

Metro North Hospital and Health Service

Financial Statements – 30 June 2021

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for the year ended 30 June 2021

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Metro North Hospital and Health Service
Statement of comprehensive income
for the year ended 30 June 2021

	Notes	2021 Actual \$'000	2021 Budget \$'000	Budget Variance \$'000	2020 Actual \$'000
Income					
User charges and fees	A1-1	278,499	268,607	9,892	261,720
Funding for the provision of public health services	A1-2	2,995,925	2,878,410	117,515	2,820,768
Grants and other contributions	A1-3	55,523	45,877	9,646	56,429
Other revenue	A1-4	49,526	44,836	4,690	60,327
Total Revenue		3,379,473	3,237,730	141,743	3,199,244
Gain on disposal/re-measurement of assets		896	314	582	1,009
Total income		3,380,369	3,238,044	142,325	3,200,253
Expenses					
Employee expenses	A2-1	380,124	362,193	(17,931)	2,175,084
Health service employee expenses	A2-2	1,997,330	1,997,457	127	79,314
Supplies and services	A3-1	809,265	700,520	(108,745)	736,414
Grants and subsidies		1,999	2,083	84	1,260
Interest on lease liabilities		5,513	9,209	3,696	120
Depreciation and amortisation	B4,B5,B8	152,603	159,837	7,234	148,175
Impairment losses		8,070	3,213	(4,857)	9,912
Other expenses	A3-2	13,762	3,532	(10,230)	17,299
Total expenses		3,368,666	3,238,044	(130,622)	3,167,578
Operating result		11,703	-	11,703	32,675
Other comprehensive income					
<i>Items that will not be reclassified subsequently to operating result</i>					
Increase/(Decrease) in asset revaluation surplus	B7-1	(32,437)	-	(32,437)	282,114
Total other comprehensive income		(32,437)	-	(32,437)	282,114
Total comprehensive income		(20,734)	-	(20,734)	314,789

Metro North Hospital and Health Service
Statement of financial position
as at 30 June 2021

	Notes	2021 Actual \$'000	2020 Actual \$'000
Current assets			
Cash and cash equivalents	B1	161,084	132,354
Receivables	B2-1	165,203	129,812
Inventories	B3	22,103	21,212
Prepayments		21,041	16,305
Total current assets		369,431	299,683
Non-current assets			
Property, plant and equipment	B5-1	1,652,531	1,655,317
Right-of-use assets	B8-1	453,228	5,659
Intangible assets	B4	20,593	22,670
Prepayments		282	575
Total non-current assets		2,126,634	1,684,221
Total assets		2,496,065	1,983,904
Current liabilities			
Payables	B6-1	275,908	234,193
Lease liabilities	B8-2	21,725	5,711
Accrued employee benefits	A2-1	10,274	25,807
Provisions		940	-
Contract liabilities		32,838	9,059
Total current liabilities		341,685	274,770
Non-current liabilities			
Lease liabilities	B8-2	441,017	-
Other liabilities		4,708	5,580
Total non-current liabilities		445,725	5,580
Total liabilities		787,410	280,350
Net assets		1,708,655	1,703,554
Equity			
Contributed equity		1,087,944	1,062,077
Accumulated surplus/(deficit)		161,314	149,643
Asset revaluation surplus	B7-1	459,397	491,834
Total equity		1,708,655	1,703,554

*The 2021 Budget for the Statement of Financial Position was not published and therefore budget variance analysis is not required.

Metro North Hospital and Health Service
Statement of changes in equity
for the year ended 30 June 2021

	Accumulated surplus / (deficit) \$'000	Asset revaluation surplus \$'000	Contributed equity \$'000	Total equity \$'000
Balance as at 1 July 2019	116,968	209,720	1,076,641	1,403,329
Operating result for the year	32,675	-	-	32,675
Other comprehensive income				
Increase/(Decrease) in asset revaluation surplus	-	282,114	-	282,114
Total comprehensive income for the year	32,675	282,114	-	314,789
Transactions with owners:				
Equity injections - minor capital funding	-	-	124,873	124,873
Equity withdrawals - depreciation and amortisation	-	-	(148,175)	(148,175)
Non-appropriated equity asset injections	-	-	8,738	8,738
Net transactions with owners	-	-	(14,564)	(14,564)
Balance at 30 June 2020	149,643	491,834	1,062,077	1,703,554
Balance as at 1 July 2020	149,643	491,834	1,062,077	1,703,554
Operating result for the year	11,703	-	-	11,703
Other comprehensive income				
Increase/(Decrease) in asset revaluation surplus	-	(32,437)	-	(32,437)
Total comprehensive income for the year	11,703	(32,437)	-	(20,734)
Transactions with owners:				
Equity injections - minor capital funding	-	-	183,410	183,410
Equity withdrawals - depreciation and amortisation	-	-	(152,603)	(152,603)
Non-appropriated equity asset injections/(withdrawals)	(32)	-	(4,940)	(4,972)
Net transactions with owners	(32)	-	25,867	25,835
Balance at 30 June 2021	161,314	459,397	1,087,944	1,708,655

Metro North Hospital and Health Service
Statement of cash flows
for the year ended 30 June 2021

	Notes	2021 Actual \$'000	2020 Actual \$'000
Cash flows from operating activities			
<i>Inflows</i>			
User charges and fees		293,023	262,400
Funding for the provision of public health services		2,808,342	2,647,138
Grants and other contributions		28,536	32,019
Interest received		401	595
Other revenue		35,314	47,241
GST received		45,566	49,563
<i>Outflows</i>			
Employee expenses		(2,392,047)	(2,317,710)
Supplies and services		(729,584)	(628,518)
Grants and subsidies		(1,999)	(1,958)
Interest payments on lease liabilities		(5,513)	(120)
Other expenses		(13,402)	(15,237)
GST paid		(46,425)	(50,392)
Net cash from operating activities	CF-1	22,212	25,021
Cash flows from investing activities			
<i>Inflows</i>			
Sales of property, plant and equipment		889	1,031
<i>Outflows</i>			
Payments for property, plant and equipment		(159,632)	(125,631)
Payments for intangible assets		(5,301)	(5,271)
Net cash (used by) investing activities		(164,044)	(129,871)
Cash flows from financing activities			
<i>Inflows</i>			
Equity transferred		183,409	124,873
<i>Outflows</i>			
Lease payments		(12,847)	(5,472)
Net cash from/(used by) financing activities		170,562	119,401
Net increase/(decrease) in cash and cash equivalents		28,730	14,551
Cash and cash equivalents at the beginning of the financial year		132,354	117,803
Cash and cash equivalents at the end of the financial year	B1	161,084	132,354

*The 2021 Budget for the Statement of Cash Flows was not published and therefore budget variance analysis is not required.

Metro North Hospital and Health Service
Statement of cash flows
for the year ended 30 June 2021

NOTES TO THE STATEMENT OF CASH FLOWS

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

	2021 \$'000	2020 \$'000
Surplus / (deficit) for the year	11,703	32,675
Adjustments for:		
Non-cash equity withdrawal - depreciation funding	(152,602)	(148,175)
Depreciation and amortisation expense	152,603	148,175
Impairment loss	8,027	9,668
Loss on sale of property, plant and equipment	257	189
Assets transferred - non-cash	(896)	(1,009)
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables	(40,716)	(37,221)
(Increase)/decrease in GST receivables	(859)	(829)
(Increase)/decrease in inventories	(891)	(2,994)
(Increase)/decrease in recurrent prepayments	(4,443)	(4,545)
Increase/(decrease) in payables	31,103	99,355
Increase/(decrease) in accrued salaries and wages	(14,471)	(53,525)
Increase/(decrease) in contract liabilities and unearned revenue	22,907	(7,422)
Increase/(decrease) in other employee benefits	(1,062)	(9,321)
Increase/(decrease) in funding payable	10,612	-
Increase/(decrease) in provisions	940	-
Net cash from operating activities	22,212	25,021

CF-2 Non-Cash investing and financing activities

	Opening balance \$'000	New leases/borr owings \$'000	Interest expense \$'000	Reduction in liability \$'000	Cash received \$'000	Cash repayment s \$'000	Closing balance \$'000
Lease liabilities	5,711	469,878	5,513	-	-	(18,360)	462,742
Carrying amount at 30 June 2021	5,711	469,878	5,513	-	-	(18,360)	462,742

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2021

BASIS OF FINANCIAL STATEMENT PREPARATION

GENERAL INFORMATION

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

Metro North is controlled by the State of Queensland which is the ultimate parent entity.

