

**Metro North Health**

# **ANNUAL REPORT 2020–2021**



**Queensland  
Government**

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Information about the Queensland language services policy is available at the Queensland Government Open Data website ([qld.gov.au/data](http://qld.gov.au/data)). Metro North Health has no data to report on consultancies and overseas travel in 2020-2021.

## Accessibility

### Public Availability

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

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

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**Postal Address:** PO Box 150, RBWH Post Office, HERSTON Qld 4029  
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### Interpreter Services Statement



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

If you have difficulty in understanding the annual report, please contact us on 07 3647 9702 and we will arrange an interpreter to communicate the report to you effectively.

### Information Security

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

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

**Acknowledgement to Traditional Owners**

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

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

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

**Recognition of Australian South Sea Islanders**

Metro North formally recognises the Australian South Sea Islanders as a distinct cultural group within our geographical boundaries. Metro North is committed to fulfilling the Queensland Government Recognition Statement for Australian South Sea Islander Community to ensure that present and future generations of Australian South Sea Islanders have equality of opportunity to participate in and contribute to the economic, social, political and cultural life of the State.

# Letter of Compliance



**Office of the  
Metro North Hospital and Health Board**

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E metro\_north\_board@health.qld.gov.au

The Honourable Yvette D'Ath MP  
Minister for Health and Ambulance Services  
GPO Box 48  
BRISBANE QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2020-21 and financial statements for Metro North Hospital and Health Service.

I certify that this annual report complies with:

- The prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*; and
- The detailed requirements set out in the Annual Report Requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found on page 77 of this annual report.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jim McGowan", followed by a horizontal line extending to the right.

**Jim McGowan AM**  
**Chair**  
**Metro North Hospital and Health Board**

31/ 08/ 2021



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## Government Objectives for the Community

Metro North Hospital and Health Service (Metro North) contributes to the Government's objectives for the community which are built around *Unite and Recover – Queensland's Economic Recovery Plan*.

### **Safeguarding our health:**

Safeguard people's health and jobs by keeping Queensland pandemic ready.

### **Backing our frontline services:**

Deliver world-class frontline services in key areas such as health, education and community safety.

## Message from the Board Chair and Chief Executive

As we entered the second year of the COVID-19 pandemic, demand for healthcare services continued to grow. Metro North has contributed significantly to Queensland's pandemic response, including fever clinics and assessment centres, airport screening, hotel quarantine, inpatient care, virtual care, and vaccination clinics.

Metro North's sixth hospital, the Surgical, Treatment and Rehabilitation Service (STARS), admitted its first patients in February.

STARS opened Metro North's first COVID-19 vaccination clinic on 1 March 2021. By the end of June, Metro North had delivered 16,171 vaccinations to critical frontline workers at vaccination clinics located at STARS, Royal Brisbane and Women's Hospital, The Prince Charles Hospital, Redcliffe and Caboolture Hospitals, Brighton Health Campus, Kippa-Ring and Doomben Racecourse.

Throughout 2020-2021, Metro North employed an additional 987 clinical staff in medical, nursing and allied health positions. This included 427 graduate nurses to support the pandemic response. Our total full-time equivalent staffing grew from 16,818 to 17,630 at the end of the financial year. This included creating more employment security for longer term staff in temporary employment to ensure stability and improve culture.

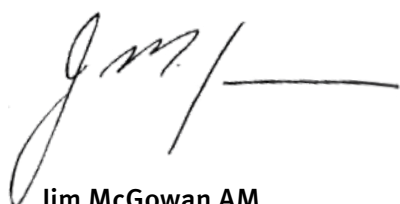
In the 2020-2021 financial year, there were 444,260 presentations to emergency departments and fever clinics, with 119,182 admissions from the emergency department. Throughout the year, staff performed 41,867 emergency and elective surgeries across our five surgical hospitals.

Metro North services provided 1,986,539 outpatient occasions of service and reduced outpatient long waits from 12,930 to 7,307 between January and June 2021.

We invested \$3.377 billion in healthcare, up from \$3.196 billion the previous financial year, and in spite of the increased demand and challenges of the pandemic, we delivered an operating surplus of \$11.7 million.

Metro North continued to support staff wellbeing through specific wellbeing programs including employing staff psychologists, and expanding RUOK? training and peer responder programs.

During the year construction and commissioning was completed for STARS, and construction continued on the Caboolture Hospital Redevelopment Project. Throughout the year the Redcliffe Hospital carpark was completed, a second CT machine and new MRI were installed, and the Intensive Care Unit was refurbished at Redcliffe Hospital to support the pandemic response.



**Jim McGowan AM**  
Chair  
Metro North Hospital and Health Board



**Adjunct Professor Jackie Hanson**  
Acting Chief Executive  
Metro North Hospital and Health Service

# ABOUT US

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

The *Metro North Strategic Plan 2020-2024* (the Plan) outlines our future direction to 2024.

## Strategic direction

The Plan contributes to the Queensland Government's objectives for the community – Unite and Recover – on Safeguarding our health to keep Metro North pandemic ready and Backing our frontline services through many strategies including minimising risk by planning for continuity of service delivery and creating an environment that promotes innovative approaches to support our people in continuous improvement and organisational learning.

The Plan aligns to the priorities in My health, Queensland's future: *Advancing health 2026* with a focus on pursuing innovation with a strong emphasis on digital transformation. Through the directions of the Strategic Plan, Metro North has a demonstrated and ongoing commitment to respect, protect and promote human rights for everyone, everywhere, every day.

## Vision, Purpose, Values

### Vision

Excellent healthcare, working together, strong and healthy communities

### Purpose

Together with our community and partners, deliver services informed by research and innovation to improve the health outcomes of our community.

### Values

The Metro North values reflect the Queensland Government values of Customers first, Ideas into action, Unleash potential, Be courageous, and Empower people.

Our values are:

- Respect
- Teamwork
- Compassion
- High performance
- Integrity.

## Priorities

The Metro North Strategic Plan comprises four objectives:

- To always put people first.
- To improve health equity, access, quality, safety and health outcomes.
- To deliver value-based health services through a culture of research, education, learning and innovation.
- To be accountable for delivery of sustainable services, high performance and excellent patient outcomes.

The *Metro North Health Service Strategy 2021-2026* (the Strategy) has a five-year outlook setting out how Metro North will achieve its Strategic Plan objectives. The Strategy provides staff with key areas of focus to unite efforts on the initiatives to deliver on strategic directions; informs our community and partners of our focus areas for service delivery and opportunities for collaboration and co-design; and it articulates our contributions to achieving the Commonwealth and State governments' objectives.

Our efforts are aligned to the six key reform areas of the *2020-25 National Health Reform Agreement* as well as other key Commonwealth and State government priorities such as Closing the Gap and the *Queensland Health System Outlook to 2026*.

The Strategy is centred on four focus areas:

- Delivering person centred connected and integrated care.
- Effective delivery of healthcare for the growing health needs of the community.
- Living healthy and well.
- Responsible healthcare to meet the high health needs of identified groups.

The Plan objectives are achieved by specific strategies for consumer and clinician engagement:

- *Connecting for Health: Strategy for inclusive engagement, involvement and partnerships 2019-2021*
- *Working Together: Strategy for Inclusive Employee Engagement 2019-2021.*

## Aboriginal and Torres Strait Islander Health

The Metro North *Better Together: Aboriginal and Torres Strait Islander Health Plan 2019–2022* is focused on four priority areas: Leadership, Governance and Workforce; Engagement and Partnerships; Transparency, Reporting and Accountability; and Culturally Responsive, Safe and Connected Care.

### Key achievements for 2020-2021

- Launched the Better Together Medication Access initiative which covers all out of pocket expenses for prescribed discharge medication to Aboriginal and Torres Strait Islander patients.
- Expanded the Deadly Start traineeship program with 51 students joining in 2021 to kickstart their health careers, building on the 29 students who commenced in 2020.
- Expanded the Aboriginal and Torres Strait Islander Cadetship Program with 18 cadetships offered across the fields of dietetics, occupational therapy, oral health, pathology, pharmacy, physiotherapy, social work, speech pathology, nursing and midwifery.
- Launched the Deadly Opportunities recruitment drive to attract identified talent for 40 positions in the STARS facility at Herston.
- Implemented health campaigns to encourage bowel screening and breast screening through culturally appropriate conversations as well as health promotion activities for mental health and COVID-19 testing and vaccination.
- Commenced the Women's Business Shared Pathway. A partnership between Metro North and the Institute for Urban Indigenous Health (IUIH) providing access to gynaecology specialist care within the same clinic location at either RBWH, Nundah or Morayfield.
- Continued to provide outreach education, health promotion and health screening services through the Better Together Health Van. Engagements undertaken with the University of Sunshine Coast, 13HEALTH Nursing Service, QUITLINE, Pride Fair Day, the Brisbane North PHN, and Mindle Bygul Aboriginal Corporation.
- Commenced the 'Kindness, Care and Community' communications project to encourage Aboriginal and Torres Strait Islander peoples to focus on mental wellbeing and get back on track with physical health since the declaration of the COVID-19 pandemic. A three month social media campaign reached 151,930 people and received 12,006 posts.
- Trialed the Better Together Allied Health Ngarrama project which provides three allied health specialists including social work, physiotherapist and dietician to work within the Ngarrama maternity clinics offering consultation, treatment and education to women and their families in the Nundah Community Health Centre.

