

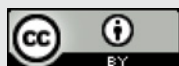
# ANNUAL REPORT 2021–2022



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Information about the Queensland language services policy is available at the Queensland Government Open Data website (<https://data.qld.gov.au>).

Metro North Hospital and Health Service (Metro North Health) has no data to report on consultancies and overseas travel in 2021–2022.

## Accessibility

### Public Availability

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

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

**Physical Address:** Level 14, Block 7, RBWH Campus, HERSTON Qld 4029  
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### Interpreter Services Statement



Metro North Health 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 Health 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 Health 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 Health 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 Health formally recognises the Australian South Sea Islanders as a distinct cultural group within our geographical boundaries. Metro North Health is committed to fulfilling the *Queensland Government Recognition Statement 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**

Level 14 Block 7  
Royal Brisbane and Women's Hospital  
Herston QLD 4029  
T +61 7 3647 9702  
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 2021-2022 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 is provided at page 82 of this annual report.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jim McGowan".

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

12/09/2022

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## Queensland Government's objectives for the community

Metro North Hospital and Health Service (Metro North Health) supports the Queensland Government's objectives for the community:

- **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

Metro North Health continues to deliver high quality healthcare services to both residents of South East Queensland and through our statewide services.

In the 2021-2022 financial year, there were 415,462 presentations to emergency departments including fever clinics. Throughout the year, staff performed 12,827 emergency and 28,931 elective surgeries across our five surgical hospitals. Metro North Health services provided 1,574,397 outpatient occasions of service.

We invested \$3.6 billion in healthcare, averaging \$9.9 million a day providing public health services. Despite the increased demand and challenges of the COVID-19 pandemic, we delivered an operating surplus of \$29.1 million.

Throughout 2021-2022, Metro North Health employed an additional 468 clinical staff in medical, nursing and allied health positions. Our total full-time equivalent staffing grew by 2.2 per cent to reach 18,015 at the end of the financial year. This included creating more employment security for longer term staff in temporary employment.

Following a business case for change, Metro North Health created the People and Culture Directorate and Chief People and Culture Officer position. The new directorate brings together staff support functions including human resources, organisational development, and staff wellbeing teams.

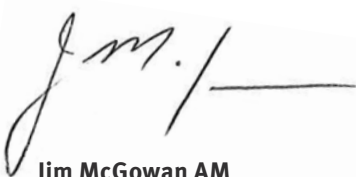
As the COVID-19 pandemic has extended into its third year, Metro North Health provided public COVID-19 testing services, via PCR test or rapid antigen test collection, at The Prince Charles Hospital, Caboolture Hospital, Redcliffe Hospital, Brighton Health Campus and Bowen Hills RNA showgrounds.

For the majority of the year, Metro North Health continued to operate COVID-19 vaccination clinics across the region including at Doomben Racecourse, Kippa-Ring, Pinkenba and Boondall. In addition, we provided a range of pop up clinics at schools and events to provide access to vaccination for adults and children.

Major infrastructure projects during the year include the completion of detailed design work for a new multistorey carpark at The Prince Charles Hospital, the refurbished heritage buildings were opened at the Herston Quarter, and the clinical services building as part of the Caboolture Hospital Redevelopment Project reached its full height. Additionally, minor refurbishments were carried out to improve staff tea rooms and shared spaces in response to feedback in the *Have Your Say* staff survey.

We launched the *Green Metro North Health Strategy* and increased the number of electric vehicles in our fleet. The *Metro North Health Outpatient Services Plan 2021-2024* was developed.

Metro North Health is committed to closing the health gap for Aboriginal and Torres Strait Islander people. Throughout the year, we worked with Aboriginal and Torres Strait Islander staff, Elders and community to co-design Metro North Health's first Health Equity Strategy which will provide actions to improve health outcomes and patient experiences. The draft strategy was developed in partnership with Brisbane North PHN, the Institute for Urban Indigenous Health, the Aboriginal and Torres Strait Islander Community Health Service (ATSICHS) Brisbane and the Moreton Aboriginal and Torres Strait Islander Community Health Service (Moreton ATSICHS).



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



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

## About us

Established on 1 July 2012 Metro North Health 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 Health 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 – Queensland's Economic Recovery Plan* – on Safeguarding our health to keep Metro North Health 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 Health 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 Health values reflect the Queensland Government values of Customers first, Ideas into action, Unleash potential, Be courageous, and Empower people.

Our values and behaviours will hold us to account to our community and to ourselves. Our values are:

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

## Priorities

The 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 Plan demonstrates Metro North Health's commitment to improving health outcomes for Aboriginal and Torres Strait Islander peoples.

The *Metro North Health Service Strategy 2021-2026* (the Strategy) has a five-year outlook setting out how Metro North Health 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:

- *Collaborating in Health Strategy 2022-2024: Collaboration in Metro North Health involves partnering with lived experience experts.*
- *Working Together: Strategy for Inclusive Employee Engagement 2022-2024.*

## Aboriginal and Torres Strait Islander Health

Metro North Health continued to deliver actions to improve the health of Aboriginal and Torres Strait Islander peoples under the *Metro North Better Together: Aboriginal and Torres Strait Islander Health Plan 2019–2022*. This plan is focused on four priority areas: leadership, governance and workforce; engagement and partnerships; transparency, reporting and accountability; and culturally responsive, safe and connected care.

Significant work occurred in 2021–2022, in partnership with elders, the community health sector, partner organisations and our staff, to develop the *Metro North Health Equity Strategy 2022–2025*.

### Key achievements for 2021–2022

- Our work towards health equity; Metro North Health will launch its inaugural Health Equity Strategy on 4 July, 2022. The plan details the actions to support a renewed and shared agenda to improve Aboriginal and Torres Strait Islander peoples' health outcomes, lived experiences, and access to care across the system.
- Our identified Aboriginal and Torres Strait Islander workforce continues to grow, with 312 Aboriginal and Torres Strait Islander staff at Metro North Health. More areas across the health service are committed to identifying roles and growing the workforce.
- Established Aboriginal and Torres Strait Islander leadership positions in the Aboriginal and Torres Strait Islander Leadership team, The Prince Charles Hospital and Caboolture Hospital.
- Trial of the internationally recognised, award-winning protocol *Courageous Conversation about Race* for effectively engaging, sustaining and deepening interracial dialogue across Metro North Health.
- Introduction of *Health Equity Middle Manager Mandatory Training* with 1025 staff attending one or more key priority area (KPA) training sessions. Overall, Metro North Health has reached a 42 per cent completion rate of all staff completing training across the five KPAs. The sessions were designed and delivered by KPA Aboriginal and Torres Strait Islander leads and executive sponsors to educate middle managers on health equity and get them thinking about how they can contribute to the Health Equity Strategy Key Priority Areas (KPAs) within their roles.
- Launch of the Research Alliance for Urban Goori Health (RAUGH). RAUGH will unite a research organisation, health service and primary health care provider to improve health for Aboriginal and Torres Strait Islander peoples. The partnership is between The University of Queensland's (UQ's) Poche Centre for Indigenous Health, the Institute for Urban Indigenous Health (IUIH) and Metro North Health.
- Keeping our community informed through tailored and culturally appropriate communication channels. The Better Together Health Van Facebook page continues to grow with over 2300 followers and a total of 1,068,857 total post reach over the past 12 months including important COVID-19 messaging. Talk-About newsletter is now in its 7<sup>th</sup> year and continues to share positive stories, important health promotion information and celebrate our Aboriginal and Torres Strait Islander community partnerships.
- Metro North Health partnered with Aboriginal and Torres Strait Islander community members and organisations to deliver an educational virtual NAIDOC week celebration. Inspired by the National NAIDOC theme and acknowledging a holistic approach to Aboriginal and Torres Strait Islander health, Metro North Health celebrated with an extended theme 'Heal Country, Heal Health'. These videos reached 123,609 people on Facebook and were viewed 71,013 times throughout the week.
- Over 300 'Kindness, Care and Community' wellness packs were delivered to mental health areas across Metro North Health and through community organisations including Kurbingai, Mindle Bygul, Sandbag and New Farm Neighbourhood Centre.
- Better Together Artwork by esteemed Aboriginal artist Elaine Chambers-Hegarty rolled out across the health service leading to a more culturally welcoming and safe space for our Aboriginal and Torres Strait Islander community.
- The Better Together Medication Access (BTMA) program was recognised as a finalist in the Premier's Awards for Excellence under the 'Healthy and Safe Communities' category. Over 11,000 Aboriginal and Torres Strait Islander consumers were offered BTMA and over 8000 supplied.



## ABOUT US

- Implemented a pre-surgery health and wellness check initiative at Royal Brisbane and Women's Hospital (RBWH). The pre-surgery health and wellness check strengthens cultural and clinical support for the patient during their surgical journey by addressing transport issues, language barriers, health literacy concerns and confirms the patient's physical condition and ability to attend surgery. This check has produced significant improvements in surgery attendance for Aboriginal and Torres Strait Islander patients across the State.
- Tago magul yadeni (Tamaya) was established for the Heart and Lung Stream. The purpose of Tamaya is to be the messengers and voices to the Heart and Lung Stream, embedding health equity into their knowledge and practices by working with Aboriginal and Torres Strait Islander peoples and addressing the current health inequalities and disparities.
- Implementation of the Strong Start to Life professional development and cultural capability immersion programs. The aim of implementing these programs is to not only provide valuable educational opportunities but to also ensure non-Indigenous staff can translate their learnings into culturally safe practices. The team has organised and facilitated the First 1000 days training and coaching sessions, Nungeena Women's Business cultural day, *iSistaQuit* program for smoking sessions and the Murra Mullangari training.
- Reduction in the failed to attend rates within the Women's business gynecology pathway with a rate of 10.77 per cent, down from 20 per cent.
- Continued to support the roll-out of the COVID-19 First Nations response. COVID-19 vaccinations with ongoing education, awareness and support for walk-in clinics across the health service. Partnered with Mindle Bygul Aboriginal Corporation and Moreton Bay Regional Council and the National Indigenous Australians Agency to hold a series of community events to provide community members with an opportunity to ask questions about COVID-19 and to deliver the option of an onsite vaccination clinic.
- Culturally Welcoming Emergency Departments Projects rolled out at RBWH and Redcliffe Hospital with the aim to improve the access and experience of Aboriginal and Torres Strait Islander peoples presenting at the Emergency Department, specifically in relation to long waits resulting in people leaving without receiving medical advice.
- Discharge with support process introduced to best manage the process of patients who choose to leave the hospital before the completion of treatment.
- Redcliffe Hospital's *Deadly RED* project has increased safety for Aboriginal and Torres Strait Islander patients that don't complete treatment, with the inclusion of an early clinical screening and earlier follow-up for those patients with worrying clinical presentations.

## Our community based and hospital based services

Metro North Health 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 Health 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 TPCH: tertiary/quaternary referral facilities, providing advanced levels of healthcare which are highly specialised, such as heart and lung transplantation, genetic health and burns treatment.
- Redcliffe and Caboolture Hospitals: major community hospitals providing a comprehensive range of services.
- Kilcoy Hospital: a regional community hospital.
- STARS: a 182 bed public health facility located at Herston.
- 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 UQ.
- 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.

On 1 January 2022, Metro North Health commenced providing a range of health support services to Norfolk Island as part of a formal Intergovernmental Agreement between the Commonwealth and Queensland governments.

Metro North Health issued 22,357 car parking passes in 2021-2022 to patients and their families and carers valued at \$250,018.57 under the *Hospital Car Parking – Patient and Carer Car Parking Concessions* standard.

## Targets and challenges

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

*MN32#NEXTCARE The Future Of Health* sets out our roadmap to 2032 where we are the premier health service provider in the southern hemisphere through state-of-the-art delivery of a range of speciality and integrated health services.

Our response to the COVID-19 pandemic has put pressure on our hospital and health services.

Our greatest strategic risks are ensuring that our workforce responds to the health care needs of our community and that we continue to work collaboratively across the health sector to deliver high quality and innovative models of care.

It is imperative that, through ethical leadership, and 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.

# Governance

## Our people

### Board membership

The Metro North Health Board (the board) is appointed by the Governor in Council on the recommendation of the 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 Health.
- 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 Health. 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 31 March 2022. Board member Dr Paula Conroy did not seek reappointment. Board members Bernard Curran and Neil Roberts were reappointed by the Governor in Council for the term of 1 April 2022 to 31 March 2026.

Dr Melissa Cairns was appointed to the board for the same term. A schedule of board member attendance at board and statutory committee meetings for 2021-2022 is available on page 18.

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 Redcliffe Hospital, RBWH and Caboolture Hospital. The board also held Executive Committee meetings at Kilcoy Hospital and Cooina House.

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. Out-of-pocket expenses incurred by the board in 2021-2022 are provided on page 17.

### 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 Health. 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 Health.

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

<sup>1</sup> Committee membership as at 30 June 2022.

### **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 Health. 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 Metro North Health 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.

Metro North Health committee members: Jim McGowan AM (co-chair), Neil Roberts, Professor Mary-Louise Fleming, Nera Komaric and Dr Melissa Cairns.

#### *Board Community Advisory Committee*

The role of the Board Community Advisory Committee is to guide the 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 2021-2022, the board held a consumer and community engagement forum to commence the co-design of the *Metro North Health Equity Strategy 2022-2025*.

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), Jim McGowan AM, Nera Komaric and Dr Melissa Cairns.

#### *Board First Nations Health Equity Committee*

The role of the Board First Nations Health Equity Committee is to support the board by:

- Monitoring the implementation of the *Metro North Health Equity Strategy 2022-2025*.
- 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, Jim McGowan AM, Nera Komaric and Dr Kim Forrester.

**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

**Deputy Chair and Chair, Safety and Quality Committee**

Appointed: 18 May 2013

Current term: 18 May 2021 to 31 March 2024; reappointed as Deputy Chair on 21 October 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. Dr Forrester was a foundation academic in the School of Medicine at Griffith University and an Associate Professor, teaching health law in the Faculty of Health Sciences and Medicine at Bond University.

As a barrister, Dr Forrester's areas of legal practice include coroner's inquests, professional regulation and child protection. She held the position of Assistant Commissioner (legal) on the Queensland Health Quality and Complaints Commission from 2006 to 2009, and is a member of the Queensland Law Society's Health and Disability Law Committee. In 2012 Dr Forrester led a panel appointed to review the Queensland Board of the Medical Board of Australia. The Forrester Report was tabled in the Queensland Parliament in April 2013. 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 was Chair of the Community Services Commission, Anglicare Southern Queensland from 2019 to 2021. She has recently been appointed as a Director of The University of Queensland Health Care Board.

Dr Forrester 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, Board First Nations Health Equity Committee** (non-statutory)

Appointed: 18 May 2017

Current term: 18 May 2020 to 31 March 2024

Mr Adrian Carson joined Metro North Health 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: 1 April 2022 to 31 March 2026

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. In 2022, he joined the Management Committee of Caxton Legal Centre.

**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 Health 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.

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.

