Women's Hospital (RBWH) is providing comfort and support to Aboriginal and Torres Strait Islander patients.

The dedicated after-hours service was launched by Metro North Hospital and Health Service (MNHHS) in October 2014 and is being accessed by hundreds of patients each month.

Director of the Metro North Aboriginal and Torres Strait Islander Health Unit Angela Scotney said the new services forms part of the existing Indigenous Hospital Liaison Service at RBWH, The Prince Charles Hospital, Caboolture and Redcliffe hospitals.

"Each month the Indigenous hospital liaison officers see an average of 500 patients for a variety of health conditions including acute and chronic illnesses," Ms Scotney said.

"The After Hours team at the RBWH is particularly important as many patients come from outside of Brisbane and they don't have family support here."



NURSES LOOK TO THE FUTURE

Metro North Hospital and Health Service hosted its inaugural nursing and midwifery leadership conference from 11–12 May.

The Key to the Future: Unlocking Nursing and Midwifery Leadership and Workforce was hosted at the Education Centre at Royal Brisbane and Women's Hospital, Herston.

Metro North Hospital and Health Service Executive Director Nursing and Midwifery Services, Adjunct Associate Professor Alanna Geary said nursing and midwifery represented a substantial proportion of the health workforce and therefore it is imperative that practice and ideas remain contemporary and leadership ability is strengthened.

"Today's healthcare environment holds many challenges and nurses and midwives will play a major role in meeting those challenges," Adj Assoc Professor Geary said.

"This conference was an exciting opportunity to showcase our collective skills and knowledge and to learn from world renowned researchers and colleagues."

Key presenters included Ita Buttrose AO OBE, Professor Glenn Gardner and Professor Christine Duffield.

"The diversity of presentations and experience of the speakers was second to none and to have such expertise and influence in one place to empower nurses and midwives is an outstanding testament to the organising committee," Adj Assoc Professor Geary said.

Inaugural MNHHS nursing and midwifery conference guest speakers Professor Glenn Gardner (second from right) and Professor Christine Duffield (right) are welcomed to the conference by Dr Amanda Dines, Adj. Assoc. Professor Alanna Geary and MNHHS Board member Professor Helen Edwards OAM.

Transition to Business Partnering HR Service Delivery Model

The transition to prescribed employer in July 2014 and change of government in February 2015 has seen significant change in the industrial and legislative environment within which Metro North operates. This transition has been managed with minimal impact on business operations or industrial disputation, which is due in part to the support provided by HR business partners at each facility.

A business partnering model for HR services operational delivery was introduced to increase local facility based services, provide timely responses to business needs and support deployment of HR policies, process and programs. Facility level engagement with executive, management and staff has occurred in a diverse range of HR subject matter supporting proactive performance management principles and best practice solutions to workforce issues that are inhibiting business outcomes.

Increased access to HR services supports management, prioritising in-person engagement, to promptly resolve matters by consultation, cooperation and discussion.

A modest reduction in complex HR matters has resulted with further early intervention strategies and related line manager capability development being prioritised for 2015/2016.

Springboard – Online Recruitment

The Springboard e-Recruitment system was initially rolled out in the Corporate Services and Performance areas and subsequently phased into the RBWH facility. Phase 3 commenced in April 2015 to extend the functionality to all other Metro North facilities.

All MNHHS facilities will be using Springboard by September 2015 resulting in greater efficiencies in processing times and positive business outcomes due to reduced vacant positions.

Industrial Relations

During the 2014-15 financial year, changes to the Industrial Relations legislation have produced significant change to the industrial relations landscape. MNHHS has managed the transition with minimal industrial disputation reaching the Queensland Industrial Commission.

We have seen a 61% reduction in the number of suspensions and a 60% reduction in suspension time through proactive management of workforce risks and increased manager education.

Metro North will continue to engage with the industrial unions to maintain constructive relationships to provide appropriate management of staff.

SCIENTISTS MAKING A WORLD OF DIFFERENCE WITH EPILEPSY RESEARCH

Queensland researchers have led an international team to victory, predicting the occurrence of epileptic seizures with unprecedented accuracy.

Dr Quang Tieng, Dr Simone Bosshard and Dr Min Chen from Professor David Reutens's epilepsy research group at the UQ Centre for Advanced Imaging collaborated with California-based engineer Drew Abbot and mathematician Phillip Adkins to develop a computer algorithm that predicts the occurrence of epileptic seizures from the brain's activity recorded up to an hour beforehand. Professor Reutens, who leads the Centre for Advanced Imaging, is also Metro North Hospital and Health Service's Director of Epilepsy Services.

The team won the Seizure Prediction Challenge sponsored by the American Epilepsy Society, the US National Institute of Neurological Disorders and Stroke, and the Epilepsy Foundation.

Scientists Dr Min Chen, Dr Quang Tieng, Director of the Centre for Advanced Imaging Professor David Reutens, and Dr Simone Bosshard. Doctors Chen, Tieng and Bosshard were part of an international collaboration that developed computer algorithms to predict the onset of epileptic seizures with an accuracy of 82 per cent.

"The team's computer algorithm out-performed those from over 500 teams from around the globe by predicting seizures with an accuracy of 82 per cent," team leader Quang Tieng said.

Nearly one in 26 people worldwide suffers from epilepsy and approximately one-third of these people have ongoing seizures that are not sufficiently treated with medications or other therapies.

Professor Reutens said epileptic seizures occurred unpredictably and sometimes led to severe consequences such as injury and death.

"This work will ultimately help patients with epilepsy towards greater independence through implantable devices to prevent seizures or through early warning systems. This research is an example of how partnerships between researchers and clinicians in Queensland can result in world-leading outcomes," Professor Reutens said.

The Centre for Advanced Imaging was created in 2009 as a strategic initiative of The University of Queensland. It reflects the growing role of imaging in cutting-edge biotechnology and biomedical research at UQ. Bringing together the skills of a critical mass of researchers and state-of-the-art research imaging instruments, it is the only facility of its type in Australia, and one of only a handful of such centres in the world.

The commencement of a Statewide Epilepsy Service at Royal Brisbane and Women's Hospital has been adopted as a Metro North Health Service Strategy (2015-2020).

6.2 Early retirement, redundancy and retrenchment

During the period, 18 employees received redundancy packages at a cost of $1,056,831.35. Employees who did not accept an offer of redundancy were offered case management for a set period of time, where reasonable attempts were made to find alternative employment placements.

At the conclusion of this period, and where it is deemed that continued attempts of ongoing placement were no longer appropriate, employees yet to be placed were terminated and paid a retrenchment package. During this period, two employees received retrenchment packages at a cost of $93,300.16.

50 YEARS OF CARE ON THE PENINSULA

Redcliffe Hospital celebrated 50 years of service to the Peninsula community in June.

From humble beginnings, the hospital has grown into a modern community hospital with 281 beds, caring for nearly 200,000 patients a year.

Celebrations included a community open day, the opening of a Healing Garden and the reopening of Ward 4East, which was refurbished at a cost of a $5 million.

WWI HEALTH WORKERS COMMEMORATED ON FILM

The proud history of Queensland's doctors, nurses and support staff who served during the First World War is the subject of a unique documentary 'Bandages and Battlefields', which was launched at the Royal Brisbane and Women's Hospital just before the centenary of the Gallipoli landing.

The documentary reveals the work, memories and legacy of Queenslanders who worked in terrible conditions in the medical service during the war. It was produced by the Department of Health as part of the Queensland Government's contribution to the Anzac Centenary.

Graham and Kaye Taylor joined Metro North Hospital and Health Service Board member and medical historian Dr Cliff Pollard at the launch of the documentary 'Bandages and Battlefields'. Mrs Taylor's grandfather Herbert Jamieson Stewart, who served in WWI, was an honorary consultant at the then Brisbane Hospital.

Hundreds of people turned out to celebrate 25 years of the Bone Marrow Transplant Service at the Royal Brisbane and Women's Hospital.

25 YEARS OF BONE MARROW TRANSPLANTS

Twenty-five years of the Bone Marrow Transplant Service at Royal Brisbane and Women's Hospital was celebrated in March.

Since its introduction, the service in Metro North has treated almost 2,500 patients and is one of the largest adult and paediatric bone marrow transplant units in Australia. Patients and their families travelled across the State to commemorate the occasion and shared their stories and experiences.

DIAMOND ANNIVERSARY FOR THE PRINCE CHARLES HOSPITAL

The Prince Charles Hospital celebrated 60 years of care in October.

What started as demountable buildings on farmland at Chermside is now an internationally recognised leader for its excellence in heart and lung care.

TPCH has a proud history of firsts. It performed the state's first open heart surgery operations in adults, the first children's heart valve surgery and established the world's first Cryopreservation Valve Bank for adults and children's heart valves. In May, the hospital celebrated 25 years of cardiac transplants.

