Metro North Hospital and Health Service

2012–13 **Annual Report**

Great state. Great opportunity.

Queensland Government

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Accessibility

Public Availability

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

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

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Interpreter Services Statement

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

If you have difficulty in understanding the Annual Report, please contact us on 07 3328 9921 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.

Letter of Compliance

Queensland Government

Queensland Health

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www.health.qld.gov.au/metronorth

13 September 2013

Hon. Lawrence Springborg
Minister for Health
GPO Box 48
Brisbane Qld 4001

Dear Minister

I am pleased to present the Annual Report 2012-13 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 2009*, and
- the detailed requirements set out in the annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be accessed via the Metro North Hospital and Health Service website www.health.qld.gov.au/metronorth

Yours sincerely

Dr Paul Alexander AO
Chair
Metro North Hospital and Health Board

Contents

Metro North Hospital and Health Service

Metro North Hospital and Health Service (MNHHS) provides the full range of health services including rural, regional and tertiary teaching hospitals.

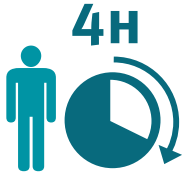
It covers an area of 4,157 square kilometres and extends from the Brisbane River to north of Kilcoy.

MNHHS 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 newborn, trauma and more than 30 sub-specialties. An overview of our organisational profile for 2012–13 is provided in the table below.

Staff	12,706
Investment in care	$2,133,449,000
Sites	5 hospitals, 11 community health centres, oral & mental health facilities and 5 subacute sites totalling over 2,200 available beds
Hospital admissions	200,060 people admitted
Total episodes of care	2,149,494 episodes of care provided across our services to the community
Ambulance arrivals	80,941 ambulance arrivals handled by our emergency departments
Emergency	235,864 attendances
Outpatient services	865,077 people received care as outpatients at 1,939 clinics
Surgical operations	9,500 emergency and 28,012 elective operations performed
Children	20,967 children under age 19 were admitted to MNHHS children's wards and neonatal units
Births	8,068 babies born at our facilities
Mental health	77,653 client contacts
Community health	403,807 hours of direct primary care and Home and Community Care services provided in our community.

2012 – 2013 FAST FACTS

Comparison July 2012 / June 2013



↑ 54% – 70%

Proportion of people admitted or treated and discharged within 4 hours of presentation to an emergency department

↑ 63% – 85%

Proportion of people transferred from an ambulance stretcher to the emergency department in less than 30 minutes

↓ 5.15 – 4.61

Average number of days that patients stayed in MNHHS hospitals (not including day only patients)

↓ 30 9

Elective surgery cancellations due to a bed not being available

↓ 1,200 460

Number of people who did not wait for treatment in the emergency department

↓ 23 16

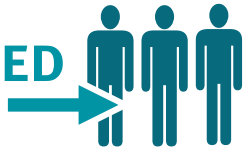
Median waiting time (in minutes) for treatment in the emergency department

↑ 69 140

Hospital in the Home (HITH) utilisation

1,442,190

Number of occasions of service in MNHHS outpatients and emergency departments (July 2012 – June 2013)



235,864

Number of attendances to MNHHS emergency departments (July 2012 – June 2013)

1.0 General Information

1.1 Message from the Board Chair

The Metro North Hospital and Health Service (MNHHS) was established as an independent statutory body governed by a Hospital and Health Board as of 1 July 2012. MNHHS is the largest health service in Queensland and one of the largest in Australia with a budget over $2 billion, providing local services to a catchment area of more than 850,000 people in a geographical area spanning 4,157 square kilometres, and leading statewide services for trauma, cardio thoracic and burns.

The focus for MNHHS in this first year as a statutory body has been on the transformation of our service to ensure system sustainability for the long term and that the patient is the focus. As a Board we were faced with many difficult decisions in the short term, although our focus continued to be the delivery of high quality health services for our community.

The Board approached the transformation during 2012–13 by having management identify the services that are a priority for our patients, particularly where MNHHS is the sole provider of these services. Areas have also been identified where services are duplicated internally in MNHHS. As a result of these changes we reduced our aged care services while maintaining the more complex requirements not provided elsewhere, as well as transferring Home and Community Care service delivery to other partners. The changes to our service have allowed us to significantly increase our Hospital in the Home capacity, as well as our rehabilitation and transition care places which are essential to support our acute hospital beds.

The Board recognised from the outset the need to manage tax payers' resources efficiently and effectively. We are acutely aware that communicating our vision to the entire workforce is essential for us to achieve the quality patient-focused outcomes we desire. We recognise that we need the commitment of all our staff and the Board will continue to ensure the vision, priorities and our achievements are communicated widely across our health service.

In Metro North our focus is to provide compassionate, innovative and high quality healthcare for our patients. The Board is very pleased with the results for 2012–13 and note that we have delivered more health services than previous years and having done so at the same time as achieving a modest surplus. This surplus is a dividend for our community and will be reinvested to reduce the MNHHS outpatient and elective surgery waiting lists, as well as to look for better ways for patients and their GPs to access our services. In addition, treating our patients in turn has been recognised as a vital component to reducing our waiting lists and, going forward, the Board will be monitoring this measure during 2013–14.

There have been many achievements during 2012–13 and MNHHS continues as a centre of excellence in education and research in Queensland; this is only able to be achieved through the excellence of our clinical and support staff. Key research and education partners include the University of Queensland (UQ), Queensland University of Technology (QUT), UQ Centre for Clinical Research (UQCCR) and the Queensland Institute of Medical Research (QIMR). We have also made significant progress in developing our partnership with the Metro North Brisbane Medicare Local and developed strategies for clinician engagement as well as consumer and community engagement.

During 2012–13 our facilities have successfully completed important accreditation milestones with The Prince Charles Hospital (TPCH) being the first public hospital in Queensland accredited under the National Safety and Quality Health Service standards, in addition the Royal Brisbane and Women's Hospital (RBWH) was the first hospital in Queensland to achieve accreditation as a level one trauma service.

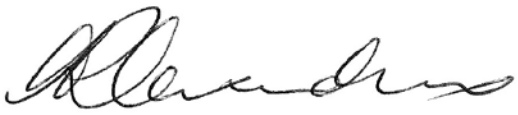
Other achievements include the results for the Hospital Standardised Mortality Rate (HSMR), this comparative data is prepared quarterly for each hospital in Queensland. A HSMR of 100 indicates a hospital is at the level expected based on the patient mix, a HSMR below 100 indicates the hospital is performing well. For April-June 2013 our HSMR results were 48.5 (RBWH), 57.8 (Caboolture Hospital), 58.0 (Redcliffe Hospital) and 64.3 (TPCH). These results are a credit to our staff and demonstrate our hospitals are performing significantly better than expected for the patient mix.

During the year we have had a change in senior leadership with our Chief Executive Professor Keith McNeil taking on the role of Chief Executive at Cambridge University. I would like to thank Keith for his exceptional leadership and enthusiasm, which was demonstrated in his many years of service in providing health services in Brisbane as an expert in the fields of lung transplantation and pulmonary vascular disease, as well as in key management roles. In February 2013, Ms Kerrie Mahon was appointed interim Chief Executive, I would like to acknowledge the tremendous effort by Kerrie during a time of organisational change and transformation, she has been instrumental in leading the results for MNHHS for 2012–13.

As for all health services in Australia, challenges in MNHHS include the increasing demand for services and pressure on existing infrastructure while maintaining a skilled and committed workforce. We recognise that previous growth in the health budget is unsustainable and we have made significant progress during 2012–13 in transforming our service into a system that is better integrated, with less duplication across our various sites, while still maintaining a focus on the priorities and needs of our community. We will continue to progress with National Health Reform and implement the Blueprint for Better Healthcare in Queensland and ensure we provide a financially sound and sustainable high quality health service for our community.

The Board continues to remain committed to strengthening local decision making and accountability. Board Members bring with them a wealth of experience and understanding and we will continue to work with clinicians and consumer and community groups to ensure we deliver patient-focused, quality healthcare. I am proud of our achievements in MNHHS and would like to thank the Board for their strategic leadership and guidance they have provided during this first year as a statutory body. I would also like to congratulate the executive team and all our staff for the great work, enthusiasm and commitment in providing high quality health services for our community.

"In Metro North our focus is to provide compassionate, innovative and high quality healthcare for our patients. The Board is very pleased with the results for 2012–13 and note that we have delivered more health services than previous years and having done so at the same time as achieving a modest surplus."



Dr Paul Alexander AO
Chair
Metro North Hospital and Health Board

1.2 Message from the Interim Chief Executive

Since the commencement of Metro North Hospital and Health Service (MNHHS) in July 2012, we have worked hard to improve services for our community. It is important to us that our patients and their families experience seamless, coordinated care across our service and with other healthcare providers.

We are seeing significant change. For example our communities' health needs are changing with the growth of chronic diseases, which sees patients returning many times for diagnosis and on-going treatment. This highlights to us the need for clinical excellence and high level teaching and research, while partnering with our primary care providers.

Our commitment is to sustainable healthcare, which means MNHHS continues to adapt and refine services that will be provided in the context of National Health Reform. This undertaking will involve further collaboration with our communities and partner providers including community outreach, early intervention, and specialist advice to complement primary care and outlying services.

I acknowledge the extraordinary efforts of all who work in MNHHS and thank them for their contribution to working towards these commitments this year.

Over the last financial year, amidst many challenges, our hospitals have cared for more patients than ever before while maintaining a level of high-quality care of which we can all be proud. We have achieved major savings across MNHHS without reduction in patient service. We are in fact seeing improvements in some of our key measures, such as reduced waiting times in Emergency Departments and shorter Category Three elective surgery waiting lists.

"I acknowledge the extraordinary efforts of all who work in MNHHS and thank them for their contribution to working towards these commitments this year."

Key achievements include:

- We have we have seen 200,060 admitted patients, 235,864 attendances to emergency departments and 1,442,190 occasions of service in outpatients and emergency departments
- Reduced the percentage of Aboriginal and Torres Strait Islander people who discharge against medical advice – with MNHHS achieving 3.42% (4.16% Jul12; 2.17% Jun13) against the target of 3.57%
- Reduced the percentage of low birth weight babies from 15.38% (Jul 12) to 5.88% (Jan 13) with the support of the Ngarrama Antenatal and Birthing Service at the RBWH, Redcliffe and Caboolture hospitals
- Improved the proportion of people seen and either admitted or discharged within 4 hours of presentation or our emergency departments figure by 16% (Jul 12 – Jun 13), and the median wait time for treatment by Jun 13 was just 16 minutes
- Decreased the number of patients waiting for category 2 and 3 surgery by 9% by June 2013, and expects this decrease to continue
- Decreased dental waiting times significantly with the use of the NPA funding. For routine patients the waiting times reduced by about 30% by June 2013, and are expected to continue to reduce
- Successfully achieved four year accreditation against the new National Safety and Quality Health Service Standard at The Prince Charles Hospital – the first of our facilities, the first public facility in Queensland and one of the first in the country to do so.

In partnership:

- The Metro North Aboriginal and Torres Strait Islander Health Unit conducted a mapping activity with the Institute of Urban Indigenous Health (IUIH) to identify gaps in service delivery within the MNHHS area. As a result of this collaboration an agreement was reached that MNHHS Indigenous multi-disciplinary health funds be redirected to the IUIH to establish two new multi-disciplinary health centres.

  These services are run through the Moreton Aboriginal and Torres Strait Islander Community Health Service and provide the following services:

  o GPs, Physician, ENT, Paediatrician, Cardiologist

  o Psychologist, Social Worker, Podiatrist, Alcohol, Tobacco and Other Drugs Service (ATODS) and Aboriginal Health Workers

  o Physiotherapist, Chronic Disease Nurse, Speech Therapist, OT, Dietician and Oral Health Therapist.

- MNHHS' partnership with the Metro North Brisbane Medicare Local has identified joint priority areas of work through planning, using agreed planning catchments and health indicators. Priorities to date are in the areas of chronic disease, mental health, palliative care and indigenous health.

  One initiative of the partnership is the General Practitioner Liaison Officers (GPLO) initiative which uses state funding to appoint General Practitioners who work with hospital clinicians to reduce long waiting times and thereby improve access to specialist outpatient clinics. Together our organisations are enhancing clinical pathways and improving integration of specialist outpatient services and general practice / primary care; improving referral and clinical handover, and discharge from hospital to improve patient flow.

- Working with the Queensland Ambulance Service, we have improved the proportion of people transferred from an ambulance stretcher to the emergency department in less than 30 minutes from 63% in July 2012, to 85% in June 2013.

I would like to acknowledge and thank the hospital foundations and auxiliaries for their dedication and contribution to our MNHHS facilities.

Looking back over this past year I want to acknowledge the contribution of all our staff and partners, and the remarkable achievements we have attained, and personally thank all of you. It is because of these efforts that we will now continue to work together into the new year, developing our changing services and facing the challenges ahead.

Ms Kerrie Mahon
Interim Chief Executive

From the former Chief Executive 2008 – February 2013

Prof. Keith McNeil

"It was an enormous privilege and great pleasure to have been Chief Executive of Metro North Hospital and Health Service as it came into being on 1 July 2012.

The opportunities for transformation of the way we delivered healthcare were rapidly embraced with community engagement and clinician led decision making at the heart of service developments and workforce reform.

Throughout this period of change, the quality of healthcare delivered across Metro North remained at a very high standard, and that was a direct result of the passion and commitment of all the staff, and the patient focus which characterised our day to day working.

As I departed for Cambridge in February 2013, I knew I was leaving Metro North in the very capable hands of Dr Paul Alexander and the newly formed Board, ably supported by a highly functioning executive team and the many highly skilled and dedicated clinical and non-clinical staff across the service.

I wish you all the very best for the coming financial year, knowing you will all go from strength to strength and continue to lead the development and delivery of healthcare for Queensland and the national system."

Christopher Payne, HITH patient.

Hospital in the Home

Over 100 patients per month have accessed Hospital in the Home (HITH) services across the MNHHS. A HITH service provides active treatment by healthcare professionals in the patient's home, for a condition that otherwise would require hospital care.

Evidence supports that HITH contributes to more satisfied patients, equally good clinical outcomes and a reduction in the unnecessary use of a hospital bed.

"I've been under care for two months now in the Hospital in the Home program and I've been quite happy with it all. It's a lot better than being in the hospital, because of the convenience.

I live with my wife and I definitely see it as a benefit to be at home with her. It's a really good idea. I can't see any deficiency in the service I am receiving at home; it's just as good as being at the hospital. And yes, it is safe. So long as you've got reasonable abilities I can't see how the program is unsafe.

The infusion pump works very well. The nurse visits everyday and I've had a couple of visits from the orthopaedic surgeon. The nurses are very good, excellent. I think the hospital's plan to increase the number of patients in the Hospital in the Home program is a very good idea, because people are happier at home than they are away in hospital."*

– Patient, Christopher Payne, on his experience of the Hospital in the Home program.
*Infusion pumps are used to administer intravenous medications at home.

1.3 Role of Metro North Hospital and Health Service (MNHHS)

On 1 July 2012, the MNHHS commenced operation as an independent statutory body overseen by a local Hospital and Health Board. The MNHHS is responsible for the delivery of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services.

MNHHS' main function is to engage with our community to deliver the hospital and health services, teaching, research and other services as stated in the service agreement.

The MNHHS Service Agreement is negotiated annually with the Department of Health and is publicly available at: http://www.health.qld.gov.au/hhsserviceagreement/html/service_agreements.asp

MNHHS also has the following functions:

- To ensure the operations of MNHHS are carried out efficiently, effectively and economically
- To enter into a service agreement with the Department of Health Chief Executive
- To comply with the health service directives that apply to MNHHS
- To contribute to, and implement, Statewide service plans that apply to MNHHS and undertake further service planning that aligns with the Statewide plans
- To monitor and improve the quality of health services delivered by MNHHS, including implementation of the National Safety and Quality Health Service Standards
- To develop local clinical governance arrangements for MNHHS
- To undertake minor capital works, and major capital works approved by the Department of Health Chief Executive, in the health service area
- To maintain land, buildings and other assets owned by MNHHS
- To cooperate with other providers of health services — including other Hospital and Health Services, the department and providers of primary healthcare — in planning for, and delivering health services
- To cooperate with local primary healthcare organisations
- To arrange for the provision of health services to public patients in private health facilities
- To manage the performance of MNHHS against the performance measures stated in the service agreement
- To provide performance data and other data to the Department of Health Chief Executive
- To consult with health professionals working in MNHHS, health consumers and members of the community about the provision of health services.

Metro North Clinical Service Profile

The clinical service profile within MNHHS ranges from tertiary referral to general hospital and includes subacute as well as community based services. Major health specialties provided within MNHHS include Medicine, Surgery, Psychiatry, Oncology, Women's and Newborn and Trauma Services. Sub-specialties include:

- **Surgical**: Burns, Cardiothoracic, ENT, Ophthalmology, General Surgery, Neurosurgery, Oral and Maxillofacial, Orthopaedic, Plastics and Reconstructive, Transplants – Heart and Lung, Vascular, Thoracic and Urology.
- **Medical**: Cardiology, Clinical Immunology and Allergies, Endocrinology; Gastroenterology and Hepatology, Dermatology, Geriatric Medicine; Infectious Diseases; Internal Medicine and Aged Care, Neurology, Pharmacy and Clinical Pharmacology, Nuclear Medicine, Paediatrics, QLD PET Service, Renal Medicine, Rheumatology, Thoracic Medicine, Palliative Care Services.
- **Women's and Newborn**: Gynaecology, Maternity Services, Paediatric Services, Neonatology, Neonatal Intensive Care Unit, Special Care Nursery, Foetal Diagnosis and Treatment, Breast Health, Maternal Foetal Medicine, Gynaecological Oncology and Retrieval Service for Northern NSW and Pacific Rim.
- **Cancer Care**: Radiation Oncology, Medical Oncology and Bone Marrow Transplant/Haematology.
- **Critical Care**: Emergency Medicine, Intensive Care Medicine and the Multidisciplinary Pain Centre.
- **Subacute Services**: Palliative Care, Rehabilitation, Transition Care, Hospital in the Home, Residential Aged Care, Psychogeriatric, Geriatric Evaluation and Management, Acquired Brain Injury, Intellectual and Physical Disability, Sexual Health and HIV Services.
- **Mental Health Services**: Perinatal, Child and Adolescent Psychiatry, Alcohol, Tobacco and Other Drug Services, Community Forensic Mental Health Services, Geriatric Psychiatry and Community Mental Health Services.
- **Oral Health Services**: General Practice Oral Health, Child and Adult Specialist Oral Health Services.

Hyperbaric Medicine Service

The Hyperbaric Medicine Service (HMS) was officially launched on Friday, 24 August 2012.

The Service treated its first patient on 24 May 2010, and having now performed over 5,000 individual patient treatments it was deemed important to formally recognise the work undertaken at this specialist facility.

RBWH boasts the only public hyperbaric chamber in south-east Queensland. The HMS is a vital resource for treating patients with chronic ulcers, chronic bone infections, cancer patients who have experienced side effects of radiation and divers with decompression sickness.

Hyperbaric oxygen therapy is the breathing of 100 percent oxygen while inside the hyperbaric chamber, at a pressure greater than sea-level.

1.4 Operating Environment

MNHHS has undergone significant change since 1 July 2012 as it has transitioned from a Health Service District to a Hospital and Health Service with the appointment of the Board and the requirement to operate as a separate legal entity in accordance with the *Hospital and Health Boards Act 2011*.

These changes have occurred during a period where the demand for hospital and health services has continued to increase, and targets have been set for organisational and financial performance.

1.5 Machinery of Government changes

As MNHHS is a new agency and has not previously produced a separate Annual Report, this report will focus on the achievements of MNHHS since its inception on 1 July 2012.

2.0 Non-Financial Performance

2.1 Government objectives for the community

The Metro North Hospital and Health Serice (MNHHS) 2012–2016 Strategic Plan objectives and performance indicators align with the *Getting Queensland Back on Track* pledges of:

- Grow a four pillar economy
- Lower the cost of living
- Invest in better infrastructure and better planning
- Revitalise front-line services
- Restore accountability in government.

2.2 Other whole-of-government plans/specific initiatives

In February 2013 the Department of Health released the *Blueprint for better healthcare in Queensland*, and this is publicly available at: http://www.health.qld.gov.au/blueprint/default.asp

The blueprint has guided the development of the MNHHS 2013–2017 Strategic Plan as it outlines structural and cultural improvements to establish Queensland as the leader in Australian healthcare.

The Blueprint focuses on four principal themes:

1. Health services focused on patients and people
2. Empowering the community and our health workforce
3. Providing Queenslanders with value in health services
4. Investing, innovating and planning for the future.

