

ANNUAL REPORT 2022–23



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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 in 2022–2023.

Accessibility

Public Availability

Where possible, readers are encouraged to download the report online at: www.metronorth.health.qld.gov.au

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

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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**

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The Honourable Shannon Fentiman MP
Minister for Health, Mental Health and Ambulance Services
Minister for Women
GPO Box 48
BRISBANE QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2022-2023 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 80 of this annual report.

Yours sincerely

Jim McGowan AM
Chair
Metro North Hospital and Health Board

1 / 09 / 2023

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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:

- Good jobs: Good secure jobs in our traditional and emerging industries
- Better services: Deliver even better services right across Queensland
- Great lifestyle: Protect and enhance our Queensland lifestyle as we grow.

Message from the Board Chair and Chief Executive

Metro North Health has continued to deliver high quality patient care across our expanding healthcare services. In 2022-2023, we saw 339,620 emergency department presentations and we provided 48,468 emergency and elective surgeries. We also delivered 1,747,082 outpatient occasions of service and 9,041 babies were born in our hospitals. We treated 2,594 patients through the Hospital in the Home program and provided 12,041 mental health occasions of care.

This increase in demand was met with an investment in care of \$4 billion, an increase from the \$3.6 billion investment the previous year. Our careful management of resources delivered a modest surplus of \$2.5 million.

During the year our total workforce saw a 3.1 per cent increase in full time equivalent staff from 18,015 to 18,584 at the end of the financial year. All growth attributable to frontline and frontline support staff.

After more than two and a half years, Metro North Health stood down our COVID-19 emergency operations centre in September 2022 and transitioned to an Acute Respiratory Illness Response Plan which addresses COVID along with other prevalent illnesses including influenza and respiratory syncytial virus (RSV). While we have transitioned to the recovery phase of the pandemic response, the learnings and innovations that stemmed from it have endured.

Metro North continues to offer significant virtual services including the virtual ward, virtual emergency department and more options for telehealth and virtual appointments. The virtual emergency department was expanded to a statewide service.

The 2022-2023 year saw the launch of our first *Metro North Health Equity Strategy 2022-2025*. The strategy was co-designed with Aboriginal and/or Torres Strait Islander staff, Elders and community, and stakeholder groups. The strategy was developed in partnership with Brisbane North Public Health Network (PHN), the Institute for Urban Indigenous Health (IUHI), the Aboriginal and Torres Strait Islander Community Health Service (ATSICHS) Brisbane, and the Moreton Aboriginal and Torres Strait Islander Community Health Service (Moreton ATSICHS). The implementation and evaluation plan was also developed in this period.

During the year Reconciliation Action Plans were developed by the Surgical, Treatment and Rehabilitation Service (STARS), and Caboolture and Kilcoy Hospitals and Woodford Corrections Health. Metro North also celebrated the statewide expansion of the Deadly Start education to employment program.

Innovation and new ways of working are critical to our success as community expectations of personalised healthcare increase. Metro North has launched the Helix Hub, an innovation and learning portal which supports staff through projects from idea to implementation and evaluation. The hub also builds staff capability and capacity in knowledge translation and implementation science.

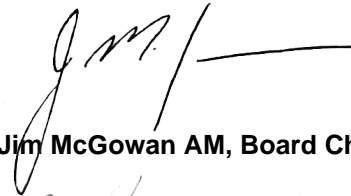
Gannet House was recognised as one of only a few residential aged care facilities nationally to achieve a five-star accreditation and STARS was recognised as Best Public Building at the Property Council of Australia Awards.

Metro North Health held the third *NextCare Health Conference* to provide a non-clinical professional development option for current and emerging healthcare leaders across Australia and New Zealand.

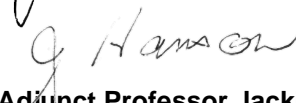
To support faster access to specialist interpreter services for patients from culturally and linguistically diverse backgrounds, Metro North Health employed nine inhouse interpreters. The trial program offers interpreter services for the most common languages across the Metro North Health catchment.

Metro North Health received significant funding for capital infrastructure expansions, with commitments for major expansions at Redcliffe and The Prince Charles Hospital, and a new Queensland Cancer Centre.

We also continued the major redevelopment of Caboolture Hospital and Redcliffe Hospital emergency department upgrade, and started commissioning and operationalisation of the Caboolture Satellite Hospital which will open in August with a new Minor Injury and Illness Clinic. These expansions and new services will allow Metro North Health to continue to meet growing demand for healthcare services, particularly in the Moreton Bay region.



Jim McGowan AM, Board Chair



**Adjunct Professor Jackie Hanson,
Chief Executive**

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 Strategic Plan) outlines our future direction to 2024.

Strategic direction

The Strategic Plan contributes to the Queensland Government's objectives for the community through many initiatives, including:

- being pandemic-ready to keep Queenslanders safe
- minimising risk through planning for continuity of service delivery to back our frontline services
- implementing the *Green Metro North Sustainability Strategy 2021-2026* to protect the environment
- prioritising health equity for Aboriginal and Torres Strait Islander peoples to honour and embrace our rich and ancient cultural history.

The strategies in the Strategic Plan contribute to *MN32#NEXTCARE The Future Of Health* (MN32) which sets out Metro North Health's 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 specialty and integrated health services.

The Strategic Plan aligns to the priorities of HEALTHQ32 with a focus on partnering across the health sector to deliver high quality and safe healthcare and enable more care options delivered in the community, closer to home.

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 Strategic Plan comprises four objectives:

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

The Strategic Plan demonstrates Metro North Health's commitment to improving health outcomes for Aboriginal and Torres Strait Islander peoples and measures progress against the *Health Equity Strategy 2022-2025*.

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 *HEALTHQ32* vision.

The Strategic Plan objectives will be achieved by the delivery of the following specific strategies:

To always put people first

- Listen to consumers, their carers, staff and partners and involve them in organisational development, governance and decision-making.
- Provide our staff with support, education, training and development opportunities.
- Provide physically and psychologically safe and healthy work places and care environments underpinned by a system of fair and ethical decision making for staff and patients.
- Optimise the diversity of our workforce with a focus on those transitioning into and out of the workforce.
- Develop leadership capabilities of our workforce.

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

- Develop 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.
- Develop strategic partnerships that translate to operational impact.
- Create system capacity through workforce, infrastructure, technology, service development and redesign.
- Build capability to assess patients cultural, social and physical needs and partner with other sectors for a holistic response.
- Implement integrated digital solutions across Metro North.
- Minimise risk by planning for continuity of service delivery.

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

- Implement sustainable models of care that provide services in the community and/or home and reduce avoidable demand for hospital services.
- Embed conversations in health in service delivery to empower a diversity of consumers as partners in their health care.
- Leverage strategic collaborations to generate new knowledge through research, evaluating what others have learnt and actively bringing this knowledge into practice
- Create an environment that promotes innovative approaches to support our people in continuous improvement and organisational learning.
- Collaborate with partners to identify the future workforce and to respond to changing clinical placement requirements.

To be accountable for delivery of sustainable services, high performance and excellent patient outcomes

- Deliver models of service delivery that make most effective use of available and future resources including redirecting investment where evidence supports new or alternative practices.
- Embed a culture of transparency and clinical accountability.
- Embed robust governance processes over programs and projects to attain best possible outcomes.
- Embed a culture of striving to achieve or exceed our Service Agreement Performance Measures.
- Work with our partners to ensure an appropriate balance in health investment between prevention, management and treatment.

Aboriginal and Torres Strait Islander Health

The *Metro North Health Equity Strategy 2022-2025* describes our commitment to drive health equity, eliminate institutional racism across the public health system and achieve life expectancy parity for Aboriginal peoples and Torres Strait Islander peoples by 2031.

The *Metro North Health Equity Strategy 2022-2025* provides this pathway for cultural change and consists of five key priority areas (KPA) for inclusion in our local strategy:

1. Actively eliminate racial discrimination and institutional racism within the service.
2. Increasing access to healthcare services.
3. Delivering sustainable, culturally safe and responsive healthcare services.
4. Influencing the social, cultural and economic determinants of health.
5. Working with First Nations peoples, communities and organisations to design, deliver, monitor and review health services.

Key achievements for 2022–2023

KPA 1 Actively eliminate racial discrimination and institutional racism within the service

- Employed two new Social and Emotional Wellbeing Officers to provide culturally responsive support for staff. The program supports staff in a holistic approach as the team works alongside a staff member to ensure their holistic needs are identified and supported.
- Launched the *Aboriginal and Torres Strait Islander Recruitment Guide*. The guide outlines best practice recruitment principles to ensure culturally safe and appropriate measures are used in the recruitment of Aboriginal and Torres Strait Islander peoples across Metro North Health. The guide is supported by new recruitment templates specifically addressing Health Equity, Aboriginal and Torres Strait Islander representation on the recruitment of leadership roles and Identified role templates.
- Partnered with the Courageous Conversation South Pacific Institute™ (CCSPI) to deliver *Virtual Courageous Conversation: The Experience™* (VCC) for staff within Metro North. VCC provides Metro North staff with a set of tools to talk about race, intentionally and effectively.
- New racial equity card co-designed and launched at the Aboriginal and Torres Strait Islander Summit and now incorporated into the Metro North Health orientation.

KPA 2 Increasing access to healthcare services

- Established the Deadly Feet project, a specialist outreach service for Aboriginal and/or Torres Strait Islander people diagnosed with, or at risk of foot conditions related to diabetes and/or peripheral vascular disease. The service has recorded 100 engagements with community.
 - Opportunistic screening for foot disease at five community events, in partnership with the Better Together Health Van, was conducted with 49 people screened.
 - There were 39 eligible referrals received since April 2023 (21 self-referrals, 14 primary care sector and four allied health).
 - There were 27 clinic appointments scheduled across three clinics with 19 patients in attendance. From the clinics two patients were referred for elective surgery, two patients referred for investigations and follow up, five patients referred to UIH podiatry, eight patients referred to tertiary services (podiatry and/or occupational therapy) and two patients discharged back to their GP.

- Established the Urban Indigenous Respiratory Outreach Clinic (UROC) in partnership with the Institute for Urban Indigenous Health (IUIH). The specialist respiratory shared service is a new model for Aboriginal and Torres Strait Islander people delivered at Moreton Aboriginal and Torres Strait Islander Community Health Service (MATSICHS).
- Palliative Care Equity Working group established in partnership with Program of Experience in the Palliative Approach (PEPA), Brisbane North PHN, Gwandalan National Palliative Care Project, Cancer Council, IUIH and Queensland Health.
- Opportunistic Bowel Cancer Screening Trial implementation across Metro North Health.
- Partnership linkages for opportunistic screening measures via the Metro North Better Together Health Van at key locations including Kurbingai Youth and Family Development at Zillmere, Woodford Corrections Centre and at community led events including NAIDOC Week.

KPA 3 Delivering sustainable, culturally safe and responsive healthcare services

- Commenced an Identified Senior Health worker in Emergency Department and Specialist Outpatients Department at the Caboolture, Kilcoy and Woodford Directorate. The Senior Health worker position will act as a bridge between Aboriginal and Torres Strait Islander patients and the treating teams, to ensure the delivery of culturally appropriate and culturally safe care. The position will create pathways of care upon discharge with Aboriginal and Torres Strait Islander patients and families, to assist in lowering the number of Aboriginal and Torres Strait Islander people representing for care to the Emergency Department.
- Women's Business Shared Pathway expansion to Deception Bay providing services closer to home with a decrease in Failure to Attend rates of 0.6 per cent.
- BreastScreen Queensland Brisbane Northside, in partnership with Metro North Health, launched the 'Sistas Shawl' initiative to support and encourage Aboriginal and Torres Strait Islander women attending breast screening appointments. Since launching in October 2022 there has been an increase of 10.3 per cent in BreastScreen activity compared to the same period in 2021.
- Aboriginal and/or Torres Strait Islander patients at Metro North Health continue to 'opt in' to the Better Together Medication Access (BTMA) program designed to provide discharge medication at no out of pocket expense to the patient, and assist their healing journey back home. Over 15,000 Aboriginal and/or Torres Strait Islander patients were offered BTMA and 12,000 medications supplied. The program has recently developed a stakeholder toolkit and a series of educational films to support the expansion across other hospital and health services.
- Launched the Metro North Health Brisbane North Sexual Health Service in June 2023 at Pine Rivers Community Health Centre. The free service is available to people aged 14 years and over from all backgrounds, and is culturally safe, and free from stigma.
- Royal Brisbane and Women's Hospital (RBWH) Emergency Department received the AI Spilman Award for Culturally Safe Emergency Departments. The award recognises the outstanding efforts of Australasian College for Emergency Medicine (ACEM) accredited emergency departments to provide cultural safety for Aboriginal and/or Torres Strait Islander and Māori patients, visitors, and staff.
- Deadly RED co-design supported discharge from the emergency department for Aboriginal and/or Torres Strait Islander patients introduced at Redcliffe Hospital. Research findings have led to the expansion of the Indigenous Hospital Liaison Officer support to a 7 day a week, 16-hour service.
- Expanded the Deadly Start program across the State with a record 139 Aboriginal and Torres Strait Islander students joining in 2023. Celebrating its fifth year, the school-based trainee program facilitates healthcare career pathways for high school students with a direct focus on First Nations patient care.

KPA 4 Influencing the social, cultural and economic determinants of health

- Collaboration with non-government, community and government is ongoing across the organisation.
- Co-design of a procedure is underway to support Aboriginal and/or Torres Strait Islander staff to receive appropriate support including leave for sad news and sorry business.

KPA 5 Working with First Nations peoples, communities, and organisations to design, deliver, monitor, and review health services.