The hospital was also the first in Australia to use ex-vivo technology, which repairs donated lungs before transplantation.

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

A description of the nature of the operations and principal activities of the Metro North Hospital and Health Service is included in the notes to the financial statements.

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 the Queensland Department of Health's internet site http://www.health.qld.gov.au/metronorth/

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Statement of Comprehensive Income
For the year ended 30 June 2015

	Notes	2015 $'000	2014 $'000
Income from continuing operations			
User charges and fees	2	188,731	172,927
Funding for the provision of public health services	3	1,950,768	1,915,732
Grants and other contributions		21,748	32,025
Other revenue		34,076	34,607
Total revenue		**2,195,323**	**2,155,291**
Revaluation increment on property, plant and equipment		–	1,814
Gain on disposal/re-measurement of assets		56	256
Total income from continuing operations		**2,195,379**	**2,157,361**
Expenses from continuing operations			
Employee expenses	4	1,542,890	2,251
Supplies and services	5	562,064	2,012,516
Grants and subsidies		1,422	3,143
Depreciation and amortisation	10,11	80,772	73,226
Impairment losses		5,953	3,807
Other expenses	6	6,694	6,572
Total expenses from continuing operations		**2,199,795**	**2,101,515**
Operating result from continuing operations		**(4,416)**	**55,846**
Other comprehensive income			
Items that will not be reclassified subsequent to operating result:			
Increase/(decrease) in asset revaluation surplus	14	–	17,401
Total other comprehensive income		**–**	**17,401**
Total comprehensive income		**(4,416)**	**73,247**

The accompanying notes form part of these statements.

Statement of Financial Position
As at 30 June 2015

	Notes	2015 $'000	2014 $'000
Current assets			
Cash and cash equivalents	7	130,367	167,698
Receivables	8	60,086	57,874
Inventories	9	15,582	14,329
Other assets		4,104	3,023
Total current assets		**210,139**	**242,924**
Non-current assets			
Property, plant and equipment	11	1,199,075	1,259,391
Intangible assets	10	3,161	1,813
Other assets		172	90
Total non-current assets		**1,202,408**	**1,261,294**
Total assets		**1,412,547**	**1,504,218**
Current liabilities			
Payables	12	55,835	151,386
Accrued employee benefits	13	64,465	74
Unearned revenue		1,208	1,865
Total current liabilities		**121,508**	**153,325**
Total liabilities		**121,508**	**153,325**
Net assets		**1,291,038**	**1,350,893**
Equity			
Contributed equity		1,200,006	1,255,445
Accumulated surplus		73,631	78,047
Asset revaluation surplus	14	17,401	17,401
Total equity		**1,291,038**	**1,350,893**

The accompanying notes form part of these statements.

Statement of Changes in Equity
For the year ended 30 June 2015

	Notes	Accumulated Surplus/ (deficit) $'000	Asset Revaluation Surplus $'000	Contributed Equity $'000	Total Equity $'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	1(i)	–	–	(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) $'000	Asset Revaluation Surplus $'000	Contributed Equity $'000	Total Equity $'000
Balance at 1 July 2013		**22,201**	**–**	**1,289,805**	**1,312,006**
Operating result from continuing operations		55,846	–	–	55,846
Other comprehensive income					
Increase in asset revaluation surplus		–	17,401	–	17,401
Total comprehensive income for the year		**55,846**	**17,401**	**–**	**73,247**
Transactions with owners as owners					
Equity injections – Minor Capital Funding		–	–	31,684	31,684
Equity withdrawals – depreciation and amortisation	1(i)	–	–	(72,848)	(72,848)
Non–appropriated equity asset transfers		–	–	6,804	6,804
Net transactions with owners as owners		**–**	**–**	**(34,360)**	**(34,360)**
Bal**ance as at 30 June 2014**		**78,047**	**17,401**	**1,255,445**	**1,350,893**

The accompanying notes form part of these statements.

Statement of Cash Flows
For the year ended 30 June 2015

	Notes	2015 $'000	2014 $'000
Cash flows from operating activities			
Inflows			
User charges		187,417	155,352
Funding for the provision of public health services		1,862,959	1,872,478
Grants and other contributions		21,748	31,875
Interest received		682	686
Other revenue		33,319	32,506
GST collected from customers		5,878	(3,970)
GST input tax credits from Australian Taxation Office*		27,806	21,714
Outflows			
Employee expenses		(1,553,199)	(2,831)
Supplies and services		(585,330)	(2,023,144)
Grants and subsidies		(1,422)	(3,642)
Other expenses		(5,437)	2,071
GST paid to suppliers		(28,189)	22,691
GST remitted to Australian Taxation Office*		(5,873)	(41,427)
Net cash provided by (used in) operating activities	15	**(39,641)**	**64,359**
Cash flows from investing activities			
Inflows			
Sales of property, plant and equipment		199	680
Outflows			
Payments for property, plant and equipment		(21,566)	(29,275)
Payments for intangible assets		(1,633)	(1,639)
Net cash provided by (used in) investing activities		**(23,001)**	**(30,234)**
Cash flows from financing activities			
Inflows			
Equity transferred		25,311	31,684
Net cash provided by (used in) financing activities		**25,311**	**31,684**
Net increase/(decrease) in cash and cash equivalents		(37,331)	65,809
Cash and cash equivalents at the beginning of the financial year		167,698	101,889
Cash and cash equivalents at the end of the financial year	7	**130,367**	**167,698**

The accompanying notes form part of these statements.

* The GST transactions with the Australian Taxation Office are managed and lodged via the Department of Health under a GST Grouping as per the Division 48, *A New Tax System (Goods and Services Tax) Act 1999*. See Note 1(r).

1. Summary of significant accounting policies

The principle accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Statement of compliance

The Metro North Hospital and Health Service has prepared these financial statements in compliance with 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 2015 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, a historical cost convention is used.

(b) 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.

(c) Funding for the provision of health services

The funding from the Department of Health is provided predominantly for specific public health services purchased by the Department from Metro North Hospital and Health Service in accordance with a service agreement between the Department of Health and Metro North 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.

(d) Grants and other contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the Metro North Hospital and Health Service obtains control over them.

Contributed assets are recognised at their fair value.

(e) 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 disclosed separately within Other Expenses (Note 6). However, descriptions of the nature of special payments are only provided for special payments greater than $5,000.

(f) 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.

(g) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Trade receivables are generally settled within 30-120 days, while some other trade receivables may take longer than twelve months to settle.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts are written off when identified. Increases in the allowance for impairment are based on loss events as disclosed in Notes 8 and 22(c).

(h) 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.

(i) 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
Buildings*	$10,000
Land	$1
Plant and Equipment	$5,000

* Land improvements undertaken by the 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.

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 costs

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.

Subsequent measurement

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.

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.

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.

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 asset 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 the Metro North Hospital and Health Service are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

Land

Land is measured at fair value utilising either independent revaluation or applying an interim revaluation methodology 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.

Buildings

Buildings are measured at fair value utilising either independent revaluation or applying an interim revaluation methodology developed by external quantity surveyors Davis Langdon. The methodology used by Davis Langdon 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.

In determining the replacement cost of each building, a cost model developed by Davis Langdon is used and provides an elemental cost plan (cost estimate) of the asset through the determination of key cost drivers 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 'cost to bring to current standards' is the estimated cost of refurbishing the asset to bring it to current standards and a new condition. In order to calculate the cost to bring the buildings to current standard a condition rating is applied based upon;

- 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 cost).
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.

Where indices are used in the revaluation process, the application of such indices result 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 property valuer, 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.

Revaluation increments are credited to the asset revaluation surplus of the appropriate class, except to the extent they reverse 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.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any significant change in the estimate of remaining useful lives.

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.

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.

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.

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%

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.

Fair Value

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement data 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.

Observable inputs are publicly available data that are relevant to the characteristics of the assets being valued and include, but are not limited to, published sales data for land and residential dwellings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets 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.

A fair value measurement of non-financial assets 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.

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

None of Metro North Hospital and Health Service's valuation of assets 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.

(j) Intangible assets

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. Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life to the Metro North Hospital and Health Service. The residual value is zero for all the Metro North Hospital and Health Service's intangible assets.

It has been determined that there is not an active market for any of Metro North Hospital and Health Service's intangible assets. As such, 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 HHS's software is 5 years.

(k) Impairment of non-current assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Metro North Hospital and Health Service determines the asset's recoverable amount (higher of the asset's fair value less costs to sell and depreciated replacement cost). Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

(l) Financial instruments

The HHS holds financial instruments in the form of cash, call deposits, fixed rate deposits, receivables and payables. The HHS does not enter into transactions for speculative purposes, or for hedging. 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.

Other disclosures relating to the measurement and financial risk management of other financial instruments are included in Note 22.

(m) 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.

