

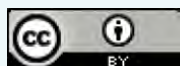
2018–2019
ANNUAL
REPORT



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Where possible, readers are encouraged to download the report online at:
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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 (QGISC) as UNCLASSIFIED – FINAL VERSION and will be managed according to the requirements of the QGISC.



Metro North Hospital and Health Service recognises the importance of the natural environment and our responsibility to minimise our impact on it. We aim to reduce consumption of resources and make use of recycling initiatives wherever practical.

By choosing to print on this paper rather than a non-recycled paper, the environmental impact was reduced by: 41kg of landfill, 6kg CO₂ and greenhouse gases, 56km travel in the average Australian car, 1,612 litres of water, 89kWh of energy, 67kg of wood.

Letter of Compliance



Queensland
Government

Metro North
Hospital and Health Service

2 September 2019

The Honourable Steven Miles MP
Minister for Health and
Minister for Ambulance Services
GPO Box 48
BRISBANE QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2018-19 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 2019*, and
- The detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found at page 98 of this annual report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rob Stable'.

Dr Robert Stable AM
Chair
Metro North Hospital and Health Board

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Acknowledgement

Metro North is proud to recognise the cultural diversity of our workforce.

We recognise and pay respect to the Turrbal, Dalungbara/Djoondaburri, Gubbi Gubbi/Kabi Kabi, Jagera/Yuggera/Ugarapul, Jinibara/Jiniburi, Ninghi and Undumbi people of Metro North Hospital and Health Service area, on whose lands we walk, work, talk and live.

We also acknowledge and pay our respect to Aboriginal and Torres Strait Islander Elders both past and present.

Artwork by Elaine Chambers-Hegarty.

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Statement on government objectives for the community

Metro North's strategic objectives contribute to the Queensland Government's objectives for the community.



Keep Queenslanders healthy

Metro North is dedicated to delivering excellent person-centred healthcare in our five hospitals, community based services, as well as via telehealth and outreach services across Queensland.

Key initiatives include commencing construction of the Sony You Can Centre – a haven for cancer patients aged 15 to 25 years, reducing the impact of the flu season by monitoring real time data and the coordination of patient arrivals, admissions and departures, and introducing services closer to home such as the Continuous Renal Replacement Therapy mobile units which can be brought to the patients bedside and enable them to stay at their local hospital.

Keep communities safe

Metro North is leading statewide initiatives to reduce occupational violence for frontline staff. A number of measures have been put in place including peer support programs, Occupational Violence Incident Kit, and release of the Queensland Occupational Violence Unit Strategy 2018-19.

Create jobs in a strong economy

With more frontline staff and major infrastructure projects including redevelopments of Caboolture Hospital, Redcliffe Hospital car park and the Surgical, Treatment and Rehabilitation Service (STARS), Metro North is contributing to better employment, training and investment outcomes for Queensland. We have a particular focus on training young people for the health jobs of the future, including our Deadly Start Education-2-Employment initiative with 34 high school students commencing traineeships across clinical areas in 2018-19.

Be a responsive government

Metro North has committed to continuously improve its engagement with consumers. With over 100 consumers who partner with us to design services, plan for future services and improve our current services, Metro North released *Connecting for Health – Strategy for inclusive engagement, involvement and partnerships 2019-2021*.

Give all our children a great start

Metro North is dedicated to delivering better health outcomes for children, young people, women and babies across our community and hospital services. Collaborative local partnerships such as the Children of Caboolture Health Alliance are bringing together health, education, child safety and the community sector to improve health outcomes for children and families.

Protect the Great Barrier Reef

In 2018-19, we recycled and cut our energy usage by measures such as recycling water used in renal dialysis units and air-conditioning plants to water gardens and lawns, introducing a “tube terminator” which destroys more than 7,000 light bulbs per year to reduce the impact of mercury going into landfill, and educating staff on recycling through the *Know which bin to throw it in* initiative.



Message from the Board Chair and Chief Executive

Metro North is an industry leader in many ways. We take pride in our ability to provide excellent person-centred care not only in our five hospitals and our community-based services, but also in people's homes and across the state through telehealth and outreach services.

During 2018-19, Metro North delivered even more services. Admissions from the emergency departments increased by 4,975 and there were an additional 8,767 presentations to EDs. Across our services, our staff performed 40,225 emergency and elective surgeries. In addition, we provided 1.5 million outpatient occasions of service, 58,018 more than the previous year.

To meet this demand, we invested \$2.947 billion in care, up from \$2.758 billion in the previous financial year. Despite the significant increase in demand for services, this year we achieved a modest operating surplus of \$4.3 million, an indication of our careful financial management. This small surplus is due to the efforts of leadership and staff across the health service to manage our budget responsibly and with due consideration for reducing waste.

To meet community healthcare needs, our doctors, nurses and allied health staff grew by 213 people. We had a 2.5 per cent increase in full-time equivalent staff

from 15,781 to 16,184 at end of financial year. New employees attend orientation which includes an introduction to Metro North's Values in Action.

During the year we expanded on our commitment to Values in Action through a series of events to bring together our staff in various ways. We know that having fun together through activities such as soccer or netball tournaments helps bridge the divides in our broad service and delivers better patient outcomes. These events also included a clinical challenge through the Hospital of Origin, and family-friendly events Movie by the Sea and Family Fiesta. By getting to know one another better, our staff are creating connections that will allow improved healthcare communication.

As a leader in healthcare, Metro North delivered a professional development opportunity through the inaugural #NextCare Health Conference. This two-day event featured leadership experts from within and outside the healthcare industry and brought people together from across Australia and even internationally to connect, inspire and transform their careers. Additionally, we delivered a range of clinical education events and conferences open to staff and other healthcare workers in Queensland.

By getting to know one another better, our staff are creating connections that will allow improved healthcare communication.

Metro North continued to produce high quality clinical and translational research. During 2018-19 we awarded our first Clinical Research Fellowship grants.

The wellbeing of our staff is crucial to providing excellent care for our community. Metro North committed to achieving White Ribbon accreditation and working together to reduce domestic and family violence. We continued to host the Queensland Occupational Violence Strategy Unit, implementing strategies and programs to reduce violence against healthcare workers and increase education and support for those staff who have been physically, verbally or emotionally assaulted in the workplace.

As part of our commitment to closing the health gap for Aboriginal and Torres Strait Islander peoples, Metro North developed *Better Together*, a five-year Indigenous health plan. This plan was developed in consultation with Aboriginal and Torres Strait Islander people who provided more than 600 pieces of feedback.

We also launched Deadly Start, an education to employment program for Indigenous high school students interested in a career in healthcare, in partnership with Mater Education. The first group of students are learning on the job alongside nurses, allied health practitioners and patient services officers, while also completing their final years of high school. Students participating in this program will receive a qualification which will assist with future employment or may be recognised as prior learning for further formal education.

Metro North continued to support the statewide implementation of the financial system replacement to S4/HANA, implemented MyHR, and worked toward the roll out of the integrated electronic medical record (ieMR) as part of the organisation's digital transformation. Additionally, the electronic medication management program was implemented at Caboolture and Royal Brisbane and Women's Hospitals to improve medication safety, purchasing and education.

During the year, Metro North continued, with Brisbane North PHN and other community partners, to improve the connectedness of care for patients in our region, such as the Residential Aged Care District Assessment and Referral (RADAR) service, and GPs with Special Interests programs including the Healthy Spine Service. We also introduced nurse navigator roles to support patients and families and continued supporting people with disabilities to access the National Disability Insurance Scheme.

To meet current and future demand for services, we continued development of the \$1.1 billion Herston Quarter redevelopment which includes the construction of the Surgical, Treatment and Rehabilitation Service (STARS) due to open in 2021, planning for the Redcliffe Hospital multi-storey carpark, and the \$353 million redevelopment of Caboolture Hospital.



Dr Robert Stable AM
Chair
Metro North Hospital and Health Board



Jackie Hanson
Acting Chief Executive
Metro North Hospital and Health Service



The Fluoride Varnish Program is helping to prevent tooth decay and teaching our kids simple preventative measures.

DELIVERING HEALTHY SMILES FOR KIDS IN MORETON BAY

Hundreds of students across Moreton Bay are learning how to prevent tooth decay and take care of their teeth through Metro North's Fluoride Varnish Program.

Staff from the Metro North Oral Health team regularly visit state schools to chat with the kids about simple preventative dental treatment and provide fluoride varnish treatment.

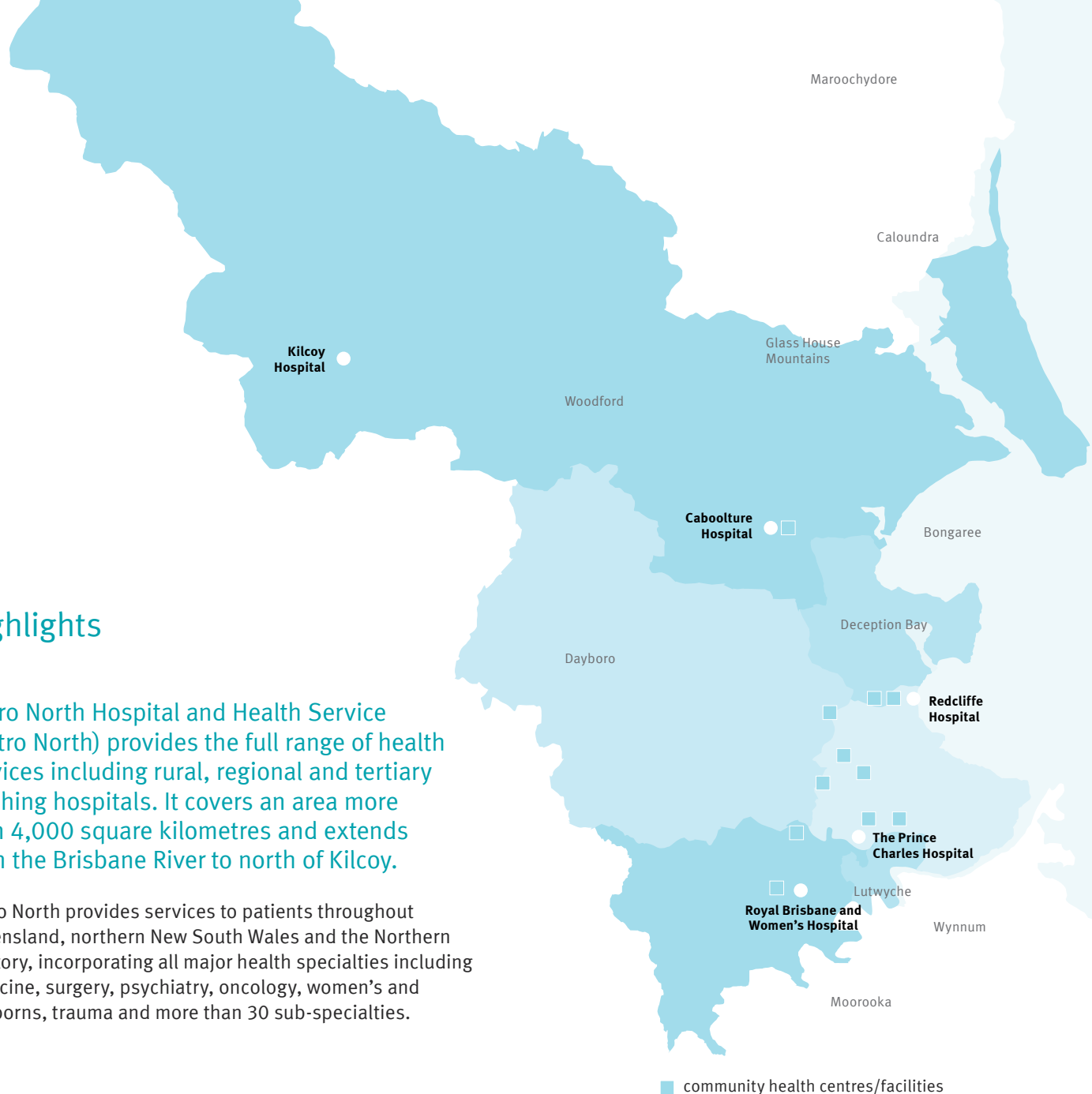
The Fluoride Varnish Program has grown from one participating school in 2015 to now include 19 state and special schools in the Caboolture and Redcliffe areas.

The cost effective preventative program has supported more than 2,400 children from low socio-economic areas who have limited access to

preventative oral care and are at risk of poor dental behaviours.

Oral health education is delivered by a multidisciplinary team of dental therapists, oral health therapists and dental assistants who visit children at their school.

The program also provides a dental referral pathway to public sector oral health care facilities and other children in the family are welcome to attend with their siblings.



Highlights

Metro North Hospital and Health Service (Metro North) provides the full range of health services including rural, regional and tertiary teaching hospitals. It covers an area more than 4,000 square kilometres and extends from the Brisbane River to north of Kilcoy.


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



Staff	16,184 (FTE)
Investment in care	\$2.947 billion
Sites	5 hospitals, 15 community services, 27 oral health facilities and 15 mental health facilities
Patient admissions	112,287 (from emergency departments)
Emergency	300,613 presentations
Outpatient services	1,503,424 outpatient occasions of service
Surgeries	40,225 elective and emergency surgeries performed
Births	8,308 babies born at our facilities
Dental	804,932 oral health treatments
Interpreter services	Top 3 languages – Arabic, Mandarin and Cantonese
Telehealth services	17,827 occasions of service



**1,024
MORE
ELECTIVE
SURGERIES**

**8,767
MORE
ED
PRESENTATIONS**



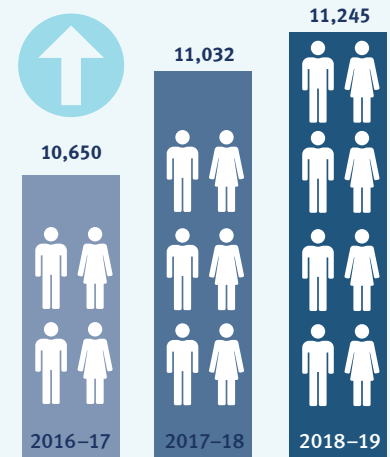
1.2% 


**OF STAFF IN METRO NORTH
IDENTIFY AS ABORIGINAL AND/
OR TORRES STRAIT ISLANDER**

**TARGET
MET**



**CATEGORY 1 SPECIALIST
OUTPATIENTS SEEN ON TIME**



MORE CLINICIANS

**↑ 8,308 BABIES BORN
IN OUR HOSPITALS**

**173 MORE THAN
LAST YEAR**



ABOUT US

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

Strategic direction

Metro North Hospital and Health Service *Putting people first*



Strategic Plan 2016–2020 Revised 2018

Foreword

This Strategic Plan outlines our future direction to 2020, including our contribution to the Government's objectives for the community and *My health, Queensland's future: Advancing health 2026*.

Metro North Hospital and Health Service (Metro North HHS) will deliver responsive, integrated, connected and quality frontline services to strengthen the delivery of public health care for the people and communities we serve. Our services will support equity of access and health outcomes for all, particularly those who are most disadvantaged. Quality at Metro North HHS is founded on the individual person's experience with their care, and that of their family and support networks.

A focus on people will enable us to improve the patient experience, support and develop our staff and work with our partners to better connect care and improve outcomes. We will put our values into action.



Dr Robert Stable AM
Chair
Hospital and Health Board



Shaun Drummond
Chief Executive
Hospital and Health Service

Vision

Changing the face of health care through compassion, commitment, innovation and connection.

Purpose

Create, connect and apply knowledge to deliver high quality health services.

Opportunities

- To optimise the potential of our people
- To be adaptable and responsive to change
- To embed an organisational culture of ethical and fair decision making
- To better connect care across the health continuum and across sectors
- To increase our commitment to research
- To adopt new technologies
- To pursue new and renewed infrastructure

Values



Respect



Teamwork



Compassion



High performance



Integrity



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

Vision

Changing the face of healthcare through compassion, commitment, innovation and connection.

OBJECTIVE 1



To always put people first.

OBJECTIVE 2



To improve health equity, access, quality, safety and health outcomes.

OBJECTIVE 3



To deliver value based health services through a culture of research, education, learning and innovation.

Continued on page 13 >

Priorities

Significant progress occurred in 2018–19 toward implementing the Health Service Strategy 2015–2020.

The strategy has a five-year outlook, setting out how Metro North will achieve its Strategic Plan objectives.

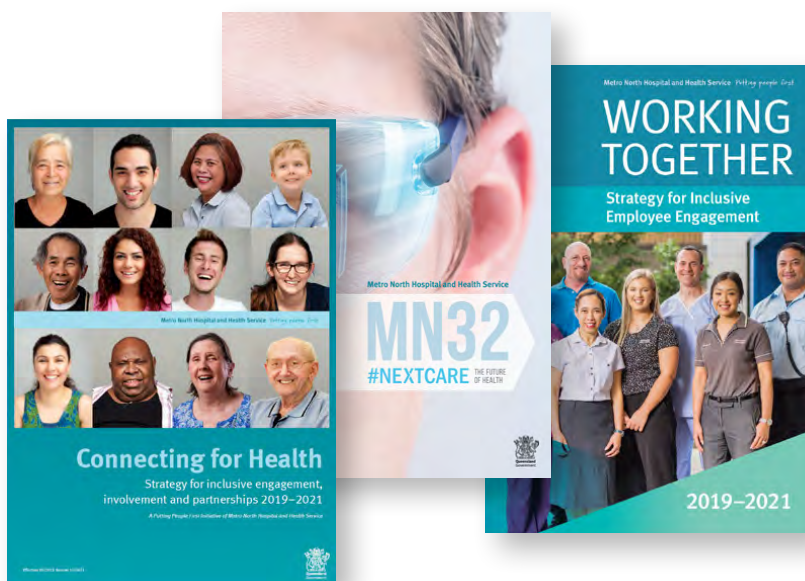
These focus areas are:

- Living healthy and well in our local communities
- Delivering person-centred, connected and integrated care
- Effective delivery of healthcare to address growing population health needs
- Responsive holistic healthcare that meets the specific needs of vulnerable groups including but not limited to:
 - older people including frail older people
 - children
 - young people
 - people with mental illness
 - people with substance use disorder
 - people with disabilities
 - Aboriginal and Torres Strait Islander peoples
 - culturally and linguistically diverse communities (CALD).

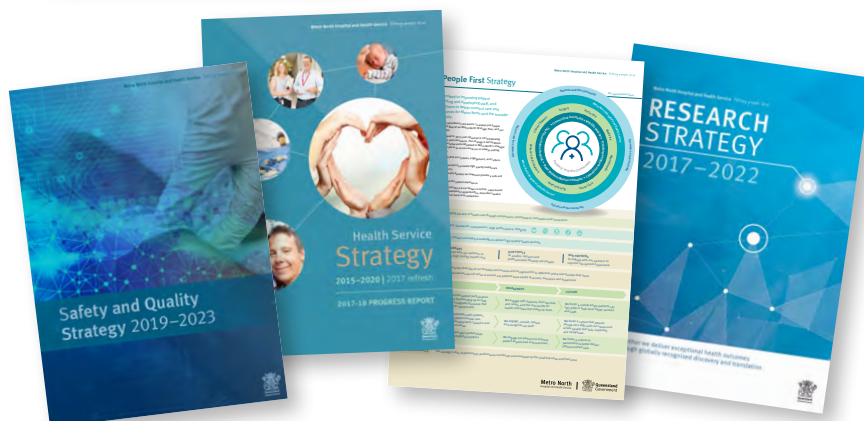
Key achievements for 2018–19:

- Commencing the expansion of the Caboolture Hospital emergency department which will deliver 18 new treatment spaces including six Fast Track beds, eight new Short Stay beds, four Short Stay chairs, CT and X-Ray room and waiting area by mid-year

- Improving patient care and business performance across Metro North via the #NextCare Generator initiative commencing with 17 projects
- Progressing the Herston Quarter redevelopment including the commissioning of the Surgical, Treatment and Rehabilitation Service (STARS)
- Clinical breakthroughs including the Queensland first “balloon” surgery for lung disease pioneered by clinicians at The Prince Charles Hospital and the introduction of two new state-of-the-art microscopes set to revolutionise the way complex ophthalmic surgeries are performed at the Royal Brisbane and Women’s Hospital
- Release of a joint HHS and PHN plan shaped by consumers to improve mental health, suicide prevention, and alcohol and other drug treatment services in North Brisbane and Moreton Bay.



Improving patient care and business performance across Metro North



Aboriginal and Torres Strait Islander Health

Metro North marked 2019 National Close the Gap Day in March by unveiling a draft Close the Gap plan and signing a public statement of commitment to improve health outcomes for Aboriginal and Torres Strait Islander peoples.

More than 100 community Elders, staff and patients gathered at the event held at Brighton Health Campus, to have input and share feedback to the draft Metro North *Better Together: Aboriginal and Torres Strait Islander Health Plan 2019–2022*.

Committed to Closing the Gap in healthcare

The plan will focus on four key priority areas of Leadership, Governance and Workforce; Engagement and Partnerships; Transparency, Reporting and Accountability; and Culturally Responsive, Safe and Connected Care.

The priority areas will be supported by focus areas for clinical service delivery for a strong start to life, reducing the burden of disease, crisis and complex care and living well and living longer.

Metro North senior medical staff and executives committed to the plan by taking part in a film showcased to community at the event.

53.8% OF ABORIGINAL AND TORRES STRAIT ISLANDER MOTHERS HAD MORE THAN **FIVE** ANTENATAL VISITS, WITH FIRST VISIT IN THE 1ST TRIMESTER



NEW ARTWORK REPRESENTS OUR VISION

Award-winning Aboriginal graphic designer and artist Elaine Chambers-Hegarty created the beautiful visual story artwork that represents the Metro North *Better Together Aboriginal and Torres Strait Islander Health Plan 2019–2022*.

Elaine was contracted by Metro North’s Aboriginal and Torres Strait Islander Health Unit (A&TSIHU) to create the artwork.

Elaine and Monique Proud from Positive Social Solutions and members of the Aboriginal and Torres Strait Islander Health Unit met and workshopped ideas for respective artworks with members of the Reconciliation Action Planning Committees at Royal Brisbane and Women’s, Redcliffe, Caboolture and The Prince Charles Hospitals and Community and Oral Health.

Once finalised, each of the facilities will have their branded artwork to display in their Reconciliation Action Plans, marketing materials and within buildings.



The Prince Charles Hospital Reconciliation Action Plan Committee had the privilege of taking part in a creative art workshop with esteemed Aboriginal artist Elaine Chambers-Hegarty. The artwork will form part of the RAP and for all Indigenous services across the hospital.

IMPROVING OUTCOMES



ACTION ON RECONCILIATION

Each facility across Metro North has established Reconciliation Action Plan Committees in the past 12 months, with each achieving inroads into our strong commitment to reconciliation and commitment to enhance the lives of Aboriginal and Torres Strait Islander peoples into the future.

Each Committee meets monthly to plan for their localised Reconciliation Action Plans and discuss ways to improve reconciliation within their hospital or facility.

As one of Australia’s largest public health services, Metro North is proud to recognise the cultural diversity of its workforce and is committed to Closing the Gap in healthcare, reconciliation and respect for our Aboriginal and Torres Strait Islander patients, families and communities.

Deadly Start
EDUCATION 2 EMPLOYMENT
(E2E)

A DEADLY START TOWARD CLOSING THE GAP

As part of our commitment to improving health outcomes for Aboriginal and Torres Strait Islander peoples, Metro North launched the Deadly Start Education-2-Employment program to attract, train and employ the next generation of Indigenous health workers.

Metro North Acting Chief Executive Jackie Hanson said the Australian-first initiative was the most ambitious targeted recruitment program aimed at Closing the Gap in healthcare ever offered.

“We are addressing all three of the education, employment and healthcare challenges by taking students from recruitment all the way through to employment outcomes,” Ms Hanson said.

The inaugural cohort of 34 students is the largest collective of Aboriginal and Torres Strait Islander students ever recruited into health-based education to employment pathways.