## Our community based and hospital based services

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

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

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

- RBWH and TPCCH: tertiary/quaternary referral facilities, providing advanced levels of healthcare which are highly specialised, such as heart and lung transplantation, genetic health and burns treatment.
- Redcliffe and Caboolture Hospitals: major community hospitals providing a comprehensive range of services.
- Kilcoy Hospital: a regional community hospital.
- STARS: a new 182 bed public health facility opened at Herston in February 2021.
- Mental Health, Community and Oral Health services: provided from many sites including hospitals, community health centres, residential and extended care facilities, mobile service teams and the Oral Health Centre School of Dentistry in partnership with The University of Queensland (UQ).<sup>1</sup>
- A dedicated Public Health Unit focused on preventing disease, illness and injury and promoting health and wellbeing across the community.
- Woodford Correctional Centre: provides offender health services.
- The state-wide Clinical Skills Development Service is one of the world's largest providers of healthcare simulation training.

Metro North issued 27,268 passes in 2020-2021 to patients and their families and carers valued at \$301,773.39 under the *Hospital Car Parking – Patient and Carer Car Parking Concessions* standard.

## Targets and challenges

Metro North continues to be challenged by the growing demand for services whilst maintaining our focus on safety and quality.

It is imperative that, through ethical leadership, strong clinical and financial governance, we work with our partners and our diverse community, to deliver responsive, integrated, connected and quality frontline services to strengthen the delivery of public health care for the people and communities we serve.

Our services will support equity of access and health outcomes for all, particularly those who are at most risk of poorer health outcomes. We continue to be absolutely committed to improving the health outcomes of Aboriginal and Torres Strait Islander peoples.

The following key opportunities are outlined in our Plan:

- More networked care across the health continuum and across sectors to increase effective, integrated and sustainable out-of-hospital care models with partners.
- Harness innovation arising from the pandemic.
- Optimising staff potential including their ability to be adaptable and respond to change.
- Lead efforts in achieving health equity for First Nations' people.
- Increased commitment to education, training and research.
- Provide leadership, creativity and agility to influence innovative service delivery across the broader health network.
- Embed environmental sustainability in everything we do.

---

2 Queensland's only school of dentistry.

# GOVERNANCE

## Our people

### Board membership

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

The functions of the board include:

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

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

During the board reporting period, terms of office of three members expired on 17 May 2021. Board member Associate Professor Kim Johnston did not seek reappointment. Board members Dr Kim Forrester and Dr Robert Franz were reappointed by Governor in Council in May 2021.

Ms Nermina (Nera) Komaric was appointed to the board in May 2021. A schedule of board member attendance at board and statutory committee meetings for 2020-2021 is available on page 75.

Due to COVID-19 restrictions, the board met virtually on several occasions. However, when the board meetings were held in person they were held at UQ campus Herston, Redcliffe Hospital, RBWH, and STARS, Herston.

Chairs and members of government bodies (whether they are paid or unpaid) are eligible to be reimbursed for reasonable out-of-pocket expenses including domestic travel, accommodation costs, motor vehicle allowances and meals. The board incurred \$266.86 of out-of-pocket expenses in 2020-2021.

### Board committees<sup>1</sup>

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

#### Executive Committee

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

Committee membership: Jim McGowan AM (Chair), Dr Kim Forrester, Bonny Barry and Professor Mary-Louise Fleming.

#### Safety and Quality Committee

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

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

<sup>1</sup> Committee membership as at 30 June 2021.

### **Risk and Audit Committee**

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

The committee provides independent assurance and assistance to the board on the risk, control and compliance frameworks and external accountability responsibilities as prescribed in the *Financial Accountability Act 2009*, *Auditor-General Act 2009*, *Financial Accountability Regulation 2009* and *Financial and Performance Management Standard 2019*. The committee observed the terms of its charter and had due regard to the Queensland Treasury Audit Committee Guidelines.

Committee membership: Bernard Curran (Chair), Dr Kim Forrester, Adrian Carson, Neil Roberts and Jim McGowan AM.

### **Finance and Performance Committee**

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

Committee membership: Geoff Hardy (Chair), Bonny Barry, Nera Komaric, Professor Mary Louise Fleming, and Jim McGowan AM.

### **Other (non-legislated committees)**

#### *Health Alliance Joint Board Committee*

The role of the Health Alliance Joint Board Committee is to work collaboratively across the Metro North and Brisbane North PHN boards to address the health needs of our population by building on the strength of our entire primary, secondary and tertiary health network.

Committee membership: Jim McGowan AM (co-chair), Neil Roberts, Professor Mary-Louise Fleming and Nera Komaric.

#### *Board Community Advisory Committee*

The role of the Board Community Advisory Committee is to guide the Metro North Board and executive to improve consumer empowerment, experience and outcomes through:

- Collaborative relationships across sectors to improve continuity of care.
- Joint problem solving and sharing of resources for sustainability across the health system.
- Shared information and insights across sectors to deliver healthcare at the right time, in the right place.

In 2020-2021, the board held a consumer and community engagement forum *Boosting our mental wellbeing: a collegiate and collective approach*.

The committee comprises eight representatives from community partner organisations including the Brisbane North PHN and at least one representative from an Aboriginal and Torres Strait Islander organisation and one from a multicultural organisation.

Committee membership: Professor Mary-Louise Fleming (Chair), Dr Paula Conroy (Deputy Chair), Jim McGowan AM and Nera Komaric.

#### *Board Improving Indigenous Outcomes Committee*

The role of the Board Improving Indigenous Outcomes Committee is to support the board by:

- Working with the health service chief executive (HSCE) to implement the *Metro North Hospital and Health Service Better Together Aboriginal and Torres Strait Islander Health Plan 2019-2022*.
- Meeting the requirements set out in the *Hospital and Health Boards Act 2011* and *Hospital and Health Boards Regulation 2012* for achieving health equity for First Nations people.

Committee membership: Adrian Carson (Chair), Bonny Barry, Professor Mary-Louise Fleming and Jim McGowan AM.



### **Mr Jim McGowan AM**

B Econ, DipEd

#### **Board Chair and representative on the Royal Brisbane and Women's Hospital Foundation**

Appointed: 18 May 2020

Current term: 18 May 2020 to 31 March 2024

Mr Jim McGowan AM was appointed Chair of the Metro North Hospital and Health Board on 18 May 2020.

Mr McGowan was previously Chair of the South West Hospital and Health Board and has significant high level public administration experience, specialising in the areas of governance, accountability, service delivery improvement and performance management.

Mr McGowan is a former Director-General of the Department of Community Safety, Department of Emergency Services, and Department of Justice and Attorney-General. Since 2012, he has held the position of Adjunct Professor, School of Government and International Relations at Griffith University and in 2015 led the review of the Queensland Industrial Relations system and related legislation for the Queensland Government.

He has led the Taskforce on Occupational Violence for Queensland's Hospital and Health Services which reported in June 2016, and in 2019 was a member of the Expert Panel to provide advice to the Minister for Health regarding Queensland Health's Governance Framework.

On Australia Day, 2012, Mr McGowan was made a member of the Order of Australia (AM) "for service to public administration in Queensland through the development and implementation of public sector management and training reforms and to improved service delivery".

As Director-General, Department of Community Safety and Deputy Chair of the State Disaster Management Group, Mr McGowan has led key response agencies and co-ordinated the response to a range of disasters which had serious and widespread impacts across Queensland and the nation.

He holds a Bachelor of Economics and a Diploma of Education from The University of Queensland and is also a Commissioner of Declarations.

### **Dr Kim Forrester**

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

#### **Member and Chair, Safety and Quality Committee**

Appointed: 18 May 2013

Current term: 18 May 2021 to 31 March 2024

Dr Kim Forrester is a Registered Nurse and barrister at law. Her clinical background includes intensive and coronary care nursing. She is a member of the Australian College of Nursing and established the Masters in

Emergency Nursing program at Griffith University where she was also a foundation academic in the School of Medicine. Dr Forrester was previously an Associate Professor, teaching health law in the Faculty of Health Sciences and Medicine at Bond University and is now an Honorary Adjunct Associate Professor.

As a barrister, Dr Forrester's areas of legal practice include coroner's inquests, professional regulation and child protection. She held the position of Assistant Commissioner (legal) on the Queensland Health Quality and Complaints Commission from 2006 to 2009, and is a member of the Queensland Law Society's Health and Disability Law Committee. Dr Forrester was appointed as Legal Member of the Mental Health Review Tribunal in 2020, and since 2015 is a Member of the Nursing Panel of Assessors (formerly Nursing and Midwifery Panel) to the Queensland Civil and Administrative Tribunal (QCAT).

Dr Forrester is also the Chair of the Community Services Commission, Anglicare Southern Queensland.

She publishes extensively in the area of health law and is co-author of Essentials of Law for Health Professionals, Australian Pharmacy Law and Practice and Essentials of Law for Medical Practitioners.

### **Mr Adrian Carson**

GCertHServMgt

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

Appointed: 18 May 2017

Current term: 18 May 2020 to 31 March 2024

Mr Adrian Carson joined Metro North in May 2017 and has nearly 30 years' experience in Aboriginal and Torres Strait Islander health across government and non government organisations.

As the Chief Executive Officer (CEO) of the Institute for Urban Indigenous Health, Mr Carson plays a leading role in the coordination of planning, development and delivery of comprehensive primary healthcare and integrated social support services to Aboriginal and Torres Strait Islander communities across South East Queensland. He has served as CEO of Queensland Aboriginal and Islander Health Council (QAIHC), the peak body for the Aboriginal and Torres Strait Islander Community Controlled Health Sector in Queensland, and has previously worked with both the Queensland and Australian Governments. Mr Carson has held directorships on the National Aboriginal Community Controlled Health Organisation (NACCHO), the QAIHC, the Lowitja Institute, and the Aboriginal and Torres Strait Islander Community Health Service Brisbane Ltd. Mr Carson holds a Graduate Certificate in Health Service Management from Griffith University and is completing a Master of Business Administration from The University of Queensland.