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. Mr Hardy most recently lead 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 several 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 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.

**Dr Melissa (Meg) Cairns**

MBBS, FRACGP

**Member**

Appointed: 1 April 2022

Current term: 1 April 2022 to 31 March 2026

Dr Melissa (Meg) Cairns has been a Specialist General Practitioner in Ashgrove for over 25 years. Prior to that, she worked in Queensland Health hospitals in Brisbane and Maryborough and in General Practice in Brisbane and Toowoomba.

She is currently a GP Liaison Officer with Metro North Health, Chair of the Brisbane North Primary Health Network (PHN) Clinicians' Advisory Group and a Member of Brisbane North PHN Clinical Council.

Dr Cairns is a member of a number of Metro North Health and Queensland Health committees including Queensland Maternal and Perinatal Quality Council, Queensland Paediatric Quality Council and Queensland Health Planned Care Reform Group.

She is passionate about improving patient care through collaboration across health sectors and through effective communication and education.

**Mr Neil Roberts**

MBA, BBus, GradCertDisRes, GAICD

**Member**

Appointed: 18 May 2019

Current term: 1 April 2022 to 31 March 2026

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.

## GOVERNANCE

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. She is a co-founder and Director of World Wellness Group, a primary health care social enterprise with its vision to create health equity by delivering health and wellness services in the system, while working on the system.

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 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 brings extensive medico-legal experience including WorkCover and AHPRA Expert Independent Assessor.



<b>Name of Government body</b>	Metro North Hospital and Health Service (Metro North Health)
<b>Act or instrument</b>	<i>Hospital and Health Boards Act 2011</i>
<b>Functions</b>	Reported throughout the Annual Report
<b>Achievements</b>	Reported throughout the Annual Report
<b>Financial reporting</b>	Refer to p.34 of Annual Report

Table 1: Board member remuneration

Position	Name	Meetings/ sessions/ attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Jim McGowan AM	32 (13 Board / 19 Committee)	\$85,714 pa	\$4,000 pa Committee Chair \$3,000 pa Committee Member	\$107,000
Deputy Chair	Dr Kim Forrester	26 (13 Board / 13 Committee)	\$44,503 pa	\$4,000 pa Committee Chair \$3,000 pa Committee Member	\$59,000
Board Member	Adrian Carson	15 (12 Board / 3 Committee)	\$44,503 pa	\$3,000 pa Committee Member	\$53,000
Board Member	Bernard Curran	18 (13 Board / 5 Committee)	\$44,503 pa	\$4,000 pa Committee Chair	\$54,000
Board Member	Bonny Barry	19 (13 Board / 6 Committee)	\$44,503 pa	\$3,000 pa Committee Member	\$55,000
Board Member	Geoff Hardy	18 (12 Board / 6 Committee)	\$44,503 pa	\$4,000 pa Committee Chair	\$53,000
Board Member	Professor Mary- Louise Fleming	26 (12 Board / 14 Committee)	\$44,503 pa	\$3,000 pa Committee Member	\$58,000
Board Member	Dr Melissa Cairns	5 (3 Board / 2 Committee)	\$44,503 pa	\$3,000 pa Committee Member	\$13,000
Board Member	Neil Roberts	18 (13 Board / 5 Committee)	\$44,503 pa	\$3,000 pa Committee Member	\$53,000
Board Member	Nera Komaric	18 (12 Board / 6 Committee)	\$44,503 pa	\$3,000 pa Committee Member	\$53,000
Board Member	Dr Paula Conroy	12 (8 Board / 4 Committee)	\$44,503 pa	\$3,000 pa Committee Member	\$40,000
Board Member	Dr Robert Franz	19 (13 Board / 6 Committee)	\$44,503 pa	\$3,000 pa Committee Member	\$53,000

No. scheduled meetings/sessions: 32

Total out of pocket expenses: \$759.60 cost for Chair and all members in 2021-2022.

Table 2: Board Member meeting attendance 2021–2022

Name	Board	Executive Committee	Safety & Quality Committee	Finance & Performance Committee	Risk & Audit Committee
	13 meetings	2 meetings	6 meetings	6 meetings	5 meetings
Board Chair – Mr Jim McGowan AM	13 of 13	2 of 2	6 of 6	6 of 6	5 of 5
Deputy Chair – Dr Kim Forrester	13 of 13	2 of 2	6 of 6	NA	5 of 5
Board Member – Mr Adrian Carson	12 of 13	NA	NA	NA	3 of 5
Board Member – Mr Bernard Curran	13 of 13	NA	NA	NA	5 of 5
Board Member – Ms Bonny Barry	13 of 13	1 of 2	NA	5 of 6	NA
Board Member – Mr Geoff Hardy	12 of 13	NA	NA	6 of 6	NA
Board Member – Professor Mary-Louise Fleming	12 of 13	2 of 2	6 of 6	6 of 6	NA
Board Member – Dr Melissa Cairns	3 of 3	NA	2 of 2	NA	NA
Board Member – Mr Neil Roberts	13 of 13	NA	NA	NA	5 of 5
Board Member – Ms Nera Komaric	12 of 13	NA	NA	6 of 6	NA
Board Member – Dr Paula Conroy	8 of 10	NA	4 of 4	NA	NA
Board Member – Dr Robert Franz	13 of 13	NA	6 of 6	NA	NA

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

## Executive management

The board appoints the Health Service Chief Executive (HSCE), noting that the appointment is not effective until approved by the Minister under section 33 (2) of the *Hospital and Health Boards Act 2011*. The board delegates the administrative function of Metro North Health 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 Health.
- 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.

## EXECUTIVE TEAM

**Health Service Chief Executive**  
**Adjunct Associate Professor**  
**Jackie Hanson** BNSc

As Chief Executive of Metro North Health, Jackie Hanson is responsible for the operational management of one of Australia's largest public health services. Jackie is an experienced health sector leader, holding senior roles in South Australia and Queensland. She has led Metro North Health's response to the COVID-19 pandemic and significant projects benefiting the health of Queenslanders including the establishment of a new public hospital – STARS – and the Caboolture Hospital redevelopment.

**Chief Operating Officer**

**Adjunct Associate Professor**  
**Jane Hancock** MBA (Health), BEd (Nursing), DipAppSc (Nursing Education), GAICD, ANZSOG (EFP)

Jane is responsible for providing operational leadership, direction and day to day management, including infrastructure of Metro North Health to optimise quality health care and business outcomes.

Jane was educated as a registered nurse and specialised in adult and paediatric critical care. Jane has an MBA (Health), Bachelor of Education (Nursing), a Diploma of Applied Science (Nursing) and is currently studying an Executive Masters of Public Administration. Jane is a non-Executive Director of the Leukaemia Foundation Board Australia and is a Graduate of the Australian Institute of Company Directors (GAICD).

**Executive Director, Strategy, Planning, Assets, and Infrastructure**

**Kate Copeland** AM BPhty, BBus (Health Admin), GradCert Health Economics, FACHSM

Kate is responsible for strategically leading the development of Metro North Health's core health service strategy and planning, consumer engagement and infrastructure functions. Kate holds a Bachelor of Physiotherapy, a Bachelor of Business (Health Administration), a Graduate Certificate in Health Economics, and is a Fellow of the Australasian College of Health Service Management.

**Chief Finance and Corporate Officer**

**Alister Whitta** B.Bus (Accounting), Grad Dip ACG, FCPA, AGIA, ACG

Alister is responsible for the 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.

Alister holds a Bachelor of Business from the Queensland University of Technology (QUT) and a Graduate Diploma in Applied Corporate Governance. Alister is a Fellow of CPA Australia (FCPA) and a member of the Governance Institute of Australia.

**Executive Director Clinical Services**

**Associate Professor Glen Kennedy** MBSS (hons), FRACP, FRCPA

Glen is responsible for monitoring and strategically directing the budgetary and activity performance of Metro North Health's clinical streams and assists the Health Service Chief Executive and other Executive Directors in effective management of not only the Clinical Streams but also Metro North Health as an entity.

Glen is a Haematologist who specialises in the treatment of malignant haematological disorders including bone marrow / stem cell transplantation.

**Executive Director Safety and Quality**

**Michele Gardner** RN.CC, DIP HC, EMPA, ANZSOG, AFACHSM, MAICD, AFIMLANZ, MAAQHC

Michele provides strategic leadership, direction and day to day management of Metro North Health's governance, quality and risk functions to optimise quality health care, statutory and policy compliance and continuously improving business outcomes.

Michele is a registered nurse and holds qualifications in Critical Care, Health Counselling, Public Administration with the Australia and New Zealand School of Government (ANZSOG) and has been an Accredited Surveyor for the Australian Council of Healthcare Standards (ACHS) for more than a decade.

## Organisational structure and workforce profile

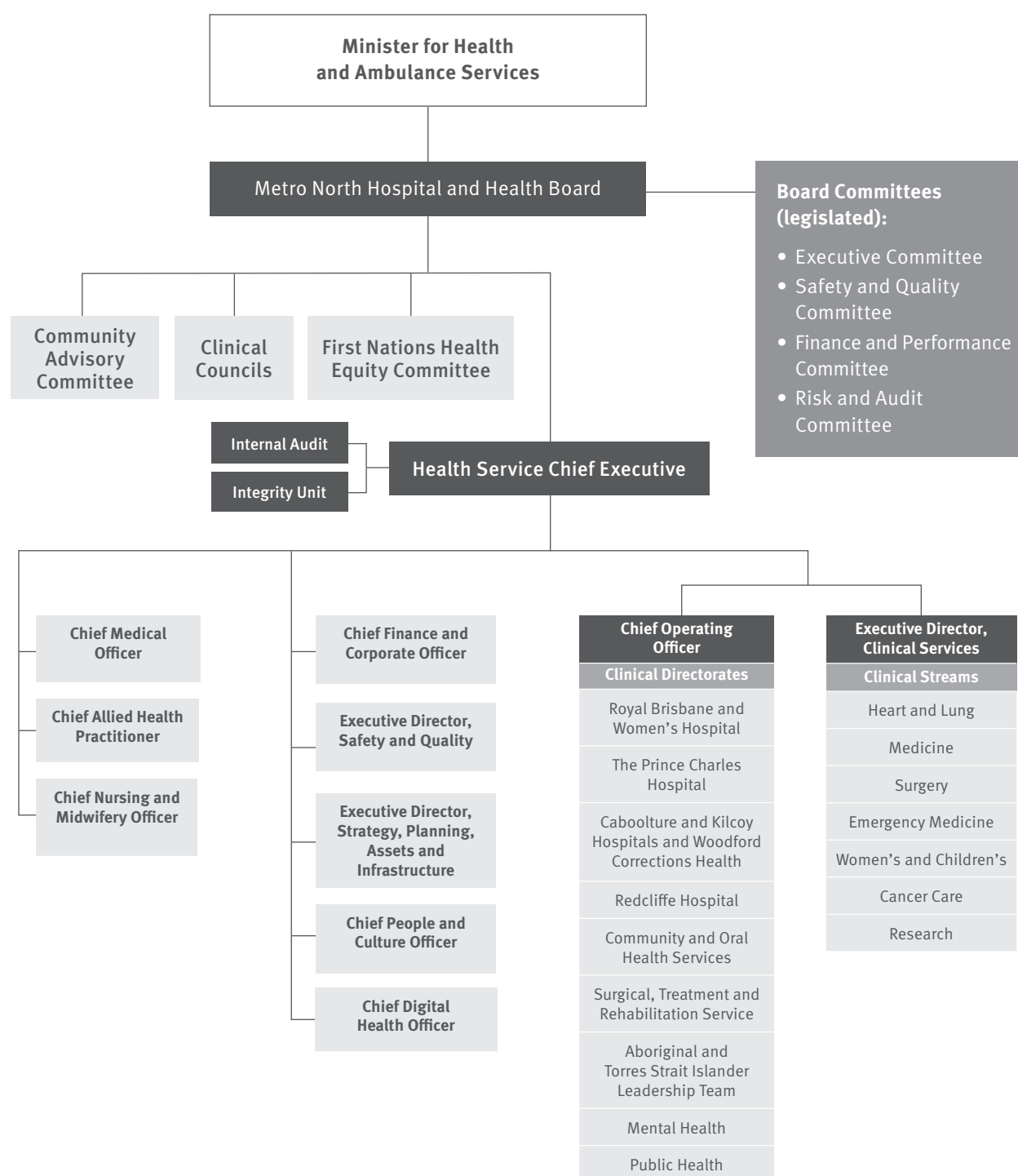


Table 3: More doctors and nurses\*

	2017-18	2018-19	2019-20	2020-21	2021-22
Medical staff <sup>a</sup>	2054	2120	2184	2275	2341
Nursing staff <sup>a</sup>	6759	6864	7211	7633	7897
Allied Health staff <sup>a</sup>	2219	2261	2403	2877	2925

Table 4: Greater diversity in our workforce\*

	2017-18	2018-19	2019-20	2020-21	2021-22
Persons identifying as being First Nations <sup>b</sup>	181	198	226	247	261

**Note:** \* Workforce is measured in MOHRI – Full-Time Equivalent (FTE). Data presented reflects the most recent pay cycle at year's end, period ending 26 June 2022.

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

## Strategic workforce planning and performance

Metro North Health's total FTE on 30 June 2022 is 18,015 an increase of 385 FTE (2.2 per cent) for the year, all growth attributable to growth in frontline and frontline support staff.

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

### Key achievements for 2021-2022

- Supported the development of the Metro North Health Equity Strategy through initiatives to increase the proportion of staff who identify as Aboriginal and/or Torres Strait Islander and employment programs including the Deadly Start high school traineeship program and the Indigenous Cadetships Program.
- Established a strategic workforce committee to develop strategies to address critical workforce risks, gaps, and issues, via a strategic multidisciplinary governance approach across all professional groups and clinical directorates. The committee supports organisational wellbeing and promotes workforce initiatives across Metro North Health.
- Reviewed HR functions to create a high performing contemporary people and culture service which enables Metro North Health to attract, retain and develop staff.
- Workforce planning for the expansion of Caboolture Hospital. The Caboolture Hospital Redevelopment Project has commenced the operational commissioning phase that will see 1000 staff, partners, and associates transition with projections from the draft activity management plan for approximately an additional 240 FTE.
- Developed a workforce model to support the Business Planning Framework (BPF) for all workstreams which has enabled more precise planning, particularly in high demand professions of medical officers and nurse practitioners. Medical graduate numbers were below open positions for the year, and the overall supply is insufficient nationwide. In addition, COVID-19 has impacted the reliance on International Medical Graduate (IMG) staff availability.
- Workforce planning for Metro North Health's three satellite hospitals has commenced and will continue throughout 2022. The Queensland Government's satellite hospitals program, when complete, will deliver a range of Outpatient, Ambulatory, and Community Based Services for rapidly growing communities including Pine Rivers, Caboolture and Bribie Island in Metro North.
- Managed workforce impacts arising from Metro North Health's COVID-19 response to ensure the wellbeing of our workforce whilst providing safe and high-quality patient care. This included:
  - Support for consultation with unions and industrial guidance for the workforce in the adherence to the Health Employment Directive (HED) No. 12/21, reinforcing employee COVID-19 vaccination requirements.