Students balance their school commitments with one day per week, or 375 hours in total across an 18-month period, of paid training at Royal Brisbane and Women’s Hospital (RBWH) or The Prince Charles Hospital (TPCH), earning a Certificate III in Health Support in Nursing, Allied Health or Dental.

“We know that access to education, employment and healthcare influences quality of life and life expectancy, which is why we are implementing long-term strategies like Deadly Start, that focus on generational change,” Ms Hanson said.

The program is set to expand considerably over the coming years as part of a targeted, proactive approach to lifting Metro North’s Aboriginal and Torres Strait Islander workforce from 1.2 per cent to 3 per cent by 2022.

This in turn supports the provision of culturally-appropriate care, with south-east Queensland’s Indigenous population tipped to reach more than 133,000 by 2031 – almost double that of other states.

“Culturally-appropriate care means having staff our patients can trust through a shared cultural

heritage, who can help address the fears they may be experiencing and walk them through their treatment options and what to expect,” Ms Hanson said.

“It’s also crucial to improving health outcomes, that we have culturally-appropriate staff to help them understand why they are being given certain medications and how to make sure they are effective.”

The partnership between Metro North, Brisbane North West Trade Training Centre, Mater Education and OSMAC has caught the attention of several other hospital and health services keen to replicate the model.

PROGRAM HIGHLY COMMENDED IN RECONCILIATION AWARDS

The Deadly Start Education-2-Employment program partnership between Metro North, Brisbane North West Trade Training Centre, Mater Education and OSMAC has been highly commended in the 2019 Reconciliation Awards for its contribution to Closing the Gap.

The program has been designed to inspire, educate, engage and motivate Indigenous students through a culturally-supported education journey into their dream health career through a school-based traineeship in nursing, allied health and dental.



IMPROVING ACCESS



CONNECTING CARE FOR INDIGENOUS PEOPLE IN CUSTODY

Australia's first Aboriginal and Torres Strait Islander led, multidisciplinary, social and emotional wellbeing service for Indigenous people in custody project received the Connecting Healthcare Category Award at the 2018 Queensland Health Awards for Excellence.

The Indigenous Mental Health Intervention Program (IMHIP) was established by Queensland Forensic Mental Health Service (QFMHS), which is part of Metro North. QFMHS are recognised leaders in Indigenous mental health in the criminal justice system.

IMHIP provides early identification, in custody care and transitional support to connect individuals back to their community. This priority driven service has been developed in partnership with Indigenous colleagues, communities and organisations to ensure that it is culturally informed.



The Indigenous Mental Health Intervention Program team received the Connecting Healthcare Category at the 2018 Queensland Health Awards for Excellence.

In addition to its client focus, IMHIP strives to develop the Indigenous workforce and support Indigenous leadership.

The IMHIP service is developed from an understanding of Aboriginal and Torres Strait Islander views of health and mental health, including the interconnections between spiritual, social, emotional, cultural and physical wellbeing, as such, the service model is holistic and more readily accessible.

The team has incorporated a range of culturally valid outcome measures into routine practice and mental health applications delivered via Android tablet PCs. Evaluation findings indicate that the IMHIP approach is valued and that outcomes are positive and meaningful.

PUTTING PEOPLE FIRST



CONNECTING THROUGH STAFF YARNS

Metro North is committed to recruiting and retaining the Indigenous workforce and has established an online portal for Aboriginal and Torres Strait Islander staff to connect and collaborate in the workplace.

The Staff Yarns portal is a hub for around 200 Aboriginal and Torres Strait Islander staff to access information about events, Talk-About newsletter, local support groups, training and job opportunities.

It provides a central point for information and knowledge sharing within the Aboriginal and Torres Strait Islander staff community.

The hub also forms a communication channel for staff within the Aboriginal and Torres Strait Islander Health

Unit and is updated on a regular basis with events being held in the community, in-house and details of upcoming meetings.

More than 40 identified staff have signed up to become part of the online network and enjoy regular opportunities to meet face to face and yarn about service improvements, cultural matters and support within the broader workplace.



Our community based and hospital based services

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

- The Royal Brisbane and Women’s Hospital (RBWH) and The Prince Charles Hospital (TPCH): tertiary/quaternary referral facilities, providing advanced levels of healthcare which are highly specialised, such as heart and lung transplantation, genetic health and burns treatment.
- Redcliffe and Caboolture Hospitals: major community hospitals providing a comprehensive range of services across the care continuum.
- Kilcoy Hospital: a regional community hospital.
- Mental Health, Community and Oral Health services: provided from many sites including hospitals,

community health centres, residential and extended care facilities and mobile service teams.

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

The Strategic Plan 2016–20 outlines how we will meet the health needs of our growing population over the duration of the plan.

IMPROVING QUALITY



AGED CARE IN RADAR ZONE

Frail, older aged care residents are receiving specialised care within the comfort of familiar surroundings thanks to care partnerships Metro North’s Residential Aged Care District Assessment and Referral (RADAR) program and between residential aged care facilities (RACFs).

The RADAR teams consist of geriatricians, emergency physicians, registrars, clinical pharmacists, allied health and nursing teams and are adaptations of already established and successful services such as the Older Persons Acute Assessment Service and Hospital in the Nursing Home at Royal Brisbane and Women’s Hospital, Residential Care Liaison Service at Redcliffe Hospital, Geriatric Outreach Assessment Service at The Prince Charles Hospital and adds an outreach component to the Geriatric Emergency Department Intervention Service at Caboolture Hospital.

The seven-day RADAR central coordination Nurse Navigator phone led service is available to Residential Aged Care Facilities (RACF) GPs, nurses and practice managers. It is focused on providing best patient pathways and clinically appropriate alternatives for residents who would otherwise have presented to an emergency department or been admitted to hospital.

Clinical Services Program Manager Gaenor Cross said that where necessary, medical teams from the Metro North hospitals visit RACFs and provide advice and support to clinical teams in the facilities to best manage their patient at home.

“The program is a collaboration between Metro North clinicians, primary care providers in the RACFs and the Queensland Ambulance Service and is a wonderful demonstration of clinician collaboration focused on the best care for their clients,” she said.

“We are achieving this through aligned care and a focus on providing a linked service across Metro North with the same best outcome for all RACF residents.”



Members of the RADAR Royal team from Royal Brisbane and Women’s Hospital.

PUTTING PEOPLE FIRST



DOMESTIC AND FAMILY VIOLENCE IS A WORKPLACE ISSUE



Metro North’s leadership is committed to stand up, speak out and act to prevent violence against women and domestic and family violence by participating in the White Ribbon Australia Workplace Accreditation Program.

Whether it occurs in or beyond the workplace, violence affects the health and safety of employees, families, friends, their wellbeing and their productivity.

Metro North will work to promote a respectful workplace culture and provide support to those whose lives are affected by domestic and family violence.

OUR ACTIONS

NOVEMBER 2018

Commitment to address domestic and family violence within the workplace by embarking on the White Ribbon Workplace Accreditation Program.

JANUARY 2019

Leadership team pledges to commit to preventing domestic and family violence by embarking on the White Ribbon Workplace Accreditation Program at Royal Brisbane and Women’s Hospital.

FEBRUARY 2019

Review of all policies and guidelines relevant to supporting staff experiencing domestic and family violence, resulting in the development of a guideline – domestic and family violence – support in the workplace.

MARCH 2019

Procurement process to engage an external provider in the provision of an online domestic and family violence training module, with the training to become mandatory for all line managers.

APRIL AND MAY 2019

White Ribbon Workplace Accreditation launched at The Prince Charles Hospital and Community and Oral Health directorate.

DEVELOPMENT AND LAUNCH OF A DOMESTIC AND FAMILY VIOLENCE INTRANET SITE

This is to support staff experiencing domestic and family violence.

DEVELOPMENT OF DOMESTIC AND FAMILY VIOLENCE LINE MANAGER

Ready Resource Pack to be used with the roll out of mandatory line manager training.

Targets and challenges

Metro North supports the directions outlined in *My health, Queensland's future: Advancing health 2026* by continuing to improve service for our patients and families, optimising the potential of our people, being adaptable and responsive to change, embedding an organisational culture of ethical and fair decision making, better connecting care across the health continuum and across sectors, increasing our commitment to research, adopting new technologies and pursuing new and renewed infrastructure.

The key challenges for Metro North are population demand growth, asset and infrastructure renewal, workforce capability and capacity, digital health transformation, information and system security, health source resourcing and system dependencies.

In 2018–19 Metro North has:

- listened to the voice of patients and their carers and families to improve the patient experience
- listened to staff and partners and involving them in organisational development, governance and decision making

- led integration, coordination and continuity of services across and within primary, community and hospital care creating system capacity
- generated new knowledge through research, evaluating what others have learnt and actively bringing this knowledge into practice
- created an environment that promotes innovative approaches to support our people in continuous improvement and organisational learning
- worked with our partners to ensure an appropriate balance in health investment between prevention, management and treatment of disease
- provided models of service delivery that are fiscally responsible.

Metro North will continue to implement initiatives in relation to the management of patients with chronic diseases, children and women's health and mental health, and prioritise new initiatives across a range of areas including improving care for our older and frail patients.

IMPROVING OUTCOMES



'HOT LAB' EXPANSION AIDS CANCER PATIENTS

Critical wait times for a cancer diagnosis in Queensland will be reduced thanks to a \$6.11 million expansion of the Royal Brisbane and Women's Hospital (RBWH) Radiopharmaceutical Centre for Excellence (Q-TRaCE), opened in June.

The Nuclear Medicine 'Hot Lab' has doubled capacity to produce radioactive pharmaceuticals used to diagnose and treat patients throughout Queensland and now boasts a dedicated lab for research.

The state-of-the-art facility will mean shorter waiting lists for Queenslanders requiring diagnostic imaging and monitoring of treatment.

RBWH produces a wide range of radioactive tracers that are shipped to Queensland Health facilities across the state.

In the past 12 months, nearly 9,000 patients across Queensland have benefited from a radioactive tracer manufactured by Q-TRaCE at RBWH, and that number will grow with this investment.

The facility also includes a dedicated research lab where researchers will have more opportunity to manufacture experimental radiopharmaceuticals.

Q-TRaCE researchers are also working to extend the lifespan of radioactive tracers, which are shipped to other parts of the state under heavy time constraints.

Extending the lifespan of tracers may allow more patients in the future to be scanned or treated at regional centres, meaning less travel for patients and improved access to diagnostic imaging.

RBWH is one of only two public hospitals in the country certified by the Therapeutic Goods Administration to produce radiopharmaceuticals, and the only Queensland Health facility with a cyclotron to produce radioactive tracers.



GOVERNANCE

Our people



Metro North Board back row (l-r): Dr Robert Franz, Dr Paula Conroy, Professor Mary-Louise Fleming, Mr Geoff Hardy, Ms Bonny Barry, Mr Neil Roberts. Front row (l-r): Mr Adrian Carson, Dr Kim Forrester (Deputy Chair), Professor Robert Stable (Chair), Mr Bernard Curran, Associate Professor Kim Johnston.

Board membership

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

The functions of the Board include:

- developing the strategic direction and priorities for the operation of Metro North
- monitoring compliance and performance
- ensuring safety and quality systems are in place which are 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, strengthening local decision making and accountability for health policies, programs and services within Metro North. Each Board member brings a wealth of experience and knowledge in public, private and not-for-profit sectors with a range of clinical, health and business experience.

During the reporting period, terms of office of four members expired on 17 May 2019. Associate Professor Cliff Pollard AM retired from the Board following his significant contribution to Metro North since its inception as a Hospital and Health Service in 2012. Board members Mr Bernard Curran, Dr Paula Conroy and Associate Professor Kim Johnston were reappointed by Governor in Council in May 2019.

Dr Robert Franz, head of general surgery for The Prince Charles Hospital and former Police and Community Safety Minister Mr Neil Roberts were appointed to the Board in May 2019.

A schedule of Board Member attendance at Board and Committee meetings for 2018–19 is available on page 96.

Board meetings are held at Metro North facilities including RBWH, TPCH, Kilcoy Hospital, Caboolture Hospital, Redcliffe Hospital, Chermside Community Health Centre, North Lakes Health Precinct and Brighton Health Campus.



Associate Professor Cliff Pollard leaves great legacy

Associate Professor Cliff Pollard AM retired from the Board in May 2019. As the inaugural chair of the Board Safety and Quality

Committee, Cliff provided exceptional leadership in establishing and strengthening Metro North's clinical governance systems, policies and processes. His hard work has contributed to improvements in patient safety and quality of care.

His contribution to all Board Committees has ensured that discussions and decisions on finance, performance and risk matters include a clinical focus. Equally, his participation in Metro North and facility clinical council meetings has been a valuable exercise, particularly during Board discussions which has ensured clinical input into strategic decisions.

Cliff will be continuing his research role with the Jamieson Trauma Institute and the announcement of a fellowship from the Motor Accident Insurance Commission in his name is testament to his depth of expertise.

Staff across Metro North and Queensland Health will also remember Cliff for his 40 more years as a surgeon including staff surgeon at Redcliffe Hospital and Director of the RBWH Trauma Service.

PUTTING PEOPLE FIRST



CELEBRATING STAFF EXCELLENCE

The annual Metro North Staff Excellence Awards supports the culture of recognising individuals and teams who embody our values by going above and beyond to make a difference.

In the fourth year, the awards attracted a record number of 240 nominations in seven categories that showed a diverse display of the ideas and initiatives in action across the health service.

Winners

PEOPLE FOCUS: Adult Intensive Care EMPATHY project, The Prince Charles Hospital

INNOVATION: Tele-Cardiac Investigations team, Royal Brisbane and Women's Hospital

EXCELLENCE IN PERFORMANCE: Endovascular Clot Retrieval team, Royal Brisbane and Women's Hospital

LEADERSHIP: Associate Professor Karin Lust, Women's and Newborn Services, Royal Brisbane and Women's Hospital

VALUES IN ACTION: Reece Crawford - Marathon Man, Royal Brisbane and Women's Hospital

EXCELLENCE IN INTEGRATED CARE: Caboolture Young Mums for Young Women program, Caboolture Hospital

EXCELLENCE IN TRAINING & EDUCATION: Insight Unit, Metro North Mental Health

CHIEF EXECUTIVE'S AWARD: Michelle Gant, Administration Officer, The Prince Charles Hospital

The Staff Excellence Awards were sponsored by QSuper and QBank.

Professor Robert Stable AM

MBBS, DUniv (QUT), MHP, FRACGP, FAICD, FCHSM (Hon)

Board Chair

Appointed: 18 May 2016

Current term: 18 May 2016 to 17 May 2020

Professor Stable's 47-year career in health has included roles as a rural and remote General Practitioner, a Flying Doctor, Hospital Medical Superintendent and Chief Executive, Director-General of the Queensland Department of Health, Member and Chair of the Australian Health Ministers' Advisory Council, Vice-Chancellor and President of Bond University and Non-Executive Board Director/Member.

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

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

Professor Stable was appointed a Member of the Order of Australia in 2013 and awarded a Centenary Medal in 2001. He was conferred the honour of Emeritus Professor by the Council of Bond University in 2003.

Dr Kim Forrester

RN, BA, LLB, LLM (Advanced), PhD, MAICD

Deputy Chair and Chair, Safety and Quality Committee

Appointed: 18 May 2013

Current term: 18 May 2018 to 17 May 2021

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

As a barrister, Dr Forrester's areas of legal practice include coroner's inquests, professional regulation and child protection. She held the position of Assistant Commissioner (legal) on the Queensland Health Quality and Complaints Commission from 2006 to 2009, and is a member of the Queensland Law Society's Health and Disability Law Committee. Dr Forrester is also the Chair of the Community Services Commission, Anglicare Southern Queensland.

She publishes extensively in the area of health law including as editor of the Nursing Column in the Journal of Law and Medicine, and co-author of Essentials of Law for Health Professionals, Australian Pharmacy Law and Practice and Essentials of Law for Medical Practitioners.

Mr Geoff Hardy

B Bus (Econ), Dip HA, Grad Dip Commerce (Mkt), MAICD, AFCHSM

Member and Chair, Risk and Audit Committee

Appointed: 18 May 2016

Current term: 18 May 2017 to 17 May 2020

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

In addition to a period as a consultant to healthcare organisations in Queensland, Mr Hardy has also worked as CEO of two Brisbane law firms and was Global Leader for a commercial advisory practice providing strategic and commercial advice to government clients around the world. Recently, he has worked more broadly as an advisor to governments and private sector clients on significant infrastructure projects in the transport, healthcare and resources sectors and led AECOM's Infrastructure Advisory practice for six years. He is currently leading a national consulting team for Prominence, a Brisbane based firm providing services to a range of clients including several Hospital and Health Services.

Ms Bonny Barry

RN BNsg, MAICD

Member and representative on The Prince Charles Hospital Foundation Board

Appointed: 18 May 2016

Current term: 18 May 2017 to 17 May 2020

Ms Bonny Barry is a Registered Nurse with over 30 years' experience in community, hospice, hospital and clinic settings in Queensland and Victoria.

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

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



CABOOLTURE HOSPITAL EXPANSION

Continued expansion of Caboolture Hospital is essential to cater for burgeoning population growth in the Moreton Bay region. Several key infrastructure projects are already increasing capacity with a large-scale redevelopment to start in early 2020.

Further progress has been made on the commitment to expand the capacity of the Emergency Department, which is being delivered in three stages, with investment of \$19.6 million over several years. The first stage, a new facility to house the Specialist Outpatients Department was completed in early 2018, and has been operational since February 2018.

The second component was the relocation and expansion of Medical Imaging Department, completed late 2018.

The hospital has welcomed a new, multi-million-dollar medical imaging facility with provider I-Med Radiology Network. It includes a new 3T MRI machine, new CT scanner, Fluoroscopy unit and X-ray machine.

Having a state-of-the-art MRI machine and other new medical imaging equipment on-site means patients have easier access to quality imaging and able to start treatment sooner.

Improvements to the surgical equipment sterilisation facility saw the replacement of old equipment with state-of-the-art sterilising and washing systems. Staff are now able to process equipment in line with new Australian standards on infection control for re-usable medical devices in a health service organisation.

The final stage of this capital works program is to expand the capacity of the emergency department, noting the significant increase in presentations in recent years.

This work will deliver 18 new treatment spaces, refurbishment of the existing waiting room, three new assessment rooms, dedicated mental health assessment area, plus a dedicated paediatric assessment area, including a waiting room and four bays. This will all come on-line in late 2019, and ensure continued provision of services until the new hospital expansion is available.



This \$352.9 million investment in the hospital will deliver new services and increase capacity within the hospital.

The centrepiece of the redevelopment will be a new, four-storey clinical services building on the site of the existing front car park, including a new, purpose-built Emergency Department.

This project is a significant investment that will ensure that Caboolture Hospital can continue to provide high-quality healthcare now and for many years in the future.

Construction will start in early 2020. A refurbishment of the existing hospital will take place at the same time as the construction of the new building.

Funding has also been allocated to deliver a new multi-storey car park for the hospital.

The new car park will be built in the north-eastern corner of the hospital site, adjacent to the new Outpatient Services building. It will provide approximately 945 spaces.

Once complete, there will be more than 1640 parking spaces available on-site, which represents a net increase of more than 500 spaces.

A temporary carpark will be delivered to provide parking spaces during the construction of both the hospital and the multi-storey car park.



ONGOING INVESTMENT IN REDCLIFFE HOSPITAL'S FUTURE

Better clinical facilities, critical engineering infrastructure upgrades and improved patient access are the focus of a \$100 million investment at Redcliffe Hospital.



Metro North's investment in Redcliffe Hospital will continue into 2020.

The list of upgrades and refurbishment projects are at various stages of completion and planning across the hospital campus.

During the 2018–19 financial year, Redcliffe Hospital opened its \$1.3 million pathology laboratory and completed \$5 million worth of renovations in Level 6 East of the main building.

A new 26-bed ward on Level 6 will be open in time for next year's winter peak.

By the end of this calendar year, work should be complete on the \$10.1 million renovation to the Level 2 Day Procedure Unit and sterilising service, as well as \$4 million worth of refurbishments to the Level 3 paediatrics and maternity wards, including a fully renovated special care nursery.

Redcliffe Hospital Executive Director Louise Oriti said a \$6.8 million modernisation of the hospital's electrical system is also nearing completion, with more than 32 kilometres of new cabling installed and a new switchboard room in the hospital's basement.

The electrical upgrade is on track to be delivered in time to power the hospital's new MRI machine and second CT

scanner, both of which are expected to be operational by the end of the next calendar year.

The expansion of the hospital's medical imaging department was announced in May, and the machines and associated infrastructure are worth around \$16 million.

Early works are also underway to support the delivery of a \$5.5 million operating theatre, and a multi-storey car park, that will increase the amount of car parking at the hospital by more than 50 per cent.

Ms Oriti said that early works for the car park project had included building a temporary car park for hospital staff at the Redcliffe Showgrounds, and a reconfiguration of car parking areas on the hospital campus.

These reconfigurations have allowed the hospital to reserve more car parking spaces for patients while providing hospital staff with around 360 additional car spaces in two off-campus locations.

"From clinical facilities to the physical infrastructure that makes our hospital work, there aren't many parts of our hospital that aren't benefitting from these upgrades and refurbishment projects," Ms Oriti said.

Professor Mary-Louise Fleming

BEd (QUT), MA (Ohio), PhD (Qld), MAICD

Member and Chair, Community Advisory Committee
(non-statutory)

Appointed: 18 May 2016

Current term: 18 May 2017 to 17 May 2020

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

Her research activity focuses on evaluation research and translational research for the World Health Organization, both Commonwealth and Queensland Governments, as well as consultancy projects for Queensland Health and the not-for-profit sector.

Professor Fleming has co-authored two books on health promotion and public health, and contributed to several other books.

Professor Fleming is a member of the Queensland Government Ministerial Oversight Committee, Advancing Health 2026, a Board member of Wesley Medical Research Institute and a member of the Strategic Planning Committee. Her appointments have included Health Promotion Queensland, Board of the Wesley Research Institute, Board of Governors St Andrew's Hospital, National Heart Foundation, the Queensland Cancer Fund and Chair of the Quality Management Committee for BreastScreen Queensland.

She has an active consultancy practice involving reports on policy and practice for single health issues, policy development and implementation, and reviews and evaluation of numerous projects and programs.

Mr Adrian Carson

GCertHServMgt

Member and Chair, Improving Indigenous Outcomes Board Committee (non-statutory)

Appointed: 18 May 2017

Current term: 18 May 2017 to 17 May 2020

Mr Adrian Carson joined Metro North in May 2017 and has over 25 years' experience in Aboriginal and Torres Strait Islander health. As the CEO of the Institute for Urban and Indigenous Health, Mr Carson plays a leading role in the coordination of planning, development and delivery of comprehensive primary healthcare and integrated social support services to Aboriginal and Torres Strait Islander communities across South East Queensland. He has worked as CEO of Queensland Aboriginal and Islander Health Council (QAIHC), the peak body for the Aboriginal and Torres Strait Islander

Community Controlled Health Sector in Queensland, and has previously worked with both the Queensland and Australian Governments. Mr Carson is currently completing an MBA and holds directorships of the National Aboriginal Community Controlled Health Organisation (NACCHO) and the Lowitja Institute, Australia's National Institute for Aboriginal and Torres Strait Islander Health Research. He was previously a Director of the Queensland Aboriginal and Islander Health Council (QAIHC).

Mr Bernard Curran

BBus (QUT), FCA, FAICD, FTIA

Member and Chair, Finance and Performance Committee

Appointed: 18 May 2018

Current term: 18 May 2019 to 31 March 2022

Mr Bernard Curran is a Chartered Accountant and has practiced in the areas of taxation and business advisory for a range of clients and industry sectors including healthcare over the past 30 years. He is a Partner of BDO Qld and has held executive roles as well as managing his client practice. He has had extensive experience in mergers and acquisitions include firms in the health sector. He is currently a Director of BDO Qld and BDO East Coast Practice.

Mr Curran has also held directorships on a number of private company boards and serves as Chair and a member of a number of Advisory Boards including in the superannuation administration, contract cleaning and fast moving consumable goods sectors.