MNHHS Consumer and Community Engagement Strategy 2013–15 was approved by the Board in November 2012. Progressing this strategy will ensure meaningful relationships to inform, involve and collaborate with our local consumer and community partners. The strategy sets the framework for continuous improvement and a collaborative approach to better understand and respond to our community's needs.

Doors open for mental health recovery at Caboolture Hospital

The officially opening of the new mental health facility at Caboolture (From left: Leonard Scanlan, Melinda McGrath, State Member for Pumicestone Lisa France, Dr Margaret Steinberg, Caboolture-Kilcoy Hospitals Executive Director Caroline Weaver and Vaughan Howell.

For people experiencing a mental illness, recovery involves creating a healing environment which is based on mutual respect understanding and one that fosters hope.

The new $22.4 million Mental Health Facility at Caboolture Hospital has been uniquely designed to create an environment which is modern and safe for people undertaking their recovery journey.

Opened by State Member for Pumicestone Lisa France, the facility has increased local adult acute inpatient beds from 29 to 40.

"The introduction of 19 new secure rehabilitation units is a significant enhancement to mental health services available in the Caboolture and surrounding region," Lisa said.

"Some people experiencing a mental illness can't be treated in other parts of the hospital as they require longer-term rehabilitation support in a safe and secure environment."

About 60 highly trained nurses, and medical and allied health staff were recruited to support the new Mental Health Facility and ensure consumers have the best possible chance at recovery.

The facility had been creatively designed to be open and uplifting. It includes open common, dining and activity areas, plus an Indigenous healing garden.

In future, the new facility will also allow Caboolture Hospital to continue to grow its mental health services to meet ever increasing community demand but also explore other successful treatments and therapies.

Mental illness affects one in five Australians at some point in their life and depression has been predicted to rise to be one of the greatest causes of global disease burden in the next twenty years.

FAST FACT

7/10 PATIENTS

triaged as category four, are seen within the recommended time (one hour) of their arrival in MNHHS emergency departments.

Medical breakthrough at Caboolture Hospital

Caboolture Hospital researcher Dr Simon Budgen has found a quick fix for a multi-billion dollar problem plaguing hospitals around the world.

Dr Bugden and his Intravenous Lines-Glue Or Not Experiment (IVL-GONE) research team have established that a simple dab of medical-grade superglue will hold intravenous (IV) lines in place more safely and securely than the usual sticky tape.

Normally, one-third of IV lines get blocked, are pulled out, or fall out which can cause pain, leakage and potential infection. This will lead to a better experience for our patients.

The research has shown that reduction in failure rates of IV lines has been reduced from 30 per cent to 20 per cent by using this new procedure.

2.3 Agency objectives and performance indicators

MNHHS key priorities for 2012–13 include:

- Providing the right care in the right place at the right time
- Supporting Government commitments to revitalise frontline services for families
- Addressing key population health challenges including chronic disease and ageing
- Enhancing system and workforce capacity
- Enhancing engagement and developing closer working relationships with patients, families, community groups, GPs and other providers.

MNHHS is responsible for the direct management of the facilities within it's geographical boundaries including:

- Royal Brisbane and Women's Hospital
- The Prince Charles Hospital
- Redcliffe Hospital
- Caboolture Hospital
- Kilcoy Hospital
- Brighton Health Campus and Services.

MNHHS also operates a number of Primary and Community Health Services, Mental Health Services, Oral Health Services and Subacute Services.

2.4 Agency service areas, service standards and other measures

Resources and performance

The Service Agreement between MNHHS and the Department of Health identifies the health services to be provided, funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved.

MNHHS Strategic Plan, Health Service Plan and Subacute Plan 2012–16 reflect local priorities in line with whole-of-government statewide plans and commitments.

A number of health infrastructure projects were progressed in 2012–13, including:

- Paediatric upgrades at the Caboolture and Redcliffe Hospital Emergency Departments
- The Prince Charles Hospital Paediatric Emergency Department
- Caboolture Hospital Education and Skills Centre.

RBWH Milk Bank opens to save our most precious Queenslanders

RBWH's Milk Bank was officially opened by The Honourable Lawrence Springborg MP, Minister for Health last November. Supporters from across the hospital participated in a heart-warming event to celebrate Australia's third public hospital Milk Bank.

Special guest, our first official breastmilk donor, Debra Rolfe, who tragically lost her premature son after 94 days, was presented with a gift of appreciation for her amazing courage and support in selflessly providing 43 litres of her own life-giving breastmilk to the Milk Bank.

"When Bradley was born at 27 weeks and one day weighing just 852 grams, I was able to provide my own breastmilk virtually straight away to maximise his chances of survival," Debra said.

"When we lost Bradley after three wonderful months with him in the RBWH Neonatal Intensive Care Unit, I wanted to help other mums of premmie bubs any way I could.

"By donating my breast milk and helping other families, Bradley's memory lives on, and that is a real comfort."

Dr Pieter Koorts, Deputy Director of RBWH Grantley Stable Neonatal Unit, advocates the clinically proven health benefits of breast milk for premature babies, ideal in cases where mothers are unable to breastfeed or are not lactating at a level providing enough sustenance for their babies.

"Breastmilk boosts the immune system and is highly effective in warding off infections and dangerous diseases including necrotizing enterocolitis and chronic lung disease which commonly affect premature babies – particularly those born at or before 28 weeks gestation, or under a 1.5 kilogram birth weight.

"RBWH breastmilk donors are rigorously screened and the milk itself is stringently tested and pasteurised through a specialist food laboratory service, making RBWH Milk Bank breast milk the gold standard for both safety and nutritional quality," Dr Koorts said.

Dr David Alcorn, former RBWH Executive Director, explains Royal Brisbane and Women's Hospital's long history of ground breaking neonatal care, with over 1,600 premature and seriously ill babies treated each year.

"We're extremely proud of the neonatologists, midwives, nurses and other staff who devote their energies to the survival of the premature infants we treat, 98 per cent of which survive," Dr Alcorn said.

"Of the 1,600 premature and seriously ill babies we care for each year, about 600 of these would have benefited from access to donor breastmilk.

"That's why we're so passionate and delighted to launch RBWH Milk Bank. It's a milestone for RBWH."

The Honourable Lawrence Springborg MP, Minister for Health, visits the Grantley Stable Neonatal Unit to meet families who are benefitting from the RBWH Milk Bank.

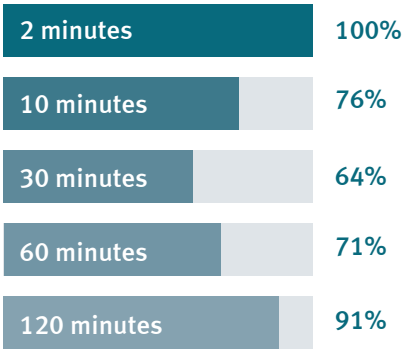
The first RBWH Milk Bank donor, Debra Rolfe (left), with Helen McConachy, RBWH Milk Bank Manager.

"RBWH breastmilk donors are rigorously screened and the milk itself is stringently tested and pasteurised through a specialist food laboratory service, making RBWH Milk Bank breast milk the gold standard for both safety and nutritional quality."

2.5 Non-financial performance: An overview

The following is an overview of MNHHS's non-financial performance, with a comparison of target to actual for the financial year.

WAIT TIME IN EMERGENCY DEPT

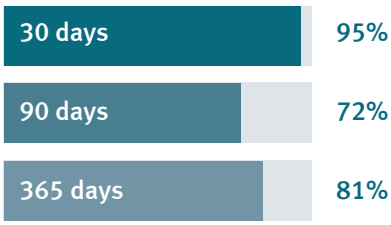


	Notes	2012–13 Target	2012–13 Actual
Service standards			
Percentage of patients attending emergency departments seen within recommended timeframes:			
– Category 1 (within 2 minutes)		100%	100%
– Category 2 (within 10 minutes)		80%	76%
– Category 3 (within 30 minutes)		75%	64%
– Category 4 (within 60 minutes)		70%	71%
– Category 5 (within 120 minutes)		70%	91%

TWENTY-SIX DAYS

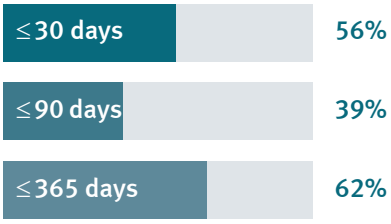
Median wait time for elective surgery

Percentage of elective surgery patients treated within clinically recommended timeframes in 2012–13



Percentage of emergency department attendances who depart within four hours of their arrival in the department		74%	70%
Median wait time for treatment in emergency departments (minutes)		20	18
Median wait time for elective surgery (days)		25	26
Percentage of elective surgery patients treated within clinically recommended times:			
– Category 1 (30 days)		95%	95%
– Category 2 (90 days)		84%	72%
– Category 3 (365 days)		93%	81%

Specialist outpatients waiting within clinically recommended timeframes in 2012–13



Percentage of specialist outpatients waiting within clinically recommended timeframes:			
– Category 1 (within 30 days)		New measure	56%
– Category 2 (within 90 days)		New measure	39%
– Category 3 (within 365 days)		New measure	62%

Patients admitted through MNHHS emergency departments in 2012–13

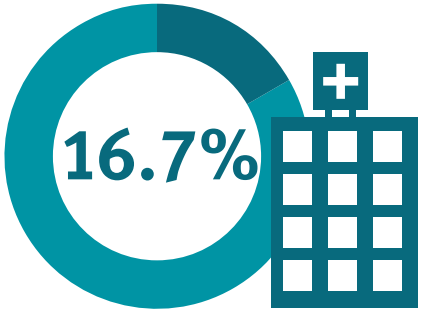
28,640

EMERGENCY DEPARTMENT ADMISSIONS

Rate of community follow-up within 1–7 days following discharge from an acute mental health inpatient unit in 2012–13

62%

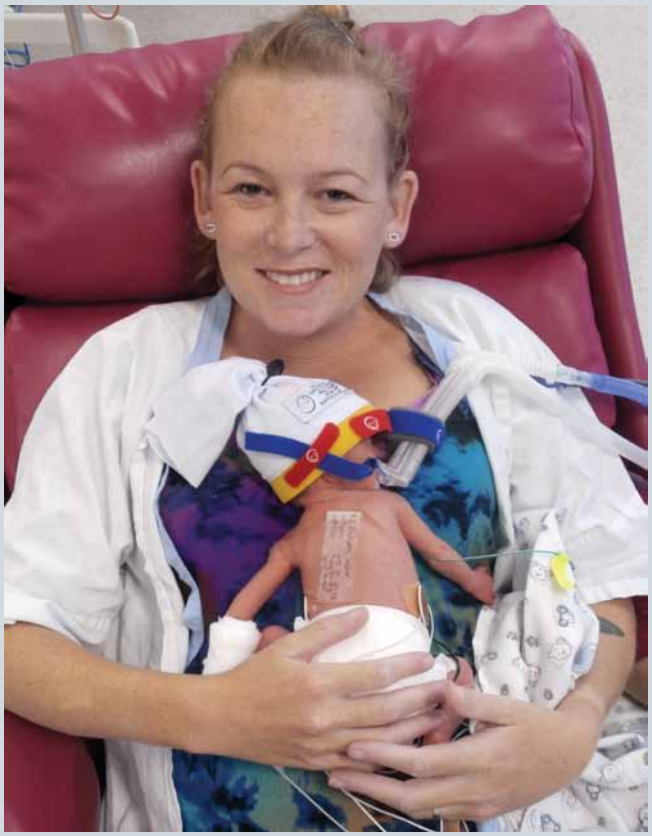
Percentage re-admitted to an acute mental health inpatient unit within 28 days of discharge in 2012–13



	Notes	2012–13 Target	2012–13 Actual
Total weighted activity units:			
– Acute Inpatients		178,929	184,815
– Outpatients		38,694	37,707
– Subacute		19,390	20,824
– Emergency Department		27,824	29,249
– Mental Health		22,609	18,150
– Interventions and Procedures		33,959	32,435
Average cost per weighted activity unit for Activity Based Funding facilities		New measure	$5,113
Rate of healthcare associated *Staphylococcus aureus* (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	1	New measure	1.3
Number of in-home visits, families with newborns		New measure	9,673
Rate of community follow-up within 1–7 days following discharge from an acute mental health inpatient unit		55% – 60%	62.0%
Proportion of re-admissions to an acute mental health inpatient unit within 28 days of discharge		10% – 14%	16.7%
Ambulatory mental health service contact duration		New measure	108,654

1. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.

Compassionate care at the Royal Brisbane and Women's Hospital: Kate Rootsey's story



Kate and (baby) Molly Rootsey. In this photo, Molly is one week old and this was the first time Kate had held Molly since she was born.

Gold Coast mum Kate Rootsey became the first double transplant patient in Queensland to give birth, when she delivered her little girl in February of this year.

Little Molly came into the world 11 weeks early after Kate was rushed to Royal Brisbane and Women's Hospital (RBWH) from the Gold Coast.

Kate suffers from cystic fibrosis and had a double lung transplant at The Prince Charles Hospital (TPCH) in 2007.

"I was on the waiting list for a double lung transplant for 12 months and 12 days, and was wheeled into theatre on the 12th hour," Kate said.

"I got the call to say they had some lungs available for me in September 2007," she said.

"I will be on anti-rejection medications for the rest of my life."

Kate was always told from a young age that women with cystic fibrosis can't have children.

"When I was listed for my transplant I wasn't thinking about children, I was fighting for my life," she said.

TPCH Director of the Queensland Lung Transplant Service Dr Peter Hopkins is part of a team that looked after Kate throughout her lung transplant and continues to be involved in her care.

"It was going to be harder for Kate to fall pregnant, but in particular harder to maintain the pregnancy," Dr Hopkins said.

When Kate met her husband John, they asked Dr Hopkins about having a child and he said they have to tick every box, not just some.

Lucky for Kate and John, they did tick all the boxes for being fit, healthy and having great lung function, and the team agreed with them trying for a child.

"I fell pregnant naturally after two miscarriages due to my medication," Kate said.

The risks involved were massive, though. She could have had organ rejection and if that happened she could have died.

Dr Hopkins saw Kate fortnightly throughout the pregnancy and she had blood tests every week.

RBWH obstetrician Dr Leonie Callaway stepped in to ensure Kate was fit for pregnancy.

"I cared for Kate throughout her pregnancy – coordinating her medical and obstetric teams, managing her diabetes (which was brilliantly controlled), helping her achieve the ultimate healthy lifestyle and watching her kidney function," Dr Callaway said.

The attention was turned to little Molly Rootsey when she was born 16 February 2013 at just 29 weeks.

Dr Hopkins said there have been three babies born to lung transplant patients in Australia and they understand Kate has gone the longest at 29 weeks.

RBWH neonatologist Dr Pieter Koorts said babies born at 29 weeks spent on average 21 days in intensive care and about 64 days in hospital.

"Babies can have many problems due to immaturity of multiple organ systems including lungs, brain, heart and the gut," Dr Koorts said.

"Babies born this immature cannot feed straight away. They need to be fed by a tube into their stomachs."

With RBWH's life-saving Milk Bank opening last year, this gave Molly the chance to be fed with donor milk as Kate wasn't able to breastfeed.

"Breast milk hopefully prevents premature babies from staying longer than they have to and protects them against inflammation and infections," Dr Koorts said.

Dr Hopkins thanked donor families across Australia.

"Kate's life was saved by her donor family and another life has been created years after her transplant," Dr Hopkins said.

"This single donation will create a lasting legacy for generations into the future."

3.0 Financial Performance

3.1 Summary of financial performance

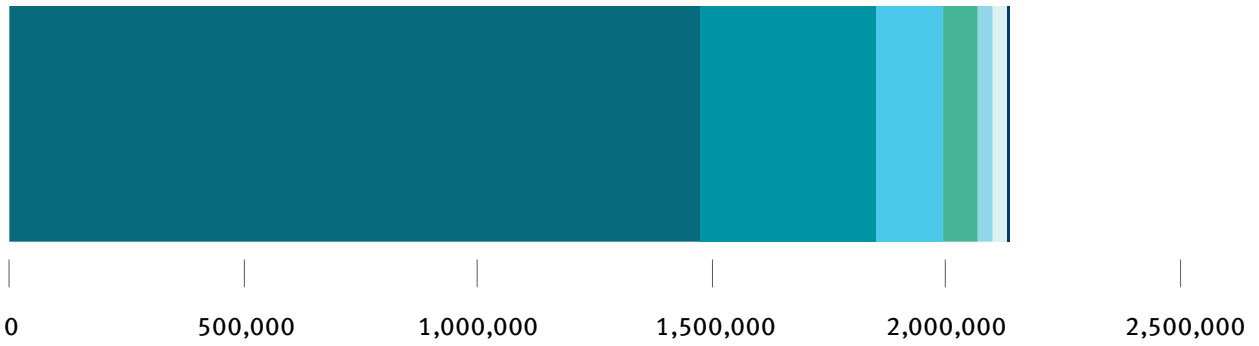
High Level Profit and Loss

	2012–13 $'000
Revenue	
User Charges	140,888
Grants and Other Contributions	1,961,067
Other Revenue	31,626
Total Revenue	2,133,581
Expenses	
Employee Expenses	1,508,222
Supplies and Services	514,403
Depreciation and Amortisation	69,578
Other Expenses	19,177
Total Expenses	2,111,380
Total Comprehensive Income	**22,201**

High Level Balance Sheet

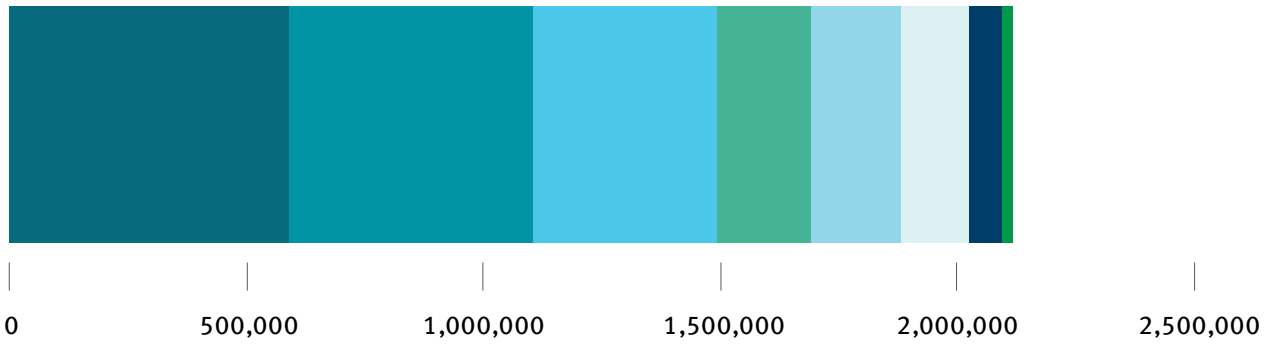
Assets	
Cash	101,889
Receivables	66,707
Property, Plant and Equipment	1,259,855
Other	19,823
Total Assets	1,448,274
Liabilities	
Payables	134,899
Other	1,369
Total Liabilities	136,268
Net Assets	**1,312,006**

Income from continuing operations



- Grants – State ABF
- Grants – State Block Funding
- User charges
- Grants – State Teacher Training
- Grants – Commonwealth
- Other revenue
- Grants – Other
- Gains on sale of property, plant and equipment

Expenses from continuing operations



- Employee Expenses – Nursing
- Supplies and services
- Employee Expenses – Medical inc VMO
- Employee Expenses – Managerial, Professional and Clerical
- Employee Expenses – Health Practitioners
- Employee Expenses – Operational, Trades & Artisans
- Depreciation and amortisation
- Other expenses

3.2 Chief Finance Officer statement

The general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the Financial and Performance Management Standard 2009 and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

(a) The prescribed requirement for establishing and keeping the accounts have been complied with in all material respects; and

(b) The statements have been drawn up to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of Metro North Hospital and Health Service for the financial year ended 30 June 2013 and of the financial position of the Health Service at the end of the year.

Mr Robert Dubery
Interim Chief Finance Officer
Date: 27 August 2013

Charissa's Shoes

Charissa Simpson is dancing on air ... and dancing in her ruby red high heeled shoes.

Late last year, Charissa, from Innisfail in Queensland's far north, fell sick with an illness which came close to costing her life.

She was rushed to The Prince Charles Hospital (TPCH) and under the watchful eye of Dr George Javorsky, The Advanced Heart Failure and Cardiac Transplant Unit and ICU teams to be fitted with a HeartWare Left Ventricular Assist Device (LVAD) to help her failing heart pump blood around her body while she waited for a new heart.