(n) Prepayments

Prepayments are payments made to external parties for services to be received from them in the future. The nature of prepayments represents mainly prepaid expenses for future repair and maintenance service contracts. Prepayments are recognised as "Other Assets" on the Statement of Financial Position because they represent existing rights to receive services.

(o) Employee benefits

As of 1 July 2014, the Metro North Hospital and Health Service has become a prescribed employer by regulation and all existing and future staff working for the Metro North Hospital and Health Service become its employees.

The Director-General, Department of Health however will continue to be responsible for setting terms and conditions of employment, including remuneration and classification structures, and for negotiating enterprise agreements.

Employee expenses (refer Note 4) now includes all employees of the health service. Prior to 1 July 2014, the Metro North Hospital and Health Service classified the reimbursement to the Department of Health for departmental employees as Department of Health - Health Service Employees, within Supplies and Services (refer Note 5).

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

(o) Employee benefits (continued)

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, Salaries and Sick Leave

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.

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

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual Leave

Under the Queensland Government's Annual Leave Central Scheme (ALCS), 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). 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.

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*.

Long Service Leave

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the Metro North Hospital and Health Service to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

Superannuation

Employer superannuation contributions are paid to QSuper for all employees and include superannuation contributions for the Metro North Hospital and Health Service executives and 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.

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.

Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to Note 23 for the disclosures on key management personnel and remuneration.

(p) 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. Refer to Note 5.

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.

(q) 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.

(r) 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.

Both the Metro North Hospital and Health Service and the Department of Health satisfy section 149-25(e) of the *A New Tax System (Goods and Services) Act 1999 (Cth)* (the GST Act) and were able, with other Hospital and Health Services, to form a "group" for GST purposes under Division 149 of the GST Act. This means that any transactions between the members of the "group" do not attract GST.

(s) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such

estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

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

- The measurement of receivables and the estimation of impairment – Note 22(c)
- Key assumptions used in the revaluation of property, plant and equipment – Note 1(i)
- Key assumptions used in performing estimates of useful life of property, plant and equipment and subsequent impact on depreciation – Notes 1(i) and 11.

(t) Rounding and comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest $1,000 or, where the amount is $500 or less, to zero unless the disclosure of the full amount is specifically required.

(u) New and revised accounting standards

Australian Accounting Standards and Interpretations that are not yet mandatory were not early adopted by Metro North Hospital and Health Service during 2014-15. The Health Service is not permitted to early adopt accounting standards unless approved by Queensland Treasury.

AASB 1055 *Budgetary Reporting* became effective from reporting periods beginning on or after 1 July 2014. In response to this new standard, Metro North Hospital and Health Service has included in these financial statements a comprehensive new note 'Budget vs actual comparison' (Note 25). This note discloses Metro North Hospital and Health Service original published budgeted figures for 2014-15 compared to actual results, with explanations of major variances, in respect of the Health Services Statement of Comprehensive income, Statement of Financial Position and Statement of Cash Flows.

From reporting periods beginning on or after 1 July 2016, the 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. The Health Service already discloses information about the remuneration expenses for key management personnel (refer Note 23) in compliance with requirements from Queensland Treasury. Therefore, 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, including transactions with key management personnel or close members of their families.

AASB 15 *Revenue from Contracts* with Customers will become effective from reporting periods beginning on or after 1 January 2018. This standard 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 Services 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)* will become effective from reporting periods beginning on or after 1 January 2018. The main impacts of these standards on the Health Service are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the Health Services financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value. The Health Service will be required to reassess the way its financial assets are classified. However, the impact from these standards has not been assessed at this time.

AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* amends AASB 13 Fair Value Measurement effective from annual reporting periods beginning on or after 1 July 2016. The amendments provide relief from certain disclosures about fair values categorised as level 3 under the fair value hierarchy. Accordingly, the following disclosures for level 3 fair values will no longer be required:

- the 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.

As the amending standard was released in early July 2015, Metro North Hospital and Health Service has not early adopted this relief in these financial statements, as per instructions from Queensland Treasury. However, Metro North Hospital and Health Service will be early adopting this disclosure relief as from the 2015-16 reporting period (also on instructions from Queensland Treasury).

There are no other standards effective for future reporting periods that are expected to have a material impact on the Metro North Hospital and Health Service.

(v) Trust transactions and balances

Patient Fiduciary Fund transactions

Metro North Hospital and Health Service undertakes patient fiduciary fund transactions as trustee. These funds are received and held on behalf of patients with the hospital having no discretion over these funds. As such they are not part of Metro North Hospital and Health Service assets recognised in the financial statements. Patient funds are not controlled by Metro North Hospital and Health Service but trust activities are included in the annual audit performed by the Auditor-General of Queensland and disclosed in Note 19(b).

Agency transactions- Granted Private Practice (GPP) scheme

Metro North Hospital and Health Service acts in an agency role in respect of the transactions and balances of the Private Practice bank accounts. As such, the granted private practice funds are not controlled by Metro North Hospital and Health Service but the activities are included in the annual audit performed by the Auditor-General of Queensland and disclosed in Note 19(a).

	2015 $'000	2014 $'000
2 User charges and fees		
Hospital fees	110,763	97,882
Sales of good and services	77,968	75,045
	188,731	**172,927**
3 Funding for the provision of public health services		
Activity based funding	1,651,769	1,642,921
Block funding	136,434	65,802
Other*	162,565	207,009
	1,950,768	**1,915,732**

**Other consists of $64,433,209 in State System Manager grant funding for items not covered by the National Health Reform Agreement including such items as: Primary Health Care, Prevention, Promotion and Protection (2014: $128,832,548)*

	2015 $'000	2014 $'000
4 Employee expenses*		
Employee benefits		
Wages and salaries	1,221,325	1,891
Employer superannuation contributions	125,640	215
Annual leave levy/expense	144,947	106
Long service leave levy/expense	25,663	–
Termination Payments	2,850	–
	1,520,425	**2,212**
Employee related expenses		
Workers compensation premium	11,357	21
Payroll tax	(45)	18
Other employee related expenses	11,153	–
	1,542,890	**2,251**
Number of employees**	**30 June 15**	**30 June 14**
Department of Health – Health services employees	–	12,671
Metro North Hospital and Health Services Employees	13,545	14
	13,545	**12,685**

**The employee expenses note prior year data refers only to Health Service Board Members, Health Service Chief Executive and Health Service Executive employees. Refer to note 1(o).*

***The number of employees includes full-employees and part-time employees measured on a full-time equivalent (FTE) basis. It does not include Board Members.*

	2015 $'000	2014 $'000
5 Supplies and services		
Department of Health – Health service employees*	–	1,475,222
Consultants and contractors	21,736	21,614
Electricity and other energy	17,809	20,072
Patient travel	9,732	9,570
Other travel	3,948	3,528
Water	3,696	3,202
Building services	2,731	3,605
Computer services	14,771	10,552
Insurance**	19,618	20,452
Motor vehicles	778	981
Communications	18,492	14,337
Repairs and maintenance	49,974	46,285
Expenses relating to capital works	2,644	2,788
Operating lease rentals	4,803	5,271
Drugs	91,569	89,189
Clinical supplies and services	160,233	154,444
Catering and domestic supplies	42,902	42,514
Pathology blood and parts	82,105	79,773
Other	14,523	9,117
	562,064	**2,012,516**

**refer to note 1(o)*
***refer to note1(p)*

6 Other Expenses

Total audit fees paid to the Queensland Audit Office relating to the 2014-2015 financial year are $330,000 (2014: $355,000). There are no non-audit services included in this amount.

Insurance of $115,000 (2014: $35,000) includes motor vehicle insurance and directors and officers liability insurance.

Ex-gratia payments of $80,000 (2014: $67,000) consist of six reportable payments totalling $62,558 (2014: $42,296) and a number of smaller non reportable payments. These payments relate to specific medical claims, personal property damage/loss and minor claims.