Mr Curran holds a Bachelor of Business – Accountancy from QUT. During 2017 he was appointed an Executive in Residence – Visiting Fellow for the Accountancy School at QUT.

He is a Fellow of Chartered Accountants Australia & New Zealand, a Fellow of the Australian Institute of Company Directors, and Fellow of the Taxation Institute of Australia.

Mr Curran has been actively involved in serving on not-for-profit Boards. He was the Chair of Crèche and Kindergarten Association Limited from 2012 to 2017. He also served as a Director of Australian Children's Education & Care Quality Authority during 2014 and 2015. He became a Director of The Prince Charles Hospital Foundation in 2008 and became Chair of its Board in 2012 until December 2018. In 2017 he was appointed to the Board of Governors of the Queensland Community Foundation.

Dr Paula Conroy

BSc, MBBS, DCH, FRACGP, GAICD

Member and Deputy Chair, Community Advisory Committee (non-statutory)

Appointed: 18 May 2018

Current term: 18 May 2019 to 31 March 2022

Dr Paula Conroy has more than 10 years' experience working within the primary care, hospital and corporate health sectors.

Dr Conroy is a General Practitioner in Brisbane's northern suburbs with a particular interest in preventative health. During her time working in the hospital setting, Dr Conroy spent a number of years in both emergency medicine and general surgery. In the corporate sector Dr Conroy worked for two of the largest health insurance companies in Australia, Bupa and Medibank Private.

Dr Conroy is passionate about medical training and she is both a clinical supervisor for The University of Queensland School of Medicine and teaches GP registrars with General Practice Training Queensland. She also holds positions on the Queensland Faculty of the Royal Australian College of General Practitioners and the Brisbane North PHN.

Dr Conroy brings her experience as both a GP and hospital trained clinician to the board. She is committed to continuous improvement particularly around the integration between primary healthcare and the hospital system and the role this plays in maintaining Australia's world class health and hospital system.

Associate Professor Kim Johnston

PhD, MBus, GradCertAcadPrac (QUT), BNurs (NTU), GCertNurs (RPAH), FHEA, MAICD

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

Appointed: 18 May 2018

Current term: 18 May 2019 to 17 May 2021

Associate Professor Kim Johnston teaches at QUT Business School, and researches in the areas of community and stakeholder engagement, social impact, and communication. She originally trained as a Registered Nurse at Royal Prince Alfred Hospital and worked in Sydney and Darwin in general surgical wards before moving into marketing and communication roles at News Limited, Nine Network, and for the Alcohol and Other Drugs program in NT Health Services.

She moved to Queensland in 1997, working in the Queensland Health's capital works hospital redevelopment program, and later as the communication manager at The Prince Charles Hospital.

She joined QUT in 2002 as a full time academic, completing her PhD in strategic communication and organisational culture in 2011. Since this time, Kim has been awarded more than \$1.3 million in competitive engagement related research grants across government, private, and non-profit sectors. She has also published more than 65 peer reviewed articles, conference papers, and book chapters. She is lead editor of the Handbook of Communication Engagement (Wiley, 2018) and is on the editorial boards of Public Relations Review, Corporate Communication International Journal, and the Public Relations Society of America Journal. She also holds a Masters of Business (Communication), a Graduate Certificate in Academic Practice, a Bachelor of Nursing, and a General Certificate of Nursing.

Mr Neil Roberts

MBA, BBus, GradCertDisRes, GAICD, NMAS, FDRP

Member

Appointed: 18 May 2019

Current term: 18 May 2019 to 31 March 2022

Mr Neil Roberts is a former Cabinet Minister in the Queensland Government. He was Minister for the challenging portfolios of Police, Corrective Services and Emergency Services (including the Queensland Ambulance Service, Queensland Fire and Rescue Service and Emergency Management Queensland). He brings to the Board, significant experience in the oversight of frontline service delivery agencies.

Mr Roberts has previously served as a member of various government and non-government committees including the Dental Board of Australia's Queensland Registration and Notifications Committee and Australian Catholic University's Queensland Chapter Advisory Board.

As a Member of Parliament, Mr Roberts chaired various Parliamentary Committees including Budget Estimates Committees and the Public Works Committee. He also served as Assistant Minister (Parliamentary Secretary) in a range of portfolios including Families, Communities and Disability Services, Employment and Training, Treasury and State Development.

He holds a Master of Business Administration (Corporate Governance) and a Bachelor of Business and is registered as a Nationally Accredited Mediator and Family Dispute Resolution Practitioner.

Dr Robert Franz

MBBS, FRACS

Member

Appointed: 18 May 2019

Current term: 18 May 2019 to 17 May 2021

Dr Robert Franz is the Director of Surgery at The Prince Charles Hospital (TPCH) and a consultant general surgeon. With nearly 40 years experience in general surgery, Dr Franz chairs Statewide committees for the Department of Health including the Queensland Surgical Advisory Committee and the Advanced Specialised Surgical Training Consultative Committee.

Dr Franz also had a particular interest in rural surgery where he was the director of Surgery for Toowoomba Base Hospital from 1991 to 2007; and was instrumental in the curriculum establishment for the rural doctors training program.

He has previously been a member of, and held the role of Chair, for a number of clinical committees including TPCH Surgical and Anaesthetic Services Committee (Chair), TPCH Gastrointestinal Services Advisory Group (Chair) and Rural Surgical Services Committee (Chair). Dr Franz also brings extensive medico-legal experience including WorkCover and AHPRA Expert Independent Assessor.

IMPROVING OUTCOMES

LEADING THE WAY IN ROBOTIC-ASSISTED ORTHOPAEDIC SURGERY

A state-of-the-art robotic arm is helping orthopaedic surgeons deliver more accurate surgeries for patients at The Prince Charles Hospital (TPCH).

The orthopaedic robotic-arm system, which can be used in partial knee, total knee and total hip replacements has the potential to improve the accuracy of surgery, speed up recovery, and decrease the number of days spent in hospital.

The next-generation orthopaedic health technology gives surgeons the chance to customise planning to each patient's individual anatomy, giving patients better results and allowing some to go home as early as the same day as their surgery.

TPCH is the first hospital in Queensland to offer the technology to public patients, thanks to \$2 million in funding from The Prince Charles Hospital Foundation.

TPCH Director of Orthopaedics Dr Scott Crawford said the demand for this new technology was growing with more than 12,000 total knee replacements and 8,000 total hip replacements performed in Queensland last year.

"Partial knee application was a treatment option designed to relieve the pain caused by joint degeneration due to osteoarthritis that had not yet progressed to all three compartments of the knee," Dr Crawford said.



"Robotic-arm assisted partial knee replacements can be more accurate than manual partial knee replacement procedures.

"Early results suggest recovery may also be faster.

"By selectively targeting only the part of the knee damaged by osteoarthritis, surgeons can resurface the diseased portion of the knee, while helping to spare the healthy bone and ligaments surrounding the knee joint."

In larger surgeries such as total knee and hip replacements, it can be challenging even for the most experienced surgeons to position and orientate with total accuracy. By using enhanced 3D planning, TPCH surgeons will be able to provide patients with the most personalised surgical experience possible, based on their specific diagnosis and anatomy.



NEXT GENERATION OF DOCTORS AND NURSES HEAD TO THE WARDS

Metro North welcomed 165 new medical graduates at the start of 2019 with the junior doctors starting their intern year at The Prince Charles (TPCH), Royal Brisbane and Women's (RBWH), Redcliffe and Caboolture Hospitals.

The interns are supported and supervised by some of the best senior doctors in the country, who are delivering responsive, integrated and connected care across health specialities including medicine, surgery, psychiatry, oncology, women's and newborns, trauma and dozens of sub-specialities.

RBWH welcomed 94 interns, with 27 starting at TPCH, 27 at Redcliffe and 17 at Caboolture.

Metro North also welcomed 184 nursing and midwifery graduates at hospitals and healthcare facilities in the first six months of 2019.

The graduates join a nursing and midwifery workforce of more than 8,000 across Metro North.

All these graduates have chosen Metro North's hospitals and healthcare facilities as the place they want to start their careers and take advantage of our leadership in the provision and delivery of world-class health care.

One of 2019's new medical interns at The Prince Charles Hospital (TPCH) is 25-year old Abhishek Mohan who commenced his career as a doctor one year after his twin Aradhana began hers at the same hospital.

Abhishek initially pursued his interest in science through a degree in pharmacy before deciding on medicine.

"I enjoyed pharmacy but decided I wanted to move into an area where I could get involved with diagnosis and treatment. I felt that being a doctor was something I could excel at and make a difference to people's lives," Abhishek said.

Like her brother, Aradhana's decision to become a doctor was driven by the prospect of being able to apply her natural aptitude for science in a field where she could help others.

"For me, becoming a doctor was an area where I could integrate science and people – two things I enjoy," Aradhana said.

The twins' choice to both start their medical career at TPCH is not a coincidence. Aradhana said that TPCH provided excellent training and support to her during her first year as a junior doctor.

"The staff at TPCH were very supportive and made me feel more confident about learning new skills as a new clinician," she said.

Aradhana's positive experience at TPCH inspired her brother to choose the hospital as the place to start his medical career.

"I am extremely excited about working as a doctor in a hospital that is well known for providing excellent care to patients," Abhishek said.

"It gives me a very solid ground for a highly successful career in medicine."



Twins Abhishek and Aradhana Mohan chose to start their medical careers at The Prince Charles Hospital.

Executive management

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

- managing the performance and activity outcomes for Metro North
- providing strategic leadership and direction for the delivery of public sector health services in the hospital and health service
- promoting the effective and efficient use of available resources in the delivery of public sector health services in the hospital and health service
- 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

Jackie Hanson

Jackie Hanson was appointed Acting Chief Executive on 1 May 2019 while Shaun Drummond is on secondment as Chief Executive of Metro South Hospital and Health Service.

Ms Hanson has extensive leadership experience in executive, strategic and senior operational roles spanning more than 11 years across public health systems in Queensland and South Australia.

Through strong leadership and influence, Ms Hanson has led successful transformations within South Australia in her role as the CEO of Northern Adelaide Public Health Network. As Executive Director Operations and Chief Operating Officer at Sunshine Coast Hospital and Health Service, she has also made significant achievements strengthening staff engagement and redesigning care. Ms Hanson is a Registered Nurse, and holds a bachelor degree in Nursing Science.

Mr Shaun Drummond

As Chief Executive of Metro North, Mr Drummond is responsible for the day to day management of one of Australia's largest public health authorities. Prior to his commencement as Chief Executive, Mr Drummond held the role of Executive Director Operations for more than two years. In this role, Mr Drummond has led high profile projects including the Surgical, Treatment and Rehabilitation Service (STARS), the Biofabrication Institute, and the Patient Access Coordination Hub.

PUTTING PEOPLE FIRST



VALUES PUT INTO ACTION AT COMPASSION CAFÉ

To celebrate International Patient Experience Week in May 2019, a Compassion Café was opened at Royal Brisbane and Women's Hospital (RBWH) for patients and visitors.

Compassion Café gives patients and their families a moment of respite from the busy hospital surrounds and provides staff with an opportunity to engage with patients away from the clinical environment.

RBWH Consumer Advisory Group Chair Gary Power said it was a rewarding experience and an opportunity to hear great stories and feedback.

"Compassion Café is a random act of kindness. It's about putting our values into action and allows us to do something small to make a big difference for the thousands of people who visit RBWH each day," he said.

"Patients sit down at the café for a free cup of tea and a chat, for some it's at a vulnerable time in their life, and it reminds us why we were committed to putting our patients first."

Compassion Café is a collaboration between RBWH Quality, Innovation and Patient Safety Service (QIPSS), RBWH Foundation and consumer representatives and staff.



Patients, consumers and staff spending time together at Compassion Café.

GOVERNANCE

The following Senior Executive positions support the HSCE in the development and execution of the Metro North strategy as approved by the Board. The list includes the names of incumbents as at 30 June 2019.

Executive Director Operations

Ms Jackie Hanson

Chief Finance and Corporate Officer

Ms Melissa MacCabe

Executive Director Safety and Quality

Associate Professor Noelle Cridland

Executive Director Clinical Services

Dr Elizabeth Whiting

Chief Digital Health Officer

Dr Clair Sullivan

Chief Transformation Officer

Ms Lina Gillespie

Executive Director Strategy and Planning

Ms Colleen Jen

Executive Director Assets and Infrastructure

Ms Kate Copeland

Professional Leads

Executive Director Medical Services

Dr Elizabeth Rushbrook

Executive Director Nursing and Midwifery Services

Associate Professor Alanna Geary

Executive Director Allied Health

Mr Mark Butterworth

Directorate Executive Directors

Executive Director

Royal Brisbane and Women's Hospital

Dr David Rosengren

Executive Director

The Prince Charles Hospital

Ms Michele Gardner

Executive Director Redcliffe Hospital

Ms Louise Oriti

Executive Director Caboolture and Kilcoy Hospitals

Dr Lance Le Ray

Executive Director Community and Oral Health Services

Ms Tami Photinos

Executive Director Mental Health Services

Professor Brett Emmerson AM

Executive Director Clinical Support Services

Ms Gillian Nasato

Clinical Stream Executive Directors

Executive Director Heart and Lung

Professor Scott Bell

Executive Director Medicine

Dr Jeffrey Rowland

Executive Director Surgery

Dr Jason Jenkins

Executive Director Emergency Medicine and Access Coordination

Dr Chris May

Executive Director Women's and Children's

Professor Leonie Calloway

Executive Director Cancer Care

Associate Professor Glen Kennedy

Research

Executive Director Research

Professor Scott Bell



TOTAL NUMBER OF
CONCESSIONAL
CAR PARK PASSES ISSUED

19,282

TOTAL VALUE OF THE PASSES

\$166,540

Supporting patients and their families to decrease the cost of their hospital visit

Organisational structure and workforce profile

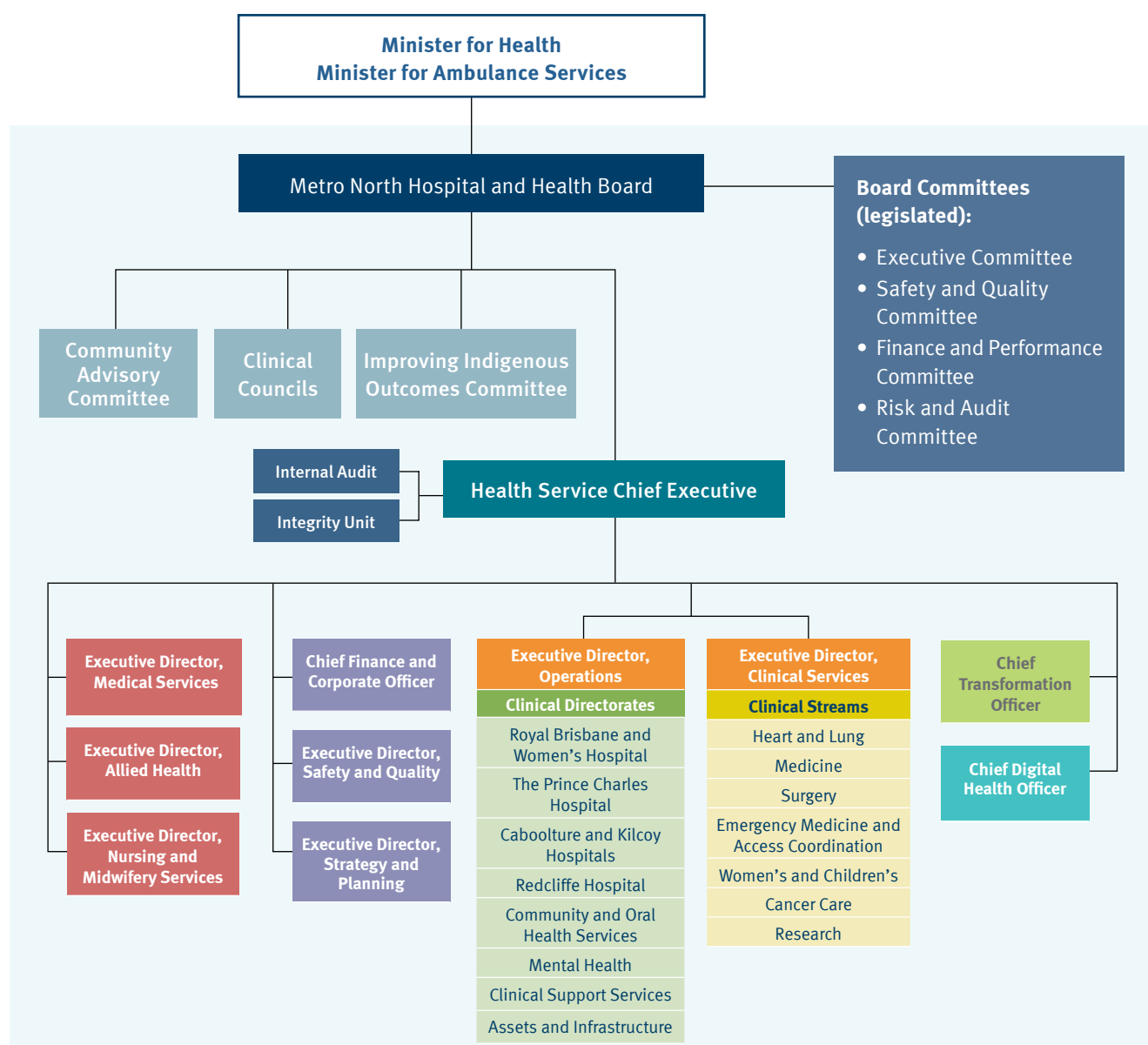


Table 1: More doctors and nurses*

	2014–15	2015–16	2016–17	2017–18	2018–19
Medical staff ^a	1,771	1,913	1,976	2,054	2,120
Nursing staff ^a	5,892	6,324	6,512	6,759	6,864
Allied Health staff ^a	1,908	2,015	2,162	2,219	2,261

Table 2: Greater diversity in our workforce*

	2014–15	2015–16	2016–17	2017–18	2018–19
Persons identifying as being Aboriginal and/or Torres Strait Islander ^b	163	158	165	181	198

Note: * Workforce is measured in MOHRI – Full-Time Equivalent (FTE)

Source: ^a DSS Employee Analysis, ^b Queensland Health MOHRI, DSS Employee Analysis

PUTTING PEOPLE FIRST



EVENTS
SUPPORT
POSITIVE
STAFF
CULTURE

Metro North’s Values in Action framework focuses on promoting fun, wellbeing, teamwork and belonging in the workplace through fun and engaging events and activities.



Our second annual Movie by the Sea attracted more than 1,000 people to Brighton Health Campus.

Through consultation, a calendar of events was developed, and six successful events have been delivered with staff, family and friends engaging in positive culture experiences.

The annual Soccer Tournament was held in September with 20 teams and approximately 165 players, plus supporters cheering them on. The winning team was Royal Madrid from Royal Brisbane and Women’s Hospital (RBWH).

In November, the Corporate Symposium had almost 300 attendees at the one-day symposium for staff working in corporate and support services in Metro North. The day featured keynote presentation on how to flourish in the workplace and the day rounded out with updates from key corporate directors and projects.

The inaugural Family Fiesta at Pine Rivers Showgrounds in November was an opportunity for staff, family friends and the community to celebrate and experience sights sounds and tastes from around the globe. This low-cost family event attracted almost 1000 people who

enjoyed stage entertainment, workshops, dancing demonstrations rides and much more.

In March, Movie by the Sea was held for the second time at the Brighton Health Campus with almost 1000 attendees. Staff, family, and friends were able to enjoy a relaxing evening with food trucks, children’s entertainment and a movie screening of Christopher Robin.

Metro North Netball Tournament was held in April with 22 teams and approximately 180 players with colleagues, family and friends enjoying the afternoon. The winning team was the Splintaz from RBWH.

Hospital of Origin brought together teams across the health service to represent their facility in a series of clinical skills and knowledge challenges. This year, the Community and Oral Health team took home the trophy, and facility staff were able to watch the action live at a selection of Metro North facilities.

The Values in Action events have been sponsored by RemServ, Fleetplus and Health Professionals Bank.



RESPECT • INTEGRITY • COMPASSION • HIGH PERFORMANCE • TEAMWORK

Awards and recognition

Metro North's Values in Action framework recognises high performance and teamwork. The Staff Excellence Awards and Research Excellence Awards are our annual events which recognise excellence in our staff's commitment to

delivering innovative outcomes to improve patient's lives. With over 19,000 employees, the tremendous commitment to patient care is demonstrated by awards and recognition in Queensland, nationally and internationally.

CULTURE OF LEARNING



SCHOOL-BASED TRAINEESHIP SUCCESS

Metro North was named Large Employer of the Year for the North Coast region at the prestigious 2018 Queensland Training Awards.

The award recognised the school-based trainee program supported by Redcliffe, Caboolture and Kilcoy Hospitals and Community and Oral Health facilities in the Moreton Bay region.

The school-based traineeship program allows high school students to complete their school education while also earning both an income and a certificate level qualification in a health-related field.

Training Coordinator Kylie Boccuzzi said the regional training award recognised the long-term success of the

program, which was now in its 14th year.

"Recognition of that success continues, with two of our trainees now nominated for awards as part of the 2019 Queensland Training Awards."

"The real prize though is the career head-start that all of our trainees take home when they complete their traineeship," Ms Boccuzzi said.

In 2018-19 there were 57 school-based trainees taking part in the program across Metro North facilities in the Moreton Bay region, with around 200 students applying for positions in the 2020 intake.



CULTURE OF INNOVATION



ADVANCING PHARMACY INNOVATION

Royal Brisbane and Women's Hospital (RBWH) Director of Pharmacy Associate Professor Ian Coombes was awarded the prestigious Fred J Boyd Award at Medicines Management 2018, the 44th Society of Hospital Pharmacists of Australia (SHPA) National Conference.



Associate Professor Ian Coombes (right) accepts the prestigious Fred J Boyd Award from Professor Michael Dooley.

President Professor Michael Dooley awarded the prize on behalf of the SHPA in Brisbane.

He celebrated Assoc Prof Coombes' vision and leadership, highlighting his many innovations in practice that have resulted in the introduction of many impactful, nationwide initiatives.

"Ian's commitment to professional development and innovation saw him lead the evaluation and development of the tools that became the Clinical Competency Assessment Tool (ClinCAT), which is now widely used in Australian pharmacy for self and peer competency-based evaluation and feedback," Prof Dooley said.

"Through his PhD investigating the cause and prevention of prescribing errors, he has seen the adoption of a National Inpatient Medication chart which has led to a significant reduction in medication prescribing and administration errors across the country."

PUTTING PEOPLE FIRST



RBWH NAMED IN TOP 100 HOSPITALS IN THE WORLD!

Royal Brisbane and Women’s Hospital (RBWH) has been named as one of the top 100 hospitals in the world by premier news outlet, Newsweek.

The list, released in April 2019, saw the hospital placed next to some of the world’s most renowned and respected hospitals including Mayo Clinic and Cleveland Clinic in the USA, Singapore Hospital and The University of Tokyo Hospital. RBWH was also only one of five Australian hospitals recognised in the list.

The World’s Best Hospitals 2019 report took a range of sources into account when calculating the results, including recommendations from medical experts, results from patient surveys and medical KPIs on hospitals.

The recognition is testament to the incredible team at RBWH, and the hard work they put in day in, day out, to provide the best possible service to their patients.

Metro North Hospital and Health Service Acting Chief Executive Jackie Hanson said she was proud that RBWH has gained a spot in the top 100 world’s best hospitals.

“It is a wonderful acknowledgement of the hardworking staff right across our service who treat a growing number of patients each year,” Ms Hanson said.

“Our dedicated staff are putting our values into action and this recognition shows that we’re on the right track to becoming the biggest, best and nicest hospital and health service in Australia.”



The RBWH team were thrilled to be named in the top 100 hospitals in the world

CULTURE OF INNOVATION



AWARD FOR DELIRIUM SCREENING APP

The team behind DEL-ICiUs, an electronic Intensive Care Unit (ICU) delirium screening app, has received the Foster Innovation category at the 2019 Queensland Health e-Awards.

The screening tool was developed by the Critical Care Research Group at The Prince Charles Hospital (TPCH).