Charissa's ruby red shoes were her challenge to herself. To her they were the ruby shoes Dorothy wore in The Wizard of Oz and, when she received her new heart just like the Tin Man, she was going to wear them out of the hospital and into her new life.

The wait was long, but Charissa recently received a brand new heart at TPCH, transplanted in a nine hour operation after nearly eight months of being supported by the LVAD.

Within two days of her transplant, Charissa was up and walking.

Charissa received a brand new heart at TPCH, transplanted in a nine hour operation after nearly eight months of being supported by the LVAD.

Soon she was dressed up in a party dress slipping into her ruby red Dorothy shoes and walking out of hospital in celebration.

And she's feeling the freedom now. "I feel like I've regained a part of me that got lost," Charissa said.

"When you have a pump attached to you all the time you feel a little bit like a science experiment. Everything's always being monitored and adjusted."

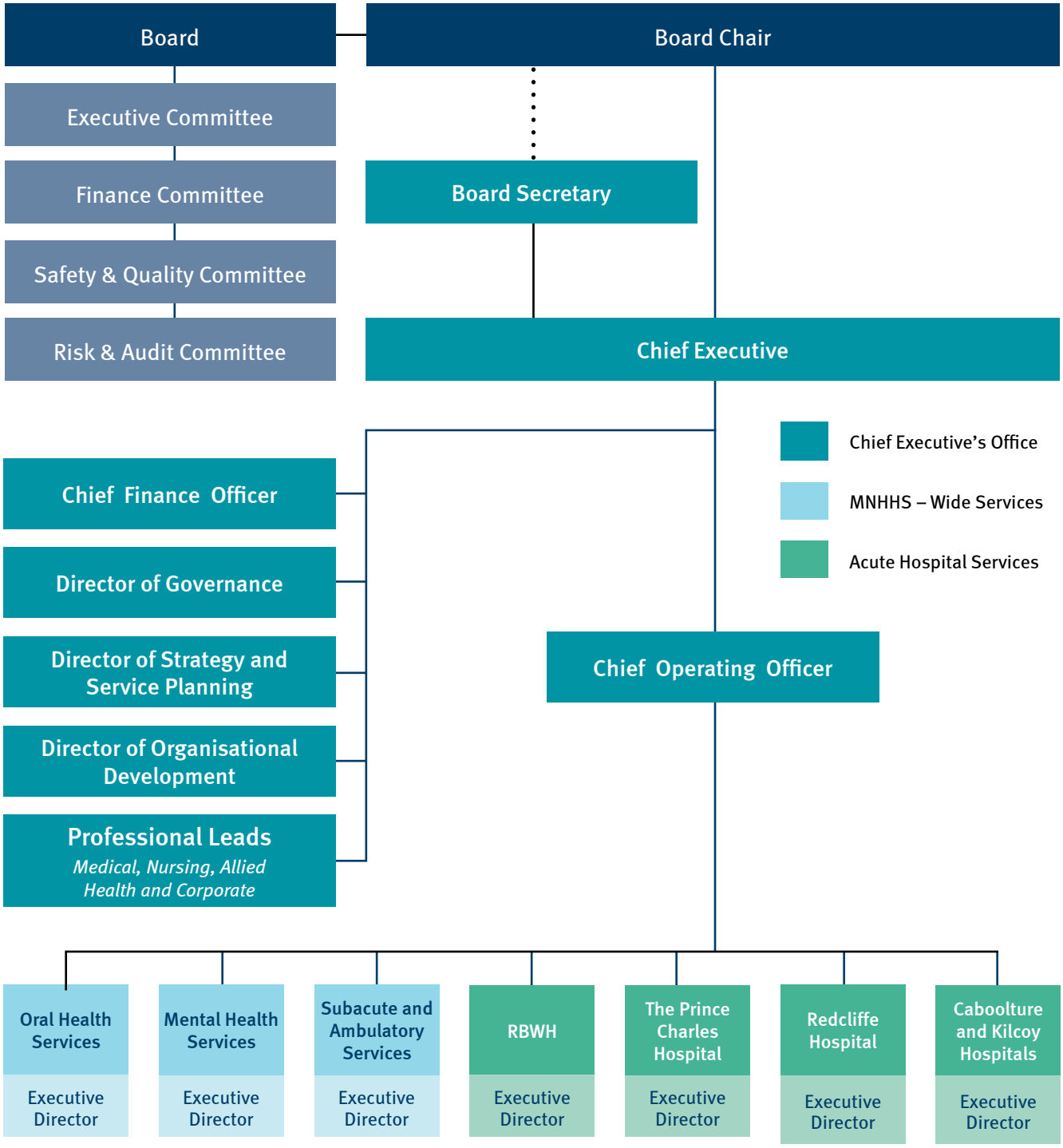
Her plans for the next 12 months are to 'live life' again.

She found her courage like the lion, she now has a new heart like the Tin Man and her Dorothy shoes will walk her through a new life back home in Innisfail.

4.0 Governance – Management and Structure

4.1 Organisational structure

With the introduction of a Hospital and Health Board and change of governance for the Metro North Hospital and Health Service (MNHHS), there has been a transition in the organisational structure throughout 2012–13 to reflect the new arrangements.



4.2 The Board

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

The functions of the Board include:

- Developing the strategic direction and priorities for the operation of MNHHS
- Monitoring the 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 has nine independent members who all reside in the local catchment area, strengthening local decision making and accountability for health policies, programs and services within MNHHS. Each of the Board Members brings a wealth of experience and knowledge in public, private and not-for-profit sector with a range of clinical, health and business experience.

The following committees support the functions of the Board, each operates with a 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 MNHHS. 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.

Finance Committee

The role of the Finance Committee is to oversee the financial performance, systems, risk and requirements of MNHHS. 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.

Risk and Audit Committee

The role of the Risk and Audit Committee is to oversee the internal and external audit function and matters relating to risk and compliance for financial, accounting and legislative requirements. The committee provides independent assurance and assistance to the Board on the risk, control and compliance frameworks and external accountability responsibilities as prescribed in the *Financial Accountability Act 2009, Auditor-General Act 2009, Financial Accountability Regulation 2009* and *Financial and Performance Management Standard 2009*.

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 MNHHS.

Board Chair
Dr Paul Alexander AO

Dr Paul Alexander has had an extensive career in the Australian Defence Force. He is an experienced senior medical officer with 32 years experience across clinical executive posts, and has held board positions in military, private practice, commercial and not-for-profit organisations. Paul completed his tenure as Commander Joint Health and Surgeon General Australian Defence Force in 2012, where he was responsible for the provision of healthcare to the Australian Defence Force.

Paul joined the Army in 1976 and completed his medical training at the University of Melbourne in 1978. He has undertaken a varied number of Command, management and clinical positions within Defence including postgraduate medical training in the UK in Sports Medicine and Tropical Medicine, Commanding both Field medical units and Military Hospitals, served as Australian Exchange Officer to the US Army Health Department for three years, and was the Senior Health Advisor at Enoggera Brisbane. He deployed with the initial peacekeeping force to Bougainville on Op BEL ISI and subsequently deployed as a member of the UN Peace Keeping Force in East Timor. Paul has also served as the RMO for the Special Air Service Regiment in Perth where he successfully completed SAS selection training.

Paul is a Fellow of the Royal Australasian College of Medical Administrators, a Fellow of the Australasian College of Legal Medicine and a Fellow of the Australasian College of Tropical Medicine. In 2000, Paul transferred to the Army Reserve and worked for seven years in full-time clinical practice in Brisbane as a partner in a large group medical practice where he undertook the role of managing partner. Paul also took an active role in primary healthcare policy development as Chairman of the Moreton Bay General Practice Network.

Paul was promoted to Brigadier in January 2004 and assumed the position of Assistant Surgeon General Australian Defence Force – Army. He recommenced full time service with the Army in March 2008 when he was promoted to the rank of Major General. In 2011, Paul was made an Officer in the Military Division of the Order of Australia for distinguished service to Defence in the field of health. Paul now combines his role as Board Chair with a part-time general practice on the northside and medico legal consulting.

Deputy Board Chair
Chair, Finance Committee
Mr Vaughan Howell

Mr Vaughan Howell has a career spanning more than 30 years working in the health service industry, managing organisations in the public, private and not-for-profit sectors in Australia and the UK. His key success has been leading organisations through difficult and critical periods focusing on strategy and implementing major service redesign that has produced effective, efficient and economic, patient-focused services.

His leadership and commitment to excellence has been recognised by organisations such as the Australian Quality Council, The Australian Human Resources Institute, and the Australian Institute of Marketing, Australian Private Hospitals' Association and Baxter Healthcare.

Vaughan is an experienced board member having served on health and welfare boards in Australia and the UK. Vaughan is a graduate of the University of Queensland with major interests apart from health service redesign incorporating the innovative use of technologies in bio-ethics, research ethics, knowledge and skills transference. He has served on committees and taskforces that have considered the impacts of bio-ethics on the philosophy of service delivery. He currently undertakes interesting esoteric management consulting assignments.

Member
Mr Michael Denton

Mr Michael Denton is an experienced and accomplished Chief Executive with more than 15 years experience in the delivery of stakeholder relations and negotiations for public and private organisations across Queensland. He has been and active board and committee member for numerous Queensland events and organisations.

Michael is Director for Crest Executive management consultancy, which provides management and consultancy services to the Government and not-for profit sectors. He is also a Consulting Executive for Wise Recruitment, a national and international executive recruitment specialist. Michael is a Director on the Board of Advice for Forde Foundation and Director for Coaching with Substance.

Michael has held the roles of Chief Executive Officer of Commonwealth Games Gold Coast 2018 Bid and Queensland Events Corporation Pty Ltd. He has held numerous senior appointments in the public service and for the Fitzgerald Commission of Inquiry. Michael has a Bachelor of Business (Hons) Strategic Management, is a Chartered Secretary, Institute of Chartered Secretaries and Administrators (London). He is a CPA and an Associate of the Institute of Corporate Managers, Secretaries and Administrators. Michael was a Board Member until 17 May 2013.

Member
Dr Margaret Steinberg AM

Dr Margaret Steinberg AM has expertise in governance and ethical decision making, as well as experience as a clinician, health administrator, academic and director of public, private and third sector organisations. Margaret is a former Commissioner of the Criminal Justice and Crime and Misconduct Commissions and Chair of their Audit and Governance Committees. She was Foundation Deputy President of the Guardianship and Administration Tribunal, Assistant Commissioner of the Health Quality and Complaints Commission and Chair of its Consumer Advisory Committee.

Margaret has special interest in governance, public and community health and currently sits on a number of professional disciplinary and regulatory tribunals as well as being Patron, Governor or Director of third sector organisations. Margaret has a PhD (Child Health and Education) and Masters of Physiotherapy. Her awards include a Churchill Fellowship (disability), NHMRC/ PHRDC Travelling Fellowship (telemedicine) and WHO study (HIV/AIDS).

Margaret was made a Member of the Order of Australia in 2003 in recognition of her service to public health and welfare policy through research in the areas of ageing, disability and social justice.

Member
Professor Helen Edwards OAM

Professor Helen Edwards is Head of School of Nursing at Queensland University of Technology (QUT) in Brisbane and a member of the Institute of Health and Biomedical Innovation. Helen is also a Program Leader for the Wound Management Innovation Cooperative Research Centre. Helen is internationally recognised for her work in ageing and chronic disease. Her research is focused on evaluating models of care for people with chronic wounds and self-management of chronic disease. She leads the wound management research team in the Faculty of Health at QUT and works with multi-disciplinary teams and in partnership with industry. This involved establishing the Wound Healing Community Outreach Service at QUT which Helen oversees.

Helen was involved in establishing the $110 million Wound Management Innovation Cooperative Research Centre which is the largest wound research initiative globally. It focuses on development of cost-effective and practical wound therapies, diagnostics and interventions. Helen is also Director of the Queensland Dementia Training and Study Centre (funded by Commonwealth Government and located at QUT).

Member
Professor Nicholas Fisk

Professor Nicholas Fisk is Executive Dean of the Faculty of Health Sciences at the University of Queensland, with responsibility across the breadth of health disciplines from medicine and dentistry through to nursing, pharmacy and allied health. He practices as a maternal-fetal specialist at Royal Brisbane and Women's Hospital.

Nicholas was Director of the University of Queensland's Centre for Clinical Research (UQCCR), before becoming Executive Dean in 2010. From 1992 to 2007, he was Professor of Obstetrics and Gynaecology at Imperial College and Hammersmith Hospitals, London. His research interests lie in stem cell biology, multiple pregnancy and clinical obstetrics, he has published over 400 papers, reviews and editorials, including in prestigious periodicals such as Lancet, BMJ, JAMA and PLOS Medicine.

Nicholas is a member of editorial boards including PLOS Medicine and Stem Cells Translational Medicine, and holds a visiting professorship at the National University of Singapore. His current professional affiliations include: Council Member, Queensland Institute of Medical Research; Board Member, Diamantina Health Partners; and Member Organising Committee, Cell Reprogramming Australia.

Member
Ms Melinda McGrath

Ms Melinda McGrath has held senior positions in healthcare organisations for the past 25 years, the last 17 years as a Chief Executive. She has led the strategic and operational performance of healthcare organisations and consistently obtained improved financial performance while ensuring clinical quality and patient outcomes are enhanced. As CEO of QML Pathology and of three private hospitals, Melinda ensured quality patient service and safety and improved efficiency in an environment of great strategic, competitive and funding changes and developed and implemented multimillion dollar facility master plans to improve patient service and operational efficiency.

Melinda has qualifications in exercise physiology, psychology and business. Her board memberships have included: Uniting Church Superannuation Plan; St Andrew's Heart Institute; and Private Hospitals' Association of Queensland.

Melinda has received numerous awards over her career, including: National Winner Clinical Services Leadership Award 2005—St Andrews War Memorial Hospital; National Winner Australian Private Hospitals Association 2002 Award—Sunshine Coast Private Hospital; and National Winner Australian Private Hospitals Association 2001 Team Excellence Award—St Stephens Private Hospital.

Chair, Safety and Quality Committee
Associate Professor Cliff Pollard

Associate Professor Cliff Pollard is a qualified general surgeon, he undertook his surgical training in Queensland and obtained post-Fellowship experience in the United Kingdom. Cliff has been the Staff Surgeon and Visiting Medical Officer at Redcliffe Hospital, prior to moving to the Royal Brisbane and Women's Hospital in 2008 as the inaugural Director of the Trauma Service, retiring in 2012. As a member of the Royal Australian Army Medical Corps, he deployed to Bougainville and East Timor.

Cliff has a major interest in all aspects of trauma management in both pre-hospital and hospital environments, he has presented widely on the topic both nationally and internationally. More recently Cliff has been appointed Chair of the Ministerial Clinical Advisory Council and is Chair of the Statewide Trauma Clinical Network. Cliff has been an examiner in general surgery for the Royal Australasian College of Surgeons and currently, teaches anatomy in the Advanced Surgical Anatomy Course. Cliff holds an Adjunct Associate Professor position in the School of Medicine, University of Queensland.

Chair, Risk and Audit Committee
Mr Leonard (Len) Scanlan

Mr Leonard (Len) Scanlan is a former Auditor-General of Queensland and has been appointed a National Fellow of the Institute of Public Administration Australia for his outstanding contribution to the practice of public administration. Len is a graduate of the Queensland Institute (now University) of Technology, with a Bachelor of Business (Accy), and the University of Queensland with a Bachelor of Arts (Government) and a Masters of Public Administration.

Len now operates a consultancy business focusing on audit committees, governance and boards for both the private and public sectors and is an Adjunct Professor at the University of Queensland. Among his business interests Len is a non-executive director of Queensland Urban Utilities, CheckUP Australia and Chairman of Ganes Ltd. He chairs the Brisbane City Council's Audit Committee, as well as the Board's Risk and Audit Committee. He is a non-executive director of the Medical Benevolent Association of Queensland Ltd and chairs the Audit Committees for the Royal National Association. He has received a number of awards, including the Centenary Medal Award.

Member
Dr Kim Forrester

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. Kim established the Masters in Emergency Nursing program at Griffith University and was a foundation academic in the School of Medicine. She currently holds an academic appointment as Associate Professor in the Faculty of Health Sciences and Medicine at Bond University.

Kim'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 Elder Law Committee. Kim publishes extensively in the area of health law. She is editor of the Nursing Column in the 'Journal of Law and Medicine', and co-author of the texts, 'Essentials of Law for Health Professionals', 'Australian Pharmacy Law and Practice' and 'Essentials of Law for Medical Practitioners'. Kim was appointed as a Board Member from 18 May 2013.

"I am proud of our achievements in Metro North and would like to thank the Board for their strategic leadership and guidance they have provided during this first year as a statutory body.

I would also like to congratulate the executive team and all our staff for the great work, enthusiasm and commitment in providing high quality health services for our community."

– **Dr Paul Alexander AO,** Chair
Metro North Hospital and Health Board

4.3 Executive management

Health Service Chief Executive

Professor Keith McNeil
Ms Kerrie Mahon

The role of Health Service Chief Executive is to manage the health service and the role is appointed by the Board.

Chief Operating Officer

Ms Kerrie Mahon
Mr Keith Love

The Chief Operating Officer is responsible for supporting the Chief Executive in the development and execution of the MNHHS Operational Plan.

Chief Finance Officer

Mr Robert Dubery

The Chief Finance Officer is responsible for supporting the Chief Executive in the development of a financial management plan for the Service as well as the leadership of the finance and performance functions of the Service.

Director of Strategy and Service Planning

Ms Kerrie Mahon

The Director of Strategy and Service Planning is responsible for the high level planning function for the Service. The position also has a coordinating and governance role in relation to the corporate services that are provided in the facilities and services across MNHHS.

Director of Governance

Mr Keith Love
Ms Therese Lee

The Director of Governance is responsible for supporting the Chief Executive in the development of the governance (compliance and performance) framework for the Service.

Director of Organisational Development

Ms Ceri Jury

The Director of Organisational Development is responsible for supporting the Chief Executive in the development of the HR framework for the Service as well as the development and execution of the organisational development plan.

Professional Leads – Medical, Nursing, Allied Health and Corporate Services

Dr Donna O'Sullivan (Medical)
Professor Lesley Fleming (Nursing)
Mr Mark Butterworth (Allied Health)
Mr Scott McMullen (Corporate Services)

The professional leads have a key workforce responsibility to lead and support the workforce, operational, safety and quality, and strategic aspects of their professions from a whole of MNHHS perspective.

Executive Directors

Executive Director RBWH
Professor Keshwar Baboolal
Dr David Alcorn

Executive Director TPCH
Dr Darren Walters
Mr Jon Roberts

Executive Director Redcliffe Hospital
Ms Lexie Spehr
Dr Donna O'Sullivan

Executive Director Caboolture/Kilcoy Hospitals
Ms Caroline Weaver

Executive Director Subacute and Ambulatory Services
Dr Cameron Bennett

Executive Director Mental Health
Professor Brett Emmerson

Executive Director Oral Health
Dr Ralph Neller
Dr Mark Brown

The Executive Directors of the MNHHS facilities and services are responsible for the day-to-day operational management of their areas of responsibility. This includes the financial, workforce, safety and quality aspects of the services provided.

4.4 Public Sector Ethics Act 1994

MNHHS is committed to upholding the values and standards outlined in the Code of Conduct for the Queensland Public Service. The Code of Conduct for the Queensland Public Service applies to all MNHHS employees. The Code of Conduct for the Queensland Public Service was developed under the *Public Sector Ethics Act 1994* and consists of four core principles:

- Integrity and impartiality
- Promoting the public good
- Commitment to the system of government
- Accountability and transparency.

Each principle is strengthened by a set of values and standards of conduct describing the behaviour that will demonstrate that principle. All staff employed within MNHHS are required to undertake training in the Code of Conduct for the Queensland Public Service during their orientation and thereafter re-familiarise themselves with the Code of Conduct annually. As MNHHS progresses to becoming the prescribed employer, it will develop a standard of practice, to underpin the Code of Conduct for the Queensland Public Service.

FAST FACT

16 minutes is the median wait time for treatment in MNHHS emergency departments

5.0 Governance – Risk Management and Accountability

5.1 Risk management and audit

Risk within MNHHS is managed according to an integrated risk management process which has been developed by management based on Australian Standards for Risk Management and endorsed by the Board.

Risk registers are held by facilities and services across MNHHS and risk is a key agenda item on the Board Risk and Audit Committee and facility and service management committees.

Risks that are rated as 'very high' are reviewed by the Executive Management Team on a monthly basis and are also provided to the Board Risk and Audit Committee to ensure that appropriate risk mitigation and management plans are in place.