The head office and principal place of business of Metro North 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's website at: <https://www.health.qld.gov.au/metronorth/about/contact-us>

STATEMENT OF COMPLIANCE

Metro North has prepared these financial statements in compliance with section 62(1) of the *Financial Accountability Act 2009* (Qld) and section 39 of the *Financial and Performance Management Standard 2019* (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 Queensland Government Agencies for reporting period beginning after 1 July 2020, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, Metro North 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.

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. Some totals may not add due to rounding.

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 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 Acting Health Service Chief Executive and the Chief Finance and Corporate Officer at the date of signing the Management Certificate.

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2021

SECTION A

NOTES ABOUT OUR FINANCIAL PERFORMANCE

A1 REVENUE

A1-1: User charges and fees

	2021	2020
	\$'000	\$'000
Revenue from contracts with customers		
Hospital fees	125,963	131,008
Pharmaceutical benefit scheme reimbursements	115,569	105,683
Sales of goods and services	36,967	25,029
Total	278,499	261,720

Accounting policy – User charges and fees

Revenue from contracts with customers is recognised when Metro North transfers control over a good or service to the customer or third-party beneficiary. Revenue from hospital fees and the sales of services is comprised of private healthcare services, research and training services respectively. Services are provided over time, with customers simultaneously receiving and consuming the benefits provided during that period. Metro North does not invoice for services rendered until the end of the service delivery period and recognises revenue progressively as the services are provided each month and a contract asset representing its right to consideration for services delivered but not yet billed.

Revenue from sales of goods and pharmaceutical benefit scheme comprises the sale of retail and pharmacy products and is recognised on transfer of the goods to the customer, which is the sole performance obligation.

A1-2: Funding for the provision of public health services

	2021	2020
	\$'000	\$'000
Activity based funding	2,296,926	2,279,718
Block funding	225,171	197,240
Depreciation funding	152,602	148,175
Other funding	321,226	195,635
Total	2,995,925	2,820,768

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. Cash funding from the Department of Health is received fortnightly for State payments and monthly for Commonwealth payments and is recognised as revenue as the performance obligations under the service level agreement are discharged. Commonwealth funding to Metro North in 2021 was \$1B (2020, \$1B).

At the end of the financial year, an agreed technical adjustment between the Department of Health and Metro North may be required for the level of services performed above or below the agreed levels, which may result in a receivable or unearned revenue. This technical adjustment process is undertaken annually according to the provisions of the service level agreement and ensures that the revenue recognised in each financial year correctly reflects Metro North's delivery of health services.

The service agreement between the Department of Health and Metro North dictates that depreciation and amortisation charges that are incurred by Metro North 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, \$150.7M in 2021 (2020: \$146.3M).

In March 2020 the Commonwealth and States entered into a National Partnership on COVID-19 Response. Under this agreement the parties agreed to work together in response to the COVID-19 pandemic and to jointly fund additional health expenditure incurred to effectively manage the COVID-19 outbreak. Additional revenue of \$77.9M (2020: \$42.9M) is included in "Other funding" above in relation to this agreement.

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2021

A1-3: Grants and other contributions

	2021	2020
	\$'000	\$'000
Revenue from contracts with customers		
Grants and other contributions	7,191	7,371
Other specific purpose recurrent grants	11,284	10,984
Other specific purpose capital grants	-	1,800
Other grants	1,188	1,101
Grants and other contributions	19,663	21,256
Other grants and contributions		
Grants and other contributions	8,262	2,697
Donations	611	8,066
Other grants and other contributions	8,873	10,763
Services received below fair value	26,987	24,410
Total	55,523	56,429

Accounting policy – Grants and other contributions

Grants, contributions and donations are non-exchange transactions where Metro North does not directly give approximately equal value to the grantor. Where the agreement is enforceable and contains sufficiently specific performance obligations for Metro North to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant or contribution is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct or acquire non-financial assets to be controlled by Metro North. Special purpose capital grants are recognised as a contract liability when received, and subsequently recognised progressively as revenue as Metro North satisfies its obligations under the grant through construction or acquisition of the asset.

Grants and other contributions recognised as revenue from contracts with customers

Metro North receives specific purpose recurrent grants for the provision of Transition Care Services, Organ and Tissue Donation and Transplantation Services under Commonwealth funding programs. It also receives Commonwealth funding under grants and other contributions for the provision of residential aged care services under Commonwealth nursing home benefit funding. These agreements require Metro North to provide an agreed level of care to a specified number of eligible patients with funding determined based on services provided.

Donations

This revenue stream consists of donations, gifts and bequests of cash or non-current assets for the purposes of benefiting the patient experience, staff education or research. Use of these funds is restricted and any unspent money is held in trust until it is expended for the above purposes. Refer to note D3 for details.

Other grants

Metro North receives a number of grants from government, industry and community entities. These grants include contributions from the Motor Accident Insurance Commission (MAIC) to support research at the jointly funded Trauma Institute and the Commonwealth Department of Health Radiation Oncology Health Program Grants (ROHPG) program.

Accounting policy – Services received below fair value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and expense.

During 2020-21, Metro North received services below fair value from the Department of Health in the form of payroll, accounts payable and banking services. These services are essential to Metro North's operations and would have been procured if they were not received for free. The fair value of these services amounting to \$27M in 2021 (2020: \$24.4M) is recognised in Grants and other contributions. An equal amount to services received below fair value revenue is recognised as other expenses. Refer to note A3-1 for the corresponding disclosure.

Metro North also receives services from volunteers who greet, direct and escort hospital patients and visitors, provide basic administrative support and assistance with role playing for some clinical skills development programs. While greatly appreciated, these donated services are not recognised because their fair value has been assessed as immaterial and they would not have been purchased if they had not been donated.

Metro North Hospital and Health Service

Notes to the financial statements

for the year ended 30 June 2021

A1-4: Other revenue

	2021	2020
	\$'000	\$'000
Health service employee expense recoveries	20,535	21,415
Rental income	5,561	3,589
Interest	400	595
Other recoveries	10,594	21,378
Other revenue	12,436	13,350
Total	49,526	60,327

Accounting policy – Health service employee expense recoveries and other recoveries

Recovery income is received as reimbursement of goods, services or staff provided by Metro North to other hospital and health services and government agencies. Revenue is recognised on a gross basis at cost (i.e. no margin attached) when or as the good or service is transferred to the other entity under AASB 15 *Revenue from Contracts with Customers*.

A2 EMPLOYEE EXPENSES

A2-1: Employee expenses

	2021	2020
	\$'000	\$'000
Employee benefits		
Wages and salaries *	295,093	1,706,145
Annual leave levy	22,943	210,658
Employer superannuation contributions	22,536	184,597
Long service leave levy	7,554	41,815
Termination benefits	654	870
Employee related expenses		
Workers compensation premium	16,896	16,925
Other employee related expenses	14,448	14,074
Total	380,124	2,175,084

	2021	2020
	No.	No.
Full-Time Equivalent Employees	885	857

* Effective 15 June 2020, a legislative change to the employer arrangements within Queensland Health was implemented. From this date, all non-executive employees of Metro North (i.e. other than senior executives, senior medical officers and visiting medical officers) became the employees of the Director-General, Queensland Health. Direct labour postings, in addition to related assets and liabilities including accrued employee benefits, for these employees have been reclassified from employee expenses to health service employee contract labour expenses. These changes were a result of the Government's implementation of recommendations from the "Advice on Queensland Health's governance framework report", issued in June 2019 and introduced consistency of employment arrangements for non-executive staff across all Queensland Health entities.

Refer to note A2-2 for Health service employee contract labour expense.

Accounting policy – Employee benefits

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

Workers' compensation insurance is a consequence of employing employees and is 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 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 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. Contributions are expensed in the period in which they are paid, or payable and Metro North's obligation is limited to the value of 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*.

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2021

A2-2: Health service employee expenses

	2021 \$'000	2020 \$'000
Health service employee expenses	1,593,758	79,314
Health service employee related expenses	403,572	-
Total	1,997,330	79,314

	2021 No.	2020 No.
Full-Time Equivalent Health Service Contract Labour	16,744	16,818

A2-3 Key management personnel disclosures

Metro North's responsible Minister is identified as part of its key management personnel. The Ministers responsible for the financial year were Honourable Dr. Steven Miles MP, the Deputy Premier and Minister for Health and Ambulance Services, 11 May 2020 - 11 Nov 2020 and Honourable Yvette D'Ath MP, the Minister for Health and Ambulance Services, 12 Nov 2020 - current.

