

Gold Coast Hospital and Health Service

Financial statements

30 June 2014

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General information

Gold Coast Hospital and Health Service ("Gold Coast Health") is a Government statutory body established under the *Hospital and Health Boards Act 2011* (Qld) and its registered trading name is Gold Coast Hospital and Health Service.

The head office and principal place of business of the Gold Coast Health is:
Gold Coast University Hospital, 1 Hospital Blvd, Southport QLD 4215

A description of the nature of Gold Coast Health's operations and its principal activities is included in the notes to the financial statements.

For information in relation to Gold Coast Health's financial statements, please visit the website www.health.qld.gov.au/goldcoasthealth.

Gold Coast Hospital and Health Service

Statement of comprehensive income for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Revenue			
User charges and fees	4	981,898	828,737
Grants and other contributions	5	23,591	25,612
Other revenue	6	11,667	8,684
Gain on sale	7	4	-
Total revenue		1,017,160	863,033
Expenses			
Employee expenses	8	(3,202)	(3,265)
Health service employee expenses	9	(640,128)	(570,140)
Supplies and services	10	(298,605)	(242,930)
Grants and subsidies	11	(1,123)	(1,125)
Depreciation and amortisation	12	(66,185)	(24,653)
Impairment loss	13	(2,466)	(2,015)
Net revaluation decrement	14	(14,182)	(9,342)
Other expenses	15	(4,740)	(3,580)
Total expenses		(1,030,631)	(857,050)
Surplus/(deficit) for the year		(13,471)	5,983
Other comprehensive income for the year		-	-
Total comprehensive income		(13,471)	5,983

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Gold Coast Hospital and Health Service

Statement of financial position as at 30 June 2014

	Note	2014 \$'000	2013 \$'000
Assets			
Current assets			
Cash and cash equivalents	16	76,015	49,169
Receivables	17	10,765	17,187
Inventories	18	7,106	5,550
Prepayments	19	526	446
Total current assets		94,412	72,352
Non-current assets			
Property, plant and equipment	20	1,839,150	469,431
Intangibles	21	1,953	2,084
Total non-current assets		1,841,103	471,515
Total assets		1,935,515	543,867
Liabilities			
Current liabilities			
Payables	22	70,574	64,173
Provisions	23	2,500	302
Accrued employee benefits	24	47	122
Unearned revenue	25	53	289
Total current liabilities		73,174	64,886
Total liabilities		73,174	64,886
Net assets		1,862,341	478,981
Equity			
Contributed equity		1,869,829	472,998
Accumulated surpluses/(accumulated deficits)		(7,488)	5,983
Total equity		1,862,341	478,981

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Gold Coast Hospital and Health Service

Statement of changes in equity as at 30 June 2014

	Contributed Equity \$'000	Accumulated Surplus/Deficits \$'000	Total equity \$'000
Balance at 1 July 2012	-	-	-
Surplus for the year	-	5,983	5,983
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	5,983	5,983
<i>Transactions with owners in their capacity as owners:</i>			
Net assets received	460,443	-	460,443
Equity injections	31,038	-	31,038
Asset transfers	6,151	-	6,151
Equity withdrawals	(24,634)	-	(24,634)
Balance at 30 June 2013	472,998	5,983	478,981
Balance at 1 July 2013	472,998	5,983	478,981
Deficit for the year	-	(13,471)	(13,471)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(13,471)	(13,471)
<i>Transactions with owners in their capacity as owners:</i>			
Equity injections	44,586	-	44,586
Asset transfers	1,418,380	-	1,418,380
Equity withdrawals	(66,135)	-	(66,135)
Balance at 30 June 2014	1,869,829	(7,488)	1,862,341

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Gold Coast Hospital and Health Service