The patient-friendly, easy-to-administer electronic app facilitates accurate and early delirium diagnosis via e-Screening in ICU inpatients. Early diagnosis of delirium assists medical staff, patients and their families and ensures patients receive appropriate care.

Hospital-acquired delirium often occurs in patients within ICUs with up to 80 per cent of patients experiencing the condition.



e-Awards judge Helen Murray, Queensland Health Chief Information Officer, Rural & Remote, congratulates Todd Bagshaw and Oystein Tronstad from The Prince Charles Hospital on the DEL-ICiUs screening app initiative.

Delirium is associated with multiple complications and prolonged hospital stays. It can result in falls or self-removal of catheters and lines by patients. Current screening processes for delirium are time-intensive and can lead to late diagnosis or missed cases.

The e-Awards recognise the value and hard work of staff working with digital innovation to produce real benefits to staff, clinicians and their patients.

CULTURE OF RESEARCH



CYSTIC FIBROSIS RESEARCHERS WIN PRESTIGIOUS EUREKA PRIZE

Ground-breaking research on cystic fibrosis (CF) earned Metro North researchers and collaborative partners a prestigious Australian Museum Eureka Prize.

Executive Director Research for Metro North Professor Scott Bell and the CF Air team were awarded the 2018 Australian Infectious Diseases Research Centre Eureka Prize for Infectious Diseases Research for their research that has reduced infection rates for people with cystic fibrosis.

The CF Air team uncovered the process by which the deadly pathogens causing airway infections are transmitted between cystic fibrosis patients. Their research has attracted attention from the CF community, impacted clinical practice and policy and changed the lives of patients with cystic fibrosis.

The collaborative CF Air team consists of researchers and clinicians from Metro North, QIMR Berghofer Medical Research Institute, Children's Health Queensland, The



The collaborative CF Air team headed by Metro North's Executive Director Research Professor Scott Bell (third from left) comprises Metro North, QIMR Berghofer Medical Research Institute, Children's Health Queensland, The University of Queensland, Griffith University, Gold Coast Health and QUT.

University of Queensland (UQ), Griffith University, Gold Coast Health and Queensland University of Technology (QUT).

The Eureka Prizes is presented annually and recognises the very best Australian scientific minds in four categories: scientific research and innovation; science leadership; science communication and journalism; and school science.

CULTURE OF RESEARCH



FROZEN BLOOD RESEARCH WINS US MILITARY AWARD

Researchers from Royal Brisbane and Women's Hospital (RBWH) are among the first Australians to win an award at the US Military Health System Research Symposium - the largest military clinical science conference in the world.

Professor Michael Reade and his research team, including RBWH intensivist Dr Anthony Holley, received the award for their work on the CLIP (Cryopreserved vs. Liquid Platelet) pilot trial, conducted by the Australian Defence Force (ADF) and the Australian Red Cross Blood Service.

The research into frozen blood was selected from 1733 abstract submissions, winning best collaboration between an academic and military research team, and was the first time an Australian team has won a prize at the conference.

"It's very pleasing to see recognition at this high-level for the investment made in academic medicine and surgery by the ADF and its partners," Professor Reade said.

Platelet transfusions are life-saving in times of trauma, however platelets have a short shelf life of five days, making it impossible to provide them to regional and



Professor Michael Reade accepts the award for the CLIP (Cryopreserved vs. Liquid Platelet) pilot trial at the US Military Health System Research Symposium.

remote civilian hospitals, and military field hospitals.

"Freezing platelets extends their shelf life to four years, which would make them available in both military hospitals and small-medium sized civilian hospitals as well," Professor Reade said.

"Both Defence and the Australian civilian community would benefit enormously if frozen platelets could be introduced into widespread practice."

The study was the first major project to reach completion resulting from the academic collaboration between the ADF, the University of Queensland and RBWH that began in 2012.

The team hope that winning the award will highlight to funders the importance that the clinical and scientific community holds for research into frozen blood.

CULTURE OF RESEARCH



EARLY CAREER RESEARCHERS FIRST IN LINE FOR COLLABORATIVE RESEARCH GRANTS

In a first of its kind, seven early career research grants have been awarded from a funding collaboration between the Metro North Office of Research, The University of Queensland (UQ), Queensland University of Technology (QUT), and QIMR Berghofer Medical Research Institute (QIMR).

Executive Director of Research Professor Scott Bell said this is an exciting step in fostering strong research careers early.

He said the grants were an excellent way of building long-term collaboration between clinicians, researchers and academics, and to continually strengthen our research programs, results, and ultimately, outcomes for our patients.

Research partners UQ, QUT and QIMR matched funding for the grants.

PROJECTS AWARDED GRANTS

- A study looking at how and where biofilms (micro-organisms) and neointimas (cellular sheaths produced by the body to coat artificial surfaces) form on cannulae (hollow tubes for insertion into the body) used in ECMO heart / lung machines, and how to re-engineer the surface of a cannula to reduce these.
- A study looking at establishing equivalent dosages using the strong painkillers fentanyl and morphine by inhalation versus intravenously, to avoid the need for the time-consuming insertion of a cannula.
- A study looking at bio-fabricating bio-absorbable meshes for use in incontinence, prolapse and other pelvic surgeries, to avoid the risks associated with non-absorbable synthetic meshes, which sometimes require more surgery to remove.
- A study looking at the use of a new type of perforated peripheral intravenous catheter (PIVC) design compared to the use of a standard (non-perforated) PIVC has on patient outcomes.
- A study to promote detection and early intervention of perinatal post-traumatic stress disorder (PTSD) by developing and validating a PTSD screening tool that can be used by health professionals and researchers.
- A study to understand the prevalence and importance of—and treatment options for—Gram-negative bacteria that produce ‘inhibitory antibodies’ which protect the bacteria from attack by the body’s immune system, in the context of lung transplantation.
- A study to look at the prevalence and relevance of somatic mutations (genetic alterations acquired by a cell that can be passed on to cell progeny) in endometriosis lesions, which may be associated with more severe symptoms, physical appearance, or growth characteristics.



METRO NORTH RECEIVED A TOTAL OF

47 NEW COLLABORATIVE RESEARCH GRANT APPLICATIONS

Grant applications in the 2019 round



2019 Research Excellence Awards

RESEARCH INNOVATION RECOGNISED

The annual Metro North Research Excellence Awards recognise our researchers' ongoing commitment to improving health outcomes at Metro North.

From research into discovery, innovation and implementation, 73 nominations were received for the third annual awards, including eight candidates for Researcher of the Year.

The winners were announced at ceremony in May.

The winners were:

RISING STAR: Associate Professor Andrew Mallett

RESEARCH SUPPORT: Dr Frances Kinnear

DISCOVERY & INNOVATION: Cardiology Clinical Research Centre – CATHARSIS

COMPLEX HEALTH CHALLENGES: Network for Orthopaedic Fracture Education and Research (NOFEAR) Unit

CLINICAL RESEARCH: The Metro North Early Psychosis Service

HEALTH SERVICES & IMPLEMENTATION: Nursing and Midwifery Research Centre Vascular Access (NMVA) Research Team

RESEARCHER OF THE YEAR: Professor Paul Colditz

CHIEF EXECUTIVE'S AWARD: Professor Joan Webster

The Research Excellence Awards were sponsored by Union Health, QSuper, Health Professionals Bank, The Prince Charles Hospital Foundation and RBWH Foundation.

Metro North proudly partners with The Prince Charles Hospital Foundation and Royal Brisbane and Women's Hospital Foundation to support world-class health research.

\$19.4 MILLION
IN RESEARCH
GRANTS
FROM OUR HOSPITAL FOUNDATIONS



CONNECTING, INSPIRING AND TRANSFORMING HEALTH LEADERS AT #NEXTCARE

The inaugural Metro North #Nextcare Health Conference was an extraordinary two days of development and learning for healthcare leaders from across the globe looking to connect, inspire and transform their careers.

More than 400 delegates attended the Brisbane Convention and Exhibition Centre in May to hear from 21 renowned speakers and engage with 18 industry leading trade exhibitors.

The event included a two-day conference, welcome reception and a leaders' breakfast. The diversity in these events created opportunity for increased engagement with delegates in a range of different settings.

Highly rated speakers included Health Executive Shaun Drummond, Todd Sampson, Louise Mahler, Phill Nosworthy and Amanda Gore.

One hundred per cent of surveyed delegates confirmed they would attend again and ongoing positive feedback has been received by a range of stakeholders.

The #Nextcare Health Conference was sponsored by GE Healthcare, Novartis, BDO, Australian Unity, QSuper and Union Health.

"This was the best conference I have ever attended. The speakers were outstanding and everyone addressed different perspectives of the theme... I think this can be a conference that will attract leaders from all over Australia. Congratulations!"



Strategic workforce planning and performance

To help Metro North achieve its strategic plan objective of *Putting People First* and becoming one of the top 20 places to work in the country, Metro North is committed to implementing its Values in Action framework.

Metro North's strategic workforce planning approach incorporates many factors, including growth in consumer demand, changing demographics, funding landscape, expectations of our workforce and industrial requirements.

Our professional streams (medical, nursing and midwifery, and allied health) work across directorates, professions and clinical streams to support just-in-time and medium-term workforce and succession planning and provide a range of inter-professional learning programs to their workforce to develop Metro North's future leaders.

Key achievements for 2018-19:

- conducted the anonymous Have Your say staff survey which will enable Metro North to benchmark results against other hospital and health services around Australia
- implementing Values in Action Our People Wellbeing Framework which outlines ideas, strategies and practical tips for staff wellbeing – emotional, physical, social and financial
- implementing myHR, an online self-service tool providing managers and employees with greater access and visibility of their HR information
- launch of the Metro North Safety Activity Calendar 2019 with the Health and Safety officers working closely with frontline staff and business units on focus areas including Slips, Trips and Falls, Equipment and Maintenance, and Manual Tasks
- commencing White Ribbon accreditation which supports workplaces to prevent and respond to domestic and family violence by strengthening a culture of respect, safety and support
- increasing staff recording of diversity data through awareness campaigns to inform strategies and programs needed to build more diverse and inclusive workplaces
- launching Staff Yarns an online community for Aboriginal and Torres Strait Islander staff
- continuing to implement Leadership Capability Programs for executive, middle and frontline leaders. The Executive Leaders Program with 35 staff participating in the program in 2019 and 30 staff graduating in 2018
- establishing and maintaining effective union relationships
- releasing an Allied Health Action Plan to increase and engage with older workers, allied health assistants, people with a disability and people who identify as Aboriginal or Torres Strait Islander, including the

development of cross-Directorate flexible working arrangements and training pathways from secondary school to university.

Metro North's separation rate for 2018-19 was 4.97 per cent. This reflects the number of FTE permanent employees who separated during the year as a percentage of FTE permanent employees.

Early retirement, redundancy and retrenchment

During the period, one employee received a redundancy package at a cost of \$92, 876.94.

PUTTING PEOPLE FIRST



BREAST SCREENING MILESTONE

BreastScreen Queensland Brisbane Northside Service, operated by Metro North, celebrated 21 years of service at its Hamilton Road, Chermide location in January 2019.

More than 325,000 women have had a breast screen with the service since 1997.

Breast cancer is the most common cancer diagnosed among Australian women and more than 75 per cent of women who develop breast cancer are over the age of 50.

Finding a breast cancer in its early stages is very important as it gives a woman the best chance of successful treatment and recovery.

The BreastScreen Queensland program provides free, high-quality, breast cancer screening services to women aged 50 to 74 years. Women aged 40 to 49 and 75 and over are also eligible to attend.



Current and former staff from BreastScreen Queensland Brisbane Northside Service at Chermide celebrate 21 years of service to the community.

Our committees

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

Executive Committee

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

All Board Members are members of the Executive Committee.

Safety and Quality Committee

The role of the Safety and Quality Committee is to provide strategic leadership in relation to clinical

governance. The committee oversees the safety, quality and effectiveness of health services and monitors compliance with plans and strategies, while promoting improvement and innovation for the safety and quality of services within Metro North.

Committee membership: Dr Kim Forrester (Chair), Dr Robert Stable AM, Dr Robert Franz, and Professor Mary-Louise Fleming.

Risk and Audit Committee

The role of the Risk and Audit Committee is to oversee the internal and external audit function and matters relating to risk and compliance for financial, accounting and legislative requirements.

The committee provides independent assurance and assistance to the Board on the risk, control and compliance frameworks and external accountability responsibilities as prescribed in the *Financial Accountability Act 2009*, *Auditor-General Act 2009*, *Financial Accountability Regulation 2009* and *Financial and Performance Management Standard 2009*. The committee

IMPROVING HEALTH OUTCOMES



PROTOCOL SIGNALS RENEWED COMMITMENT TO WORKING TOGETHER

A joint protocol to provide seamless connected care for people on Brisbane's northside has been renewed.

The refreshed agreement between Metro North and Brisbane North PHN coincided with the release in December 2018 of a joint Year in Review report, documenting the shared achievements of both organisations during 2017-18.

The joint protocol formalises arrangements that govern how Metro North and the PHN work together and recognises that better health outcomes are achievable when there is effective collaboration between primary healthcare and hospital services.

The Year in Review, titled *Working together to enhance health outcomes 2017-18*, represents the first time that achievements under the joint protocol have been presented collectively by the two organisations.

The partnership provides a crucial framework for collaboration across both organisations.



Metro North Acting Chief Executive Jackie Hanson, Brisbane North PHN Chief Executive Officer Abbe Anderson, (rear) Brisbane North PHN Deputy CEO Libby Dunstan and Metro North Clinical Services, Executive Director: Dr Elizabeth Whiting.

Also during 2017-18, the Health Alliance between Metro North and the PHN made progress improving the health and wellbeing of older people through the work of the Ageing Well Initiative.

Health Alliance General Manager Professor Don Matheson said the success of the Ageing Well Initiative is contingent on the strength of the partnership between the two organisations.

“Developing a partnership mindset has been the key to unleashing the potential of working collaboratively to improve the healthcare system,” Prof. Matheson said.

observed the terms of its charter and had due regard to the Audit Committee Guidelines.

Committee membership: Geoff Hardy (Chair), Dr Kim Forrester, Adrian Carson and Assoc Prof Kim Johnston.

Finance and Performance Committee

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

Committee membership: Bernard Curran (Chair), Bonny Barry, Geoff Hardy, Dr Paula Conroy and Neil Roberts.

Other (non-legislated committees)

The Metro North Board has established the Improving Indigenous Outcomes Committee (Chair Board member Adrian Carson) which provides high-level oversight of Metro North's priorities and objectives towards Closing the Gap.

The Metro North and Brisbane North PHN boards recognise that the only way to address the health needs of our population is to work together to build on the strength of our entire primary, secondary and tertiary health network. That is why both organisations established a joint Board committee in 2017 comprising the two chairs Dr Robert Stable AM and Dr Anita Green, two members from each Board and the two chief executives.

Following an evaluation of its strategic consumer and community engagement governance arrangements, the Metro North Board replaced the Community Board Advisory Group with a smaller community advisory committee. Chaired by Board member Professor Mary-Louise Fleming with Deputy Chair Board member Dr Paula Conroy, the committee will comprise representatives from eight stakeholder organisations. Meeting quarterly, the committee will guide the Board and executive to strengthen Metro North's culture of person, family and community-centred care, service integration, equity of access and improved patient outcomes.

CULTURE OF RESEARCH



METRO NORTH STRENGTHENS RESEARCH COLLABORATION WITH QIMR BERGHOFER

Metro North and QIMR Berghofer Medical Research Institute have signed a memorandum of understanding (MOU) to extend their already close collaboration and continue to build Herston into a world-class health precinct.

The MOU, signed in January 2019, will foster collaborations between Metro North clinicians and QIMR Berghofer researchers.

The agreement will support Metro North's research activities and goals.

Many of our patients present to our health services suffering from cancer, chronic disorders, infectious diseases and mental health problems, which are the areas in which QIMR Berghofer scientists have been working to find treatments.

By strengthening our links with QIMR Berghofer, Metro North can better fulfil its aim to partner with organisations that share our vision of ensuring the next wave of cutting edge healthcare is within the grasp of today's patients.

The MOU will continue for three years with the option of extension by agreement.



QIMR Berghofer Director and CEO Professor Frank Gannon (left) and Shaun Drummond.



QUEENSLAND'S FIRST YOUTH CANCER CENTRE TAKES SHAPE AT RBWH

A rooftop above Royal Brisbane and Women's Hospital (RBWH) Joyce Tweddell Building is being transformed into Queensland's first, and Australia's largest, Sony You Can Centre – a haven for cancer patients aged 15 to 25.

Executive Director of Cancer Care Services at RBWH Associate Professor Glen Kennedy said the centre would address a gap often felt by those too old for children's, but too young for adult services.

"The centre will be easy to access and has been designed to feel like an entirely separate space that's far removed from the ward where our young patients can escape and just hang out together," Assoc Prof Kennedy said.

Approximately three Queenslanders aged 15 to 24 are diagnosed with cancer each week, with around 140 of those treated at RBWH each year.

The Sony You Can Centre will include lounge and relaxation areas, study nooks, the latest Sony

entertainment equipment, an outdoor courtyard, kitchen, and even a yoga studio.

"It's a massive step forwards, and we are so incredibly proud of the dedication and hard work that has gone into making this a reality," Assoc Prof Kennedy said.

Sony Foundation's You Can Centre has been made possible thanks to a \$1.8 million donation from Sony Foundation, \$500,000 from Queensland Health, and almost \$500,000 from Metro North.

It is expected to officially open in late 2019.

Sony Foundation has also established You Can Centres in Perth, Melbourne and Sydney.



Sony Foundation's rooftop You Can Centre at Royal Brisbane and Women's Hospital.

Our risk management

Metro North's risk management system aligns with the Australian/New Zealand Standard ISO31000:2009 on risk management principles and guidelines and the National Safety and Quality Health Service Standard 1, Governance for Safety and Quality in Health Service Organisations.

Metro North is committed to a philosophy and culture that values open, fair and equitable behaviours, and that encourages staff members to proactively manage risk. The Board has communicated a zero tolerance for preventable patient harm as the key organising principle for all risk identification, assessment, treatment, monitoring and reporting.

The 2016–2020 Metro North strategic plan identifies six overarching strategic risks:

- workforce capability and capacity
- service demand
- fragmented healthcare
- quality and safety of services
- community confidence
- asset management and renewal.

Metro North's directorates and support services are responsible for identifying and managing operational risks.

The Board also monitors organisational and operational risks and ensures that appropriate action is taken to mitigate and manage risks appropriately.

Key achievements for 2018–19:

- the Board endorsed a risk appetite statement for Metro North which is used to guide the organisation's decision making and management of risks.
- the Board endorsed the strategic risks which are regularly reviewed to ensure that risks that have the potential to impact the achievement of Metro North's strategic objectives are identified and managed.
- Metro North annual risk review provided a comprehensive overview of the current risk profile to assist with the identification of possible gaps in risk coverage.
- Metro North continues to improve its risk management system including enhancements in risk analysis and reporting capability, including through dashboard using RiskMan (central risk register) data from clinical incidents, feedback, risk and case modules to assist in identifying and mitigating risks.

Internal Audit

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

The function operates with due regard to Queensland Treasury's Audit Committee Guidelines, a Board approved Charter and contemporary internal audit standards. Overall service delivery and audit operations are aligned with the Institute of Internal Auditors – Australia, International Professional Practices Framework (IPPF). The IPPF provides a proven, professional, ethical and defensible audit framework. This framework supports the delivery of effective, efficient and economical audits.

Annual and strategic audit plans are developed in consideration of the Board's risk management (strategic and operational risks) and governance processes, designed and maintained by management. Following consultation with management and members of the risk and audit committee, the audit plans are approved by the Board.

The delivery of audits is assisted through a co-source partnership arrangement using several global consulting firms. These firms provide subject matter experts and lead audits requiring specialist knowledge and skills. Although the function liaises regularly with the Queensland Audit Office (QAO) it remains independent of the QAO.

Key achievements for 2018–19:

During the period, Internal Audit finalised* or completed* 30 internal audits covering both clinical and non-clinical risk areas including:

- IT cyber security – training and physical security, strategic alignment of IT, Financial System Renewal readiness reviews
- payroll – recruitment controls, occupational violence prevention
- incident reporting – SAC1, mechanical restraint and seclusion, emergency ECT practices
- medication management – RBWH, management of clinical consumables

* Finalised – Audit report has been considered and approved for release by the Chief Executive and Risk and Audit Committee

* Completed – Audit report is with management for response

External Scrutiny

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

All Metro North services are currently accredited with the Australian Council on Healthcare Standards (ACHS) and the Australian Aged Care Quality Agency for aged care services.

In 2018–19, none of the Clinical Directorates underwent accreditation under the National Standards, by ACHS. Cooina was accredited under the previous Aged Care Standards in October 2018. Halwyn was accredited under the Human Services Standards by SAI Global in June 2019.

All services successfully met all Standards and maintained accreditation.

In 2018–2019, Parliamentary reports tabled by the Auditor-General which broadly considered the performance of Metro North included:

- Managing consumer food safety in Queensland (Report 17: 2018–19)
- Health: 2017–18 results of financial audits (Report Report 13: 2018–19)
- Digitising public hospitals (Report 10: 2018–19).

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

Metro North also considered the findings and recommendations of several other reports to inform its service delivery and planning:

- Monitoring and managing ICT projects (Report 1: 2018–19)
- Access to the National Disability Insurance Scheme for people with impaired decision-making capacity (Report 2: 2018–19)
- Delivering shared corporate services in Queensland (Report 3: 2018–19)
- Managing transfers in pharmacy ownership (Report 4: 2018–19)
- Delivering coronial services (Report 6: 2018–19).

Metro North periodically works with the Crime and Corruption Commission across a number of areas to maintain a robust corruption prevention framework.

Information systems and record keeping

Metro North is committed to making the best use of the information it holds in a way that promotes public trust in how we handle, protect and disclose personal and sensitive information.

In terms of access to information by the public, in 2018–2019, Metro North across its facilities processed 11,629 applications for information. This translates to 1,571,050 pages processed through administrative access and legislative mechanisms like Right to Information and Information Privacy applications. Most of this is related to patient care, however applications are also received relating to wider policy questions and from media outlets, political and non-government organisations.

Metro North continues to implement the requirements of the Records Governance Policy, issued in June 2018, with a focus on increasing records management capability and maturity. The recent upgrade of the Corporate Document and Records Management System (eDRMS), and continued rollout, supports our focus to build digital capability in Metro North.



MORE THAN

1.5 MILLION PAGES RELEASED TO

PATIENTS, CONSUMERS, MEDIA OUTLETS, POLITICAL AND NON-GOVERNMENT ORGANISATIONS

The Enterprise Records Management Team has delivered records management training content to administration officers in our health community teams as well as improving activity reporting processes and raising awareness to staff of information policy and recordkeeping practices.

Metro North has implemented processes to protect records in accordance with the Disposal Freeze, issued by the Queensland State Archivist, for records that are relevant to, or may become relevant to, the current Royal Commission into Aged Care Quality and Safety.

Open data

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

Queensland Public Service ethics

Metro North continues to uphold the principles of the *Public Sector Ethics Act 1994*: Integrity and impartiality; Promoting the public good; Commitment to the system of government; and Accountability and transparency.

All staff employed in Metro North are required to undertake training in the Code of Conduct for the Queensland Public Service during their orientation, and re-familiarise themselves with the Code at regular intervals.

The orientation program includes conflict of interest, fraud, and bullying and harassment to ensure all staff have a good understanding of their requirements under the Code of Conduct for the Queensland Public Service. Communications relating to the standard of practice are also regularly released.

During 2018–19, there has been a focus on continuing to build a professional and positive workplace culture – part of Metro North's Values in Action framework. The Metro North Integrity Unit was established.

In 2018–19 the Integrity Unit has:

- undertaken a number of education sessions on the amendments to the corrupt conduct reporting requirements and the new public interest disclosure standards.
- developed a Metro North education strategy to ensure compliance with appropriate access and management of patient information.
- implemented an electronic case management system to record complaints. The system has a reporting function which can be used to identify trends and undertake target education sessions.