	2015 $'000	2014 $'000
7 Cash and cash equivalents		
Cash at bank and on hand	111,581	150,430
24 hour call deposits	18,786	17,268
	130,367	**167,698**

Metro North Hospital and Health Service's bank accounts are grouped within the Whole-of-Government set-off arrangement with the Queensland Treasury Corporation. Metro North Hospital and Health Service does not earn interest on its operating accounts and is not charged interest or fees for accessing its approved cash overdraft facility as it is part of the Whole-of-Government banking arrangements. Metro North Hospital and Health Service only receives interest on its QTC and general trust bank accounts

Cash deposited at call with the Queensland Treasury Corporation earns interest at a rate of 2.84%

	2015 $'000	2014 $'000
8 Receivables		
Trade debtors	50,919	58,522
Less: Allowance for impairment*	(9,311)	(7,388)
Accrued Interest and Other	78	(23)
	41,686	**51,111**
GST input credits receivable	3,891	3,508
GST payable	(609)	(604)
Net receivable	**3,282**	**2,904**
Funding receivable	15,118	3,859
	15,118	**3,859**
	60,086	**57,874**

Refer to Note 22(c) Financial Instruments (Credit Risk Exposure) for an analysis of movements in the allowance impairment loss

	2015 $'000	2014 $'000
9 Inventories		
Medical supplies and equipment	15,352	14,125
Catering and domestic	294	274
	15,646	**14,399**
Less: Loss of service potential	(135)	(127)
	15,511	**14,272**
Other	71	57
	15,582	**14,329**

	2015 $'000	2014 $'000
10 Intangible assets		
Software purchased		
At cost	3,822	2,188
Less: Accumulated amortisation	(1,302)	(662)
	2,520	**1,526**
Software internally generated		
At cost	5,239	1,976
Less: Accumulated amortisation	(4,598)	(1,723)
	641	**253**
Software work in progress	–	34
Total Intangible assets	**3,161**	**1,813**

Intangible assets reconciliation

	Software purchased		Software internally generated		Software work in progress		Total	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Carrying amount at 1 July	**1,526**	**43**	**253**	**76**	**34**	**249**	**1,813**	**368**
Acquisitions	1,634	1,606	–	–	24	34	1,658	1,640
Transfers in from other Queensland Government entities	–	–	617	249	–	(249)	617	–
Disposals	–	–	–	–	(58)	–	(58)	–
Amortisation charge for the year*	(640)	(122)	(229)	(72)	–	–	(869)	(194)
Carrying amount at 30 June	**2,520**	**1,526**	**641**	**253**	**–**	**34**	**3,161**	**1,813**

**Amortisation of intangibles is included in the line item 'Depreciation and Amortisation' in the Statement of Comprehensive Income.*

11 Property, plant and equipment

	2015 $'000	2014 $'000
Land		
At fair value	**318,079**	**318,079**
Buildings		
At fair value	1,072,994	1,068,865
Less: Accumulated depreciation	(314,314)	(263,323)
	758,680	**805,542**
Plant and equipment		
At cost	318,826	309,758
Less: Accumulated depreciation	(196,756)	(176,372)
	122,070	**133,386**
Capital works in progress		
At cost	**246**	**2,384**
Total property, plant and equipment	**1,199,075**	**1,259,391**

Land

Land has been measured at fair value in the 2014-15 financial year by State Valuation Service (SVS) using the following methodologies:

- Herston Campus land parcel was subject to a desktop valuation by the State Valuation Service with an effective date of 30 June 2015
- Cumulative indexation of the remaining land parcels.

Both valuation methodologies take into consideration specific valuation indicators such as location, size, zoning regulations and recent market data.

The land valuation program for 2014-15 did not result in a valuation adjustment as the combined movement was less than 5% (2014: increment of $41,328 which reversed a previous decrement).

Buildings

Buildings were subject to a revaluation based on indexation with an effective date of 30 June 2015. As the building indexation resulted in a movement of less than 5% (0.75%), no revaluation adjustments were posted. Buildings were last independently valued during 2013-14 (effective date 30th June 2014) which resulted in a net increment to the health services building portfolio of $19.17 million.

Refer to Note 1(i) for further information relating to the land and building valuation methodology.

Property, Plant and Equipment Reconciliation

	Land	Buildings	Buildings	Plant and Equipment	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
	Level 2*	Level 3**	Level 2**			
Carrying amount at 1 July 2014	**318,078**	**805,003**	**540**	**133,386**	**2,384**	**1,259,391**
Acquisitions	–	–	–	18,415	526	18,941
Transfers in from other Queensland Government entities	–	1,853	–	65	–	1,918
Donations received	–	–	–	341	–	341
Disposals	–	–	–	(1,225)	(387)	(1,612)
Transfers between classes	–	2,276	–	–	(2,276)	–
Depreciation charge for the year	–	(50,969)	(22)	(28,912)	–	(79,903)
Carrying Amount at 30 June 2015	**318,078**	**758,163**	**518**	**122,070**	**247**	**1,199,076**

**Level 2 land assets is land with an active market*

***Building level 3 assets are special purpose built buildings with no active market. Level 2 assets are buildings with an active market*

**** Transfers in includes transfer of assets due to transfer of services from the Department of Health and commissioning of work in progress assets managed by Department of Health as part of Queensland Health's Capital Acquisition Plan.*

Included in the valuation of buildings are 17 heritage buildings held at a carrying value of $18,514,105

11 Property, Plant and Equipment (continued)

	Land	Buildings	Buildings	Plant and Equipment	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
	Level 2	Level 3	Level 2			
Carrying amount at 1 July 2013	**319,962**	**807,339**	**506**	**125,747**	**6,301**	**1,259,855**
Acquisitions	–	1,487	–	34,005	298	35,790
Transfers in from other Queensland Government entities	–	10,145	–	3,105	–	13,250
Donations received	800	12,234	–	–	–	13,034
Disposals	–	–	–	(1,446)	–	(1,446)
Transfers out from other Queensland Government entities	(2,725)	–	–	–	(4,215)	(6,940)
Revaluation increments	41	19,118	56	–	–	19,215
Donations made	–	–	–	(336)	–	(336)
Depreciation charge for the year	–	(45,320)	(22)	(27,689)	–	(73,031)
Carrying Amount at 30 June 2014	**318,078**	**805,003**	**540**	**133,386**	**2,384**	**1,259,391**

Level 3 significant valuation inputs and relationship to fair value

The fair value of health service site buildings is computed by quantity surveyors. The methodology is known as the Depreciated Replacement Cost valuation technique. The following table highlights the key unobservable (Level 3) inputs assessed during the valuation process and the relationship to the estimated fair value.

Description	Significant unobservable inputs	Unobservable inputs quantitative measures Ranges used in valuation	Unobservable inputs – general effect on fair value measurement
Buildings	Replacement cost estimates	Health assets $222,000 to $435,000,000 Other assets $18,000 to $72,000,000	Replacement cost is based on tender pricing and historical building cost data. An increase in the estimated replacement cost would increase the fair value of the assets. A decrease in the estimated replacement cost would reduce the fair value of the assets.
	Remaining lives estimates	Nil years to 34 years	The remaining useful lives are based on industry benchmarks. An increase in the estimated remaining useful lives would increase the fair value of the assets. A decrease in the estimated remaining useful lives would reduce the fair value of the assets.
	Costs to bring to current standards	Health assets $ Nil to $128,800,000 Other assets $ Nil to $25,370,000	Costs to bring to current standards are based on tender pricing and historical building cost data. An increase in the estimated costs to bring to current standards would reduce the fair value of the assets. A decrease in the estimated costs to bring to current standards would increase the fair value of the assets.
	Condition rating	1 to 5	The condition rating is based on the physical state of the assets. An improvement in the condition rating (possible high of 1) would increase the fair value of the assets. A decline in the condition rating (possible low of 5) would reduce the fair value of the assets.

For further information on Condition Ratings refer to Note 1(i).

Usage of alternative quantitative values (higher or lower) for each unobservable input that are reasonable in the circumstances as at the revaluation date would not result in material changes in the reported fair value.

The condition rating of an asset is used as a mechanism to determine the cost to bring to current standards and also to estimate the remaining life.

There are no other direct or significant relationships between the unobservable inputs which materially impact fair value.

	2015 $'000	2014 $'000
12 Payables		
Trade creditors	50,397	109,048
Health service employees – accrued labour expenses	-	29,186
Other creditors	5,438	13,152
	55,835	**151,386**
13 Accrued employee benefits		
Salaries wages accrued*	59,008	66
Other employee entitlements payable	5,457	8
	64,465	**74**

**Salaries and wages accrued for the prior year refers only to Health Service Board Members, Health Service Chief Executive and Health Service Executive employees. Refer to note 1(o).*

14 Asset revaluation by class

The asset revaluation reserve relates to buildings only and there has been no movement in the current financial year (2014: $17.401 million).