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

Metro North Hospital and Health Service

Notes to the financial statements

for the year ended 30 June 2021

A2 EMPLOYEE EXPENSES (continued)

A2-3 Key management personnel disclosures (continued)

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.	Mr Jim McGowan AM B Econ, DipEd	Chair – <i>Hospital and Health Boards Act 2011</i> (Qld) s 25(1)(a) Tenure: 18/05/2020 to 31/03/2024	18/05/2020	-
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	Deputy Chair – <i>Hospital and Health Boards Act 2011</i> (Qld) s 25(1)(b) Tenure: 18/05/2018 to 17/05/2021	18/05/2018	17/05/2021
Non-executive Board Member – Provide strategic leadership, guidance and effective oversight of management, operations and financial performance.	Dr Kim Forrester RN, BA, LLB, LLM (Advanced), PhD, MAICD	Board Member – <i>Hospital and Health Boards Act 2011</i> (Qld) s 23(1) Tenure: 18/05/2013 to 17/05/2014 Tenure: 18/05/2014 to 17/05/2018 Tenure: 18/05/2021 to 31/03/2024	18/05/2013	-
	Mr Adrian Carson GCertHServMgt	Board Member – <i>Hospital and Health Boards Act 2011</i> (Qld) s 23(1) Tenure: 18/05/2017 to 17/05/2020 Tenure: 18/05/2020 to 31/03/2024	18/05/2017	-
	Mr Bernard Curran B Bus (QUT), FCA, FAICD, FTIA	Board Member – <i>Hospital and Health Boards Act 2011</i> (Qld) s 23(1) Tenure: 18/05/2018 to 17/05/2019 Tenure: 18/05/2019 to 31/03/2022	18/05/2018	-
	Ms Bonny Barry RN BNsg	Board Member – <i>Hospital and Health Boards Act 2011</i> (Qld) s 23(1) Tenure: 18/05/2016 to 17/05/2017 Tenure: 18/05/2017 to 17/05/2020 Tenure: 18/05/2020 to 31/03/2024	18/05/2016	-
	Mr Geoff Hardy B Bus (Econ), Dip HA, Grad Dip Commerce (Mkt), MAICD, AFCHSM, CHM	Board Member – <i>Hospital and Health Boards Act 2011</i> (Qld) s 23(1) Tenure: 18/05/2016 to 17/05/2017 Tenure: 18/05/2017 to 17/05/2020 Tenure: 18/05/2020 to 31/03/2024	18/05/2016	-

Metro North Hospital and Health Service

Notes to the financial statements

for the year ended 30 June 2021

A2 EMPLOYEE EXPENSES (continued)

A2-3 Key management personnel disclosures (continued)

Position	Name	Contract classification / appointment authority	Initial appointment date	Resignation/ Cessation date
Non-executive Board Member (continued)	Associate Professor Kim Johnston PhD, MBus, GradCertAcadPrac (QUT), BNurs (NTU), GCertNurs (RPAH), FHEA, MAICD	Board Member – <i>Hospital and Health Boards Act 2011</i> (Qld) s 23(1) Tenure: 18/05/2018 to 17/05/2019 Tenure: 18/05/2019 to 17/05/2021	18/05/2018	17/05/2021
	Professor Mary-Louise Fleming BEd (QUT), MA (Ohio), PhD (Qld), MAICD	Board Member – <i>Hospital and Health Boards Act 2011</i> (Qld) s 23(1) Tenure: 18/05/2016 to 17/05/2017 Tenure: 18/05/2017 to 17/05/2020 Tenure: 18/05/2020 to 31/03/2024	18/05/2016	-
	Mr Neil Roberts MBA, BBus, GradCertDisRes, GAICD	Board Member – <i>Hospital and Health Boards Act 2011</i> (Qld) s 23(1) Tenure: 18/05/2019 to 31/03/2022	18/05/2019	-
	Dr Paula Conroy BSc, MBBS, DCH, FRACGP, GAICD	Board Member – <i>Hospital and Health Boards Act 2011</i> (Qld) s 23(1) Tenure: 18/05/2018 to 17/05/2019 Tenure: 18/05/2019 to 31/03/2022	18/05/2018	-
	Dr Robert Franz MBBS, FRACS, GCM	Board Member – <i>Hospital and Health Boards Act 2011</i> (Qld) s 23(1) Tenure: 18/05/2019 to 17/05/2021 Tenure: 18/05/2021 to 31/03/2024	18/05/2019	-
	Ms Nermina (Nera) Komaric LLB, MPH	Board Member – <i>Hospital and Health Boards Act 2011</i> (Qld) s 23(1) Tenure: 18/05/2021 to 31/03/2024	18/05/2021	-

Metro North Hospital and Health Service
Notes to the financial statements
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A2 EMPLOYEE EXPENSES (continued)

A2-3 Key management personnel disclosures (continued)

Position	Name	Contract classification / appointment authority	Initial appointment date	Resignation/ Cessation date
Health Service Chief Executive – Responsible for the strategic leadership and direction for the delivery of public sector health services and to promote effective, efficient, and economic administration of the Health Service.	Mr Shaun Drummond	10S24/S70 01, <i>Hospital and Health Boards Act 2011</i> (Qld) s 74 Tenure: 29/09/2017 to 23/07/2021	29/09/2017	30/04/2019
	Adjunct Professor Jackie Hanson RN BNSc	Acting/Relieving in higher duties	20/01/2020	23/07/2021
Chief Operating Officer (previously 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.	Adjunct Professor Jackie Hanson RN BNSc	HES4, Health Executive Service – <i>Hospital and Health Boards Act 2011</i> (Qld) s 74 Tenure: 30/04/2018 to 29/04/2023	01/03/2021	05/04/2021
	Ms Melissa Carter (previously MacCabe) CA, BBus (Accy/Legal)	Acting/Relieving in higher duties	30/04/2018	28/02/2021
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.	Ms Melissa Carter (previously MacCabe) CA, BBus (Accy/Legal)	HES3, Health Executive Service – <i>Hospital and Health Boards Act 2011</i> (Qld) s 74 Tenure: 13/08/2018 to 12/08/2023	06/04/2021	-
	Mr Cameron Abbott CPA, BBus (Accy)	Acting/Relieving in higher duties	01/03/2021	05/04/2021
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 Officer (Queensland Health) Certified Agreement (No.5) 2018 (MOCA5) Tenure: 01/09/2014 to 30/09/2021	13/08/2018	28/02/2021
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.	Mr Mark Butterworth BAppSc, GradDipBA	HP8, Health Practitioners and Dental Officers (Queensland Health) Certified Agreement (No.3) 2019 Acting/Relieving in higher duties	01/09/2014	-
	Ms Michele Gardner RN.CC, Grad. DIP HC, EMPA ANZSOG, AFACHSM, MAICD, AFIMLANZ, MAAQHC	HES3, Health Executive Service – <i>Hospital and Health Boards Act 2011</i> (Qld) s 74 Acting/Relieving in higher duties	28/10/2019	31/01/2021

Metro North Hospital and Health Service

Notes to the financial statements

for the year ended 30 June 2021

A2 EMPLOYEE EXPENSES (continued)

A2-3 Key management personnel disclosures (continued)

Remuneration policy

Minister remuneration

Metro North 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 Whole of Government Consolidated Financial Statements, which are published as part of the 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* (Qld) 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), that if the person's employment as a health executive continues to the end of the term, a further contract may be entered into, 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 of 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 2020-21 financial year (2020: \$nil).

Metro North Hospital and Health Service

Notes to the financial statements

for the year ended 30 June 2021

A2 EMPLOYEE EXPENSES (continued)

A2-3 Key management personnel disclosures (continued)

Board remuneration

Name	Short term employee expenses		Post-employment benefits	Total Expenses
	Monetary expenses	Non-monetary expenses		
	\$'000	\$'000	\$'000	\$'000
2020-21				
Mr Jim McGowan AM	93	-	9	102
Dr Kim Forrester	54	-	5	59
Mr Adrian Carson	50	-	5	55
Mr Bernard Curran	51	-	5	56
Ms Bonny Barry	50	-	5	55
Mr Geoff Hardy	51	-	5	56
Associate Professor Kim Johnston	45	-	4	49
Professor Mary-Louise Fleming	51	-	5	56
Mr Neil Roberts	50	-	5	55
Dr Paula Conroy	50	-	5	55
Dr Robert Franz *	99	-	10	109
Ms Nermina (Nera) Komaric	4	-	-	4
Total Remuneration	648	-	63	711

Metro North has reimbursed board members a total of \$266.86 for out-of-pocket expenses incurred whilst travelling on approved board business including attendance at board meetings.