5.2 External scrutiny

In May 2013, The Prince Charles Hospital (TPCH) underwent an independent, external accreditation survey by a team from the Australian Council on Healthcare Standards. This external review was against the requirements outlined in the National Safety and Quality Heath Service Standards. TPCH was the first tertiary public hospital in Queensland to be assessed against these Standards since they became mandatory on 1 January 2013.

Official notification of the result of this accreditation survey has been received, and it was identified that TPCH had met or exceeded the mandatory requirements of the Standards and would receive the longest accreditation period possible of four years. This is a very significant achievement and provides confidence to the community that TPCH meets or exceeds contemporary health service standards.

Healthy bubs as Ngarrama closes the gap

Healthy birth weights and more Aboriginal and Torres Strait Islander mums accessing antenatal care, signal the success of the Metro North Hospital and Health Service (MNHHS) Ngarrama program.

After consulting with Elders in the local area the Ngarrama program has come up with a winning formula for providing Aboriginal and Torres Strait Islander mums with the best chance of birthing healthy babies.

Director MNHHS Aboriginal and Torres Strait Islander Health Unit, Angela Scotney, said understanding the importance of culture has been central to Ngarrama's success.

'Ngarrama means guardian birth spirit in the Yuwaalayaay language and in many ways this sums up what the program is about," she said.

"By getting mums to engage with health services early in their pregnancy and then increasing the number of antenatal visits they attend, Ngarrama is recording a greater number of Aboriginal and Torres Strait Islander babies being born with a healthy birth weight.

"A healthy birth weight is important because babies born with a very low birth weight do not have well formed organs and this contributes to high rates of chronic disease and early death in later years."

Aboriginal and Torres Strait Islander babies are twice as likely to be born with a very low birth weight compared with all other babies born in Australia.

Ms Scotney said many Aboriginal and Torres Strait Islander women were not comfortable using mainstream maternal and child health services and avoided seeking help until they had to.

Director Aboriginal & Torres Strait Islander Health Unit, Angela Scotney, Board Member, Melinda McGrath and Ngarrama mum Whitney Hunt celebrate the opening of a new Ngarrama outreach clinic at Zillmere.

"Ngarrama aims to change this by providing connected maternal and child health services that are culturally safe for Aboriginal and Torres Strait Islander women," Ms Scotney said.

Under the Ngarrama program Indigenous Health Workers and Child Health Nurses link with MNHHS maternity services at the Royal Brisbane and Women's Hospital, Redcliffe Hospital and Caboolture and Kilcoy Hospitals to deliver care in a seamless way.

Antenatal and postnatal services are delivered with a flexible approach where women can be seen in the home or in a community setting rather than at a hospital.

Information and education is provided in a culturally appropriate way covering topics such as breastfeeding, immunisation, parenting and contraception.

Ms Scotney said Ngarrama encourages Aboriginal and Torres Strait Islander women and their families to support each other.

"The program is fostering pride and camaraderie with mums often referring to themselves as 'Ngarrama mums' and forming ongoing support groups," she said.

"With the popularity of the program growing we look forward to continued success."

Ngarrama is recording a greater number of Aboriginal and Torres Strait Islander babies being born with a healthy birth weight.

World's first therapy dog immortalised at RBWH

A statue of 'Smoky', the world's first ever therapy dog, was unveiled by Her Excellency Ms Penelope Wensley AC, The Governor of Queensland, in a memorial ceremony held at RBWH last December.

Lively Yorkshire Terrier, 'Smoky', graced the wards of the Royal Brisbane Hospital during World War Two, offering hope and comfort to enemy and allied soldiers alike.

Senior Constable Nigel Allsopp of the Queensland Police Bomb Squad, is a passionate war animal historian, and has worked tirelessly to honour Smoky's heroic career in his native Australia.

"Smoky provided a little piece of home and offered some normality to the wounded in the days before post-traumatic stress and other conditions were recognised," Senior Constable Allsopp said.

In February 1944, Smoky was found in an abandoned foxhole in the New Guinea jungle and sold to Corporal William A. Wynne – an American soldier – for two Australian pounds.

She went on to become a war hero in her own right and is recognised as "the first therapy dog of record" by Animal Planet.

A little research uncovered that Smoky was born in June 1943 on Queen Street, Brisbane, and subsequently served at the U.S. 109th Fleet and 42nd General Hospitals in Brisbane in 1944.

Former RBWH Executive Director Dr David Alcorn said that it was a great honour to unveil a statue of Smoky and a memorial for all animals who serve, to share with the public on the RBWH campus.

The statue depicts Smoky sitting in an upside down combat helmet and was created by sculptor and war animal supporter, Susan Bahary, of Los Angeles and donated by Patrons of the United States.

All staff and members of the public are invited to visit the statue and memorial placed across from Pulse Cafe, in the Education Centre courtyard.

5.3 Internal Audit

To enhance the governance requirements across MNHHS, the Board established the Internal Audit function on 21 January 2013, under section 29 of the *Financial and Performance Management Standard 2009* and with due regard to Treasury's *Audit Committee Guidelines*.

Internal Audit assists the Board achieve its key objectives by providing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

MNHHS Internal Audit operates under a charter that is consistent with contemporary standards and is approved by the Board.

While retaining independence from management, audits are undertaken during the year in accordance with the Board approved strategic and annual plan.

Through a risk management framework, operational and financial risks are identified, recorded and monitored by management. These risks are key drivers for audits within the annual audit plan.

Key achievements of Internal Audit during 2012–13 included:

- Establishment of the function and required framework to undertake effective, efficient and economical audits
- Review of Board reporting
- Assessment of fraud exposure
- Review of credentialing
- Review of payroll risks
- Review of financial delegations
- Review of policies and procedures.

Image Top Left: (From left) Assoc. Prof. Major Cliff Pollard, Metro North Hospital and Health Service Board Member and former Director, RBWH Trauma Service; Dr Paul Alexander AO, Metro North Hospital and Health Service Board Chair; Her Excellency Ms Penelope Wensley AC, The Governor of Queensland; Hon. Warwick Parer AM, Chair, RBWH Foundation Board; Prof. Keith McNeil, Former Chief Executive, Metro North Hospital and Health Service; Dr David Alcorn, Former Executive Director, RBWH; Peter Treseder AM, Chief Executive Officer, RBWH Foundation; and Dr Margaret Steinberg AM, Metro North Hospital and Health Service Board Member with the statue of Smoky, sculpted by Susan Bahary and donated by patrons of the United States.

FAST FACT

95%

of category one MNHHS elective surgery patients are treated within the clinically recommended timeframe

5.4 Public Sector Renewal Program

MNHHS is has embraced the key principles of the Queensland Public Sector Renewal Program through consideration of the principles as part of the environmental analysis for the 2013–14 MNHHS Strategic Plan and 2013–14 Operational Plan. The renewal program principles have sharpened the MNHHS focus on the key areas of:

1. Customer focus
2. Innovation
3. Contestability, commissioning and core services
4. Excellence, agility and productivity
5. Governance and accountability

5.5 Carers (Recognition) Act 2008

MNHHS acknowledges and supports carers, those that are our patients or their families as well as staff who may be carers at home.

5.6 Information systems and record keeping

Section 160 of the *Hospital and Health Boards Act 2011* requires that any confidential information disclosures made in the public interest by a Service are outlined in the Annual Report for that service. There were no disclosures of confidential information by MNHHS under this provision in 2012–13.

During 2012–13 MNHHS has had the records for the MNHHS Public Health Unit and the Queensland Health Victim Support Service transferred to it as those services have transitioned from the Queensland Department of Health into Metro North.

Transfer of responsibility for all administrative and functional records held and managed in MNHHS has occurred through a Machinery of Government process. Personnel, Workplace Health & Safety and Capital Works and Infrastructure records remain the responsibility of the Department of Health until these functions are fully transitioned into MNHHS.

6.0 Governance – Human Resources

6.1 Workforce planning, attraction and retention and performance

The MNHHS Workforce Framework outlines a vision for the workforce that is integrated with the MNHHS Strategic Plan; the framework is designed to ensure that we have a well trained, resilient and sustainable workforce that is aligned to our goals. This framework is in place to ensure that MNHHS can deploy the right people with the right skills to the right place at the right time to sustainably provide the care required by the MNHHS community.

Workforce Objectives

1. Ensure our workforce is designed to meet future needs of the community and that we have the appropriate workforce structure to provide care in the right place at the right time
2. Ensure our workforce is resourced appropriately so we can deploy the right people to the right place at the right time
3. Increase the capability of our employees so that we have a large pool of capable leaders ready to assume key positions identified in MNHHS
4. Increase the capacity of the system in which we work resulting in efficiency and effectiveness of our services.

FAST FACT

32,435

Interventions and procedures performed within MNHHS

Key Strategies

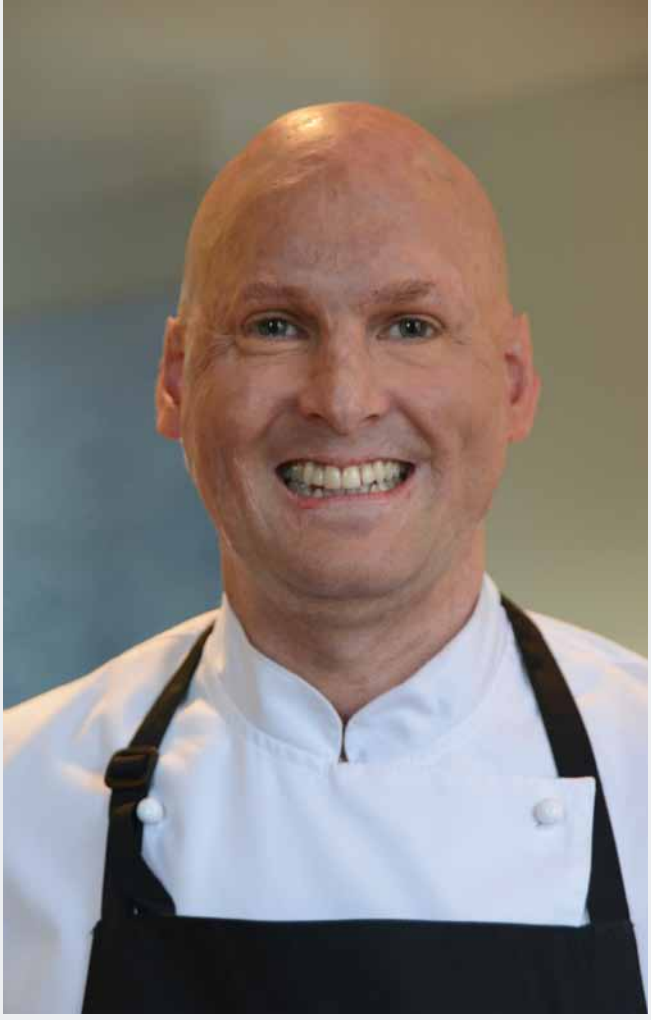
1.1 Provide a safe working environment for our staff
1.2 Improve workforce planning and forecasting
1.3 Address emerging workforce issues such as the ageing workforce and skills shortages
1.4 Push back against barriers that prevent us from undertaking our work in the most effective way
2.1 Attract and retain an agile, world class workforce
2.2 Address skill mix requirements
2.3 Ensure Aboriginal and Torres Strait Islander peoples are appropriately represented
3.1 Invest in the development of our staff
3.2 Share knowledge with a focus on teaching
3.3 Engage our staff
3.4 Hold our staff to account
4.1 Care for our employees
4.2 Enrich our existing, and establish more cross-district networks
4.3 Have systems that enable us to make informed decisions
4.4 Identify methodologies to increase efficiency in the system and engage our staff in their use.

Key Performance Indicators – Workforce

Hours lost (WorkCover Vs Occupied FTE) – 0.39% (Target 0.35%)
Sick leave – 4.15% (Target 3.5%)

During 2012–13 MNHHS embarked on a significant workforce redesign program that commenced journey toward the provision of healthcare at the National Efficient Price – a key component of the National Health Reform Agenda. A key driver of this workforce redesign was to provide high quality healthcare to our community as one organisation, rather than a group of separate hospitals and services. A continuing focus of the redesign is to reduce duplication and streamline work processes across the system. The shift in focus from facility led services to a whole of MNHHS approach has initiated a transformation of the culture within the organisation that is ongoing.

To support the changing workforce, the MNHHS Strategic Workforce Framework provided continued focus on safety of staff. The safety for all approach was operationalised through the MNHHS Occupational Health and Safety (OHS) Operational Plan which provided a structure to ensure a safe and productive working environment for staff.



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"A big part of my recovery was the excellent treatment and care I received from the team at the RBWH Burns Unit. As a patient (and occasional outpatient) I will be forever grateful to the doctors, nurses and allied health professionals who helped me on my journey to recovery."

Matt Golinski (celebrity chef) thanks RBWH Burns Unit

Waking up in the Burns Unit of the hospital was quite a shock, particularly after finding out that I'd spent months in a medically induced coma, had received third degree burns to over 40% of my body and that my wife and our three children were no longer with me.

Being a burns survivor can be a long, emotional, painful and exhausting journey but with good medical care, a focus on the future and the support of family and friends, even the most difficult of circumstances can be overcome.

Today I am enjoying life once again and am back to what could be considered a 'normal' life, enjoying time with family and friends, cooking, fishing and running.

A big part of my recovery was the excellent treatment and care I received from the team at the RBWH Burns Unit. As a patient (and occasional outpatient) I will be forever grateful to the doctors, nurses and allied health professionals who helped me on my journey to recovery.

I still have some health issues as a result of the accident including a condition called Heterotopic Ossification (HO) which is the presence of bone in soft tissue where bone normally does not exist and some nerve damage in my fingers but I'm working on both of those things.

In my experience, having a positive attitude is the only way to move forward. With thanks to the friends, family and complete strangers who provided support to me in my time of need, I've been able to 'give back' to the RBWH via a donation in my late wife and childrens' names to help with ongoing burns research. Of course no amount of money would ever match my level of gratitude for the care I received. Thank you RBWH.

35 years of quality burns care

RBWH has a long history of quality burns care dating back 45 years when Professor Stuart Pegg started managing Burns in the old Royal Brisbane Hospital.

In 1977 a stand alone burns ward was established at the hospital, which has since grown into a highly reputable burns unit, publishing one of the best mortality figures of any adult burns centre in the world at less than 2 per cent.

From small beginnings built on the solid foundations of Professor Stuart Pegg, the unit is now an 18 bed specialised ward servicing a population of around five million people which includes Queensland, northern New South Wales and the Pacific Rim islands.

On average there are 500 admissions per year with the majority of admissions being male patients. Half of admissions are flame-related burns and many require significant skin grafts.

Under the leadership of Dr Michael Rudd, the success of the burns unit is largely due to the multidisciplinary team that works together for the good of the patient. The team consists of surgeons, nurses, physiotherapists, occupational therapists, speech pathologists and nutritionists.

Caboolture leads way in virtual maternity care

Women and their families who live in the Caboolture and surrounding areas now have access to a unique maternity website that will assist them prepare for parenthood.

Caboolture Hospital Executive Director Caroline Weaver said bringing a child into the world was often a time of great change and adjustment for women and their families.

"This very exciting journey can often be an overwhelming experience simply due to the lack of information available," she said.

"The Caboolture Hospital's new maternity and newborn website is the first step in revolutionising the way we deliver maternity services in our community.

"It gives women the access to information they needed in the comfort of their own home, at a time that suits them."

"The Caboolture Hospital's new maternity and newborn website is the first step in revolutionising the way we delivered maternity services in our community"

The site empowers women to make more informed decisions about their pregnancy, the maternity services they access and how they take care of their newborn.

Often, women in our community are not aware of the broad range of professional care options available for antenatal and postnatal care, and birthing services.

The new maternity and newborn site has a range of information about what to do when you discover you are pregnant, preparing for birth, taking your baby home or breastfeeding.

The new maternity and newborn site also provides information for grandparents and new dads about bonding, dressing and wrapping a newborn, changing nappies and safe bathing.

Women can also register their details securely online to book their initial appointment at the hospital.

Caboolture Hospital Maternity Unit staff assist in the birth of more than 2,000 babies each year.

Please visit www.health.qld.gov.au/caboolture/maternity/default.asp

The MNHHS Occupational Health and Safety Operational Plan focused on:

- Increasing awareness and communications regarding Occupational Health and Safety matters throughout all levels of the organisation
- Preventative strategies for key OHS risks, for example reinforcing a risk management approach for manual handling
- Standardising core OHS elements such as incident reporting and investigation, audit and inspections, consultative arrangements, safe work practices and procedures, injury management and common law
- Planning and reviewing the effectiveness of the safety management system elements.

Injury management was of particular focus and produced positive and measurable outcomes, as standardisation of injury management services across MNHHS commenced.

MNHHS continued to demonstrate improved performance throughout 2012–13 FY resulting in a 21.4% reduction of the Tier 1 KPI – M39: Hours Lost (WorkCover hours) verses Occupied FTE.

The following were major contributors to this significant reduction:

- Lower average days to first return to work, with a 22.9% reduction from the first to last quarter of the financial year*
- Average days lost per approved WorkCover claim below Queensland Health target levels of 26.55 average paid days
- Reduced frequency of new statutory WorkCover claims. MNHHS saw a 12.8% reduction from the previous financial year.

* % is calculated using RBWH + Northside WorkCover data/2.

As a core OHS function and in preparation for an external OHS audit in 2014, MNHHS OHS Unit has undertaken an extensive OHS audit across all facilities. This is a rolling audit and data for the 2012–2013 audit indicates that MNHHS has satisfactorily met all legislative compliance questions. During this process it was identified that 66% satisfactorily met all legislative compliance elements, with the remaining 34% determined as meeting criteria however requiring improvement. The action plan for implementation of recommendations has been completed and the MNHHS OHS Unit is currently working with facilities to complete implementation. 2013–2014 audit program has commenced for completion by end of February 2014 in preparation for the external OHS audit.

In 2012–13, MNHHS delivered a comprehensive learning and development program that included multidisciplinary and discipline specific training. In 2012–13 more than 300 staff participated in leadership development programs and in excess of 800 new appointees attended orientation programs. Fatigue Management frameworks have been implemented to support all staff in high fatigue risk areas such as emergency and operating theatres.

MNHHS facilities continue to attract new graduates in their clinical areas. In 2012–13, the facilities across MNHHS recruited 157 medical interns, 66 nursing graduates and 73 allied health graduates.

MNHHS continues to enjoy productive relationships with tertiary partners; throughout 2012 over 21,000 allied health student days from 10 universities were supported by MNHHS staff. It is noteworthy that 22% of our Health Professional Level 3 (HP3) and HP4 level staff have postgraduate qualifications relevant to their clinical work.

MNHHS has four primary allocation sites for medical intern training based at RBWH, TPCH, Redcliffe and Caboolture Hospitals. Of the 157 medical graduates who commenced employment in February 2013, the vast majority of these were from the four Queensland universities: Queensland, Griffith, James Cook & Bond; with a smaller proportion coming from other Australian universities.

Throughout 2012 MNHHS nursing and midwifery services has partnered with fifteen Queensland and National universities and three Technical And Further Education (TAFE) providers to support 593,812 hours of student clinical placement. In addition, a service agreement with the Australian Defence Force (ADF) has facilitated 6,320 hours (short and long term placements) for postgraduate training and clinical currency placements.

Proudly supporting the Australian Defence Force

The Metro North Hospital and Health Service (MNHHS) is a proud supporter of the Australian Defence Force (ADF).

A unique Military Surgical Team has been established at RBWH. Members of this team provide high-level clinical services at the hospital for much of the year and also deploy, sometimes atat short notice, to provide medical support for the ADF and humanitarian and disaster relief efforts on behalf of the Australian Government.

In addition, RBWH hosts ADF health professionals in placements to develop or maintain their advanced clinical skills. This mutually beneficial partnership enhances the ADF's acute care capability on deployment and in the field, and provides ongoing opportunities at RBWH in research and training.

MNHHS staff have a rich tradition of using their skills to help local communities around Australia and abroad as Australian Defence Force (ADF) Reservists. A mutually beneficial formal partnership between MNHHS and the ADF has enhanced these efforts.

This mutually beneficial partnership enhances the ADF's acute care capability on deployment and in the field, and provides ongoing opportunities at RBWH in research and training.

Ground-breaking research streamlines testing for possible heart attack patients

Royal Brisbane and Women's Hospital (RBWH) Emergency Physician, Associate Professor Louise Cullen and Cardiologist, Dr William Parsonage are leading ground-breaking cardiology research aimed at reducing the amount of time possible heart attack patients spend in the emergency department.

The research, recently published in the influential medical journal 'Journal of the American College of Cardiology', has found a reliable and rapid process to identify a large group of patients with chest pain who are at very low risk of a heart attack.