Statement of cash flows for the year ended at 30 June 2014

	Note	2014 \$'000	2013 \$'000
Cash flows from operating activities			
User charges and fees		919,178	824,789
Grants and contributions		23,512	959
Other operating cash inflows		11,667	8,684
GST collected from customers		1,859	1,333
GST input tax credits from Australian Taxation Office		13,200	9,425
Employee expenses		(3,277)	(3,174)
Health service employee expenses		(629,300)	(550,609)
Supplies and services		(302,471)	(217,804)
Grants and subsidies		(1,123)	(1,125)
GST paid to suppliers		(12,864)	(11,097)
GST remitted to Australian Taxation Office		(1,890)	(1,185)
Other operating cash outflows		(4,093)	(2,598)
Net cash from operating activities	33	14,398	57,598
Cash flows from investing activities			
Payments for property, plant and equipment	20	(33,381)	(42,014)
Payments for intangibles	21	(432)	-
Proceeds from sale of property, plant and equipment		1,675	41
Net cash used in investing activities		(32,138)	(41,973)
Cash flows from financing activities			
Transfer of cash and cash equivalents		-	2,506
Equity injection		44,586	31,038
Net cash from financing activities		44,586	33,544
Net increase in cash and cash equivalents		26,846	49,169
Cash and cash equivalents at the beginning of the financial year		49,169	-
Cash and cash equivalents at the end of the financial year	16	76,015	49,169

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

1. Objectives and Principal Activities of the Gold Coast Hospital and Health Service

Gold Coast Health was established as a not-for-profit statutory body on 1 July 2012 under the *Hospital and Health Boards Act 2011*.

Gold Coast Health aims to provide safe, financially sustainable, quality and responsive health services within the Gold Coast region and surrounding communities. These services are delivered at the Gold Coast University Hospital (GCUH), the Robina Hospital, Carrara Health Centre as well as in local community and health centres located across the Gold Coast. Gold Coast Health's strategic objectives are reflected in the following principal themes:

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

2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New, revised or amended Accounting Standards and Interpretations adopted

Gold Coast Health has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Gold Coast Health is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury and Trade. Consequently, Gold Coast Health has

not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Gold Coast Health applies standards and interpretations in accordance with their respective commencement dates.

The following Accounting Standards and Interpretations are most relevant to the Gold Coast Health:

AASB 1053 Application of Tiers of Australian Accounting Standards

AASB 1053 Application of Tiers of Australian Accounting Standards became effective for reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two Tiers of reporting requirements – Australian Accounting Standards (commonly referred to as 'Tier 1'), and Australian Accounting Standards - Reduced Disclosure Requirements (commonly referred to as 'Tier 2'). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

AASB 1053 acknowledges the power of a regulator to require application of the Tier 1 requirements. The Queensland Treasury and Trade has exercised its power as regulator to require the adoption of Tier 1 reporting by all Queensland Government Departments and Statutory Bodies that are consolidated into the whole-of-Government financial statements. Therefore, the release of AASB 1053 and associated amending standards has had no impact on Gold Coast Health.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

2. Significant accounting policies (continued)

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

AASB 13 Fair Value Measurement became effective from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of Gold Coast Health's assets and liabilities (excluding leases) that are measured and / or disclosed at fair value or another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used and financial statements disclosures made in respect of such assets and liabilities.

Gold Coast Health reviewed its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to assess whether those methodologies comply with AASB 13. To the extent that the previous methodologies were not in compliance with AASB 13, valuation methodologies were revised accordingly to be in line with AASB 13. The revised valuation methodologies have not resulted in material differences from the previous methodologies.

AASB 13 has required an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. For those fair value measurements of assets or liabilities that substantially are based on data that is not 'observable' (i.e. accessible outside the department), the amount of information disclosed has significantly increased. Note 2(u) explains some of the principles underpinning the additional fair value information disclosed. Additional information is set out in note 20 Property, Plant and Equipment.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

A revised version of AASB 119 Employee Benefits became effective from reporting periods beginning on or after 1 January 2013. As Gold Coast Health does not directly recognise any employee benefit liabilities (refer to note 2 (t)), the only implications for the HHS were the revised concept of 'termination benefits' and the revised recognition criteria for termination benefit liabilities. If termination benefits meet the AASB 119 timeframe criterion for 'short-term employee benefits', they will be measured according to the AASB 119 requirements for 'short-term employee benefits'. Otherwise, termination benefits need to be measured according to the AASB 119 requirements for 'other long-term employee benefits'. Under the revised standard, the recognition and measurement of 'other long-term employee benefits' are accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 includes changed criteria for accounting for employee benefits as 'short-term employee benefits'. However, as Gold Coast Health is a member of the Queensland Government central schemes for annual leave and long service leave, this change in criteria has no impact on the financial statements as the employer liability is held by the central scheme. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. Gold Coast Health makes employer superannuation contributions only to the QSuper defined benefit plan, and the corresponding QSuper employer benefit obligation is held by the State. Therefore, those changes to AASB 119 will have no impact.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

2. Significant accounting policies (continued)

(b) Statement of Compliance

Gold Coast Health has prepared these financial statements in compliance with section 62(1) of the *Financial Accountability Act 2009* and section 43 of the *Queensland Financial and Performance Management Standard 2009*.