- Supporting fever clinic risk assessments and increasing workplace health and safety regulator engagement.
- Ensuring compliance of mask fit testing and training across all facilities for the entire workforce.
- Launched a dedicated helpdesk, *Health & Safety Connect* to provide information to staff on safety services, occupational violence prevention, fire safety services and injury management.
- Reviewed the *Work-related Violence and Aggression Strategy* and the *Health and Safety Improvement Strategy 2022-2024* to include a focus on health equity.
- Developed the Metro North Health temporary and casual employee conversions project for conducting holistic reviews of employees with more than two years of fixed-term temporary or casual service to permanent status. In 2022, more than 1400 reviews resulted in 462 employees converting to permanent employment.
- Extended Metro North Health's Talent Pipeline to assist with the conversions project for staff appointed permanently but not currently to a substantive role. This is part of Metro North Health's commitment to job security and permanent employment.
- Preparation for Stage 3 implementation of the Integrated Workforce Management rostering solution (Workbrain) continues. The focus of this initiative will be on Nursing and Midwifery staff, who represent almost half of our workforce. Metro North Health 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 and pay outcomes that provide real-time rostering information at the frontline.
- The Amazon Connect call system introduced last year had 19,502 staffing and payroll-related queries through the central number and diverted to qualified support staff as a more effective service for employees. The effectiveness of the Amazon Connect system was identified and implemented for the newly established *AskHR* hotline.
- Maintained effective union relationships through regular formal meetings.

## Early retirement, redundancy and retrenchment

No redundancy or retrenchment packages were paid during the period. There were nine employees granted ill health retirement during the year at a cost of \$80,500 in line with Chapter 5, Part 7 of the *Public Service Act 2008 (Qld)*.

## Our risk management

Metro North Health'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 Health 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:** Increasing pressure on available funding and own source revenue with increased cost of supply (labour and non labour) as a result of COVID-19 may impact ability to respond to service demand and community needs and expectations.
- **Adaptability:** Failure to embed an organisational 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 Health carrying an increasing liability for building asset performance resulting in impacts on clinical service delivery.



Metro North Health'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 2021–2022

- The board reviewed the risk appetite statement for Metro North Health to incorporate the high appetite for taking risks associated with developing and implementing a Health Equity Strategy to achieve the health aspirations of our First Nations peoples.
- 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 Health's strategic objectives are identified and managed effectively.
- Metro North Health'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 Health 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 HHS during the financial year and the action taken by the HHS as a result of the direction. During the 2021–2022 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 a global consulting firm. The firm provides 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 2021–2022

During the period, Internal Audit finalised\* 15 internal audits covering both clinical and non-clinical risk areas including:

- Review of the information security management system framework, essential eight and patch management, virtual care model technology review.
- Compliance with Metro North Health's infrastructure project management framework, review of planned and unplanned maintenance.
- Payroll – review of recruitment processes and controls.
- Review of abnormal pathology results, managing recommendations from Root Cause Analysis (RCA) and Human Error and Patient Safety (HEAPS) reviews.
- Review of research activity – financial accountability of research funds.

### External Scrutiny

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

All Metro North Health acute hospitals, mental health services, and community and oral health services were successfully re-accredited under the National Safety and Quality Health Service Standards (NSQHS) in November 2019 for a three-year period. The Australian Commission on Safety and Quality in Healthcare granted a further 12-month period to all accredited Hospital and Health Services in Australia due to the impact of Covid-19 over the past two years. Therefore, re-accreditation is required to commence within the 12-month period preceding November 2023.

In March 2022, STARS underwent onsite ACHS accreditation against the NSQHS Standards. STARS met all requirements of the Organisational Wide Assessment (OWA) and received no recommendations,

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

with surveyors noting ‘the enabling team culture which supports excellent patient care’. This survey was the last OWA for Metro North Health as all facilities will move to Short Notice Accreditation Assessment commencing January 2023.

Metro North Health has two residential aged care facilities, Coinda House (a 60 bed facility at Redcliffe) and Gannet House (a 40 bed facility at Brighton). Both facilities are subject to assessment against the Aged Care Quality Standards by the Aged Care Quality and Safety Commission. Coinda is accredited until October 2024 and Gannet House is accredited until November 2022.

Metro North Health’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 2021-2022.

In 2021 an independent external review of surgical services at Caboolture Hospital was commissioned in response to adverse outcomes for surgical patients. The review was commissioned by the board chair. To ensure that full implementation of recommendations and additional actions were progressed in a timely, effective and sustainable manner, a Caboolture Hospital Review Steering Committee (CHRSC) was established. The steering committee reports to the board monthly, with the first report delivered to the board in December 2021. CHRSC progress reports are made available to Caboolture Hospital staff and posted to the Metro North Health public website for the community.

In 2021-2022, a Parliamentary report tabled by the Auditor-General broadly considered the financial audit results of Queensland health entities including Metro North Health. The report was:

- Health 2021: Financial Audit Report (Report 12: 2021-22).

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 Health to further inform its service delivery:

- Measuring emergency department patient wait time (Report 2: 2021-22)
- Improving access to specialist outpatient services (Report 8: 2021-22)
- Enhancing government procurement (Report 18: 2021-22).

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 Health is committed to making the best use of its information holdings in a way that promotes public trust in how we handle, protect and disclose personal and sensitive information. In recognition of information being a strategic asset, Metro North Health has taken active measures to improve the identification and management of records to enhance accountability, integrity and transparency in the provision of health care services and to improve compliance with the *Public Records Act 2002 (Qld)* and the Queensland Government Enterprise Architecture (QGEA) Records Governance Policy.

In 2021-2022, Metro North Health implemented a Digitisation Disposal Policy which provides a defensible process for the disposal of physical source records that have been digitised, quality assured and saved within Content Manager, Metro North Health’s electronic Document and Records Management System. The Digitisation Disposal Policy is a key artifact to support Metro North Health in transitioning from paper-based to digital recordkeeping in compliance with Disposal Authorisation 2074 of the State Archivist’s General Retention and Disposal Schedule.

Metro North Health’s Corporate Records Management Policy was refreshed and implemented in late 2021 and promotes roles and responsibilities for corporate recordkeeping across the organisation. It identifies the functions of the Corporate Information Management Team who steward the corporate recordkeeping and disposal program including undertaking curation and compliance audits for Content Manager records and provision of organisational advice for compliant records management.

A key focus remains on increasing awareness of corporate recordkeeping obligations and information policy across Metro North Health in both administrative and health community teams. An *Introduction to Recordkeeping* e-Learning module was implemented across Metro North Health in December 2020 and within 2021-2022, the completion rate for this module increased by 89 per cent.

Metro North Health continues to expand the implementation of Content Manager for the compliant and secure management of corporate records. In 2021-2022, Metro North Health captured 316,868 records into Content Manager and onboarded 21 new business units and 157 new users. Of particular note, Content Manager



was implemented as a case management system for Metro North Health's Information Access Units and Herston Biofabrication Institute to further advance knowledge and technology in 3D scanning, 3D modelling and 3D printing of medical devices, bone, cartilage and human tissue.

In addition to the Health Sector (Corporate Records) Retention and Disposal Schedule, Metro North Health's records continue to be managed in accordance with the Health Sector (Clinical Records) Retention and Disposal Schedule and the General Retention and Disposal Schedule.

### CEO Attestation of IS18:2018 (ISMS) information security risk

During the 2021-2022 financial year, Metro North Health has an informed opinion that information security risks were actively managed and assessed against the Metro North Health appetite with appropriate assurance activities undertaken in line with the requirements of the Queensland Government Enterprise Architecture (QGEA) Information security policy IS18:2018).

## Queensland Public Service ethics

Metro North Health 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 For the Queensland Public Service*, which is based on these four legislative principles, applies to all Queensland Health staff, including Metro North Health.

Training and education for the Code of Conduct and ethical decision-making are part of the mandatory training provided to all employees at the start of employment. In 2022, it became mandatory to complete on an annual basis to remain compliant (previously training was every two years).

On 30 June 2022, 17,779 staff were compliant with the Code of Conduct online training course, which provides education on workplace bullying, sexual harassment and discrimination, ethics, integrity, and accountability.

In addition, Metro North Health has a workplace conduct and ethics policy that outlines the obligations of management and employees to comply with the Code of Conduct. During 2021-2022, the policy was updated to include a new eLearning module to support manager awareness of responsibilities. On 30 June 2022, 1481 current managers are compliant with this training.

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

## Our Human Rights Commitment

Metro North Health recognises that respecting, protecting and promoting human rights enables individuals to enjoy healthy lives and is critical to the role we perform in our community as a provider of public health services. Accordingly, Metro North Health is firmly committed to advocating for the human rights of all individuals in our organisation by the way we operate, deliver health services, and interact every day. Upon the introduction of the *Human Rights Act 2019 (Qld)* (HR Act), we have acknowledged this commitment in the Plan.

Since mid-2019, Metro North Health has focused on building a human rights culture across all facilities and services. To date, the Metro North Health Legal Services unit has delivered over 40 training sessions on human rights including to the board and executive team, staff, consumers and the community. For those responsible for furthering the objects of the HR Act, these training sessions focus on education of what human rights are relevant to health and how to act or make decisions that are compatible with human rights through discussions of scenarios relevant to the work they do.

During this reporting period, Metro North Health has demonstrated significant progress in its human rights culture by the way it incorporates human rights into its actions and decisions.

Highlights from 2021-2022 include:

- Responding collaboratively to the evolving COVID-19 situation with a genuine consideration of the human rights impacted by actions or decisions.
- Consulting with Aboriginal and Torres Strait Islander Elders, staff, patients and community members to better understand how to deliver health services in a way that cares for their distinct cultural needs and improves their health and wellbeing.
- Committing to health equity and cultural safety across the organisation by developing the *Metro North Health Equity Strategy 2022-2025*, launching the Health Equity Starts with Me campaign and offering Health Equity Training programs.
- Continuing to embed a human rights culture across Metro North Health's facilities including through the development and careful review of policies and

procedures. For example, the Metro North Health Complex and Challenging Behaviours Procedure, the Metro North Health Discharge with Support Policy and the Point of Care Rapid Antigen Testing Procedure for Caboolture, Kilcoy and Woodford.

- Continuing to support other Queensland hospital and health services to comply with their human rights obligations.
- Significantly reducing the number of human rights complaints.
- Receiving no recommendations from the Queensland Human Rights Commission (QHRC) or the Australian Human Rights Commission (AHRC) on improving our human rights culture.

### Human right complaints and outcomes<sup>1</sup>

Number of complaints received	406*
Outcome of the complaints	<ul style="list-style-type: none"> <li>• 3 complaints are scheduled for a QHRC conciliation</li> <li>• 2 complaints are under investigation by the AHRC</li> <li>• 83 complaints have been resolved between the organisation and the complainant and the primary reason for these complaints was miscommunication</li> <li>• 45 complaints are under active internal investigation</li> <li>• 3 complaints were withdrawn by the complainant</li> <li>• 1 complaint was unresolved by a QHRC conciliation</li> <li>• 269 complaints relate to the COVID-19 vaccination mandate as set by the Director-General of Queensland Health by Health Employment Directive No. 12/21</li> </ul>

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

## 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 2021-2022 period, three disclosures were authorised in relation to specified patient information:

1. Disclosure to law enforcement agency to assist with investigation, and prosecution of, criminal offences.
2. Disclosure of patient information to assist with the conduct of the “*Independent Governance Review, Metro North Hospital and Health Service – Caboolture Hospital – Surgery*” review.
3. Disclosure to Queensland Institute of Medical Research for the purpose of statistical modelling and analysis of survival outcomes in patients under the age of 65 who have undergone isolated aortic valve replacement – mechanical versus bioprosthetic valve replacement.

# Performance

## Service standards

This year has been very challenging with the ongoing impact of COVID-19 and increased demand both in volume and acuity.

Despite these impacts, Metro North Health has met or exceeded several service standards targets. Metro North Health has met its target for category 1

percentage of emergency department patients seen within recommended timeframes.

Metro North Health also continues to bring care closer to home for patients by using virtual and telehealth services with 60,431 telehealth outpatient occasions of service events compared to a target of 36,000.

Table 5: Service Standards – Performance 2021-2022

	2021-2022 Target	2021-2022 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%	65%
• Category 3 (within 30 minutes)	75%	51%
• Category 4 (within 60 minutes)	70%	68%
• Category 5 (within 120 minutes)	70%	97%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department <sup>1</sup>	>80%	65%
Percentage of elective surgery patients treated within the clinically recommended times <sup>2</sup>		
– Category 1 (30 days)	>98%	95%
– Category 2 (90 days) <sup>3</sup>	..	86%
– Category 3 (365 days) <sup>3</sup>	..	94%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days <sup>4</sup>	<2	0.6
Rate of community mental health follow up within 1-7 days following discharge from an acute mental health inpatient unit <sup>5</sup>	>65%	57.4%
Proportion of re-admissions to acute psychiatric care within 28 days of discharge <sup>6</sup>	<12%	9.1%
Percentage of specialist outpatients waiting within clinically recommended times: <sup>7</sup>		
– Category 1 (30 days)	56%	61%
– Category 2 (90 days) <sup>8</sup>	..	53%
– Category 3 (365 days) <sup>8</sup>	..	77%
Percentage of specialist outpatients seen within clinically recommended times: <sup>7</sup>		
– Category 1 (30 days)	81%	84%
– Category 2 (90 days) <sup>8</sup>	..	60%
– Category 3 (365 days) <sup>8</sup>	..	83%
Median wait time for treatment in emergency departments (minutes) <sup>1</sup>	..	21
Median wait time for elective surgery treatment (days) <sup>2</sup>	..	35
<b>Efficiency Measure</b>		
Average cost per weighted activity unit for Activity Based Funding facilities <sup>9</sup>	\$5,045	\$4,961

## PERFORMANCE

	2021-2022 Target	2021-2022 Actual
<b>Other Measures</b>		
Number of elective surgery patients treated within clinically recommended times: <sup>2</sup>		
– Category 1 (30 days)	10,276	11,258
– Category 2 (90 days) <sup>3</sup>	..	8,918
– Category 3 (365 days) <sup>3</sup>	..	6,352
Number of Telehealth outpatient occasions of service events <sup>10</sup>	36,000	60,431
Total weighted activity units (WAU) <sup>11</sup>		
• Acute Inpatients	300,209	278,291
• Outpatients	107,271	79,769
• Sub-acute	26,371	58,934
• Emergency Department	44,346	45,994
• Mental Health	39,759	36,243
• Prevention and Primary Care	9,073	9,713
Ambulatory mental health service contact duration (hours) <sup>12</sup>	>171,919	121,981
Staffing <sup>13</sup>	18,569	18,015