	2015 $'000	2014 $'000
15 Reconciliation of operating result to net cash flows from operating activities		
Operating result from continuing operations	(4,416)	55,846
Non–cash items:		
Non–cash equity withdrawal – depreciation funding	(80,752)	(72,848)
Depreciation and amortisation expense	80,772	73,226
Property, plant and equipment revaluation (increment)/decrement	–	(1,814)
Impairment loss	5,953	2,184
(Gain)/Loss on sale of property, plant and equipment	1,200	1,102
Assets transferred – non–cash	–	(19,057)
Change in assets and liabilities		
(Increase)/decrease in trade receivables	(7,789)	7,642
(Increase)/decrease in GST receivables	(378)	(992)
(Increase)/decrease in inventories	(1,252)	1,535
(Increase)/decrease in recurrent prepayments	(1,081)	478
Increase/(decrease) in unearned revenue	(657)	–
Increase/(decrease) in accrued salaries and wages	16,923	(51)
Increase/(decrease) in other employee benefits	(27,232)	(9)
Increase/(decrease) in payables	(20,851)	16,487
Increase/(decrease) in other payables	(82)	630
Net cash generated by operating activities	**(39,642)**	**64,359**

16 Commitments

(a) Non-cancellable operating leases*

	2015 $'000	2014 $'000
Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows		
Not later than one year	1,140	1,456
Later than one year and not later than five years	1,968	2,383
Later than five years	354	546
	3,462	**4,385**

**Metro North Hospital and Health Service has non-cancellable operating leases relating predominately for office, car park and clinical services accommodation and medical equipment. Lease payments are generally fixed, but with escalation clauses on which contingent rentals are determined. No lease arrangements create restrictions on financing or other leasing activities.*

(b) Capital expenditure and other expenditure commitments*

	2015 $'000	2014 $'000
Material classes of capital and other expenditure commitments inclusive of anticipated GST, contracted at reporting date but not recognised in the accounts are payable as follows:		
Capital – Property, plant and equipment	6,517	–
Capital – software	–	4,847
Software(IT)	3,505	
Services	3,842	1,527
Repairs and Maintenance	18,763	–
Employment	1,585	2,732
	34,212	**9,106**
Not later than one year	19,061	7,264
Later than one year and not later than five years	15,151	1,842
Later than five years	–	–
	34,212	**9,106**

**Due to a change in methodology, cancellable contracts entered into by Metro North Hospital and Health Service that existed as at 30 June 2015, have been included in for the first time in 2015. The prior year comparatives have not been restated for this change in methodology.*

(c) Grants and other contributions

	2015 $'000	2014 $'000
Grants and contribution commitments inclusive of anticipated GST, committed to provide at reporting date, but not recognised in the accounts are payable as follows:		
Not later than one year	876	1,621
Later than one year and not later than five years	–	2,649
	876	**4,270**

17 Contingent Liabilities

Litigation in progress	**2015 cases**	**2014 cases**
Cases have been filed with the courts as follows:		
Supreme Court	3	5
District Court	–	1
Magistrates Court	2	–
Tribunals, commissions and boards*	14	8
	19	**14**

It is not possible to make a reliable estimate of the final amount payable, if any, in respect of litigation before the courts at this time.

Health litigation is underwritten by the Queensland Government Insurance Fund (QGIF). The Metro North Hospital and Health Service's liability is limited to a $20,000 excess per insurance event. Refer Note 1(p). The Metro North Hospital and Health Services net exposure is not material.

All Metro North Hospital and Health Service indemnified claims are managed by QGIF. As of 30 June 2015, Metro North Hospital and Health Service has 58 claims (2014: 77 claims) currently managed by QGIF, some of which may never be litigated or result in payments to claims. *Tribunals, commissions and board figures represent the matters that have been referred to QGIF for management. The maximum exposure to the Metro North Hospital and Health Service under this policy is $20,000 (2014: $20,000) for each insurable event.

18 Restricted assets

The Metro North Hospital and Health Services receives cash contributions primarily from private practice clinicians (See Note 19) 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 2015, an amount of $18.8 million (2014: $17.39 million) in General Trust is set aside for specified purposes defined by the contribution.

19 Agency and fiduciary trust transactions and balances

The Metro North Hospital and Health Service acts in an agency role in respect of a number of Granted Private Practice bank accounts and in a fiduciary capacity in relation to a number of Patient Trust bank accounts

(a) Grant Private Practice Bank Accounts

Granted Private Practice provides the option for Doctors to both assign all their revenue to the HHS and in return receive an allowance, or for Doctors to share in the revenue generated from billing patients and to pay service fees to the HHS.

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).

	2015 $'000	2014 $'000
Revenue		
Doctor's billing	59,736	55,965
Interest on trust funds	110	86
Other revenue	275	142
Total Revenue	**60,121**	**56,193**
Expenses		
Payments to doctors	16,828	19,472
Payments to Metro North Hospital and Health Service for recoverable costs	40,498	28,977
Payments to Study, Education and Research Trust Account	4,031	3,943
Other payments	344	136
Total Expenses	**61,701**	**52,528**
Granted Private Practice Assets and Liabilities		
Current assets		
Cash	5,068	6,647
Current Liabilities		
Payable to Doctors	622	1,447
Payable to Metro North Hospital and Health Service	3,551	4,051
Payable to Study, Education and Research Trust account	895	1,149

	2015 $'000	2014 $'000
(b) Patient Trust Bank Account		
Fiduciary trust receipts and payments		
Receipts	–	–
Patient trust receipts	5,444	5,305
Total receipts	**5,444**	**5,305**
Payments		
Payment trust related payments	5,599	5,586
Total payments	**5,599**	**5,586**
Increase/ (decrease) in net patient trust assets)	(155)	(281)
Fiduciary trust assets		
Current assets		
Cash	–	–
Patient trust deposits	186	340
Total current assets	**186**	**340**

20 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	Commence-ment 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 $2.5 million 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 $0.3 million plus CPI per annum to January 2019 increasing to $0.6 million 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 $1.0 million 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 $0.05 million 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 $0.1 million 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 transfer from the Department of Health to the Metro North Hospital and Health Service due to the legal title transfer of land and buildings. The estimated future cashflows are shown below.

20 Service Concession Arrangements (continued)

	2015 $'000
Inflows:	
Not later than 1 year	91
Later than 1 year but not later than 5 years	394
Later than 5 years but not later than 10 years	562
Later than 10 years	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	**1,296**

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.

21 Collocation arrangements

Collocation 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). Collocation arrangements operating for all or part of the financial year are as follows.

Facility	Counterparty	Term of Agreement	Commence-ment Date
Caboolture Private Hospital	Affinity Health Ltd	25 years	May 1998
Holy Spirit Northside Private Hospital	The Holy Spirit Northside Private Hospital Limited	40 years	September 1999

21 Collocation arrangements (continued)

Metro North Hospital and Health Service does not control these facilities and does not recognise the assets. Consequently, Metro North Hospital and Health Service has not recognised any rights or obligations that may attach to those agreements, other than those recognised under generally accepted accounting principles.

22 Financial Instruments

(a) Categorisation of financial instruments

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

	2015 $'000	2014 $'000
Financial assets		
Cash and cash equivalents	130,367	167,698
Receivables	60,086	57,874
	190,453	225,572
Financial liabilities		
Payables measured at cost	55,835	151,386

(b) Financial risk management

Metro North Hospital and Health Service's activities expose it to a variety of financial risks – credit risk, liquidity risk and market risk.

Financial risk is managed in accordance with Queensland Government and the Metro North Hospital and Health Service policies. The Metro North Hospital and Health Service's policies provide written principles for overall risk management and aim to minimise potential adverse effects of risk events on the financial performance of the health service.

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

(c) Credit risk exposure

Credit risk exposure refers to the situation where the Metro North Hospital and Health Service may incur financial loss as a result of another party to a financial instrument failing to discharge their 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 receivables and cash held by the State through Queensland Treasury Corporation, represents Metro North Hospital and Health Service's maximum exposure to credit risk. Refer to Note 8 – Receivables and Note 7 – Cash and Cash Equivalents for further information.

Financial Assets

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

Impairment of financial assets

At the end of each reporting period, the 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 60 days.

The allowance for impairment reflects Metro North Hospital and Health Service's assessment of the credit risk associated with receivable balances and is determined based on consideration of objective evidence of impairment, past experience and management judgement. The majority of the 'more than 90 days' impairment relates to Medicare ineligible patients who are treated in Metro North Hospital and Health Service facilities. Metro North Hospital and Health Service undertakes debt recovery in accordance with its policies and procedures and, where appropriate, external agencies, including an international debt collection firm, are engaged to assist in the recovery of debt.

Impairment loss expenses for the current year is $5.953 million, including a net increase in the allowance for impairment of $1.923 million

The ageing of past due but not impaired receivables as well as impaired financial assets are disclosed in the following tables:

Financial assets past due but not impaired 2014-15

	Overdue $'000				
	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total
Receivables	**5,931**	**4,593**	**5,560**	**8,493**	**24,576**

Individually impaired financial assets 2014-15

	Overdue $'000				
	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total
Receivables	358	336	195	8,422	9,311
Allowance for impairment	(358)	(336)	(195)	(8,422)	(9,311)
Carrying amount	**0**	**0**	**0**	**0**	**0**

Financial assets past due but not impaired 2013-14

	Overdue $'000				
	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total
Receivables	**8,083**	**4,418**	**3,639**	**12,091**	**28,231**

Individually impaired financial assets 2013-14

	Overdue $'000				
	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total
Receivables	206	240	155	6,787	7,388
Allowance for impairment	(206)	(240)	(155)	(6,787)	(7,388)
Carrying amount	**0**	**0**	**0**	**0**	**0**

22 Financial Instruments (continued)

	2015 $'000	2014 $'000
Movements in the allowance for impairment loss		
Balance at 1 July	**7,388**	**5,204**
Increase in allowance recognised in operating result	5,953	3,807
Amounts written-off during the year	(4,030)	(1,623)
Balance at 30 June	**9,311**	**7,388**

(d) Liquidity risk

Metro North Hospital and Health Service has an approved overdraft of $23 million under Whole-of-Government banking arrangements to manage any short term cash shortfalls. This facility has not been drawn down as at 30 June 2015.