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 ended 30 June 2014, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, Gold Coast Health has applied those requirements applicable to not-for-profit entities. Except where stated, the historical cost convention is used.

(c) Basis of preparation

Gold Coast Health has prepared these financial statements on a going concern basis, which assumes that Gold Coast Health will be able to meet the payment terms of its financial obligations as and when they fall due. Gold Coast Health is economically dependent upon its Service Agreement with the Department of Health ("the Department"). The Service Agreement for 2014-15 has been agreed by Gold Coast Health with the Department and the total contract of offer for 2014-15 is \$1,072,592,307. Moreover, a Service Agreement Framework is in place in order to provide Gold Coast Health with a level of guidance regarding funding commitments and purchase activity for 2015-16. The Board and Management believe that the terms and conditions of its funding arrangements under the Service Agreement Framework will provide Gold Coast Health with sufficient cash resources to meet its financial obligations for at least the next two years.

In addition to the Gold Coast Health's funding arrangements under the Service Agreement Framework:

- Gold Coast Health has no intention to liquidate or to cease operations; and
- under section 18 of the *Hospital and Health Boards Act 2011*, Gold Coast Health represents the State of Queensland and has all the privileges and immunities of the State.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Gold Coast Health's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

(d) The reporting entity

Gold Coast Health was originally established under the *Health and Hospitals Network Act 2011* (HHNA) with effect from 1 July 2012. Gold Coast Health is an independent statutory body and a reporting entity, which is domiciled in Australia. Accountable to the Minister of Health and to the Queensland Parliament, it is primarily responsible for providing quality and safe public hospital and health services and for the direct management of the facilities within the Gold Coast region. On 17 May 2012, the Minister for Health introduced amending legislation into the Parliament to expand the functions of hospital and health services under the HHNA. The amended legislation is known as the *Hospital and Health Boards Act 2011*.

These financial statements include the value of all revenue, expenses, assets, liabilities and equity of Gold Coast Health. Gold Coast Health does not have any controlled entities.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

2. Significant accounting policies (continued)

(e) Trust transactions and balances

Gold Coast Health manages patient trust accounts transactions (fiduciary funds) as trustee. As Gold Coast Health acts only in a custodial role in respect of these transactions and balances, they are not recognised in the financial statements.

Trust activities are included in the annual audit performed by the Auditor-General of Queensland and disclosed in Note 31.

Gold Coast Health undertakes certain roles in relation to Right of Private Practice (RoPP) transactions as administrator of the funds. As Gold Coast Health acts only in an agency role in respect these transactions and balances, they are not recognised in the financial statements. Fees collected under the RoPP scheme must be deposited initially into the RoPP bank accounts and later distributed in accordance with the policy governing the RoPP scheme. Right of Private Practice funds are not controlled but the activities are included in the annual audit performed by the Auditor-General of Queensland and disclosed in Note 31.

(f) User charges and fees

User charges and fees controlled by Gold Coast Health are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. User charges and fees primarily comprises services funding from the Department, hospital fees, reimbursement of pharmaceutical benefits and sales of goods and services. There has been a change in the recognition of services funding from grants and other contributions in 2012-13 to user charges this year, as explained below.

Service Revenue – Change in Accounting Policy

Service revenue is funding received as part of the service procurement arrangement set out in the Service Agreement between Gold Coast Health and the Department. In 2012-2013 it was recognised as Grant Revenue but has been

reclassified as a service procurement arrangement as it is reciprocal (fee-for-service) in nature and meets the following conditions:

- the Department has an obligation to deliver a service and subsequently purchases the required service from Gold Coast Health;
- the Service Agreement clearly identifies the service being purchased and the Department is required to provide consideration for the service;
- consideration provided by the Department is approximately equal to the value, on a full cost recovery basis, of the service delivered by Gold Coast Health; and
- terms and conditions of the Service Agreement are sufficiently specific and directive to ensure the objectives of the Department are achieved.