1	During the COVID-19 pandemic Emergency Departments across Queensland were presented with demand from both COVID-19 and regular patients. In response many public Emergency Departments established fever clinics to assess and treat suspected COVID-19 cases in a safe and effective manner. As fever clinic services represent an extension of regular operational services and as a result, the 2021-2022 Actual includes some fever clinic activity. Emergency Department performance (including POST) has been impacted by the increased patient treatment time and resources required to manage COVID-19 precautions.
2	In response to the COVID-19 pandemic the delivery of planned care services has been impacted. This has resulted from occasions of temporary suspension of routine planned care services to manage priority demand, increased cancellations resulting from patient illness and staff furloughing as a result of illness or Health Service Directives.
3	As the system focuses to manage the backlog of deferred care patients, treated in time performance will continue to be impacted. As a result, the continuation of treat in time performance targets for category 2 and 3 patients applicable for 2021-2022 will be carried forward into 2022-2023.
4	Staphylococcus aureus (including MRSA) bloodstream (SAB) infections 2021-2022 Estimated Actual rate is based on data reported between 1 July 2021 and 31 March 2022.
5	Mental Health rate of community follow up 2021-2022 Actuals are as of 16 August 2022.
6	Mental Health readmissions 2021-2022 Actuals are for the period 1 July 2021 to 31 May 2022, as of 16 August 2022.
7	In response to the COVID-19 pandemic the delivery of planned care services has been impacted. This has resulted from occasions of temporary suspension of routine planned care services to manage priority demand, increased cancellations resulting from patient illness and staff furloughing as a result of illness or Health Service Directives.
8	As the system focuses to manage the backlog of deferred care patients, treated in time performance will continue to be impacted. As a result, the continuation of treat in time performance targets for category 2 and 3 patients applicable for 2021-2022 will be carried forward into 2022-2023.
9	The 2021-2022 Target varies from the published 2021-2022 Service Delivery Statement due to a change in the WAU phase. All measures are reported in QWAU Phase Q24. The variation in difference of Cost per WAU to target is a result of the additional costs of the COVID-19 pandemic. 2021-2022 Actuals are as of 22 August 2022.
10	Telehealth 2021-2022 Actual is as of 18 August 2022.
11	The 2021-2022 Actual is below target due to a decrease in routine care services resulting from occasions of temporary suspension of routine planned care services to manage priority demand, increased cancellations resulting from patient illness and staff furloughing as a result of illness or Health Service Directives. The 2021-2022 Target varies from the published 2021-2022 Service Delivery Statement due to a change in the WAU phase. All measures are reported in QWAU Phase Q24. The 2021-2022 Actual figures are as of 22 August 2022. As the Hospital and Health Services have operational discretion to respond to service demands and deliver activity across services streams to meet the needs of the community, variation to the Target can occur.
12	Due to a range of factors, including the stretch nature of the target and the impact of the COVID-19 pandemic on service access and capacity, the 2021-2022 Target has not been met. Figures are as of 16 August 2022.
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. 2021-2022 Actual is for pay period ending 26 June 2022.

## PERFORMANCE

Progress in 2021-2022 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>• There has been an increase in co-design initiatives commenced or progressed across 7 directorates since the last reporting period.</li> <li>• More than 30 co-design projects have occurred across RBWH, TPCH, Redcliffe, Caboolture, Mental Health Services (including Alcohol and Drug Services), Community and Oral Health, and STARS.</li> </ul>
Demonstrated action to patient survey and other feedback results.	<p>Numerous health literacy initiatives have been implemented in response to patient feedback:</p> <ul style="list-style-type: none"> <li>• The Oral Health Service has developed new videos for patients about services and procedures.</li> <li>• Caboolture Hospital pharmacists have improved communication about medication and the side effects.</li> <li>• New templates are available to staff who are developing patient information. These were co-designed with consumers and incorporate eight consumer-defined principles.</li> <li>• RBWH is leading a co-design project with consumers to theme patient comments from PREMs so these can be actioned by service lines.</li> <li>• All directorates are working towards combining PREMs feedback with complaints and compliments and report this regularly to staff so it can be actioned.</li> </ul>
Improved staff engagement and satisfaction results by 5 per cent each survey (every two years).	<ul style="list-style-type: none"> <li>• While the staff engagement score dropped by 4.3 per cent in 2021, 71 business units saw an increase in their engagement rating from the previous survey.</li> <li>• The overall response rate increased by 9 per cent.</li> <li>• Staff who thought Metro North Health was a 'truly great place to work' increased by 3.5 per cent.</li> </ul>
Demonstrated action to staff engagement survey results for every service/business unit across Metro North Health.	<ul style="list-style-type: none"> <li>• All directorates are being encouraged and supported to respond to staff engagement survey results via the Have Your Say biennial survey.</li> <li>• Facility Executive Directors report to the board on the key actions underway in their hospital / health service.</li> <li>• The learning and development online system – TMS – now has a goal setting function enabled so managers can set goals and objectives in response to their Have Your Say outcomes.</li> <li>• All Clinical Councils have been provided funding for staff engagement and wellbeing.</li> <li>• Commencement of Coaching Conversation training, increased support for peer responders, and a 100 per cent increase in staff psychologist positions.</li> </ul>
Comparable Metro North Health service/workforce diversity compared to Metro North Health population diversity.	<ul style="list-style-type: none"> <li>• Aboriginal and Torres Strait Islander peoples comprise 1.4 per cent of the Metro North Health workforce compared to 2.5 per cent in the catchment.</li> <li>• People from culturally and linguistically diverse backgrounds comprise 15.5 per cent compared to 12 per cent in Queensland.</li> <li>• People with a disability comprise 2.1 per cent of the Metro North Health workforce compared to 19.1 per cent in Queensland.</li> </ul>

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

<p>Increased access to local services for Caboolture and Redcliffe residents with:</p> <ul style="list-style-type: none"> <li>• 60 per cent of admitted services provided close to home each year.</li> <li>• 75 per cent of outpatient services provided close to home or via telehealth. (New measure)</li> </ul>	<ul style="list-style-type: none"> <li>• 54.0 per cent of patients who resided in the Redcliffe Hospital catchment received their admitted care at Redcliffe Hospital.</li> <li>• 55.9 per cent of patients who resided in the Caboolture Hospital catchment received their admitted care at Caboolture Hospital.</li> <li>• 64.9 per cent of outpatient services provided close to home or via telehealth for patients who resided in the Redcliffe Hospital catchment</li> <li>• 59.6 per cent of outpatient services provided close to home or via telehealth for patients who resided in the Caboolture Hospital catchment</li> </ul> <p>Metro North Health is developing services close to home with a networked approach to evidence-based service delivery that supports equitable care and continuity of care across and within primary, community and hospital care.</p>
<p>Development and implementation of Metro North Health Equity Strategy.</p>	<p>In 2021-2022, Metro North Health developed and commenced implementation of its inaugural Health Equity Strategy.</p> <p>Key initiatives included:</p> <ul style="list-style-type: none"> <li>• Co-design and co-developed with the community.</li> <li>• <i>Health Equity Starts with Me</i> campaign.</li> <li>• Mandatory Middle Managers training – 23 sessions with 820 middle managers.</li> <li>• 5 working groups across the key performance areas with an Aboriginal and Torres Strait Islander lead and an executive sponsor.</li> </ul>
<p>First ieMR<sup>2</sup> implementation completed at Surgical, Treatment and Rehabilitation Service (STARS) in 2021 with other sites completed by 2024.</p>	<ul style="list-style-type: none"> <li>• Following implementation of ieMR at STARS in 2021, Metro North Health continues to plan for the implementation of ieMR at other hospital sites.</li> <li>• In 2021-2022, Metro North Health updated the business case to inform further roll-out.</li> </ul>

<sup>2</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 Health clinical trials and clinical research by 10 per cent each year.	<p>To increase patient participation in clinical trials and clinical research, Metro North Health undertook a Clinical Trials Scoping Project in 2021. This project identified the need to invest in clinical trials infrastructure, including the implementation of consistent clinical trials management software and systems.</p> <p>Metro North Health is working with Queensland Health to implement the National Clinical Trials Governance Framework and the Strategic Action Plan with a view to supporting implementation of the future state “National One Stop Shop” as a solution to this identified need.</p>
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>• 40 per cent of new SMO appointments in 2021-2022 have completed a higher degree qualification (compared to 36 per cent in 2020-2021).</li> <li>• Of the current appointments:               <ul style="list-style-type: none"> <li>– 18 have Level 8 (Bachelor degree with honors).</li> <li>– 18 have Level 9 (Master’s degree).</li> <li>– 2 have Level 10 (Doctorate).</li> </ul> </li> </ul>
At least 90 per cent of patients indicate “yes definitely” to being involved as much as desired in treatment and care decisions.	<ul style="list-style-type: none"> <li>• 11,886 inpatients completed a survey after discharge (representing 15 per cent responses rate. There are some patients who are excluded from the survey).</li> <li>• 78 per cent of patients reported, “yes definitely” which is the same as 2020-21 results and remains 1 per cent higher than the Queensland average of 77 per cent.</li> <li>• Results range from 73 per cent at Redcliffe and Caboolture to 86 per cent at STARS.</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 \$29.1 million for the year ended 30 June 2022.</li> </ul>
All project documentation will include an evaluation framework.	<ul style="list-style-type: none"> <li>• Metro North Health Evaluation Framework released for use by all project teams across Metro North Health.</li> <li>• This framework has been incorporated into Metro North wide project management training, and adopted in projects across Metro North Health, including collaborative funding initiatives with external health sector partners.</li> </ul>
The achievement of our Service Agreement Performance Measures.	<ul style="list-style-type: none"> <li>• Metro North Health experienced a complex operating environment during 2021-2022 which has impacted on a number of performance indicators.</li> <li>• Despite the impacts of COVID-19 Metro North Health has delivered on health care activity requirements under the Service Agreement with the Department of Health.</li> </ul>



## Financial summary for the year ended 30 June 2022

Metro North Health achieved a surplus of \$29.1 million for the year ending 30 June 2022.

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 \$158.1 million has been included in this year's revenue in relation to this agreement.

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

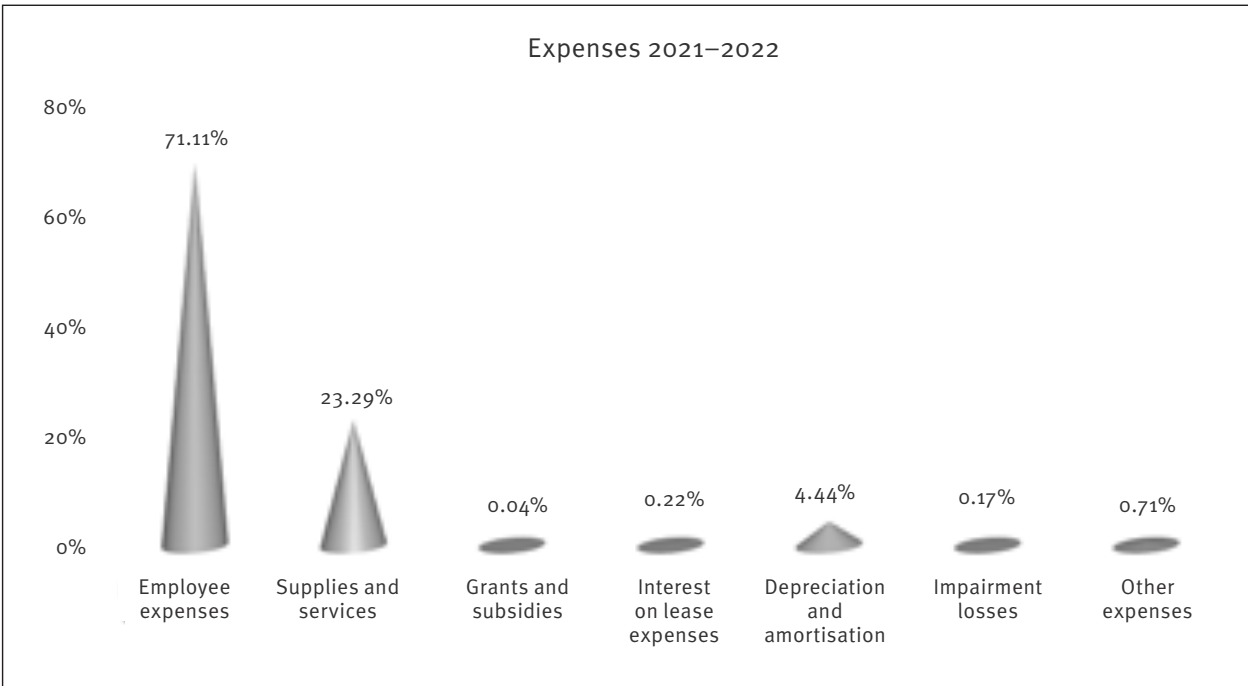
## Revenue and expenditure

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

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

Metro North Health's total revenue was \$3.634 billion, which is an increase of \$255.2 million (7.55 per cent) from the prior year.

- Activity-based funding for hospital services represented 70.39 per cent (\$2.558 billion) of total revenue.
- Block and other Department of Health funding represented 19.12 per cent (\$694.7 million) of total revenue.
- Own source revenue represented 7.74 per cent (\$281.3 million) of total revenue.
- Total expenses were \$3.605 billion, averaging at \$9.9 million a day for providing public health services. Total expenditure increased by \$236.0 million (7.01 per cent) from last financial year.





## Assets and liabilities

Metro North Health's asset base amounts to \$2.629 billion, with 67.51 per cent or \$1.775 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 \$429.8 million, with the remaining balance (\$424.4 million) held in cash, receivables and inventory.

Metro North Health's liabilities total \$789.0 million consisting of payables, employee benefits and \$446.6 million lease liability related to STARS, resulting in an equity base of \$1.840 billion.

## Financial outlook

Metro North Health has an operating budget of \$3.617 billion for 2022-23, which is an increase on prior year revenue of \$252.4 million.

Future potential impacts from COVID-19 in Queensland are difficult to quantify, however the health service is well prepared to meet this challenge if it arises.

A number of significant capital projects will be continuing in 2022-23 including the Caboolture hospital redevelopment and the Caboolture multistorey carpark, and 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 2022, Metro North Health had reported anticipated maintenance of \$349.2 million. Metro North Health has completed a condition assessment program for its major facilities, and the value of anticipated maintenance has increased as a result.