- Introduced Yarning Table at Caboolture Hospital to table ideas, feedback, and ways to improve services, and the delivery of care. The creation of the Caboolture, Kilcoy and Woodford (CKW) Yarning Table provides a great platform to connect with Aboriginal and Torres Strait Islander Elders and community to engage, listen and learn from firsthand experiences.
- The Prince Charles Hospital launched The Prince Charles Hospital (TPCH) Aboriginal and Torres Strait Islander Community and Consumer Council. The newly established council, made up of Aboriginal and Torres Strait Islander community members and TPCH staff and executives, will meet regularly to work towards improving the delivery of services and care provided to Aboriginal and Torres Strait Islander patients.
- Investment in Indigenous Health Worker positions to coordinate health promotion and early intervention, with several positions advertised.
- Expansion of social media platforms to Instagram and LinkedIn and rebranding to 'Better Together – Our Health, Our Way', to engage with Aboriginal and Torres Strait Islander community for important health messages, engagement opportunities and to gather service feedback.

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 100-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 The University of Queensland (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.
- Health support services to Norfolk Island as part of a formal Intergovernmental Agreement between the Commonwealth and Queensland governments.

Metro North Health issued 26,736 car parking passes in 2022-2023 to patients and their families and carers valued at \$308,194.94 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.

Our response to the COVID-19 pandemic has put pressure on our hospital and health services. Our greatest strategic risks are ensuring that we support our workforce to respond to the health care needs of our community and that we continue to work collaboratively across the health sector to deliver high quality patient centred 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 improved 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 Strategic 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 and learnings arising from the COVID-19 pandemic.
- Optimising staff potential including their ability to be adaptable and respond to change.
- Lead efforts in achieving health equity for Aboriginal and Torres Strait Islander peoples.
- 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.

In 2022-2023, Metro North Health has seen an increase in presentations to emergency departments, an increase in ambulance arrivals and an increase in higher acuity patients compared to the previous year. Improving wait times for elective surgery has contributed to higher inpatient bed occupancy.

Decreasing our surgical long wait list has been a key priority for Metro North Health in 2022-2023. This reduction has also enabled us to assist patients on other Hospital and Health Service waitlists. Actions have included increasing surgical lists, use of Surgery Connect for low complexity patients, external load sharing between facilities, and optimisation of nurse scope.

In response to this demand, Metro North Health continues to work across the health sector to ensure fast and effective access to health care for our community ensuring patients are provided with a range of care options. Initiatives include the Metro North Virtual Emergency Department, the RADAR Rapid Response model of care which provides alternate care pathways for frail and acutely unwell residential aged care residents and *Working Together to Connect Care* which helps emergency departments, hospitals and ambulance services to deliver community-based care for our vulnerable populations. Planning in 2022-2023 for the opening of the three Satellite Hospitals – Caboolture, Kallangur and Bribie Island – was designed for those patients who may present with less acute care needs and who are usually seen by a GP.

Metro North Health is Queensland's largest hospital and health service, caring for around 20 per cent of Queenslanders. Global healthcare staff shortages are impacting on our ability to recruit, particularly in some areas of the service like doctors. In response to this challenge, the *Metro North Workforce Summit* brought together a range of government, industry, research, university and community stakeholders to examine the current and future workforce challenges and the skills needed to continue to provide high quality care for our community as services expand.

Improving employment opportunities for Aboriginal and Torres Strait Islander peoples is a key priority of the *Metro North Health Equity Strategy 2022-2025*. Through our Metro North health equity journey, we aim to create a just, equitable and reconciled community and country. One which values Aboriginal and Torres Strait Islander peoples' past, their history, their culture, and their future. Metro North Health worked closely with our local community representatives and Elders to co-design actions that would create real change.

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, Mental Health and Ambulance Services and Minister for Women 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 2022-2023, there were no changes to the terms of office of board members. A schedule of board member attendance at board and statutory committee meetings for 2022-2023 is available on page 17.

Due to COVID-19 restrictions, the board met virtually on one occasion. Following the lifting of COVID-19 restrictions, all other board meetings for 2022-2023 were held in person at locations including Redcliffe Hospital, RBWH, STARS, Caboolture Hospital, TPCH, Nundah Community Health Centre, and Kilcoy Hospital.

The board held consumer engagement sessions at each board meeting (commencing from September 2022) to hear feedback from patients and health consumers.

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 2022-2023 are provided on page 17.

Board committees¹

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.

¹ Committee membership as at 30 June 2023

Committee membership: Jim McGowan AM (Chair), Dr Kim Forrester, Adrian Carson, Bernard Curran, Bonny Barry, Geoff Hardy, Professor Mary-Louise Fleming, Dr Melissa Cairns, Nera Komaric, Neil Roberts and Dr Robert Franz.

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.

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), Nera Komaric and Dr Melissa Cairns.

Board Community Advisory Committee

The committee enables representatives of the community served by Metro North Health to collaborate with the board and executive on strategic issues to improve healthcare access, consumer experiences and outcomes. The aim of the committee is to:

- Establish collaborative relationships between the Board and communities served by Metro North Health.
- Share information and insights about healthcare provision at the right time and in the right place.
- Work together to problem solve sustainable solutions to complex health challenges.

The committee includes 11 community representatives from community partner organisations and consumers representing Aboriginal and/or Torres Strait Islander peoples, people living with disabilities, culturally and linguistically diverse communities or people from refugee and asylum-seeking backgrounds, young people, carers, people who are homeless or vulnerably housed, LGBTIQ+ people, older people, people living in rural or remote communities.

Committee membership: Professor Mary-Louise Fleming (Chair), 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*.
- 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.

Table 1 Government bodies reporting

Name of Government body	<i>Metro North Hospital and Health Service</i>
Act or instrument	<i>Hospital and Health Boards Act 2011</i>
Functions	Reported throughout the Annual Report
Achievements	Reported throughout the Annual Report
Financial reporting	Refer to p.40 of Annual Report

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	29 (11 Board / 18 Committee)	\$85,714 pa	\$4,000 pa <i>Committee Chair</i> \$3,000 pa <i>Committee Member</i>	\$95,000
Deputy Chair	Dr Kim Forrester	26 (11 Board / 15 Committee)	\$44,503 pa	\$4,000 pa <i>Committee Chair</i> \$3,000 pa <i>Committee Member</i>	\$52,000
Board Member	Adrian Carson	18 (10 Board / 8 Committee)	\$44,503 pa	\$3,000 pa <i>Committee Member</i>	\$48,000
Board Member	Bernard Curran	19 (10 Board / 9 Committee)	\$44,503 pa	\$4,000 pa <i>Committee Chair</i>	\$49,000
Board Member	Bonny Barry	18 (10 Board / 8 Committee)	\$44,503 pa	\$3,000 pa <i>Committee Member</i>	\$48,000
Board Member	Geoff Hardy	20 (10 Board / 10 Committee)	\$44,503 pa	\$4,000 pa <i>Committee Chair</i>	\$49,000
Board Member	Professor Mary-Louise Fleming	26 (10 Board / 16 Committee)	\$44,503 pa	\$3,000 pa <i>Committee Member</i>	\$51,000
Board Member	Dr Melissa Cairns	20 (10 Board / 10 Committee)	\$44,503 pa	\$3,000 pa <i>Committee Member</i>	\$48,000
Board Member	Neil Roberts	19	\$44,503 pa	\$3,000 pa <i>Committee Member</i>	\$48,000

		(10 Board / 9 Committee)			
Board Member	Nera Komaric	14	\$44,503 pa	\$3,000 pa Committee Member	\$48,000
		(7 Board / 7 Committee)			
Board Member	Dr Robert Franz	21	\$44,503 pa	\$3,000 pa Committee Member	\$48,000
		(11 Board / 10 Committee)			
No. scheduled meetings/sessions	32				
Total out of pocket expenses	\$4,723.54 cost for Chair and all members in 2022-2023.				

Table 2 Board Member meeting attendance 2022-2023

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

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

Board members

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

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

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

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.

He is the Chief Executive Officer (CEO) of the Institute for Urban Indigenous Health, which 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, Health Workforce Queensland 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.

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

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. He retired as a Partner of BDO on 30 June 2021 after 30 years and continues with the firm in a consulting role.

Mr Curran has 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 Queensland University of Technology (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.

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 Royal Australian Nursing Federation (RANF) as a student nurse in 1977, she spent six years as a Professional Officer and Organiser for the Queensland Nurses Union (QNU), now Queensland Nurses and Midwives Union (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.

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

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, 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 is currently a Technical Director in the Healthcare Advisory team of Mott MacDonald where he advises healthcare organisations around Australia.

Professor Mary-Louise Fleming

BEEd (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, GAICD

Member Appointed: 1 April 2022 | Current term: 1 April 2022 to 31 March 2026

Dr Melissa (Meg) Cairns is a Specialist General Practitioner with over 25 years' experience, currently practising in Ashgrove. Prior to that, she worked in Queensland Health Hospitals in Brisbane and Maryborough, and in General Practice in Brisbane and Toowoomba.

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

Dr Cairns is a member of a number of Metro North Health and Queensland Health committees including the Queensland Maternal and Perinatal Quality Council, and the Queensland Paediatric Quality Council. Meg is passionate about improving patient care through collaboration across health sectors and through effective communication and education.

Dr Cairns holds a Bachelor of Medicine, Bachelor of Surgery from the University of Queensland, is a Fellow of the Royal Australian College of General Practitioners and is a Graduate of the Australian Institute of Company Directors.

Neil Roberts

MBA, BBus, GradCertDisRes, GAICD

Member Appointed: 18 May 2019 | Current term: 1 April 2022 to 31 March 2026

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

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

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

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

Nermina (Nera) Komaric

LLB, MPH

Member

Appointed: 18 May 2021 | Current term: 18 May 2021 to 31 March 2024

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, primary health care, public health and Health research. In her 30-year career she has been involved in the design and delivery of services, 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 social justice and 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 General 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.

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

Jane was educated as a registered nurse and specialised in adult and paediatric critical care. Jane has worked in clinical, education and management and has experience as a senior leader in healthcare in both the private and public sectors in metropolitan and remote areas of Queensland. Jane has an MBA (Health), Bachelor of Education (Nursing), 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).

The purpose of the COO role is to provide effective executive leadership, direction and strategy to the leads of all Metro North Health (MNH) clinical and operational services to optimise the provision of quality health care and continuously improve clinical and business outcomes as outlined in the strategic and operational plans including health equity. The COO also supports clinical engagement across streams and professional groups to support staff and facilitate best practice and the sharing of innovative solutions across facilities and service lines.

Executive Director, Strategy, Planning, Assets, Infrastructure and Strategic Developments

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

Kate is responsible for leading Metro North's health service strategy and planning, consumer engagement, and strategic development functions, and providing oversight to infrastructure activities.

Kate is an Adjunct Associate Professor with Griffith University, and a visiting lecturer at QUT. She is also Chair, Australian Health Design Council.

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 privacy, corporate records, 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

Associate Professor Glen Kennedy is a haematologist who specialises in the treatment of malignant haematological disorders including bone marrow and stem cell transplantation. Associate Professor Kennedy began his specialty training in combined clinical haematology and haematology pathology in 1999 and was admitted to the Royal Australasian College of Physicians in late 2002, and the Royal College of Pathologists of Australasia in early 2003.

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.

Executive Director Safety and Quality

Grant Carey-Ide RN, EMPA

Grant Carey-Ide 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.

Grant is an experienced health leader, having worked across three Australian jurisdictions. He is a Registered Nurse by profession, and holds an Executive Masters degree in Public Administration. He has worked across acute, community and mental health settings, and is passionately committed to patient safety and the quality of care health services provide, as well as to the achievement of health equity for First Nations people.

Grant's commitment to the Metro North community is shaped by a long career delivering and leading the delivery of health care, and in developing platforms of change to empower consumers in their health care journey, and to embedding patient-centred health care as a guiding principle.

Chief Medical Officer

Dr Elizabeth Rushbrook CSC, MBBS, MHA, FRACMA, RANR

Liz is a Specialist Medical Administrator who graduated in Medicine from The University of Queensland in 1994. She has extensive medical and military experience and is a fellow of the Royal Australasian College of Medical Administrators.

Liz initially worked as a young doctor in Queensland before serving in the Royal Australian Navy. She rose steadily through the Navy ranks as a Medical Officer to Commodore, serving ashore and afloat before returning to Queensland in 2016. Her interests include Disaster Management, Business Continuity, Medical Workforce Management and Clinical Governance.

Liz is currently the Chief Medical Officer for Metro North Hospital and Health Service in Brisbane. She separately serves as a Member and Director of the Australian Medical Council (Member with experience as a Senior Executive of an Australian Public Hospital) and as a Director (and Chair) of Disaster Relief Australia.

Chief Nursing and Midwifery Officer

Adjunct Professor Alanna Geary RN BN MHSc FACN

Alanna has professional oversight for approximately 9000 Nurses and Midwives in Metro North Health.

Alanna has extensive healthcare leadership and management experience and is passionate about the role of nurses and midwives and healthcare professionals in the delivery of healthcare to provide contemporary models which support excellence in education and research.

Alanna is steadfast in her resolve to promote healthcare to provide excellence in clinical care and ensure patients and their families receive the best possible care, delivered by highly competent and compassionate nurses and midwives.

Chief Allied Health Practitioner

Mark Butterworth GradDipBA, DipAppSc, AssocDip Medical Radiography

Mark provides professional, strategic direction and operational influence to oversee the successful delivery of complex transformational and change programs within allied health to ensure optimal patient care and outcomes. He sponsors the Collaborative for Allied Health Research, Learning and Innovation (CAHRLI) for over 35 Allied Health professions and roles.

Mark has the executive portfolio for improving the health outcomes for our differently abled and culturally and linguistically diverse community.