*Dr Robert Franz was not remunerated in 2019-20. During 2020-21 he was back paid for 2019-20 in addition to his 2020-21 fee.

Name	Short term employee expenses		Post-employment benefits	Total Expenses
	Monetary expenses	Non-monetary expenses		
	\$'000	\$'000	\$'000	\$'000
2019-20				
Emeritus Professor Robert Stable AM	82	-	8	90
Dr Kim Forrester	59	-	6	65
Mr Jim McGowan AM	10	-	1	11
Ms Bonny Barry	50	-	5	55
Professor Mary-Louise Fleming	50	-	5	55
Mr Geoff Hardy	54	-	5	59
Mr Adrian Carson	50	-	5	55
Dr Paula Conroy	50	-	5	55
Mr Bernard Curran	51	-	5	56
Associate Professor Kim Johnston	50	-	5	55
Mr Neil Roberts	50	-	5	55
Total Remuneration	556	-	55	611

Metro North has reimbursed board members a total of \$385.95 for out-of-pocket expenses incurred whilst travelling on approved board business including attendance at board meetings.

Metro North Hospital and Health Service

Notes to the financial statements

for the year ended 30 June 2021

A2 EMPLOYEE EXPENSES (continued)

A2-3 Key management personnel disclosures (continued)

Other key management personnel remuneration

Position	Short-term employee benefits		Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Monetary benefits	Non-monetary benefits				
	\$'000	\$'000				
2020-21						
Health Service Chief Executive, Mr Shaun Drummond	501	-	11	43	-	555
Acting Health Service Chief Executive, Adjunct Professor Jackie Hanson (01/03/2021 to 05/04/2021)	66	-	1	9	-	76
Chief Operating Officer, Adjunct Professor Jackie Hanson	235	-	5	23	-	263
Acting Chief Operating Officer, Ms Melissa Carter (previously MacCabe) (01/03/2021 to 05/04/2021)	26	-	1	3	-	30
Chief Finance and Corporate Officer, Ms Melissa Carter (previously MacCabe)	209	-	4	21	-	234
Acting Chief Finance and Corporate Officer, Mr Cameron Abbott (01/03/2021 to 05/04/2021)	45	-	1	3	-	49
Executive Director Clinical Services, Dr Elizabeth Whiting	561	1	12	43	-	617
Acting Executive Director Safety and Quality, Mr Mark Butterworth (28/10/2019 to 31/01/2021)	134	-	3	14	-	151
Acting Executive Director Safety and Quality, Ms Michelle Gardner (01/02/2021 to current)	92	-	2	10	-	104
Total	1,869	1	40	169	-	2,079
2019-20						
Health Service Chief Executive, Mr Shaun Drummond	244	-	5	21	-	270
Acting Health Service Chief Executive, Adjunct Professor Jackie Hanson (01/07/2019 to 28/01/2020, 26/02/2020 to 22/03/2020)	264	-	5	27	-	296
Chief Operating Officer, Adjunct Professor Jackie Hanson (23/11/2019 to 30/06/2020)	76	-	2	9	-	87
Acting Chief Operating Officer, Ms Jodie Ashworth (01/07/2019 to 22/11/2019)	117	-	2	11	-	130
Chief Finance and Corporate Officer, Ms Melissa Carter (previously MacCabe)	228	-	5	23	-	256
Executive Director Clinical Services, Dr Elizabeth Whiting	589	1	13	45	-	648
Executive Director Safety and Quality, Ms Noelle Cridland (01/07/2019 to 25/10/2019)	71	-	2	7	-	80
Acting Executive Director Safety and Quality, Mr Mark Butterworth (28/10/2019 to 30/06/2020)	154	-	3	16	-	173
Total	1,743	1	37	159	-	1,940

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2021

A3 OTHER EXPENSES

A3-1: Supplies and services

	2021	2020
	\$'000	\$'000
Clinical supplies and services	217,741	188,601
Drugs	156,288	143,596
Pathology, blood and parts	117,551	98,011
Catering and domestic supplies	58,714	52,459
Repairs and maintenance	48,857	48,127
Computer services	32,000	27,434
Communications	31,965	29,509
Insurance	26,219	25,115
Electricity and other energy	17,447	17,319
Rental expenses	7,895	7,332
Consultants and contractors - clinical	7,400	10,338
Consultants and contractors - non-clinical	5,843	12,224
Patient travel	5,621	5,237
Building services	4,966	4,801
Minor works including plant and equipment	4,432	3,007
Other travel	2,428	3,640
Lease expenses	1,095	311
Motor vehicles	863	976
Water	456	1,750
Services received below fair value	26,985	24,410
Other	34,499	32,217
Total	809,265	736,414

Accounting policy – Goods and services received below fair value

During 2020-21 Metro North received services below fair value from the Department of Health in the form of payroll, accounts payable and banking services. Under AASB 1058 *Income of Not-for-Profit Entities* 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 satisfied both requirements and therefore the fair value of the services received is recognised as revenue with a corresponding expense in the financial statements.

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

Accounting policy – Insurance

Metro North 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.

Lease expenses

Lease expenses include lease rentals for short-term leases, leases of low value assets and variable lease payments. Refer to Note B8 for breakdown of lease expenses and other lease disclosures.

A3-2: Other expenses

Audit expenses

Total audit fees paid or payable to the Queensland Audit Office relating to the 2020-21 financial year are \$326,500 (2020: \$361,500). There are no non-audit services included in this amount.

Special payments

Special payments include ex-gratia expenditure and other expenditure that Metro North is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2019*, Metro North 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 2020-21, ex-gratia payments of \$94,108 (2020: \$152,576) were made, consisting of six reportable payments totalling \$68,023 (2020: \$121,960) and a number of smaller non-reportable payments. Six reportable payments ranging from \$5,621 to \$28,565 relate to patient medical claims and financial assistance.

Metro North Hospital and Health Service

Notes to the financial statements

for the year ended 30 June 2021

SECTION B

NOTES ABOUT OUR FINANCIAL POSITION

B1 CASH AND CASH EQUIVALENTS

	2021	2020
	\$'000	\$'000
Cash at bank and on hand	127,616	98,839
Cash on deposit	33,468	33,515
Total	161,084	132,354

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 0.51% (2020: 0.86%)

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'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

	2021	2020
	\$'000	\$'000
Trade receivables (net of allowance for impairment)	72,134	72,582
GST receivable	6,600	5,313
GST payable	(988)	(560)
	5,612	4,753
Funding public health services	87,457	52,477
Total	165,203	129,812

Movements in the allowance for impairment loss

Balance at beginning of the year	10,591	10,347
Amounts written off during the year	(8,027)	(9,668)
Increase/(decrease) in allowance recognised in operating result	8,070	9,912
Total	10,634	10,591

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2021

B2 RECEIVABLES (continued)

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	Impaired
	\$'000	\$'000
2021		
Trade receivables		
Less than 30 days	6,243	534
30 to 60 days	6,082	395
60 to 90 days	5,480	258
Greater than 90 days	20,218	9,447
Total overdue	38,023	10,634

	Past due but not Impaired	Impaired
	\$'000	\$'000
2020		
Trade receivables		
Less than 30 days	4,570	333
30 to 60 days	5,417	228
60 to 90 days	4,782	220
Greater than 90 days	27,311	9,809
Total overdue	42,081	10,591

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's debtors, and relevant industry data form part of the impairment assessment. Metro North 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.

Disclosure – Receivables

At 30 June 2021, \$44.8M of non-contract receivables were included in the receivables balance.

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2021

B3 INVENTORIES

	2021 \$'000	2020 \$'000
Medical supplies and equipment	21,958	21,082
Other	145	130
Total	22,103	21,212

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. Inventories do not include supplies held ready for use in the wards throughout the hospital and health service facilities unless the value of the individual holding is considered to be material.