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

Confidential information

The Hospital and Health Boards Act 2011 requires annual reports to state the nature and purpose of any confidential information disclosed in the public interest during the financial year. During the 2018-19 period, two disclosures were authorised in relation to specified patient information:

- information regarding a patient's medical/health status for the purpose of fitness to practice their usual profession.
- information to assist in identify a patient, their assets and possible crime connections for the purpose of patient identification, payment for future health care, prosecution of crime and protection of life.

The Integrity Unit helps Metro North promote, achieve and maintain a workplace culture of good behaviour, trust, respect and fairness. We achieve this by providing specialist investigative capability and high-level advice concerning matters of employee misconduct.

Performance

Demand on services

Table 3: Delivering more care

	2018–19	Change since last year
Babies born ^a	* 8,308	* 173
Oral health treatments ^{b 1}	804,932	#-27,113
Emergency Department presentations ^c	300,613	8,767
Emergency Department 'Seen in time' ^c	204,201	9,634
Patient admissions (from ED) ^c	112,287	4,975
Emergency surgeries ^{d 2}	12,159	36
Outpatient occasions of service (specialist and non-specialist) ^{d 3}	1,503,424	58,018
Specialist outpatient first appointments delivered in time ^{e 4}	108,900	16,396
Gastrointestinal endoscopies delivered ^f	19,532	2,794
Gastrointestinal endoscopies delivered in time ^f	14,767	4,578
Elective surgeries, from a waiting list, delivered ^g	28,066	1,024
Elective surgeries, from a waiting list, delivered in time ^g	26,298	857
Number of telehealth services ^h	17,827	2,456
Hospital in the Home admissions ^{d 5}	1,670	-279

¹ Oral Health treatments are identified as Weighted Occasions of Service.

² Emergency surgeries data is preliminary.

³ Only includes Activity Based Funding (ABF) facilities.

⁴ Specialist outpatient services are a subset of outpatient services, where the clinic is led by a specialist health practitioner.


⁵ Hospital in the Home admissions data is preliminary.

* Perinatal data collection is based on calendar year 2018.

The 2018-19 service target was exceeded. 3.3% (27,113) less oral health treatments in 2018-19 was due to service transition to the Metro North Oral Health Centre. Increased occasions of service activity will resume in 2019-20.

Source: ^a Perinatal Data Collection, ^b Oral Health Service, ^c Emergency Data Collection, ^d GenWau, ^e Specialist Outpatient Data Collection, ^f Gastrointestinal Endoscopy Data Collection, ^g Elective Surgery Data Collection, ^h Monthly Activity Collection.

ZERO 
DENTAL LONG WAITS
FOR PATIENTS WAITING LONGER
THAN 2 YEARS IN 2018–19


17,827
OCCASIONS OF
TELEHEALTH SERVICE

IMPROVING HEALTH OUTCOMES



DELEGATE ELECTRONIC MENU SYSTEM ROLLS OUT AT KILCOY HOSPITAL

Caboolture Hospital Nutrition and Food Services Manager Michelle Suter continues to influence the nutritional standards of meals and menus that are served to patients in Queensland Health facilities.

As a member of the Statewide Food Services Network – Nutrition Standards Workgroup, she had an important role developing the latest version of the Queensland Health Nutrition Standards for Meals and Menus, published in December 2018, having provided input to a previous review in 2015 and initially developing the state-wide standards in 2012.

The standards provide an important framework for menu planning in hospitals, residential aged care, mental health facilities and acquired brain injury units managed by Queensland Health.

Whether it's breakfast, lunch or dinner, Michelle knows very well that serving quality meals with good nutritional value can be crucial for a patient's ability to heal well and quickly.

She said the rollout of the Delegate electronic menu system at Kilcoy Hospital recently ensured that patients had access to tasty menu choices that also comply with their dietary requirements.

“It can be tricky to know which foods contain food allergens and which are suitable for different texture modified diets,” Michelle said.

“We wanted to make sure that the food served was appealing and helps with recovery.

“The Delegate system takes the guess work away for cooks and operational staff.”

Kilcoy Hospital kitchen staff prepare about 30,000 meals for patients, staff, visitors and the community each year.

Food service staff collect menu orders each morning for lunch, dinner and breakfast the next day using a computer workstation on wheels.

The software interfaces directly with other patient information systems to ensure that the menu information is up-to-date in real time, rather than relying on manual cross-checking and updating paper menus.

“The new electronic system ensures patients are only offered menu choices that comply with their dietary requirements,” Michelle said.

We wanted to make sure that the food served was appealing and helps with recovery.



Caboolture Hospital Nutrition and Food Services Manager Michelle Suter.

“Kitchen staff appreciate the safety benefits and are pleased that they can continue to offer the same great menu choices to their patients.

“The new system has additional clinical benefits including the ability to track menu orders, calculate nutritional intakes and supplement compliance.

“It also means the dietetic team at Caboolture Hospital can more easily support the Kilcoy kitchen with menus and any tricky special diet requests.”

Service standards

Table 4: Service Standards – Performance 2018-19

Service Standards	Target	Actual
EFFECTIVENESS MEASURES		
Percentage of patients attending emergency departments seen within recommended timeframes: ^a	100%	99.4%
Category 1 (within 2 minutes)	80%	78.4%
Category 2 (within 10 minutes)	75%	59.8%
Category 3 (within 30 minutes)	70%	77.6%
Category 4 (within 60 minutes)	70%	94.8%
Category 5 (within 120 minutes)		
Percentage of emergency department attendances who depart within four hours of their arrival in the department ^a	>80%	67.0%
Percentage of elective surgery patients treated within clinically recommended times: ^b		
Category 1 (30 days)	>98%	93.6%
Category 2 (90 days)	>95%	93.6%
Category 3 (365 days)	>95%	94.1%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	<2	0.8 ⁶
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit ^d	>65%	58.5%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge ^d	<12%	14.5% ⁷
Percentage of specialist outpatients waiting within clinically recommended times: ^e		
Category 1 (30 days)	56%	76.6%
Category 2 (90 days)	70%	69.8%
Category 3 (365 days)	94%	94.3%
Percentage of specialist outpatients seen within clinically recommended times: ^e		
Category 1 (30 days)	81%	81.0%
Category 2 (90 days)	62%	60.8%
Category 3 (365 days)	89%	83.6%
Median wait time for treatment in emergency departments (minutes) ^a	..	19
Median wait time for elective surgery (days) ^b	..	36
Efficiency Measure		
Average cost per weighted activity unit for Activity Based Funding facilities ^{f g}	\$4,395	\$4,653 ⁸
Other Measures		
Number of elective surgery patients treated within clinically recommended times: ^b		
Category 1 (30 days)	9,727	9,718
Category 2 (90 days)	10,109	10,851
Category 3 (365 days)	6,003	5,729
Number of Telehealth outpatient occasions of service events ^h	10,000	17,827
Total weighted activity units (WAU's) ^g		
Acute Inpatient	283,426	281,704 ⁹
Outpatients	86,334	96,429
Sub-acute	25,811	22,732
Emergency Department	45,637	41,949
Mental Health	33,372	35,479
Prevention and Primary Care	10,055	10,478
Ambulatory mental health service contact duration (hours) ^d	>171,919	149,919
Staffing ⁱ	16,165	16,184

⁶ SAB data presented is preliminary.

⁷ Readmission to acute Mental Health inpatient unit data presented as May-19 FYTD.

⁸ Cost per WAU data presented as Mar-19 FYTD.

⁹ As extracted on 19 August 2019.

Source: ^a Emergency Data Collection, ^b Elective Surgery Data Collection, ^c Communicable Diseases Unit, ^d Mental Health Branch, ^e Specialist Outpatient Data Collection, ^f DSS Finance, ^g GenWAU, ^h Monthly Activity Collection, ⁱ DSS Employee Analysis.

PUTTING PEOPLE FIRST



TEAM APPROACH TO PATIENT CARE ACHIEVES EXCELLENCE

Royal Brisbane and Women’s Hospital (RBWH) Cancer Care Services has achieved an Australian first certification as a Centre for Excellence for its new innovative model of care that involves patients and their families as part of the care team.

Cancer Care Services introduced Structured Interdisciplinary Bedside Rounds (SIBR), a multidisciplinary model to streamline care by bringing all clinicians together to work with patients during daily ward rounds, in December 2017.

Since then, more than 3000 patients have experienced 19,000 individual SIBR moments, where the clinical team has visited the bedside together to discuss and develop the patient’s care plan.

Executive Director Cancer Care Services at RBWH Associate Professor Glen Kennedy congratulated the team on their commitment to delivering the SIBR model which has had benefits for both patients and staff.

“By implementing SIBR, the team has reimagined the way care is delivered to enhance patient safety by improving communication between the teams and ensuring patients are central to making plans for their care,” Assoc Prof Kennedy said.

“SIBR has also had an impact on fostering a positive team culture within Cancer Care Services that has empowered all staff to be a part of decision making.”

“The team have done an excellent job of embracing change and have set an example for other areas of the health service to follow.”

The SIBR model is now being adopted by other RBWH services.

The team have done an excellent job of embracing change and have set an example for other areas of the health service to follow.



SIBR Founder Dr Jason Stein (left) with the Cancer Care Services team at Royal Brisbane and Women’s Hospital.



STARS

SURGICAL, TREATMENT AND REHABILITATION SERVICE

Metro North Hospital and Health Service *Putting people first*

STARS TO INCREASE PATIENT ACCESS TO SPECIALIST REHABILITATION SERVICES

The \$340 million Surgical, Treatment and Rehabilitation Service (STARS) is being delivered to increase patient access to comprehensive and specialist rehabilitation services, short-stay elective surgery, endoscopy services and outpatient services and meet the projected demand for these services.

STARS is being delivered in the form of a hybrid public private partnership (PPP) leasing arrangement as part of the redevelopment of Herston Quarter by Australian Unity.

The design and delivery of the new 184-bed specialist public health facility being developed for Metro North as part of Australian Unity's \$1.1 billion Herston Quarter Redevelopment progressed during 2018–19.

Since construction commenced in May 2018, the southern structure of STARS reached full height. It is anticipated that the northern structure will reach this milestone in Quarter 3 2019. Work on the development of public realm adjacent to STARS commenced in April 2019. The Spanish Steps will improve pedestrian access from Herston Road and public transport to the Herston Quarter heritage core.

DESIGNING FOR HEALTH OUTCOMES

A comprehensive clinical design process for STARS, which included engagement with more than 300 clinical and non-clinical stakeholders, concluded in late 2018.

The contemporary clinical design will result in healthcare service efficiencies and provide enhanced patient access to the proposed care. The design will allow for an additional bed capacity of up to 52 beds that was announced in 2017–18.

Key outcomes also included:

- a surgical and procedural centre to increase access to elective surgical services for patients
- delivery of seven operating theatres to provide high-volume, short-stay, for lower complexity cases
- three endoscopy rooms to enhance access to these services
- 20 new specialist beds for brain injured patients which will increase the state-wide capacity for early rehabilitation
- 20 new specialist rehabilitation beds for major trauma, burns and complex rehabilitation patients – the first unit of its kind in Queensland
- relocation of RBWH's 30-bed Geriatric Assessment and Rehabilitation Unit (GARU), plus an additional 30 new beds; doubling the capacity of this service
- co-location of the state-wide Rehabilitation Engineering Centre which will provide wheelchair and seating modification services along with adaptive device technology support for the 100 rehabilitation beds
- transfer of the Professor Tess Cramond Multidisciplinary Pain Centre and relocation of Rheumatology and Dermatology outpatient departments.



COMMISSIONING OF STARS

Preparing for the opening of the Surgical, Treatment and Rehabilitation Service (STARS) requires extensive planning.

From late 2018, work intensified to plan for the commissioning activities for STARS. Throughout 2019, operational readiness planning continued to ensure that the right people, systems and processes will be in place when STARS is due to open. STARS will receive its first patients in late 2020 and will officially open in early 2021 as services ramp-up and become available to patients.

The initial development of several Models of Care and Models of Service Delivery concluded in 2018 in consultation with clinicians. These will continue to evolve to define the care to be delivered at STARS.

STARS will require approximately 900 clinical and non-clinical jobs once operational. Workforce profiling commenced in 2017 and is continuing to be refined to establish the positions that will be required for STARS.

STARS has been designed to be 'digital ready' so wired and wireless networks can host a large quantity of diverse devices throughout the facility (e.g. PCs, Workstations on Wheels (WoWs), phones, and biomedical devices).

ICT requirements for STARS are consistent with the Digital Metro North Strategy, which includes the rollout of the integrated electronic medical record (ieMR) system for healthcare data. In 2019, work commenced to identify the ieMR-specific uplift required to satisfy ieMR clinical workflows. Preliminary testing of ICT networks and equipment commenced in early in 2019.

Also, in 2019, upgrades to the RBWH ICT network to support STARS connectivity were completed and an offsite application testing facility was established for the testing of desktop software for clinical and non-clinical services.



More than 19,000 items (across more than 800 types) of other Furniture, Fittings and Equipment (FF&E) have been identified for inclusion within STARS. Metro North is overseeing the other FF&E program to ensure that the items will be suitable for contemporary clinical service delivery. In early 2019, Metro North commenced procurement of major medical imaging equipment, network equipment, audio visual equipment and telephones and messaging devices.

In late 2018, engagement commenced with clinical and non-clinical staff and across Metro North facilities regarding the transition of STARS and the operational readiness program. Engagement will be ongoing during 2019–2020 in preparation for Day One of STARS in late 2020.

Financial summary

for the year ended 30 June 2019

High Level Profit and Loss

	2019	2018
	\$'000	\$'000
Income		
User Charges and fees	262,066	240,725
Funding for the provision of public health services	2,588,399	2,430,149
Grants and Other Contributions	43,559	43,187
Other Revenue	57,827	50,850
Gain on disposal/re-measurement of assets	395	549
Total Income	2,952,246	2,765,460
Expenses		
Employee Expenses	2,085,470	1,964,160
Supplies and Services	723,243	673,034
Grants and subsidies	1,128	1,403
Depreciation and Amortisation	117,270	103,554
Impairment losses	8,208	5,497
Other Expenses	12,626	10,431
Total Expenses	2,947,945	2,758,079
Operating result	4,301	7,381
High Level Balance Sheet		
Assets		
Cash and cash equivalents	117,803	75,925
Receivables	97,778	105,607
Property, plant and equipment	1,350,059	1,335,724
Inventories	18,218	20,164
Intangible assets	24,980	21,139
Other	12,335	9,587
Total Assets	1,621,173	1,568,146
Liabilities		
Payables	134,838	88,695
Other	104,262	119,249
Total Liabilities	239,100	207,944
Net Assets	1,382,073	1,360,202

Anticipated maintenance

Anticipated maintenance is a common building maintenance strategy utilised by public and private sector industries. All Queensland Health entities comply with the Queensland Government Maintenance Management Framework which requires the reporting of anticipated maintenance.

Anticipated maintenance is maintenance that is necessary to prevent the deterioration of an asset or its function but which has not been carried out. Some anticipated maintenance activities can be postponed without immediately having a noticeable effect on the functionality of the building. All anticipated maintenance items are risk assessed to identify any potential impact on users and services and are closely managed to ensure all facilities are safe.

As of 30 June 2019, Metro North had reported total anticipated maintenance of \$213,851,858.

Metro North has the following strategies in place to mitigate any risks associated with these maintenance items:

- actively engaging with Queensland Health to access other funding sources such as the Priority Capital Program funding
- identify current and forecast issues in the Strategic Asset Management Plan (SAMP)
- continue to address emergent issues within existing funding constraints
- wherever possible address maintenance issues through funded capital projects.

IMPROVING HEALTH OUTCOMES



IMPROVED CARE FOR CYSTIC FIBROSIS PATIENTS

A physical upgrade of The Prince Charles Hospital's (TPCH) Adult Cystic Fibrosis (CF) Centre is enabling patients to receive improved care during their hospital stay.

The \$2.925m upgrade funded by the State Government, includes the construction of six additional bathrooms, and the full refurbishment of all patient areas within the 14-bed unit, which means that patients can now receive their care in safer, more modern facilities that better support their clinical needs.

Patients now have access to their own individual bathroom during their hospital admission, which is a significant safety improvement for all patients who previously had a shared bathroom during their hospital stay.

TPCH's Director Adult Cystic Fibrosis Centre Dr David Reid said CF patients have very special clinical requirements due to the nature of their condition.

"Cystic fibrosis is a genetic condition resulting in chronic lung disease, poor nutrition and reduced life expectancy, although survival is increasing significantly and will continue to do so," Dr Reid said.

"Patients with CF are susceptible to bacterial infections and there is also the risk of cross-infection occurring between patients.



Patient Sue Hayes with Clinical Nurse, Margaret Lysaught in the upgraded Adult Cystic Fibrosis Centre at The Prince Charles Hospital.

"In a hospital setting, the opportunity for patient-to-patient contact and infection naturally increases, particularly if the individual is in hospital for a prolonged period. Patients with CF can have up to four admissions each year, with many admissions lasting 14 days or more.

"While the CF Unit employs strict infection control practices and protocols, enforcing this can be challenging, particularly if patients are sharing facilities like bathrooms."

Other improvements that have enhanced safety within the Centre include a major upgrade of the air conditioning system to enhance air quality for patients within the Centre, new electrical and nurse call systems using the latest technology, and additional hand washing basins in each patient room.

IMPROVING HEALTH OUTCOMES



ROOM SERVICE IMPROVING NUTRITIONAL OUTCOMES

The Prince Charles Hospital (TPCH) is Queensland’s first public hospital to introduce room service, giving patients greater flexibility and choice with their meals.

The room service model allows patients to order meals anytime between 6.30am and 7pm via their bedside phones or own mobile devices.

Being able to choose what they want to eat, when they want to eat it, means patients are more likely to finish their meals and improve their nutritional outcomes, which helps them recover better and get home sooner.

The hospital’s commercial kitchen has been renovated to support the room service model and now features induction cooktops and turbo chef ovens to state-of-the-art griddle plates, cappuccino machines and a cold larder station to prepare sandwich combinations at each patient’s request.

Patient Raffaella receives her new room service meal from attendant Suzanne.



Induction charging bases keep meals hot until they reach the patient’s bedside.

The variety of food on offer also has been expanded, with a greater food selection for patients with specific dietary requirements, allergies or restrictions.

Popular menu additions include an all-day hot breakfast, burgers, stir fries and pancakes.

The new model also has resulted in an increase in hospital kitchen staff including cooks to prepare meals fresh and in house, staff to take phone orders in a dedicated call centre and a reduction in plate waste.

IMPROVING HEALTH OUTCOMES



MAKING A FRESH START THROUGH NDIS

After nearly two decades of specialist care following a debilitating brain injury, Mario Albutt is now living in his new home on the Gold Coast.

Mario is one of hundreds of Metro North patients who have been supported into the National Disability Insurance Scheme (NDIS) over the past year, including seven patients from the Brighton Brain Injury Service.

“I am enjoying living independently,” Mario said. “And I am a lot closer to my family,”

Mario wasn’t expected to survive after suffering an aneurysm in the early 2000s, but with the support of family and extensive rehabilitation, he has regained some function.

Mario has spent 16 years living at the Jacana Acquired Brain Injury Centre, now relocated to the Brighton Brain Injury Service. He is wheelchair dependent and requires assistance with his general care needs.

He is now living in his own unit with support workers visiting him to attend to his care needs and provide access to activities in the community.

Mario is one of 500,000 Australians with a disability, and is being assisted with funding for living supports, equipment and treatment in the community.



A great new life has opened for former Brighton Brain Injury Service patient Mario Albutt who now lives by himself with NDIS support.

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Statement of Comprehensive Income

for the year ended 30 June 2019

		2019	2019	Budget	2018
	Notes	Actual	Budget	Variance	Actual
		\$'000	\$'000	\$'000	\$'000
Income					
User charges and fees	A1-1	262,066	261,423	643	240,725
Funding for the provision of public health services	A1-2	2,588,399	2,548,572	39,827	2,430,149
Grants and other contributions	A1-3	43,559	20,135	23,424	43,187
Other revenue	A1-4	57,827	7,977	49,850	50,850
Gain on disposal/re-measurement of assets		395	99	296	549
Total income		2,952,246	2,838,206	114,040	2,765,460
Expenses					
Employee expenses	A2-1	2,085,470	2,038,111	(47,359)	1,964,160
Supplies and services	A3-1	723,243	680,479	(42,764)	673,034
Grants and subsidies		1,128	2,178	1,050	1,403
Depreciation and amortisation	B4/ B5-1	117,270	109,109	(8,161)	103,554
Impairment losses		8,208	3,773	(4,435)	5,497
Other expenses		12,626	4,556	(8,070)	10,431
Total expenses		2,947,945	2,838,206	(109,739)	2,758,079
Operating result		4,301	-	4,301	7,381
Other comprehensive income					
Items that will not be reclassified subsequently to operating result					
Increase in asset revaluation surplus	B7-1	34,726	-	34,726	33,078
Total other comprehensive income		34,726	-	34,726	33,078
Total comprehensive income		39,027	-	39,027	40,459

Statement of Financial Position

as at 30 June 2019

	Notes	2019 Actual \$'000	2019 Budget \$'000	Budget Variance \$'000	2018 Actual \$'000
Current assets					
Cash and cash equivalents	B1	117,803	7,696	110,107	75,925
Receivables	B2-1	97,778	91,776	6,002	105,607
Inventories	B3	18,218	19,044	(826)	20,164
Other assets		11,534	8,963	2,571	9,142
Total current assets		245,333	127,479	117,854	210,838
Non-current assets					
Property, plant and equipment	B5-1	1,350,059	1,305,523	44,536	1,335,724
Intangible assets	B4	24,980	25,403	(423)	21,139
Other assets		801	243	558	445
Total non-current assets		1,375,840	1,331,169	44,671	1,357,308
Total assets		1,621,173	1,458,648	162,525	1,568,146
Current liabilities					
Payables	B6-1	134,838	79,280	(55,558)	88,695
Accrued employee benefits	A2-1	88,653	86,008	(2,645)	85,514
Provisions	B6-2	-	-	-	20,429
Unearned revenue		15,609	2,836	(12,773)	13,306
Total current liabilities		239,100	168,124	(70,976)	207,944
Total liabilities		239,100	168,124	(70,976)	207,944
Net assets		1,382,073	1,290,523	91,549	1,360,202
Equity					
Contributed equity		1,076,641	1,031,423	45,217	1,093,797
Accumulated surplus/(deficit)		95,712	84,177	11,535	91,411
Asset revaluation surplus	B7-1	209,720	174,923	34,797	174,994
Total equity		1,382,073	1,290,523	91,549	1,360,202

Statement of Changes in Equity

for the year ended 30 June 2019

	Accumulated surplus / (deficit) \$'000	Asset revaluation surplus \$'000	Contributed equity \$'000	Total equity \$'000
Balance as at 1 July 2017	84,030	141,916	1,121,764	1,347,710
Operating result for the year	7,381	-	-	7,381
Other comprehensive income				
Increase in asset revaluation surplus	-	33,078	-	33,078
Total comprehensive income for the year	7,381	33,078	-	40,459
Transactions with owners:				
Equity injections - minor capital funding	-	-	73,612	73,612
Equity withdrawals - depreciation and amortisation	-	-	(103,554)	(103,554)
Non-appropriated equity asset injections	-	-	1,975	1,975
Net transactions with owners	-	-	(27,967)	(27,967)
Balance at 30 June 2018	91,411	174,994	1,093,797	1,360,202
Balance as at 1 July 2018	91,411	174,994	1,093,797	1,360,202
Operating result for the year	4,301	-	-	4,301
Other comprehensive income				
Increase in asset revaluation surplus	-	34,726	-	34,726
Total comprehensive income for the year	4,301	34,726	-	39,027
Transactions with owners:				
Equity injections - minor capital funding	-	-	96,840	96,840
Equity withdrawals - depreciation and amortisation	-	-	(117,271)	(117,271)
Non-appropriated equity asset injections	-	-	3,275	3,275
Net transactions with owners	-	-	(17,156)	(17,156)
Balance at 30 June 2019	95,712	209,720	1,076,641	1,382,073

The accompanying notes form part of these statements.