Chief Digital Health Officer

Dr Jason Brown BDS (Hons) MBBS, FRACS

Jason is responsible for leading Metro North Health’s digital transformation journey. This includes overseeing the roll out of the ieMR electronic medical record across all facilities, as well as ensuring all other digital systems are safe, secure and fit for the purpose of providing safe high-quality care.

Jason is a general surgeon who specialises in burns and heads up the Queensland Adult Burns Service at the Royal Brisbane and Women’s Hospital.

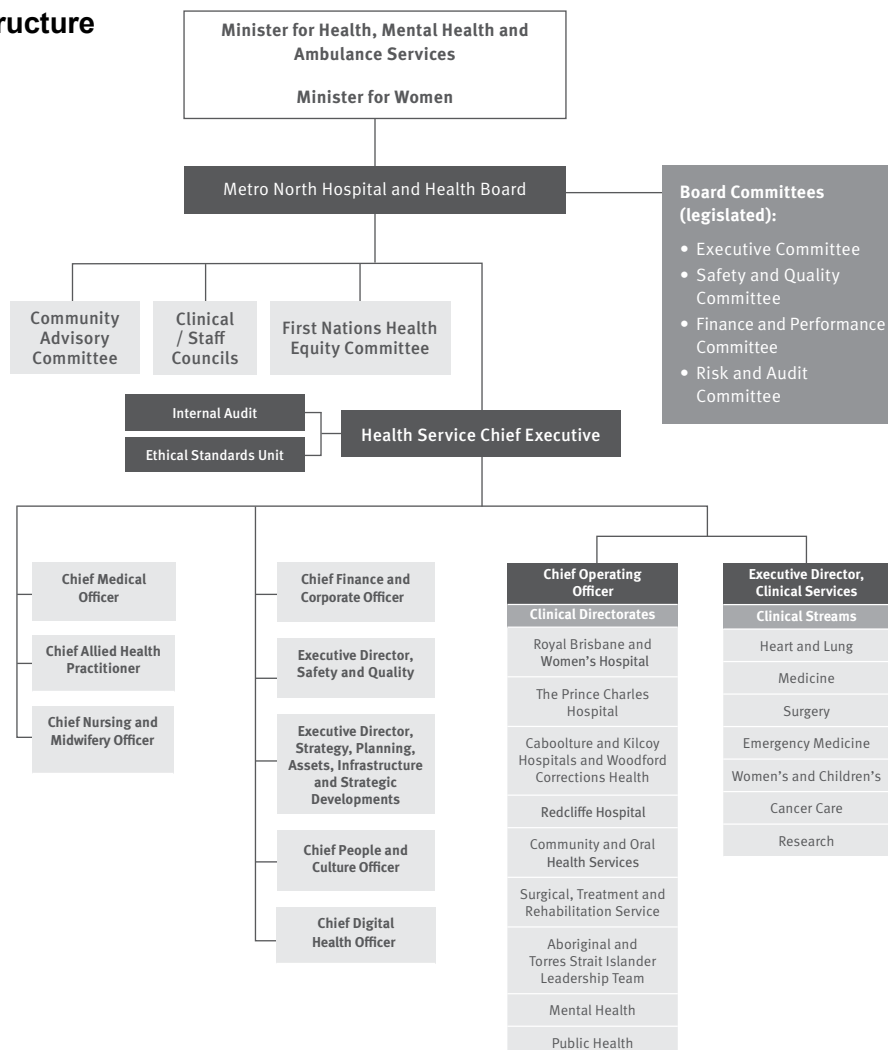
Chief People and Culture Officer

Kristal Lowe MSc, PDip Arts, B.Arts, CPHR

Kristal is responsible for leading the People and Culture directorate, ensuring robust and sustainable people systems, processes, and frameworks are in place to support and respond to day-to-day requirements, whilst also enabling and building the workforce and culture of the future.

Kristal holds a Master of Science (Psychology), a Postgraduate Diploma (Culture, Communications and Gender), a Bachelor of Arts, and a Post Graduate Practicing Certificate in Human Resources. Kristal is a certified member of the Australian Human Resource Institute (AHRI).

Organisational Structure



Workforce profile

Table 3: Total Staffing

Headcount	22,985
Paid FTE	18,584.35

Table 4: Occupation Types by FTE

	FTE	%
Corporate	866.60	4.66%
Frontline	13,474.70	72.51%
Frontline Support	4,243.05	22.83%

Table 5: Appointment Type by FTE

	FTE	%
Permanent	14,192.62	76.37%
Temporary	3,718.19	20.01%
Casual	592.36	3.19%
Contract	81.18	0.44%

Table 6: Employment Status by Headcount

	FTE	%
Full-time	10,797	46.98%
Part-time	10,803	47.01%
Casual	1,382	6.01%

Table 7: Gender

Gender	Headcount	%
Woman	17,064	74.25%
Man	5,888	25.62%
Non Binary	30	0.13%

Table 8: Diversity target group data

Diversity Groups	Headcount	%
Woman	17,064	74.25%
Aboriginal Peoples and Torres Strait Islander Peoples	390	1.70%
People with disability	527	2.29%
Culturally and Linguistically Diverse – Speak a language at home other than English#	3,738	16.26%

This includes Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages spoken at home.

Table 9: Target group data for Women in Leadership Roles

Group	Headcount	%
Senior Officers (classified and s122 equivalent combined)	34	59.16%
Senior Executive Service and Chief Executives (classified and s122 equivalent combined)	18	62.07%

Strategic workforce planning and performance

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, Queensland Government's Performance Management Framework and the EQUIP National program. The Plan continues to guide workforce strategy activities across Metro North, including the development of the *Metro North Health Workforce Reform Roadmap*.

Key achievements for 2022-2023

- Established the People and Culture programs to focus on continual improvement of workplace and organisational culture, contribute to workforce wellbeing and leadership capability.
- Designed and delivered the *Metro North Workforce Reform Summit* with 150 participants representing Metro North Health, government and community organisations, industry partners, health and industry experts as well as tertiary partners to address current and future workforce challenges and plan for the future of work at Metro North Health.
- Delivered targeted initiatives to improve accessibility to employment opportunities for Aboriginal and/or Torres Strait Islander peoples as part of the Metro North Health Equity Strategy implementation.
- Supported the implementation of the new Code of Practice on managing the risk of psychosocial hazards at work that commenced on 1 April 2023 under the *Work Health and Safety Act 2011*. Activities included the delivery of training for leadership teams, refinements to the Metro North Psychosocial Code of Practice Framework, and developed of a risk assessment, action plan and reporting dashboard to comply with the Code.
- Supported the Caboolture Hospital Redevelopment Project and Satellite hospitals workforce plans, prioritising top of scope recruitment service to maximise process efficiency to support of Project leads and Hiring Managers, in readiness for openings in 2023-2024.
- Continued to manage 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.
- Commenced preparation for Stage 3 implementation of the Integrated Workforce Management rostering solution (Workbrain). The successful implementation of Stage 3 will improve consistency in rostering and pay outcomes that provide real-time rostering information at the frontline. The Integrated Workforce Management (IWFM) Business Case Consultation period finalised in June 2023 and will now proceed to the Implementation phase. This will involve the recruitment of Roster Support Officers from Payroll Transactional services and the retrofit of the existing pilot sites into the new operating model. Go live is planned for 30 October 2023.
- Metro North Health Employee Value Proposition was refreshed, developed in consultation with business for use in recruitment campaigns. Education sessions have been ongoing for hiring managers to maximise opportunity in modernising approach to advertising and selections processes. Evolved approaches to advertising and selection methods in evidence across all streams. In collaboration with professional leads the Medical Careers (external facing) Site upgrade is now published and a review of the nursing site commenced.
- A dedicated flexible work arrangements staff intranet page was established supported by vidcasts, frequently asked questions (FAQs), a governing protocol and fact sheets to promote and support

contemporary flexible work practices across Metro North Health. Proactive education and training for Line Managers is ongoing including scheduled monthly sessions accessible through TMS (Metro North online education and training platform for staff).

- Launched the Healthy Body and Mind Hub which includes a range of engaging resources including live webinars, articles, podcasts, videos, information flyers, challenges, live mind and body classes, recipes, and self-awareness quizzes. The Hub will supplement our existing range of initiatives to support wellbeing.
- Launched a new Manager Orientation program, inclusive of a HR fundamentals program and an updated Leadership Essentials course as well as a Chief Executive Welcome Letter and a Manager Memo which has continued to exceed industry benchmarks for open and click through rates (engagement) in the healthcare sector.
- Implemented professional coaches training with 19 staff across Metro North Health participating. The *Metro North Professional Coaching Framework* has been developed (currently in draft), which aims to develop and build ethical and inspiring leadership at Metro North.
- Coordinated and delivered the *Have Your Say* staff engagement survey, with a response rate of 49 per cent (10,790 responses) and improved the approach to:
 - Supporting leaders and managers to interpret results and create action plans from their reports, including a manager toolkit.
 - Metro North's response to the survey, including the Services' first Metro North Health Action Plan as a direct response to the Have Your Say feedback.
- Coordinated enterprise bargaining activities for Metro North Health staff to finalise new agreements for Administrative and Operational staff, Health Practitioners, Nurses and Midwives and Doctors.

Early retirement, redundancy and retrenchment

No redundancy or retrenchment packages were paid during the period. There were four employees granted ill health retirement during the year pursuant to Section 107, of the *Public Sector Act 2022* (Qld).

Open data

Metro North Health has Open Data to report on Overseas Travel and the Queensland Language Services Policy. The data can be found on the Queensland Government Open Data website (<https://data.qld.gov.au>).

Metro North Health has no Open Data to report on Consultancies.

Our risk management

Metro North Health's risk management system aligns with the Australian/New Zealand Standard ISO31000:2018 on risk management principles and guidelines, and the *National Safety and Quality Health Service Standards* Clinical Governance Standard.

Metro North Health is committed to a philosophy and culture that values open, fair and equitable behaviours, and that encourages staff to proactively manage risk. The board's risk appetite statement identifies a very low risk appetite for taking risks associated with activities that may negatively impact both the quality and safety of care provided and clinical outcomes for patients across the entire care continuum (community care, outpatient, inpatient and aged care).

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 by management to remove risks where possible, while managing and reducing inherent risks to a tolerable level aligned to the board's declared risk appetite.

Key achievements for 2022–2023

- The board reviewed the risk appetite statement for Metro North Health to reflect the importance of co-design in patient centre care, expansion of criteria to focus on environmental sustainability, and the addition of a statement on cyber security.
- 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.
- Metro North Health has developed a suite of online training resources to empower employees to undertake risk management activities in a consistent and controlled manner aligned to the ISO31000:2018 Principles.
- Ensuring the Metro North Health audit program focused on risks associated with the organisation's move to various digital platforms and ongoing cyber risks including IT cybersecurity governance and the review of management's progress to build the Information Security Management System Framework.
- Reviewed the risks for the development of new hospital infrastructure including the expansion of Caboolture Hospital and Satellite Hospitals, in regard to workforce, community engagement and supporting IT infrastructure.

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 2022-2023 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 2022–2023

During the period, Internal Audit finalised* 6 internal audits (another 8 audits are at various stages of progress) covering both clinical and non-clinical risk areas including:

- Review of the information security management system framework and essential eight requirements, IT cybersecurity governance
- Review of TPOCH Emergency Department roster activity
- Adequacy of Metro North Health's succession management processes
- Review of key controls and processes at the Kilcoy Hospital
- Review of the Metro North Health fraud management framework.

* Finalised – Audit report has been considered and approved for release by the Chief Executive and Risk and Audit Committee. All reports were released in the reporting period 2022-2023.

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. Re-accreditation is required to commence prior to November 2023.

Metro North Health will move to Short Notice Accreditation Assessment commencing July 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 2025.

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 2022-2023 and will be undergoing National Disability Insurance Scheme (NDIS) accreditation in December 2023.

Following an independent external review of surgical services at Caboolture Hospital in 2021, a follow up review on the implementation of recommendations was undertaken in September 2022. The follow up review found that all recommendations from the 2021 review had been implemented with eight recommendations requiring ongoing monitoring and two recommendations requiring further implementation work. Reporting on the follow up review occurs by the Caboolture Hospital Executive Leadership Team which provides updates to the Metro North Executive Safety and Quality Committee and Board Safety and Quality Committee.

In 2022-2023, 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 2022: Financial Audit Report* (Report 10: 2022-23).

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:

- *Health outcomes for First Nations people* (Report 14:2022-23)
- *Major projects 2022* (Report 7: 2022-23)
- *Managing Queensland's COVID-19 economic response and recovery* (Report 3: 2022-23).

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

As a State Government agency, Metro North Health is required to meet the requirements of the *Public Records Act 2002 (Qld)*, as well as the Records Governance Policy, standards and specifications issued by State Archives of Queensland. Metro North Health recognises the value of corporate (non-clinical) records as they provide evidence of business activities, decisions and transactions and provide a foundation for accountability and transparency.

The *Metro North Health Corporate Records policy* sets out the requirements of recordkeeping practices that all staff must adhere to. The policy, together with advice and guidance on the Corporate Information Management Team (CIMT) intranet site, have been developed to support good recordkeeping practices and help ensure that Metro North is meeting its legislative requirements.

Metro North's approved corporate recordkeeping system is the electronic Document and Records Management System (eDRMS), Content Manager. This system is managed in partnership by the eHealth Queensland eDRMS Platform and CIMT. In 2022-2023, there were 622,478 documents saved into Content Manager (this includes both folders and documents), nearly double the entries from the previous year of 316,868. The increase reflects a combination of a number of targeted projects where an additional 20 business units started using Content Manager as well as existing staff using Content Manager to save corporate records.

A key focus of the CIMT is increasing awareness of corporate recordkeeping obligations and information policy across Metro North Health in both administrative and health community teams. In Metro North Health's online learning system (TMS), an Introduction to Recordkeeping e-Learning module is available for staff to complete. In 2022-2023, 364 staff completed the module, an increase of 42 per cent from 256 staff the previous reporting period.