**Mr Bernard Curran**

BBus (QUT), FCA, FAICD, FTIA

**Member and Chair, Risk and Audit Committee**

Appointed: 18 May 2018

Current term: 18 May 2019 to 31 March 2022

Mr Bernard Curran is a Chartered Accountant and has practised in the areas of taxation and business advisory for a range of clients and industry sectors including healthcare over the past 30 years. He has had extensive experience in mergers and acquisitions including firms in the health sector. He retired as a Partner of BDO Queensland on 30 June 2021 after 30 years and continues with the firm in a Consulting role.

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

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

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

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

**Ms Veronica (Bonny) Barry**

RN BNsg

**Member and representative on The Prince Charles Hospital Foundation Board**

Appointed: 18 May 2016

Current term: 18 May 2020 to 31 March 2024

Ms Bonny Barry has been a Registered Nurse since 1980 and still works as a clinical nurse. An oncology and palliative care specialist for many years, she has worked in community, hospice, hospital and clinic settings in Queensland and Victoria.

Ms Barry is a committed trade unionist joining the RANF as a student nurse in 1977, she spent six years as a Professional Officer and Organiser for the QNU (now QNMU) assisting nurses with their professional and industrial practice.

Elected to the Queensland State Parliament in 2001, she was State Member for Aspley for eight years, and the Assistant Minister for Education, Training and the Arts from 2006 to 2009.

Returning to nursing in 2012 after completing a re-entry course at Central Queensland University, Ms Barry has continued to work in the private sector as both a community nurse in retirement villages and home care and also works as a Nurse Care coordinator for one of Queensland's largest Indigenous health providers.

She brings diverse board and committee experience, having served as a member of Metro North Board since 2016, as well as board appointments on Skillstech TAFE Council, the Common Good (TPCH Foundation) and the Australian Workers Heritage Centre at Barcaldine. Ms Barry is a member of Women on Boards.

Ms Barry formally identifies as an Aboriginal woman and is committed to Closing the Gap.

**Mr Geoff Hardy**

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

**Member and Chair, Finance and Performance Committee**

Appointed: 18 May 2016

Current term: 18 May 2020 to 31 March 2024

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

## GOVERNANCE

In addition to a period as a consultant to healthcare organisations in Queensland, Mr Hardy has also worked as CEO of two Brisbane law firms and was Global Leader for a commercial advisory practice providing strategic and commercial advice to government clients around the world. Recently, he has worked more broadly as an advisor to governments and private sector clients on significant infrastructure projects in the transport, healthcare and resources sectors. He is currently leading a national team for Bickerton Masters, a Brisbane based architectural and advisory firm providing services to governments, not-for-profit and healthcare organisations around Australia.

### **Professor Mary-Louise Fleming**

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

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

Appointed: 18 May 2016

Current term: 18 May 2020 to 31 March 2024

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

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

Professor Fleming is a Board member of Wesley Medical Research Institute and Chairs the Research Committee.

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

She has an active consultancy practice involving reports on policy and practice for single health issues,

policy development and implementation, and reviews and evaluation of numerous projects and programs.

### **Mr Neil Roberts**

MBA, BBus, GradCertDisRes, GAICD

#### **Member**

Appointed: 18 May 2019

Current term: 18 May 2019 to 31 March 2022

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

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

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

He holds a Master of Business Administration (Corporate Governance) and a Bachelor of Business.

### **Ms Nermina (Nera) Komaric**

LLB, MPH

#### **Member**

Appointed: 18 May 2021

Current term: 18 May 2021 to 31 March 2024

Ms Nera Komaric has worked in the community and health sectors nationally and internationally for 25 years. Ms Komaric is an Adjunct Senior Fellow in the School of Clinical Medicine – Primary Care Clinical Unit, at The University of Queensland. Her former roles have included Cultural and Linguistic Diversity (CALD) Chronic Disease statewide program manager during which she has been instrumental in developing new and innovative strategies in chronic disease management for CALD population. Recently she was a Croatian Government Focal Point in the European Migration Network. Before that Ms Komaric was researching and consulting with international

and national authorities on combating trafficking in human beings especially for sexual exploitation for the Organisation for Economic Cooperation and Development (OECD). She also spent many years working with newly arrived migrants and refugees.

Ms Komaric has a background in law and public health research. In her 25 year career she has been involved in the design and delivery of research and evaluation projects in areas covering CALD health, integrated CALD models of health care, chronic disease prevention and management, and health services research.

Her main interests are in translating evidence into practice with a special focus on vulnerable populations.

#### **Dr Paula Conroy**

BSc, MBBS, DCH, FRACGP, GAICD

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

Appointed: 18 May 2018

Current term: 18 May 2019 to 31 March 2022

Dr Paula Conroy is a General Practitioner with extensive experience covering primary care, the hospital and corporate health sectors. She has particular interests in preventative health, clinical governance and integrated care. During her time in the hospital setting, Dr Conroy spent several years working in emergency medicine and general surgery. In the corporate sector Dr Conroy worked for two of the largest health insurance companies in Australia, Bupa and Medibank Private.

Dr Conroy is passionate about medical training and has served as both clinical supervisor for The University of Queensland School of Medicine and a clinical teacher with General Practice Training Queensland. She has held positions on the Queensland Faculty Council of the Royal Australian College of General Practitioners, Brisbane North PHN and was the Medical Director for COORDINARE, South Eastern New South Wales PHN. Dr Conroy is currently completing a Masters of Health Leadership and Management at the University of New South Wales.

Dr Conroy brings her experience as both a GP and hospital-trained clinician to the Board. She is committed

to continuous improvement particularly around the integration between primary healthcare and the hospital system and to ensuring efficient and effective provision of care for the community.

#### **Dr Robert Franz**

MBBS, FRACS, GCM

#### **Member**

Appointed: 18 May 2019

Current term: 18 May 2021 to 31 March 2024

Dr Robert Franz is the Director of Surgery at The Prince Charles Hospital (TPCH) and a consultant general surgeon. With nearly 30 years experience in general surgery, Dr Franz chairs Statewide committees for the Department of Health including the Queensland Surgical Advisory Committee and the Advanced Specialised Surgical Training Consultative Committee.

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

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

## Executive management

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

- Managing the performance and activity outcomes for Metro North.
- Providing strategic leadership and direction for the delivery of public sector health services in the hospital and health service.
- Promoting the effective and efficient use of available resources in the delivery of public sector health services in the hospital and health service.
- Developing service plans, workforce plans and capital works plans.
- Managing the reporting processes for performance review by the board.

- Liaising with the executive team and receiving committee reports as they apply to established development objectives.
- The HSCE may delegate the Chief Executive's functions under the *Hospital and Health Boards Act 2011* to an appropriately qualified health executive or employee.

### Health Service Chief Executive

#### Mr Shaun Drummond

As Chief Executive of Metro North, Mr Drummond is responsible for the day to day management of one of Australia's largest public health authorities. Mr Drummond has held comparable roles in New South Wales, Victoria and New Zealand. In this role, Mr Drummond has led high profile projects including the STARS, the Biofabrication Institute, and the Patient Access Coordination Hub.

The following senior executive positions support the HSCE in the development and execution of the Metro North strategy as approved by the board. The list includes the names of incumbents as at 30 June 2021.

#### Chief Operating Officer

Adjunct Professor Jackie Hanson

#### Chief Finance and Corporate Officer

Ms Melissa Carter

#### Executive Director Safety and Quality

Ms Michele Gardner (acting)

#### Executive Director Clinical Services

Dr Elizabeth Whiting

#### Chief Digital Health Officer

Dr Jason Brown

#### Executive Director Strategy and Planning

Ms Colleen Jen

#### Executive Director Assets and Infrastructure

Ms Kate Copeland AM

#### Chief Transformation Officer

Sam Betros

### PROFESSIONAL LEADS

#### Chief Medical Officer

Dr Alex Chaudhuri (acting)

#### Chief Nursing and Midwifery Officer

Adjunct Professor Alanna Geary

#### Chief Allied Health Practitioner

Mr Mark Butterworth

### DIRECTORATE EXECUTIVE DIRECTORS

#### Executive Director Royal Brisbane and Women's Hospital

Dr David Rosengren

#### Executive Director The Prince Charles Hospital

Ms Tami Photinos (acting)

#### Executive Director Redcliffe Hospital

Ms Louise Oriti

#### Executive Director Caboolture and Kilcoy Hospitals

Ms Angie Dobbrick

#### Executive Director Community and Oral Health Services

Ms Glynis Schultz (acting)

#### General Manager STARS

Ms Debbie McNamara

#### Executive Director Mental Health Services

Professor Brett Emmerson AM

#### Executive Director Clinical Support Services

Mr Adam Scott (acting)