Metro North Health 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 2022

**Metro North Hospital and Health Service**  
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*for the year ended 30 June 2022*

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**Metro North Hospital and Health Service**  
**Statement of comprehensive income**  
*for the year ended 30 June 2022*

	Notes	2022 Actual \$'000	2022 Budget \$'000	Budget Variance \$'000	2021 Actual \$'000
<b>Income</b>					
User charges and fees	A1-1	281,339	284,033	(2,694)	278,499
Funding for the provision of public health services	A1-2	3,252,595	3,006,802	245,793	2,994,050
Grants and other contributions	A1-3	50,113	48,764	1,349	55,523
Other revenue	A1-4	49,359	24,033	25,326	49,526
<b>Total Revenue</b>		<b>3,633,406</b>	<b>3,363,632</b>	<b>269,774</b>	<b>3,377,598</b>
Gain on disposal/re-measurement of assets		314	850	(536)	896
<b>Total income</b>		<b>3,633,720</b>	<b>3,364,482</b>	<b>269,238</b>	<b>3,378,494</b>
<b>Expenses</b>					
Employee expenses	A2-1	445,117	373,981	(71,136)	380,124
Health service employee expenses	A2-2	2,118,708	2,033,844	(84,864)	1,997,330
Supplies and services	A3-1	839,875	754,579	(85,296)	809,265
Grants and subsidies		1,563	2,131	568	1,999
Interest on lease liabilities		8,089	11,788	3,699	5,513
Depreciation and amortisation	B4,B5,B8	160,320	153,468	(6,852)	152,603
Impairment losses		7,294	3,150	(4,144)	8,070
Other expenses	A3-2	23,698	31,541	7,843	13,762
<b>Total expenses</b>		<b>3,604,664</b>	<b>3,364,482</b>	<b>(240,182)</b>	<b>3,368,666</b>
<b>Operating result</b>		<b>29,056</b>	<b>-</b>	<b>29,056</b>	<b>9,828</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	84,706	-	84,706	(32,437)
<b>Total other comprehensive income</b>		<b>84,706</b>	<b>-</b>	<b>84,706</b>	<b>(32,437)</b>
<b>Total comprehensive income</b>		<b>113,762</b>	<b>-</b>	<b>113,762</b>	<b>(22,609)</b>

\*An explanation of major variances is included at Note F1

**Metro North Hospital and Health Service**  
**Statement of financial position**  
*as at 30 June 2022*

	Notes	2022 Actual \$'000	2022 Budget \$'000	Budget Variance \$'000	2021 Actual \$'000
<b>Current assets</b>					
Cash and cash equivalents	B1	278,980	98,032	180,948	161,084
Receivables	B2-1	92,077	75,697	16,380	165,203
Inventories	B3	23,991	21,622	2,369	22,103
Prepayments		14,308	16,878	(2,570)	21,041
<b>Total current assets</b>		<b>409,356</b>	<b>212,229</b>	<b>197,127</b>	<b>369,431</b>
<b>Non-current assets</b>					
Property, plant and equipment	B5-1	1,775,094	1,741,443	33,651	1,652,531
Right-of-use assets	B8-1	429,823	489,850	(60,027)	453,228
Intangible assets	B4	14,543	15,343	(800)	20,593
Prepayments		495	575	(80)	282
<b>Total non-current assets</b>		<b>2,219,955</b>	<b>2,247,211</b>	<b>(27,256)</b>	<b>2,126,634</b>
<b>Total assets</b>		<b>2,629,311</b>	<b>2,459,440</b>	<b>169,871</b>	<b>2,496,065</b>
<b>Current liabilities</b>					
Payables	B6-1	317,498	168,432	149,066	275,908
Lease liabilities	B8-2	23,689	22,387	1,302	21,725
Accrued employee benefits	A2-1	16,168	29,975	(13,807)	10,274
Provisions		634	-	634	940
Contract liabilities		4,999	1,567	3,432	32,838
<b>Total current liabilities</b>		<b>362,988</b>	<b>222,361</b>	<b>140,627</b>	<b>341,685</b>
<b>Non-current liabilities</b>					
Lease liabilities	B8-2	422,896	472,607	(49,711)	441,017
Other liabilities		3,147	-	3,147	4,708
<b>Total non-current liabilities</b>		<b>426,043</b>	<b>472,607</b>	<b>(46,564)</b>	<b>445,725</b>
<b>Total liabilities</b>		<b>789,031</b>	<b>694,968</b>	<b>94,063</b>	<b>787,410</b>
<b>Net assets</b>		<b>1,840,280</b>	<b>1,764,472</b>	<b>75,808</b>	<b>1,708,655</b>
<b>Equity</b>					
Contributed equity		1,109,557	1,145,123	(35,564)	1,091,694
Accumulated surplus/(deficit)		186,620	127,515	59,105	157,564
Asset revaluation surplus	B7-1	544,103	491,834	52,269	459,397
<b>Total equity</b>		<b>1,840,280</b>	<b>1,764,472</b>	<b>75,808</b>	<b>1,708,655</b>

\*An explanation of major variances is included at Note F2

**Metro North Hospital and Health Service**  
**Statement of changes in equity**  
*for the year ended 30 June 2022*

	Accumulated surplus / (deficit) \$'000	Asset revaluation surplus \$'000	Contributed equity \$'000	Total equity \$'000
<b>Balance as at 1 July 2020</b>	147,768	491,834	1,063,952	1,703,554
Operating result for the year	9,828	-	-	9,828
<b>Other comprehensive income</b>				
Increase/(Decrease) in asset revaluation surplus	-	(32,437)	-	(32,437)
<b>Total comprehensive income for the year</b>	<b>9,828</b>	<b>(32,437)</b>	<b>-</b>	<b>(22,609)</b>
<b>Transactions with owners:</b>				
Equity injections - minor capital funding	-	-	183,410	183,410
Equity withdrawals - depreciation and amortisation	-	-	(150,728)	(150,728)
Non-appropriated equity asset injections	(32)	-	(4,940)	(4,972)
<b>Net transactions with owners</b>	<b>(32)</b>	<b>-</b>	<b>27,742</b>	<b>27,710</b>
<b>Balance at 30 June 2021</b>	<b>157,564</b>	<b>459,397</b>	<b>1,091,694</b>	<b>1,708,655</b>
<b>Balance as at 1 July 2021</b>	157,564	459,397	1,091,694	1,708,655
Operating result for the year	29,056	-	-	29,056
<b>Other comprehensive income</b>				
Increase/(Decrease) in asset revaluation surplus	-	84,706	-	84,706
<b>Total comprehensive income for the year</b>	<b>29,056</b>	<b>84,706</b>	<b>-</b>	<b>113,762</b>
<b>Transactions with owners:</b>				
Equity injections - minor capital funding	-	-	174,830	174,830
Equity withdrawals - depreciation and amortisation	-	-	(160,320)	(160,320)
Non-appropriated equity asset injections/(withdrawals)	-	-	3,353	3,353
<b>Net transactions with owners</b>	<b>-</b>	<b>-</b>	<b>17,863</b>	<b>17,863</b>
<b>Balance at 30 June 2022</b>	<b>186,620</b>	<b>544,103</b>	<b>1,109,557</b>	<b>1,840,280</b>

**Metro North Hospital and Health Service**  
**Statement of cash flows**  
*for the year ended 30 June 2022*

		2022 Actual \$'000	2022 Budget \$'000	Budget Variance \$'000	2021 Actual \$'000
	Notes				
<b>Cash flows from operating activities</b>					
<i>Inflows</i>					
User charges and fees		298,886	283,886	15,000	293,023
Funding for the provision of public health services		3,164,440	3,000,448	163,992	2,808,342
Grants and other contributions		22,012	23,118	(1,106)	28,536
Interest received		378	475	(97)	401
Other revenue		34,051	23,558	10,493	35,314
GST received		62,782	39,723	23,059	45,566
<i>Outflows</i>					
Employee expenses		(2,558,237)	(2,405,874)	(152,363)	(2,392,047)
Supplies and services		(804,151)	(723,617)	(80,534)	(729,584)
Grants and subsidies		(1,563)	(2,131)	568	(1,999)
Interest payments on lease liabilities		(8,089)	(11,788)	3,699	(5,513)
Other expenses		(22,947)	(31,541)	8,594	(13,402)
GST paid		(63,707)	(39,749)	(23,958)	(46,425)
<b>Net cash from operating activities</b>	CF-1	<b>123,855</b>	<b>156,508</b>	<b>(32,653)</b>	<b>22,212</b>
<b>Cash flows from investing activities</b>					
<i>Inflows</i>					
Sales of property, plant and equipment		3,813	877	2,936	889
<i>Outflows</i>					
Payments for property, plant and equipment		(164,431)	(1,748)	(162,683)	(159,632)
Payments for intangible assets		(2,059)	-	(2,059)	(5,301)
<b>Net cash (used by) investing activities</b>		<b>(162,677)</b>	<b>(871)</b>	<b>(161,806)</b>	<b>(164,044)</b>
<b>Cash flows from financing activities</b>					
<i>Inflows</i>					
Equity transferred		174,830	21,863	152,967	183,409
<i>Outflows</i>					
Lease payments		(18,112)	(21,863)	3,751	(12,847)
Equity withdrawals		-	(153,468)	153,468	-
<b>Net cash from/(used by) financing activities</b>		<b>156,718</b>	<b>(153,468)</b>	<b>310,186</b>	<b>170,562</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>117,896</b>	<b>2,169</b>	<b>115,727</b>	<b>28,730</b>
Cash and cash equivalents at the beginning of the financial year		161,084	95,863	65,221	132,354
<b>Cash and cash equivalents at the end of the financial year</b>	B1	<b>278,980</b>	<b>98,032</b>	<b>180,948</b>	<b>161,084</b>

\*An explanation of major variances is included at Note F3

**Metro North Hospital and Health Service**  
**Statement of cash flows**  
*for the year ended 30 June 2022*

**NOTES TO THE STATEMENT OF CASH FLOWS**

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

	2022 \$'000	2021 \$'000
Surplus / (deficit) for the year	29,056	9,828
Adjustments for:		
Non-cash equity withdrawal - depreciation funding	(160,320)	(150,727)
Depreciation and amortisation expense	160,320	152,603
Impairment loss	9,492	8,027
Loss on sale of property, plant and equipment	508	257
Assets transferred - non-cash	(1,082)	(896)
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables	64,892	(40,716)
(Increase)/decrease in GST receivables	(925)	(859)
(Increase)/decrease in inventories	(2,384)	(891)
(Increase)/decrease in recurrent prepayments	6,520	(4,443)
Increase/(decrease) in payables	24,646	31,103
Increase/(decrease) in accrued salaries and wages	5,782	(14,471)
Increase/(decrease) in contract liabilities and unearned revenue	(29,400)	22,907
Increase/(decrease) in other employee benefits	112	(1,062)
Increase/(decrease) in funding payable	16,944	10,612
Increase/(decrease) in provisions	(306)	940
<b>Net cash from operating activities</b>	<b>123,855</b>	<b>22,212</b>

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

	Opening balance \$'000	New leases/borr owings \$'000	Interest expense \$'000	Reduction in liability \$'000	Cash received \$'000	Cash repayment s \$'000	Closing balance \$'000
Lease liabilities	462,742	1,955	8,089	-	-	(26,201)	<b>446,585</b>
<b>Carrying amount at 30 June 2022</b>	<b>462,742</b>	<b>1,955</b>	<b>8,089</b>	<b>-</b>	<b>-</b>	<b>(26,201)</b>	<b>446,585</b>



# Metro North Hospital and Health Service

## Notes to the financial statements

for the year ended 30 June 2022

### 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 2021, 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 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 2022

### SECTION A

### NOTES ABOUT OUR FINANCIAL PERFORMANCE

#### A1 REVENUE

##### A1-1: User charges and fees

	2022 \$'000	2021 \$'000
<b>Revenue from contracts with customers</b>		
Hospital fees	114,560	125,963
Pharmaceutical benefit scheme reimbursements	130,154	115,569
Sales of goods and services	36,625	36,967
<b>Total</b>	<b>281,339</b>	<b>278,499</b>

##### 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

	2022 \$'000	2021 \$'000
Activity based funding	2,557,924	2,296,926
Block funding	243,057	225,171
Depreciation funding	160,320	150,727
Other funding	291,294	321,226
<b>Total</b>	<b>3,252,595</b>	<b>2,994,050</b>

##### 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 2022 was \$1.3B (2021: \$1.1B).

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 the revenue Metro North has earned from the delivery of health services.

Depreciation and amortisation are funded by the Department of Health via non cash revenue, and is shown in the Statement of changes in equity as an equity withdrawal, \$160.3M in 2022 (2021: \$150.7M).

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 \$158.1M (2021: \$77.9M) 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 2022

### A1-3: Grants and other contributions

	2022 \$'000	2021 \$'000
<b>Revenue from contracts with customers</b>		
Grants and other contributions	7,025	7,191
Other specific purpose recurrent grants	11,206	11,284
Other grants	437	1,188
<b>Grants and other contributions</b>	<b>18,668</b>	<b>19,663</b>
<b>Other grants and contributions</b>		
Donations	239	611
Other grants	3,105	8,262
<b>Other grants and other contributions</b>	<b>3,344</b>	<b>8,873</b>
<b>Services received below fair value</b>	<b>28,101</b>	<b>26,987</b>
<b>Total</b>	<b>50,113</b>	<b>55,523</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) \$2.0M (2021: \$2.2M) to support research at the jointly funded Trauma Institute and the Commonwealth Department of Health Radiation Oncology Health Program Grants (ROHPG) program \$1.2M (2021: \$1.3M).

### 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 2021-22, 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 \$28.1M in 2022 (2021: \$27M) 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 2022

### A1-4: Other revenue

	2022	2021
	\$'000	\$'000
Health service employee expense recoveries	18,985	20,535
Rental income	6,489	5,561
Interest	379	400
Other recoveries	11,371	10,594
Other revenue	12,135	12,436
<b>Total</b>	<b>49,359</b>	<b>49,526</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

	2022	2021
	\$'000	\$'000
<b>Employee benefits</b>		
Wages and salaries *	351,033	295,093
Annual leave levy	23,286	22,943
Employer superannuation contributions	29,379	22,536
Long service leave levy	9,229	7,554
Termination benefits	248	654
<b>Employee related expenses</b>		
Workers compensation premium	16,724	16,896
Other employee related expenses	15,218	14,448
<b>Total</b>	<b>445,117</b>	<b>380,124</b>

	2022	2021
	No.	No.
Full-Time Equivalent Employees	912	885

### 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 schemes quarterly in arrears. Non-vesting employee benefits, such as sick leave, are recognised as an expense when taken.

Employer superannuation contributions are paid to the Government Division of the Australian Retirement Trust (formerly 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. Australian Retirement Trust is the default superannuation scheme for Queensland Government employees. The Australian Retirement Trust 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 2022

### A2-2: Health service employee expenses

	2022 \$'000	2021 \$'000
Health service employee expenses	1,675,519	1,593,758
Health service employee related expenses	443,189	403,572
<b>Total</b>	<b>2,118,708</b>	<b>1,997,330</b>

	2022 No.	2021 No.
Full-Time Equivalent Health Service Contract Labour	17,103	16,744

### Accounting policy – Health service employee expenses

\*Effective 15 June 2020, all non-executive employees of Metro North (i.e. other than senior executives, senior medical officers and visiting medical officers) became employees of the Director – General, Queensland Health. Salary and wages and associated expenses for these staff are the responsibility of the Department of Health and as such are reported in those financial statements.