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

During the 2022-2023 financial year, Metro North Health has an informed opinion that information security risks were actively managed and assessed against the Metro North Health risk 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 Sector 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.

In 2023, it is mandatory to complete code of conduct training on an annual basis to remain compliant. As at 30 June 2023, 21,085 staff** (83.9 per cent) were compliant with the Code of Conduct online training course, which provides education on workplace bullying, sexual harassment and discrimination, ethics, integrity, and accountability.

On 30 June 2023, 2,036 (79.9 per cent) current managers are compliant with this training.

** The Metro North Talent Management System (TMS) records the number of staff who have completed training. The total number is based on the number of active accounts.

Human Rights

Metro North Health is firmly committed to promoting the human rights of all individuals in our organisation by the way we operate and deliver health services every day.

During this reporting period, Metro North Health has demonstrated progressed developing its human rights culture and capability by the way it incorporates human rights into its actions and decisions. When assessing human rights complaints, we have an opportunity to reflect on whether a relevant operation or policy adequately protects and promotes the human rights of those impacted.

Key achievements in 2022-2023 include:

- Continued to respond collaboratively to the evolving COVID-19 situation with a genuine consideration of the human rights impacted by actions or decisions
- Maintained our commitment to health equity and cultural safety across the organisation as set out in the *Metro North Health Equity Strategy 2022-2025* and continued to offer Health Equity Training programs
- Continued to embed a human rights culture across Metro North Health's facilities including through the development and review of policies and procedures. For example, the *Metro North Health Domestic and Family Violence: Support in the Workplace Guideline*, the *Metro North Health Child Protection – Mandatory and Non-Mandatory Reporting Procedure* and the *Accurate Identification of Aboriginal and Torres Strait Islander Consumers Procedure*
- Supported other Queensland hospital and health services to comply with their human right obligations
- Significantly reduced the number of human rights complaints
- Received no recommendations from the Queensland Human Rights Commission (QHRC) on improving our human rights culture.

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.

Metro North Health continues to build our organisational capability in the human rights culture across all facilities and services. We will develop and continue to review policies, programs, procedures, practices and service delivery to ensure that decisions and actions are compatible with human rights and ensure that human rights are central to the work we do.

Number of complaints received	103*
Outcome of the complaints	<ul style="list-style-type: none"> • 2 complaints made to the QHRC were accepted as complaints under the <i>Human Rights Act 2019</i> (Qld) and resolved • 2 complaints made to the QHRC were accepted as complaints under the <i>Human Rights Act 2019</i> (Qld) and were unresolved following conciliation • 35 complaints have been resolved between the organisation and the complainant • 6 complaints are currently unresolved • 53 resolved complaints relate to the COVID-19 vaccination mandate as set by the Director-General of Queensland Health by Health Employment Directive No. 12/21. • 5 complaints are unresolved where they are otherwise being managed by the Department of Health.

* 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 2022-2023 reporting period four disclosures of confidential information were authorised to assist with:

- the follow-up review to the *“Independent Governance Review, Metro North Hospital and Health Service – Caboolture Hospital – Surgery”* (reported in the 2021-2022 reporting period)
- an external assessment of maternity services at Redcliffe Hospital
- a review of complaint processes
- an investigation in relation to a complaint made against an employee.

Performance

Non-financial performance

Key Performance Indicators – achievements

Progress in 2022-2023 toward achieving the four objectives of the Strategic Plan is outlined below.

Objective 1 – To always put people first

<p>All Directorates demonstrate at least three codesign initiatives with consumers for organisational development per annum.</p>	<p>All directorates met the minimum target for implementing at least 3 co-design initiatives per annum. The number of reported co-design initiatives that commenced or progressed in 2022-23 increased to 61 compared with 30 in the previous reporting period.</p> <p>The areas where co-design has increased significantly include Aboriginal and Torres Strait Islander health, research, and improving consumer feedback processes.</p>
<p>Demonstrated action to patient survey and other feedback results.</p>	<p>All directorates are using consumer feedback including complaints and compliments alongside PREMs to improve patient experiences including:</p> <ul style="list-style-type: none"> • Patient information such as “Welcome to the ward” and “Welcome to the facility” brochures. • Community and Oral Health Directorate (COH) is improving referrer information about their services and a new health navigation service. • Redcliffe Hospital pharmacy department has improved communication around pregnancy and iron and is partnering with interpreter services to support people who speak a language other than English using artificial intelligence (AI) technology to translate discharge medication lists. • At Redcliffe, a women’s health pathway for culturally diverse communities is being introduced in collaboration with consumers. • CKW <ul style="list-style-type: none"> - The Food Services team has been collaborating with a Trans consumer to improve training and advocate for change. - The ICU Tracheostomy Working Group implemented training to improve care for people with tracheostomies, including ensuring patients and families are more involved. - The new Aboriginal and Torres Strait Islander Health team has grown significantly and the new roles are actively supporting patients at the bedside and as they transition to care in the community. - The Woodford Sexual Health Team has commenced offering sexual health screening to patients in their accommodation areas to increase access and provide a more individualised service. Patients can attend for screening, education and ongoing support. When discharged from prison, patients are given take-home health promotion packs containing safe practice resources and information for accessing health care in the community.

<p>Improved staff engagement and satisfaction results by 5 per cent each survey (every two years).</p>	<p>The third biennial Have Your Say staff engagement survey was undertaken in May 2023.</p> <p>The survey closed mid-June 2023 with results not available during the 2022-2023 reporting period. While the overall response rate decreased by one per cent from the previous survey, the actual numbers of staff completing the survey increased by 120 from 10,670 to 10,790.</p>
<p>Demonstrated action to staff engagement survey results for every service/business unit across Metro North Health.</p>	<ul style="list-style-type: none"> • In addition to preparing action plans at the Directorate/facility level and team/work unit level, Metro North wide themes will be analysed and areas of opportunity identified in response to the survey results. • Executive level briefing of results to executives and senior leaders of Metro North, directorates and facilities due to commence end July and to conclude end August. Distribution to wider Metro North due to commence early September 2023. • Work with line managers to support and co-design a team-level response / action plan which responds to local work unit needs. • Development of manager resources and toolkit to help support leaders to understand survey results and create action plans from their reports.
<p>Comparable Metro North Health service/workforce diversity compared to Metro North Health population diversity.</p>	<ul style="list-style-type: none"> • Aboriginal and/or Torres Strait Islander peoples comprise 1.7 per cent of the Metro North Health workforce compared to 2.6 per cent in the catchment. Metro North Health has committed to growing our Aboriginal and/or Torres Strait Islander workforce to 5 per cent by 2032, almost double the current catchment representation of 2.6 per cent. Key actions in 2022-2023 include the release of an Aboriginal and Torres Strait Islander workforce recruitment guide, updated recruitment and selection training to reflect the Health Equity Strategy, and simplified the heritage checking process. • People from culturally and linguistically diverse backgrounds comprise 16.3 per cent of the Metro North Health workforce compared to 12 per cent in Queensland. • People with a disability comprise 2.3 per cent of the Metro North Health workforce compared to 19.1 per cent in Queensland. In 2023-2024, Metro North Health is developing a workforce diversity and inclusion plan.

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"> • 60 per cent of admitted services provided close to home each year. • 75 per cent of outpatient services provided close to home or via telehealth. 	<p>54.5 per cent of patients who resided in the Redcliffe Hospital catchment received their admitted care at Redcliffe Hospital. This represents a slight improvement from 54 per cent in the previous year.</p> <p>52.6 per cent of patients who resided in the Caboolture Hospital catchment received their admitted care at Caboolture Hospital. This represents a decrease from 55.9 per cent in the previous year.</p> <p>The opening of the new Satellite Hospital at Caboolture and the expanded Caboolture Hospital redevelopment in 2023-2024 will provide increased services to local residents.</p> <p>66.3 per cent of outpatient services provided close to home or via telehealth for patients who resided in the Redcliffe Hospital</p>
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	<p>catchment</p> <p>63.6 per cent of outpatient services provided close to home or via telehealth for patients who resided in the Caboolture Hospital catchment</p> <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>
Implementation of Metro North Health Equity Strategy in partnership with community.	<p>In 2022-2023, Metro North health implemented the <i>Health Equity Strategy 2022-2025</i> in partnership with community.</p> <p>Key initiatives included:</p> <ul style="list-style-type: none"> • Ongoing community consultation and engagement for the pathway of co-designing Localised Health Equity Implementation Plans for each directorate • New racial equity card co-designed and launched at the Aboriginal and Torres Strait Islander Summit and now incorporated into the Metro North Health Orientation • Co-design of a procedure to support Aboriginal and/or Torres Strait Islander staff to receive appropriate support including leave for sad news and sorry business • Collaboration with non-government, community and government on key health programs including Bowel Screening Program, Deadly Feet and the Urban Respiratory Outreach Clinic (UROC).
ieMR ² implementation for Metro North initiated by 2024.	5-year program for ieMR across Metro North approved in the 2022-2023 budget. All sites will be implemented by 2027.

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>In 2022-2023, patients participated in clinical trials at TPCH (100 new participants) and RBWH Cancer Care (171 new participants). The number of clinical trials actively recruiting or follow-up included TPCH Cardiology (42 trials) and RBWH Cancer Care (191 trials).</p> <p>The <i>Metro North Research Strategy 2023-2027</i> identified Clinical Trials as a key priority requiring investment across the Queensland Health sector.</p> <p>A Clinical Trials Development Manager will be appointed in 2023-2024 who will position Metro North as a premier centre for the conduct of clinical trials in Queensland and Australia through investment in our clinical trials workforce and establishment of a Clinical Trials Support Service, lead the implementation of the <i>National Clinical Trials Governance Framework (NCTGF)</i> and be responsible for procurement of a Clinical Trials Management System (CTMS).</p> <p>Metro North will continue to work with Queensland Health to implement the <i>Clinical Trials Strategic Action Plan</i> with a view to supporting the future implementation of the “National One</p>
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² 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.

	Stop Shop” and the procurement of a CTMS which will enable longitudinal data collection and reporting for Metro North.
Increase the percentage of new Senior Medical Officer (SMO) appointments with a higher degree towards a target of 50 per cent.	<p>37 per cent of new SMO appointments in 2022-2023 have completed a higher degree.*</p> <p>This performance has been achieved within a context of global market challenges and a trend toward SMOs seeking post graduate qualifications in their specialty or subspecialty at an advanced certificate or diploma level.</p> <p>Of the 213 new appointments made in the 2022 calendar year:</p> <ul style="list-style-type: none"> • 25 have Level 8 (Bachelor Degree with Honours) • 42 have Level 9 (Master’s Degree) • 12 have Level 10 (Doctorates and 2 others are significantly progressed in completing their degree) <p>For other SMOs with bachelors degrees or no degrees other than their foundation MBBS (or equivalent), almost one third have completed advanced/post graduate certificates or graduate diplomas within their specialty or related field.</p> <p>*A review of 2021-2022 data identified that some bachelor degrees were included in the measurement of the reported figure of 40 per cent for higher degrees. This measurement has been corrected for the 2022-2023 reporting period.</p>
At least 90 per cent of patients indicate “yes definitely” to being involved as much as desired in treatment and care decisions.	<p>There was a 19 per cent (14,605) response rate across Metro North inpatient facilities to the inpatient PREMs survey in 2022-2023.</p> <p>79 per cent of responses answered “yes definitely” to being involved as much as desired in treatment and care decisions compared to 78 per cent in the previous year. Results vary amongst Metro North hospitals ranging from 74 per cent at Kilcoy to 88 per cent at STARS.</p> <p>Directorates are taking actions to improve shared decision making with patients and consumers:</p> <ul style="list-style-type: none"> • Community and Oral Health (COH) made modifications to the comprehensive care plan to capture client goals and develop treatment and care plans. • Caboolture, Kilcoy and Woodford (CKW) launched the consumer-led <i>My Health Now</i> initiative, which is available on the Caboolture Hospital website and allows people to keep their health information with them. This was presented at the 2022 Health Consumers Queensland Forum. <p>Planning was undertaken to implement “Teach Back” as an evidenced based tool for patient communication and involvement in decision making.</p>

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

Achieve sustainable positive financial results.	Achieved a surplus of \$2.5 million for the year ended 30 June 2023.
All project documentation will include an evaluation framework.	<p>Metro North evaluation framework continues to be used across the HHS by all project teams.</p> <p>Examples include evaluation of Connected Community Pathways and Rapid Access Services projects and Helix Hub implementation.</p>
The achievement of our Service	2022-2023 presented a challenging environment as Metro

Agreement Performance Measures.	<p>North transitioned to a COVID-19 business as usual operating environment, impacting on emergency and planned care access targets especially during quarter 1.</p> <p>Metro North has worked closely with the Department of Health regarding performance against key indicators, and continues to identify strategies to recover performance during 2023-2024. Despite these impacts, Metro North achieved decreases across waiting lists. Metro North met or slightly exceeded activity requirements under the Service Agreement, recovering from the impacts of COVID-19 in Quarter 1.</p>
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Service standards

Increased demand and the acuity of presentations continues to put pressure on Metro North hospitals and health services. In the 2022-2023 reporting period, Metro North Health facilities implemented strategies to treat long wait patients in elective surgery. Metro North Health also implemented a number of measures to improve emergency department access and reduce waiting times for patients.