Every year in Australia an estimated 500,000 emergency department presentations are for symptoms suggestive of a heart attack.

Ultimately, only one in five of these patients will have serious heart disease, but trying to identify the healthy patients has been difficult.

In the past, these patients would be admitted to hospital for at least 12 to 24 hours to undergo a series of tests, which causes stress and anxiety on the patient and required significant hospital resources.

A/Prof Cullen and Dr Parsonage have established a new, fast protocol that incorporates a specialised blood test (highly sensitive troponin I) two hours after arrival to rule out serious heart disease in a very large proportion of patients presenting to emergency departments with a possible heart attack.

Royal Brisbane and Women's Hospital Emergency Physician Associate Professor Louise Cullen speaks to Channel Nine news.

The research has found a reliable and rapid process to identify a large group of patients with chest pain who are at very low risk of a heart attack.

"With the use of this protocol, unnecessary hospital admissions could be safely avoided in around 40 per cent of these patients, reducing patient anxiety and inconvenience, and reducing inefficient use of hospital resources," A/Prof Cullen said.

"If we can identify people who don't need to be in hospital it reduces their stress and frees up hospital resources for the patients who need it the most."

Initially, in collaboration with Christchurch Cardio-Endocrine Research Group in New Zealand, the team tested this protocol in 1,635 patients. To ensure their findings were applicable around the world, they worked with Prof. Christian Mueller in Basal, Switzerland, where he was able to reproduce these same great results.

This new protocol offers a great opportunity for change in established clinical practices.

This joint Emergency Department and Cardiology initiative has been funded by the Queensland Emergency Medicine Research Foundation (QEMRF).

Medical workforce

The interns and their fellow prevocational doctors (postgraduate years 2 and 3 also known as Junior and Senior House Officers) are well supported by the Medical Education resources at each primary allocation centre, ensuring that developmental and pastoral care needs are well attended to. These medical education resources are highly skilled in identifying and managing the specific needs of junior doctors with an increasing capacity to extend these skills into the registrar arena. Increasingly professionalism, supervision skills and leadership are being identified as critical to the development of capacity and resilience within this workforce and education and training opportunities are being developed and offered.

Allied Health workforce

In 2012 allied health in MNHHS introduced 'Flying Start', a web-based program designed to increase the confidence and competence of new starter allied health professionals. Peer and Clinical Supervision programs continued to be delivered and a performance framework for all staff is in place to ensure our patients receive innovative, excellent, and evidence-based care. Health practitioners throughout MNHHS are supported by six full-time health practitioner researchers who drive a research promotion agenda through frequent workshops, networks and seminars designed to build both the capability and capacity of Allied Health to disseminate and publish the results, innovations and outcomes of their clinical work.

Nursing workforce

MNHHS nursing and midwifery services are committed to providing an efficient, cost effective nursing and midwifery workforce and have initiated numerous strategies to build work capacity, responsiveness and capability. Effective application of these strategies supports a standardised, consistent and transparent approach to the management of a sustainable nursing and midwifery workforce.

Key strategies include the development and implementation of a Nursing and Midwifery Workforce Management Framework and Flow Model that aligns workforce with clinical activity. A Nursing & Midwifery Education Model to support the application of education services through knowledge translation and capacity building has been developed. Other initiatives include formalised articulation pathways and advanced standing opportunities for Transition Support Programs, rigorous professional development programs aligned to professional and national safety standards and a review of formalised transition support processes e.g. preceptorship.

Research initiatives, such as research councils, have been embedded across MNHHS nursing and midwifery services to support professional practice and a culture of continuous improvement of service provision.

MNHHS nursing and midwifery services streaming strategies have recently commenced. These strategies are focused on aligning workforce activity to reduce duplication of effort, increase transparency, and build a sustainable, efficient and capable workforce that meets consumer, financial and professional performance targets.

To sustain a world class workforce, MNHHS has developed a Succession Planning Framework to ensure that critical positions are well planned for into the future. A workforce capability framework is under development to ensure that managers and supervisors have the capabilities to perform the requirements of their roles.

The policy framework under which MNHHS operates enables staff to access family friendly policies and avail themselves of flexible working arrangements where possible to ensure the best possible working environment for our staff.

MNHHS has established an Aboriginal and Torres Strait Islander Health Unit which is located within the MNHHS Chief Executive's Office. The unit oversees Aboriginal and Torres Strait Islander health initiatives and activities across the area, in collaboration with the Institute of Urban Indigenous Health, Brisbane North Medicare Locals and Community Control Organisations.

With strong Indigenous leadership and management processes in place the unit is responsible for implementing the Queensland Health Cultural Capability Framework 2010–2033 and the Queensland Health Making Tracks toward closing the gap in health outcomes for Indigenous Queenslander by 2033. The Indigenous workforce has remained strong, with staff working in all facets of healthcare delivery. MNHHS is committed to the Queensland Health Statement of Commitment to Reconciliation and the COAG, Close the Gap, Indigenous Health Equality Summit, Statement of Intent.

Workforce profile in FTE by stream

In 2012–13 MNHHS employed nine Board members (including the Board Chair) appointed by the Governor-in-Council and seven Hospital Executive Service staff. MNHHS delivers its services utilising more than 12,706 full-time equivalent staff employed by the Department of Health. The table below shows the number of staff providing and supporting services across MNHHS by employment stream.

MNHHS workforce profile @ June 2013	FTE	% of total
Managerial and Clerical	1,904	15.0%
Medical incl. VMOs	1,720	13.5%
Nursing	5,524	43.5%
Operational	1,724	13.6%
Trade and Artisans	111	0.9%
Professional and Technical	1,723	13.6%
Total MOHRI Occupied FTE	**12,706**	**100.0%**

MNHHS's retention rate for permanent employees was 89% in 2012–2013. The retention rate is the number of permanent staff employed by MNHHS at the start of the financial year who remain employed at the end of the financial year, expressed as a percentage of total staff employed.

MNHHS's separation rate for 2012–2013 was 11%. The separation rate is the number of permanent employees who separated during the year as a percentage of permanent employees in MNHHS.

MNHHS operates within an industrial framework of consultative forums – the peak consultative forum is the MNHHS Consultative Forum and each hospital within the Hospital and Health Service holds a Local Consultative Forum to manage local issues. Professional streams such as Nursing hold profession specific consultative forums.

6.2 Early retirement, redundancy and retrenchment

In 2012–13 MNHHS undertook a restructure, announcing Voluntary Separation Packages (VSP) for staff across the MNHHS, and realigning and reprioritising spending to frontline services. The VSP arrangements were in accordance with the terms of the Queensland Public Service Commission's Voluntary Separation Program Handbook. The VSP program ceased on 30 July 2013 with affected employees due to leave their employment by the 30 September 2013. Employees who have previously accepted a VSP, but are yet to complete employment will continue to separate as planned. A total of 633 VSPs were accepted in the year ending 30 June 2013 with an entitlement cost of $32.4m.

6.3 Voluntary Separation Program

MNHHS had no employees from the Voluntary Separation Program for 2011–2012 separate in 2012–13.

FAST FACT

9,673
IN HOME VISITS

Number of MNHHS in-home visits, to MNHHS families with newborns

New ways of working to reduce waiting times in Queensland's busiest Emergency Department

Patients at the RBWH Emergency Department (ED) are experiencing shorter waiting times thanks to a new initiative known as THERMoSTAT (Two-Hour Evaluation and Referral Model for Shorter Turnaround Times).

The initiative (developed by doctors and nurses) is already producing better waiting times in the state's busiest ED. In July 2013, 80 per cent of patients were being seen within four hours, up from 56 per cent 12 months ago.

The busy RBWH Emergency Department sees up to 250 new patients each day. While the department provides world-class emergency care, the unpredictable nature of the workload brings challenges, particularly when there is sudden high demand.

A surge in demand in ED it puts pressure on the whole hospital system as hospital wards end up with a surge in requests for inpatient beds. Through THERMoSTAT work practices have been changed to move patients through the system faster.

The new way of working sees patients moved through 'hot' and 'cold' zones. Patients are first seen in an acute 'hot' zone where a senior doctor makes a decision on their likely outcome and senior clinicians and nursing staff work as a team to decide the plan of care. Patients are then moved to a step down 'cold' zone to prepare for admission or discharge home.

This way of working has enabled senior doctors to make decisions for clinical handover early and request an inpatient bed if needed. Previously these decisions were made at the end of the process when the patient had often already been in the ED for some time.

By working this way RBWH has been able to reduce the length of time patients have to spend in ED, which has in turn reduced overcrowding at times of high demand and ambulance ramping.

The initiative (developed by doctors and nurses) is already producing better waiting times in the state's busiest ED. In July 2013, 80 per cent of patients were being seen within four hours, up from 56 per cent 12 months ago.

7.0 Financial Statements 2012–13

7.1 General information

Metro North Hospital and Health Service is a Queensland Government statutory body established under the *Hospital and Health Boards Act 2011* and its registered name is "Metro North Hospital and Health Service".

Metro North Hospital and Health Service is controlled by the State of Queensland which is the ultimate parent entity.

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

Level 3, 15 Butterfield Street
Herston QLD 4029

A description of the nature of the operations and principal activities of Metro North Hospital and Health Service is included in the notes to the financial statements.

For information in relation to the health service's financial statement please call 07 3328 9921, email MD16-MetroNorthHHS@health.qld.gov.au or visit the Queensland Department of Health's internet site www.health.qld.gov.au/metronorth.

Statement of Comprehensive Income
For the year ended 30 June 2013

	Notes	2013 $'000
Income from continuing operations		
User charges	4	140,888
Grants and other contributions	5	1,961,067
Other revenue	6	31,494
Total revenue		**2,133,449**
Gains	7	132
Total income from continuing operations		**2,133,581**
Expenses from continuing operations		
Employee expenses	8	3,529
Supplies and services	9	2,019,096
Grants and subsidies	10	4,621
Depreciation and amortisation	11	69,578
Impairment losses	12	5,321
Other expenses	13	6,219
Revaluation decrement on property, plant and equipment	19	3,016
Total expenses from continuing operations		**2,111,380**
Operating result from continuing operations		**22,201**
Other comprehensive income		
Items that will not be reclassified subsequent to operating result:		
Increase/(decrease) in asset revaluation surplus		–
Total other comprehensive income		**–**
Total comprehensive income		**22,201**

The accompanying notes form part of these statements.

Statement of Financial Position
As at 30 June 2013

	Notes	2013 $'000
Current assets		
Cash and cash equivalents	14	101,889
Receivables	15	66,707
Inventories	16	15,864
Other assets	17	3,387
Total current assets		**187,847**
Non-current assets		
Property, plant and equipment	19	1,259,855
Intangible assets	18	368
Other assets	17	204
Total non-current assets		**1,260,427**
Total assets		**1,448,274**
Current liabilities		
Payables	20	134,899
Accrued employee benefits	21	134
Unearned revenue	22	1,085
Total current liabilities		**136,118**
Non-current liabilities		
Unearned revenue	22	150
Total non-current liabilities		**150**
Total liabilities		**136,268**
Net assets		**1,312,006**
Equity		
Contributed equity		1,289,805
Accumulated surplus		22,201
Asset revaluation surplus		–
Total equity		**1,312,006**

The accompanying notes form part of these statements.

Statement of Changes in Equity
For the year ended 30 June 2013

	Notes	2013
		$'000
Accumulated surpluses		
Balance at the beginning of the financial year		–
Operating result from continuing operations		22,201
Transactions with owners as owners		
Correction of liability previously recognised		–
Balance at the end of the financial year		**22,201**
Asset revaluation surplus		
Balance at the beginning of the financial year		–
Total other comprehensive income		
Increase/(decrease) in asset revaluation surplus		–
Balance at the end of the financial year		**–**
Contributed equity		
Balance at the beginning of the financial year		–
Transactions with owners as owners		
Net assets received (transferred pursuant to the *Hospital and Health Board Act 2011*)	33	1,249,134
Equity injections – Minor Capital Funding		27,085
Equity withdrawals – Depreciation and amortisation	2(h)	(69,578)
Net equity injection		**(1,206,641)**
Non-appropriated equity transfer		
Net machinery of Government transfers		
Assets received – Property, plant and equipment		83,164
Balance at the end of the financial year		**1,289,805**
Total equity		**1,312,006**

The accompanying notes form part of these statements.

Statement of Cash Flows
For the year ended 30 June 2013

	Notes	2013
		$'000
Cash flows from operating activities		
Inflows		
User charges		172,150
Grants and other contributions		1,858,937
Interest received		908
GST collected from customers		3,995
GST input tax credits from Australian Taxation Office		3,376
Outflows		
Employee expenses		3,529
Supplies and services		1,911,729
Grants and subsidies		4,690
GST paid to suppliers		22,187
GST remitted to Australian Taxation Office		19,656
Net cash provided by (used in) operating activities	23	**77,575**
Cash flows from investing activities		
Inflows		
Sales of property, plant and equipment		–
Outflows		
Payments for property, plant and equipment		4,261
Payments for intangible assets		–
Net cash provided by (used in) investing activities		**4,261**
Cash flows from financing activities		
Inflows		
Equity transferred – 1 July 2012	33	20,053
Net cash provided by (used in) financing activities		**20,053**
Net increase/(decrease) in cash and cash equivalents		101,889
Cash and cash equivalents at the beginning of the financial year		**–**
Cash and cash equivalents at the end of the financial year	14	**101,889**

The accompanying notes form part of these statements.

Notes to the financial statements

Index to notes to financial statements

1 Objectives and strategic priorities of Metro North Hospital and Health Service

Metro North Hospital & Health Service's vision is to provide a seamless health needs journey, partnering with the community, leading in patient centred healthcare that delivers positive impacts with increased access to integrated services and reduction in waiting lists for the people we serve.

We will achieve this by seamlessly providing acute, subacute and specialist ambulatory services connected with primary care providers that are well planned, organised and transform in line with evolving practice and community needs. The transformation process is the key mechanism by which Metro North will deliver the priorities of the Government's Blueprint for Better Healthcare in Queensland:

- *Health services focussed on patients and people* – Patients will be connected to high-quality Integrated Services;
- *Empowering the community and health workforce* – Community and workforce engaged within sustainable models;
- *Providing our communities with value in health services* – One HHS – sustainable, effective and efficient service provision; and
- *Investing, innovating and planning for the future* – World Class in healthcare delivery, research and education.

By investing in these priorities, Metro North Hospital and Health Service will be contributing to the Government's Statement of Objectives for the community – to grow a four pillar economy, lower the cost of living for families by cutting waste, deliver better infrastructure and better planning, revitalise front-line services for families and restore accountability in government.

2 Summary of significant accounting policies

(a) Statement of compliance

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

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2013 and other authoritative pronouncements.

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

(b) The reporting entity

On 2 August 2011, Queensland, as a member of the Council of Australian Governments signed the National Health reform Agreement, committing to major changes in the way that health services in Australia are funded and governed.

These changes are effective from 1 July 2012 and include:

- Utilisation of a purchaser-provider model, where Metro North Hospital and Health Service and other Hospital and Health Services (HHSs) are to purchase health services from the Queensland Government Department of Health.
- Introducing national funding models and a national efficient price for services.

Metro North Hospital and Health Service was established under *The Health and Hospitals Network Act 2011 (HHNA)* with effect from 1 July 2012. Metro North Hospital and Health Service is an independent statutory body and a reporting entity, which is domiciled in Australia, engages with the local community, responds to their health needs and is accountable to the Minister of Health and to the Queensland Parliament. On 17 May 2012, the Minister for Health introduced amending legislation into the Parliament to expand the functions of HHSs under the HHNA. The amended legislation is known as the *Hospital and Health Boards Act 2012 (HHBA)*.

Metro North Hospital and Health Service is primarily responsible for providing quality and safe public hospital and healthcare services in a responsive manner and for the direct management of the facilities within its geographical boundaries including Royal Brisbane and Women's Hospital, The Prince Charles Hospital, Redcliffe Hospital, Caboolture Hospital, Kilcoy Hospital, Brighton Health Campus and Services.

As a consequence of the reform, Metro North Hospital and Health Service financial statements as at 30 June 2013 do not include comparatives. Opening asset, liability and equity balances were transferred from the Queensland Government Department of Health to Metro North Hospital and Health Service with effect from 1 July 2012. This was effected via a transfer notice signed by the Minister of Health, designating the transfers be recognised as a contribution by owners through equity. The transfer notices were approved by the Director-General of the Department of Health and both the Chairman of the Metro North Hospital and Health Service Board and the Metro North Hospital and Health Service's Chief Executive Officer.

(c) Trust transactions and balances

Metro North Hospital and Health Service acts only in a fiduciary trust capacity in relation to patient trust accounts. Consequently, these transactions and balances are not recognised in the financial statements of Metro North Hospital and Health Service, but are disclosed in note 28. Although patient funds are not controlled by Metro North Hospital and Health Service, trust activities are included in the audit performed annually by the Auditor-General of Queensland.

(d) User charges

User charges and fees are controlled by Metro North Hospital and Health Service when they can be deployed for the achievement of Metro North Hospital and Health Service's objectives. User charges and fees are controlled by Metro North Hospital and Health Service and comprise of hospital fees and sales of goods and services.

Hospital fees are primarily private patient hospital fees, interstate patient revenue and Department of Veterans' Affairs revenue and are recognised in the Statement of Comprehensive Income when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. Private patient hospital fee revenue is recognised when invoices are raised. Interstate patient revenue and Department of Veterans' Affairs revenue are recognised based on estimates of revenue earned. Revenue from sale of services is recognised when earned and can be measured reliably with a sufficient degree of certainty.

Revenue from the sale of goods is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is considered probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

(e) Grants and other contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which Metro North Hospital and Health Service obtains control over them. This includes amounts received from the Australian Government for programs that have not been fully completed at the end of the financial year.

Where grants are received that are reciprocal in nature, they are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and Metro North Hospital and Health Service will comply with the associated conditions, and are then recognised in the Statement of Comprehensive Income on a systematic basis over the term of the funding arrangements.

Contributed assets are recognised at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

Metro North Hospital and Health Service is predominantly funded by non-reciprocal grants from the Queensland Government Department of Health and recognised as revenue when received. These grants are negotiated between the Department of Health and Metro North Hospital and Health Service and governed by a Service Agreement between the two parties. The Service Agreement is reviewed quarterly and updated for changes in both activities and prices of services delivered by Metro North Hospital and Health Service.

(f) Interest Income

Interest income is recognised as it accrues, using the effective interest rate method.

(g) Inventories

Inventories consist mainly of medical supplies held for distribution to and consumption by hospitals. Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured as their weighted average cost, includes expenditure incurred in acquiring them and bringing them to their existing location and condition and is adjusted for loss of service potential. These supplies are expensed on issue from Metro North Hospital and Health Service's main storage facilities.

(h) Property, plant and equipment

Items of property, plant and equipment with a cost or other value equal to more than the following thresholds and with a useful life of more than one year are recognised at acquisition. Items below these values are expensed on acquisition.

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

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

A gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Statement of Comprehensive Income.

Initial measurement

Property, plant and equipment are initially measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of assets and includes any other costs directly attributable to bringing the assets to a working condition for their intended use. Assets transferred in from the Department of Health have been transferred and disclosed at fair value.

Subsequent costs

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

Subsequent measurement

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

Land and buildings are measured at fair value in accordance with AASB 116 Property, Plant and Equipment and *Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector.* The cost of items acquired during the financial year has been judged by management to materially represent the fair value at the end of the reporting period.

(h) Property, plant and equipment (continued)

To ensure the carrying amounts of the land and buildings asset classes reflect their fair value, land and buildings asset classes are revalued on an annual basis. The concept of materiality contained in AASB 1031 *Materiality* is considered in determining whether only those material assets within the class, rather than all assets of the class, are revalued. In applying the concept of materiality to asset revaluations, the Metro North Hospital and Health Service has an appropriately robust policy for identifying those assets to be included or excluded as part of the revaluation process.

The annual valuation process for a class of land or buildings carried at fair value may incorporate either one or both of the following revaluation methodologies:

- Appraisals undertaken by independent professional valuer or internal expert; or
- Use of appropriate and relevant indices.

Revaluations based on independent professional valuers are undertaken with sufficient regularity to ensure assets are carried at fair value. However, 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 asset may have changed by 20% or more from one reporting period to the next), it is subject to such revaluations in the reporting period.

Land

In 2012–13 land was fair valued by the State Valuation Service (SVS) using the following methodologies:

- Desktop indexation on 29 properties
- Desktop valuations on two properties

Both valuation methodologies take into consideration specific valuation indicators such as location, size, zoning regulations and recent market data.

The revaluation program for land resulted in a decrement of $1.52 million to the carrying amount of land (See note 19).