B4 INTANGIBLE ASSETS

B4-1: Intangible Assets - Balances and reconciliations of carrying amount

2021	Software purchased \$'000	Software generated \$'000	Software work in progress \$'000	Total \$'000
Cost	14,318	24,253	1,888	40,459
Less: Accumulated amortisation	(9,789)	(10,077)	-	(19,866)
Carrying amount at 30 June 2021	4,529	14,176	1,888	20,593

Represented by movement in carrying amount:

Carrying amount at 1 July 2020	6,652	10,204	5,814	22,670
Additions	112		5,189	5,301
Transfers to HHSs	-	-	-	-
Transfers between classes #	-	7,619	(7,274)	345
Disposals	-	-	-	-
Write-off of software work in progress	-		(1,841)	(1,841)
Amortisation expense	(2,235)	(3,647)	-	(5,882)
Carrying amount at 30 June 2021	4,529	14,176	1,888	20,593

2020	Software purchased \$'000	Software generated \$'000	Software work in progress \$'000	Total \$'000
Cost	14,206	16,883	5,814	36,903
Less: Accumulated amortisation	(7,554)	(6,679)	-	(14,233)
Carrying amount at 30 June 2020	6,652	10,204	5,814	22,670

Represented by movement in carrying amount:

Carrying amount at 1 July 2019	4,678	-	20,302	24,980
Additions	74		5,197	5,271
Transfers between classes #	3,672	12,395	(15,925)	142
Write-off of software work in progress	-	-	(3,760)	(3,760)
Amortisation expense	(1,772)	(2,191)	-	(3,963)
Carrying amount at 30 June 2020	6,652	10,204	5,814	22,670

#Transfers represent reclassification to software work in progress from 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.

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2021

B4 INTANGIBLE ASSETS (continued)

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 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.

The impairment review conducted in 2020-21 resulted in software work in progress values being written off to the value of \$1.84M. At the end of 2020-21 no other intangible assets or intangible work in progress assets are considered as impaired (2020: \$3.76M).

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2021

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
2021						
Gross	350,940	2,600,999	1,091	475,340	91,526	3,519,896
Less: Accumulated depreciation	-	(1,614,762)	(639)	(251,964)	-	(1,867,365)
Carrying amount at 30 June 2021	350,940	986,237	452	223,376	91,526	1,652,531

Represented by movements in carrying amount:

Carrying amount at 1 July 2020	374,215	1,015,792	481	179,582	85,247	1,655,317
Major infrastructure transfers						-
Transfers in from other Queensland Government entities	-	-	-	705	-	705
Acquisitions	-	55	-	38,339	121,238	159,632
Donated assets	-	-	-	-	-	-
Disposals	-	-	-	(250)	-	(250)
Transfers out to other Queensland Government entities	(5,170)	-	-	(509)	-	(5,679)
Transfers between classes #	-	62,909	-	51,705	(114,959)	(345)
Reversal impairment losses recognised in operating surplus/(deficit)	-	-	-	-	-	-
Net revaluation increments	(18,105)	(14,332)	-	-	-	(32,437)
Depreciation expense	-	(78,187)	(29)	(46,196)	-	(124,412)
Carrying amount at 30 June 2021	350,940	986,237	452	223,376	91,526	1,652,531

	Land Level 2* \$'000	Buildings Level 3** \$'000	Buildings Level 2** \$'000	Plant and equipment *** \$'000	Capital works in progress \$'000	Total \$'000
2020						
Gross	374,215	2,572,313	1,091	416,374	85,247	3,449,240
Less: Accumulated depreciation	-	(1,556,521)	(610)	(236,792)	-	(1,793,923)
Carrying amount at 30 June 2020	374,215	1,015,792	481	179,582	85,247	1,655,317

Represented by movements in carrying amount:

Carrying amount at 1 July 2019	373,916	745,971	510	164,058	93,312	1,377,767
Transfers in from other Queensland Government entities	500	8,152	-	194	-	8,846
Acquisitions	-	761	-	38,956	85,914	125,631
Donated assets	-	-	-	-	-	-
Disposals	-	-	-	(211)	-	(211)
Transfers out to other Queensland Government entities	-	-	-	-	-	-
Transfers between classes #	-	77,474	-	16,363	(93,979)	(142)
Net revaluation increments	(201)	282,315	-	-	-	282,114
Depreciation expense	-	(98,881)	(29)	(39,778)	-	(138,688)
Carrying amount at 30 June 2020	374,215	1,015,792	481	179,582	85,247	1,655,317

*Level 2 land assets comprise land with observable inputs in an active market. Level 2 building assets are buildings with an active market.

**Level 3 building assets are special purpose built and have no observable inputs.

***Plant and equipment is held at cost, except for Heritage and Cultural assets which are held at fair value are valued at \$0.89M (2020: \$0.89M).

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

Metro North Hospital and Health Service
Notes to the financial statements
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B5 PROPERTY PLANT AND EQUIPMENT (continued)

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.

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

*Land improvements undertaken by Metro North 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. 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 transfer or 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 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 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.

Metro North Hospital and Health Service
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B5 PROPERTY PLANT AND EQUIPMENT (continued)

B5-3: Accounting policies – Measurement (continued)

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 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'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
<i>Land</i>	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.
<i>Buildings – Non-health service delivery</i>	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.
<i>Buildings – Health service delivery (special purpose)</i>	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 conducted an independent comprehensive valuation of all special purpose building and site improvement assets during 2019-20 in order to obtain data required to adopt componentisation of its assets. The valuations were prepared on a componentised basis by rolling up building elements into eight specialised building components to be individually reflected in the asset register as sub-assets of a primary building asset.

In accordance with the NCAPs all building assets should not be deemed volatile when assessing their value. Due to the uncertainty in the market as a result of COVID-19 the 2020 valuation program was reported to have been undertaken on the basis of 'material valuation uncertainty' which implied that there was potential market uncertainty that may have impacted on the valuation provided. To mitigate this risk Metro North was required to undertake desktop valuations on all building assets in 2021 once the market stabilised.

It is expected that Metro North will return to a rolling three-year valuation program in 2021-22 to independently assess and determine fair value for all buildings and site improvements, while land will continue to be independently assessed and fair value determined on a rolling a five-year valuation program. Any assets held at fair value that are not selected for independent assessment in the current year will continue to be revalued on an annual basis using the appropriate and relevant indices provided by independent experts.

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.

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 floors.

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 agreed the useful lives with the valuer with reference to the current buildings condition and potential funding available in the future.

Use of indices

In years where assets have not been 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.

Metro North Hospital and Health Service
Notes to the financial statements
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B5 PROPERTY PLANT AND EQUIPMENT (continued)

B5-3: Accounting policies – Measurement (continued)

Results of valuation

In 2020-21, land was comprehensively revalued by the State Valuation Service resulting in a decrement of \$18.1M during 2020-21 (2020: \$0.2M).

For special purpose buildings (level 3), all buildings excluding heritage listed and new builds were considered via indexation in 2020-21 resulting in an indexation movement of \$14.3M decrement (2020: \$282M increment).

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 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 via componentisation and depreciated on a straight-line basis, using the remaining useful lives of the building's components. This process provides more reliable and relevant information to users of the financial statements and asset managers. Where significant components have materially different lives from the complex asset, the impact may materially affect the depreciation recognised during the financial year.

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.

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

Key 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'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 2020-21 (2020: \$nil).

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B6 LIABILITIES

B6-1: Payables

	2021	2020
	\$'000	\$'000
Trade creditors	192,888	162,650
Other creditors	18,911	18,046
Funding repayable	64,109	53,497
Total	275,908	234,193

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.

Funding repayable represents amounts recognised in the end of year technical adjustment as owing to the Department of Health at the end of each year for services not delivered during the year. Refer Note A1-2 for further detail on funding of public health services.

B7 EQUITY

B7-1: Asset revaluation surplus

	Land	Buildings	Heritage & Cultural Assets	Total
	\$'000	\$'000	\$'000	\$'000
Balance 1 July 2020	53,249	438,068	517	491,834
Revaluation increments/(decrements)	(18,105)	(14,332)	-	(32,437)
Balance 30 June 2021	35,144	423,736	517	459,397

Accounting policy – Revaluation surplus

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

Metro North Hospital and Health Service
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B8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

B8-1: Right-of-use assets

2021	Land and buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000
Cost	454,619	26,442	481,061
Less: Accumulated depreciation	(14,880)	(12,953)	(27,833)
Carrying amount at 30 June 2021	439,739	13,489	453,228

Represented by movement in carrying amount:

Carrying amount at 1 July 2020	-	5,659	5,659
Additions	454,619	15,259	469,878
Depreciation	(14,880)	(7,429)	(22,309)
Carrying amount at 30 June 2021	439,739	13,489	453,228

2020	Land and buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000
Cost	-	11,183	11,183
Less: Accumulated amortisation	-	(5,524)	(5,524)
Carrying amount at 30 June 2020	-	5,659	5,659

Represented by movement in carrying amount:

Carrying amount at 1 July 2019	-	11,183	11,183
Additions	-	-	-
Depreciation	-	(5,524)	(5,524)
Carrying amount at 30 June 2020	-	5,659	5,659

B8-2: Lease liabilities

	2021	2020
	\$'000	\$'000
Current		
Lease liabilities	21,725	5,711
Total current	21,725	5,711
Non-current		
Lease liabilities	441,017	-
Total non-current	441,017	-
Total	462,742	5,711

Accounting policy – Leases as a lessee

Right-of-use assets

Metro North measures right-of-use assets from concessionary leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognition. Metro North has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets.