Table 10: Service Standards – Performance 2022-2023

Metro North Hospital and Health Service	2022-2023 Target	2022-2023 Actual
<i>Effectiveness measures</i>		
Percentage of emergency department patients seen within recommended timeframes		
<ul style="list-style-type: none"> • Category 1 (within 2 minutes) • Category 2 (within 10 minutes) • Category 3 (within 30 minutes) • Category 4 (within 60 minutes) • Category 5 (within 120 minutes) 	<p>100%</p> <p>80%</p> <p>75%</p> <p>70%</p> <p>70%</p>	<p>100%</p> <p>62%</p> <p>51%</p> <p>69%</p> <p>90%</p>
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	>80%	53%
Percentage of elective surgery patients treated within the clinically recommended times ¹		
<ul style="list-style-type: none"> • Category 1 (30 days) • Category 2 (90 days)² • Category 3 (365 days)² 	<p>>98%</p> <p>..</p> <p>..</p>	<p>93%</p> <p>82%</p> <p>87%</p>
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days ³	<2	0.7
Rate of community mental health follow up within 1-7 days following discharge from an acute mental health inpatient unit ⁴	>65%	59.5%
Proportion of re-admissions to acute psychiatric care within 28 days of discharge ⁵	<12%	9.3%
Percentage of specialist outpatients waiting within clinically recommended times		
<ul style="list-style-type: none"> • Category 1 (30 days) • Category 2 (90 days)⁶ • Category 3 (365 days)⁶ 	<p>56%</p> <p>..</p> <p>..</p>	<p>58%</p> <p>52%</p> <p>85%</p>

Metro North Hospital and Health Service	2022-2023 Target	2022-2023 Actual
Percentage of specialist outpatients seen within clinically recommended times		
• Category 1 (30 days)	81%	79%
• Category 2 (90 days) ⁶	..	49%
• Category 3 (365 days) ⁶	..	72%
Median wait time for treatment in emergency departments (minutes)	..	26
Median wait time for elective surgery treatment (days) ¹	..	36
Efficiency measure		
Average cost per weighted activity unit for Activity Based Funding facilities ⁷	\$5,205	\$5,562
Other measures		
Number of elective surgery patients treated within clinically recommended times ¹		
• Category 1 (30 days)	10,276	11,299
• Category 2 (90 days) ²	..	9,205
• Category 3 (365 days) ²	..	6,765
Number of Telehealth outpatients service events ⁸	48,622	89,941
Total weighted activity units (WAU) ⁹		
• Acute Inpatients	306,180	303,603
• Outpatients	108,817	111,799
• Sub-acute	29,439	34,946
• Emergency Department	63,631	50,996
• Mental Health	33,367	32,621
• Prevention and Primary Care	9,738	10,246
Ambulatory mental health service contact duration (hours) ¹⁰	>171,919	115,992
Staffing ¹¹	18,675	18,584

1	In response to the COVID-19 pandemic, the delivery of planned care services has been impacted. This has resulted from a period of temporary suspension of routine planned care services during 2021-2022 and subsequent increased cancellations resulting from patient illness and staff furloughing due to illness and isolation policies.
2	Given the System's focus on reducing the volume of patients waiting longer than clinically recommended for elective surgery and the continual impacts to services as a result of responding to COVID-19, treated in time performance targets for category 2 and 3 patients are not applicable for 2022-2023.
3	Staphylococcus aureus (including MRSA) bloodstream (SAB) infections 2022-2023 Actual rate is as at 7 August 2023.
4	Mental Health rate of community follow up 2022-2023 Actual is as at 14 August 2023.
5	Mental Health readmissions 2022-2023 Actual is for the period 1 July 2022 to 31 May 2023 as at 14 August 2023.
6	Given the System's focus on reducing the volume of patients waiting longer than clinically recommended for specialist outpatients, and the continual service impacts as a result of responding to COVID-19, seen in time targets for category 2 and 3 patients are not applicable for 2022-2023.
7	All measures are reported in QWAU (Queensland Weighted Activity Unit) Phase Q25. The variation in difference of Cost per WAU to target is a result of the additional costs of the COVID-19 pandemic.
8	Telehealth 2022-2023 Actual is as at 21 August 2023.
9	The 2022-2023 target varies from the published 2022-2023 Service Delivery Statement due to a change in the WAU phase. All measures are reported in QWAU Phase Q25. 2022-2023 Actuals are as at 14 August 2023.
10	Ambulatory Mental Health service contact duration 2022-2023 Actual is as at 14 August 2023.

11	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. 2022-2023 Actual is for pay period ending 25 June 2023.
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Financial summary

For the year ended 30 June 2023

Metro North Health achieved a surplus of \$2.5 million for the year ending 30 June 2023.

This financial year has presented significant challenges in the wake to the COVID-19 outbreak during last financial year.

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.

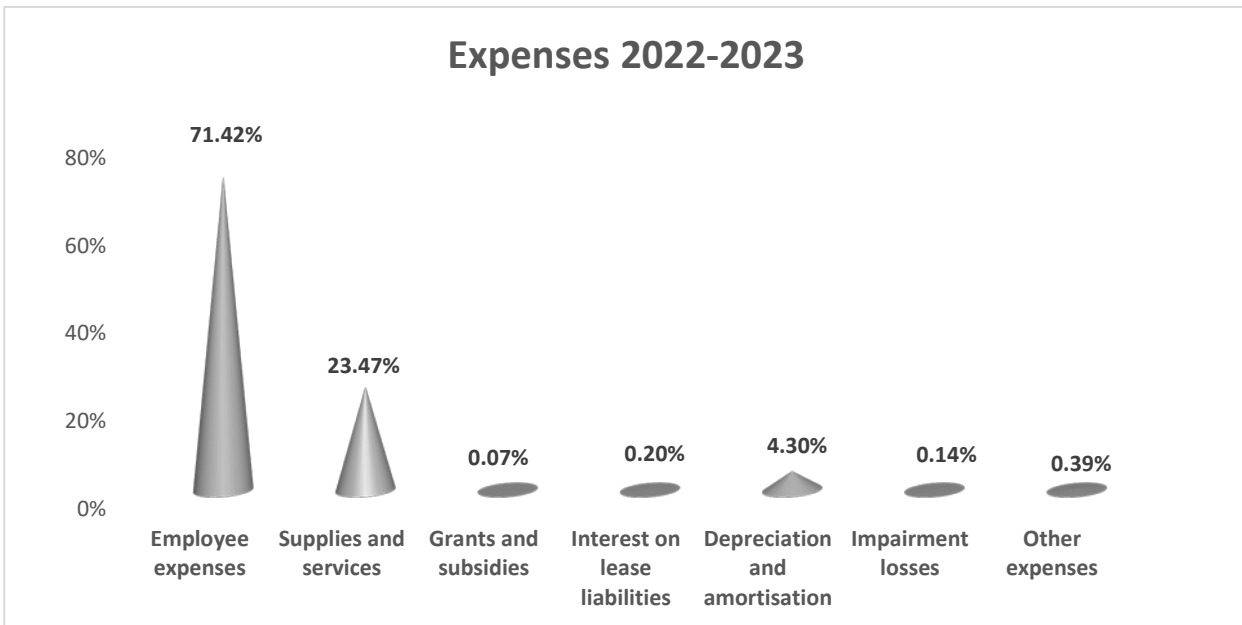
Revenue and expenditure

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's total revenue was \$3.986 billion, which is an increase of \$353.7 million (9.74 per cent) from the prior year.

- Activity-based funding for hospital services represented 70.98 per cent (\$2.830 billion) of total revenue
- Block and other Department of Health funding represented 17.53 per cent (\$698.8 million) of total revenue
- Own source revenue represented 8.41 per cent (\$335.4 million) of total revenue
- Total expenses were \$3.984 billion, averaging at \$10.9 million a day for providing public health services. Total expenditure increased by \$380.3 million (10.55 per cent) from last financial year.



Assets and liabilities

Metro North Health's asset base amounts to \$2.962 billion, with 69.50 per cent or \$2.059 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 \$404.0 million, with the remaining balance (\$499.0 million) held in cash, receivables and inventory.

Metro North Health's liabilities total \$872.1 million consisting of payables, employee benefits and contract liabilities and \$427.3 million lease liability related to STARS, resulting in an equity base of \$2.090 billion.

Financial outlook

Metro North Health has an operating budget of \$3.996 billion for 2023-2024, which is an increase on prior year revenue of \$378.8 million.

A number of significant capital projects will be continuing in 2023-2024 including, the finalisation of the Caboolture hospital redevelopment and the Caboolture multistorey carpark, the opening of the Caboolture satellite hospital and construction of the two remaining satellite hospitals at Bribie Island, and Kallangur. Metro North Health will also work with community and partners on the planning, design and delivery for Redcliffe hospital expansion, TPC expansion, and the Queensland Cancer Centre.

Deferred maintenance

Deferred 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 deferred maintenance.

The Maintenance Management Framework defines deferred maintenance as maintenance work that is postponed to a future budget cycle or until funds become available. Some maintenance activities can be postponed without immediately having a noticeable effect on the functionality of the building. All deferred maintenance items are risk assessed to identify any potential impact on users and services and are closely managed to ensure all facilities are safe.

As of 30 June 2023, Metro North Health had reported deferred maintenance of \$351.5 million.

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

- focus HHS minor capital budget of \$2.5 million annually to replace end of life building components
- continue to seek assistance from the Sustaining Capital Program.

Metro North Hospital and Health Service

Financial Statements – 30 June 2023

Metro North Hospital and Health Service

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Metro North Hospital and Health Service
Statement of comprehensive income
for the year ended 30 June 2023

	Notes	2023 Actual \$'000	2023 Budget \$'000	Budget Variance \$'000	2022 Actual \$'000
Income					
User charges and fees	A1-1	335,408	280,366	55,042	281,339
Funding for the provision of public health services	A1-2	3,528,668	3,265,962	262,706	3,252,595
Grants and other contributions	A1-3	26,364	21,159	5,205	22,012
Goods and services received below fair value	A1-4	28,162	26,287	1,875	28,101
Other revenue	A1-5	67,444	23,060	44,384	49,359
Total Revenue		3,986,046	3,616,834	369,212	3,633,406
Gain/(loss) on disposal/re-measurement of assets		867	11	856	(194)
Total income		3,986,913	3,616,845	370,068	3,633,212
Expenses					
Employee expenses	A2-1	475,182	426,517	(48,665)	445,117
Health service employee expenses	A2-2	2,370,651	2,175,830	(194,821)	2,118,708
Supplies and services	A3-1	935,325	804,215	(131,110)	839,875
Grants and subsidies		2,784	764	(2,020)	1,563
Interest on lease liabilities		7,789	8,291	502	8,089
Depreciation and amortisation	B3,B6	171,262	156,474	(14,788)	160,320
Impairment losses		5,690	7,962	2,272	7,294
Other expenses	A3-2	15,733	36,792	21,059	23,190
Total expenses		3,984,416	3,616,845	(367,571)	3,604,156
Operating result		2,497	-	2,497	29,056
Other comprehensive income					
<i>Items that will not be reclassified subsequently to operating result</i>					
Increase/(Decrease) in asset revaluation surplus	B5-1	196,798	-	196,798	84,706
Total other comprehensive income		196,798	-	196,798	84,706
Total comprehensive income		199,295	-	199,295	113,762

*An explanation of major variances is included at Note F1

Metro North Hospital and Health Service
Statement of financial position
as at 30 June 2023

	Notes	2023 Actual \$'000	2023 Budget \$'000	Budget Variance \$'000	2022 Actual \$'000
Current assets					
Cash and cash equivalents	B1	300,546	116,643	183,903	278,980
Receivables	B2-1	143,904	90,505	53,399	92,077
Inventories		26,481	22,513	3,968	23,991
Prepayments		15,891	21,614	(5,723)	14,308
Total current assets		486,822	251,275	235,547	409,356
Non-current assets					
Property, plant and equipment	B3-1	2,058,868	1,757,668	301,200	1,775,094
Right-of-use assets	B6-1	404,339	403,327	1,012	429,823
Intangible assets		11,630	8,672	2,958	14,543
Prepayments		544	282	262	495
Total non-current assets		2,475,381	2,169,949	305,432	2,219,955
Total assets		2,962,203	2,421,224	540,979	2,629,311
Current liabilities					
Payables	B4-1	367,661	226,776	140,885	317,498
Lease liabilities	B6-2	20,074	22,311	(2,237)	23,689
Accrued employee benefits	A2-1	37,960	15,110	22,850	16,168
Provisions		-	-	-	634
Contract liabilities		36,643	7,330	29,313	4,999
Total current liabilities		462,338	271,527	190,811	362,988
Non-current liabilities					
Lease liabilities	B6-2	407,246	387,640	19,606	422,896
Other liabilities		2,551	-	2,551	3,147
Total non-current liabilities		409,797	387,640	22,157	426,043
Total liabilities		872,135	659,167	212,968	789,031
Net assets		2,090,068	1,762,057	328,011	1,840,280
Equity					
Contributed equity		1,160,050	1,140,441	19,609	1,109,557
Accumulated surplus/(deficit)		189,117	162,218	26,899	186,620
Asset revaluation surplus	B5-1	740,901	459,398	281,503	544,103
Total equity		2,090,068	1,762,057	328,011	1,840,280

*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 2023

	Accumulated surplus / (deficit) \$'000	Asset revaluation surplus \$'000	Contributed equity \$'000	Total equity \$'000
Balance as at 1 July 2021	157,564	459,397	1,091,694	1,708,655
Operating result for the year	29,056	-	-	29,056
Other comprehensive income				
Increase/(Decrease) in asset revaluation surplus	-	84,706	-	84,706
Total comprehensive income for the year	29,056	84,706	-	113,762
Transactions with owners:				
Equity injections - minor capital funding	-	-	174,830	174,830
Equity withdrawals - depreciation and amortisation	-	-	(160,320)	(160,320)
Non-appropriated equity asset injections	-	-	3,353	3,353
Net transactions with owners	-	-	17,863	17,863
Balance at 30 June 2022	186,620	544,103	1,109,557	1,840,280
Balance as at 1 July 2022	186,620	544,103	1,109,557	1,840,280
Net effect of changes in accounting policies/prior year adjustments	-	-	-	-
Operating result for the year	2,497	-	-	2,497
Other comprehensive income				
Increase/(Decrease) in asset revaluation surplus	-	196,798	-	196,798
Total comprehensive income for the year	2,497	196,798	-	199,295
Transactions with owners:				
Equity injections - minor capital funding	-	-	214,914	214,914
Equity withdrawals - depreciation and amortisation	-	-	(170,246)	(170,246)
Non-appropriated equity asset injections/(withdrawals)	-	-	5,825	5,825
Net transactions with owners	-	-	50,493	50,493
Balance at 30 June 2023	189,117	740,901	1,160,050	2,090,068

The accompanying notes form part of these statements.