### CLINICAL STREAM EXECUTIVE DIRECTORS

#### Executive Director Heart and Lung

Professor Peter Hopkins

#### Executive Director Medicine

Dr Jeffrey Rowland

#### Executive Director Surgery

Dr Jason Jenkins

#### Executive Director Emergency Medicine

Dr Sean Clarke

#### Executive Director Women's and Children's

Professor Leonie Calloway

#### Executive Director Cancer Care

Associate Professor Glen Kennedy

### RESEARCH

#### Executive Director Research

Vacant

## Organisational structure and workforce profile

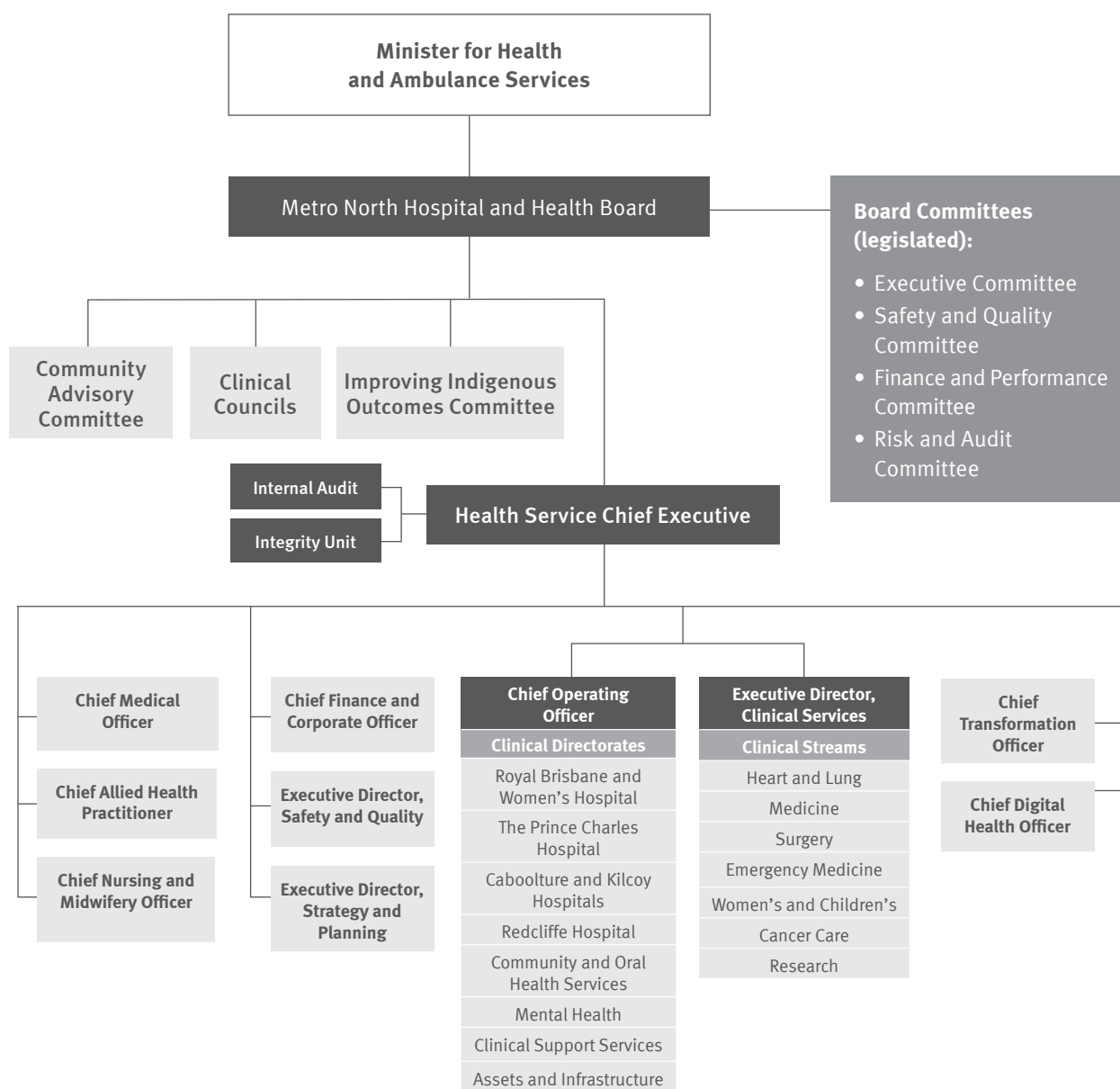


Table 1: More doctors and nurses\*

	2016-17	2017-18	2018-19	2019-20	2020-21
Medical staff <sup>a</sup>	1,976	2,054	2,120	2,184	2,275
Nursing staff <sup>a</sup>	6,512	6,759	6,864	7,211	7,633
Allied Health staff <sup>a</sup>	2,162	2,219	2,261	2,403	2,877

Table 2: Greater diversity in our workforce\*

	2016-17	2017-18	2018-19	2019-20	2020-21
Persons identifying as being First Nations <sup>b</sup>	165	181	198	226	247

**Note:** \* Workforce is measured in MOHRI – Full-Time Equivalent (FTE). Data presented reflects the most recent pay cycle at year's end. Data presented is to Jun-21.

**Source:** <sup>a</sup> DSS Employee Analysis, <sup>b</sup> Queensland Health MOHRI, DSS Employee Analysis.

## Strategic workforce planning and performance

Metro North's total FTE as at 30 June 2021 is 17,630. Metro North's separation rate for 2020-2021 was 4.87 per cent. This reflects the number of permanent employees (MOHRI Headcount) who terminated during the year as a percentage of permanent employees.

The Metro North *Strategic Workforce Plan 2020-2025* has been developed in accordance with the *Australian Council on Healthcare Standards 13 Workforce Planning and Management* and the EQUiP National program.

The process of workforce planning within Metro North encompasses a balance of activities including strategies to:

- Identify and retain key labour for the future ensuring a sustainable, flexible, and diverse workforce to deliver health services focused on patients and people.
- Develop and use the competencies of the department's current workforce based on the identification of the workforce needs.
- Invest, innovate, and plan through the identification of the gap between demand and supply for staff numbers, job roles and skills – and the resultant degree of business risk.
- Provide our communities with value in health services.

The strategic objective of the Workforce Plan is to meet the needs of the present and future health consumers, address the predicted workforce growth and capability requirements, deliver high performance to meet the expectations of consumers and employees and respond with flexibility and agility to emerging and predicted health sector changes. The four strategic

objectives which will enable us to achieve these outcomes are:

- Designing our Future Workforce.
- Building our workforce capacity and capability.
- Creating a culture of high engagement.
- Creating a flexible and agile workforce.

To help Metro North achieve its Plan objective of Putting People First, Metro North is committed to continuing the implementation of its Values in Action framework.

### Key achievements for 2020-2021

- Implementation of changes in Responsible Workforce Management (RWM) in response to revised guidelines announced in January 2021. The initiative supports the government's focus on savings and efficiencies and effective management growth in the Queensland public sector. To support this initiative, Metro North has established local vacancy management committees to assess emergent vacancies while over-arching RWM Committee governs requests for senior roles or to establish new roles, to ensuring delivery of effective frontline services and effective workload management.
- Established a Metro North temporary and casual employee conversions project to conduct a holistic review of employees with more than two years of fixed-term temporary or casual service to permanent status. In total, more than 3500 reviews were completed, resulting in approximately 475 employees recommended for conversion to permanent employment.



- Operationalised Metro North's Talent Pipeline to convert nearly 500 temporary or casual employees to permanent employment status. Metro North is the only Hospital and Health Service to adopt this approach and has been recognised for its capacity to support job security across its facilities.
- Provided recruitment and onboarding support to the STARS project team for the public health facility which opened in February 2021.
- Managed workforce impacts arising from Metro North's COVID-19 response to ensure the wellbeing of our workforce whilst providing safe and high-quality patient care. This included:
  - o Support for consultation with unions and industrial guidance on the establishment of the workforce profile in the rollout of the COVID-19 Vaccinations Project.
  - o Supporting fever clinic risk assessments and increasing workplace health and safety regulator engagement.
  - o Supporting the rapid expansion of mask fit testing and training across all facilities.
- Supported the development of the Queensland Health – Health, Safety and Wellbeing Management System that applies to each hospital and health service. The System Framework was launched in early 2021 with a policy, statement, and essential standards.
- Developed and finalised the Metro North Safety Management System to ensure it aligns to the Queensland Health – Health, Safety and Wellbeing Management System and, more importantly, is aligned to the requirements of ISO 45001:2018 Occupational Health and Safety Management System standard.
- Enhanced the myHR workflows relating to approval processes through simplification and improved online rostering.
- Commenced preliminary work for Stage 3 implementation of the Integrated Workforce Management rostering solution (Workbrain). The focus of this initiative will be on Nursing and Midwifery staff, who represent almost half our total workforce. Metro North has led the state to implement two successful pilots that have informed the state-wide rollout planning. The successful implementation of Stage 3 will improve consistency in rostering, pay outcomes and provide real-time rostering information at the frontline.
- Introduced a new Amazon Connect call system in March 2021 with staffing and payroll related queries now coordinated through a central phone number and automatically diverted to available support staff as a more effective service for employees.

- Significantly reduced the number of long term complex industrial and staff grievance cases during the year to a position where less than 15 per cent of all cases are more than two years old.
- Established and maintained effective union relationships through formal regular meetings.
- Collaborated with the Courageous Conversation South Pacific Institute to develop the Beyond Diversity foundational workshop to transform staff's understanding of how race impacts on life, work and community. The workshops, which will be piloted in 2021-2022, will provide staff with tools that they can apply in their daily professional practices to achieve a more racially equitable health system and community.

## Early retirement, redundancy, and retrenchment

No redundancy or retrenchment packages were paid during the period. There were five (5) employees granted ill health retirement during the year in line with Chapter 5, Part 7 of the *Public Service Act 2008 (Qld)*.

## Our risk management

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

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

The Plan identifies five overarching strategic risks:

- **Health Service Resourcing:** Insufficient alignment of human, financial and physical resources to population health needs and strategic objectives will result in an inability to respond to service demand and community expectations.
- **Adaptability:** Failure to embed the organisation with a culture that is responsive and adaptable to change will impact on the organisation's ability to respond to external forces, including a pandemic, and capitalise on opportunities when presented.

- **System and Partner Dependencies:** Lack of relationships and interfaces across the system may not be adequately managed to deliver the most effective, efficient and sustainable health services.
- **Digital Transformation and Cyber Security:** Failure to successfully execute digital transformation would adversely impact patient outcomes, service delivery, research and clinical partnerships, and organisational viability. Inadequate processes to prevent and/or respond to cyber threats may result in loss or corruption of sensitive information and cause critical service disruption compromising patient care and organisational performance.
- **Asset and Infrastructure:** Ageing infrastructure with inadequate funding may lead to Metro North carrying an increasing liability for building asset performance resulting in impacts on clinical service delivery. Metro North's directorates and support services are responsible for identifying and managing operational risks.

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

In addition to oversight of strategic risks, the Board also monitors organisational and operational risks and ensures that appropriate action is taken to mitigate and manage risks appropriately.