Statement of Cash Flows

for the year ended 30 June 2019

	Notes	2019 Actual \$'000	2019 Budget \$'000	Budget Variance \$'000	2018 Actual \$'000
Cash flows from operating activities					
<i>Inflows</i>					
User charges and fees		274,206	254,326	19,880	232,586
Funding for the provision of public health services		2,467,013	2,548,572	(81,559)	2,315,177
Grants and other contributions		20,659	20,116	543	42,565
Interest received		776	635	141	716
Other revenue		47,798	7,342	40,456	20,936
GST received		42,301	39,723	2,578	49,588
<i>Outflows</i>					
Employee expenses		(2,082,330)	(2,032,393)	(49,937)	(1,953,459)
Supplies and services		(673,151)	(678,911)	5,760	(607,224)
Grants and subsidies		(1,828)	(2,178)	350	(2,021)
Other expenses		(11,209)	(4,556)	(6,653)	(8,714)
GST paid		(42,131)	(39,749)	(2,382)	(49,545)
Net cash from operating activities	CF-1	42,104	112,927	(70,823)	40,605
Cash flows from investing activities					
<i>Inflows</i>					
Sales of property, plant and equipment		419	99	320	536
<i>Outflows</i>					
Payments for property, plant and equipment		(91,310)	(58,969)	(32,341)	(109,647)
Payments for intangible assets		(6,175)	-	(6,175)	(8,096)
Net cash (used by) investing activities		(97,066)	(58,870)	(38,196)	(117,207)
Cash flows from financing activities					
<i>Inflows</i>					
Equity transferred		96,840	(78,603)	175,443	73,612
Net cash from/(used by) financing activities		96,840	(78,603)	175,443	73,612
Net increase/(decrease) in cash and cash equivalents		41,878	(24,546)	66,424	(2,990)
Cash and cash equivalents at the beginning of the financial year		75,925	32,242	43,683	78,915
Cash and cash equivalents at the end of the financial year	B1	117,803	7,696	110,107	75,925

Notes to the statement of cash flows

for the year ended 30 June 2019

CF-1 Reconciliation of surplus to net cash from operating activities

	2019	2018
	\$'000	\$'000
Surplus/(deficit) for the year	4,301	7,381
Adjustments for:		
Non-cash equity withdrawal - depreciation funding	(117,271)	(103,554)
Depreciation and amortisation expense	117,270	103,554
Impairment loss	7,171	5,345
Loss on sale of property, plant and equipment	695	1,094
Assets transferred - non-cash	(395)	(549)
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables	(191)	(25,940)
(Increase)/decrease in GST receivables	170	43
(Increase)/decrease in inventories	1,946	(1,532)
(Increase)/decrease in recurrent prepayments	(2,748)	(953)
Increase/(decrease) in payables	46,143	14,117
Increase/(decrease) in accrued salaries and wages	1,836	10,892
Increase/(decrease) in unearned revenue	2,303	10,470
Increase/(decrease) in other employee benefits	1,303	(192)
Increase/(decrease) in provisions	(20,429)	20,429
Net cash from operating activities	42,104	40,605

Notes to the financial statements for the year ended 30 June 2019

BASIS OF FINANCIAL STATEMENT PREPARATION

General information

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

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 Metro North Hospital and Health Service is:
Level 14, Block 7
Royal Brisbane and Women's Hospital
Herston QLD 4029

For information in relation to the health service please call (07) 3646 8111, email metronorthfeedback@health.qld.gov.au or visit Metro North Hospital and Health Service's website at: <https://www.health.qld.gov.au/metronorth/about/contact-us>.

Statement of compliance

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

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with *Queensland Treasury's Financial Reporting Requirements* for the year ending 30 June 2019 and other authoritative pronouncements.

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

The reporting entity

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

Presentation matters

Currency and rounding

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

Current/Non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of financial position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or Metro North Hospital and Health Service does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

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

Authorisation of financial statements for issue

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

SECTION A NOTES ABOUT OUR FINANCIAL PERFORMANCE

A1 REVENUE

	2019	2018
	\$'000	\$'000
A1-1: User charges and fees		
Hospital fees	139,171	137,813
Sales of goods and services	24,944	22,989
Pharmaceutical benefit scheme reimbursements	97,951	79,923
Total	262,066	240,725

Accounting policy – User charges and fees

User charges and fees are recognised as revenue when earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services once the goods have been delivered to the customer of the services completed and/or the recognition of accrued revenue for revenue earned but not yet invoiced.

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

A1-2: Funding for the provision of public health services		
	2019	2018
	\$'000	\$'000
Activity based funding	2,091,656	1,977,857
Block funding	181,620	171,381
Depreciation funding	117,271	103,554
Other funding	197,852	177,357
Total	2,588,399	2,430,149

Accounting policy – Funding for the provision of public health services

Funding is provided predominantly from the Department of Health for specific public health services purchased by the Department in accordance with a service agreement. The Australian Government pays its share of National Health funding directly to the Department of Health, for on forwarding to the Hospital and Health Service. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by Metro North Hospital and Health Service. Cash funding from the Department of Health is received fortnightly for State payments and monthly for Commonwealth payments and is recognised as revenue on receipt. At the end of the financial year, an agreed technical adjustment between the Department of Health and Metro North Hospital and Health Service may be required for the level of services performed above or below the agreed levels.

The service agreement between the Department of Health and Metro North Hospital and Health Service dictates that depreciation and amortisation charges that are incurred by Metro North Hospital and Health Service are funded by the Department of Health via non-cash revenue. This transaction is shown in the Statement of changes in equity as an equity withdrawal and is recognised in the Statement of comprehensive income as Other funding, \$117.3M in 2019 (2018: \$103.6M).

A1-3: Grants and other contributions		
	2019	2018
	\$'000	\$'000
Grants and other contributions	20,653	19,937
Services received below fair value	22,906	23,250
Total	43,559	43,187

Accounting policy – Services received below fair value

During 2018-19 Metro North Hospital and Health Service received services below fair value from the Department of Health in the form of payroll, accounts payable and banking services. AASB 1004 *Contributions* states that Metro North Hospital and Health Service shall recognise income and a matching expense for services received below fair value only if the services would have been purchased from an alternative provider if they had not been provided by the Department and the fair value of the services received can be reliably measured. Both criteria have been satisfied and therefore require Metro North Hospital and Health Service to recognise income and a corresponding expense for the fair value of these services received. The fair value of these services amounted to \$22.9M in 2019 (2018: \$23.3M) and were recognised in "Grants and other contributions" in the Statement of comprehensive income. Please see note A3-1 for disclosure of the corresponding expense recognised for services received below fair value.

A1-4: Other revenue		
	2019	2018
	\$'000	\$'000
Interest	776	716
Health service employee expense recoveries*	18,223	16,508
Rental Income	3,950	3,853
Other recoveries	24,278	21,171
Other revenue	10,600	8,602
Total	57,827	50,850

A2 EMPLOYEE EXPENSES

A2-1: Employee expenses		
	2019	2018
	\$'000	\$'000
Employee benefits		
Wages and salaries	1,644,645	1,560,956
Employer superannuation contributions	171,051	159,619
Annual leave levy	202,354	181,936
Long service leave levy	34,788	32,729
Termination benefits	1,291	1,094
Employee related expenses		
Workers compensation premium	16,571	15,130
Other employee related expenses	14,770	12,696
Total	2,085,470	1,964,160
	2019 No.	2018 No.
Full-Time Equivalent Employees	16,184	15,781

Accounting Policy – Employee Benefits

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

Payroll tax and workers' compensation insurance are a consequence of employing employees and are recognised separately as employee related expenses.

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

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

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

Employer superannuation contributions are paid to Queensland Government's QSuper fund, or an alternative employee-nominated choice of superannuation fund, for all employees and include superannuation contributions to self-managed superannuation funds. QSuper is the default superannuation scheme for Queensland Government employees. The QSuper scheme has defined contribution and defined benefit categories, where the rates for the latter are determined by the Treasurer on the advice of the State Actuary. Metro North's obligation is limited to its contributions to the respective superannuation funds. Contributions are expensed in the period in which they are paid or payable and Metro North Hospital and Health Service's obligation is limited to those contributions paid.

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

A2-2: Key Management Personnel Disclosures

Metro North Hospital and Health Service's responsible Minister is identified as part of its key management personnel. That minister is the Minister for Health and Minister for Ambulance Services, being Honorable Dr Steven Miles MP.

The following details for non-Ministerial key management personnel reflect those Metro North Hospital and Health Service positions that had authority and responsibility for planning, directing and controlling activities during the current financial year:

Position	Name	Contract classification / appointment authority	Initial appointment date	Resignation/ Cessation date
Non-executive Board Chair Provide strategic leadership, guidance and effective oversight of management, operations and financial performance.	Emeritus Professor Robert Stable AM MBBS, DUniv (QUT), MHP, FRACGP, FAICD, FCHSM (Hon)	Chairperson – <i>Hospital and Health Boards Act 2011 Section 25 (1) (a)</i> Tenure: 18/05/2016 to 17/05/2020	18/5/2016	–
Non-executive Deputy Board Chair Provide strategic leadership, guidance and effective oversight of management, operations and financial performance.	Dr Kim Forrester RN, BA, LLB, LLM (Advanced), PhD, MAICD, Barrister at Law, Associate Professor, Faculty of Health Science and Medicine Bond University	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2014 to 17/05/2018 Tenure: 18/05/2018 to 17/05/2021	18/5/2013	–

A2-2: Key management personnel disclosures (continued)

Position	Name	Contract classification / appointment authority	Initial appointment date	Resignation/ Cessation date
Non-executive Board Member Provide strategic leadership, guidance and effective oversight of management, operations and financial performance.	Associate Professor Cliff Pollard AM BD, MBBS (Qld), FRACS, FRCS Edin, FACS	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2016 to 17/05/2019	7/9/2012	17/05/2019
	Ms Bonny Barry RN BNsg MAICD	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2017 to 17/05/2020	18/5/2016	-
Non-executive Board Member Provide strategic leadership, guidance and effective oversight of management, operations and financial performance.	Professor Mary-Louise Fleming BEd (QUT), MA (Ohio), PhD (Qld), MAICD	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2014 to 17/05/2018	18/5/2016	-
	Mr Geoff Hardy B Bus (Econ), Dip HA, Grad Dip Commerce (Mkt), MAICD, AFCHSM	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2017 to 17/05/2020	18/5/2016	-
	Mr Adrian Carson GCertHServMgt	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2017 to 17/05/2020	18/5/2017	-
	Dr Paula Conroy BSc MBBS DCH FRACGP, GAICD	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2018 to 17/05/2019 Tenure: 18/05/2019 to 31/03/2022	18/05/2018	-

A2-2: Key management personnel disclosures (continued)

Position	Name	Contract classification / appointment authority	Initial appointment date	Resignation/ Cessation date
Non-executive Board Member Provide strategic leadership, guidance and effective oversight of management, operations and financial performance.	Mr Bernard Curran BBus (QUT), FCA, FAICD, FTIA	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2018 to 17/05/2019 Tenure: 18/05/2019 to 31/03/2022	18/05/2018	-
	Associate Professor Kim Johnston PhD, MBus, GradCertAcadPrac (QUT), BNurs (NTU), GCertNurs (RPAH), FHEA, MAICD	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2018 to 17/05/2019 Tenure: 18/05/2019 to 17/05/2021	18/05/2018	
	Dr Robert Franz MBBS, FRACS	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2019 to 17/05/2021	18/05/2018	-
	Mr Neil Roberts MBA, BBus, GradCertDisRes, GAICD, NMAS, FDRP	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2019 to 17/05/2021	18/05/2018	-
	Chief Executive Responsible for the strategic direction and the efficient, effective and economic administration of the Health Service.	Mr Shaun Drummond	10S24/S70 01, <i>Hospital and Health Boards Act 2011</i> Tenure: 29/09/2017 to 28/09/2022	29/09/2017
	Ms Jackie Hanson BNSc	Acting/Relieving in higher duties	01/05/2019	-
Executive Director, Operations Responsible for providing operational leadership, direction and day to day management, including infrastructure, of Metro North Hospital and Health Service to optimise quality health care and business outcomes.	Ms Jackie Hanson BNSc	HES4, <i>Hospital and Health Boards Act 2011</i> Tenure: 30/04/2018 to 25/04/2021	30/04/2018	30/04/2019

A2-2: Key management personnel disclosures (continued)

Position	Name	Contract classification / appointment authority	Initial appointment date	Resignation/ Cessation date
Chief Finance and Corporate Officer Responsible for development and execution of strategy and full accountability with respect to financial stewardship, management of the asset portfolio, legal, information technology, human resources, commercial matters and procurement.	Mr James Kelaher BA, MBA, FCPA, Member of RMIA, Assoc British Computing Society	HES3, <i>Hospital and Health Boards Act 2011</i> Tenure: 12/10/2015 to 11/10/2018	12/10/2015	25/08/2018
	Ms Melissa MacCabe CA, BBus (Accy/Legal)	HES3, <i>Hospital and Health Boards Act 2011</i> Tenure: 13/08/2018 to 12/08/2021	13/08/2018	-
Executive Director, Clinical Services Responsible for monitoring and strategically directing the budgetary and activity performance of Metro North Hospital and Health Service's clinical streams and assist the Health Service Chief Executive and other Executive Directors in effective management of not only the Clinical Streams but also Metro North Hospital and Health Service as an entity.	Dr Elizabeth Whiting BA, MB BCH BAO, FRACP, FRANZSGM	MMOI4, Medical Officers' (Queensland Health) Certified Agreement (No.4) 2015 Tenure: 01/09/2015 to 30/09/2018 Tenure: 01/10/2018 to 30/09/2019	01/09/2014	-
Executive Director, Safety and Quality Provide strategic leadership, direction and day to day management of Metro North Hospital and Health Service's governance, quality and risk functions to optimise quality health care, statutory and policy compliance and continuously improving business outcomes.	Ms. Noelle Cridland BN, MN, MAICD	HES3, <i>Hospital and Health Boards Act 2011</i> Tenure: 01/02/2018 to 31/01/2021	01/02/2018	-

A2-2: Key management personnel disclosures (continued)

Remuneration policy

Minister remuneration

Metro North Hospital and Health Service does not incur any expense in relation to the Minister. The majority of Ministerial entitlements are paid by the Legislative Assembly, with remaining entitlements being provided by Ministerial Services Branch within the Department of Premier and Cabinet. As all Ministers are reported as key management personnel of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland Government and Whole of Government Consolidated Financial Statement as from 2017-18, which are published as part of Queensland Treasury's Report on State Finances.

Board

The remuneration of members of the Board is approved by Governor-in-Council as part of the terms of appointment. Each member is entitled to receive a fee, with the exception of appointed public service employees unless otherwise approved by the Queensland Government. Members may also be eligible for superannuation payments.

Executive Management

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

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

- Short-term employee benefits which include: **Monetary benefits** – consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of comprehensive income. **Non-monetary benefits** – consisting of provision of vehicle and expense payments together with fringe benefits tax applicable to the benefit.
- Long-term employee benefits include long service leave accrued.
- Post-employment benefits include superannuation contributions.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu on termination, regardless of the reason for termination.
- There were no performance bonuses paid in the 2018-19 financial year (2018: \$nil).

A2-2: Key management personnel disclosures (continued)

Board Remuneration

Name	Short Term Employee Benefits		Post-employment benefits	Total remuneration
	Monetary benefits	Non-monetary benefits		
	\$'000	\$'000	\$'000	\$'000
2018–19				
Emeritus Professor Robert Stable AM	96	-	9	105
Dr Kim Forrester	60	-	6	65
Ms Bonny Barry	52	-	5	57
Mr Adrian Carson	52	-	5	57
Professor Mary-Louise Fleming	52	-	5	57
Mr Geoff Hardy	56	-	5	62
Associate Professor Cliff Pollard AM	46	-	4	51
Associate Professor Kim Johnston	52	-	5	57
Dr Paula Conroy	52	-	5	57
Mr Bernard Curran	53	-	5	58
Honourable Mr Neil Roberts	7	-	1	7
Total Remuneration	578	-	55	633

Metro North Hospital and Health Service has reimbursed board members a total of \$8,474.42 for out-of-pocket expenses incurred whilst travelling on approved board business including attendance at board meetings.

Name	Short Term Employee Benefits		Post-employment benefits	Total remuneration
	Monetary benefits	Non-monetary benefits		
	\$'000	\$'000	\$'000	\$'000
2017–18				
Emeritus Professor Robert Stable AM	92	-	9	101
Dr Kim Forrester	58	-	6	64
Ms Bonny Barry	50	-	5	55
Mr Adrian Carson	50	-	5	55
Professor Helen Edwards OAM	49	-	5	54
Professor Mary-Louise Fleming	50	-	5	55
Mr Mike Gilmour	50	-	5	55
Mr Geoff Hardy	54	-	5	59
Associate Professor Cliff Pollard AM	50	-	5	55
Dr Margaret Steinberg AM	46	-	4	50
Dr Kim Johnston	5	-	-	5
Dr Paula Conroy	4	-	-	4
Mr Bernard Curran	5	-	-	5
Total Remuneration	563	-	54	617

Metro North Hospital and Health Service has reimbursed board members a total of \$1,468.88 for out-of-pocket expenses incurred whilst travelling on approved board business including attendance at board meetings.

A2-2: Key management personnel disclosures (continued)

Other key management personnel remuneration

Position	Short-term employee benefits		Long-term benefits \$'000	Post-employment benefits \$'000	Termination benefits \$'000	Total remuneration \$'000
	Monetary benefits	Non-monetary benefits				
	\$'000	\$'000				
2018-19						
Chief Executive (to 30/04/2019)	393	-	8	33	-	433
Chief Executive (from 01/05/2019)	87	-	2	7	-	96
Executive Director, Operations (to 30/04/2019)	236	-	4	29	-	269
Chief Finance Officer (to 25/08/2018)	46	-	1	4	80	130
Chief Finance Officer (from 13/08/2018)	204	-	4	21	-	228
Executive Director, Clinical Services	589	1	12	43	-	645
Executive Director, Safety and Quality	234	-	5	24	-	263
Total	1,788	1	35	162	80	2,066
2017-18						
Chief Executive	467	-	8	39	-	514
Executive Director, Operations (to 29/04/2018)	496	-	10	31	-	537
Executive Director, Operations (from 30/04/2018)	40	-	1	4	-	45
Chief Finance Officer	249	-	5	24	-	278
Executive Director, Clinical Services	513	-	10	37	-	560
Executive Director, Clinical Governance, Safety, Quality and Risk (to 03/09/2017)	56	-	-	-	-	56
Executive Director, Clinical Governance, Safety, Quality and Risk (from 04/09/2017)	181	-	3	17	-	201
Total	2,002	-	37	152	-	2,191

A2-2: Key management personnel disclosures (continued)

Other senior management remuneration

Whilst not considered key management personnel in accordance with AASB 124 *Related Party Transactions*, Metro North Hospital and Health Service has also made the following payments to other senior management:

Position	Short-term employee benefits		Long-term benefits \$'000	Post-employment benefits \$'000	Termination benefits \$'000	Total remuneration \$'000
	Monetary benefits	Non-monetary benefits				
	\$'000	\$'000				
2018–19						
Deputy Executive Director, Operations	524	-	11	32	-	567
Executive Director, Chief Transformation Officer	148	-	3	15	-	166
Executive Director, Royal Brisbane and Women's Hospital	496	1	10	35	-	542
Executive Director, The Prince Charles Hospital	242	-	4	23	212	481
Executive Director, Redcliffe Hospital	228	-	4	23	-	255
Executive Director, Caboolture and Kilcoy Hospitals	469	2	9	33	-	513
Executive Director, Community, Indigenous and Subacute Services	218	-	4	19	-	241
Executive Director, Mental Health	575	1	11	49	-	636
Executive Director, Oral Health	186	-	3	17	37	243
Executive Director, Medical Imaging	183	-	4	13	-	200
Executive Director, Medical Services	494	-	10	35	-	539
Executive Director, Nursing and Midwifery Services	378	-	6	32	-	416
Executive Director, Allied Health	221	-	4	25	-	250
Total	4,362	4	83	351	249	5,049

A2-2: Key management personnel disclosures (continued)

Other senior management remuneration (continued)

Position	Short-term employee benefits		Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Monetary benefits	Non-monetary benefits				
	\$'000	\$'000				
2017–18						
Deputy Executive Director, Operations	111	-	2	8	-	121
Executive Director, Organisational Development, Strategy and Implementation	148	-	3	12	-	163
Executive Director, Royal Brisbane and Women's Hospital	418	1	8	32	-	459
Executive Director, The Prince Charles Hospital	242	-	4	23	-	269
Executive Director, Redcliffe Hospital	220	-	4	22	-	246
Executive Director, Caboolture and Kilcoy Hospitals	551	-	11	40	-	602
Executive Director, Community, Indigenous and Subacute Services	212	-	4	19	-	235
Executive Director, Mental Health	479	1	10	35	-	525
Executive Director, Oral Health	184	-	4	18	-	206
Executive Director, Medical Imaging	207	-	4	16	-	227
Executive Director, Medical Services	489	-	10	34	-	533
Executive Director, Nursing and Midwifery Services	432	-	7	36	-	475
Executive Director, Allied Health	208	2	4	23	-	237
Total	3,901	4	75	318	-	4,298

A3 OTHER EXPENSES

A3-1: Supplies and services

	2018 \$'000	2017 \$'000
Consultants and contractors - non-clinical	14,498	5,459
Consultants and contractors - clinical	4,684	6,550
Electricity and other energy	18,855	25,043
Patient travel	11,355	10,263
Other travel	3,728	4,457
Water	3,579	3,740
Building services	3,004	3,311
Computer services	15,592	16,229
Insurance	23,646	23,671
Motor vehicles	851	802
Communications	24,788	24,274
Repairs and maintenance	40,993	38,170
Minor works including plant and equipment	4,391	4,704
Operating lease rentals	12,041	11,176
Drugs	136,244	116,771
Clinical supplies and services	187,000	184,782
Catering and domestic supplies	45,466	43,486
Pathology, blood and parts	104,561	100,411
Services received below fair value	22,906	23,250
Other	45,061	26,485
Total	723,243	673,034

* These balances include a prior year reclassification of \$5.3M in lease expense amounts from Clinical supplies and services to Operating lease rentals, as required by AASB 117 and AASB 108.

Accounting policy – Goods and services received below fair value

During 2018-19 Metro North Hospital and Health Service received services below fair value from the Department of Health in the form of payroll, accounts payable and banking services. Under AASB 1004 Contributions, contributions of goods and services are recognised only if the goods or services would have been purchased if they had not been donated and their fair value can be measured reliably.

Metro North Hospital and Health Service satisfied both requirements and therefore the fair value of the services received is recognised as revenue with a corresponding expense in the financial statements.

Please see note A1-3 for disclosure of the corresponding income recognised for services received below fair value.

The Department of Health issued guidance outlining the methodology to determine the fair value of each service provided to HHS's below fair value. Using the detailed method as prescribed by the Department of Health, the fair value of the services received below fair value during the financial year ended 30 June 2019 amounted to \$22.9M (2018: \$23.3M) in total and were recognised in supplies and services expense in the Statement of comprehensive income.

Accounting policy – Insurance

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

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

Audit expenses

Total audit fees paid or payable to the Queensland Audit Office relating to the 2018-19 financial year are \$320,000 (2018: \$320,000). There are no non-audit services included in this amount.

Accounting Policy – Special payments

Special payments include ex-gratia expenditure and other expenditure that 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, Metro North Hospital and Health Service maintains a register setting out the details of all special payments greater than \$5,000. The total of all special payments (including those of \$5,000 or less) is within the category of Other Expenses in the financial statements. In 2018-19, ex-gratia payments of \$91,595 (2018: \$72,234) were made, consisting of five reportable payments totalling \$50,968 (2018: \$33,999) and a number of smaller non-reportable payments. Five reportable payments ranging from \$5,000 to \$20,000 relate to patient medical claims.