Metro North Hospital and Health Service
Statement of cash flows
for the year ended 30 June 2023

Notes	2023 Actual \$'000	2023 Budget \$'000	Budget Variance \$'000	2022 Actual \$'000
Cash flows from operating activities				
<i>Inflows</i>				
User charges and fees	355,012	284,958	70,054	298,886
Funding for the provision of public health services	3,306,770	3,250,120	56,650	3,164,440
Grants and other contributions	26,364	21,164	5,200	22,012
Interest received	1,328	389	939	378
Other revenue	47,577	22,671	24,906	34,051
GST received	6,290	-	6,290	-
GST input tax credits from ATO	68,869	39,723	29,146	62,782
<i>Outflows</i>				
Employee expenses	(2,824,675)	(2,600,396)	(224,279)	(2,558,237)
Supplies and services	(836,983)	(772,612)	(64,371)	(804,151)
Grants and subsidies	(2,784)	(764)	(2,020)	(1,563)
Interest payments on lease liabilities	(7,789)	(8,291)	502	(8,089)
Other expenses	(15,293)	(36,792)	21,499	(22,947)
GST paid	(69,168)	(39,749)	(29,419)	(63,707)
GST remitted to ATO	(6,476)	-	(6,476)	-
Net cash from operating activities	CF-1 49,042	160,421	(111,379)	123,855
Cash flows from investing activities				
<i>Inflows</i>				
Sales of property, plant and equipment	956	(30)	986	3,813
<i>Outflows</i>				
Payments for property, plant and equipment	(222,566)	(13,391)	(209,175)	(164,431)
Payments for intangible assets	(1,357)	-	(1,357)	(2,059)
Net cash from/(used by) investing activities	(222,967)	(13,421)	(209,546)	(162,677)
Cash flows from financing activities				
<i>Inflows</i>				
Equity transferred	214,914	21,929	192,985	174,830
<i>Outflows</i>				
Lease payments	(19,423)	(26,429)	7,006	(18,112)
Equity withdrawals	-	(156,474)	156,474	-
Net cash from/(used by) financing activities	195,491	(160,974)	356,465	156,718
Net increase/(decrease) in cash and cash equivalents				
Cash and cash equivalents at the beginning of the financial year	278,980	130,617	148,363	161,084
Cash and cash equivalents at the end of the financial year	B1 300,546	116,643	183,903	278,980

*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 2023

NOTES TO THE STATEMENT OF CASH FLOWS

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

	2023 \$'000	2022 \$'000
Surplus/(deficit) for the year	2,497	29,056
Adjustments for:		
Non-cash equity withdrawal - depreciation funding	(170,246)	(160,320)
Depreciation and amortisation expense	171,262	160,320
Impairment loss	6,025	9,492
Loss on sale of property, plant and equipment	-	508
Assets transferred - non-cash	(866)	(1,082)
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables	(57,392)	64,892
(Increase)/decrease in GST receivables	(485)	(925)
(Increase)/decrease in inventories	(2,490)	(2,384)
(Increase)/decrease in recurrent prepayments	(1,632)	6,520
Increase/(decrease) in payables	115,893	24,646
Increase/(decrease) in accrued salaries and wages	21,359	5,782
Increase/(decrease) in contract liabilities and unearned revenue	31,048	(29,400)
Increase/(decrease) in other employee benefits	433	112
Increase/(decrease) in funding payable	(65,730)	16,944
Increase/(decrease) in provisions	(634)	(306)
Net cash from operating activities	49,042	123,855

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	446,585	158	7,789	-	-	(27,212)	427,320
Carrying amount at 30 June 2023	446,585	158	7,789	-	-	(27,212)	427,320

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2023

BASIS OF FINANCIAL STATEMENT PREPARATION

GENERAL INFORMATION

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

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

The head office and principal place of business of Metro North is:

Level 14, Block 7

Royal Brisbane and Women's Hospital

Herston QLD 4029

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

STATEMENT OF COMPLIANCE

Metro North has prepared these financial statements in compliance with section 62(1) of the *Financial Accountability Act 2009* (Qld) and section 39 of the *Financial and Performance Management Standard 2019* (Qld).

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with *Queensland Treasury's Financial Reporting Requirements* for Queensland Government Agencies for reporting period beginning after 1 July 2022 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 2023

SECTION A

NOTES ABOUT OUR FINANCIAL PERFORMANCE

A1 REVENUE

A1-1: User charges and fees

	2023	2022
	\$'000	\$'000
Revenue from contracts with customers		
Hospital fees	124,645	114,560
Pharmaceutical benefit scheme reimbursements	174,510	130,154
Sales of goods and services	36,253	36,625
Total	335,408	281,339

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

	2023	2022
	\$'000	\$'000
Activity based funding	2,829,897	2,557,924
Block funding	278,357	243,057
Depreciation funding	170,246	160,320
Other funding	250,168	291,294
Total	3,528,668	3,252,595

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 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 2023 was \$1.2B (2022: \$1.3B).

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

The service agreement between the Department of Health and Metro North dictates that depreciation and amortisation charges that are incurred by Metro North are funded by the Department of Health via non-cash revenue. This transaction is shown in the Statement of changes in equity as an equity withdrawal, \$170.2M in 2023 (2022: \$160.3M).

In March 2020 the Commonwealth and States entered into a National Partnership on COVID-19 Response. Under this agreement the parties agreed to work together in response to the COVID-19 pandemic and to jointly fund additional health expenditure incurred to effectively manage the COVID-19 outbreak. From 30 September 2022 funding arrangement under this partnership changed. Funding is still available during 2022-23 at differing levels and for different items. Additional revenue of \$53.3M (2022: \$158.1M) is included above in relation to this agreement.

Other funding

Other funding includes services that are either funded by agreements other than National Health Reform Agreement or the sole responsibility of Queensland Government. This includes Public Health, Alcohol Tobacco and Other Drugs, Aged Care programs such as Residential Aged Care, Aged Care Assessment Program and Transition Care Program, Offender Health Services, Patient Transport, Disability Residential Care Services, and some Community Health Programs.

Metro North Hospital and Health Service

Notes to the financial statements

for the year ended 30 June 2023

A1 Revenue (continued)

A1-3: Grants and other contributions

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 \$9.4M (2022: \$7.0M). 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 separately 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 (2022: \$2.0M) to support research at the jointly funded Trauma Institute and the Commonwealth Department of Health Radiation Oncology Health Program Grants (ROHPG) program \$1.1M (2022: \$1.2M).

A1-4: Services received below fair value

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 2022-23, 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 \$28.2M in 2023 (2022: \$28.1M) 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.

A1-5: Other revenue

	2023	2022
	\$'000	\$'000
Health service employee expense recoveries	20,038	18,985
Rental income	6,363	6,489
Other recoveries	21,159	11,371
National disability insurance scheme	7,007	6,874
Other revenue	12,877	5,640
Total	67,444	49,359

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*.

Metro North Hospital and Health Service

Notes to the financial statements

for the year ended 30 June 2023

A2 EMPLOYEE EXPENSES

A2-1: Employee expenses

	2023	2022
	\$'000	\$'000
Employee benefits		
Wages and salaries	350,916	351,033
Annual leave levy	46,289	23,286
Employer superannuation contributions	30,090	29,379
Long service leave levy	9,165	9,229
Termination benefits	924	248
Employee related expenses		
Workers compensation premium	20,398	16,724
Other employee related expenses	17,400	15,218
Total	475,182	445,117
	2023	2022
	No.	No.
Full-Time Equivalent Employees	963	912
Total	963	912

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*.

A2-2: Health service employee expenses

	2023	2022
	\$'000	\$'000
Health service employee expenses	1,927,462	1,675,519
Health service employee related expenses	443,189	443,189
Total	2,370,651	2,118,708
	2023	2022
	No.	No.
Full-Time Equivalent Health Service Contract Labour	17,620	17,103

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.

Metro North Hospital and Health Service

Notes to the financial statements

for the year ended 30 June 2023

A2 Employee Expense (continued)

A2-3 Key management personnel disclosures

Metro North's responsible Minister is identified as part of its key management personnel. The Ministers responsible for the financial year was the Honourable Yvette D'Ath MP, the Minister for Health and Ambulance Services, 12 Nov 2020 – 17 May 2023 and Honourable Shannon Fentiman, the Minister for Health, Mental Health and Ambulance Services and Minister for Women, 18 May 2023 - 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 2022-23 and 2021-22, further information about these positions can be found in the Annual Report.

Position	Position Responsibility
Board	
Non-executive Board Chair	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance.
Non-executive Deputy Board Chair	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance
Non-executive Board Member	Provide strategic leadership, guidance and effective oversight of management, operations and financial performance.
Executive Management	
Chief Executive	Responsible for the strategic direction and the efficient, effective and economic administration of the Health Service.
Chief Operating Officer	Responsible for providing operational leadership, direction and day to day management, including infrastructure of Metro North to optimise quality health care and business outcomes.
Executive Director, Strategy, Planning, Assets, Infrastructure, and Strategic Developments	Responsible for strategically leading the development of Metro North's core health service strategy and planning, consumer engagement and infrastructure functions in the context of Metro North Health.
Chief Finance and Corporate Officer	Responsible for development and execution of strategy and full accountability with respect to financial stewardship, management of the asset portfolio, legal, information technology, commercial matters and procurement.
Chief People and Culture Officer	Responsible for recruitment, development and retention of a high performing and diverse workforce. Foster a healthy, safe and inclusive work environment that maximises individual and organisational potential.
Executive Director Clinical Services	Responsible for monitoring and strategically directing the budgetary and activity performance of Metro North'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 as an entity.
Executive Director Safety and Quality	Provide strategic leadership, direction and day to day management of Metro North's governance, quality and risk functions to optimise quality health care, statutory and policy compliance and continuously improving business outcomes.

Remuneration policy

Minister remuneration

Metro North does not incur any expense in relation to the Minister. The majority of Ministerial entitlements are paid by the Legislative Assembly, with remaining entitlements being provided by Ministerial Services Branch within the Department of Premier and Cabinet. As all Ministers are reported as key management personnel of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland Whole of Government Consolidated Financial Statements 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.

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2023

A2 Employee Expense (continued)

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 2022-23 financial year (2022: \$nil).

Board remuneration

Name	Short term employee expenses		Post-employment benefits	Total Expenses
	Monetary expenses	Non-monetary expenses		
	\$'000	\$'000	\$'000	\$'000
2022-23				
Non-executive Board Chair Mr Jim McGowan AM (18/05/2020)	95	-	10	105
Non-executive Deputy Board Chair Dr Kim Forrester (18/05/2013)	52	-	5	57
Non-executive Board Member Mr Adrian Carson (18/05/2017)	48	-	5	53
Mr Bernard Curran (18/05/2018)	49	-	5	54
Ms Bonny Barry (18/05/2016)	48	-	5	53
Mr Geoff Hardy (18/05/2016)	49	-	5	54
Professor Mary-Louise Fleming (18/05/2016)	51	-	5	56
Dr Melissa (Meg) Cairns (01/04/2022)	48	-	5	53
Mr Neil Roberts (18/05/2019)	48	-	5	53
Ms Nermina (Nera) Komaric (18/05/2021)	48	-	5	53
Dr Robert Franz (18/05/2019)	48	-	5	53
Total Remuneration	584	-	60	644

Metro North has reimbursed board members a total of \$4,723.54 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 2023

A2 Employee Expense (continued)

Board remuneration

Name	Short term employee expenses		Post-employment benefits	Total Expenses
	Monetary expenses	Non-monetary expenses		
	\$'000	\$'000	\$'000	\$'000
2021-22				
Non-executive Board Chair				
Mr Jim McGowan AM (18/05/2020)	98	-	9	107
Non-executive Deputy Board Chair				
Dr Kim Forrester (18/05/2013)	54	-	5	59
Non-executive Board Member				
Mr Adrian Carson (18/05/2017)	48	-	5	53
Mr Bernard Curran (18/05/2018)	49	-	5	54
Ms Bonny Barry (18/05/2016)	50	-	5	55
Mr Geoff Hardy (18/05/2016)	48	-	5	53
Professor Mary-Louise Fleming (18/05/2016)	53	-	5	58
Dr Melissa (Meg) Cairns (01/04/2022)	12	-	1	13
Mr Neil Roberts (18/05/2019)	48	-	5	53
Ms Nermina (Nera) Komaric (18/05/2021)	48	-	5	53
Dr Paula Conroy (18/05/2018)*	36	-	4	40
Dr Robert Franz (18/05/2019)	48	-	5	53
Total Remuneration	592	-	59	651

*Dr Paula Conroy is no longer a Board member from 31/03/2022

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.