#### Key achievements for 2020-2021

- The board reviewed the risk appetite statement for Metro North in the context of the COVID-19 pandemic.
- The Board endorsed the strategic risks which are regularly reviewed to ensure that risks that have a potential to impact the achievement of Metro North's strategic objectives are identified and managed effectively.
- Metro North's annual review of risk management activity provided a comprehensive overview of the current risk profile to assist with the identification of possible gaps in risk coverage.
- Metro North continues to improve its risk management system to ensure effective governance oversight and aggregate risk exposure is understood, managed and monitored.

The *Hospital and Health Boards Act 2011* requires annual reports to state each direction given by the Minister to the hospital and health service (HHS) during the financial year and the action taken by the HHS as a result of the direction. During the 2020-2021 period, no directions were given by the Minister to Metro North Health.

## Internal Audit

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

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

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

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

#### Key achievements for 2020–2021

During the period, Internal Audit finalised\* 18 internal audits covering both clinical and non-clinical risk areas including:

- Access and security controls relating to Metro North data, post implementation review of the S/4HANA system (review of optimisation and business processes), and IT project (QuickFlow system) delivery outcomes and learnings.
- Payroll – review of clinical staff rostering and adjustments and aged payroll payments.
- Management of the Metro North Health Better Together Aboriginal and Torres Strait Islander Health Plans, and compliance with the vaccine preventable disease requirements.
- Review of Metro North's compliance framework.
- Clinical waste management and disposal practices.

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



## External Scrutiny

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

In 2019–2020, all Clinical Directorates underwent Accreditation assessment under the National Safety and Quality Health Service Standards Second Edition, by the Australian Council on Health Care Standards (ACHS). In 2020–2021, some facilities required reassessment of the accreditation criteria due to the previously rated as ‘Not Met’ at RBWH and Caboolture, Kilcoy and Woodford Correction Health in the 2019–2020 ACHS Accreditation assessment.

Reassessment of these facilities was undertaken in November 2020 (later than planned due to the national response phase of the COVID-19 pandemic) by ACHS and both facilities successfully met all requirements of the Healthcare Accreditation Standards. All Metro North acute hospitals, mental health services, and community and oral health services were successfully re-accredited under the National Safety and Quality Health Service Standards in November 2020 for a three year period.

Metro North operates Cooina House, a 60 bed residential aged care facility for residents, which is centrally located in the Redcliffe CBD. Cooina House has been subject to regular compliance reviews undertaken by the Australian Government Aged Care Quality and Safety Commission’s compliance assessments against the Aged Care Quality Standards. It has successfully maintained its aged care compliance during 2020–2021.

Metro North’s Halwyn Centre provides permanent residential care and respite care for clients with both intellectual and physical disabilities. This service is subject to external accreditation under the Australian Government National Standards for Disability Services and has maintained compliance against these standards in 2020–2021.

In 2020–2021, a Parliamentary report tabled by the Auditor-General broadly considered the financial audit results of Queensland health entities including Metro North. The report was:

- Health 2020: financial audit results of Queensland health entities for 2019–20 (Report 12: 2020–21).

In addition, several other audits were undertaken by the Auditor-General during the year that referenced the health sector, good public sector governance or noted risk areas for agencies to address going forward. The following reports were used by Metro North to further inform its service delivery:

- Family support and child protection system (Report 1: 2020–21)

- Effectiveness of audit committees in state government entities (Report 2: 2020–21)
- Queensland Government response to COVID-19 (Report 3: 2020–21)
- Queensland Health’s new finance and supply chain management system (Report 4: 2020–21)
- Delivering successful technology projects (Report 7: 2020–21)
- Responding to complaints from people with impaired capacity – Part 2: The Office of the Public Guardian (Report 14: 2020–21)
- Planning for sustainable health services (Report 16: 2020–21).

The recommendations contained within the Auditor-General’s reports were considered by key stakeholders and action taken to implement them, where appropriate.

## Information systems and record keeping

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

Metro North continues to implement the Queensland Government Enterprise Architecture (QGEA) Records Governance Policy, issued in June 2018, as well as the implementation of Content Manager, Metro North’s electronic Document and Records Management System (eDRMS).

In November 2020, a Health Sector (Corporate Records) Retention and Disposal Schedule was issued by the State Archivist incorporating 68 new or revised Disposal Authorisations. This artifact triggered an increase in record appraisal activity at Metro North and a subsequent review of Metro North’s corporate records disposal program and processes was undertaken.

In addition to the Health Sector (Corporate Records) Retention and Disposal Schedule, Metro North’s corporate records continue to be managed by the Health Sector (Clinical Records) Retention and Disposal Schedule and the General Retention and Disposal Schedule.

In 2020–2021, Metro North captured 321,162 records into Content Manager and onboarded 19 new business units to the eDRMS and 84 new users. The focus remains on increasing corporate records management awareness of information policy and recordkeeping obligations across Metro North in both administrative and health community teams. An Introduction to Recordkeeping e-Learning module was released in December 2020.

During the mandatory annual Information Security reporting process, the Health Service Chief Executive attested to the appropriateness of the information security risk management within the Hospital and Health Service, through the Department of Health, to the Queensland Government Chief Information Security Officer, noting that appropriate assurance activities have been undertaken to inform this opinion and the HHS's information security risk position.

## Queensland Public Service ethics

Metro North continues to uphold the principles of the *Public Sector Ethics Act 1994*: Integrity and impartiality; Promoting the public good; Commitment to the system of government; and Accountability and transparency. The Code of Conduct, which is based on these four ethics principles, applies to all Queensland Health staff, including Metro North.

Training and education for the Code of Conduct and ethical decision-making is part of the mandatory training provided to all employees at the start of employment and then every two years.

In May 2020, a new Code of Conduct online training course was implemented, including bullying, sexual harassment and discrimination, ethics, integrity, and accountability. By 30 June 2021, a total of 20,233 employees are compliant with this training.

In addition, Metro North has a workplace conduct and ethics policy that outlines the obligations of management and employees to comply with the Code of Conduct.

Staff are encouraged, through the Values in Action framework, to contribute to achieving a professional and productive work culture within Metro North, characterised by the absence of any form of unlawful or inappropriate behaviour.

## Human Rights

Over the past year, Metro North has continued its strong commitment to embedding a human rights culture into everything it does from the way it operates to the way it cares for its people.

Highlights of Metro North's human rights activities during 2020-2021 include:

- Proactively enhancing health services to respond to COVID-19 in ways that respects, protects, and promotes human rights for all including vulnerable people. For example, developing procedures and protocols to deliver health services in hospitals, facilities, communities, and hotel quarantine in ways that protects and promotes the health and safety of all.
- Responding to all human rights complaints arising from the Queensland Human Rights Commission without any recommendations of ways to improve Metro North's human rights culture.
- Establishing a RBWH Human Rights Working Group (the group) which partners with consumers to advocate for the human rights of the community. The group published a video on International Human Rights Day 2020 to celebrate the human rights culture developed at Metro North since the introduction of the *Human Rights Act 2019* in Queensland.
- Assisting other Queensland hospital and health services to act compatibly with human rights and comply with their human right obligations.

Additionally, Metro North continues this year to:

- Provide leadership, legal education and support to continue to embed a human rights culture across all our health services and facilities. This has included providing human rights education and training to new staff as part of their induction.
- Develop and distribute communications and resources to assist staff and Executive officers comply with their human rights obligations. For example, Metro North Legal Services has published a Human Rights Decision-Making Tool on the intranet to assist decision-makers to comply with their human rights obligations.
- Enhance operational processes through ongoing human right compatibility assessments and reviews of policies, procedures and services. For example, reviewing the human right considerations before discharging a patient including those relating to Aboriginal peoples and Torres Strait Islander peoples.

## Human right complaints and outcomes

Number of complaints received	333*
Outcome of the complaints	<p>The majority of these were resolved internally -</p> <p>25% - By explanation.</p> <p>16% - By staff education.</p> <p>15% - By an apology and explanation.</p> <p>Three (3) of these (1%) were directed to a Conciliation Conference with the Queensland Human Rights Commission where the complaints remained unresolved and no recommendations were made.</p>

\*This number includes human rights complaints that are not substantiated and do not explicitly mention human rights.

Metro North has included its long-term commitment to protecting and promoting human rights in its Plan. This is because embedding a human rights culture at Metro North is crucial in fulfilling our purpose to improve the health outcomes of the community and achieving our vision to provide excellent healthcare to all.

## Confidential information

The *Hospital and Health Boards Act 2011* requires annual reports to state the nature and purpose of any confidential information disclosed in the public interest during the financial year. During the 2020-2021 period, three disclosures were authorised in relation to specified patient information:

- An extract of information from a patient's records to assist in reporting suspected criminal conduct and suspected corrupt conduct.
- Provision of patient name and admission details to assist in criminal investigation by law enforcement agencies.
- Provision of patient contact details and photograph of patient to assist law enforcement agencies in finding a missing, vulnerable, person.

## Performance

### Service standards

Fiscal constraints, infrastructure and significant growth in patients requiring care continue to provide a challenging environment for Metro North Health in 2020-2021.

The economic impacts of COVID-19 and the continued and increasing emergency demand has impacted Metro North's ability to meet planned elective surgery and service delivery needs.

Overall, there has been a significant reduction achieved in the long wait patient numbers, and this has been a key focus for all sites. The establishment of additional beds and the implementation of new models of care has assisted in maintaining access.

Metro North has continued to expand telehealth and virtual care services, with telehealth outpatient occasions of service exceeding the target.

Efficiency has improved on the previous financial year by 4.21 per cent (as measured by cost per weighted activity unit – WAU). This improvement is evidenced in the financial and operational results delivered for 2020-2021.