The Department of Health on-charges the cost of employing these staff to Metro North through health service employee expenses. Any amounts due to the Department of Health but not yet paid at year end are recognised as payables of Metro North.

### A2-3 Key management personnel disclosures

Metro North's responsible Minister is identified as part of its key management personnel. The Minister responsible for the financial year was the 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:

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.	Jim McGowan AM B Econ. DipEd	Chair – <i>Hospital and Health Boards Act 2011 Section 25 (1) (a)</i> 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 Section 25 (1)</i> Tenure: 18/05/2013 to 17/05/2014 Tenure: 18/05/2014 to 17/05/2018 Tenure: 18/05/2018 to 17/05/2021 Tenure: 18/05/2021 to 31/03/2024	18/05/2013	-
<b>Non-executive Board Member</b> – Provide strategic leadership, guidance and effective oversight of management, operations and financial performance.	Mr Adrian Carson GCertHServMgt	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2017 to 17/05/2020 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 Section 23 (1)</i> Tenure: 18/05/2018 to 17/05/2019 Tenure: 18/05/2019 to 31/03/2022 Tenure: 01/04/2022 to 31/03/2026	18/05/2018	-

# Metro North Hospital and Health Service

## Notes to the financial statements

for the year ended 30 June 2022

### 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 Member (continued)</b>	Ms Bonny Barry RN BNsg, MAICD	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> 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 Section 23 (1)</i> 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	-
	Professor Mary-Louise Fleming BEd (QUT), MA (Ohio), PhD (Qld), MAICD	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2016 to 17/05/2017 Tenure: 18/05/2017 to 17/05/2020 Tenure: 18/05/2020 to 31/03/2024	18/05/2016	-
	Dr Melissa (Meg) Cairns MBBS FRACGP	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 01/04/2022 to 31/03/2026	01/04/2022	-
	Mr Neil Roberts MBA, BBus, GradCertDisRes, GAICD	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2019 to 31/03/2022 Tenure: 01/04/2022 to 31/03/2026	18/05/2019	-
	Ms Nermina (Nera) Komaric LLB, MPH	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2021 to 31/03/2024	18/05/2021	-
	Dr Paula Conroy BSc MBBS DCH FRACGP GAICD	Board Member – <i>Hospital and Health Boards Act 2011 Section 23 (1)</i> Tenure: 18/05/2018 to 17/05/2019 Tenure: 18/05/2019 to 31/03/2022	18/05/2018	31/03/2022

# Metro North Hospital and Health Service

## Notes to the financial statements

for the year ended 30 June 2022

### 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 Member (continued)</b>	Dr Robert Franz MBBS, FRACS, GCM	Board Member – <i>Hospital and Health Boards Act 2011</i> Section 23 (1)  Tenure: 18/05/2019 to 17/05/2021  Tenure: 18/05/2021 to 31/03/2024	18/05/2019	-

Position	Name	Contract classification / appointment authority	Initial appointment date	Resignation/ Cessation date
<b>Chief Executive</b> – Responsible for the strategic direction and the efficient, effective and economic administration of the Health Service.	Adjunct Associate Professor Jackie Hanson BNSc	Acting/Relieving in higher duties	24/07/2021	06/02/2022
		10S24/S70 01, <i>Hospital and Health Boards Act 2011</i>  Tenure: 07/02/2022 to 06/02/2027	07/02/2022	-
	Adjunct Associate Professor Jane Hancock MBA (Health), BEd (Nursing), DipAppSc (Nursing Education), GAICD, ANZSOG (EFP)	Acting/Relieving in higher duties	03/06/2022	03/07/2022
<b>Chief Operating Officer</b> – 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.	Dr David Rosengren MBBS	Acting/Relieving in higher duties	24/07/2021	07/11/2021
			08/11/2021	09/01/2022*
			10/01/2022	13/03/2022



# Metro North Hospital and Health Service

## Notes to the financial statements

for the year ended 30 June 2022

### A2 EMPLOYEE EXPENSES (continued)

#### A2-3 Key management personnel disclosures (continued)

Position	Name	Contract classification / appointment authority	Initial appointment date	Resignation/ Cessation date
<b>Chief Operating Officer (continued)</b>	Adjunct Associate Professor Jane Hancock MBA (Health), BEd (Nursing), DipAppSc (Nursing Education), GAICD, ANZSOG (EFP)	Acting/Relieving in higher duties	21/03/2022	02/06/2022
	Tami Photinos MAppMgt (Health), GradDip EmerN, BH (Nursing)	Acting/Relieving in higher duties	03/06/2022	03/07/2022
<b>Executive Director, Strategy, Planning, Assets, and Infrastructure –</b> Responsible for strategically leading the development of Metro North Hospital's core health service strategy and planning, consumer engagement and infrastructure functions in the context of Metro North Health.	Ms Kate Copeland BPhy, BBus (Health Admin), GradCert Health Economics, FACHSM	HES3, <i>Hospital and Health Boards Act 2011</i>	07/03/2022	-
<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 CA, BBus (Accy/Legal)	HES3, <i>Hospital and Health Boards Act 2011</i> Tenure: 13/08/2018 to 05/11/2021	13/08/2018	05/11/2021
	Mr Alister Whitta B.Bus (Accounting), Grad Dip ACG, FCPA, AGIA, ACG	Acting/Relieving in higher duties	01/11/2021	08/05/2022
		HES3, <i>Hospital and Health Boards Act 2011</i> Tenure: 09/05/2022 to 08/05/2025	09/05/2022	-
<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 Officers' (Queensland Health) Certified Agreement (No.4) 2015 Tenure: 01/09/2014 to 30/09/2021 Tenure: 01/10/2021	01/09/2014	27/02/2022

# Metro North Hospital and Health Service

## Notes to the financial statements

for the year ended 30 June 2022

### A2 EMPLOYEE EXPENSES (continued)

#### A2-3 Key management personnel disclosures (continued)

Position	Name	Contract classification / appointment authority	Initial appointment date	Resignation/ Cessation date
<b>Executive Director Clinical Services (continued)</b>	Associate Professor Glen Kennedy MBSS (hons), FRACP, FRCPA	Acting/Relieving in higher duties	28/02/2022	-
<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.	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  Tenure: 01/02/2021 to 17/02/2024	01/02/2021	-

\*Dr David Rosengren was in the role of A/Chief Operating Officer & Executive Director, RBWH for the period 08/11/2021 – 09/01/2022.

#### 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 the 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 from 2017-18 onwards, 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* 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 2021-22 financial year (2021: \$nil).

# Metro North Hospital and Health Service

## Notes to the financial statements

for the year ended 30 June 2022

### 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>2021-22</b>				
Mr Jim McGowan AM	98	-	9	<b>107</b>
Dr Kim Forrester	54	-	5	<b>59</b>
Mr Adrian Carson	48	-	5	<b>53</b>
Mr Bernard Curran	49	-	5	<b>54</b>
Ms Bonny Barry	50	-	5	<b>55</b>
Mr Geoff Hardy	48	-	5	<b>53</b>
Professor Mary-Louise Fleming	53	-	5	<b>58</b>
Dr Melissa (Meg) Cairns	12	-	1	<b>13</b>
Mr Neil Roberts	48	-	5	<b>53</b>
Ms Nermina (Nera) Komaric	48	-	5	<b>53</b>
Dr Paula Conroy	36	-	4	<b>40</b>
Dr Robert Franz	48	-	5	<b>53</b>
<b>Total Remuneration</b>	<b>592</b>	<b>-</b>	<b>59</b>	<b>651</b>

Metro North has reimbursed board members a total of \$759.60 for out-of-pocket expenses incurred whilst travelling on approved board business including attendance at board meetings.

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	<b>102</b>
Dr Kim Forrester	54	-	5	<b>59</b>
Mr Adrian Carson	50	-	5	<b>55</b>
Mr Bernard Curran	51	-	5	<b>56</b>
Ms Bonny Barry	50	-	5	<b>55</b>
Mr Geoff Hardy	51	-	5	<b>56</b>
Associate Professor Kim Johnston	45	-	4	<b>49</b>
Professor Mary-Louise Fleming	51	-	5	<b>56</b>
Mr Neil Roberts	50	-	5	<b>55</b>
Dr Paula Conroy	50	-	5	<b>55</b>
Dr Robert Franz *	99	-	10	<b>109</b>
Ms Nermina (Nera) Komaric	4	-	-	<b>4</b>
<b>Total Remuneration</b>	<b>648</b>	<b>-</b>	<b>63</b>	<b>711</b>

\*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.

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.

# Metro North Hospital and Health Service

## Notes to the financial statements

for the year ended 30 June 2022

### 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				
<b>2021-22</b>						
Health Service Chief Executive, Adjunct Associate Professor Jackie Hanson (24/07/2021 to 03/06/2022)	416	-	9	44	-	469
Acting Health Service Chief Executive, Adjunct Associate Professor Jane Hancock (03/06/2022 to 30/06/2022)	21	-	-	2	-	23
Acting Chief Operating Officer, Dr David Rosengren (24/07/2021 to 07/11/2021), (08/11/2021 to 09/01/2022)*, (10/01/2022 to 13/03/2022)	372	-	9	26	-	407
Acting Chief Operating Officer, Adjunct Associate Professor Jane Hancock (21/03/2022 to 03/06/2022)	55	-	1	5	-	61
Acting Chief Operating Officer, Ms Tami Photinos (03/06/2022 to 30/06/2022)	26	-	-	2	-	28
Executive Director, Strategy, Planning, Assets, and Infrastructure, Ms Kate Copeland, (07/03/2022 to 30/06/2022)	82	-	2	7	-	91
Chief Finance and Corporate Officer, Ms Melissa Carter (previously MacCabe) (01/07/2021 to 05/11/2021)	89	-	2	8	3	102
Chief Finance and Corporate Officer, Mr Alister Whitta (01/11/2021 to current)	178	-	5	13	-	196
Executive Director Clinical Services, Dr Elizabeth Whiting (01/07/2021 to 27/02/2022)	379	-	9	30	-	418
Acting Executive Director Clinical Services, Associate Professor Glen Kennedy (28/02/2022 to current)	173	3	4	13	-	193
Executive Director Safety and Quality, Ms Michelle Gardner	243	6	5	25	-	279
<b>Total</b>	<b>2,034</b>	<b>9</b>	<b>46</b>	<b>175</b>	<b>3</b>	<b>2,267</b>

\*Dr David Rosengren was in the role of A/Chief Operating Officer & Executive Director, RBWH for the period 08/11/2021 – 09/01/2022. The remuneration reported has been calculated at 50% of salary for this period.

# Metro North Hospital and Health Service

## Notes to the financial statements

for the year ended 30 June 2022

### A2 EMPLOYEE EXPENSES (continued)

#### A2-3 Key management personnel disclosures (continued)

Position	Short-term employee benefits		Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Monetary benefits	Non-monetary benefits				
	\$'000	\$'000				
<b>2020-21</b>						
Health Service Chief Executive, Mr Shaun Drummond	501	-	11	43	-	<b>555</b>
Acting Health Service Chief Executive, Adjunct Associate Professor Jackie Hanson (01/03/2021 to 05/04/2021)	66	-	1	9	-	<b>76</b>
Chief Operating Officer, Adjunct Associate Professor Jackie Hanson	235	-	5	23	-	<b>263</b>
Acting Chief Operating Officer, Ms Melissa Carter (previously MacCabe) (01/03/2021 to 05/04/2021)	26	-	1	3	-	<b>30</b>
Chief Finance and Corporate Officer, Ms Melissa Carter (previously MacCabe)	209	-	4	21	-	<b>234</b>
Acting Chief Finance and Corporate Officer, Mr Cameron Abbott (01/03/2021 to 05/04/2021)	45	-	1	3	-	<b>49</b>
Executive Director Clinical Services, Dr Elizabeth Whiting	561	1	12	43	-	<b>617</b>
Acting Executive Director Safety and Quality, Mr Mark Butterworth (28/10/2019 to 31/01/2021)	134	-	3	14	-	<b>151</b>
Acting Executive Director Safety and Quality, Ms Michelle Gardner (01/02/2021 to current)	92	-	2	10	-	<b>104</b>
<b>Total</b>	<b>1,869</b>	<b>1</b>	<b>40</b>	<b>169</b>	<b>-</b>	<b>2,079</b>

# Metro North Hospital and Health Service

## Notes to the financial statements

for the year ended 30 June 2022

### A3 OTHER EXPENSES

#### A3-1: Supplies and services

	2022 \$'000	2021 \$'000
Clinical supplies and services	226,709	217,741
Drugs	169,607	156,288
Pathology, blood and parts	118,264	117,551
Catering and domestic supplies	49,598	58,714
Repairs and maintenance	52,995	48,857
Computer services	28,290	32,000
Communications	33,873	31,965
Insurance	26,493	26,219
Electricity and other energy	18,907	17,447
Facility management fee	10,227	456
Rental expenses	7,669	7,895
Consultants and contractors - clinical	8,869	7,400
Consultants and contractors - non-clinical	5,407	5,843
Patient travel	5,600	5,621
Services received below fair value	28,101	26,985
Other	49,266	48,283
<b>Total</b>	<b>839,875</b>	<b>809,265</b>

#### Accounting policy – Goods and services received below fair value

During 2021-22 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.

#### A3-2: Other expenses

##### Audit expenses

Total audit fees paid or payable to the Queensland Audit Office relating to the 2021-22 financial year are \$362,500 (2021: \$326,500). 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, under a contract or otherwise, to other parties. In compliance with the Financial and Performance Management Standard 2019, Metro North maintains a register setting out the details of all reportable 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 2021-22, ex-gratia payments of \$464,858 (2021: \$94,108) were made, consisting of 17 reportable payments totalling \$422,224 (2021: \$68,024) and a number of smaller non-reportable payments consisting of compensation for the loss of or damage to patients' personal belongings. 17 reportable payments ranging from \$5,024 to \$200,000 relate to patient medical claims and financial assistance.

In May 2021, the Provider Benefits Integrity Division (PBID), Services Australia (a division of the Commonwealth Department of Health) audited 11 MNH endoscopy procedural specialists which covered over 6,000 bulk billed items for the period ranging from June 2019 to July 2020. The PBID determined that all T8 – Surgical Operations including endoscopies are hospital treatment and must be claimed at 75%, regardless of the modality of care. These items were claimed at 85% as they were delivered in an outpatient setting. Recovery of the overpayments from specialists amounting to 10% of each claim, dating back up to two years was understood to potentially create reputational damage with audited specialists, impact their individual tax assessments for the 2019-20 financial year and unfairly financially penalise a small group within the endoscopy medical workforce. To counterbalance inequitable PBID targeting of 11 of the 42 endoscopy procedural specialists, special payments were authorised by the Board Chair so that these specialists were not financially penalised. A total of \$51,658 was paid as special payments to offset the refunds paid back to PBID.