Executive remuneration

Position	Short-term employee benefits		Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Monetary benefits	Non-monetary benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022-23						
Health Service Chief Executive (To 30/06/2023)	441	-	11	45	-	497
Health Service Chief Executive (Acting) 20/06/2022 – 03/07/2022; 25/07/2022 – 07/08/2022	17	-	-	1	-	18
Chief Operating Officer (To 30/06/2023)	272	-	6	28	-	306
Chief Operating Officer (Acting) 03/06/2022 – 03/07/2022; 25/07/2022 – 10/08/2022	18	-	-	1	-	19
Executive Director, Strategy, Planning, Assets (To 30/06/2023)	235	-	5	22	-	262
Chief Finance and Corporate Officer (To 30/06/2023)	251	-	6	24	-	281
Chief People & Culture Officer (From 01/08/2022)	199	-	5	20	-	224
Executive Director Clinical Services (Acting) (To 30/06/2023)	551	-	12	39	-	602

Metro North Hospital and Health Service

Notes to the financial statements

for the year ended 30 June 2023

A2 Employee Expense (continued)

Executive remuneration

Position	Short-term employee benefits		Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Monetary benefits	Non-monetary benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Executive Director Safety and Quality (To 30/06/2023)	213	-	5	22	-	240
Executive Director Safety and Quality (Acting) 12/12/2022 – 29/01/2023	26	-	-	2	-	28
Executive Director Safety and Quality (Acting) 17/04/2023 – 30/06/2023	35	-	1	3	-	39
Total	2,258	-	51	207	-	2,516

Position	Short-term employee benefits		Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Monetary benefits	Non-monetary benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021-22						
Health Service Chief Executive (To 03/06/2022)	416	-	9	44	-	469
Health Service Chief Executive (Acting) 03/06/2022-30/06/2022	21	-	0	2	-	23
Chief Operating Officer (Acting) 24/07/2021 – 13/03/2022*	372	-	9	26	-	407
Chief Operating Officer (Acting) 21/03/2022 – 03/06/2022	55	-	1	5	-	61
Chief Operating Officer (Acting) from 03/06/2022	26	-	0	2	-	28
Executive Director, Strategy, Planning, Assets, (From 07/03/2022)**	82	-	2	7	-	91
Chief Finance and Corporate Officer (To 05/11/2021)	89	-	2	8	3	102
Chief Finance and Corporate Officer (From 01/11/2021)	178	-	5	13	-	196
Executive Director Clinical Services (To 27/02/2022)	379	-	9	30	-	418
Executive Director Clinical Services (Acting from 28/02/2022)	173	3	4	13	-	193
Executive Director Safety and Quality	243	6	5	25	-	279
Total	2,034	9	46	175	3	2,267

*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.

**Additional role Executive Director - Strategy, Planning, Assets, Infrastructure, and Strategic Developments established in Financial year 2021/22

Metro North Hospital and Health Service

Notes to the financial statements

for the year ended 30 June 2023

A3 OTHER EXPENSES

A3-1: Supplies and services

	2023	2022
	\$'000	\$'000
Clinical supplies and services	231,124	226,709
Drugs	218,725	169,607
Pathology, blood and parts	119,504	118,264
Catering and domestic supplies	54,534	49,598
Repairs and maintenance	52,944	52,995
Communications	39,991	33,873
Computer services	30,369	28,290
Insurance	28,704	26,493
Consultants and contractors - clinical	19,889	8,869
Electricity and other energy	19,312	18,907
Professional Services	18,811	15,508
Fee for Service (Private Health Providers)	12,872	9,098
Facility management fee	8,486	10,227
Building services	7,326	3,784
Patient travel	7,266	5,600
Rental expenses	6,594	7,669
Consultants and contractors - non-clinical	5,925	5,407
Minor works including plant and equipment	5,818	2,980
Services received below fair value	28,162	28,101
Other	18,969	17,896
Total	935,325	839,875

Accounting policy – Goods and services received below fair value

During 2022-23 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 A1-4 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 2022-23 financial year are \$334,600 (2022: \$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* (Qld), 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 2022-23, ex-gratia payments of \$320,171 (2022: \$464,858) were made, consisting of reportable payments totalling \$265,005 (2022: \$422,224) and a number of smaller non-reportable payments consisting of compensation for the loss of or damage to patients' personal belongings. Reportable payments ranging from \$5,000 to \$209,592 were made to 6 individuals relating to patient medical claims and financial assistance.

Metro North Hospital and Health Service

Notes to the financial statements

for the year ended 30 June 2023

SECTION B

NOTES ABOUT OUR FINANCIAL POSITION

B1 CASH AND CASH EQUIVALENTS

	2023	2022
	\$'000	\$'000
Cash at bank and on hand	265,847	246,071
Cash on deposit	34,699	32,909
Total	300,546	278,980

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 4.24% (2022: 0.76%).

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 received 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

	2023	2022
	\$'000	\$'000
Trade receivables	79,093	80,013
Less: Allowance for impairment	(9,433)	(9,769)
Accrued Interest and Other	278	4
Trade receivables (net of allowance for impairment)	<u>69,938</u>	<u>70,248</u>
GST receivable	7,698	7,399
GST payable	(676)	(862)
	<u>7,022</u>	<u>6,537</u>
Funding public health services	66,944	15,292
Total	143,904	92,077

Movements in the allowance for impairment loss

Balance at beginning of the year	9,769	10,634
Amounts written off during the year	(6,025)	(9,159)
Increase/(decrease) in allowance recognised in operating result	5,689	8,294
Total	9,433	9,769

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2023

B2 RECEIVABLES (continued)

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	Impaired
	\$'000	\$'000
2023		
Trade receivables		
Less than 30 days	8,147	300
30 to 60 days	4,585	202
60 to 90 days	4,970	223
Greater than 90 days	30,071	8,708
Total overdue	47,773	9,433

B2-2: Impairment of receivables (continued)

	Past due but not Impaired	Impaired
	\$'000	\$'000
2022		
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
Total overdue	41,698	9,769

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 2023, \$2.9M of non-contract receivables were included in the receivables balance.

Metro North Hospital and Health Service
Notes to the financial statements
for the year ended 30 June 2023

B3 PROPERTY PLANT AND EQUIPMENT

B3-1: 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	
2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	440,983	3,047,811	1,091	539,081	352,075	4,381,041
Less: Accumulated depreciation	-	(2,023,799)	(697)	(297,677)	-	(2,322,173)
Carrying amount at 30 June 2023	440,983	1,024,012	394	241,404	352,075	2,058,868

Represented by movements in carrying amount:

Carrying amount at 1 July 2022	380,674	969,830	423	229,073	195,094	1,775,094
Transfers in from other Queensland Government entities	-	4,744	-	801	-	5,545
Acquisitions	-	3,869	-	56,734	161,963	222,566
Disposals	-	-	-	(100)	-	(100)
Transfers between classes #	-	4,982	-	-	(4,982)	-
Net revaluation increments	60,309	136,490	-	-	-	196,798
Depreciation expense	-	(95,903)	(29)	(45,104)	-	(141,036)
Carrying amount at 30 June 2023	440,983	1,024,012	394	241,404	352,075	2,058,868

	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)
Carrying amount at 30 June 2022	380,674	969,830	423	229,073	195,094	1,775,094

Represented by movements in carrying amount:

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

*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 (2022: \$0.98M).

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
for the year ended 30 June 2023

B3 PROPERTY PLANT AND EQUIPMENT (continued)

B3-2 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*.

B3-3: Accounting policies - Measurement

Measurement at historical cost

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

Measurement of fair value

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

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

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

Fair value inputs

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

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

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

Significant unobservable inputs used by Metro North include, but are not limited to:

- Subjective adjustments made to observable data to take account of the specialised nature of health service buildings and on hospital-site residential facilities, including historical and current construction contracts and cost estimates; and
- Cost estimates of construction on cost for preliminaries, professional fees and risk; and
- Assessments of physical condition and remaining useful life.

Metro North Hospital and Health Service
Notes to the financial statements
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B3 PROPERTY PLANT AND EQUIPMENT (continued)

B3-3: 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 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 2021-22 – 2024-25.

Metro North has engaged AECOM to independently assess and determine fair value for all Buildings and Site Improvement 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 taking into account managements instructions to replace, upgrade or maintain these buildings. 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.

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 Southeast 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
for the year ended 30 June 2023

B3 PROPERTY PLANT AND EQUIPMENT (continued)

B3-3: Accounting policies – Measurement (continued)

Results of valuation

In 2022-23, land valuation was reviewed by the State Valuation Service which recommended an indexation movement of \$60.3M, leaving a Revaluation Reserve for Land as at the 30 June 2023 of \$128.7M (2022: \$33.2M increment).

The second tranche of the new rolling revaluation program for special purpose buildings (level 3), were comprehensively revalued in 2022-23 resulting in an increment of \$93.6M. The valuation of all buildings not comprehensively revalued in 2022-23 (excluding heritage listed and new builds) were considered via indexation resulting in an indexation movement of 8.5% a \$42.9M increment, leaving a Revaluation Reserve for Buildings and Site Improvements as at the 30 June 2023 of \$611.7M (2022: \$53.5M increment). The total movement for buildings for 2022-23 was \$136.5M.

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 2022-23 financial year all revaluation amounts were adjusted against the existing revaluation reserve for the 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.

B3-4: 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%

B3-5: 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 2022-23 (2022: \$nil).

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B4 LIABILITIES

B4-1: Payables

	2023 \$'000	2022 \$'000
Trade creditors	326,270	222,137
Other creditors	26,068	14,308
Funding repayable	15,323	81,053
Total	367,661	317,498

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 to Note A1-2 for further detail on funding of public health services.

B5 EQUITY

B5-1: Asset revaluation surplus

	Land \$'000	Buildings \$'000	Heritage & Cultural Assets \$'000	Total \$'000
Balance 1 July 2022	68,378	475,217	508	544,103
Revaluation increments/(decrements)	60,309	136,490	-	196,798
Balance 30 June 2023	128,687	611,707	508	740,901

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

*Heritage and Cultural Assets are included within Plant and Equipment B3-1 Property Plant and Equipment

Accounting policy – Revaluation surplus

The asset revaluation surplus represents the net effect of revaluation movements in assets. Refer to Note B3 for full disclosure.

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B6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

B6-1: Right-of-use assets

2023	Land and buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000
Cost	454,933	28,241	483,174
Less: Accumulated depreciation	(60,386)	(18,449)	(78,835)
Carrying amount at 30 June 2023	394,547	9,792	404,339

Represented by movement in carrying amount:

Carrying amount at 1 July 2022	417,333	12,490	429,823
Additions	76	82	158
Depreciation	(22,862)	(2,780)	(25,642)
Other adjustments	-	-	-
Carrying amount at 30 June 2023	394,547	9,792	404,339

2022	Land and buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000
Cost	454,857	28,159	483,016
Less: Accumulated amortisation	(37,524)	(15,669)	(53,193)
Carrying amount at 30 June 2022	417,333	12,490	429,823

Represented by movement in carrying amount:

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)
Carrying amount at 30 June 2022	417,333	12,490	429,823

B6-2: Lease liabilities

	2023	2022
	\$'000	\$'000
Current		
Lease liabilities	20,074	23,689
Total current	20,074	23,689
Non-current		
Lease liabilities	407,246	422,896
Total non-current	407,246	422,896
Total	427,320	446,585

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.

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B6 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 located at STARS. These leases generally have a 7 year term.
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 2023 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. Metro North also leases office accommodation from private sector providers where alternative premises are not available.

(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 Herston Quarter is being developed under a consortium led by Australian Unity.

Australian Unity's scope of work includes the construction of a new hospital "STARS", which was delivered under a public-private partnership lease arrangement with Metro North. The building provides an approximate 35,000 sqm facility which includes 100 rehabilitation beds, special purpose rehabilitation support areas, and a surgical and endoscopic centre with a thirty-two-bed surgical inpatient room, seven operating theatres, three endoscopy rooms and recovery spaces.

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

Commercial acceptance by Metro North of the STARS building occurred on 4th November 2020, at which time the parties entered into a lease for an initial 20-year period, with an option to extend this lease by two periods of 10 years (40 years in total). At the commencement date, the lease liability was calculated as the present value of the future lease repayments, discounted using the QTC fixed rate loan interest rate at that date for the period which aligns with the length of the lease agreement.

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

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

	2023	2022
	\$'000	\$'000
Outflows		
Not later than 1 year	27,500	27,302
Later than 1 year but not later than 5 years	110,437	110,541
Later than 5 years	355,748	382,663
Total estimated cash outflows	493,685	520,506

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

	2023	2022
	\$'000	\$'000
Outflows		
Not later than 1 year	7,982	7,557
Later than 1 year but not later than 5 years	41,699	37,448
Later than 5 years	241,863	254,096
Total estimated cash outflows	291,544	299,101

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B7 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 The 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 B3 and as shown in Note B7-1 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 B7-2 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 B3 and as shown in Note B7-1 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.

The unearned revenue associated with this agreement was fully recognised on 29 October 2022. On this date the lease to private sector operator also ceased and Metro North assumed operational responsibility for the carpark. Revenue from the operation of the carpark \$0.09M.

STARS

As outlined in Note B6, 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 B6. Metro North has the option to purchase the STARS facility at market value at the expiration of the initial 20 year lease and each of the two 10 year options (if exercised). Metro North does not hold any ownership interest in the building unless or until it purchases it from the private sector entity.

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

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Notes to the financial statements
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B7 PUBLIC PRIVATE PARTNERSHIPS (continued)

B7-1 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.