The liquidity of financial liabilities held by Metro North Hospital and Health Service is limited to the Payables balance as shown in Note 12.

(e) Market risk

The Metro North Hospital and Health Service does not trade in foreign currency and is therefore not materially exposed to commodity price changes. The Metro North Hospital and Health Service is exposed to interest rate risk through its 24 hour call deposits with Queensland Treasury Corporation and its General Trust account which is held with the Commonwealth Bank of Australia Limited. There is no interest rate exposure on its operating cash accounts. The Metro North Hospital and Health Service does not undertake any hedging in relation to interest rate risk and manages its risk as per the Metro North Hospital and Health Service's Financial Management Practice Manual

(f) Fair Value

Apart from cash and cash equivalents, the Metro North Hospital and Health Service does not recognise any financial assets at fair value in the Statement of Financial Position

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

23 Key Management Personnel and Remuneration Expense

(a) Board Members

The following details the Board Members of the Metro North Hospital and Health Service during 2014-15. Further information on the functions of the Board and Board Committees can be found in the body of the Annual Report under the section relating to the Board.

Metro North Hospital and Health Service Board Members

Position and Name	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Board Chair Dr Paul Alexander AO	Board Chair of the Metro North Hospital and Health Service *Committee Memberships:* Chair of the Board Executive committee	Chairperson *Hospital and Health Boards Act 2011* Section 25 (1) (a)	1/7/2012
Deputy Board Chair Mr Vaughan Howell	Deputy Board Chair of the Metro North Hospital and Health Service *Committee Memberships:* Chair of the Board Finance committee Member of the Board Executive committee Member of the Board Risk and Audit committee	Deputy Chairperson *Hospital and Health Boards Act 2011* Section 25 (1) (b)	1/7/2012
Board Member Mr Leonard Scanlan	Board member of the Metro North Hospital and Health Service *Committee Memberships:* Chair of the Board Risk and Audit committee Member of the Board Executive committee Member of the Board Finance committee	Board Member *Hospital and Health Boards Act 2011* Section 23 (1)	7/9/2012
Board Member Associate Professor Clifford Pollard AM	Board member of the Metro North Hospital and Health Service *Committee Memberships:* Member of the Board Safety and Quality committee	Board Member *Hospital and Health Boards Act 2011* Section 23 (1)	7/9/2012
Board Member Dr Margaret Steinberg AM	Board member of the Metro North Hospital and Health Service *Committee Memberships:* Member of the Board Safety and Quality committee Member of the Board Risk and Audit committee Member of the Board Finance committee	Board Member *Hospital and Health Boards Act 2011* Section 23 (1)	1/7/2012
Board Member Professor Helen Edwards OAM	Board member of the Metro North Hospital and Health Service *Committee Memberships:* Member of the Board Safety and Quality committee	Board Member *Hospital and Health Boards Act 2011* Section 23 (1)	7/9/2012
Board Member Professor Nicholas Fisk	Board member of the Metro North Hospital and Health Service *Committee Memberships:* Member of the Board Safety and Quality committee	Board Member *Hospital and Health Boards Act 2011* Section 23 (1)	7/9/2012
Board Member Dr Kim Forrester	Board member of the Metro North Hospital and Health Service *Committee Memberships:* Chair of the Board Safety and Quality committee Member of the Board Executive committee	Board Member *Hospital and Health Boards Act 2011* Section 23 (1)	18/5/2013

23 Key Management Personnel and Remuneration Expense (continued)

(b) Key Management Personnel

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 2014-15. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Key Management Personnel

Position & Name	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position
Chief Executive Officer Mr Ken Whelan	The Health Service Chief Executive is responsible for the strategic direction and the efficient, effective and economic administration of the health service.	*Hospital and Health Boards Act 2011* 10S24/S70 01	11/5/2015
Acting Executive Director, Operations Mr Shaun Drummond	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.	*Hospital and Health Boards Act 2011* HES4	8/12/2014
Chief Finance Officer Mr Robert Dubery	Responsible for developing, implementing, managing and monitoring the financial framework, corporate financial systems, controls and budget administration of the health service.	*Hospital and Health Boards Act 2011* HES3	13/3/2013
Executive Director, Clinical Governance, Quality and Risk Ms Linda Hardy	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.	*Hospital and Health Boards Act 2011* HES3	29/6/2015
Executive Director, Clinical Services Dr Elizabeth Whiting	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 MNHHS as an entity.	Medical Officers' (Queensland Health) Certified Agreement (No.3) 2012 MMOI4	1/9/2014
Acting Executive Director, Royal Brisbane and Women's Hospital Adjunct Associate Professor Alanna Geary	Responsible for the management of the efficient, effective and economic administration of the operations of the Royal Brisbane and Women's Hospital.	Nurses and Midwives (Queensland Health) Certified Agreement (EB8) 2012 NRG12-1	2/6/2015
Acting Executive Director, The Prince Charles Hospital Mr Anthony Williams	Responsible for the management of the efficient, effective and economic administration of the operations of the Prince Charles Hospital.	*Hospital and Health Boards Act 2011* HES2	30/3/2015
Executive Director, Redcliffe Hospital Ms Lexie Spehr	Responsible for the management of the efficient, effective and economic administration of the operations of the Redcliffe Hospital.	Nurses and Midwives (Queensland Health) Certified Agreement (EB8) 2012 NRG12-1	1/3/2013

Key Management Personnel (continued)

Position & Name	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position
Acting Executive Director, Caboolture and Kilcoy Hospitals Dr Lance Le Ray	Responsible for the management of the efficient, effective and economic administration of the operations of the Caboolture and Kilcoy Hospitals.	Medical Officers' (Queensland Health) Certified Agreement (No.3) 2012 MMOI2	21/11/2014
Acting Executive Director, Oral Health Services Dr Katie Tran	Responsible for providing sustainable and appropriate oral health care across the health service through efficient, effective and economic administration.	District Health Service Employees Award – State 2012 DS 1	1/9/2014
Executive Director, Mental Health Services Associate Professor Brett Emmerson	Responsible for providing sustainable and appropriate mental health care across the health service through efficient, effective and economic administration.	Medical Officers' (Queensland Health) Certified Agreement (No.3) 2012 MMOI4	15/5/2013
Executive Manager and Director of Nursing, Community, Indigenous and Subacute Services Ms Mary Slattery	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.	*Hospital and Health Boards Act 2011* HES2	9/8/2013
Acting Executive Director, Medical Services Dr Judy Graves	Responsible for the strategic direction, professional development and quality of Medical Services within the Health Service	Medical Officers' (Queensland Health) Certified Agreement (No.3) 2012 MMOI3 01	3/4/2015
Acting Executive Director, Nursing Services Adjunct Associate Professor Robyn Fox	Responsible for the strategic direction, professional development and quality of Nursing Services within the Health Service	Nurses and Midwives (Queensland Health) Certified Agreement (EB8) 2012 NRG12-1	2/6/2015
Executive Director, Allied Health Services Mr Mark Butterworth	Responsible for the strategic direction, professional development and quality of Allied Health Services within the Health Service	Health Practitioners' (Queensland Health) Certified Agreement (No. 2) 2011 HP8-4	2/2/2013
Acting Executive Director, System Support Services Brian Howell	Responsible for developing, implementing, managing and monitoring corporate services which include food, cleaning, porterage, retail, fleet management, building and engineering, procurement and asset management services. The position is also responsible for the human resource, legal and information technology functions.	*Hospital and Health Boards Act 2011* HES3	16/2/2015

23 Key Management Personnel and Remuneration Expense (continued)

(c) Remuneration Expenses

Remuneration policy for the Service's key management personnel is set by direct engagement common law employment contracts and various industrial Awards and Agreements. The remuneration and other terms of employment for the key management personnel are also addressed by these common law employment contracts and industrial Awards and Agreements. The contracts provide for the provision of some benefits including motor vehicles.

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

Remuneration expenses for key management personnel comprises the following components:

- Short-term employee benefits which 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 together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include amounts expensed in respect of long service leave entitlements earned.
- Post-employment benefits include amounts expensed in respect of employer superannuation obligations.
- Termination payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination.
- Performance bonuses are not paid under the contracts in place.

The details of this remuneration is shown in the table below.