# Metro North Hospital and Health Service

## Notes to the financial statements

for the year ended 30 June 2022

### SECTION B

### NOTES ABOUT OUR FINANCIAL POSITION

#### B1 CASH AND CASH EQUIVALENTS

	2022 \$'000	2021 \$'000
Cash at bank and on hand	246,071	127,616
Cash on deposit	32,909	33,468
<b>Total</b>	<b>278,980</b>	<b>161,084</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 0.76% (2021: 0.51%).

#### 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

	2022 \$'000	2021 \$'000
Trade receivables (net of allowance for impairment)	70,248	72,134
GST receivable	7,399	6,600
GST payable	(862)	(988)
	<b>6,537</b>	<b>5,612</b>
Funding public health services	15,292	87,457
<b>Total</b>	<b>92,077</b>	<b>165,203</b>

##### Movements in the allowance for impairment loss

Balance at beginning of the year	10,634	10,591
Amounts written off during the year	(9,159)	(8,027)
Increase/(decrease) in allowance recognised in operating result	8,294	8,070
<b>Total</b>	<b>9,769</b>	<b>10,634</b>

##### B2-2: Impairment of receivables

##### (ii) Disclosure - Ageing of impaired trade receivables

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

	Past due but not Impaired \$'000	Impaired \$'000
<b>2022</b>		
Trade receivables		
Less than 30 days	9,804	192
30 to 60 days	5,657	153
60 to 90 days	4,586	91
Greater than 90 days	21,651	9,333
<b>Total overdue</b>	<b>41,698</b>	<b>9,769</b>



**Metro North Hospital and Health Service**  
**Notes to the financial statements**  
*for the year ended 30 June 2022*

**B2-2: Impairment of receivables (continued)**

	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>

**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 2022, \$9.8M of non-contract receivables were included in the receivables balance.

**B3 INVENTORIES**

	2022	2021
	\$'000	\$'000
<b>Inventories held for distribution - at cost</b>		
Medical supplies and equipment	<b>23,932</b>	21,958
Other	<b>59</b>	145
<b>Total</b>	<b>23,991</b>	22,103

**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.

**Metro North Hospital and Health Service**  
**Notes to the financial statements**  
*for the year ended 30 June 2022*

**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>2022</b>				
Cost	15,440	20,009	3,768	39,217
Less: Accumulated amortisation	(13,099)	(11,575)	-	(24,674)
<b>Carrying amount at 30 June 2022</b>	<b>2,341</b>	<b>8,434</b>	<b>3,768</b>	<b>14,543</b>

**Represented by movement in carrying amount:**

Carrying amount at 1 July 2021	4,529	14,176	1,888	20,593
Additions	-	-	2,059	2,059
Transfers to HHSs	-	(2,427)	-	(2,427)
Transfers between classes #	62	179	(179)	62
Write-off of software	-	(333)	-	(333)
Amortisation expense	(2,250)	(3,161)	-	(5,411)
<b>Carrying amount at 30 June 2022</b>	<b>2,341</b>	<b>8,434</b>	<b>3,768</b>	<b>14,543</b>

	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 between classes #	-	7,619	(7,274)	345
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>

#Transfers represent reclassification to intangibles 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.

The International Financial Reporting Interpretations Committee (IFRIC) agenda decision in April 2021 relating to Software as a Service (SaaS), clarified that an entity is not entitled to capitalise the cost of any configuration or customisation costs incurred in relation to software accessed under a SaaS arrangement. In accordance with this decision, Metro North has undertaken a review of all purchased and developed software and software work in progress to determine whether any amounts previously capitalised, or currently in work in progress, were related to SaaS arrangements. The impact of this change on Metro North's financial statements is outlined in Note E1.

**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 2021-22 resulted in no intangible assets or work in progress assets being impaired (2021 software work in progress write off \$1.8M).

**Metro North Hospital and Health Service**  
**Notes to the financial statements**  
*for the year ended 30 June 2022*

**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	
2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	380,674	2,735,998	1,091	504,732	195,094	3,817,589
Less: Accumulated depreciation	-	(1,766,168)	(668)	(275,659)	-	(2,042,495)
<b>Carrying amount at 30 June 2022</b>	<b>380,674</b>	<b>969,830</b>	<b>423</b>	<b>229,073</b>	<b>195,094</b>	<b>1,775,094</b>

*Represented by movements in carrying amount:*

Carrying amount at 1 July 2021	350,940	986,237	452	223,376	91,526	1,652,531
Major infrastructure transfers						-
Transfers in from other Queensland Government entities	-	-	-	6,548	-	6,548
Acquisitions	-	-	-	41,820	122,611	164,431
Disposals	(3,500)	-	-	(11)	-	(3,511)
Transfers between classes #	-	16,828	-	2,153	(19,043)	(62)
Net revaluation increments/(decrements)	33,234	51,481	-	(9)	-	84,706
Depreciation expense	-	(84,716)	(29)	(44,804)	-	(129,549)
<b>Carrying amount at 30 June 2022</b>	<b>380,674</b>	<b>969,830</b>	<b>423</b>	<b>229,073</b>	<b>195,094</b>	<b>1,775,094</b>

	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
Transfers in from other Queensland Government entities	-	-	-	705	-	705
Acquisitions	-	55	-	38,339	121,238	159,632
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)
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>

\*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 \$0.98M (2021: \$0.89M).

# Transfers represent a reclassification to intangibles from property, plant and equipment and capitalisation of commissioned assets during the year.

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

**B5-2 Accounting policies – Recognition**

Capitalisation and recognition thresholds

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds and with a useful life of more than one year are recognised for financial reporting purposes in the year of acquisition.

Class	Threshold
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 transferor immediately prior to the transfer together with any accumulated depreciation.

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

**B5-3: Accounting policies - Measurement**

Measurement at historical cost

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

Measurement of fair value

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*.

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

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

Fair value inputs

Fair values reported by Metro North 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;
- Cost estimates of construction on-costs for preliminaries, professional fees and risk; and
- Assessments of physical condition and remaining useful life.

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

**B5-3: Accounting policies – Measurement (continued)**

Fair value measurement hierarchy

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

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

None of Metro North's valuations are eligible for categorisation into level 1 of the fair value hierarchy.

There were no transfers of assets between fair value hierarchy levels during the period.

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

Valuation methodology

In 2021-22 Metro North has returned to a rolling revaluation process, where the fair values of all buildings are comprehensively reviewed at least every five years. The current rolling program will occur from 2021-22 – 2024-25.

Metro North has engaged AECOM to independently assess and determine fair value for all buildings site improvements and heritage and cultural assets, while land will continue to be independently assessed and fair value determined on a rolling five-year valuation program by the State Valuation Service. 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.

**Key judgement:**

There were no changes in the valuation techniques used during the financial year. The key assumption in using the current replacement cost for the valuation of specialised buildings 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. 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.

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. Furthermore, during the valuation process Metro North agreed on the useful lives with the valuer with reference to the current buildings condition and potential funding available in the future.

Metro North's heritage and cultural assets are valued by a qualified art valuer using the replacement cost method and the reproduction cost method, and is based on a close examination and analysis of benchmark sales data, where extant, via various market-based research avenues.

Use of indices

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 for building assets were provided by the independent valuer based on local construction prices for the Brisbane and surrounding South East Queensland areas.

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 2021-22, land valuation was reviewed by the State Valuation Service which recommended an indexation movement of \$32.5M (2021: decrement \$18.1M as a result of comprehensive valuation). During the year Metro North also disposed of a piece of land at Bracken Ridge to Queensland Ambulance Service. Prior to disposal, this property was required to be comprehensively revalued, resulting in an additional \$0.7M increment. This property was excluded from the indexation process outlined above, the total movement for 2021-22 is \$33.2M.

The first tranche of the new rolling revaluation program for special purpose buildings (level 3), were comprehensively revalued in 2021-22 resulting in a decrement of \$2.0M. The valuation of all buildings not comprehensively revalued in 2021-22 (excluding heritage listed and new builds) were considered via indexation. Based on current construction market conditions AECOM have assessed an indexation of 8% as appropriate. This resulted in an indexation movement of \$53.5M increment (2021: \$14.3M decrement). The total movement for buildings for 2021-22 was \$51.5M.

All heritage and cultural assets were comprehensively valued during 2021-22, including two donated art works. The overall result of the valuations was a net increase of 9.7%. Due to the unique nature of Metro North's heritage and cultural assets, these are not indexed between comprehensive revaluations.

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. In the 2021-22 financial year all revaluation amounts were adjusted against the existing revaluation reserve for that asset class and did not impact on the net operating result.

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 represent the range of expected annual depreciation, noting that there will be outliers due to the specific characteristics and service potential of individual assets:

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 2021-22 (2021: \$nil).

**Metro North Hospital and Health Service**  
**Notes to the financial statements**  
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**B6 LIABILITIES**

**B6-1: Payables**

	2022 \$'000	2021 \$'000
Trade creditors	222,137	192,888
Other creditors	14,308	18,911
Funding repayable	81,053	64,109
<b>Total</b>	<b>317,498</b>	<b>275,908</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**

	Land \$'000	Buildings \$'000	Heritage & Cultural Assets* \$'000	Total \$'000
<b>2022</b>				
Balance 1 July 2021	35,144	423,736	517	459,397
Revaluation increments/(decrements)	33,234	51,481	(9)	84,706
<b>Balance 30 June 2022</b>	<b>68,378</b>	<b>475,217</b>	<b>508</b>	<b>544,103</b>

	Land \$'000	Buildings \$'000	Heritage & Cultural Assets* \$'000	Total \$'000
<b>2021</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>

\*Heritage and Cultural Assets are included within Plant and Equipment B5-1 Property Plant and Equipment

**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>2022</b>			
Cost	454,857	28,159	483,016
Less: Accumulated depreciation	(37,524)	(15,669)	(53,193)
<b>Carrying amount at 30 June 2022</b>	<b>417,333</b>	<b>12,490</b>	<b>429,823</b>
<b>Represented by movement in carrying amount:</b>			
Carrying amount at 1 July 2021	439,739	13,489	453,228
Additions	238	1,717	1,955
Depreciation	(22,644)	(2,716)	(25,360)
<b>Carrying amount at 30 June 2022</b>	<b>417,333</b>	<b>12,490</b>	<b>429,823</b>

	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
<b>2021</b>			
Cost	454,619	26,442	481,061
Less: Accumulated amortisation	(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>
<b>Represented by movement in carrying amount:</b>			
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>

**B8-2: Lease liabilities**

	2022 \$'000	2021 \$'000
<b>Current</b>		
Lease liabilities	23,689	21,725
<b>Total current</b>	<b>23,689</b>	<b>21,725</b>
<b>Non-current</b>		
Lease liabilities	422,896	441,017
<b>Total non-current</b>	<b>422,896</b>	<b>441,017</b>
<b>Total</b>	<b>446,585</b>	<b>462,742</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**  
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**B8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

*(i) Details of leasing arrangements as lessee*

Category/class of lease arrangement	Description of arrangement
Plant and equipment leases	Metro North leases a number of medical equipment items One of these leases is recognised as part of an embedded lease within a service agreement. The initial term of this agreement expired in early 2021-22. The agreement was renegotiated on adjusted terms and resulted in a much smaller value being recognised as a lease. The revised agreement will expire in 2023. 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 2022 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 including the STARS building and related equipment items are shown below:

	2022 \$'000	2021 \$'000
<b>Outflows</b>		
Not later than 1 year	27,302	26,276
Later than 1 year but not later than 5 years	110,541	108,600
Later than 5 years	382,663	410,454
<b>Total estimated cash outflows</b>	<b>520,506</b>	<b>545,330</b>

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

	2022 \$'000	2021 \$'000
<b>Outflows</b>		
Not later than 1 year	7,557	7,363
Later than 1 year but not later than 5 years	37,448	33,467
Later than 5 years	254,096	265,633
<b>Total estimated cash outflows</b>	<b>299,101</b>	<b>306,463</b>

**Metro North Hospital and Health Service**  
**Notes to the financial statements**  
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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 2021.

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. This unearned revenue will have been fully recognised by 29 October 2022, the date at which the current lease to private sector operator also ceases.

**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

## Notes to the financial statements

for the year ended 30 June 2022

### 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

	2022 \$'000	2021 \$'000
<b>Assets</b>		
Buildings		
RBWH Butterfield Street Car Park	15,342	17,899
The Prince Charles Hospital Car Park	5,508	6,059
<b>Total Assets</b>	<b>20,850</b>	<b>23,958</b>
<b>Liabilities</b>		
Unearned Revenue		
RBWH Butterfield Street Car Park	3,744	4,340
The Prince Charles Hospital Car Park	92	367
<b>Total Liabilities</b>	<b>3,836</b>	<b>4,707</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>2021-22</b>			
<b>Revenue</b>			
Depreciation Funding	2,557	551	3,108
Amortisation of unearned revenue	597	275	872
<b>Expenses</b>			
Depreciation expenses	(2,557)	(551)	(3,108)
<b>Net impact on operating result</b>	<b>597</b>	<b>275</b>	<b>872</b>

##### 2020-21

<b>Revenue</b>			
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>(803)</b>	<b>(200)</b>	<b>(1,003)</b>

**Metro North Hospital and Health Service**  
**Notes to the financial statements**  
*for the year ended 30 June 2022*

**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	2022 \$'000	2021 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	B1	278,980	161,084
Receivables	B2-1	92,077	165,203
<b>Total</b>		<b>371,057</b>	<b>326,287</b>
<b>Financial liabilities</b>			
Lease liabilities	B8-2	446,585	462,742
Payables	B6-1	317,498	275,908
<b>Total</b>		<b>764,083</b>	<b>738,650</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 Good and Services Tax (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 (2021: \$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 2022.

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	2022 \$'000	< 1 year \$'000	1 – 5 years \$'000	> 5 years \$'000
Payables	317,498	317,498	-	-
Lease liabilities	520,506	27,302	110,541	382,663
<b>Total</b>	<b>838,004</b>	<b>512,016</b>	<b>110,541</b>	<b>382,663</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**  
**Notes to the financial statements**  
*for the year ended 30 June 2022*

## C2 COMMITMENTS

### 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:

	2022	2021
	\$'000	\$'000
<b>Outflows</b>		
Not later than 1 year	207,473	45,468
Later than 1 year but not later than 5 years	14,518	246,472
<b>Total estimated cash outflows</b>	<b>221,992</b>	<b>291,940</b>

Significant capital commitments relate to the Caboolture Hospital redevelopment program.

## C3 CONTINGENCIES

As at 30 June 2022, the following cases were filed in the courts naming the State of Queensland acting through Metro North as defendant:

	2022 Number of cases	2021 Number of cases
Federal Court	2	1
Supreme Court	13	10
District Court	9	10
Magistrates Court	-	1
Coroners Court	-	2
Tribunals, commissions and boards	6	3
<b>Total</b>	<b>30</b>	<b>27</b>

### (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**  
**Notes to the financial statements**  
*for the year ended 30 June 2022*

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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 2021 and 2022.