Table 4: Service Standards – Performance 2020-2021

	2020-21 Target	2020-21 Actual
<b>EFFECTIVENESS MEASURES</b>		
Percentage of emergency department patients seen within recommended timeframes <sup>1</sup>		
• Category 1 (within 2 minutes)	100%	100%
• Category 2 (within 10 minutes)	80%	69%
• Category 3 (within 30 minutes)	75%	55%
• Category 4 (within 60 minutes)	70%	74%
• Category 5 (within 120 minutes)	70%	98%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department <sup>1</sup>	>80%	74%
Percentage of elective surgery patients treated within clinically recommended times: <sup>2</sup>		
– Category 1 (30 days)	>98%	95%
– Category 2 (90 days) <sup>3</sup>	..	88%
– Category 3 (365 days) <sup>3</sup>	..	88%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days <sup>4</sup>	<2	0.9
Rate of community mental health follow up within 1-7 days following discharge from an acute mental health inpatient unit <sup>5</sup>	>65%	59.6%
Proportion of re-admissions to acute psychiatric care within 28 days of discharge <sup>6</sup>	<12%	8.5%
Percentage of specialist outpatients waiting within clinically recommended times: <sup>7</sup>		
– Category 1 (30 days)	56%	77%
– Category 2 (90 days) <sup>8</sup>	..	68%
– Category 3 (365 days) <sup>8</sup>	..	91%
Percentage of specialist outpatients seen within clinically recommended times: <sup>9</sup>		
– Category 1 (30 days)	81%	85%
– Category 2 (90 days) <sup>8</sup>	..	64%
– Category 3 (365 days) <sup>8</sup>	..	78%
Median wait time for treatment in emergency departments (minutes) <sup>1</sup>	..	18
Median wait time for elective surgery treatment (days) <sup>2</sup>	..	36
<b>Efficiency Measure</b>		
Average cost per weighted activity unit for Activity Based Funding facilities <sup>10</sup>	\$4,681	\$4,846

	2020-21 Target	2020-21 Actual
<b>Other Measures</b>		
Number of elective surgery patients treated within clinically recommended times: <sup>2</sup>		
– Category 1 (30 days)	10,276	11,108
– Category 2 (90 days) <sup>3</sup>	..	9,663
– Category 3 (365 days) <sup>3</sup>	..	5,718
Number of Telehealth outpatient occasions of service events <sup>11</sup>	28,112	38,188
Total weighted activity units (WAU) <sup>12</sup>		
• Acute Inpatients	293,474	291,708
• Outpatients	105,141	93,233
• Sub-acute	21,651	27,411
• Emergency Department	40,883	52,482
• Mental Health	38,884	37,663
• Prevention and Primary Care	9,668	10,060
Ambulatory mental health service contact duration (hours) <sup>5</sup>	171,919	155,820
Staffing <sup>13</sup>	18,569	17,630

1	During the rapid response to the COVID-19 pandemic, facilities utilised existing systems to manage presentations at fever clinics. In some cases, the management of these clinics was closely related to the management of the emergency department meaning that some fever clinic activity was managed via the emergency department systems. As a result, the 2020-2021 Actual includes some fever clinic activity.
2	In preparation for COVID-19 and consistent with the National Cabinet decision, Queensland Health temporarily suspended non-urgent elective surgery in 2019-2020. This has impacted the treat in time performance and has continued to impact performance during 2020-2021 as the system worked to reduce the volume of patients waiting longer than clinically recommended.
3	Given the System's focus on reducing the volume of patients waiting longer than clinically recommended for elective surgery, and the continual impacts to services as a result of responding to COVID-19, treated in time performance targets for category 2 and 3 patients are not applicable for 2020-2021.
4	Staphylococcus aureus (including MRSA) bloodstream (SAB) infections Actual rate is based on data reported between 1 January 2020 and 31 December 2020.
5	Mental Health measures reported as at 22 August 2021.
6	Mental Health readmissions 2020-2021 Actual is for the period 1 July 2020 to 31 May 2021.
7	Waiting within clinically recommended time is a point in time performance report and was impacted by preparing for COVID-19 in 2019-2020.
8	Given the System's focus on reducing the volume of patients waiting longer than clinically recommended for specialist outpatients, and the continual service impacts as a result of responding to COVID-19, seen in time performance targets for category 2 and 3 patients are not applicable for 2020-2021.
9	As a result of preparing for COVID-19, the seen in time performance was impacted in 2019-2020. This impact has continued throughout 2020-2021 as the system has worked to address provision of care to those patients waiting longer than clinically recommended.
10	The 2020-21 Target varies from the published 2020-2021 Service Delivery Statement due to a change in the WAU phase. All measures are reported in QWAU Phase Q23. The variation in difference of Cost per WAU to target is a result of the additional costs of the COVID-19 pandemic. Data reported as at 23 August 2021.
11	Telehealth data reported as at 23 August 2021.
12	The 2020-2021 Target varies from the published 2020-2021 Service Delivery Statement due to a change in the WAU phase. All measures are reported in QWAU Phase Q23. As HHSs have operational discretion to respond to service demands and deliver activity across services streams to meet the needs of the community, variation to target can occur. Data reported as at 23 August 2021.
13	Corporate FTEs are allocated across the service to which they relate. The department participates in a partnership arrangement in the delivery of its services, whereby corporate FTEs are hosted by the department to work across multiple departments.

## PERFORMANCE

Progress in 2020-2021 toward achieving the Plan objectives:

### Objective 1 – To always put people first

All Directorates can demonstrate at least three codesign initiatives with consumers for organisational development per annum.	<ul style="list-style-type: none"><li>26 co-design initiatives commenced, progressed and/or completed across 7 directorates comprising RBWH, TPCH, Redcliffe, Caboolture, Mental Health Services (including Alcohol and Drug Services), Community and Oral Health, and STARS.</li></ul>
Increase staff participation in leadership development by at least 10 per cent each year.	<ul style="list-style-type: none"><li>114 staff completed the Leadership Essentials for Managers Program, an increase of 40 per cent from the previous year.</li><li>12 Metro North Health staff are undertaking the Executive Leaders Program out of 31 participants from other hospital and health services across Queensland.</li><li>20 staff were awarded a Graduate Certificate in Health Services Innovation (totalling 47 graduates since 2019) and a further 55 staff are enrolled and expected to graduate within two years.</li></ul>
Improved staff engagement and satisfaction results by 5 per cent each survey (every two years).	<ul style="list-style-type: none"><li>Staff participation in the Have Your Say survey increased by 9 per cent with 52 per cent of staff (representing 10,670 people) completing the survey compared to 43 per cent previously.</li></ul>
Compliance to action plans based on staff engagement survey results for every business unit across Metro North.	<ul style="list-style-type: none"><li>New measure with data available December 2021.</li></ul>
Comparable Metro North workforce diversity compared to Metro North population diversity.	<ul style="list-style-type: none"><li>Aboriginal and Torres Strait Islander peoples comprise 1.5 per cent of the Metro North workforce compared to 2.5 per cent in the catchment.</li><li>People from culturally and linguistically diverse backgrounds comprise 15.2 per cent of the Metro North workforce compared to 12 per cent in Queensland.</li><li>People with disability comprise 1.6 per cent of the Metro North workforce compared to 19.1 per cent in Queensland.</li></ul>

### Objective 2 – To improve health equity, access, quality, safety and health outcomes

Increased access to local services for Caboolture and Redcliffe residents to 60 per cent of services provided close to home each year.	<ul style="list-style-type: none"><li>55.8 per cent of patients who resided in the Redcliffe Hospital catchment received their admitted care at Redcliffe Hospital.</li><li>60.4 per cent of patients who resided in the Caboolture Hospital catchment received their admitted care at Caboolture Hospital.</li></ul>
First ieMR implementation completed at Surgical, Treatment and Rehabilitation Service (STARS).	<ul style="list-style-type: none"><li>Full scope of ieMR<sup>1</sup> for STARS implemented and successfully transitioned to operations.</li></ul>

<sup>1</sup> ieMR refers to the integrated electronic medical record which replaces paper-based clinical charts with an integrated suite of digital health care services to improve safety, efficiency and quality in clinical workflow processes.

**Objective 3 – To deliver value based health services through a culture of research, education, learning and innovation.**

Increase patient participation in Metro North clinical trials and clinical research by 10 per cent each year.	<ul style="list-style-type: none"> <li>Clinical Trials Scoping Project undertaken to identify the current and desired future state of clinical trials management and reporting capacity in Metro North Health.</li> <li>829 patients (compared to 896 the previous year) participated in clinical trials in RBWH Cancer Care, TPCCH Cardiology, Cystic Fibrosis, TPCCH Cancer Care and Redcliffe Cancer Care.</li> </ul>
Increase the percentage of new Senior Medical Officer (SMO) appointments with a higher degree towards a target of 50 per cent.	<ul style="list-style-type: none"> <li>36 per cent of new SMO appointments in 2020-2021 have completed a higher degree qualification compared to 35 per cent in 2019-2020.</li> </ul>
At least 90 per cent of patients indicate they are “always partners” in their care in the standardised Patient Reported Experience Measures (PREM) survey.	<ul style="list-style-type: none"> <li>78 per cent of patients reported, “yes definitely” which is 1 per cent higher than the Queensland average of 77 per cent.</li> <li>Results for the statewide inpatient survey for the 2020-2021 financial year with 3980 inpatients completing a survey after discharge from hospital (representing 16 per cent of all patients invited).</li> <li>Surveying commenced at RBWH in October 2020 and in December 2020 in all other directorates.</li> </ul>

**Objective 4 – To be accountable for delivery of sustainable services, high performance and excellent patient outcomes.**

Achieve sustainable positive financial results.	<ul style="list-style-type: none"> <li>Achieved a surplus of \$11.7 million for the year ended 30 June 2021.</li> </ul>
All projects will have a robust evaluation framework.	<ul style="list-style-type: none"> <li>Commenced development of a project evaluation framework tool which will be available for trial and feedback by December 2021. The framework tool will be available for all project teams to use by 30 June 2022.</li> </ul>
The achievement of our Service Agreement Performance Measures.	<ul style="list-style-type: none"> <li>Metro North has achieved the majority of the performance targets for the Service Agreement performance measures and most safety and quality indicators were at, or above, the benchmarks for the majority of the reporting period.</li> <li>The impact of COVID -19 and subsequent increase in demand has been very challenging and has put pressure on Emergency Department performance measures, particularly in the second half of the financial year.</li> </ul>



## Financial summary

### for the year ended 30 June 2021

Metro North achieved a surplus of \$11.7m for the year ending 30 June 2021.