The lease payments are recognised as expenses on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than \$10,000 when new.

Where a contract contains both a lease and material non-lease components such as asset maintenance services, Metro North allocates the contractual payments to each component on the basis of their stand-alone prices. However, for leases of plant and equipment, Metro North has elected not to separate lease and non-lease components and instead accounts for them as a single lease component.

When measuring the lease liability, Metro North uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined. To determine the incremental borrowing rate, Metro North uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

Metro North Hospital and Health Service
Notes to the financial statements
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B8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(i) *Details of leasing arrangements as lessee*

Category/class of lease arrangement	Description of arrangement
Plant and equipment leases	Metro North leases a number of medical equipment items One of these leases is recognised as part of an embedded lease within a service agreement. This lease is due to expire early in the 2021-22 financial year but is currently being renegotiated. The remaining leases are for significant items of medical equipment located in the STARS facility. These generally have 7 year terms.
Buildings	Metro North leases the STARS building from Australian Unity. The initial term of the lease is 20 years with an option to extend this lease by two periods of 10 years each (up to 40 years in total). At 30 June 2021 Metro North is not reasonably certain that either of the options will be exercised so the lease is accounted for based on the initial 20 year term. Under the agreement Australian Unity also provides service and maintenance on the building. The amounts paid for these services are not included in the value of the lease.

(ii) *Office accommodation and motor vehicles*

The Department of Energy and Public Works (DEPW) provides Metro North with access to office accommodation and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because DEPW has substantive substitution rights over the assets. The related service expenses are included as "Rental expenses" in note A3-1.

Surgical, Treatment and Rehabilitation Service (STARS) lease

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 hospital "STARS", which was delivered under a public-private partnership lease arrangement with Metro North. The building provides an approximate 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.

The land on which STARS is constructed is owned by Metro North and leased to Australian Unity for 99 years.

Commercial acceptance by Metro North of the STARS building occurred on 4th November 2020, at which time the parties entered 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). At the commencement date, the lease liability was calculated as the present value of the future lease repayments, discounted using the QTC fixed rate loan interest rate at that date for the period which aligns with the length of the lease agreement.

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

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

	2021	2020
	\$'000	\$'000
Outflows		
Not later than 1 year	26,276	18,536
Later than 1 year but not later than 5 years	108,600	102,103
Later than 5 years	410,454	434,663
Total estimated cash outflows	545,330	555,302

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

	2021	2020
	\$'000	\$'000
Outflows		
Not later than 1 year	7,363	7,362
Later than 1 year but not later than 5 years	33,467	43,899
Later than 5 years	265,633	278,137
Total estimated cash outflows	306,463	329,398

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B9 PUBLIC PRIVATE PARTNERSHIPS

Metro North does not have any arrangements that fall within the scope of AASB 1059 *Service Concession Arrangements*.

Metro North has some arrangements that fall within the definition of Public Private Partnerships (PPPs) as outlined in Queensland Treasury's *Financial Reporting Requirements* for periods beginning on or after 1 July 2020.

Facility	Counterparty	Term of Agreement	Commencement Date
RBWH Butterfield Street Car Park	International Parking Group Pty Limited	30 years	January 1998
The Prince Charles Hospital Car Park	International Parking Group Pty Limited	22 years	November 2000
STARS	Australian Unity	20 years + 2 x 10 year extension options	November 2020

RBWH Butterfield Street Car Park

A \$2.5M up-front payment for rent 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.

Under this agreement, the Department of Health and Metro North staff are entitled to concessional rates when using the car park. The contractual rights and obligations to receive cash flows in accordance with the agreement has been assigned to the Royal Brisbane and Women's Hospital Foundation as outlined above.

The building is recognised as a non-current asset in Note B5 and as shown in Note B9-1 below. Metro North has also recognised unearned revenue in relation to this agreement. Metro North incurs depreciation expense in relation to this building which is offset by depreciation funding from the Department of Health. Metro North does not receive any cash revenue in relation to this car park, however the unwinding of unearned revenue representing the progressive recognition of the fair value of the asset is accounted for as non-cash revenue as shown in Note B9-2 below.

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 \$0.5M per annum has also been assigned under the same Deed of Assignment to The Prince Charles Hospital Foundation.

The contractual rights and obligations to receive cash flows in accordance with the agreement has been assigned to The Prince Charles Hospital Foundation as outlined above.

The building is recognised as a non-current asset in Note B5 and as shown in Note B9-1 below. Metro North has also recognised unearned revenue in relation to this agreement. Metro North incurs depreciation expense in relation to this building which is offset by depreciation funding from the Department of Health. Metro North does not receive any cash revenue in relation to this car park, however the unwinding of unearned revenue representing the progressive recognition of the fair value of the asset is accounted for as non-cash revenue as shown below.

STARS

As outlined in note B8, Metro North has entered into an agreement with a consortium led by Australian Unity for the construction of the STARS facility.

This arrangement is recognised as a lease and accounted for in accordance with AASB 16 *Leases*. Disclosure, including Metro North's commitment to make future lease and other payments to the private sector entity are outlined in note B8. Metro North has the option to purchase the STARS facility at market value at the expiration of the initial 20 year lease and each of the two 10 year options (if exercised). Metro North does not hold any ownership interest in the building unless or until it purchases it from the private sector entity.

All public health services provided at STARS are under the direction and control of Metro North.

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B9 PUBLIC PRIVATE PARTNERSHIPS (continued)

B9-1 PPPs AASB 1059

Some PPPs are not service concession arrangements within the scope of AASB 1059. Other accounting standards and policies apply to these arrangements and are described for each arrangement below.

B9-1: PPPs outside AASB 1059

	2021	2020
	\$'000	\$'000
Assets		
Buildings		
RBWH Butterfield Street Car Park	17,899	19,299
The Prince Charles Hospital Car Park	6,059	6,533
Total Assets	23,958	25,832
Liabilities		
Unearned Revenue		
RBWH Butterfield Street Car Park	4,340	4,937
The Prince Charles Hospital Car Park	367	643
Total Liabilities	4,707	5,580

B9-2 Operating statement impact

The operating statement impact for each material public private partnership arrangement is as follows.

B9-2: Operating statement impact

	Butterfield St	TPCH	Total
2020-21	\$'000	\$'000	\$'000
Revenue			
Depreciation Funding	1,400	475	1,875
Amortisation of unearned revenue	597	275	872
Expenses			
Depreciation expenses	(1,400)	(475)	(1,875)
Net impact on operating result	597	275	872

2019-20

Revenue			
Depreciation funding	1,400	475	1,875
Amortisation of unearned revenue	597	275	872
Expenses			
Depreciation expenses	(1,400)	(475)	(1,875)
Net impact on operating result	597	275	872

Metro North Hospital and Health Service
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SECTION C

NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

C1 FINANCIAL RISK DISCLOSURES

C1-1: Financial instrument categories

Metro North has the following categories of financial assets and financial liabilities

Category	Notes	2021 \$'000	2020 \$'000
Financial assets			
Cash and cash equivalents	B1	161,084	132,354
Receivables	B2-1	165,203	129,812
Total		326,287	262,166
Financial liabilities			
Lease liabilities	B8-2	462,742	5,711
Payables	B6-1	275,908	234,193
Total		738,650	239,904

Accounting policy – Financial instruments

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

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

C1-2 Financial risk management

Metro North's 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.

There are no significant concentrations of credit risk.

(b) Liquidity risk

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

Metro North 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 \$39.5M (2020: \$39.5M) 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 2021.

The following table sets out the liquidity risk of financial liabilities held by Metro North. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date.