1 July 2014 – 30 June 2015

	Short term benefits					
	Base Salary $'000	Non–monetary benefits $'000	Long term benefits $'000	Post–employment benefits $'000	Termination payments $'000	Total Remuneration $'000
Board Members						
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**

	Short term benefits					
	Base Salary $'000	Non–monetary benefits $'000	Long term benefits $'000	Post–employment benefits $'000	Termination payments $'000	Total Remuneration $'000
Key Management Personnel						
Chief Executive* (from 11/5/2015 to current)	60	–	1	6	–	67
Chief Executive* (from 1/7/2014 to 17/1/2015)	227	13	4	19	210	473
Interim Chief Executives* (from 8/9/2014 to 9/5/2015)	280	–	5	25	–	310
Chief Operating Officer** (from 1/7/2014 to 24/7/14)	21	–	–	1	–	22
Acting Executive Directors, Operations** (from 10/11/2014 to current)	152	19	3	16	–	190
Chief Finance Officer	228	–	4	23	–	255
Executive Director, Clinical Governance, Quality and Risk (from 23/3/2015 to current)	64	–	1	7	–	72
Executive Director, Clinical Governance, Safety, Quality and Risk (from 24/7/2014 to 10/3/2015)	74	–	2	9	–	85
Executive Director, Clinical Services (from 1/9/2014 to current)	418	–	8	30	–	456
Acting Executive Directors, Royal Brisbane and Women's Hospital	409	–	7	32	39	487
Acting Executive Directors, The Prince Charles Hospital	204	–	4	17	–	225
Executive Director, Redcliffe Hospital	221	–	4	17	–	242
Acting Executive Directors, Caboolture and Kilcoy Hospitals	338	–	7	27	–	372
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

23 Key Management Personnel and Remuneration Expense (continued)

	Short term benefits					
	Base Salary $'000	Non–monetary benefits $'000	Long term benefits $'000	Post–employment benefits $'000	Termination payments $'000	Total Remuneration $'000
Key Management Personnel (continued)						
Acting Executive Directors, Oral Health Services	113	–	2	12	–	127
Executive Director, Nursing Services (from 1/7/2014 to 14/11/2014)	95	–	1	(5)	–	91
Acting Executive Director, Nursing Services (from 5/12/2014 to 30/6/2015)	141	–	3	11	–	155
Executive Director, Medical Services (from 1/7/2014 to 8/3/2015)	195	1	4	15	–	215
–Acting Executive Director, Medical Services (from 3/4/2015 to 30/06/2015)	177	–	3	13	–	193
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 Remuneration	**4,506**	**35**	**82**	**361**	**434**	**5,418**

**The former Chief Executive's remuneration continued until 17 January 2015, however interim Chief Executives were remunerated from 8 September 2014. The newly appointed Chief Executive commenced duties on 13 May 2015.*

***The role of Chief Operating Officer was revised and reintroduced as Executive Director, Operations, from 10 November, 2014.*

**** The former Executive Director, Corporate Services and Performance's remuneration continued until 19 March 2015. However, the duties of the Executive Director, Corporate Services and Performance were assumed by the Chief Finance Officer from 8/9/2014 until 15/2/2015. On 16/2/2015 the role was revised and renamed Executive Director, Systems Support Services. This role ceased to exist on 30 June 2015 and the responsibilities previously held by that position have been split and are now assumed by the Executive Director, Operations and Chief Finance Officer.*

1 July 2013 – 30 June 2014

	Short term benefits^					
	Base Salary $'000	Non–monetary benefits^ $'000	Long term benefits $'000	Post–employment benefits $'000	Termination payments $'000	Total Remuneration $'000
Board Members						
Board Chair – Dr Paul Alexander AO	75	–	–	6	–	81
Deputy Chair – Mr Vaughan Howell	37	–	–	3	–	40
Mr Leonard Scanlan	37	–	–	3	–	40
Ms Melinda McGrath	30	–	–	3	–	33
Dr Clifford Pollard AM	37	–	–	2	–	39
Dr Margaret Steinberg AM	37	–	–	3	–	40
Professor Helen Edwards OAM	36	–	–	3	–	39
Professor Nicholas Fisk	36	–	–	3	–	39
Dr Kim Forrester	36	–	–	3	–	39
Total Remuneration	**361**	**–**	**–**	**29**	**–**	**390**
Key Management Personnel						
Chief Executive (from 8/7/2013 to 30/06/2014)	398	7	8	32	–	445
Chief Finance Officer	219	–	5	23	–	247
Chief Operating Officer (from 8/7/2013 to 30/6/2014)	190	–	4	27	–	221
Executive Director, Governance, Quality and Risk (from 8/7/2013 to 4/3/2014)	114	–	3	13	–	130
Executive Director, Workforce and Organisational Development * (from 1/7/2013 to 1/11/2013)	61	1	1	6	–	69
Acting Executive Directors, Royal Brisbane and Women's Hospital	384	1	8	41	–	434
Acting Executive Director, The Prince Charles Hospital	412	–	5	41	–	458
Acting Executive Director, Redcliffe Hospital	175	–	4	18	–	197
Executive Director, Caboolture and Kilcoy Hospitals (from 1/7/2013 to 1/12/2013)	83	–	2	8	–	93

23 Key Management Personnel and Remuneration Expense (continued)

	Short term benefits					
	Base Salary $'000	Non–monetary benefits $'000	Long term benefits $'000	Post–employment benefits $'000	Termination payments $'000	Total Remuneration $'000
Key Management Personnel (continued)						
Acting Executive Directors, Caboolture and Kilcoy Hospitals (from 2/12/2014 to 30/6/2014)	184	–	2	15	–	201
Executive Director, Mental Health Services	433	2	5	33	–	473
Executive Director, Subacute and Ambulatory Services (from 1/7/2013 to 9/8/2013)	54	–	1	4	–	59
Acting Executive Manager and Director of Nursing, Subacute and Ambulatory Services (from 10/8/2013 to 30/6/2014)	155	–	3	16	–	174
Executive Director, Oral Health Services	168	–	4	18	–	190
Executive Director, Nursing Services (from 1/7/2013 to 6/12/2013 & 6/1/2014 to 30/6/2014)	209	1	4	21	–	235
Executive Director, Medical Services	428	1	5	34	–	468
Executive Director, Allied Health Services	166	3	4	20	–	193
Executive Director, Corporate Services and Performance	195	1	4	19	–	219
Total Remuneration	**4,028**	**17**	**72**	**389**	**–**	**4,506**

** The role of the Executive Director, Workforce and Organisational Development was not replaced in November 2013. The responsibilities previously held by that position were assumed by the Executive Director, Corporate Services and Performance.*

^ The 2014 comparative amounts for short-term benefits and non-monetary benefits (as applicable) have been restated to better reflect the cost to Metro North Hospital and Health Service. The amounts disclosed had been incorrectly grossed up for the purposes of calculating FBT payable.

24 Events after the reporting period

There has been a number of events occur after the reporting period that may materially affect the operation of the Metro North Hospital and Health Service in future financial years, and/or the results of those operations in future financial years, and/or the state of affairs of the Metro North Hospital and Health Service in future financial years.

Royal Children's Hospital – Surrender of Lease

The new Lady Cilento Children's Hospital ("LCCH") resulted in Children's Health Queensland vacating the Royal Children's Hospital and other associated buildings at the Herston site (referred to as "RCH buildings") on 30 June 2015 (termination date of the Deed of Lease)

Children's Health Queensland controlled the RCH buildings under a Deed of Lease arrangement with the Metro North Hospital and Health Service. Metro North Hospital and Health Service was prescribed as the legal owner of the RCH land and buildings effective from 1 July 2014. Under the terms of the Deed of Lease, Metro North Hospital and Health Service was the lessor while Children's Health Queensland was the lessee of the RCH buildings. Children's Health Queensland was responsible for managing and maintaining the buildings during the Deed of Lease. At the time the lease was surrendered, control of the RCH buildings transferred at fair value to the Metro North Hospital and Health Service. The fair value of these buildings at 30 June 2015 was $5.903 million

The restoration and redevelopment of the Herston Hospital Site

On the 10th July 2015, the State Government announced its plans to progress the redevelopment of the Herston Quarter with the announcement of three proponents for the development work. The successful master developer is scheduled to be announced in mid-2016.

The redevelopment of the Herston Quarter may result in the transfer, for nil consideration, to the successful master developer.