The funding from the Department is received fortnightly in advance. At the end of the financial year, a financial adjustment may be required where the level of services provided is above or below the agreed level.

Hospital Fees

User charges for hospital fees controlled by Gold Coast Health (mainly from private patients and patients ineligible for Medicare) are recognised as revenue when the revenue has been earned and can be measured reliably with a sufficient degree of certainty.

Pharmaceutical Benefits Scheme

Reimbursements from the federal government under the Pharmaceutical Benefits Scheme are recognised when the revenue is received or accrued where the revenue has been earned through the distribution of eligible drugs but not yet received.

Sale of Goods

User charges for the sale of goods and services involve either invoicing for related goods and services or the recognition of accrued revenue based on charges yet to be invoiced.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

2. Significant accounting policies (continued)

(g) Grants and contributions

Grants, contributions and donations received are non-reciprocal in nature as the financial assistance received is typically less than the value of the services provided in return.

Grants, contributions, donations and gifts that are non-reciprocal in nature are generally recognised in the year in which Gold Coast Health obtains control over them. For grants which require compliance with certain conditions, revenue is progressively recognised as it is earned, according to agreed terms and conditions. Where Gold Coast Health is required to repay part or all of a grant or contribution due to failure to meet specific conditions, a liability and an expense is recognised for the amount.

Commonwealth contributions and grants are received based on individual funding agreements. Each funding agreement includes conditions upon which the funding has been provided along with an acquittal which is required to be submitted outlining compliance with conditions. During 2013-14, no funding received was required to be repaid based on the acquittal processes.

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

(h) Special Payments

Special payments relate to ex-gratia expenditure that Gold Coast Health is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, Gold Coast Health maintains a register setting out details of all special payments greater than \$5,000. The total of special payments (including those of \$5,000 or less) is disclosed separately within Other Expenses (Note 15).

(i) Leases

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 lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

(j) Cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June. Gold Coast Health bank accounts form part of the whole-of-Government banking arrangement with the Commonwealth Bank of Australia. Under this arrangement, Gold Coast Health has access to the whole-of-Government cash overdraft facility with a limit of \$8.5 million.

(k) Receivables

Receivables comprise trade receivables, GST input tax credits receivables and service revenue receivable. Trade receivables are recognised at the amounts due at the time of sale or service delivery. Settlement of these amounts is required within 30 days from the invoice date.

The collectability of receivables is assessed periodically with provisions made for impairment. Increases in the allowance for impairment are based on loss events as disclosed in Note 26. All known bad debts are written off when identified.

(l) Inventories

Inventories consist mainly of pharmaceutical supplies and clinical supplies held for distribution to hospitals. Inventories are measured at the lower of cost and net realisable value based on periodic assessments for obsolescence. Where damaged or expired items have been identified, provisions are made for impairment.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

2. Significant accounting policies (continued)

(m) Property, plant and equipment

Acquisition of Assets:

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

Buildings	\$10,000
Land	\$1
Plant and Equipment	\$5,000

Property, plant and equipment are initially recorded at consideration plus any other costs directly incurred in bringing the asset ready for use. Items or components that form an integral part of an asset are recognised as a single (functional) asset.

Where assets are received for no consideration from another Queensland Government entity (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised at the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

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

As a result of the National Health Reform, the control of land and buildings used by Gold Coast Health was transferred from the Department for an initial three year term from 1 July 2012 via a Deed of Lease arrangement. Although legal ownership remains with the Department, the property is reported on the Statement of Financial Position of Gold Coast Health who substantially holds all risks and rewards incidental to ownership of the land and building assets during the term of the lease arrangement.

Gold Coast Health has full use of the assets, managerial control of assets, and is responsible for maintenance however, proceeds from the sale of these assets cannot be retained by Gold Coast Health. The Department generates no economic benefit from these assets. In accordance with the definition of control under the Australian Accounting Standards, Gold Coast Health recognises the value of these assets in the Statement of Financial Position.