This financial year has presented significant challenges with the continuation of the response to the COVID-19 outbreak.

In January 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 funding of \$77.9 million has been included in this year's revenue in relation to this agreement.

Despite the impacts of COVID-19 Metro North has delivered on health care activity requirements under the service agreement with the Department of Health.

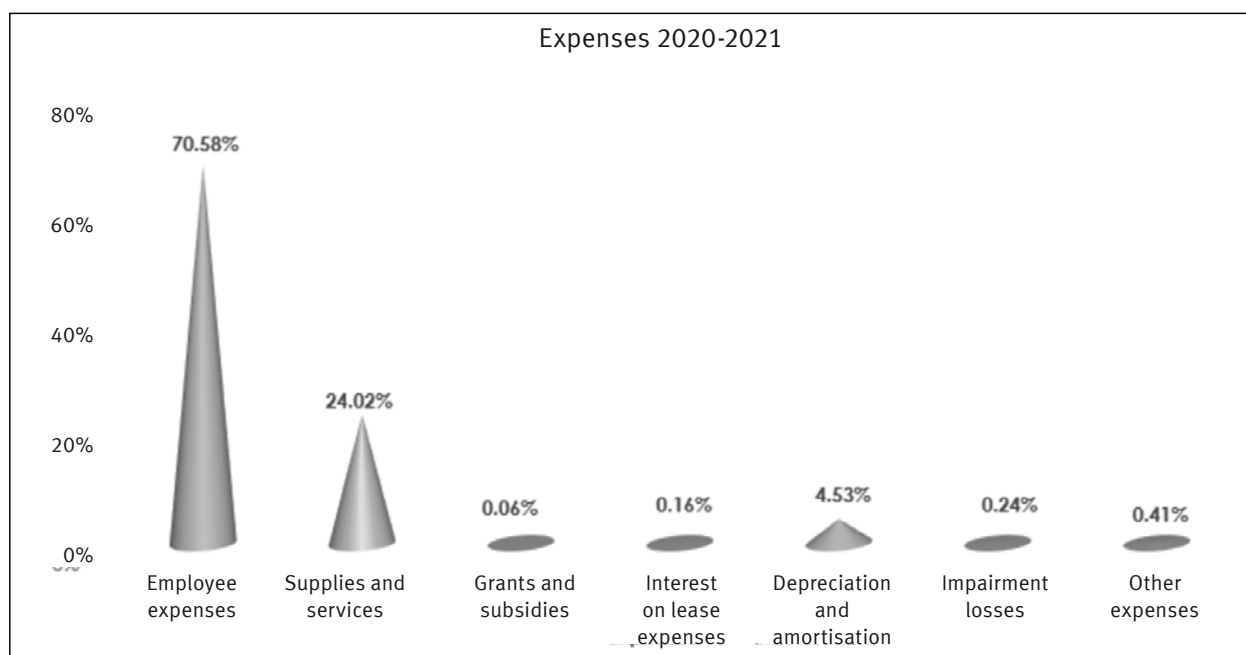
## Revenue and expenditure

Metro North's income is derived from two major sources:

- Department of Health funding for public health services (including Commonwealth contributions).
- Own source revenue.

Metro North's total revenue was \$3.380 billion, which is an increase of \$180.1 million (5.63 per cent) from the prior year.

- Activity-based funding for hospital services represented 68 per cent (\$2.297 billion) of total revenue.
- Block and other Department of Health funding represented 21 per cent (\$699 million) of total revenue.
- Own source revenue represented 8 per cent (\$278.5 million) of total revenue.
- Total expenses were \$3.369 billion, averaging at \$9.2 million a day for providing public health services. Total expenditure increased by \$201.1 million (6.35 per cent) from last financial year.





## Assets and liabilities

Metro North's asset base amounts to \$2.496 billion, with 66.2 per cent or \$1.653 billion of this invested in property, plant and equipment. The right to use the STARS building for the current 20 year term of the lease represents \$453.2 million, with the remaining balance (\$390.3 million) held in cash, receivables and inventory.

Metro North's liabilities total \$787.4 million consisting of payables, employee benefits and \$462.7 million lease liability related to STARS, resulting in an equity base of \$1.709 billion.

## Financial outlook

Metro North has an operating budget of \$3.364 billion for 2021-2022, which is an increase on prior year revenue (excluding COVID) of \$65 million.

A number of significant capital projects will be undertaken in 2021-2022 including Caboolture hospital redevelopment and the Caboolture multistorey carpark, and commencing construction of three satellite hospitals at Bribie Island, Caboolture and Pine Rivers.

## Anticipated maintenance

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

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

Anticipated maintenance items are identified through the completion of triennial condition assessments, and the value and quantum of anticipated maintenance will fluctuate in accordance with the assessment programs and completed maintenance works.

As of 30 June 2021, Metro North had reported anticipated maintenance of \$266 million. Metro North has completed a condition assessment program for its major facilities, and the value of anticipated maintenance has increased as a result.

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

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

# **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
<b>Income</b>					
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
<b>Total Revenue</b>		<b>3,379,473</b>	<b>3,237,730</b>	<b>141,743</b>	<b>3,199,244</b>
Gain on disposal/re-measurement of assets		896	314	582	1,009
<b>Total income</b>		<b>3,380,369</b>	<b>3,238,044</b>	<b>142,325</b>	<b>3,200,253</b>
<b>Expenses</b>					
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
<b>Total expenses</b>		<b>3,368,666</b>	<b>3,238,044</b>	<b>(130,622)</b>	<b>3,167,578</b>
<b>Operating result</b>		<b>11,703</b>	<b>-</b>	<b>11,703</b>	<b>32,675</b>
<b>Other comprehensive income</b>					
<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
<b>Total other comprehensive income</b>		<b>(32,437)</b>	<b>-</b>	<b>(32,437)</b>	<b>282,114</b>
<b>Total comprehensive income</b>		<b>(20,734)</b>	<b>-</b>	<b>(20,734)</b>	<b>314,789</b>

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

	Notes	2021 Actual \$'000	2020 Actual \$'000
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>369,431</b>	<b>299,683</b>
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>		<b>2,126,634</b>	<b>1,684,221</b>
<b>Total assets</b>		<b>2,496,065</b>	<b>1,983,904</b>
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>		<b>341,685</b>	<b>274,770</b>
<b>Non-current liabilities</b>			
Lease liabilities	B8-2	441,017	-
Other liabilities		4,708	5,580
<b>Total non-current liabilities</b>		<b>445,725</b>	<b>5,580</b>
<b>Total liabilities</b>		<b>787,410</b>	<b>280,350</b>
<b>Net assets</b>		<b>1,708,655</b>	<b>1,703,554</b>
<b>Equity</b>			
Contributed equity		1,087,944	1,062,077
Accumulated surplus/(deficit)		161,314	149,643
Asset revaluation surplus	B7-1	459,397	491,834
<b>Total equity</b>		<b>1,708,655</b>	<b>1,703,554</b>

\*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
<b>Balance as at 1 July 2019</b>	116,968	209,720	1,076,641	1,403,329
Operating result for the year	32,675	-	-	32,675
<b>Other comprehensive income</b>				
Increase/(Decrease) in asset revaluation surplus	-	282,114	-	282,114
<b>Total comprehensive income for the year</b>	<b>32,675</b>	<b>282,114</b>	<b>-</b>	<b>314,789</b>
<b>Transactions with owners:</b>				
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
<b>Net transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(14,564)</b>	<b>(14,564)</b>
<b>Balance at 30 June 2020</b>	<b>149,643</b>	<b>491,834</b>	<b>1,062,077</b>	<b>1,703,554</b>
<b>Balance as at 1 July 2020</b>	149,643	491,834	1,062,077	1,703,554
Operating result for the year	11,703	-	-	11,703
<b>Other comprehensive income</b>				
Increase/(Decrease) in asset revaluation surplus	-	(32,437)	-	(32,437)
<b>Total comprehensive income for the year</b>	<b>11,703</b>	<b>(32,437)</b>	<b>-</b>	<b>( 20,734)</b>
<b>Transactions with owners:</b>				
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)
<b>Net transactions with owners</b>	<b>(32)</b>	<b>-</b>	<b>25,867</b>	<b>25,835</b>
<b>Balance at 30 June 2021</b>	<b>161,314</b>	<b>459,397</b>	<b>1,087,944</b>	<b>1,708,655</b>

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

	Notes	2021 Actual \$'000	2020 Actual \$'000
<b>Cash flows from operating activities</b>			
<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)
<b>Net cash from operating activities</b>	CF-1	<b>22,212</b>	<b>25,021</b>
<b>Cash flows from investing activities</b>			
<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)
<b>Net cash (used by) investing activities</b>		<b>(164,044)</b>	<b>(129,871)</b>
<b>Cash flows from financing activities</b>			
<i>Inflows</i>			
Equity transferred		183,409	124,873
<i>Outflows</i>			
Lease payments		(12,847)	(5,472)
<b>Net cash from/(used by) financing activities</b>		<b>170,562</b>	<b>119,401</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>28,730</b>	<b>14,551</b>
Cash and cash equivalents at the beginning of the financial year		132,354	117,803
<b>Cash and cash equivalents at the end of the financial year</b>	B1	<b>161,084</b>	<b>132,354</b>