Category	2021 \$'000	< 1 year \$'000	1 – 5 years \$'000	> 5 years \$'000
Payables	275,908	275,908	-	-
Lease liabilities	545,330	26,276	108,600	410,454
Total	821,238	302,184	108,600	410,454

(c) Interest rate risk

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

Metro North 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.

Metro North Hospital and Health Service
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C2 COMMITMENTS

(a) 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:

	2021	2020
	\$'000	\$'000
Outflows		
Not later than 1 year	45,468	66,470
Later than 1 year but not later than 5 years	246,472	-
Total estimated cash outflows	291,940	66,470

C3 CONTINGENCIES

As at 30 June 2021, the following cases were filed in the courts naming the State of Queensland acting through Metro North as defendant:

	2021 Number of cases	2020 Number of cases
Federal Court	1	2
Supreme Court	10	12
District Court	10	3
Magistrates Court	1	1
Coroners Court	2	-
Tribunals, commissions and boards	3	8
Total	27	26

(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's maximum exposure is limited to an excess per insurance event up to \$20,000. The majority of the above litigation is covered within Metro North's QGIF policy such that Metro North's net exposure is not expected to be material.

(b) Contractual contingencies

Metro North 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

At the date of authorisation of the financial report, there are no material impacts expected as a result of new or amended Australian Accounting Standards issued but with future effective dates.

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C5 JOINT ARRANGEMENTS

Metro North 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 owned by Metro North. 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 Metro North has an alliance agreement.

The joint arrangements had no contingent liabilities or capital commitments as at 30 June 2020 and 2021.

Accounting policy – Joint Arrangements

A joint operation is an 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 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 2021 that have significantly affected, or may significantly affect Metro North's operations, the results of those operations, or its state of affairs in future financial years.

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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 Metro North (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 Metro North (retention arrangement).

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

	2021	2020
	\$'000	\$'000
Receipts		
Billings - (SMOs and VMOs)	67,286	65,186
Interest	31	65
Total receipts	67,317	65,251
Payments		
Hospital and Health Service recoverable administrative costs	44,354	44,330
Payments to medical practitioners	17,635	17,436
Hospital and Health Service education/travel fund	3,774	3,670
Total payments	65,763	65,436
Closing balance of bank account under a trust fund arrangement not yet disbursed and not restricted cash	7,195	5,641

D2 FIDUCIARY TRUST TRANSACTIONS AND BALANCES

Metro North 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 Metro North, trust activities are included in the audit performed by the Auditor-General of Queensland.

	2021	2020
	\$'000	\$'000
Patient trust funds		
Opening balance	211	352
Patient trust receipts	4,200	5,900
Patient trust transfers *	-	(4)
Patient trust payments	(4,239)	(6,037)
Closing balance (represented by cash)	172	211

*\$3,950 in Patient Trust discrepancy was identified and transferred to Metro North General Trust account in May 2020 for the purpose of patient amenities.

D3 RESTRICTED ASSETS

Metro North 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 2021, an amount of \$33.5M (2020: \$33.8M) in General Trust is set aside for specified purposes defined by the contribution.

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2021

SECTION E

OTHER INFORMATION

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

Accounting standards applied for the first time

At the date of authorisation of the financial report, the impacts of new or amended Australian Accounting Standards issued are set out below:

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 first applied to Metro North 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.

In analysing the effects of this standard on Metro North, the following contractual arrangements were considered: RBWH Butterfield Street Car Park, The Prince Charles Hospital Car Park, The Prince Charles Hospital Early Education Centre, STARS, Caboolture Private Hospital, St Vincent's Private Hospital Northside and Herston Imaging Research Facility (HIRF).

None of these arrangements were assessed as within the scope of AASB 1059. The Prince Charles Hospital Early Education Centre, STARS, Caboolture Private Hospital, St Vincent's Private Hospital Northside were assessed as falling under AASB 16 *Leases* which became effective from 1 July 2019. Refer to note B8 for the relevant Lease/Right of use disclosures.

HIRF was assessed as being within scope of AASB 11 *Joint Arrangements*. Refer to note C5 for the relevant disclosures.

The RBWH Butterfield Street car park and The Prince Charles Hospital car park were assessed as Public Private Partnerships (PPPs) falling outside the scope of AASB 1059. Queensland Treasury's *Financial Reporting Requirements* require additional disclosure in relation to PPPs for the first time in 2020-21. Refer note B9 for disclosure in relation to these arrangements.

E1-1: Impact of change in accounting policy

Measurement basis

\$'000

Buildings	27,707	Current replacement cost as at 1 July 2019
Unearned revenue liability	(6,452)	Current replacement cost of the RBWH Butterfield Street and TPCH carparks at 1 July 2019 adjusted to reflect the remaining period of the arrangements (9 years and 3 months and 3 years and 4 months) relative to the total period of the arrangement (30 years and 22 years respectively).
Accumulated surplus	(21,255)	The difference between the service concession asset and unearned revenue liability. This reflects the revenue already earned prior to 1 July 2019

All other Australian accounting standards and interpretations that had future effective dates were either not applicable or had no material impact on activities of Metro North.

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2021

E2 IMPACT OF COVID19

On 27 February 2020, the Prime Minister of Australia activated the Australian Health Sector Emergency Response Plan in response to the outbreak of the Novel Coronavirus or COVID-19. The state of Queensland responded to this with a Pandemic Plan led by the Queensland Disaster Management Committee. The impact of the COVID-19 pandemic on Metro North has been assessed as follows:

Revenue

As disclosed in note A1-2, the Commonwealth and State Government have agreed to reimburse direct costs related to the health care response to COVID-19. Additional funding of \$77.9M (2020: \$42.9M) has been provided to Metro North under the National Partnership Agreement (NPA) for direct costs relating to COVID-19.

Direct expenses

Metro North has incurred additional expenditure of \$81.5M (2020: \$44.2M). Additional expenditure of \$67.1M relates to the COVID-19 Response and \$10.8M to the COVID-19 Vaccination program. The remaining \$3.6M has been spent on capital related items purchased to assist with the COVID-19 response and vaccination program. Direct expense incurred relating to COVID-19 have been reimbursed via the NPA totalling \$77.9M (2020: \$42.9M). These expenses related to Metro North's response to the pandemic, including staffing of fever clinics, expansion of Emergency Department and Intensive Care Unit capacity, Emergency Operations Centre, Virtual Wards, increased cleaning activities and clinical consumables, and the COVID-19 vaccination program. Some of the expenditure incurred by Metro North does not qualify for reimbursement under the terms of the NPA.

A total of \$10.9M (including the \$3.6M referred to above) has been spent on capital items purchased to assist with COVID-19 response and vaccination program. This is funded by the Department of Health.

Health care delivery activity

Despite the impacts of COVID-19 Metro North has delivered on all health care activity requirements under the Service Agreement with the Department of Health. Health care activity requirements are subject to an annual reconciliation process in accordance with the Service Agreement.

Asset valuation

All of Metro North's specialised building assets were comprehensively valued by a qualified valuer in 2020. The replacement cost unit rates adopted in the valuation are based on estimates of cost at the valuation date on the assumption that the COVID-19 pandemic did not occur. Metro North engaged a qualified valuer in 2021 to review the valuations performed in 2020 to ensure no significant impact from COVID-19.

The valuers confirmed that the rates applied in the 2020 comprehensive revaluation were accurate based on a 2-year rolling average.

Collectability of receivables

Debt impairment has not been significantly affected by COVID-19. Metro North's main income sources are the Queensland Government, Medicare and health insurance companies which are expected to be financially stable to withstand any adverse COVID-19 impacts.

Where individual patients are responsible for payment Metro North is continuing to monitor the impact on these receivables. No significant change in recoverability of debt has become apparent during 2020-21. These accounts make up a minor portion of Metro North's overall receivables profile.

COVID Response Leave

In acknowledgment of health workers and those supporting health workers response to COVID-19, the Queensland Government announced an additional two (2) days of leave (prorated) for eligible full time and part time employees. All Queensland Health staff who were employed on 10 September 2020 (excluding casuals and those in SES/HES roles) were eligible for this leave.

The COVID response leave expires after two years, therefore the two days (all hours) must be taken prior to 10 September 2022. Any balance remaining on 10 September 2022 will not be cashed out and must be reset to zero. Where an employee separates from Queensland Health the balance is not to be paid out upon termination.