B7-1: PPPs outside AASB 1059

	2023 \$'000	2022 \$'000
Assets		
Buildings		
RBWH Butterfield Street Car Park	12,777	15,342
The Prince Charles Hospital Car Park	4,847	5,508
Total Assets	17,624	20,850
Liabilities		
Unearned revenue		
RBWH Butterfield Street Car Park	3,147	3,744
The Prince Charles Hospital Car Park	-	92
Total Liabilities	3,147	3,836

B7-2 Operating statement impact

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

B7-2: Operating statement impact

	Butterfield St \$'000	TPCH \$'000	Total \$'000
2022-23			
Revenue			
Depreciation funding	2,565	661	3,226
Amortisation of unearned revenue	597	92	689
Expenses			
Depreciation expenses	(2,565)	(661)	(3,226)
Net impact on operating result	597	92	689
2021-22			
Revenue			
Depreciation funding	2,557	551	3,108
Amortisation of unearned revenue	597	275	872
Expenses			
Depreciation expenses	(2,557)	(551)	(3,108)
Net impact on operating result	597	275	872

Metro North Hospital and Health Service
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SECTION C

NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

C1 FINANCIAL RISK DISCLOSURES

C1-1: Financial instrument categories

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

Category	Notes	2023 \$'000	2022 \$'000
Financial assets			
Cash and cash equivalents	B1	300,546	278,980
Receivables	B2-1	143,904	92,077
Total		444,450	371,057
Financial liabilities			
Lease liabilities	B6-2	427,320	446,585
Payables	B4-1	367,661	317,498
Total		794,981	764,083

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 Goods 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 (2022: \$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 2023.

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	2023 \$'000	< 1 year \$'000	1 – 5 years \$'000	> 5 years \$'000
Payables	367,661	367,661	-	-
Lease liabilities	493,685	27,500	110,437	355,748
Total	861,346	395,161	110,437	355,748

(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.

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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:

	2023	2022
	\$'000	\$'000
Outflows		
Not later than 1 year	87,895	207,473
Later than 1 year but not later than 5 years	44,766	14,518
Total estimated cash outflows	132,661	221,992

C3 CONTINGENCIES

As at 30 June 2023, the following cases were filed in the courts naming the State of Queensland acting through Metro North as defendant:

	2023	2022
	Number of cases	Number of cases
Federal Court	3	2
Supreme Court	19	13
District Court	7	9
Magistrates Court	2	-
Tribunals, commissions and boards	2	6
Total	33	30

(a) Litigation in progress

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

(b) Contractual contingencies

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

C4 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

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

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C5 JOINT ARRANGEMENTS

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

HIRF is located in Herston, Brisbane, on land that is owned by Metro North. This alliance agreement is with the University of Queensland (UQ), the Council of the Queensland Institute of Medical Research (QIMR) and Queensland University of Technology (QUT).

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

The joint arrangements had no contingent liabilities or capital commitments as at 30 June 2022 and 2023.

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 2023 that have significantly affected, or may significantly affect Metro North's operations, the results of those operations, or its state of affairs in future financial years.

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SECTION D

WHAT WE LOOK AFTER ON BEHALF OF THIRD PARTIES

D1 GRANTED PRIVATE PRACTICE

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

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

All monies received for Granted Private Practice are deposited into separate bank accounts that are administered by Metro North on behalf of the Granted Private Practice SMOs and VMOs. These accounts are not reported in Metro North's Statement of financial position.

All assignment option receipts, retention option services fees and service retention fees are included as revenue in the Statement of comprehensive income of Metro North on an accrual basis. The funds are then subsequently transferred from the Granted Private Practice bank accounts into Metro North operating and general trust bank accounts (for the service retention fee portion).

	2023	2022
	\$'000	\$'000
Receipts		
Billings - (SMOs and VMOs)	53,359	55,109
Interest	116	27
Total receipts	53,475	55,136
Payments		
Hospital and Health Service recoverable administrative costs	34,033	41,382
Payments to medical practitioners	15,480	14,245
Hospital and Health Service education/travel fund	2,960	3,136
Total payments	52,473	58,763
Closing balance of bank account under a trust fund arrangement not yet disbursed and not restricted cash	4,570	3,568

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.

	2023	2022
	\$'000	\$'000
Patient trust funds		
Opening balance	144	172
Patient trust receipts	6,276	5,530
Patient trust payments	(6,273)	(5,558)
Closing balance (represented by cash)	147	144

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 2023, an amount of \$34.6M (2022: \$33.1M) in General Trust is set aside for specified purposes defined by the contribution.

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SECTION E

OTHER INFORMATION

E1 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 2022-23 financial year, Metro North has continued with the COVID-19 response, moving from the COVID-19 Response Plan to the National COVID-19 Health Management Plan. As a result, Metro North has transitioned COVID-19 activities back to pre-pandemic models where appropriate.

As of 31st of December 2022 the COVID-19 National Partnership Agreement (NPA) ceased. State funding for COVID-19 response was capped in 2022-23 as opposed to being reimbursed in arrears on spend basis. Refer to Note A1-2 for further detail relating to revenue received for 2022-23 financial year.

E2 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:

E2-1: Related Party Transactions- Department of Health

	2023	2022
	\$'000	\$'000
Revenue received	3,565,621	3,263,868
Expenditure incurred	2,605,738	2,390,480
Receivables	68,029	22,123
Payables	259,570	190,253

E2-2: Related Party Transactions- Queensland Treasury Corporation

	2023	2022
	\$'000	\$'000
Revenue received	1,029	192
Expenditure incurred	50	48
Receivables	34,699	32,909
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 (Australian Retirement Trust) 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.

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E2 RELATED PARTY TRANSACTIONS (continued)

(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 2023 between Metro North and key management personnel, including their related parties were on commercial terms and conditions and were immaterial in nature.

E3 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.

E4 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>
- Queensland Energy and Jobs Plan
accessible via Department of Energy and Public Works (epw.qld.gov.au)
- 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 climate-related risks when assessing material accounting judgements and estimates used in preparing its financial report. Key estimates and judgements identified include the potential for changes in asset useful lives, changes in the fair value of assets, impairment of assets, the recognition of provisions or the possibility of contingent liabilities.

No adjustments to the carrying value of assets were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate-related risks impacting the department.

Metro North continues to monitor the emergence of material climate-related risks that may impact the financial statements of the department, including those arising under the Queensland Government Climate Action Plan 2020-2030 and other Government publications or directives.

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 2023

BUDGET v ACTUAL COMPARISON

F1 BUDGET VS ACTUAL COMPARISON – STATEMENT OF COMPREHENSIVE INCOME

User Charges and fees - There was a large increase in revenue from the Pharmaceutical Benefits Scheme (PBS) with reimbursements associated with additional high-cost drug use, primarily for Cystic Fibrosis patients at The Prince Charles Hospital and Hepatitis C drugs at the Woodford Correctional Centre.

Funding for the provision of public health services - This relates to additional funding for Enterprise Bargaining outcomes including 4% wage increases for all streams, Cost of Living Allowance (COLA), changes to Superannuation and other new clauses.

There has also been additional funding for non-labour cost inflationary pressures, COVID-19 response, Caboolture Hospital Redevelopment Program and numerous other health initiatives including connected community pathways and better care together (Mental Health), transacted with the Department of Health through service agreement amendment windows.

Other Revenue - This relates to the reimbursement of non-capital expenditure for projects funded by the Department of Health (DoH).

Health service employee expenses - This relates to majority of streams enterprise bargaining (EB) wages increasing from 2.5% that was included in budget to 4% which was included in the final EB agreements. Labour impact for changes to employer superannuation (super) relating to 2023 and nursing and medical cost of living allowance (COLA)

Supplies and Services - This variance is due to significant increase in high-cost drugs primarily for Cystic Fibrosis patients at The Prince Charles Hospital and Hepatitis C at the Woodford Correctional Centre. These costs are partially offset by additional PBS revenue as outlined in "User charges and fees" above.

Other variances to budget relate to overruns in prosthetics, repairs and maintenance, outsourced service delivery and building services (relating to water and sewage back billing due to faulty meters).

F2 BUDGET VS ACTUAL COMPARISON – STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents - The variance to budget is due to funding received for enterprise bargaining increases related FY2023, but not paid until FY2024, cash held for funding deferrals and timing differences in current assets and current liabilities.

Receivables - The variance to budget is predominantly due of the recognition of year end accrued funding receivables from the Department of Health

Property, Plant and Equipment - The variance to budget relates predominately to increases in asset revaluation for, land valuations as reviewed by the State Valuation Service and the second tranche of the new rolling revaluation program for special purpose buildings (level 3), which were comprehensively revalued in 2022-23, as well as an indexation movement of 8.5% for the valuation of all buildings not comprehensively revalued in 2022-23. Valuation increments/decrements are not budgeted for.

Payables - The variance to budget predominantly due to the recognition of the year end accrued funding payable to the Department of Health, the timing of payroll including backpay resulting from the enterprise bargaining agreements being authorised in May and creditor payments.

Accrued employee benefits - The variance relates to Medical, Visitor Medical Officer (VMO) and Health Practitioner (HP) accrued wages increase as a result of the enterprise bargaining agreements negotiations.

Contract Liabilities - The variance to budget mainly relates to the revenue in the Service Agreement with the Department of Health where deliverables have not yet been achieved

F3 BUDGET VS ACTUAL COMPARISON – STATEMENT OF CASH FLOWS

User Charges - Refer to Note F1 for further explanation.

Other Revenue - Refer to Note F1 for further explanation.

Employee expenses - This relates to majority of streams enterprise bargaining (EB) wages increasing from 2.5% to 4%. Labour impact for changes to employer superannuation (super) relating to 2023 and nursing and medical cost of living allowance (COLA).

Supplies and Services - Refer to Note F1 for further explanation.

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 to 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 2023

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 2023 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: 29 August 2023



Adjunct Professor Jackie Hanson
Chief Executive
Date: 29 August 2023



Mr Alister Whitta
Chief Finance and Corporate Officer
Date: 29 August 2023

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 2023, 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 2023, 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 material accounting policy 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 \$1,024.012 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.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> • gross replacement cost, less • accumulated depreciation. <p>Metro North Hospital and Health Service derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> • identifying the components of buildings with separately identifiable replacement costs • developing a unit rate for each of these components, including: <ul style="list-style-type: none"> – estimating the current cost for a modern substitute (including oncosts), expressed as a rate per unit (e.g. \$/square metre) – identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference. <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"> • significant judgement in determining changes in cost and design factors for each asset type since the previous revaluation • reviewing previous assumptions and judgements used in the last comprehensive valuation to ensure ongoing validity of assumptions and judgements used. 	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • reviewing the scope and instructions provided to the valuer • assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices • assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices • assessing the competence, capabilities and objectivity of management's experts used to develop the models • 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"> – modern substitute (including oncosts) – adjustment for excess quality or obsolescence • evaluating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices • evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> – reviewing management's annual assessment of useful lives – at an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets – testing that no building asset still in use has reached or exceeded its useful life – enquiring of management about their plans for assets that are nearing the end of their useful life – reviewing assets with an inconsistent relationship between condition and remaining useful life. • Where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence. • Assessing the adequacy of management's review of the valuation process and results.

Other Information

Other information comprises the information included in the entity's annual report for the year ended 30 June 2023, 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 forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information 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 2023:

- 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 2023

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Glossary

ACHS	The Australian Council on Healthcare Standards	IPPF	International Professional Practices Framework
AHPRA	Australian Health Practitioner Regulation Agency	Metro North Health	Metro North Hospital and Health Service
CAC	Community Advisory Committee	MOHRI	Minimum Obligatory Human Resource Information
CALD	Culturally and linguistically diverse communities	MRSA	Methicillin-resistant Staphylococcus aureus
COH	Community and Oral Health Directorate	OECD	Organisation for Economic Cooperation and Development
ED	Emergency Department	PREMS	Patient reported experience and outcome measures
eDRMS	Electronic document and records management system	QAO	Queensland Audit Office
EQulP	Evaluation and Quality Improvement Program	RAUGH	Research Alliance for Urban Goori Health
ES	Elective Surgery	RBWH	Royal Brisbane and Women's Hospital
FTE	Full Time Equivalent	S/4HANA	Queensland Health's finance, business and logistics platform
GP	General Practitioner	SAMP	Strategic Asset Management Plan
HSCE	Health Service Chief Executive	STARS	Surgical, Treatment and Rehabilitation Service
HHS	Hospital and Health Service	TMS	Talent Management System
ICU	Intensive Care Unit	TPCH	The Prince Charles Hospital
ieMR	Integrated Electronic Medical Record	UQ	The University of Queensland
IUIH	Institute for Urban Indigenous Health	WAU	Weighted Activity Unit

Compliance Checklist

Summary of requirement	Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7 p.4
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1 p.79
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2 p.2
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3 p.2
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4 p.2
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5 p.2
	General information	<ul style="list-style-type: none"> Introductory Information
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1 p.6,8,9
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2 p.9,32-36
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3 p.36-38
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1 p.38
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1 p.24
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2 p.22
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3 p.16
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4 p.30
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5 p.30
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6 p.8
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1 p.27
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2 p.15
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3 p.28
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4 p.29
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5 p.30
	<ul style="list-style-type: none"> Information Security attestation 	ARRs – section 14.6 p.30
	<ul style="list-style-type: none"> Strategic workforce planning and performance 	ARRs – section 15.1 p.26

Summary of requirement	Basis for requirement	Annual report reference
Governance – human resources	<ul style="list-style-type: none"> • Early retirement, redundancy and retrenchment 	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2 p.27
Open Data	<ul style="list-style-type: none"> • Statement advising publication of information 	ARRs – section 16 p.2
	<ul style="list-style-type: none"> • Consultancies 	ARRs – section 31.1 https://data.qld.gov.au
	<ul style="list-style-type: none"> • Overseas travel 	ARRs – section 31.2 https://data.qld.gov.au
	<ul style="list-style-type: none"> • Queensland Language Services Policy 	ARRs – section 31.3 https://data.qld.gov.au
Financial statements	<ul style="list-style-type: none"> • Certification of financial statements 	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1 p.74
	<ul style="list-style-type: none"> • Independent Auditor's Report 	FAA – section 62 FPMS – section 46 ARRs – section 17.2 p.75

FAA

Financial Accountability Act 2009

FPMS

Financial and Performance Management Standard 2019

ARRs

Annual report requirements for Queensland Government agencies