Buildings

Buildings are measured at fair value utilising either independent revaluation or applying an interim revaluation methodology developed by external quantity surveyors Davis Langdon. The methodology used by Davis Langdon takes into account the specialised nature of health service buildings and the fair value is determined by using the depreciated replacement cost method. Depreciated replacement cost is determined as the replacement cost less the cost to bring to current standards. This is in accordance with Queensland Treasury and Trade's Non-Current Asset Policy (NCAP) 3 – Valuation of Assets.

In order to calculate the cost to bring the buildings to current standard a condition rating is applied based upon

- Visual inspection of the asset;
- Asset condition data and other information provided by Metro North Hospital and Health Service; and
- Previous reports and inspection photographs (to show the change in condition over time).

The rating system is from the International Infrastructure Management Manual (IIMM) and is similar to that used by the Department of Health previously for these assets, but now without a direct connection between the age and condition of an asset. This amendment to the valuer's methodology provides a more accurate reflection of an asset's condition through its life as it removes the large decrement in an asset's value at the point in time when an assets condition moves from category 2 to 3. The financial impact on the depreciated replacement cost has been assessed and is not material.

Category	Condition	Comments
1	Very good condition	No works required to bring to current standards. Generally very new assets that have no backlog maintenance issues.
2	Minor defects only	Minor maintenance required. Asset is still largely in a good state of repair, but requires ongoing maintenance to keep the asset in a fit for purpose state.
3	Maintenance required to return to accepted level of service	Significant maintenance required (up to 50% of capital replacement cost will need to be refurbished or replaced).
4	Requires renewal	Asset requires a complete refurbishment (up to 70% of capital replacement cost will need to be refurbished or replaced).
5	Assets unserviceable	Complete asset replacement required.

Where indices are used in the revaluation process, the application of such indices result in a valid estimation of the asset's fair value at reporting date. The Metro North Hospital and Health Service ensures there is sufficient evidence that the index used is robust, valid and appropriate to the assets to which it is being applied. This process includes, but is not limited to:

- Obtaining a Metro North Hospital and Health Service specific index from a qualified property valuer, which includes key considerations such as construction cost escalation and changes to building design requirement specific to healthcare assets
- Assessing the reasonableness of the indice
- Questioning the underlying assumptions used to derive the indice
- Analysing the trend of change in values over time.

Annually, management assess the relevance and suitability of indices used, based on Metro North Hospital and Health Service's own particular circumstances.

Revaluation increments are credited to the asset revaluation surplus of the appropriate 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.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any significant change in the estimate of remaining useful lives.

The revaluation program for buildings resulted in a decrement of $1.5 million to the carrying amount of buildings (See note 19.)

Depreciation

Property, plant and equipment are depreciated on a straight-line basis. Annual depreciation is based on fair values and Metro North Hospital & Health Service's assessments of the remaining useful life of individual assets. Land is not depreciated as it has an unlimited useful life. Assets under construction (work-in-progress) are not depreciated until they are ready for use.

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

For each class of depreciable assets, the following depreciation rates were used:

Class	Depreciation rates
Buildings*	2.5% – 3.33%
Plant and Equipment	5.0% – 20.0%

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

The service agreement between the Department of Health and Metro North Hospital and Health Service dictates that depreciation and amortisation charges that are incurred by Metro North Hospital and Health Service are funded by the Department of Health via non-cash grant revenue. This transaction is shown in the Statement Of Changes in Equity as a non-appropriated equity withdrawal.

(i) Leases

Leased assets

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

Operating leases

Assets subject to operating leases are not recognised in the statement of financial position. Operating lease payments are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Any lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Finance leases

Metro North Hospital and Health Service had no finance lease assets as at the reporting dates.

(j) Intangible assets

Internally generated software and purchased software

Intangible assets comprise capitalised internally generated software and purchased software, which are measured at cost (if equal or greater than $100,000) less accumulated amortisation and accumulated impairment losses. Expenditure on research activities relating to internally generated software is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software are capitalised only if they can be reliably measured, the software is technically and commercially feasible, future economic benefits are probable and Metro North Hospital and Health Service intends to and has sufficient resources to complete development and to use or sell the asset. Expenditure capitalised includes the costs of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. All other development costs are expensed as incurred.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation

All intangible assets have finite lives and are amortised on a straight-line basis over their estimated useful life with a residual value of zero. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimates being accounted for.

Software is amortised from the time of acquisition or, in respect of internally developed software, from the time the asset is available for use. The amortisation rates for Metro North Hospital and Health Service's software is 20 per cent per annum.

(k) Impairment of non-financial assets

Property, plant and equipment and intangible assets are assessed for indicators of impairment on an annual basis in accordance with AASB 136 *Impairment of Assets*. If an indicator of impairment exists, Metro North Hospital and Health Service determines the asset's recoverable amount (higher of value in use and fair value less costs to sell). Any amount by which the asset's carrying amount exceeds the recoverable amount is considered an impairment loss. Property comprehensively revalued in the current financial year is not assessed for impairment, as any variance between the assets's carrying value and the recoverable amount will be addressed through the valuation process.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount, in which case the impairment loss is offset against the asset revaluation surplus (recognised in equity) of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(l) Arrangements for the provision of public infrastructure by other entities

The Queensland Government's Department of Health has entered into three contractual arrangements with private sector entities for the operation of public infrastructure facilities which are located on Metro North Hospital and Health Service's land. After an agreed period of time, ownership of the facilities will pass to Metro North Hospital and Health Service. Arrangements of this type are known as Public Private Partnerships. Refer to note 29.

Although the land on which the facilities have been constructed remains an asset of Metro North Hospital and Health Service, it does not control the facilities associated with these arrangements. Therefore these facilities are not recorded as assets by Metro North Hospital and Health Service; however it does receive rights and incurs obligations under these arrangements, including:

- Rights to receive the facility at the end of the contractual terms; and
- Rights and obligations to receive and pay cash flows in accordance with the respective contractual arrangements, other than those which are received by the respective Hospital Foundations under a Deed of Assignment.

The arrangements have been structured to minimise risk exposure for Metro North Hospital and Health Service. Metro North Hospital and Health Service has not recognised any rights or obligations that may attach to those arrangements, other than those recognised under generally accepted accounting principles.

(m) Co-location arrangements

The Queensland Government's Department of Health has entered into a number of contractual arrangements with private sector entities for the operation of private health facilities for a period of time on Metro North Hospital and Health Service's land. After an agreed period of twenty-five years, ownership of the facilities will pass to Metro North Hospital and Health Service.

As with Public Private Partnership type agreements, Metro North Hospital and Health Service does not recognise these facilities as assets. Consequently, Metro North Hospital and Health Service has not recognised any rights or obligations that may attach to those agreements, other than those recognised under generally accepted accounting principles. Current co-location agreements in operation are listed in Note 30.

(n) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Metro North Hospital and Health Service does not enter into transactions for speculative purposes, or for hedging. Financial assets and financial liabilities are recognised in the Statement of Financial Position when Metro North Hospital and Health Service becomes a party to the contractual provisions of the financial instrument. Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, Metro North Hospital and Health Service has a legal right to offset the amounts and Metro North Hospital and Health Service intends either to settle on a net basis or to realise the asset and settle the liability.

Metro North Hospital and Health Service holds financial instruments in the form of cash and cash equivalents and receivables and payables. Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value;
- Receivables – held at amortised cost; and
- Payables – held at amortised cost.

Cash and cash equivalents

Cash and cash equivalents includes all cash on hand and in banks, cheques receipted but not banked at the reporting date, call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and cash overdraft facility. Restricted assets are disclosed in note 27.

Receivables

Receivables comprise trade receivables, GST input tax credits receivables and grants receivable.

Receivables are recognised initially at fair value on the date they are originated.

The recoverability of trade receivables is reviewed on an ongoing basis at an operating unit level. Any allowance for impairment is based on loss events disclosed in Note 31. All known bad debts are written off when identified.

Receivables are initially recognised at fair value plus directly attributable transaction costs. They are subsequently recorded at amortised cost, using the effective interest method, net of any allowance for impairment. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, when appropriate, a shorter period) to the net carrying amount of that instrument.

Financial assets, other than those held at fair value through the Statement of Comprehensive Income, are assessed for indicators of impairment at the end of each reporting period. For trade receivables, assets that are assessed not to be impaired individually are additionally assessed for impairment on a collective basis.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Comprehensive Income.

Other disclosures relating to the measurement and financial risk management of other financial instruments are included in Note 31.

Payables

Payables are recognised for amounts to be paid in the future for goods and services received. Trade creditors are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. The amounts are unsecured and settled within the creditor's normal payment terms.

(o) Prepayments

Prepayments are payments made to external parties for services to be received from them in the future. The nature of prepayments represents mainly prepaid expenses for future repair and maintenance services. Prepayments are recognised as assets on the Statement of Financial Position because they represent existing rights to receive services.

(p) Employee benefits

Under section 20 of the *Hospital and Health Board Act 2011 (HHBA)* – a Hospital and Health Service can employ board members, a Health Service Chief Executive and health executives, and (where regulation has been passed for the Hospital and Health Service to become a prescribed service) a person employed previously by the Department of Health, as a health service employee. Where a Hospital and Health Service has not received the status of a "prescribed service", non executive staff working in a Hospital and Health Service remain employees of the Department of Health.

Under this arrangement:

- The Department of Health provides employees to perform work for Metro North Hospital and Health Service, and the Department of Health acknowledges and accepts its obligations as the employer of these Department of Health employees;
- Metro North Hospital and Health Service is responsible for the day to day management of the Department of Health employees; and
- Metro North Hospital and Health Service reimburses the Department of Health for the salaries and on-costs of these employees.

As a result of this arrangement, Metro North Hospital and Health Service classifies the reimbursements to the Department of Health for departmental employees in these financial statements as Department of Health – Health Service Employees. These reimbursements are shown under Note 9.

Health Executives

In addition to the Department of Health employees, Metro North Hospital and Health Service has engaged employees directly. The information detailed below relates specifically to the directly engaged employees.

Salaries, wages, sick leave, annual leave and long service leave

Metro North Hospital and Health Service classifies salaries and wages, rostered days-off, sick leave, annual leave and long service leave levies and employer superannuation contributions as employee benefits in accordance with AASB 119 *Employee Benefits* (Note 8). Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at current salary rates. Non-vesting employee benefits such as sick leave are recognised as an expense when taken.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Under the Queensland Government's Annual Leave Central Scheme (established on 30 June 2008) and Long Service Leave Central Scheme (established on 1 July 1999), levies are payable by the Metro North Hospital and Health Service to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. No provisions for long service leave or annual leave are recognised in Metro North Hospital and Health Service's financial statements as the provisions for these schemes are reported on a Whole-of-Government basis pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. These levies are expensed in the period in which they are paid or payable. Amounts paid to employees for annual leave and long service leave are claimed from the schemes quarterly in arrears.

Superannuation

Employer superannuation contributions are paid to QSuper for Metro North Hospital and Health Service executives and to a number of self-managed superannuation funds for Board members. QSuper is the superannuation scheme for Queensland Government employees, at rates 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 Hospital and Health Service's obligation is limited to its contribution to QSuper and the other funds. The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a Whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to Note 32 for the disclosures on key management personnel and remuneration.

(q) Insurance

Metro North Hospital and Health Service is covered by the Department of Health's insurance policies with the Queensland Government Insurance Fund (QGIF) and WorkCover Queensland. Metro North Hospital and Health Service pays a fee to the Department of Health as part of a fee for service arrangement. This is included in supplies and services refer Note 9.

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.

(r) Contributed equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government changes are adjusted to Contributed Equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

(s) Taxation

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

Both Metro North Hospital and Health Service and the Department of Health satisfy section 149-25(e) of the *A New Tax System (Goods and Services) Act 1999* (Cth) (the GST Act) and were able, with other Hospital and Health Services, to form a "group" for GST purposes under Division 149 of the GST Act. This means that any transactions between the members of the "group" do not attract GST. However, all entities are responsible for the payment or receipt of any GST for their own transactions. As such, GST credits receivable from and payable to the Australian Taxation Office (ATO) are recognised and accrued. Refer Note 15.

(t) Special payments

Special payments includes ex gratia expenditure and other expenditure that is not under a contract. In compliance with the *Financial and Performance Management Standard 2009*, Metro North Hospital and Health Service maintains a register setting out the details of all special payments greater than $5,000. Information about such payments that have been made is disclosed separately within other expenses. (Refer Note 13).

(u) Issuance of financial statements

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

(v) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, and are reviewed on an ongoing basis. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements is included in the following notes:

- Accounting for arrangements for the provision of public infrastructure by other entities – Note 29.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Estimation uncertainties with respect to the measurement and likelihood of contingencies – Note 26
- The measurement of receivables and the estimation of impairments – Note 31(b)
- Key assumptions used in the revaluation of property, plant and equipment – Note 2(h)
- Key assumptions used in performing calculations of recoverable amount for impairment purposes – Note 31.

The Australian government passed its *Clean Energy Act* in November 2011 which resulted in the introduction of a price on carbon emissions made by Australian businesses. Metro North Hospital and Health Service has reviewed the potential impact of the carbon emissions scheme and is of the opinion that it is not expected to have a significant impact on Metro North Hospital and Health Service's critical accounting estimates, assumptions and management judgements.

(w) Rounding and comparatives

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

Amounts shown in these financial statements may not add to the correct subtotals or totals due to rounding.

There are no comparatives reported as Metro North Hospital and Health Service is a new statutory body established on 1 July 2012. Refer Note 2(b) for Health Reform information.

(x) New and revised accounting standards

Certain new Australian accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting period.

Metro North Hospital and Health Service is not permitted to early adopt accounting standard unless approved by Queensland Treasury and Trade. Consequently, Metro North Hospital and Health Service has not applied any Australian Accounting Standards and Interpretations that have been issued but not yet effective. Metro North Hospital and Health Service applies standards and interpretations in accordance with their respective commencement dates.

Australian Accounting Standards applicable for the first time for 2012–13 have had no effect on Metro North Hospital and Health Service's financial statements as the current year is Metro North Hospital and Health Service's first reporting year.

AASB 2011–9 Amendments to Australian Accounting Standards – Presentation of items of Other Comprehensive Income [AASB 1,5,7,101,112,120,121,132,133,134,1039 &1049] become effective from reporting periods beginning on or after 1 July 2012. Metro North Hospital and Health Service has adopted this standard in its presentation of Other Comprehensive Income.

As at 30 June 2013, the following Accounting Standards had been issued by the AASB but were not yet effective. They may impact Metro North Hospital and Health Service in future periods. The potential effect of the revised Standards and Interpretations on Metro North Hospital and Health Service's financial statements has not yet been determined.

At the date of authorisation of the financial statements the following Australian Accounting Standards have been issued with future commencement dates:

- *AASB 9 Financial Instruments* requires all financial assets to be subsequently measured at amortised cost or fair value. Financial assets can only be measured at amortised cost if: (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (b) the contractual terms of the asset give rise to cash flows that are solely payments of principal and interest. For financial liabilities which are designated as at fair value through profit or loss, the amount of change in fair value that is attributable to changes in the liability's credit risk will be recognised in other comprehensive income.
- *AASB 13 Fair Value Measurement* provides a new definition of fair value, establishes a framework for measuring fair value, and requires extensive disclosures about fair value measurements. Quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under AASB 7 Financial Instruments: Disclosures will be extended to cover all assets and liabilities within the scope of AASB 13.
- *AASB 119 Employee benefits* – revised version applies from period on or after 1 January 2013. The revised AASB 19 is generally to be applied retrospectively. The impact of the standard clarifies the concept of termination benefits and the recognition criteria for termination benefits will be different. If termination benefits meet the criteria for "short term employee benefits" they will be measured in accordance with AASB 119 requirements for "short term employee benefits". Otherwise termination benefits will need to be measured in accordance with AASB 119 requirements for "other long-term employee benefits". Under the revised standard, the recognition and measurement of employer obligations for "other long-term benefits" will need to be accounted for according to most of the requirements for defined benefit plans.
- *AASB 1053 Application of Tiers of Australian Accounting Standards applies from reporting periods beginning on or after 1 July 2013*. Metro North Hospital and Health Service is required to report under the Tier 1 requirements comprising the full range of AASB recognition, measurement, presentation and disclosure requirements. Therefore there is no change from the current reporting requirements applicable to Metro North Hospital and Health Service.

3 Major services, activities and other events

Major services

Metro North Hospital and Health Service is an independent statutory body, overseen by a local Hospital and Health Board, and provides a full range of health services including rural, regional and tertiary teaching hospitals. Metro North Hospital and Health Service covers an area of 4,157 square kilometres and extends from the Brisbane River to north of Kilcoy.

Metro North Hospital and Health Service provides public hospital and healthcare services as defined in the service agreement with the Queensland Health as manager of the public hospital system.

Metro North Hospital and Health Board is responsible for the oversight of health services within Metro North Hospital and Health Service's graphical boundaries which includes hospitals, multipurpose health services, community and primary care facilities, aged care facilities and mental health services. The Hospital and Health Service provides a comprehensive range of community and primary health services, including aged care assessment; Aboriginal and Torres Strait Islander health programs; alcohol, tobacco and other drug services; mental health services; home care services; community health nursing; sexual health services; allied health services; oral health; and health promotion programs.

These services reflect Metro North Hospital and Health Service's planning priorities as articulated in Metro North Hospital and Health Service Strategic Plan 2013–2017.

These strategic directions are set by Metro North Hospital and Health Board and Metro North Hospital and Health Service implements and develop initiatives in accord with these strategic directions.

Metro North Hospital and Health's purpose is to deliver quality healthcare in partnership with the community and its vision is to be trusted as a leader in metropolitan healthcare.

Major activities

Health Reform

On the 2nd August 2011, Queensland, as a member of the Council of Australian Governments signed the National Health reform Agreement, committing to major changes in the way that health services in Australia are funded and governed. These changes are effective from 1 July 2012 and include:

- Utilisation of a purchaser-provider model, where Metro North Hospital and Health Service and other Hospital and Health Services (HHS's) are to purchase health services from the Queensland Government Department of Health.
- Introducing national funding models and a national efficient price for services.

Metro North Hospital and Health Service was established under *The Health and Hospitals Network Act 2011* (HHNA) with effect from 1 July 2012.

Metro North Hospital and Health Service is an independent statutory body and a reporting entity, which is domiciled in Australia, engages with the local community, responds to their health needs and is accountable to the Minister of Health and to the Queensland Parliament. On 17 May 2012, the Minister for Health introduced amending legislation into the Parliament to expand the functions of HHS's under the HHNA. The amended legislation is known as the *Hospital and Health Boards Act 2012* (HHBA).

Funding reforms

Funding is provided to Metro North Hospital and Health Service in accordance with Service Agreements.

The Commonwealth and State contribution for activity based funding is pooled and allocated transparently via a National Health Funding Pool. The Commonwealth and State contribution for block funding and training, teaching and research funds is pooled and allocated transparently via a State Managed Fund. Public Health funding from the Commonwealth is managed by Department of Health.

An Independent Hospital Pricing Authority (IHPA) has been established independently from the Commonwealth to develop and specify national classifications to be used to classify activity in public hospitals for the purposes of Activity Based Funding. IHPA will determine the national efficient price for services provided on an activity basis in public hospitals and will develop data and coding standards to support uniform provision of data. In addition to this, IHPA will determine block funded criteria and what other public hospital services are eligible for Commonwealth funding.

The National Health Funding Body and National Health Funding Pool have complete transparency in reporting and accounting for contributions into and out of pool accounts. The Administrator will be an independent statutory office holder, distinct from Commonwealth and State departments.

Net amounts received on 1 July 2012

Asset, liability and equity balances were transferred from the Queensland Government Department of Health to Metro North Hospital and Health Service with effect from 1 July 2012. This was effected via a transfer notice signed by the Minister of Health, designating the transfers be recognised as a contribution by owners through equity. The transfer notices were approved by the Director-General of the Department of Health and both the Chairman of the Metro North Hospital and Health Service Board and the Metro North Hospital and Health Service's Chief Executive Officer.

Balances transferred to Metro North Hospital and Health Service materially reflected the closing balances of Metro North Health Service District as at 30 June 2012. The cash balance transferred to Metro North Hospital and Health Service was the amount required to ensure that Metro North Hospital and Health Service could commence operation with a balanced working capital position. Refer Note 33.

Other events

Payroll Date Change and Cash Impact

The Department of Health introduced a new payroll system on 24 March 2010 which resulted in significant disruptions to payroll activities, pay issues for employees and a backlog of unprocessed payroll forms. As a part of the work undertaken to stabilise the Department of Health payroll and rostering systems, the Department of Health changed its pay date by one week in October 2012, allowing for additional time for payroll processing.