### **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 2022 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**  
**Notes to the financial statements**  
*for the year ended 30 June 2022*

**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).

	2022 \$'000	2021 \$'000
<b>Receipts</b>		
Billings - (SMOs and VMOs)	55,109	67,286
Interest	27	31
<b>Total receipts</b>	<b>55,136</b>	<b>67,317</b>
<b>Payments</b>		
Hospital and Health Service recoverable administrative costs	41,382	44,354
Payments to medical practitioners	14,245	17,635
Hospital and Health Service education/travel fund	3,136	3,774
<b>Total payments</b>	<b>58,763</b>	<b>65,763</b>
<b>Closing balance of bank account under a trust fund arrangement not yet disbursed and not restricted cash</b>	<b>3,568</b>	<b>7,195</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.

	2022 \$'000	2021 \$'000
<b>Patient trust funds</b>		
Opening balance	172	211
Patient trust receipts	5,530	4,200
Patient trust payments	(5,558)	(4,239)
<b>Closing balance (represented by cash)</b>	<b>144</b>	<b>172</b>

**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 2022, an amount of \$33.1M (2021: \$33.5M) in General Trust is set aside for specified purposes defined by the contribution.

**Metro North Hospital and Health Service**  
**Notes to the financial statements**  
*for the year ended 30 June 2022*

**SECTION E**

**OTHER INFORMATION**

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

**Accounting standards applied for the first time**

No new accounting standards or interpretations that apply to Metro North for the first time in 2021-22 had any material impact on the financial statements.

**Software as a Service (SaaS) – International Financial Reporting Interpretations Committee (IFRIC) agenda decision April 2021**

In April 2021 the IFRIC issued additional guidance on the application of IAS 38 *Intangible Assets* (issued as AASB 138 *Intangible Assets* in Australia) in the form of an agenda decision. This decision clarified that an entity is not entitled to capitalise the cost of any configuration or customisation costs incurred in relation to software accessed under a SaaS arrangement.

Following the release of the IFRIC decision in April 2021, Metro North has undertaken a review of all purchased and developed software and software work in progress to determine whether any amounts previously capitalised, or currently in work in progress, were related to SaaS arrangements.

As agenda decisions are not changes to accounting standards, they are treated as a change in accounting policy and are applied fully retrospectively.

The impact of this change on Metro North is outlined below:

**E1-1: Summary of change in accounting policy**

Metro North changed its accounting policies during 2021-22 after completing an analysis of purchased and developed software in response to the IFRIC agenda decision released in April 2021.

Metro North's new accounting policy now considers whether Metro North has ownership and control of the relevant software code. Where this control is not met, an intangible asset is not eligible to be recognised. As such, any configuration or customisation costs related to the software would also need to be expensed. In considering the timing of such expenses, Metro North considers the following criteria:

- a) Where the configuration or customisation is considered a **distinct** (i.e. separately identifiable) service from the subsequent access to the cloud software, the costs are expensed when the configuration or customisation services are received. This is typically the case when the vendor providing the services is different from the vendor providing access to the software.
- b) Where the configuration or customisation is **not a distinct service** from Metro North's right to access the software, the costs are expensed over the period of access on a straight-line basis. A prepayment asset is recognised when the payment is made upfront. This is usually the case when the same vendor is providing both the configuration or customisation services and the access to the cloud software.

Any software that qualifies as an intangible asset is recognised and accounted for in accordance with Metro North's existing accounting policies on intangible assets as outlined in Note B4, which have not changed. This includes any interfaces and integration that is required to enable Metro North's existing software assets to connect to new purchased or developed software.

The changes have been calculated retrospectively, however, as the value of the impact was immaterial, an adjustment has been made for the net value of capitalised costs as at 1 July 2021.

**E1-2: Impact of change in accounting policy**

**Measurement basis**

**\$'000**

Software Generated	(496)	Net adjustment posted at 1 July 2021 (gross value less accumulated amortisation) for RiS and Qflow systems
Amortisation expense due to lower carrying value of software	150	Impact on depreciation expense and accumulated amortisation for 2021-22 due to lower carrying values at 1 July 2021.
Software work in progress	(175)	Expenses related to H-TraK project deemed not to meet capitalisation criteria of AASB 138 <i>Intangible Assets</i> .
Accumulated surplus	(521)	The net impact of software written down and WiP expensed during the year and the associated adjustment to amortisation of software.



**Metro North Hospital and Health Service**  
**Notes to the financial statements**  
*for the year ended 30 June 2022*

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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.

During the 2021-22 financial year, Metro North has continued with the COVID-19 response, moving between tiers within the COVID-19 Response Plan in line with the COVID-19 demand placed upon the health system. As a result, Metro North increased virtual care outpatient appointments from 34% to 41% this year. Unfortunately the COVID-19 response also resulted in 3,604 elective surgery cancellations across Categories 1, 2 and 3.

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 \$158.1M (2021: \$77.9M) 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 \$130.0M (2021: \$81.5M). Additional expenditure of \$91.0M relates to the COVID-19 Response and \$31.9M (2021: \$10.8M) to the COVID-19 Vaccination program. The remaining \$7.1M has been spent on other COVID-19 related costs to assist with the COVID-19 response and vaccination program. Direct expense incurred relating to COVID-19 have been reimbursed via the NPA totalling \$158.1M (2021: \$77.9M). 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 \$2.2M (including \$55,678 of the \$7.1M 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.

### Non-current assets

Metro North engaged qualified valuers in 2021-22 to provide comprehensive and indexation valuations for non-current assets. Metro North's building assets are valued on a replacement cost basis. The valuers' reports indicate that COVID-19 and the associated shortage of materials is one of a number of factors driving the increased cost of construction in South-East Queensland, one of the key inputs to the valuations, however, they have not quantified the impact directly attributable to COVID-19.

### 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 2021-22. These accounts make up a minor portion of Metro North's overall receivables profile.

### COVID-19 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-19 response leave was due to expire after two years but has been extended until 31 March 2023. Therefore the two days (all hours) must be taken prior to 31 March 2023. Any balance remaining on 31 March 2023 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 \$4.2M.

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

**Metro North Hospital and Health Service**  
**Notes to the financial statements**  
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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

	2022	2021
	\$'000	\$'000
Revenue received	3,263,868	3,198,194
Expenditure incurred	2,390,480	2,340,997
Receivables	22,123	106,508
Payables	190,253	239,959

#### E3-2: Related Party Transactions- Queensland Treasury Corporation

	2022	2021
	\$'000	\$'000
Revenue received	192	232
Expenditure incurred	48	45
Receivables	32,909	33,468
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 2022 between Metro North and key management personnel, including their related parties were on commercial terms and conditions and were immaterial in nature.

### E4 TAXATION

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

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

**Metro North Hospital and Health Service**  
**Notes to the financial statements**  
*for the year ended 30 June 2022*

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## **E5 CLIMATE RISK DISCLOSURE**

### *Whole-of Government Climate Reporting*

The State of Queensland, as the ultimate parent of Metro North, has published a wide range of information and resources on climate change (accessible via <https://www.qld.gov.au/environment/climate/climate-change>) including the following whole-of-Government publications in relation to climate risk, strategy and action:

- Climate Adaptation Strategy  
accessible via <https://www.qld.gov.au/environment/climate/climate-change/adapting/strategy>
- Climate Transition Strategy  
accessible via <https://www.qld.gov.au/environment/climate/climate-change/transition>
- Climate Action Plan 2030  
accessible via <https://www.des.qld.gov.au/climateaction>
- Queensland Sustainability Report  
accessible via <https://www.treasury.qld.gov.au/programs-and-policies/esg/>

### *Climate Risk Assessment – Metro North*

Metro North considers specific financial impacts relating to climate related risks by identifying and monitoring material accounting judgements and estimates used in preparing the financial report. This includes the potential for changes in asset useful lives, changes in the fair value of assets, provisions or contingent liabilities and changes in expenses and revenue.

Metro North has not identified any material climate related risks relevant to the financial report at the reporting date. Metro North continues to monitor the emergence of such risks under the Queensland Government's Climate Transition Strategy, and Climate Action Plan 2030

Metro North's climate-related initiatives resulting from the Queensland Climate Transition Strategy and Climate Action Plan 2030 are published on Metro North's website at <https://metronorth.health.qld.gov.au/wp-content/uploads/2021/04/green-mn-sustainability-strategy-21-26.pdf>

### *Green Metro North Sustainability Strategy 2021–2026*

As the largest health service in Australia Metro North is dedicated to reducing our environmental footprint, promoting public and environmental health, and ensuring our service is resilient to climate change. The strategy has five strategic elements: Green Monitoring; Green Partnerships; Green Facilities; Green Initiatives and Green Workforce. Metro North is committed to identifying major sources of waste and energy use and introducing green initiatives to achieve sustainable change, collaboration with other organisations to improve sustainability performance and innovation within the healthcare sector, and integrate environmental sustainability and resilience practices with repairs and maintenance programs and future building and plant and infrastructure projects to create a healthier and more sustainable tomorrow.

**Metro North Hospital and Health Service**  
**Notes to the financial statements**  
*for the year ended 30 June 2022*

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<b>BUDGET v ACTUAL COMPARISON</b>
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**F1 BUDGET VS ACTUAL COMPARISON – STATEMENT OF COMPREHENSIVE INCOME**

**Funding for the provision of public health services** – the variance to budget relates to additional funding provided through amendments to the Service Agreement with the Department of Health (DOH) for COVID-19 pandemic response, administering of COVID-19 vaccinations, planned care access, additional beds at Surgical Treatment and Rehabilitation Service (STARS) at Herston and Chimeric Antigen Receptors (CAR)T-cell therapy to fight cancer.

**Employee Expenses** – the variances to budget for Employee expenses and Health Service Employee Expenses of \$156.0 million relates to additional labour expenses for COVID-19 pandemic response, administering of COVID-19 vaccinations, planned care access and, additional beds at STARS.

**Supplies and services** – the variance to budget relates primarily to increased pathology costs due to COVID-19 response, rent of facilities to administer COVID-19 vaccinations, most notably the Brisbane Entertainment Centre at Boondall, increase in outsourced service delivery relating to Chimeric Antigen Receptors (CAR)T-cell therapy to fight cancer, hepatitis C drugs for Woodford Correctional Centre and opening of additional beds at STARS.

**F2 BUDGET VS ACTUAL COMPARISON – STATEMENT OF FINANCIAL POSITION**

**Cash and cash equivalents** – the variance to budget is predominantly due to the timing of payroll and creditor payments.

**Payables** – The variance to budget is predominantly due to the recognition of year end accrued funding payable to the Department of Health, and the timing of payroll and creditor payments.

**F3 BUDGET VS ACTUAL COMPARISON – STATEMENT OF CASH FLOWS**

**Employee expenses** - the variance relates to additional labour expenses for COVID-19 pandemic response, administering of COVID-19 vaccinations, planned care access and, additional beds at STARS.

**Payments for property, plant and equipment and intangible assets** - The budget recognises only cash outflows for projects funded by Metro North. Metro North pays for all capital purchases and are reimbursed from the Department of Health monthly in arrears for projects that they fund on behalf of Metro North including the Caboolture Hospital redevelopment program.

**Cash flow from equity transferred** - the budget recognises no cash impact for Department of Health funded projects. Metro North pays for all capital and are reimbursed for Department of Health funded projects monthly in arrears.

**Cash flow from equity withdrawals** - the variance to budget relates depreciation and amortisation funding being treated as a cash item (equity withdrawal) in the budget, however this has been accounted as a non-cash item in the statement of cash flow.

## Metro North Hospital and Health Service

Notes to the financial statements  
for the year ended 30 June 2022


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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 2022 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: 30 August 2022



Adjunct Associate Professor Jackie Hanson  
Chief Executive  
Date: 30 August 2022



Mr Alister Whitta  
Chief Finance and Corporate  
Officer Date: 30 August 2022

## 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 2022, 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 2022, 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 \$969.83 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 a comprehensive revaluation over 41 of its buildings this year, as part of its rolling revaluation program. All other buildings were assessed using relevant indices. 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>Metro North Hospital and Health Service derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> <li>identifying the components of buildings with separately identifiable replacement costs</li> <li>developing a unit rate for each of these components, including: <ul style="list-style-type: none"> <li>estimating the current cost for a modern substitute (including oncosts), expressed as a rate per unit (e.g. \$/square metre)</li> <li>identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference.</li> </ul> </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>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 revaluation</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>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 management's experts used to develop the models</li> <li>for unit rates, on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the: <ul style="list-style-type: none"> <li>modern substitute (including oncosts)</li> <li>adjustment for excess quality or obsolescence.</li> </ul> </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>testing 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 2022, 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.

## **Statement**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- 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.



31 August 2022

David Adams  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

## GLOSSARY

ACHS	The Australian Council on Healthcare Standards	Metro North Health	Metro North Hospital and Health Service
AHPRA	Australian Health Practitioner Regulation Agency	MOHRI	Minimum Obligatory Human Resource Information
CAC	Community Advisory Committee	MRI	Magnetic resonance imaging
CALD	Culturally and linguistically diverse communities	MRSA	Methicillin-resistant Staphylococcus aureus
ED	Emergency Department	OECD	Organisation for Economic Cooperation and Development
eDRMS	Electronic document and records management system	PREMS	Patient reported experience and outcome measures
EQuIP	Evaluation and Quality Improvement Program	QAO	Queensland Audit Office
ES	Elective Surgery	RAUGH	Research Alliance for Urban Goori Health
FTE	Full Time Equivalent	RBWH	Royal Brisbane and Women's Hospital
GP	General Practitioner	S/4HANA	Queensland Health's modern finance, business and logistics platform
HSCE	Health Service Chief Executive	SAMP	Strategic Asset Management Plan
HHS	Hospital and Health Service	STARS	Surgical, Treatment and Rehabilitation Service
ieMR	Integrated Electronic Medical Record	TPCH	The Prince Charles Hospital
IUIH	Institute for Urban Indigenous Health	UQ	The University of Queensland
IPPF	International Professional Practices Framework	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	p81
	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	p6
Non-financial performance	Government's objectives for the community and whole-of-govt plans/specific initiatives	ARRs – section 11.1	p6
	Agency objectives and performance indicators	ARRs – section 11.2	p7, 29-31
	Agency service areas and service standards	ARRs – section 11.3	p27, 28
Financial performance	Summary of financial performance	ARRs – section 12.1	p32
Governance – management and structure	Organisational structure	ARRs – section 13.1	p20
	Executive management	ARRs – section 13.2	p18
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	p17
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	p25
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	p25
	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	p22
	Audit committee	ARRs – section 14.2	p12
	Internal Audit	ARRs – section 14.3	p23
	External Scrutiny	ARRs – section 14.4	p23
	Information systems and record keeping	ARRs – section 14.5	p24
	Information Security attestation	ARRs – section 14.6	p25
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	p21
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	p22
Open Data	Statement advising publication of information	ARRs – section 16	p2
	Consultancies	ARRs – section 31.1	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	Overseas travel	ARRs – section 31.2	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	Queensland Language Services Policy	ARRs – section 31.3	<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	p75
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	p76

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