SECTION B NOTES ABOUT OUR FINANCIAL POSITION

B1 CASH AND CASH EQUIVALENTS

	2019 \$'000	2018 \$'000
Cash at bank and on hand	93,346	51,965
Cash on deposit	24,457	23,960
Total	117,803	75,925

Cash on deposit represents cash contributions from external entities and other benefactors in the form of gifts, bequests, donations and legacies for specific purposes. These funds are deposited with Queensland Treasury Corporation and set aside for specific purposes underlying the contribution. Cash on deposit is at call and is subject to floating interest rates. The annual effective interest rate is 2.38% (2018: 2.41%)

Accounting policy – Cash and cash equivalents

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

B2 RECEIVABLES

B2-1: Receivables

	2019	2018
	\$'000	\$'000
Trade receivables (net of allowance for impairment)	66,832	78,606
Other receivables	30,946	27,001
Total	97,778	105,607

Movements in the allowance for impairment loss		
Balance at beginning of the year	9,387	9,158
Amounts written off during the year	(7,171)	(5,345)
Increase/(decrease) in allowance recognised in operating result	8,131	5,574
Total	10,347	9,387

Accounting policy – Receivables

Trade and other receivables are initially recognised at the amount invoiced to customers. Trade and other receivables reflect the amount anticipated to be collected. The collectability of these balances is assessed on an ongoing basis. When there is evidence that an amount will not be collected it is provided for and then written off. If receivables are subsequently recovered the amounts are credited against other expenses in the Statement of comprehensive income when collected.

Trade receivables are due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than twelve months after the reporting date. Due to the short-term nature of current receivables, their carrying amount is assumed to approximate the amount invoiced. All credit and recovery risk associated with trade receivables has been provided for in the Statement of financial position.

Key judgements and estimates – Recoverability of

trade receivables: Judgement is required in determining the level of provisioning for customer debts.

The loss allowance for trade and other debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting Metro North Hospital and

Health Service's debtors, and relevant industry data form part of the impairment assessment. Metro North Hospital and Health Service uses a provision matrix to measure the expected credit losses on trade and other debtors. Loss rates are calculated separately for groupings of customers with similar revenue profiles and historical loss patterns experienced on past revenue transactions. Consideration is given to reasonable and supportable forward-looking information and related business processes that may impact the future recovery of those receivables and may result in an adjustment to the historical loss rates for the affected customer groupings if the impact is expected to be material.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, default or delinquency in payments (more than 90 days overdue or more than 120 days in the case where the account is with a health fund), past experience, and management judgement are considered indicators that the trade receivable is impaired.

Where there is no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss. The amount of impairment losses recognised for receivables is disclosed above.

B2-2: Impairment of receivables

At 30 June, the ageing of both impaired trade receivables and trade receivables past due but not impaired was as follows:

	Past due but not Impaired \$'000	Impaired \$'000
2019		
Trade Receivables		
Less than 30 days	6,467	483
30 to 60 days	6,013	441
60 to 90 days	4,760	300
Greater than 90 days	16,115	9,122
Total overdue	33,355	10,346

2018		
Trade Receivables		
Less than 30 days	7,327	258
30 to 60 days	7,674	276
60 to 90 days	5,755	163
Greater than 90 days	21,618	8,690
Total overdue	42,374	9,387

B3 INVENTORIES

	2019 \$'000	2018 \$'000
Medical supplies and equipment	17,766	19,682
Other	452	482
Total	18,218	20,164

Accounting policy – Inventories

Inventories consist mainly of clinical supplies and pharmaceuticals held for distribution to the hospital and health service facilities. Inventories are measured at weighted average cost, adjusted for obsolescence. Unless material, inventories do not include supplies held for ready for use in the wards throughout the hospital and health service facilities.

B4 INTANGIBLE ASSETS**B4-1: Intangible Assets – Balances and reconciliations of carrying amount**

	Software purchased \$'000	Software generated \$'000	Software work in progress \$'000	Total \$'000
2019				
Cost	10,460	4,488	20,302	35,250
Less: Accumulated amortisation	(5,782)	(4,488)	-	(10,270)
Carrying amount at 30 June 2019	4,678	-	20,302	24,980
Represented by movement in carrying amount:				
Carrying amount at 1 July 2018	4,195	-	16,944	21,139
Additions	130	-	6,045	6,175
Transfers between classes#	2,518	-	(2,594)	(76)
Write-off of software work in progress	-	-	(93)	(93)
Amortisation expense	(2,165)	-	-	(2,165)
Carrying amount at 30 June 2019	4,678	-	20,302	24,980
2018				
Cost	8,204	4,488	16,944	29,636
Less: Accumulated amortisation	(4,009)	(4,488)	-	(8,497)
Carrying amount at 30 June 2018	4,195	-	16,944	21,139
Represented by movement in carrying amount:				
Carrying amount at 1 July 2017	1,504	198	12,921	14,623
Additions	950	-	7,146	8,096
Transfers between classes	3,123	-	(3,123)	-
Amortisation expense	(1,382)	(198)	-	(1,580)
Carrying amount at 30 June 2018	4,195	-	16,944	21,139

#Transfers represent reclassification from software work in progress to property, plant and equipment during the year.

B4-2: ACCOUNTING POLICIES – RECOGNITION**Capitalisation and Recognition Thresholds**

Intangible assets are only recognised if they satisfy recognition criteria in accordance with AASB 138 “Intangible Assets”. Intangible assets are recorded at cost, which is consideration plus costs incidental to the acquisition, less accumulated amortisation and impairment losses.

An intangible asset is recognised only if its cost is equal to or greater than \$100,000. Internally generated software cost includes all direct costs associated with development of that software. All other costs are expensed as incurred.

B4-3: ACCOUNTING POLICIES – 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 of Metro North’s Hospital and Health Service’s software is 5 years.

Software is amortised from the time of acquisition or, in respect of internally generated software, from the time the asset is completed and held ready for use.

B4-4: ACCOUNTING POLICIES – IMPAIRMENT

Intangible assets are assessed for indicators of impairment on an annual basis.

Impairment indicators were assessed in 2018-19 with one impairment identified in relation to an intangible work in progress assets resulting in an impairment loss of \$0.09M (2018: \$nil).

B5 PROPERTY, PLANT AND EQUIPMENT**B5-1: Property, plant and equipment - Balances and reconciliations of carrying amount**

	Land Level 2* \$'000	Buildings Level 3** \$'000	Buildings Level 2** \$'000	Plant and equipment *** \$'000	Capital works in progress \$'000	Total \$'000
2019						
Gross	373,916	2,361,673	1,091	391,429	93,312	3,221,421
Less: Accumulated depreciation	-	(1,643,410)	(581)	(227,371)	-	(1,871,362)
Carrying amount at 30 June 2019	373,916	718,263	510	164,058	93,312	1,350,059
Represented by movements in carrying amount:						
Carrying amount at 1 July 2018	366,635	743,126	460	164,411	61,092	1,335,724
Major infrastructure transfers						-
Transfers in from other Queensland Government entities	-	3,661	-	4,570	-	8,231
Acquisitions	-	3,521	-	30,757	57,032	91,310
Donated assets	-	-	-	342	-	342
Disposals	-	-	-	(626)	-	(626)
Transfers out to other Queensland Government entities	-	-	-	(4,618)	-	(4,618)
Transfers between classes#	-	19,086	-	5,801	(24,812)	75
Net revaluation increments	7,281	27,370	75	-	-	34,726
Depreciation expense	-	(78,501)	(25)	(36,579)	-	(115,105)
Carrying amount at 30 June 2019	373,916	718,263	510	164,058	93,312	1,350,059

B5-1: Property, plant and equipment - Balances and reconciliations of carrying amount (continued)

	Land Level 2*	Buildings Level 3**	Buildings Level 2**	Plant and equipment ***	Capital works in progress	Total
2018	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	366,635	2,248,151	930	378,342	61,092	3,055,150
Less: Accumulated depreciation	-	(1,505,025)	(470)	(213,931)	-	(1,719,426)
Carrying amount at 30 June 2018	366,635	743,126	460	164,411	61,092	1,335,724
Represented by movements in carrying amount:						
Carrying amount at 1 July 2017	365,725	745,334	485	133,919	49,182	1,294,645
Transfers in from other Queensland Government entities	-	-	-	1,565	-	1,565
Acquisitions	-	10,054	-	58,761	40,832	109,647
Donated assets	-	-	-	54	-	54
Disposals	-	-	-	(1,081)	-	(1,081)
Transfers out to other Queensland Government entities	-	-	-	(209)	-	(209)
Transfers between classes	910	25,018	-	2,993	(28,922)	(1)
Net revaluation increments	-	33,078	-	-	-	33,078
Depreciation expense	-	(70,358)	(25)	(31,591)	-	(101,974)
Carrying amount at 30 June 2018	366,635	743,126	460	164,411	61,092	1,335,724

* Level 2 land assets comprise land with an active market.

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

*** Plant and equipment is held at cost except for Heritage and Cultural assets which are held at fair value are valued at \$0.89M (2018: \$0.89M).

Transfers represent a reclassification from software work in progress to property, plant and equipment and capitalisation of commissioned assets during the year.

B5 PROPERTY PLANT AND EQUIPMENT

B5-2: Accounting Policies – Recognition

Capitalisation and Recognition Thresholds

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.

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

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

Items with a lesser value are expensed in the year of acquisition.

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

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.

Acquisition

Plant and equipment are initially recorded at consideration plus any other cost directly incurred in bringing the asset ready to use. Items or components that form an integral part of an asset are recognised as a single (functional) asset.

Where assets are received free of charge from another Queensland Government entity, the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

B5-3: Accounting Policies – Measurement

Measurement at Historical Cost

Plant and equipment is measured at cost net of accumulated depreciation and accumulated impairment losses in accordance with Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*.

Measurement of 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*.

The fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The current use of the asset is deemed to be the highest and best use.

Fair Value Inputs

Fair values reported by Metro North Hospital and Health Service are based on valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

Observable inputs are relevant publicly available data, for example, published sales data for land.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets being valued. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets and liabilities.

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 cost estimates; and
- Assessments of physical condition and remaining useful life.

Fair Value Measurement Hierarchy

This note explains the judgements and estimates made in determining the fair values of land and buildings that are recognised and measured at fair value in the financial statements. Metro North Hospital and Health Service classify inputs to fair value into three levels prescribed under AASB 13 *Fair Value Measurement*.

Level 1	represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
Level 2	represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
Level 3	represents fair value measurements that are substantially derived from unobservable inputs.

None of Metro North Hospital and Health Service’s valuations 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.

Asset category	Fair value hierarchy	Details
Land	Level 2	Fair value of land is based on publicly available data on recent sales of similar land in nearby localities. Adjustments were made to the sales data to take into account the location of the land, its size, street/road frontage and access and any significant restrictions. Land is measured at fair value utilising either independent revaluation or applying an interim revaluation methodology using an appropriate index.
Buildings – Non-health service delivery	Level 2	Non-health service delivery buildings are measured at the value that reflects the likely exit price in the principal market for an asset of this type, with valuations based on recent sales in the relevant areas.
Buildings – Health service delivery (special purpose)	Level 3	Reflecting the specialised nature of health service buildings and on-hospital-site residential facilities, for which there is no active market, fair value is determined using the current replacement cost methodology.

Valuation Methodology

Metro North Hospital and Health Service has a rolling three-year valuation program to determine the fair value of all building assets. The fair value of land and building assets is assessed annually with a comprehensive valuation being undertaken by an independent professional valuer at least once in every five and once in every three financial years for land and building assets respectively.

There were no changes in the valuation technique used during the financial year. The key assumption in using the current replacement cost is determining a replacement cost of a modern-day equivalent. The methodology makes a further adjustment to total estimated life taking into consideration physical and technical obsolescence impacting on the remaining useful life to arrive at a current replacement cost via straight-line depreciation.

Valuations have been prepared on a componentised basis using twenty-two core building elements. To estimate the replacement costs of each component, each element was quantified. The measurement of each element uses ‘key quantities’ including building footprint or Gross floor area (also used as the roof area), girth of the building, height of the building, number and height of staircases and number of lifts and number of ‘stops’.

These key quantities have been measured from drawings and verified via an onsite inspection to replace, upgrade or maintain these buildings. Furthermore, during the valuation process Metro North Hospital and Health Service agreed the useful lives with the valuer with reference to the current buildings condition and potential funding available in the future.

In the other financial years of the rolling program, assets are valued by the use of appropriate and relevant indices.

Use of Indices

Where assets have been valued using appropriate indices in the years when not comprehensively valued, the valuations are kept materially up to date using relevant indices for land and buildings. Indices used for land assets were supplied by the State Valuation Service with reference to land valuations undertaken for each local government area. The indices used by the independent valuer for buildings assets were based on local construction prices for the areas of Brisbane and the surrounding South East Queensland area.

Use of Comprehensive Valuations

If a class of asset experiences significant and volatile changes in fair value (i.e. where indicators such as property market and construction cost movements suggest that the value of the class of assets may have changed significantly from one reporting period to the next), it is subject to such revaluations in the reporting period.

During 2018-19, Metro North Hospital and Health Service utilised both indexation and comprehensive valuation approaches in determining the fair value of land and buildings.

Metro North Hospital and Health Service last comprehensively valued its land assets in 2016. In 2018-19, land was again assessed using appropriate indices supplied by the State Valuation Service. The cumulative movement in land indices since the last comprehensive valuation has been recognised in 2019 totalling \$7.28M (2018: Nil).

For special purpose buildings (level 3), a total of 44% were comprehensively valued as at 30 June 2017, with a further 56% being comprehensively valued as at 30 June 2018. In 2019, special purpose buildings were considered via indexation resulting in a cumulative indexation movement of \$27.44M (2018: \$33.08M)

In 2019, comprehensive market valuations were completed for the non-health delivery buildings (level 2) which resulted in an increment of \$0.08M.

Accounting for Changes in Fair Value

Any revaluation increments arising from the revaluation of an asset are credited to the asset revaluation surplus of the appropriate asset class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

Metro North Hospital and Health Service has adopted the gross method of reporting assets. This method restates separately the gross amount and related accumulated depreciation of the assets comprising the class of revalued assets (current replacement cost). Accumulated depreciation is restated proportionally in accordance with the independent advice of the appointed valuer.

B5-4: Accounting policies - Depreciation

Land is not depreciated as it has an unlimited useful life.

Buildings are recognised and depreciated using a weighted average of the remaining useful lives of the building's components. This process does not materially change the depreciation recognised during the financial year.

Plant and Equipment is depreciated on a straight-line basis to allocate the net cost of revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life.

Where plant and equipment assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

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.

Plant and Equipment is depreciated on a straight-line basis to reflect the consistent and even consumption of the service potential of these assets over their useful life to Metro North Hospital and Health Service.

Key judgement:

Management estimates the useful lives and residual values of buildings and plant and equipment based on the expected period of time over which economic benefits from the use of the asset will be derived. Management reviews useful life assumptions on an annual basis having considered variables including historical and forecast usage rates, technological advancements and changes in legal and economic conditions. All depreciable assets have a nil residual value.

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%

B5-5: Accounting policies - Impairment

Impairment Assessment

Metro North Hospital and Health Service's buildings are held at current replacement cost under AASB 136 *Impairment of Assets*. As such, the impairment requirements of AASB 136 do not apply to this asset class. For assets measured at cost, no impairment loss was recognised in 2018-19 (2017-18:\$0.33M).

B6 LIABILITIES**B6-1: Payables**

	2019	2018
	\$'000	\$'000
Trade creditors	91,197	72,117
Other creditors	43,641	16,578
Total	134,838	88,695

Accounting policy – Payables

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

B6-2: Provisions

	2019	2018
	\$'000	\$'000
Provisions	-	20,429
Total	-	20,429

Accounting Policy – Provisions

Provisions are recorded when Metro North Hospital and Health Service has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at the reporting date for which the obligation will be settled in a future period.

In 2018, the revenue recognised by Metro North Hospital and Health Service included approximately 2.4% of total Commonwealth funding for coded clinical activity for 16/17 and 17/18 which was yet to be accepted by the Commonwealth. This provision was raised in relation to claims or classes of claims recorded as revenue but awaiting funding confirmation. There were no such claims pending confirmation in 2019.

B7 EQUITY**B7-1: Asset revaluation surplus**

	Land	Buildings	Heritage & Cultural Assets	Total
	\$'000	\$'000	\$'000	\$'000
Balance 1 July 2018	46,169	128,308	517	174,994
Revaluation increments/(decrements)	7,281	27,445	-	34,726
Balance 30 June 2019	53,450	155,753	517	209,720

Accounting Policy – Revaluation Surplus

The asset revaluation surplus represents the net effect of revaluation movements in assets. Please see note B5 for full disclosure.

SECTION C NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

C1 FINANCIAL RISK DISCLOSURES

C1-1: Financial instrument categories

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

Category	Notes	2019 \$'000	2018 \$'000
Financial assets			
Cash and cash equivalents	B1	117,803	75,925
Receivables	B2-1	97,778	105,607
Total		215,581	181,532
Financial liabilities			
Payables	B6-1	134,838	88,695
Provisions	B6-2	-	20,429
Total		134,838	109,124

Accounting policy – Financial instruments

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

Metro North Hospital and Health Service holds financial instruments in the form of cash and cash equivalents and receivables (excluding prepayments) and payables.

C1-2: Financial risk management

Metro North Hospital and Health Services activities expose it to a variety of financial risks – credit risk, liquidity risk and interest rate risk.

(a) Credit Risk

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

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

There are no significant concentrations of credit risk.

(b) Liquidity Risk

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

Metro North Hospital and Health Service is exposed to liquidity risk through its trading in the normal course of business and aims to reduce the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations at all times. An approved debt facility of \$23M under the whole-of-government banking arrangements to manage any short-term cash shortfalls has been established. No funds had been withdrawn against this debt facility as at 30 June 2019.

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

(c) Interest Rate Risk

Metro North Hospital and Health Service has interest rate exposure on its 24-hour call deposits however there is no risk on its cash deposits.

Metro North Hospital and Health Service does not undertake any hedging in relation to interest rate risk.

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

C2 COMMITMENTS

(a) Non-cancellable operating lease commitments

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

	2019 \$'000	2018 \$'000
No later than 1 year	4,897	3,889
Later than 1 year but no later than 5 years	10,098	10,736
Later than 5 years	71	278
Total	15,066	14,902

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

C2 COMMITMENTS (continued).**(b) Capital expenditure commitments**

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

	2019 \$'000	2018 \$'000
No later than 1 year	7,447	9,501
Later than 1 year but no later than 5 years	-	-
Later than 5 years	-	-
Total	7,447	9,501

(c) Future lease commitments (Surgical, Treatment and Rehabilitation Service ("STARS") formerly known as Specialist Rehabilitation and Ambulatory Care Centre ("SRACC"))

Located at the former Royal Children's Hospital site at Herston, the Heston Quarter is being developed under a consortium led by Australian Unity.

Australian Unity's scope of work includes the construction of a new STARS, which is being delivered under a public-private partnership lease arrangement with Metro North Hospital and Health Service. The building will provide approximately a 35,000 sqm facility which includes 100 rehabilitation beds, special purpose rehabilitation support areas, and a surgical and endoscopic centre with a thirty-two-bed surgical inpatient room, seven operating theatres, three endoscopy rooms and recovery spaces. STARS is scheduled to open in late 2020.

The land on which STARS will be developed is owned by Metro North Hospital and Health Service and will be leased to Australian Unity for 99 years.

Metro North Hospital and Health Service is contractually obligated to occupy the STARS building and upon completion will enter into a lease for an initial 20-year period, with an option to extend this lease by two periods of 10 years (40 years in total).

Additional operating leases have been entered for equipment relating to the operation of STARS.

The total estimated future cash outflows relating to the cost of leasing the STARS building and related equipment items are shown below;

	2019 \$'000	2018 \$'000
Outflows		
No later than 1 year	-	-
Later than 1 year but not later than 5 years	94,018	64,511
Later than 5 years	579,385	548,849
Total estimated cash outflows	673,403	613,360

Other contractual expenditure commitments relating to the operation of STARS are as follows:

	2019 \$'000	2018 \$'000
Outflows		
No later than 1 year	-	5,000
Later than 1 year but not later than 5 years	27,722	23,210
Later than 5 years	154,715	117,862
Total estimated cash outflows	182,437	146,072

C3 CONTINGENCIES

As at 30 June 2019, the following cases were filed in the courts naming the State of Queensland acting through Metro North Hospital and Health Service as defendant:

	2019 Number of cases	2018 Number of cases
High Court	-	-
Supreme Court	8	6
District Court	4	5
Magistrates Court	-	-
Tribunals, commissions and boards	4	3
	16	14

(a) Litigation in Progress

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

(b) Contractual Contingencies

Metro North Hospital and Health Service has entered and received various contractual contingencies through the year, primarily in the form of indemnities. Those indemnities have been given in accordance with the requirements of the *Statutory Bodies Financial Arrangements Act 1982 (Qld)* and recorded through the Contingency Management System.

C4 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

Several new standards, amendments and interpretations are effective for annual reporting periods beginning on or after 1 January 2019 and have not been applied in preparing these financial statements.

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

AASB 15 and AASB 1058 will first apply to Metro North Hospital and Health Service from 1 July 2019. Metro North Hospital and Health Service has reviewed the impact of AASB 15 and AASB 1058 and identified the following impacts (or estimated impact where indicated) of adoption of these new standards:

User charges and fees

Metro North Hospital and Health Service expects no change to revenue recognition from user charges and fees, as the provision of goods and services to the customer represents the sole performance obligation. The amount of any right of return asset or refund liability has been determined to be negligible and immaterial to record on transition.

Funding for the provision of public health services

Funding is provided by the Department of Health for specific public health services purchased by the Department in accordance with a service agreement, which comprises the following funding components:

Activity Based Funding: (excluding Clinical Education & Training (CET) and specific grants)

Metro North Hospital and Health Service expects no change to revenue recognition for Activity Based Funding, as the provision of the purchased services over time represents the specific performance obligations under AASB 15.

Activity Based Funding: Clinical Education & Training (CET) and specific grants; Block funding; and other funding (excluding depreciation and amortisation funding)

Revenue from these funding streams are expected to continue to be recognised on receipt under AASB 1058, as the provision of services under block and other funding is not sufficiently specific to qualify for recognition under AASB 15.

Other funding: Depreciation and Amortisation Funding

Depreciation and amortisation charges incurred by Metro North Hospital and Health Service are funded by the Department via non-cash revenue. There is no expected change to revenue recognition, with this revenue expected to be recognised on receipt under AASB 1058.

Grants and other contributions

Research and other specific grants: Are recognised upon receipt on a reimbursement basis which is broadly consistent with the requirements of AASB 1058. However, the applicable standard and required accounting treatment will depend on the varying nature and terms of these arrangements. Work continues in this area to assess and quantify the impact post-transition however, the impact is not expected to be material.

Grants and other contributions: Services received below fair value (including volunteer services and services and assets received/acquired free of charge or at nominal value).

Revenue recognition for this revenue stream is not expected to change on transition to AASB 1058. Revenue is only recognised in relation to services that would

have been purchased from an alternative provider had they not been provided and can be reliably measured. The services received from the Department meet these criteria, however, as the value of other volunteer services that meet these criteria are not material, no amounts have been recognised or disclosed for other volunteer services.

Capital Appropriation Funding: Amounts for capital works received by Metro North Hospital and Health Service via equity appropriation from Metro North Hospital and Health Service of Health will continue to be recognised on receipt of the appropriation. There is no impact on unearned revenue or revenue recognition for these amounts.

AASB 16 Leases

This standard will first apply to Metro North Hospital and Health Service in its financial statements for 2019-20 financial year and will supersede AASB 117 Leases, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease* and AASB Interpretation 115 *Operating Leases – Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Impact for lessees

Under AASB 16, operating leases (as defined by the current AASB 117) will be reported on the statement of financial position as right-of-use assets and lease liabilities, unless a recognition exemption is available.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the statement of comprehensive income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. In accordance with Queensland Treasury's policy, Metro North Hospital and Health Service will apply the 'cumulative approach', and will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

Outcome of review as lessee

Metro North Hospital and Health Service has completed its review of the impact of adoption of AASB 16 on the statement of financial position and statement of comprehensive income and has identified the following major impacts which are outlined below.