25 Budget vs actual comparison

Statement of Comprehensive Income

	Variance Notes	Published Budget 2015 $'000	Actual 2014–15 $'000	Change $'000	Change %
Income from continuing operations					
User charges and fees		2,039,116	2,139,499	(100,383)	(5%)
Grants and other contributions		16,331	21,748	(5.417)	(33%)
Interest		700	682	18	3%
Over revenue		32,318	33,394	(1,076)	(3%)
Gains on disposal or re–measurement of assets		–	56	(56)	0%
Total income from continuing operations		**2,088,465**	**2,195,379**	**(106,914)**	**(5%)**
Expenses from continuing operations					
Employee Expenses	1	3,997	1,542,890	(1,538,893)	(38501%)
Supplies and services					
– Other supplies and services		541,268	562,064	(20,796)	(4%)
– Department of Health contract staff	1	1,457,430	–	1,457,430	100%
Grants and subsidies		2,109	1,422	687	33%
Depreciation and amortisation		75,424	80,772	(5,348)	(7%)
Other expenses		2,301	6,694	(4,393)	(191%)
Losses on sale/revaluation of assets		5,936	5,953	(17)	(0%)
Total expenses from continuing operations		**2,088,465**	**2,199,795**	**(111,330)**	**(5%)**
Operating result from continuing operations		**–**	**(4,416)**	**4,416**	**0%**

Statement of Financial Position

	Variance Notes	Published Budget 2015 $'000	Actual 2014–15 $'000	Change $'000	Change %
Current Assets					
Cash and Cash equivalents	2	54,717	130,367	(75,650)	(138%)
Receivables	3	47,207	60,086	(12,879)	(27%)
Inventories		16,272	15,582	690	4%
Other assets		3,960	4,104	(144)	(4%)
Total current assets		**122,156**	**210,139**	**(87,983)**	**72%**
Non–current assets					
Property, plant and equipment	4	1,334,063	1,199,075	134,988	10%
Intangible assets		279	3,161	(2,882)	(1033%)
Other assets		204	172	32	16%
Total non–current assets		**1,334,546**	**1,202,408**	**132,138**	**10%**
Total assets		**1,456,702**	**1,412,547**	**44,155**	**3%**
Current liabilities					
Payables	1	75,553	55,835	19,718	26%
Accrued employee benefits	1, 5	152	64,465	(64,313)	(42311%)
Other		1,086	1,208	(122)	(11%)
Total current liabilities		**76,791**	**121,508**	**(44,717)**	**(58%)**
Non–current liabilities					
Other		150	–	150	100%
Total current liabilities		**150**	**–**	**150**	**100%**
Total liabilities		**76,941**	**121,508**	**(44,717)**	**(58%)**
Net assets		**1,379,761**	**1,291,038**	88,872	6%
Equity					
Contributed equity		1,213,348	1,200,006	13,342	1%
Accumulated surplus/(deficit)	6	22,201	73,631	(51,430)	(232%)
Asset revaluation surplus	4	144,212	17,401	126,811	88%
Total equity		**1,379,761**	**1,291,038**	**88,723**	**6%**

25 Budget vs actual comparison (continued)

Statement of Cash Flows

	Variance Notes	Published Budget 2015 $'000	Actual 2014-15 $'000	Change $'000	Change %
Cash flows from operating activities					
Inflows:					
User charges and fees	3	2,033,113	2,050,376	(17,264)	(1%)
Grants and other contributions		16,331	21,748	(5,417)	(33%)
Interest received		700	682	18	3%
GST input tax credits from Australian Taxation Office		–	27,806	(27,806)	0%
GST collected from customers	7	39,515	5,878	33,637	85%
Other receipts		32,318	33,319	(1,001)	(3%)
Outflows:					
Employee expenses	1	(3,986)	(1,553,199)	1,549,213	(38866%)
Supplies and services	1	(1,995,577)	(585,330)	(1,410,247)	71%
Grants and subsidies		(2,109)	(1,422)	(687)	33%
GST paid to suppliers	7	(39,542)	(28,189)	(11,353)	29%
GST remitted to ATO		–	(5,873)	5,873	0%
Other		(2,301)	(5,437)	3,136	(136%)
Net cash provided by (used in) operating activities		**78,462**	**(39,641)**	**118,103**	**151%**
Cash flows from investing activities					
Inflows:					
Sales of property, plant and equipment		–	199	(199)	0%
Outflows:					
Payments for property, plant and equipment		(22,617)	(21,566)	(1,051)	5%
Payments for intangibles		–	(1,633)	1,633	0%
Net cash provided by (used in) investing activities		**(22,617)**	**(23,001)**	**384**	**(2%)**
Cash flows from financing activities					
Inflows:					
Equity Injections		22,617	25,311	(2,694)	(12%)
Outflows:					
Equity Withdrawals	8	(75,424)	–	(75,424)	100%
Net cash provided by (used in) financing activities		**(52,807)**	**25,311**	**(78,118)**	**148%**
Net increase/(decrease) in cash and cash equivalents		3,038	(37,331)	40,369	1329%
Cash and cash equivalents at the beginning of the financial year		51,679	167,698	(116,019)	(224%)
Cash and cash equivalents at the end of the financial year	2	**54,717**	**130,367**	**(75,650)**	**(138%)**

Variance Notes

1. Employee Expenses were budgeted as Department of Health contracted staff (Supplies and Services); however actual wages were costed to Employee Expenses. The combined employee expense variance to budget is $81.463 million (5.6%) Refer also to note 1(o)
2. The variance is explained through the movement in the Statement of Cash Flows.
3. Actuals include an accrual of $15M for activity funding as Metro North Hospital and Health Service provided more services than originally budgeted.
4. Metro North Hospital and Health Service undertook a revaluation of non-current assets in 2014-15. However, the revaluation was not material and therefore did not result in a change in asset values for 2014-15. Refer also to Note 11.
5. The timing of the actual pay run was not anticipated in the published budget.
6. The prior year surplus was not anticipated at time of budget finalisation.
7. GST input tax credits received and GST collected from customers was not separated for budget purposes. GST paid to suppliers and GST remitted to ATO was not separated for budget purposes
8. Equity withdrawals reflect non-cash depreciation and amortisation charges. Budgeted whole of government cash flows treats the equity withdrawal for depreciation as a cash outflow.

7.2 Certification of the Metro North Hospital and Health Service

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 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 2015 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.

Dr Paul Alexander AO
MBBS, FRACMA, FACLM
Board Chair
Date: 28 August 2015

Mr Shaun Drummond
Acting Chief Executive
Date: 28 August 2015

Mr Robert Dubery
FCPA, FCMA, CGMA, GAICD
Chief Finance Officer
Date: 28 August 2015

7.3 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 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Board Chair, Acting 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 2014 to 30 June 2015 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
3 1 AUG 2015
AUDIT OFFICE

D J OLIVE CPA
as Delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane

Appendix 1: Open data

Consultancies

Not now required in annual reports, the information is published on the Queensland Government Open Data website at: https://data.qld.gov.au/

Overseas Travel

Not now required in annual reports, the information is published on the Queensland Government Open Data website at: https://data.qld.gov.au/

Appendix 2: 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	3
Accessibility	Table of contents	ARRs – section 10.1	4
	Glossary	ARRs – section 10.1	NIL
	Public availability	ARRs – section 10.2	2
	Interpreter service statement	*Queensland Government Language Services Policy* ARRs – section 10.3	2
	Copyright notice	*Copyright Act 1968* ARRs – section 10.4	2
	Information licensing	*Queensland Government Enterprise Architecture – Information licensing* ARRs – section 10.5	2
General information	Introductory information	ARRs – section 11.1	10
	Agency role and main functions	ARRs – section 11.2	10
	Operating environment	ARRs – section 11.3	10
	Machinery of government changes	ARRs – section 11.4	NIL
Non-financial performance	Government's objectives for the community	ARRs – section 12.1	12
	Other whole-of-government plans / specific initiatives	ARRs – section 12.2	12
	Agency objectives and performance indicators	ARRs – section 12.3	12
	Agency service areas and service standards	ARRs – section 12.4	15
Financial performance	Summary of financial performance	ARRs – section 13.1	16
Governance – management and structure	Organisational structure	ARRs – section 14.1	20
	Executive management	ARRs – section 14.2	27
	Government bodies (statutory bodies and other entities)	ARRs – section 14.3	NIL
	Public Sector Ethics Act 1994	*Public Sector Ethics Act 1994* ARRs – section 14.4	29

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Risk management	ARRs – section 15.1	30
	External Scrutiny	ARRs – section 15.2	31
	Audit committee	ARRs – section 15.3	32
	Internal Audit	ARRs – section 15.4	32
	Information systems and record keeping	ARRs – section 15.5	33
Governance – human resources	Workforce planning and performance	ARRs – section 16.1	36
	Early retirement, redundancy and retrenchment	Directive No. 11/12 *Early Retirement, Redundancy and Retrenchment* ARRs – section 16.2	41
Open Data	Consultancies	ARRs – section 17 ARRs – section 34.1	83
	Overseas travel	ARRs – section 17 ARRs – section 34.2	83
	Queensland Language Services Policy	ARRs – section 17 ARRs – section 34.3	
	Government bodies	ARRs – section 17 ARRs – section 34.4	
Financial Statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	80
	Independent Auditors Report	FAA – section 62 FPMA – section 50 ARRs – section 18.2	81
	Remuneration disclosures	*Financial Reporting Requirements for Queensland Government Agencies* ARRs – section 18.3	70