\*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**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
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	-
<b>Net cash from operating activities</b>	<b>22,212</b>	<b>25,021</b>

**CF-2 Non-Cash investing and financing activities**

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



# 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](mailto: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**

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

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue from contracts with customers</b>		
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	<b>19,663</b>	<b>21,256</b>
<b>Other grants and contributions</b>		
Grants and other contributions	8,262	2,697
Donations	611	8,066
Other grants and other contributions	<b>8,873</b>	<b>10,763</b>
Services received below fair value	<b>26,987</b>	<b>24,410</b>
<b>Total</b>	<b>55,523</b>	<b>56,429</b>

**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 (ROHPPG) 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 \$'000	2020 \$'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
<b>Total</b>	<b>49,526</b>	<b>60,327</b>

### 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 \$'000	2020 \$'000
<b>Employee benefits</b>		
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
<b>Employee related expenses</b>		
Workers compensation premium	16,896	16,925
Other employee related expenses	14,448	14,074
<b>Total</b>	<b>380,124</b>	<b>2,175,084</b>

	2021 No.	2020 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**

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Full-Time Equivalent Health Service Contract Labour	<b>16,744</b>	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
<b>Non-executive Board Chair –</b> 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	-
<b>Non-executive Deputy Board Chair–</b> 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
<b>Non-executive Board Member –</b> 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 BBus (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

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
<b>Health Service Chief Executive –</b> 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
			20/01/2020	23/07/2021
	Adjunct Professor Jackie Hanson RN BNSc	Acting/Relieving in higher duties	01/03/2021	05/04/2021
<b>Chief Operating Officer</b> (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	30/04/2018	28/02/2021
			06/04/2021	-
	Ms Melissa Carter (previously MacCabe) CA, BBus (Accy/Legal)	Acting/Relieving in higher duties	01/03/2021	05/04/2021
<b>Chief Finance and Corporate Officer –</b> 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	13/08/2018	28/02/2021
			06/04/2021	-
	Mr Cameron Abbott CPA, BBus (Accy)	Acting/Relieving in higher duties	01/03/2021	05/04/2021
<b>Executive Director Clinical Services –</b> 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	01/09/2014	-
<b>Executive Director Safety and Quality –</b> 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	28/10/2019	31/01/2021
	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	01/02/2021	-



# Metro North Hospital and Health Service

## Notes to the financial statements

for the year ended 30 June 2021

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### 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
<b>2020-21</b>				
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
<b>Total Remuneration</b>	<b>648</b>	<b>-</b>	<b>63</b>	<b>711</b>

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
<b>2019-20</b>				
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
<b>Total Remuneration</b>	<b>556</b>	<b>-</b>	<b>55</b>	<b>611</b>

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	\$'000	\$'000	\$'000	\$'000
<b>2020-21</b>						
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
<b>Total</b>	<b>1,869</b>	<b>1</b>	<b>40</b>	<b>169</b>	<b>-</b>	<b>2,079</b>
<b>2019-20</b>						
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
<b>Total</b>	<b>1,743</b>	<b>1</b>	<b>37</b>	<b>159</b>	<b>-</b>	<b>1,940</b>

# 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 \$'000	2020 \$'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
<b>Total</b>	<b>809,265</b>	<b>736,414</b>

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

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

##### 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
<b>Total</b>	<b>10,634</b>	<b>10,591</b>

**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
<b>2021</b>		
<b>Trade receivables</b>		
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
<b>Total overdue</b>	<b>38,023</b>	<b>10,634</b>

	Past due but not Impaired	Impaired
	\$'000	\$'000
<b>2020</b>		
<b>Trade receivables</b>		
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
<b>Total overdue</b>	<b>42,081</b>	<b>10,591</b>

**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
<b>Total</b>	<b>22,103</b>	<b>21,212</b>

### 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

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

#### 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)
<b>Carrying amount at 30 June 2021</b>	<b>4,529</b>	<b>14,176</b>	<b>1,888</b>	<b>20,593</b>

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

#### 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)
<b>Carrying amount at 30 June 2020</b>	<b>6,652</b>	<b>10,204</b>	<b>5,814</b>	<b>22,670</b>

#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*

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**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**  
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**B5 PROPERTY PLANT AND EQUIPMENT**

**B5-1: Property, plant and equipment - Balances and reconciliations of carrying amount**

	Land	Buildings	Buildings	Plant and equipment	Capital works	Total
	Level 2*	Level 3**	Level 2**	***	in progress	
2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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)
<b>Carrying amount at 30 June 2021</b>	<b>350,940</b>	<b>986,237</b>	<b>452</b>	<b>223,376</b>	<b>91,526</b>	<b>1,652,531</b>

*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)
<b>Carrying amount at 30 June 2021</b>	<b>350,940</b>	<b>986,237</b>	<b>452</b>	<b>223,376</b>	<b>91,526</b>	<b>1,652,531</b>

	Land	Buildings	Buildings	Plant and equipment	Capital works	Total
	Level 2*	Level 3**	Level 2**	***	in progress	
2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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)
<b>Carrying amount at 30 June 2020</b>	<b>374,215</b>	<b>1,015,792</b>	<b>481</b>	<b>179,582</b>	<b>85,247</b>	<b>1,655,317</b>

*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)
<b>Carrying amount at 30 June 2020</b>	<b>374,215</b>	<b>1,015,792</b>	<b>481</b>	<b>179,582</b>	<b>85,247</b>	<b>1,655,317</b>

\*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**  
*for the year ended 30 June 2021*

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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.

<b>Class</b>	<b>Threshold</b>
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**  
**Notes to the financial statements**  
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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).

**Metro North Hospital and Health Service**  
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**B6 LIABILITIES**

**B6-1: Payables**

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

**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**

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

**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**

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

**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)
<b>Carrying amount at 30 June 2021</b>	<b>439,739</b>	<b>13,489</b>	<b>453,228</b>

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

**Represented by movement in carrying amount:**

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

**B8-2: Lease liabilities**

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

**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**  
*for the year ended 30 June 2021*

**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 4<sup>th</sup> 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 \$'000	2020 \$'000
<b>Outflows</b>		
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
<b>Total estimated cash outflows</b>	<b>545,330</b>	<b>555,302</b>

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

	2021 \$'000	2020 \$'000
<b>Outflows</b>		
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
<b>Total estimated cash outflows</b>	<b>306,463</b>	<b>329,398</b>

**Metro North Hospital and Health Service**  
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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.



**Metro North Hospital and Health Service**  
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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 \$'000	2020 \$'000
<b>Assets</b>		
Buildings		
RBWH Butterfield Street Car Park	17,899	19,299
The Prince Charles Hospital Car Park	6,059	6,533
<b>Total Assets</b>	<b>23,958</b>	<b>25,832</b>
<b>Liabilities</b>		
Unearned Revenue		
RBWH Butterfield Street Car Park	4,340	4,937
The Prince Charles Hospital Car Park	367	643
<b>Total Liabilities</b>	<b>4,707</b>	<b>5,580</b>

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

**2019-20**

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

**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
<b>Financial assets</b>			
Cash and cash equivalents	B1	161,084	132,354
Receivables	B2-1	165,203	129,812
<b>Total</b>		<b>326,287</b>	<b>262,166</b>
<b>Financial liabilities</b>			
Lease liabilities	B8-2	462,742	5,711
Payables	B6-1	275,908	234,193
<b>Total</b>		<b>738,650</b>	<b>239,904</b>

**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
<b>Total</b>	<b>821,238</b>	<b>302,184</b>	<b>108,600</b>	<b>410,454</b>

**(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
<b>Outflows</b>		
Not later than 1 year	45,468	66,470
Later than 1 year but not later than 5 years	246,472	-
<b>Total estimated cash outflows</b>	<b>291,940</b>	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
<b>Total</b>	<b>27</b>	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.

**Metro North Hospital and Health Service**  
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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.

**Metro North Hospital and Health Service**  
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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 \$'000	2020 \$'000
<b>Receipts</b>		
Billings - (SMOs and VMOs)	67,286	65,186
Interest	31	65
<b>Total receipts</b>	<b>67,317</b>	<b>65,251</b>
<b>Payments</b>		
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
<b>Total payments</b>	<b>65,763</b>	<b>65,436</b>
<b>Closing balance of bank account under a trust fund arrangement not yet disbursed and not restricted cash</b>	<b>7,195</b>	<b>5,641</b>

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

\*\$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**  
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**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**  
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## **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**  
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### **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**  
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<b>BUDGET v ACTUAL COMPARISON</b>
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**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*

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**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"> <li>gross replacement cost, less</li> <li>accumulated depreciation.</li> </ul> <p>Using indexation required:</p> <ul style="list-style-type: none"> <li>significant judgement in determining changes in cost and design factors for each asset type since the previous comprehensive valuation</li> <li>reviewing previous assumptions and judgements used in the last comprehensive valuation to ensure ongoing validity of assumptions and judgements used.</li> </ul> <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"> <li>assessing the adequacy of management's review of the valuation process and results.</li> <li>reviewing the scope and instructions provided to the valuer.</li> <li>assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices.</li> <li>assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices</li> <li>assessing the competence, capabilities and objectivity of the experts</li> <li>evaluating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices</li> <li>evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> <li>reviewing management's annual assessment of useful lives</li> <li>at an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets</li> <li>ensuring that no building asset still in use has reached or exceeded its useful life</li> <li>enquiring of management about their plans for assets that are nearing the end of their useful life</li> <li>reviewing assets with an inconsistent relationship between condition and remaining useful life.</li> </ul> </li> <li>Where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.</li> </ul>

## **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
EQulP	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	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
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*