FINANCIAL STATEMENTS

During the 2018-19 financial year, Metro North Hospital and Health Service held operating leases under AASB 117 from the Department of Housing and Public Works (DHPW) for non-specialised, commercial office accommodation through the Queensland Government Accommodation Office (QGAO). Lease payments under these arrangements totalled \$3.7M in 2019 (29% of total operating lease rentals expense) (2018: \$4.2M in 2018 (38%)). These operating leases represent the majority of the operating lease commitments disclosed under AASB 117 at Note C2. Metro North Hospital and Health Service has been advised by Queensland Treasury and DHPW that, effective 1 July 2019, amendments to the framework agreements that govern QGAO will result in the above arrangements being exempt from lease accounting under AASB 16. This is due to DHPW having substantive substitution rights over the non-specialised, commercial office accommodation and residential premises assets used within these arrangements. From 2019-20 onwards, costs for these services will be expensed as supplies and services expense when incurred.

Metro North Hospital and Health Service has also been advised by Queensland Treasury that, effective 1 July 2019, motor vehicles provided under the QFleet program will be exempt from lease accounting under AASB 16. This is due to QFleet holding substantive substitution rights for vehicles provided under the scheme. Consistent with current practice, costs for these services will be expensed as supplies and services expense when incurred, rather than as operating lease rentals expense under AASB 117. Existing QFleet leases were not previously included as part of non-cancellable operating lease commitments.

The most significant impact identified is that Metro North Hospital and Health Service will recognise new assets and liabilities for its operating lease of the building for STARS once constructed. An external consultant has been engaged to provide the valuation of the new assets and liabilities. As at 30 June 2019, the future lease commitments commencing in 2019-20 amounted to \$673.4M (2018: \$759.4M), on an undiscounted basis. Refer to Note C2 above for further details.

Metro North Hospital and Health Service has quantified the transitional impact on the statement of financial position and statement of comprehensive income of all qualifying lease arrangements that will be recognised on-balance sheet under AASB 16, as follows.

Statement of financial position impact on 1 July 2019:	\$10.9M increase in lease liabilities
	\$10.9M increase in right-of-use assets
Statement of comprehensive income impact expected for the 2019-20 financial year, as compared to 2018-19:	\$5.2M increase in depreciation and amortisation expense
	\$122k increase in interest expense
	\$5.3M decrease in supplies and services expense
	This results in a net increase of \$41k in total expenses

Impact for lessors

Lessor accounting under AASB 16 remains largely

unchanged from AASB 117. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

AASB 1059 Service Concession Arrangements: Grantors

Currently, AASB 1059 will first apply to Metro North Hospital and Health Service financial statements in 2020-21. This standard defines service concession arrangements and applies a new control concept to the recognition of service concession assets and related liabilities.

Metro North Hospital and Health Service has completed a review of its current contractual arrangements in preparation for this new standard. Subject to further guidance from Queensland Treasury, no impact is expected at the date of initial application.

In analysing the effects of this standard on Metro North Hospital and Health Service, the following contractual arrangements have been considered; Butterfield Street Car Park, The Prince Charles Hospital Car Park, The Prince Charles Hospital Early Education Centre and STARS; the Caboolture Private Hospital, Holy Spirit Northside Private Hospital, Herston Imaging Research Facility (HIRF).

Except for HIRF, these contractual arrangements have been assessed as falling under AASB 16 Leases which becomes effective from 1 July 2019. Refer above for further details on the impact of AASB 16. HIRF was assessed as being within scope of AASB 11 Joint Arrangements. Refer to note C5 for the relevant disclosures.

All other Australian accounting standards and interpretations with future effective dates are either not applicable or have no material impact on activities of Metro North Hospital and Health Service's.

C5 JOINT ARRANGEMENTS

Metro North Hospital and Health Service has joint control over two arrangements: Herston Imaging Research Facility (HIRF) and the Oral Health Centre (OHC). Both arrangements have been assessed as joint operations.

HIRF is located in Herston, Brisbane, on land that is recognised as an asset in the financial statements of Metro North Hospital and Health Service. This alliance agreement is with the University of Queensland (UQ), the Council of the Queensland Institute of Medical Research (QIMR) and Queensland University of Technology (QUT).

The OHC is located in Herston, Brisbane, on land owned by UQ, with whom it is has an alliance agreement.

The joint arrangements had no contingent liabilities or capital commitments as at 30 June 2018 and 2019.

Accounting policy – Joint Arrangements

A joint operation is a joint arrangement whereby the parties (joint operators) that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of

an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. In relation to its interest in joint operations, Metro North Hospital and Health Service's recognises its:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of any liabilities incurred jointly;
- Revenue from the sale of its share of output arising from the joint operation;
- Share of revenue from the sale of output by the joint operation; and
- Expenses, including its share of any expenses incurred jointly.

C6 SUBSEQUENT EVENTS

There are no matters or circumstances that have arisen since 30 June 2019 that have significantly affected, or may significantly affect the operations of Metro North Hospital and Health Service's operations, the results of those operations, of the HHS's state of affairs in future financial year.

SECTION D WHAT WE LOOK AFTER ON BEHALF OF THIRD PARTIES

D1 GRANTED PRIVATE PRACTICE

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

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

All monies received for Granted Private Practice are deposited into separate bank accounts that are administered by Metro North Hospital and Health Service on behalf of the Granted Private Practice SMOs and VMOs. These accounts are not reported in Metro North Hospital and Health Service's 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 Metro North Hospital and Health Service on an accrual basis. The funds are then subsequently transferred from the Granted Private Practice bank accounts into Metro North Hospital and Health Service operating and general trust bank accounts (for the service retention fee portion).

	2019 \$'000	2018 \$'000
Receipts		
Billings - (SMOs and VMOs)	67,378	69,290
Interest	96	91
Total receipts	67,474	69,381

Payments		
Payments to medical practitioners	17,274	17,263
Hospital and Health Service recoverable administrative costs	47,045	48,445
Hospital and Health Service education/travel fund	3,808	3,260
Total payments	68,127	68,968

Closing balance of bank account under a trust fund arrangement not yet disbursed and not restricted cash	5,827	6,480
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D2 FIDUCIARY TRUST TRANSACTIONS AND BALANCES

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

	2019 \$'000	2018 \$'000
Opening balance	312	529
Patient trust receipts	5,626	5,490
Patient trust payments	(5,586)	(5,707)
Closing balance (represented by cash)	352	312

D3 RESTRICTED ASSETS

Metro North Hospital and Health Service receives cash contributions primarily from private practice clinicians and external entities for the provision of education, study and research in clinical areas. Contributions are also received from benefactors in the form of gifts, bequests, donations and legacies for specific purposes. At 30 June 2019, an amount of \$25.5M (2018: \$24.8M) in General Trust is set aside for specified purposes defined by the contribution.

SECTION E OTHER INFORMATION

E1 FIRST YEAR APPLICATION OF NEW STANDARDS OR CHANGE IN ACCOUNTING POLICY

Change in Accounting Policy

Metro North Hospital and Health Service did not voluntarily change any of its accounting policies in 2018-19.

Metro North Hospital and Health Service applied AASB 9 *Financial Instruments* for the first time in 2018-19. Comparative information for 2017-18 has not been restated and continues to be reported under AASB 139 *Financial Instruments: Recognition and Measurement*. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Classification and measurement

Under AASB 9, debt instruments are categorised into one of three measurement bases – amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification is based on two criteria:

- whether the financial asset's contractual cash flows represent 'solely payments of principal and interest', and
- the Metro North Hospital and Health Service business model for managing the assets.

Metro North Hospital and Health Service debt instruments comprise of receivables disclosed in Note B2. They were classified as Loans and Receivables as at 30 June 2018 (under AASB 139) and were measured at amortised cost. These receivables are held for collection of contractual cash flows that are solely payments of principal and interest. As such, they continue to be measured at amortised cost beginning 1 July 2018.

Impairment

AASB 9 requires the loss allowance to be measured using a forward-looking expected credit loss approach, replacing the AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all debt instruments other than those held at fair value through profit or loss.

There was no adjustment required on adoption of the new AASB 9 impairment model.

Accounting Standards early adopted for 2018-19

Metro North Hospital and Health Service did not adopt any applicable Australian Accounting Standards early in the 2018-19 financial year.

E2 RELATED PARTY TRANSACTIONS

Transactions with Queensland Government controlled entities

Metro North Hospital and Health Service is controlled by its ultimate parent entity, the State of Queensland. All State of Queensland controlled entities meet the definition of a related party in AASB 124 *Related Party Disclosures*.

The following table summarises significant transactions with Queensland Government controlled entities:

E2-1: Related Party Transactions – Department of Health

	2019 \$'000	2018 \$'000
Revenue received	2,613,053	2,515,971
Expenditure incurred	302,367	255,078
Receivables	14,435	16,836
Payables	12,695	31,699

E2-2: Related Party Transactions- Queensland Treasury Corporation

	2019 \$'000	2018 \$'000
Revenue received	669	604
Expenditure incurred	2,978	37
Receivables	24,457	23,906
Payables	3	-

(a) Department of Health

Metro North Hospital and Health Service receives funding in accordance with a service agreement with the Department of Health. The Department of Health receives its revenue from the Queensland Government (majority of funding) and the Commonwealth. Metro North Hospital and Health Service is funded for eligible services through block funding; activity based funding or a combination of both. Activity based funding is based on an agreed number of activities per the service agreement and a state-wide price by which relevant activities are funded. Block funding is not based on levels of public care activity.

The funding from the Department of Health is provided predominantly for specific public health services purchased by the Department of Health 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 Hospital and Health Service.

The signed service agreement is published on the Queensland Government website and is publicly available.

The Department of Health provides a number of services including, ambulatory services, procurement, payroll, pharmacy, biomedical technology services, pathology, superannuation (QSuper) payments, information technology infrastructure and support as well as accounts payable services. Any expenses paid by the Department of Health on behalf of Metro North Hospital and Health Service for these services are recouped by the Department of Health.

(b) Queensland Treasury Corporation

Metro North Hospital and Health Service has bank accounts with the Queensland Treasury Corporation for general trust monies and receive interest and incur bank fees on these bank accounts.

Other

There are no other individually significant transactions with related parties.

Transactions with other related parties

All transactions in the year ended 30 June 2019 between Metro North Hospital and Health Service and key management personnel, including their related parties were on normal commercial terms and conditions and were immaterial in nature.

E3 TAXATION

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 Metro North Hospital and Health Service.

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

E4 PRIVATE INFRASTRUCTURE ARRANGEMENTS

The following contractual arrangements between Metro North Hospital and Health Service and the counterparty listed below relate to car parking services located on land that is recognised as an asset in the financial statements of Metro North Hospital and Health Service (subject to an operating lease):

Facility	Counter-party	Term of Agreement	Commencement Date
Butterfield Street Car Park	International Parking Group Pty Limited	25 years	January 1998
The Prince Charles Hospital Car Park	International Parking Group Pty Limited	22 years	November 2000

Butterfield Street Car Park

A \$2.5M up-front payment for rental of land on which the car park has been built was received at the commencement of car park operations in January 1998. This amount was transferred to the Royal Brisbane and Women's Hospital Foundation via a Deed of Assignment

in June 1998. Rental income of \$0.3M plus CPI per annum to January 2019 increasing to \$0.6M plus CPI per annum for the remainder of the lease period, as well as other payments when gross car park receipts exceeds particular targets, have also been assigned under the same Deed of Assignment to Royal Brisbane and Women's Hospital Foundation. Metro North Hospital and Health Service does not incur any revenue or expenses relating to this car park. Under the agreement, the Department of Health and 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 \$1M up-front payment for rental of land on which the car park has been built was received at the commencement of car park operations in November 2000. This amount was transferred to The Prince Charles Hospital Foundation via a Deed of Assignment. Rental of \$0.05M per annum has also been assigned under the same Deed of Assignment to The Prince Charles Hospital Foundation.

The facility buildings are not recorded as assets by 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, which have been assigned to the respective Hospital Foundation under a Deed of Assignment.

E5 CO-LOCATED ARRANGEMENTS

The following contractual between Metro North Hospital and Health Service and the counterparties listed below relate to private hospital services located on land that is recognised as an asset in the financial statements of Metro North Hospital and Health Service (subject to an operating lease):

Facility	Counter-party	Term of Agreement	Commencement Date
Caboolture Private Hospital.*	Affinity Health Ltd	25 years	May 1998
Holy Spirit Northside Private Hospital**	The Holy Spirit Northside Private Hospital Limited		November 2000

* There are no inflows to Metro North Hospital and Health Service from the Caboolture Private Hospital.

** Under the terms of the colocation agreement with Holy Spirit Northside Private Hospital, Metro North Hospital and Health Service received a one-off payment of \$1.35M on 30 June 2016 under an extension and variation deed. From 1 July 2016, annual rental income of \$1.8M indexed for forecast CPI is payable until the expiration of the agreement in November 2065. The estimated rent income (inclusive of the CPI increment) is shown below:

FINANCIAL STATEMENTS

The following table summarises significant transactions with Queensland Government controlled entities:

E2-1: Related Party Transactions –Department of Health

	2019 \$'000	2018 \$'000
Estimated Cash Inflows – fixed		
Not later than 1 year	1,800	1,800
Later than 1 year but not later than 5 years	7,200	7,200
Later than 5 years but not later than 10 years	9,000	9,000
Later than 10 years	66,600	68,400
	84,600	86,400

	2019 \$'000	2018 \$'000
Estimated Cash Inflows – variable		
Not later than 1 year	47	31
Later than 1 year but not later than 5 years	660	439
Later than 5 years but not later than 10 years	1,982	1,302
Later than 10 years	74,600	45,998
	77,289	47,770
Total estimated lease income	161,889	134,170

SECTION F BUDGET v ACTUAL COMPARISON

NB: A budget versus actual comparison and explanation of major variances has not been included for the Statement of Changes in Equity, as major variances relating to that statement have been addressed in explanation of major variances in the other statements.

F1 BUDGET VS ACTUAL COMPARISON – STATEMENT OF COMPREHENSIVE INCOME

F1-1: Explanation of major variances – Statement of comprehensive income

Grants and Subsidies – The variance relates to income recognised for services received below fair value \$22.9M.

Other revenue - The variance relates to mapping differences between the budget and actuals for inter-entity recoveries \$20M and an increase in Own Source Revenue (OSR) compared to budget of \$20M mostly relating higher receipts for the cost of drugs through the PBS.

Supplies and services - The variance relates to expenses for services received below fair value \$22.9M and an increase in cost of pharmaceutical drugs \$20M.

F2 BUDGET VS ACTUAL COMPARISON – STATEMENT OF FINANCIAL POSITION

F2-1: Explanation of major variances – Statement of financial position

Cash and cash equivalents – The variance to budget is due to higher than planned receipts from the Department of Health for service delivery and capital projects \$49.5M and an operating cash surplus for the year not forecast of \$42.1M.

Payables – The increase in payables relates to timing differences in payment of actual invoices \$32.3M and a payable recognised in June for equity swaps and end of year technical adjustment \$24.1M.

F3 BUDGET VS ACTUAL COMPARISON – STATEMENT OF CASH FLOWS

F3-1: Explanation of major variances – Statement of cash flows

Other revenue – The variance relates to mapping differences between the budget and actuals for inter-entity recoveries \$20M and an increase in Own Source Revenue (OSR) compared to budget of \$20M mostly relating higher receipts for the cost of drugs through the PBS.

Payments for property, plant and equipment and intangible assets – The variance is primarily due to; additional investment made in the Priority Capital Program \$21.9M, Caboolture Hospital ED Expansion \$8.8M and Oral Health Centre \$3M.

Cash flow from equity transferred – The variance is primarily due to; additional funding received for capital projects \$33.7M and depreciation and amortisation funding being treated as a cash item (equity withdrawal) in the budget, however this has been accounted as a non-cash item in the statement of cash flow (\$117.27M).

MANAGEMENT CERTIFICATE

These general purpose financial statements have been prepared pursuant to section s.62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section s.62(1)(b) of the Act, we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Metro North Hospital and Health Service for the financial year ended 30 June 2019 and of the financial position of the Metro North Hospital and Health Service at the end of that year; and

The Chief Finance and Corporate Officer, acknowledge(s) responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Professor Robert Stable AM
Board Chair
Date: 28 August 2019



Ms Jackie Hanson
Acting Chief Executive
Date: 28 August 2019



Ms Melissa MacCabe CA
Chief Finance and Corporate Officer
Date: 28 August 2019

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the Board of Metro North Hospital and Health Service

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Metro North Hospital and Health Service.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Valuation of specialised buildings (\$718.3 million)

Refer to Note B5 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>Buildings were material to Metro North Hospital and Health Service at balance date and were measured at fair value using the current replacement cost method. The current replacement cost method comprises:</p> <ul style="list-style-type: none"> • Gross replacement cost, less • Accumulated depreciation <p>In the 2018-19 financial year, Metro North Hospital and Health Service performed a revaluation of building assets using a relevant indexation percentage, applied to existing unit rates.</p> <p>Metro North Hospital and Health Service derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> • identifying the components of buildings with separately identifiable replacement costs • developing a unit rate for each of these components, including: <ul style="list-style-type: none"> ○ Estimating the current cost for a modern substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. \$/square metre) ○ Identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference. • The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of building components. <p>The values used for indexation purposes are based on estimates of labour and material cost inflation, adjusted for specific market conditions and as such also require judgement to appropriately determine.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant judgements for calculating annual depreciation expense.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Assessing the adequacy of management's review of the valuation process. • Reviewing the scope and instructions provided to the valuer. • Assessing the competence, capabilities and objectivity of the experts used to perform the indexation. • Evaluating the relevance and appropriateness of the indices used for changes in costs inputs by benchmarking it to other Queensland hospitals and government buildings. • Recalculating the application of indices to the asset balances. • Evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> ○ Reviewing management's annual assessment of useful lives. ○ At an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets. ○ Ensuring that no asset still in use has reached or exceeded its useful life. ○ Enquiring of management about their plans for assets that are nearing the end of their useful life. ○ Reviewing assets with an inconsistent relationship between condition and remaining useful life. <p>Where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.</p>



Other information

Other information comprises the information included in the entity's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the entity 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 the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Board, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

- I received all the information and explanations I required.
- In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

C G Strickland
as delegate of the Auditor-General

29 August 2019

Queensland Audit Office
Brisbane

BOARD MEMBER MEETING ATTENDANCES 2018–19

Name	Board	Executive Committee	Safety & Quality Committee	Finance & Performance Committee	Risk & Audit Committee
	11 meetings	4 meetings	6 meetings	6 meetings	5 meetings
Board Chair – Emeritus Professor Robert Stable AM	11 of 11	4 of 4	5 of 6	NA	NA
Deputy Chair – Dr Kim Forrester	11 of 11	4 of 4	6 of 6	NA	5 of 5
Board Member – Mr Adrian Carson	9 of 11	2 of 4	NA	NA	4 of 5
Board Member – Mr Bernard Curran	10 of 11	3 of 4	NA	6 of 6	NA
Board Member – Ms Bonny Barry	11 of 11	4 of 4	NA	6 of 6	NA
Board Member – Mr Geoff Hardy	10 of 11	4 of 4	NA	6 of 6	5 of 5
Board Member – Dr Kim Johnston	9 of 11	4 of 4	NA	NA	5 of 5
Board Member – Professor Mary-Louise Fleming	10 of 11	3 of 4	5 of 6	NA	NA
Board Member – Dr Paula Conroy	10 of 11	3 of 4	NA	6 of 6	NA
Board Member – Mr Neil Roberts	2 of 2	1 of 1	NA	1 of 1	NA
Board Member – Dr Robert Franz	2 of 2	1 of 1	1 of 1	1 of 1*	NA
Board Member – Associate Professor Cliff Pollard AM	7 of 9	2 of 3	3 of 5	NA	NA

NA Not a member of Committee *Guest

GLOSSARY

ABF	Activity Based Funding	MOHRI	Minimum Obligatory Human Resource Information
ACHS	The Australian Council on Healthcare Standards	MRI	Magnetic resonance imaging
AHPRA	Australian Health Practitioner Regulation Agency	MRSA	Methicillin-resistant Staphylococcus aureus
CAC	Community Advisory Committee	NDIS	National Disability Insurance Scheme
CF	Cystic Fibrosis	QAO	Queensland Audit Office
CT	Computed tomography	QFMHS	Queensland Forensic Mental Health Service
ECT	Electroconvulsive Therapy	QIMR	Queensland Institute of Medical Research
ED	Emergency Department	Q-TRaCE	RBWH Radiopharmaceutical Centre for Excellence
eDRMS	Electronic document and records management system	QUT	Queensland University of Technology
ES	Elective Surgery	RACFs	Residential Aged Care Facilities
FTE	Full Time Equivalent	RADAR	Residential Aged Care District Assessment and Referral Service
GP	General Practitioner	RAP	Reconciliation Action Plan
GPLOs	General Practitioner Liaison Officers	RBWH	Royal Brisbane and Women's Hospital
GPwSI	GP with Special Interests	SAC 1	Severity Assessment Code (incident resulting in likely permanent harm or death)
HSCE	Health Service Chief Executive	SIBR	Structured Interdisciplinary Bedside Rounds
HHS	Hospital and Health Service	SMO	Senior Medical Officer
ICU	Intensive Care Unit	STARS	Surgical, Treatment and Rehabilitation Service
ieMR	Integrated Electronic Medical Record	TPCH	The Prince Charles Hospital
IMHIP	Indigenous Mental Health Intervention Program	VMO	Visiting Medical Officer
IPPF	International Professional Practices Framework	WAU	Weighted Activity Unit
Metro North	Metro North Hospital and Health Service		

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 7	p3
Accessibility	Table of contents	ARRs – section 9.1	p5
	Glossary	ARRs – section 9.1	p97
	Public availability	ARRs – section 9.2	p2
	Interpreter service statement	Queensland Government Language Services Policy ARRs – section 9.3	p2
	Copyright notice	Copyright Act 1968 ARRs – section 9.4	p2
	Information licensing	QGEA – Information licensing ARRs – section 9.5	p2
General information	Introductory information	ARRs – section 10.1	p10, 12
	Agency role and main functions	ARRs – section 10.2	p17
	Operating environment	ARRs – section 10.3	p17
Non-financial performance	Government’s objectives for the community	ARRs – section 11.1	p6
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	p19
	Agency objectives and performance indicators	ARRs – section 11.3	p46, 48
	Agency service areas and service standards	ARRs – section 11.4	p46, 48
Financial performance	Summary of financial performance	ARRs – section 12.1	p52
Governance – management and structure	Organisational structure	ARRs – section 13.1	p31
	Executive management	ARRs – section 13.2	p29
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	NA
	Public Sector Ethics Act 1994	Public Sector Ethics Act 1994 ARRs – section 13.4	p45
	Queensland public service values	ARRs – section 13.5	p45

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Risk management	ARRs – section 14.1	p43
	Audit committee	ARRs – section 14.2	p40
	Internal Audit	ARRs – section 14.3	p43
	External Scrutiny	ARRs – section 14.4	p45
	Information systems and record keeping	ARRs – section 14.5	p44
Governance – human resources	Workforce planning and performance	ARRs – section 15.1	p39
	Early retirement, redundancy and retrenchment	Directive No. 11/12 Early Retirement, Redundancy and Retrenchment Directive No. 16/16 Early Retirement, Redundancy and Retrenchment (from 20 May 2016) ARRs – section 15.2	p39
Open Data	Statement advising publication of information	ARRs – section 16	p45
	Consultancies	ARRs – section 33.1	p45
	Overseas travel	ARRs – section 33.2	p45
	Queensland Language Services Policy	ARRs – section 33.3	p45
Financial Statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	p91
	Independent Auditor's Report	FAA – section 62 FPMA – section 50 ARRs – section 17.2	p92

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2009

ARRs Annual report requirements for Queensland Government agencies