As a result of the pay date change, Metro North Hospital and Health Service will incur 25 pay period reimbursements for the 2012–13 financial year, resulting in a cash build up, approximating to an average fortnightly pay reimbursement of $56.9m, in Metro North Hospital and Health Service until 2014/15 (where 27 pays will occur).

The decrease in the 2012–13 pay periods will result in a temporary positive cash difference for Metro North Hospital and Health Service, which will be negated by the 27 scheduled pay periods in 2014–15. Metro North Hospital and Health Service will manage our cash requirements, as additional funding will not be provided in 2014–15 for the additional pay fortnight. Metro North Hospital and Health Service has recognised the full year's Health Service Employee expenses as disclosed under the Supplies and Services category in the Statement of Comprehensive income and the corresponding accrual for unpaid Health Service Employee expenses is shown in Note 20.

Subsequent to the payroll date change, Queensland Treasury have approved Metro North Hospital and Health Service retain a cash overdraft facility allocation of $23 million.

Early retirement, redundancy and retrenchment

In 2012–13 Metro North Hospital and Health Service undertook a restructure of the Hospital and Health Service announcing Voluntary Separation Packages (VSP) for staff across Metro North Hospital and Health Service realigning and reprioritising spending to frontline services. The VSP arrangements were in accordance with the terms of the Queensland Public Service Commission's Voluntary Separation Program Handbook. The VSP program ceased on 30 July 2013 with affected employees due to leave their employment by 30 September 2013. Employees who have previously accepted a VSP, but are yet to cease employment will continue to separate as planned. A total of 633 VSP's were accepted in the year ending 30 June 2013 with an entitlement cost of $32.4 million.

Property maintenance backlog

This represents the total cost of repairs, maintenance and assets due for replacement, with these activities to occur over future years. Metro North Hospital and Health Service has undertaken an assessment of requirements and priority and has a total backlog maintenance of $65 million. A four year backlog maintenance plan has been implemented with an approximate spend of $16 million in 2013/14.

Moreton Bay Integrated Care Centre

On 22 April 2013 the Commonwealth of Australia, represented by the Department of Health and Aging (as the administrator of the GP Super Clinic Program) and Metro North Hospital and Health Service executed an agreement to transfer the newly constructed Moreton Bay Integrated Care Centre (MBICC) to Metro North Hospital and Health Service. MBICC is located adjacent to the Redcliffe Hospital and its focus will be to provide integrated multidisciplinary primary healthcare to the community. As at the reporting date, the legal transfer of title of the land and building had not yet occurred.

	2013 $'000

4 User charges

Hospital fees	91,222
Sale of goods and services	49,666
	140,888

	2013 $'000

5 Grants and other contributions

State Government grants	
Grants – ABF funding	973,443
Grants – Block funding	83,291
Grants – Teacher training funding	53,587
Other specific purpose recurrent grants	255,162
Total State Government grants	**1,365,483**
Australian Government grants	
Grants – Nursing home	10,947
Grants – ABF funding	501,311
Grants – Block funding	36,226
Grants – Teacher training funding	23,315
Other specific purpose recurrent grants	20,513
Other specific purpose capital grants	1,458
Total Australian Government grants	**593,770**
Donations other	322
Other	1,492
	1,961,067

6 Other revenue

Interest	908
Health service employees expense recoveries*	12,668
Rental income	1,630
Recoveries**	11,975
Sale proceeds of non capital assets	3
Other	4,310
	31,494

**Health service employee expenses are recovered for services provided to external parties not including the Department of Health or other Hospital and Health Service's.*
*** Recoveries consist of non labour oncharges to other Hospital and Health Service's and the Department of Health.*

7 Gains

Gain on sale of property, plant and equipment	132
	132

	2013 $'000

8 Employee expenses

Employee benefits	
Wages and salaries	2,314
Employer superannuation contributions	249
Annual leave expense	360
Long service leave expense	354
Redundancies	159
Employee related expenses	
Workers' compensation premium	28
Payroll tax	32
Other employee related expenses	33
	3,529

Number of employees	**30 June 2013**
Department of Health – Health Service employees	12,696
Metro North Hospital and Health Service employees	10
	12,706

The number of employees includes full-time employees and part-time employees measured on a full-time equivalent (FTE) basis. It does not include Board Members.

Key executive management and personnel are reported in Note 32.

9 Supplies and services

Department of Health – Health service employees*	1,504,693
Consultants and contractors	19,657
Electricity and other energy	16,820
Patient travel	10,089
Other travel	2,998
Water	3,037
Building services	3,063
Computer services	10,062
Insurance**	17,211
Motor vehicles	1,083
Communications	15,235
Repairs and maintenance	29,760
Expenses relating to capital works	1,763
Operating lease rentals	6,396
Drugs	90,070
Clinical supplies and services	150,991
Catering and domestic supplies	41,498
Pathology, blood and parts	85,380
Other	9,290
	2,019,096

**refer to note 2(p). **refer to note 2(q).*

	2013 $'000

10 Grants and subsidies

Medical research program	2,549
Home, community and rural health services	190
Other – Capital	1,880
Other	2
	4,621

11 Depreciation and amortisation

Buildings and land improvements	40,810
Plant and equipment	28,695
Software purchased	50
Software developed	23
	69,578

12 Impairment losses

Impairment losses on receivables*	2,125
Bad debts written off	2,922
Impairment losses on property, plant and equipment	274
	5,321

** Refer to Notes 31 (b).*

13 Other expenses

External audit fees*	362
Other audit fees	182
Bank fees	97
Insurance**	50
Inventory written off	283
Losses from the disposal of non-current assets	1,856
Losses	
Public monies	2
Special payments	
Donations/gifts	1
Ex-gratia payments***	67
Other legal costs	697
Journals and subscriptions	451
Advertising	336
Interpreter fees	1,241
Other	594
	6,219

** Total audit fees paid to the Queensland Audit Office relating to the 2012–13 financial year are $362,000. There are no non-audit services included in this amount*

***Insurance included in other expense is for motor vehicle insurance only.*

**** Ex-gratia payments consist of five reportable payments totalling $ 40,054 and a number of smaller non reportable payments. These payments relate to specific medical claims, personal property damage/loss and other minor claims.*

	2013 $'000

14 Cash and cash equivalents

Cash at bank and on hand	82,072
Cash on deposit	19,817
	101,889

Metro North Hospital and Health Service's bank accounts are grouped within the Whole-of-Government set-off arrangement with the Queensland Treasury Corporation. Metro North Hospital and Health Service does not earn interest on surplus funds and is not charged interest or fees for accessing its approved cash overdraft facility as it is part of the Whole-of-Government banking arrangements.

Cash deposited at call with the Queensland Treasury Corporation earns interest at a rate of 4.15%

15 Receivables

Current	
Trade debtors	37,464
Payroll receivables	(21)
Less: Allowance for impairment	(5,204)
	32,239
GST input tax credits receivable	2,531
GST payable	(619)
Net receivable	**1,912**
Advances	4
Other – Grants receivable	32,552
	32,556
	66,707

Refer to note 31(b) Financial Instruments (Credit Risk Exposure) for an analysis of movements in the allowance for impairment loss.

	2013 $'000

16 Inventories

Inventories held for distribution:	
Medical supplies and equipment	15,554
Catering and domestic	280
	15,834
Less: Loss of service potential	(120)
	15,714
Engineering	1
Other	149
	15,864

17 Other assets

Current	
Prepayments	3,387
	3,387
Non-current	
Prepayments	204
	204

18 Intangible assets

Software purchased	
At cost	895
Less: Accumulated amortisation	(852)
	43
Software internally generated	
At cost	1,727
Less: Accumulated amortisation	(1,651)
	76
Software work in progress	
At cost	**249**
Total Intangibles	**368**

18 Intangible assets (continued) Intangible assets reconciliation

	Software purchased	Software internally generated	Software work in progress	Total
	2013 $'000	2013 $'000	2013 $'000	2013 $'000
Opening carrying value	–	–	–	–
Net assets received (transferred pursuant to the *Hospital and Health Board Act 2011*)	92	99	169	360
Acquisitions	–	–	80	80
Disposals	–	–	–	–
Transfer between classes	–	–	–	–
Transfers in/(out)	–	–	–	–
Amortisation charge for the year	(49)	(23)	–	**(72)**
Closing carrying value	**43**	**76**	**249**	**368**

	2013 $'000
19 Property, plant and equipment	
Land	
At fair value	**319,962**
Buildings	
At fair value	1,539,537
Less: Accumulated depreciation	(731,962)
	807,845
Plant and equipment	
At cost	299,203
Less: Accumulated depreciation	(173,456)
	125,747
Capital works in progress	
At cost	**6,301**
Total property, plant and equipment	**1,259,855**

Land

Land was fair valued by the State Valuation Service (SVS) using the following methodologies:

- Desktop indexation on 29 properties
- Desktop valuations on two properties

Both valuation methodologies take into consideration specific valuation indicators such as location, size, zoning regulations and recent market data.

The revaluation program resulted in a decrement of $1.5 million to the carrying amount of land.

Buildings

An independent revaluation of 42.3 % of the gross value of the building portfolio was performed during 2012-13. For buildings not subject to full independent revaluations during 2012–13, Davis Langdon supplied an index which is representative of the change in carrying amount to the buildings. This indexation factor was applied to the building assets that were not comprehensively valued and resulted in a $0.9 million increment. Refer Note 2(h).

The buildings comprehensive revaluation programme for 2012-13 resulted in a net decrement to the health service's building portfolio of $2.4 million. This is a decrease of 0.3 % to the building portfolio as at 30 June 2013.

Metro North Hospital and Health Service has plant and equipment with an original cost of $1.3 million or 1.0% of total plant and equipment gross value and a written down value of zero still being used in the provision of services.

	Land $'000	Buildings $'000	Plant and equipment $'000	Work in progress $'000	Total $'000
Opening balance	–	–	–	–	–
Assets received (transferred pursuant to the *Hospital and Health Board Act 2011*) – **1 July 2012**	**320,802**	**778,095**	**126,070**	**3,805**	**1,228,772**
Acquisitions	–	–	19,902	2,842	22,744
Donation received	–	–	–	–	–
Disposals	–	–	(1,831)	–	(1,831)
Donations made	–	–	–	–	–
Transfer between classes	–	333	–	(333)	–
Transfers in*	678	72,000	10,301	–	82,979
Held for sale	–	–	–	–	–
Revaluation Increments/ (decrements)	(1,518)	(1,498)	–	–	(3,016)
Impairment decrement	–	(274)	–	(13)	(287)
Depreciation charge for the year	-–	(40,811)	(28,695)	–	(69,506)
As at 30 June 2013	**319,962**	**807,845**	**125,747**	**6,301**	**1,259,855**

Included in the valuation of buildings are 23 heritage buildings held at gross value of $38.5 million.

** Transfers in are from the Department of Health and include transfers of assets due to transfer of services and commissioning's of work in progress assets managed by the Department Of Health as part of the Department of Health Capital Acquisition Programme. Refer Note 2(h).*

	2013 $'000

20 Payables

Trade creditors	48,014
Health service employees – accrued labour	80,041
Other creditors	6,844
	134,899

21 Accrued employee benefits

Salaries and wages accrued	117
Other employee entitlements payable	17
	134

22 Unearned revenue

Current	
Unearned other revenue	1,085
	1,085
Non-current	
Unearned other revenue	150
	150

** Unearned revenue represents revenue received in advance for services yet to be delivered at year end.*

	2013 $'000

23 Reconciliation of operating surplus to net cash flows from operating activities

Operating result from continuing operations	22,201
Non-cash items:	
Non cash equity withdrawal – depreciation funding	(69,578)
Depreciation expense	69,505
Amortisation expense	73
Property, plant and equipment impairment losses	274
Property, plant and equipment revaluation decrement	3,016
Increase/(decrease) in trade receivables impairment losses	2,125
Increase/(decrease) in inventory provision	184
Capital works in progress impairment losses	13
Loss on sale of property, plant and equipment	1,842
Gain on sale of property, plant and equipment	(132)
Changes in assets and liabilities:	
(Increase)/decrease in trade receivables	7,547
(Increase)/decrease in grants receivables	(32,552)
(Increase)/decrease in other receivables	(86)
(Increase)/decrease in inventories	1,654
(Increase)/decrease in recurrent prepayments	(829)
Increase/(decrease) in unearned revenue	980
(Increase)/decrease in accrued salaries and wages	80
Increase/(decrease) in trade payables	71,408
Increase/(decrease) in other payables	(150)
Net cash generated by operating activities	**77,575**

24 Non-cash financing and investing activities

Assets and liabilities received or transferred by the Metro North Hospital and Health Service are set out in the Statement of Changes in Equity.

	2013
	$'000

25 Commitments for expenditure

(a) Expenditure and other commitments

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

Capital – Property, plant and equipment	750
	750
Not later than one year	750
Later than one year and not later than five years	–
Later than five years	–
	750

(b) Grants and other contributions

Grants and contribution commitments inclusive of anticipated GST, committed to provide at reporting date, but not recognised in the accounts are payable as follows:

Not later than one year	726
Later than one year and not later than five years	493
	1,219

Commitments for expenditure do not include leases where the Department of Health is named as Lessor or where a contractual obligation resides with the Department of Health.

26 Contingencies

(a) Litigation in progress

As at 30 June 2013, the following cases were filed in the courts and or tribunals naming the State of Queensland acting through Metro North Hospital and Health Service as defendant:

Court	2013
	No. of cases
Supreme Court	3
District Court	1
Tribunals, commissions, board	6
	10

Health litigation is underwritten by the Queensland Government Insurance Fund (QGIF). Metro North Hospital and Health Service's liability is limited to an excess per insurance event. Refer Note 2(q). Metro North Hospital and Health Service's legal advisers and management consider it would be misleading to estimate the final amounts payable (if any) in respect of the litigation before the courts at this time.

All Metro North Hospital and Health Service indemnified claims are managed by QGIF. As of 30 June 2013, Metro North HHS has 61 claims currently managed by QGIF, some of which may never be litigated or result in payments to claims. Tribunals, commissions and board figures represent the matters that have been referred to QGIF for management. The maximum exposure to Metro North Hospital and Health Service under this policy is $20,000 for each insurable event.

(b) Native Title

The Queensland Government Native Title Work Procedures were designed to ensure that native title issues are considered in all of Metro North Hospital and Health Service's land and natural resource management activities.

All business pertaining to land held by or on behalf of Metro North Hospital and Health Service must take native title into account before proceeding. Such activities include disposal, acquisition, development, redevelopment, clearing, fencing of real property including the granting of leases, licences or permits. Real Property Dealings may proceed on health service owned land where native title continues to exist, provided native title holders or claimants receive the necessary procedural rights.

The Department of Health on behalf of Metro North Hospital and Health Service undertakes native title assessments over real property when required and is currently negotiating a number of Indigenous Land Use Agreements (ILUA) with native title holders. These ILUAs will provide trustee leases to validate the tenure of current and future health facilities. The National Title Tribunal reported a total of one native title claim in relation to land currently occupied or utilised by Metro North Hospital and Health Service.

27 Restricted assets

Metro North Hospital and Health Services receives cash contributions primarily from private practice clinicians and from external entities providing for education, study and research in clinical areas. Contributions are also received from benefactors in the form of gifts, donations and bequests for stipulated purposes. At 30 June 2013, an amount of $20.57 million in General Trust is set aside for specified purposes defined by the contribution.

	2013 $'000
Right of Private Practice Trust Account Revenue and Expenses	
Revenue	
Doctor's billing	53,459
Interest on trust funds	121
Other revenue	407
Total Revenue	**53,987**
Expenses	
Payments to Doctors	34,673
Payments to Metro North Hospital and Health Service for recoverable costs*	14,507
Payments to medical practitioners education and trust fund	4,617
Other payments	321
Total Expenses	**54,118**
Right of Private Practice Assets and Liabilities	
Current assets	
Cash	2,982
Current liabilities	
Payables	2,982

**These Right of Private Practice payments are recognised as hospital fee income – Refer note 4.*

28 Trust transactions and balances

Metro North Hospital and Health Service acts in a custodial role in respect of these transactions and balances. As such, they are not recognised in the financial statements, but are disclosed below for information purposes.

	2013 $'000
Fiduciary trust receipts and payments	
Receipts	
– Patient trust receipts	7,003
Total receipts	**7,003**
Payments	
– Patient trust related payments	7,393
Total payments	**7,393**
Increase/(decrease) in net patient trust assets	(390)
Fiduciary trust assets	
Current assets	
Cash	
– Patient trust deposits	621
Total current assets	**621**

29 Arrangements for the provision of public infrastructure by other entities

Public Private Partnership (PPP) arrangements operating for all or part of the financial year are as follows. The PPP arrangements are a contractual obligation between the Department of Health and the counterparty listed below. Refer Note 2(l). These arrangements were not included in the transfer notice arrangements as detailed in Note 3 however as they are located at Metro North Hospital and Health Service facilities have been disclosed below.

Note that all of the following are Build-Own-Operate-Transfer (BOOT) arrangements.

Facility	Counterparty	Term of Agreement	Commencement Date
Butterfield Street Car Park	International Parking Group Pty Limited	25 years	January 1998
The Prince Charles Hospital Car Park	International Parking Group Pty Limited	22 years	November 2000
The Prince Charles Hospital Early Education Centre	Queensland Child Care Services Pty Ltd	20 years	April 2007

Butterfield Street Car Park

A $2.5 million up-front payment for rental of land on which the car park has been built was received at the commencement of car park operations in January 1998. This amount was transferred to the Royal Brisbane and Women's Hospital Foundation via a Deed of Assignment in June 1998. Rental income of $0.3 million plus CPI per annum to January 2019 increasing to $0.6 million plus CPI per annum for the remainder of the lease period, as well as other payments when gross car park receipts exceeds particular targets have also been assigned under the same Deed of Assignment to Royal Brisbane and Women's Hospital Foundation. Metro North Hospital and Health Service does not incur any revenue or expenses relating to this car park. Under the agreement, the Department of Health and the Metro North Hospital and Health Service staffs are entitled to concessional rates when using the car park.

The Prince Charles Hospital Car Park

A $1.0 million 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 $0.05 million per annum has also been assigned under the same Deed of Assignment to The Prince Charles Hospital Foundation. Under the agreement, the Department of Health and the Metro North Hospital and Health Service staff are entitled to concessional rates when using the car park.

The Prince Charles Hospital Early Education Centre

The developer constructed a 150 place early education centre in April 2007 on site at the hospital. The developer operates and maintains the facility at its sole cost and risk. Under the agreement, staff on site is given priority access to child care. Rental of $0.07 million per annum is charged for the land and is adjusted for CPI annually.

30 Co-location arrangements

Co-location arrangements operating for all or part of the financial year are as follows.* The co-location arrangements are a contractual obligation between the Department of Health and the counterparty listed below. The co-location arrangements are situated on land owned by Metro North Hospital and Health Service.

Facility	Counterparty	Term of Agreement	Commencement Date
Caboolture Private Hospital	Affinity Health Ltd	25 years	September 1997
Holy Spirit Northside Private Hospital	The Holy Spirit Northside Private Hospital Limited	25 years	July 2001

** Refer Note 2(m).*

31 Financial instruments

	2013 $'000
(a) Categorisation of financial instruments	
The Metro North Hospital and Health Service has the following categories of financial assets and financial liabilities:	
Financial assets	
Cash and cash equivalents	101,889
Receivables	66,707
	168,596
Financial liabilities	
Payables measured at amortised cost	134,899
	134,899

(b) Financial risk management

Financial risk is managed in accordance with Queensland Government and Metro North Hospital and Health Service policies. Metro North Hospital and Health Service's policies provide written principles for overall risk management and aim to minimise potential adverse effects of risk events on the financial performance of the health service.

Risk Exposure	Measurement method
Credit risk	Ageing analysis, cash inflows at risk
Liquidity risk	Monitoring of cash flows by active management of accrual accounts
Market risk	Interest rate sensitivity analysis

(c) Credit risk exposure

Credit risk exposure refers to the situation where Metro North Hospital and Health Service may incur financial loss as a result of another party to a financial instrument failing to discharge their 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. he carrying amount of receivables represents the maximum exposure to credit risk. As such, receivables are not included in the disclosure below. Refer Note 15 for further information.

Credit risk is considered minimal given all Metro North Hospital and Health Service deposits are held by the State through Queensland Treasury Corporation.

	2013 $'000
Maximum exposure to credit risk	
Cash at bank	82,072
Cash on deposit	19,817
	101,889

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired and are stated at the carrying amounts as indicated.