In November 2020, a provision for all eligible employees was calculated. This posting resulted in a transfer of cash to the Department of Health equivalent to the provision for all non-executive staff under the non-prescribed employer arrangements. This amount has been recognised as a prepayment in the balance sheet of Metro North and will be reduced as leave is taken. At 30 June the balance of the prepayment was \$7.2M.

Funding for backfill of frontline staff has been provided and will be recognised in line with the employee leave taken.

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2021

E3 RELATED PARTY TRANSACTIONS

Transactions with Queensland Government controlled entities

Metro North 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:

E3-1: Related Party Transactions- Department of Health

	2021	2020
	\$'000	\$'000
Revenue received	3,198,194	2,866,827
Expenditure incurred	2,340,997	329,355
Receivables	106,508	44,580
Payables	239,959	159,754

E3-2: Related Party Transactions- Queensland Treasury Corporation

	2021	2020
	\$'000	\$'000
Revenue received	232	409
Expenditure incurred	45	39
Receivables	33,468	33,515
Payables	4	4

(a) Department of Health

Metro North 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 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 in accordance with a service agreement between the Department of Health and Metro North. 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 for these services are recouped by the Department of Health.

(b) Queensland Treasury Corporation

Metro North 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 2021 between Metro North and key management personnel, including their related parties were on commercial terms and conditions and were immaterial in nature.

E4 TAXATION

Metro North 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.

The Australian Taxation Office (ATO) 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 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.

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2021

BUDGET v ACTUAL COMPARISON

F1 BUDGET VS ACTUAL COMPARISON – STATEMENT OF COMPREHENSIVE INCOME

Grants and other contributions – The notable variances relates to \$5M income recognised from the RBWH Foundation towards the Herston Bio-fabrication Institute and \$3M higher than budgeted goods and services below fair value received from the Department.

Supplies and services - The variance to budget largely relates to \$81M spending on the COVID-19 response and vaccination program (see note E2). This is also reflected as a recovery under 'funding for the provision of public health services'.

Interest on lease liabilities - The variance to budget is due to later than anticipated commencement of the STARS lease (note B8).

The 2021 Budget for the Statement of Financial Position and Statement of Cash Flows were not published and therefore Budget Variance analysis is not required.

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2021

Management Certificate

These general purpose financial statements have been prepared pursuant to s62(1) of the *Financial Accountability Act 2009* (Qld) (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with s62(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 2021 and of the financial position of the Metro North Hospital and Health Service at the end of that year; and

We acknowledge responsibility under s7 and s11 of the *Financial and Performance Management Standard 2019* 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.



Mr Jim McGowan AM
Board Chair
Date: 31 August 2021



Adjunct Professor Jackie Hanson
Acting Chief Executive
Date: 31 August 2021



Ms Melissa Carter CA
Chief Finance and Corporate Officer
Date: 31 August 2021

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 2021, 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 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, 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 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 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 \$986.24 million

Refer note B5 in the financial report.

Description	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.</p> <p>Metro North Hospital and Health Service performed an indexation of its buildings this year. The last comprehensive revaluation was conducted in 2019–20.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> • gross replacement cost, less • accumulated depreciation. <p>Using indexation required:</p> <ul style="list-style-type: none"> • significant judgement in determining changes in cost and design factors for each asset type since the previous comprehensive valuation • reviewing previous assumptions and judgements used in the last comprehensive valuation to ensure ongoing validity of assumptions and judgements used. <p>The measurement of accumulated depreciation involved significant judgements for determining condition and forecasting the remaining useful lives of building components.</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 and results. • reviewing the scope and instructions provided to the valuer. • assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices. • assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices • assessing the competence, capabilities and objectivity of the experts • evaluating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices • 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 building 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. • Where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.

Other information

Other information comprises the information included in the entity's annual report for the year ended 30 June 2021, 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 2019 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. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.

- 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.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



C G Strickland
as delegate of the Auditor-General

31 August 2021

Queensland Audit Office
Brisbane

BOARD MEMBER MEETING ATTENDANCE 2020–2021

Name	Board	Executive Committee	Safety & Quality Committee	Finance & Performance Committee	Risk & Audit Committee
	11 meetings	3 meetings	6 meetings	7 meetings	5 meetings
Board Chair – Mr Jim McGowan AM	11 of 11	3 of 3	1 of 1	7 of 7	ANR
Deputy Chair – Dr Kim Forrester	11 of 11	3 of 3	6 of 6	NA	4 of 5
Board Member – Mr Adrian Carson	9 of 11	2 of 3	NA	NA	3 of 5
Board Member – Mr Bernard Curran	10 of 11	3 of 3	NA	NA	5 of 5
Board Member – Ms Bonny Barry	10 of 11	3 of 3	NA	7 of 7	NA
Board Member – Mr Geoff Hardy	11 of 11	3 of 3	NA	7 of 7	NA
Board Member – Associate Professor Kim Johnston	8 of 9	2 of 3	NA	NA	4 of 5
Board Member – Professor Mary- Louise Fleming	11 of 11	3 of 3	6 of 6	1 of 1	NA
Board Member – Dr Paula Conroy	11 of 11	3 of 3	6 of 6	NA	NA
Board Member – Mr Neil Roberts	11 of 11	3 of 3	NA	5 of 5	ANR
Board Member – Ms Nera Komaric	2 of 2	NA	NA	1 of 1	NA
Board Member – Dr Robert Franz	11 of 11	3 of 3	5 of 6	NA	NA

NA Not applicable as Board member is not a member of committee

ANR Attendance not required as the committee did not meet during the period
Board Member joined the committee and 30 June 2021.

GLOSSARY

ACHS	The Australian Council on Healthcare Standards	IPPF	International Professional Practices Framework
AHPRA	Australian Health Practitioner Regulation Agency	Metro North	Metro North Hospital and Health Service
CAC	Community Advisory Committee	MOHRI	Minimum Obligatory Human Resource Information
CALD	Culturally and linguistically diverse communities	MRI	Magnetic resonance imaging
CT	Computed tomography scan	MRSA	Methicillin-resistant Staphylococcus aureus
ED	Emergency Department	OECD	Organisation for Economic Cooperation and Development
eDRMS	Electronic document and records management system	QAO	Queensland Audit Office
EQuIP	Evaluation and Quality Improvement Program	RBWH	Royal Brisbane and Women's Hospital
ES	Elective Surgery	RWM	Responsible Workforce Management
FTE	Full Time Equivalent	S/4HANA	Queensland Health's modern finance, business and logistics platform
GP	General Practitioner	SAMP	Strategic Asset Management Plan
HSCE	Health Service Chief Executive	STARS	Surgical, Treatment and Rehabilitation Service
HHS	Hospital and Health Service	TPCH	The Prince Charles Hospital
ieMR	Integrated Electronic Medical Record	UQ	The University of Queensland
IUIH	Institute for Urban Indigenous Health	WAU	Weighted Activity Unit

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	p4
Accessibility	Table of contents	ARRs – section 9.1	p5
	Glossary	ARRs – section 9.1	p76
	Public availability	ARRs – section 9.2	p2
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	p2
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	p2
	Information licensing	<i>QGEA – Information licensing</i> ARRs – section 9.5	p2
General information	Introductory information	ARRs – section 10.1	p7
Non-financial performance	Government’s objectives for the community	ARRs – section 11.1	p6, 7
	Agency objectives and performance indicators	ARRs – section 11.2	p7, 26,27
	Agency service areas and service standards	ARRs – section 11.3	p24, 25
Financial performance	Summary of financial performance	ARRs – section 12.1	p28
Governance – management and structure	Organisational structure	ARRs – section 13.1	p17
	Executive management	ARRs – section 13.2	p16
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	p10
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	p22
	Human Rights	<i>Human Rights Act 1994</i> ARRs – section 13.5	p22
	Queensland public service values	ARRs – section 13.6	p7

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Risk management	ARRs – section 14.1	p19
	Audit committee	ARRs – section 14.2	p11
	Internal Audit	ARRs – section 14.3	p20
	External Scrutiny	ARRs – section 14.4	p21
	Information systems and record keeping	ARRs – section 14.5	p21
	Information Security attestation	ARRs – section 14.6	p22
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	p18
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	p19
Open Data	Statement advising publication of information	ARRs – section 16	p2
	Consultancies	ARRs – section 33.1	Nil
	Overseas travel	ARRs – section 33.2	Nil
	Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial Statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	p70
	Independent Auditor’s Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	p71

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

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Metro North Hospital and Health Service

www.metronorth.health.qld.gov.au