Ageing of past due but not impaired as well as impaired financial assets are disclosed in the following Tables:

Financial assets past due but not impaired 2012–13

	Overdue $'000				
	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total
2012–13					
Receivables	57,789	3,658	2,637	7,828	71,912

Individually impaired financial assets 2012–13

	Overdue $'000				
	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total
2012–13					
Receivables	348	417	177	4,262	5,204

	2013 $'000
Movements in the allowance for impairment loss	
Current	
Balance at the beginning of the year	–
Balance on transfer of net assets (note 33 – included in receivables)	3,079
Increase/(decrease) in allowance recognised in operating result	2,125
Balance at the end of the year	**5,204**

Impairment of financial assets

At the end of each reporting period, Metro North Hospital and Health Service's assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, changes in debtor credit ratings and current outstanding accounts over 60 days.

The allowance for impairment reflects Metro North Hospital and Health Service's assessment of the credit risk associated with receivables balances and is determined based on consideration of objective evidence of impairment, past experience and management judgement. The majority of the "more than 90 days" impairment relates to Medicare ineligible patients who are treated in Metro North Hospital and Health Service facilities. Metro North Hospital and Health service undertakes debt recovery in accordance with its policies and procedures and where appropriate external agencies, including an international debt collection firm are engaged to assist in the recovery of debt.

(d) Liquidity risk

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

Metro North Hospital and Health Service is exposed to liquidity risk through its trading in the normal course of business. The health service aims to reduce the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations at all times. Metro North Hospital and Health Service has an approved overdraft facility of $23 million under Whole-of-Government banking arrangements to manage any short term cash shortfalls.

(e) Market risk

Metro North Hospital and Health Service does not trade in foreign currency and is therefore not materially exposed to commodity price changes. The Metro North Hospital and Health Service is exposed to interest rate risk through its 24 hour call deposits with Queensland treasury Corporation. There is no interest rate exposure on its cash accounts. Metro North Hospital and Health Service does not undertake any hedging in relation to interest rate risk and manages its risk as per the Metro North Hospital and Health Service's Financial Management Practice Manual.

(f) Interest rate sensitivity analysis

Liquidity and interest rate risk 2012–13

	Maturity date					
	1 year or less $'000	1 to 5 years $'000	More than 5 years $'000	Non-interest bearing $'000	Total $'000	Weighted average rate %
Financial assets						
Cash	–-	–	–	82,072	82,072	
24 hour call deposits	19,817	–	–	–	19,817	3.55
Receivables	–	–	–	66,707	66,707	
	19,817	**–**	**–**	**148,779**	**168,596**	
Financial liabilities						
Payables	–	–	–	134,899	134,899	

32 Key management personnel and remuneration

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of Metro North Hospital and Health Service during 2012–13. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

(a) Board Members

Position and Name	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date Appointed (Date Resigned/ Separated)
Board Chair Dr Paul Alexander AO	Board Chair for the Metro North Hospital and Health Service. *Committee memberships:* Chair of the Board Executive sub-committee	Chairperson *Hospital and Health Boards Act 2011 Section 25 (1) (a)*	1/7/2012
Deputy Board Chair Mr Vaughan Howell	Deputy Board Chair for the Metro North Hospital and Health Service *Committee memberships:* – Chair of the Board Finance committee – Member of the Board Executive committee – Member of the Board Risk and Audit committee	Deputy Chairperson *Hospital and Health Boards Act 2011 Section 25 (1) (b)*	1/7/2012
Board Member Mr Leonard Scanlan	Board member of the Metro North Hospital and Health Service *Committee memberships:* – Chair of the Board Risk and Audit committee – Member of the Board Executive committee – Member of the Board Finance committee	Board Member *Hospital and Health Boards Act 2011 Section 23 (1)*	7/9/2012
Board Member Mr Michael Denton	Board member of the Metro North Hospital and Health Service *Committee memberships:* – Member of the Board Risk and Audit committee – Member of the Board Finance committee	Board Member *Hospital and Health Boards Act 2011 Section 23 (1)*	1/7/2012/ (17/5/2013)
Board Member Ms Melinda McGrath	Board member of the Metro North Hospital and Health Service *Committee memberships:* – Member of the Board Risk and Audit committee – Member of the Board Finance committee	Board Member *Hospital and Health Boards Act 2011 Section 23 (1)*	7/9/2012
Board Member Dr Clifford Pollard	Board member of the Metro North Hospital and Health Service *Committee memberships:* – Chair of the Board Safety and Quality committee – Member of the Board Executive committee	Board Member *Hospital and Health Boards Act 2011 Section 23 (1)*	7/9/2012
Board Member Dr Margaret Steinberg AM	Board member of the Metro North Hospital and Health Service *Committee memberships:* – Member of the Board Safety and Quality committee	Board Member *Hospital and Health Boards Act 2011 Section 23 (1)*	1/7/2012
Board Member Professor Helen Edwards OAM	Board member of the Metro North Hospital and Health Service *Committee memberships:* – Member of the Board Safety and Quality committee	Board Member *Hospital and Health Boards Act 2011 Section 23 (1)*	7/9/2012
Board Member Professor Nicholas Fisk	Board member of the Metro North Hospital and Health Service	Board Member *Hospital and Health Boards Act 2011 Section 23 (1)*	7/9/2012
Board Member Dr Kim Forrester	Board member of the Metro North Hospital and Health Service *Committee memberships:* – Member of the Board Safety and Quality committee	Board Member *Hospital and Health Boards Act 2011 Section 23 (1)*	18/5/2013

Key executive management personnel – Board Members

Metro North Hospital and Health Service is independently and locally controlled by the Hospital and Health Board ("The Board"). The Board appoints the Metro North Hospital and Health Service Chief Executive Officer and exercises significant responsibilities including the monitoring of the Health Service's operational and financial performance.

Board members are remunerated for their services. The details of this remuneration is shown in Note 32 (c).

(b) Executive leadership team

Position and Name	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date Appointed
Chief Executive Officer * Mr Malcolm Stamp	The Health Service Chief Executive is responsible for directing the efficient, effective and economic administration of the health service.	10S24/S70 01 *Hospital and Health Boards Act 2011*	8/7/2013
Chief Operating Officer** Ms Kerrie Mahon	Provide operational leadership, direction and day to day management of the Metro North Hospital and Health Service's to optimise quality healthcare and business outcomes.	HES2 *Hospital and Health Boards Act 2011*	1/7/2012
Interim Chief Finance Officer Mr Robert Dubery	Responsibility for developing, implementing, managing and monitoring the financial framework, corporate financial systems, controls and budget administration of the health service.	HES3 *Hospital and Health Boards Act 2011*	13/3/2013
Executive Director, Workforce and Organisational Development Ms Ceri Jury	The Executive Director, Workforce and Organisational Development is responsible for developing and coordinating the strategic direction and supporting the delivery of workforce and organisational development management activities and initiatives.	HES2 *Hospital and Health Boards Act 2011*	1/7/2012
Acting Executive Director, Royal Brisbane and Women's Hospital Professor Keshwar Baboolal	The Executive Director is responsible for the management of the efficient, effective and economic administration of the operations of the Royal Brisbane and Women's Hospital.	S24/S70 01 *Hospital and Health Boards Act 2011*	1/2/2013
Acting Executive Director, The Prince Charles Hospital Dr Darren Walters	The Executive Director is responsible for the management of the efficient, effective and economic administration of the operations of the Prince Charles Hospital.	MMOI3 01 *Hospital and Health Boards Act 2011*	1/2/2013
Acting Executive Director, Redcliffe Hospital Ms Lexi Spehr	The Executive Director is responsible for the management of the efficient, effective and economic administration of the operations of the Redcliffe Hospital.	NRG11-4 01 *Hospital and Health Boards Act 2011*	1/3/2013
Executive Director, Caboolture and Kilcoy Hospitals Ms Caroline Weaver	The Executive Director is responsible for the management of the efficient, effective and economic administration of the operations of the Caboolture and Kilcoy Hospitals.	NOL8QPH 01 *Hospital and Health Boards Act 2011*	1/7/2012
Acting Executive Director, Oral Health Services Dr Mark Brown	Responsible for providing sustainable and appropriate oral healthcare across the health service through efficient, effective and economic administration.	District Health Services Employees Award - State 2012 DS 1	1/12/2012
Acting Executive Director, Subacute and Ambulatory Services Ms Mary Slattery	The Executive Director, Subacute and Ambulatory Services is responsible for the management of the efficient, effective and economic administration of the operations of Primary Health, Community Health and Aged Care within the Health Service.	Nurses and Midwives (Queensland Health) Certified Agreement (EB8) 2012 NRG 10	9/8/2013

** Mr Malcolm Stamp was appointed Chief Executive Officer on 8 July 2013.*
*** Ms Kerrie Mahon was appointed Interim Chief Executive Officer for the period of 4 February 2013 to 7 July 2013.*

Key executive management personnel – Executive leadership team

Section 74 of the *Hospital and Health Board Act 2011* provides the contract of employment for health executive staff must state the term of employment, the person's functions and any performance criteria as well as the person's classification level and remuneration package. Section 76 of the Act provides the Chief Executive authority to fix the remuneration packages for health executives, classification levels and terms and conditions having regard to remuneration packages for public sector employees in Queensland or other States and remuneration arrangements for employees employed privately in Queensland.

Remuneration policy for the Service's key executive management personnel is set by direct engagement common law employment contracts. The remuneration and other terms of employment for the key executive management personnel are also addressed by these common law employment contracts. The contracts provide for the provision of some benefits including motor vehicles.

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

- Short-term employee benefits which include:
  - Base – consisting of base salary, allowances and leave entitlements expensed for the entire year or for that part of the year during which the employee occupied the specified position.
  - Non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include amounts expensed in respect of long service leave.
- Post-employment benefits include amounts expensed in respect of employer 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.
- Performance bonuses are not paid under the contracts in place.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post-employment benefits.

The details of this remuneration is shown in the table below (Note 32 (c)).

(c) Board member and key executive management remuneration

1 July 2012 – 30 June 2013

	Short term benefits $'000					
	Base Salary $'000	Non-monetary benefits $'000	Long term benefits $'000	Post-employment benefits $'000	Termination benefits $'000	Total Remuneration $'000
Board Members						
Board Chair – Dr Paul Alexander	76	–	–	7	–	83
Deputy Chair – Mr Vaughan Howell	33	–	–	3	–	36
Mr Leonard Scanlan	26	–	–	2	–	28
Mr Michael Denton	31	–	–	3	–	34
Ms Melinda McGrath	26	–	–	2	–	28
Dr Clifford Pollard	26	–	–	2	–	28
Dr Margaret Steinberg	33	–	–	3	–	36
Professor Helen Edwards	26	–	–	2	–	28
Professor Nicholas Fisk	26	–	–	2	–	28
Dr Kim Forrester	2	–	–	–	–	2
Total Remuneration	**305**	**–**	**–**	**26**	**–**	**331**

(c) Board member and key executive management remuneration (continued)

From 1 July 2012 to 30 June 2013

	Short term benefits $'000					
	Base Salary $'000	Non-monetary benefits $'000	Long term benefits $'000	Post-employment benefits $'000	Termination benefits $'000	Total Remuneration $'000
Other Key Executive Management						
Acting Chief Executive Mr Martin Heads *(from 2/7/2012 to 5/8/2012)*	18	1	–	2	–	21
Chief Executive Mr Keith McNeil *(from 6/8/2012 to 1/2/2013)*	549	9	–	19	5	582
Interim Chief Executive Ms Kerrie Mahon *(from 4/2/2013 to 7/7/2013)*	85	7	2	7	–	101
Acting Chief Finance Officer Mr Cameron Abbott *(from 2/7/2012 to 5/8/2012)*	17	2	–	2	–	21
Chief Finance Officer Mr Martin Heads *(from 6/8/2012 to 11/3/2013)*	131	10	3	14	–	158
Interim Chief Finance Officer Mr Robert Dubery *(from 12/3/2013 to current)*	53	–	1	6	–	60
Chief Operating Officer Ms Kerrie Mahon *(from 1/7/2012 to 3/2/2013)*	127	10	3	11	–	151
Interim Chief Operating Officer Mr Keith Love *(from 4/2/2013 to 7/7/2013)*	61	7	1	6	–	75
Executive Director, Workforce and Organisational Development Ms Ceri Jury *(from 1/7/2012 to current)*	166	27	3	16	–	212
Executive Director, Royal Brisbane and Women's Hospital Dr David Alcorn *(from 1/7/2012 to 22/2/2013)*	335	1	–	27	4	367
Acting Executive Director, Royal Brisbane and Women's Hospital Professor Keshwar Baboolal *(from 1/2/2012 to current)*	142	7	3	15	–	167

	Short term benefits $'000					
	Base Salary $'000	Non-monetary benefits $'000	Long term benefits $'000	Post-employment benefits $'000	Termination benefits $'000	Total Remuneration $'000
Other Key Executive Management (continued)						
Executive Director, The Prince Charles Hospital Mr Jon Roberts *(from 1/7/2012 to 31/3/2013*	250	21	–	15	41	327
Acting Executive Director, The Prince Charles Hospital Dr Darren Walters *(from 1/2/2012 to current)*	119	–	2	10	–	131
Executive Director, Redcliffe Hospital Dr Donna O'Sullivan *(from 1/7/2012 to 1/3/2013)*	262	12	3	19	–	296
Acting Executive Director, Redcliffe Hospital Ms Lexie Spehr *(from 2/3/2013 to current)*	45	–	1	5	–	51
Executive Director, Caboolture and Kilcoy Hospitals Ms Caroline Weaver *(from 1/7/2012 to current)*	166	24	3	16	–	209
Executive Director, Primary and Community Health Services Ms Moira Goodwin *(from 1/7/2012 to 12/12/2012)*	56	–	–	5	185	246
Executive Director, Aged Care & Residential Ms Mary Slattery *(from 1/7/2012 to 1/09/2012)*	27	2	1	3	–	33
Executive Director, Subacute and Ambulatory Services Dr Cameron Bennett *(from 1/7/2012 to 9/8/2013)*	319	15	4	24	–	362
Executive Director, Oral Health Services Dr Ralph Neller *(1/7/2012 to current)*	108	15	4	13	–	140
Interim Executive Director, Oral Health Services Dr Mark Brown *(1/12/2012 to current)*	92	9	2	9	–	112
Total Remuneration	**3,128**	**179**	**36**	**244**	**235**	**3,822**

33 Net assets received (transferred pursuant to the *Hospital and Health Board Act 2011*)

The following amount represent the value of the assets and liabilities transferred via the Transfer Notice executed pursuant to the *Hospital and Health Boards Act 2011* by The Honourable Lawrence Springborg, Minister of Health, State of Queensland on the 18th day of June 2012:

	1 July 2012 $'000
Cash and cash equivalents	20,053
Receivables	43,704
Inventories	17,519
Other	2,675
Property, plant and equipment	1,228,772
Intangibles	361
Payables	(63,950)
Total Net Assets, contributed equity	**1,249,134**

34 Events after the reporting period

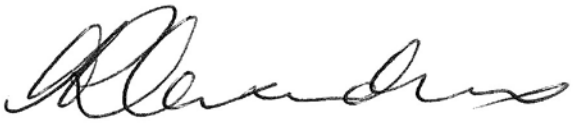
There are no events occurring after the reporting period that require disclosure.

7.2 Certification of the Metro North Hospital and Health Service

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

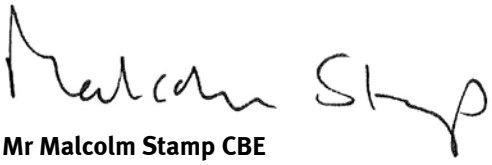
(a) the prescribed requirement for establishing and keeping the accounts have been complied with in all material respects; and

(b) the statements have been drawn up to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of Metro North Hospital and Health Service for the financial year ended 30th June 2013 and of the financial position of the Health Service at the end of the year.



Dr Paul Alexander AO MBBS, MLM, FRACMA, FACLM, FACTM, DTM&H, Dip Sport Med
Board Chair

Date: 27 August 2013



Mr Malcolm Stamp CBE
Chief Executive

Date:27 August 2013

Mr Robert Dubery FCPA, FCMA, CGMA
Interim Chief Finance Officer

Date: 27 August 2013

7.3 Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Metro North Hospital and Health Service

Report on the Financial Report

I have audited the accompanying financial report of Metro North Hospital and Health Service, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Board Chair and the Health Service Chief Executive and Interim Chief Finance Officer.

The Board's Responsibility 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 prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

(i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Metro North Hospital and Health Service for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

D R Adams FCPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

Appendix 1:

Open Data

Consultancies

Not now required in annual reports, the information is published on the Queensland Government Open Data website at: https://data.qld.gov.au/

Overseas Travel

Not now required in annual reports, the information is published on the Queensland Government Open Data website at: https://data.qld.gov.au/

Queensland Multicultural Policy – Queensland Multicultural Action Plan: 2011–2014

Not now required in annual reports, the information is published on the Queensland Government Open Data website at: https://data.qld.gov.au/

Appendix 2:

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant minister	ARRs – section 8	3
Accessibility	Table of contents	ARRs – section 10.1	4
	Glossary	ARRs – section 10.1	78
	Public availability	ARRs – section 10.2	2
	Interpreter service statement	*Queensland Government Language Services Policy* ARRs – section 10.3	2
	Copyright notice	*Copyright Act 1968* ARRs – section 10.4	2
	Information licensing	*Queensland Government Enterprise Architecture – Information licensing* ARRs – section 10.5	2
General information	Introductory information	ARRs – section 11.1	6
	Agency role and main functions	ARRs – section 11.2	13
	Operating environment	ARRs – section 11.3	13
	Machinery of Government changes	ARRs – section 11.4	13
Non-financial performance	Government objectives for the community	ARRs – section 12.1	14
	Other whole-of-government plans / specific initiatives	ARRs – section 12.2	14
	Agency objectives and performance indicators	ARRs – section 12.3	16
	Agency service areas, service standards and other measures	ARRs – section 12.4	16

Summary of requirement		Basis for requirement	Annual report reference
Financial performance	Summary of financial performance	ARRs – section 13.1	21
	Chief Finance Officer (CFO) statement	ARRs – section 13.2	23
Governance – management and structure	Organisational structure	ARRs – section 14.1	24
	Executive management	ARRs – section 14.2	29
	Related entities	ARRs – section 14.3	NIL
	Boards and committees	ARRs – section 14.4	25
	Public Sector Ethics Act 1994	*Public Sector Ethics Act 1994* (section 23 and Schedule) ARRs – section 14.5	30
Governance – risk management and accountability	Risk management	ARRs – section 15.1	30
	External Scrutiny	ARRs – section 15.2	30
	Audit committee	ARRs – section 15.3	25
	Internal Audit	ARRs – section 15.4	32
	Public Sector Renewal Program	ARRs – section 15.5	33
	Information systems and record keeping	ARRs – section 15.7	33
Governance – human resources	Workforce planning, attraction and retention and performance	ARRs – section 16.1	34
	Early retirement, redundancy and retrenchment	Directive No. 11/12 *Early Retirement, Redundancy and Retrenchment* ARRs – section 16.2	40
	Voluntary Separation Program	ARRs – section 16.3	40
Open Data	Open Data	ARRs – section 17	77
Financial Statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	73
	Independent Auditors Report	FAA – section 62 FPMA – section 50 ARRs – section 18.2	74
	Remuneration disclosures	*Financial Reporting Requirements for Queensland Government Agencies* ARRs – section 18.3	69

FAA – Financial Accountability Act 2009.
FPMS – Financial and Performance Management Standard 2009.
ARRs – Annual report requirements for Queensland Government agencies.

Glossary

CBRC	Cabinet Budget Review Committee
CEO	Chief Executive Officer
COAG	Council of Australian Governments
DPC	Department of the Premier and Cabinet
FAA	*Financial Accountability Act 2009*
FTE	Full time equivalent
FRRs	Financial Reporting Requirements
FMF	Queensland Government Financial Management Framework
FPMS	*Financial and Performance Management Standard 2009*
GOC	Government Owned Corporation
ICT	Information and Communication Technology
Metro North HHS	Metro North Hospital and Health Service
MRRs	Minimum Reporting Requirements
OESR	Office of Economic and Statistical Research
PAPWC	Parliamentary Public Accounts and Public Works Committee
PU	Performance Unit, DPC
PMF	Queensland Government Performance Management Framework
PSC	Public Service Commission
PSEA	*Public Service Ethics Act 1994*
QAO	Queensland Audit Office
RoGS	Report on Government Services
SPP	Specific Purpose Payments
SDS	Service Delivery Statements
Treasury	Queensland Treasury and Trade

Metro North Hospital and Health Service
2012–13 Annual Report
www.health.qld.gov.au/metronorth