Depreciation:

Property, plant and equipment is depreciated on a straight-line basis. Annual depreciation is based on fair values and Gold Coast Health's assessment 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 as intended by management.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset. Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

The estimated useful lives of assets are reviewed annually and where necessary, are adjusted to better reflect the pattern of consumption. In reviewing the useful life of each asset factors such as asset usage and obsolescence are considered.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

(m) Property, plant and equipment (continued)

2. Significant accounting policies (continued)

For each class of depreciable asset the following depreciation and amortisation rates are used:

Buildings	3.3%
Leasehold improvements	6.7%-20%
Plant and equipment	
Computer Hardware and Motor Vehicles	20%
Engineering and Office Equipment	10%
Furniture and Fittings	5%
Medical equipment <\$200,000	6.7%-25.0%
Medical equipment >\$200,000	12.5%
Intangible Assets	20%

The depreciation rate for Medical equipment <\$200,000 was 10% in the 2012-13 financial year. All other rates have remained the same.

(n) Revaluations of Non-Current Physical

Land and buildings are measured at fair value in accordance with AASB 116 Property, Plant and Equipment, AASB 13 Fair Value Measurement as well as Queensland Treasury and Trade's Non-Current Asset Policies for the Queensland Public Sector. Land and building revaluations incorporate the results from the independent revaluations and the indexation of the assets not subject to independent revaluations.

Land is measured at fair value each year using independent revaluations, desktop market revaluations or indexation by State Valuation Service within the Department of Natural Resources and Mines. Independent revaluations are performed with sufficient regularity to ensure assets are carried at fair value.

Gold Coast Health engaged State Valuation Service to undertake valuations of 100 per cent of land holdings as at 30 June 2014. Where assets have not been revalued, Gold Coast Health applies indices which are supplied by State Valuation Service. Indices are based on actual market movements for each local government area issued by the Valuer-General. An individual

factor change by property has been developed from reviews of the market transactions having regard to the review of land values undertaken for each local government area.

Buildings are measured at fair value by applying either a revised estimate of individual asset's depreciated replacement cost or an interim index which approximates movement in price and design standards at the reporting date. These estimates are developed by independent quantity surveyors. The methodology takes into account the specialised nature of health service buildings and the fair value is determined by using the depreciated replacement cost methodology.

Depreciated replacement cost is determined as the replacement cost less the cost to bring to current standards. In order to calculate the cost to bring the building to current standards a condition rating is applied based on:

- Visual inspection of the asset
- Asset condition data and other information provided by Gold Coast Health
- Previous reports and inspection photographs (to show the change in condition over time)

The following table outlines the condition assessment rating applied to each building which assists in determining the current depreciated replacement cost.

Category Condition	Criteria	Comments
1	Very good condition	Only normal maintenance required
2	Minor defects only	Minor maintenance required (up to 5per cent of capital replacement cost)
3	Maintenance required to return to acceptable level of services	Significant maintenance required (up to 50 per cent of capital replacement cost)
4	Requires renewal	Complete renewal of the internal fit out and engineering services required (up to 70 per cent of capital replacement cost)
5	Asset unserviceable	Complete asset replacement required

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

(n) Revaluations of Non-Current Physical (continued)

2. Significant accounting policies (continued)

Gold Coast Health engaged an independent valuer to undertake revaluations of 84 per cent of the building portfolio as at 30 June 2014. The independent valuer was also engaged to provide indices for the remaining 16 per cent of the building class.

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. Gold Coast Health ensures there is sufficient evidence that the index used is robust, valid and appropriate to the assets to which it is being applied. In applying their methodology, the independent valuer applies an index that is applicable to Gold Coast Health region. These indices are applied to non-revalued assets as at 30 June 2014 so that the reported value reflects current market conditions.

The standard useful life of a health facility is generally 30 years and is adjusted for those assets in extreme climatic conditions which have historically shorter lives, or where assets such as residences generally have longer lives.

Estimates of remaining useful life are based on the assumption that the asset remains in its current function and will be maintained.

No allowance has been provided for significant refurbishment works in the estimate of remaining useful life as any refurbishment should extend the life of the asset.

Gold Coast Health has reviewed all fair value methodologies in light of the new principles set out in AASB 13 Fair Value Measurement. Some minor adjustments were made to methodologies to take into account the more exit-oriented approach to fair value under AASB 13 Fair Value Measurement, as well as the availability of more observable data for certain assets (e.g. land and buildings). Such adjustments did not result in a material impact on the valuation of Gold Coast Health's property, plant and equipment. Refer to Note 27 for further information.

Any revaluation increment arising on the revaluation of an asset is 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 change in the estimate of remaining useful life.

(o) Intangible assets

Intangible assets with a cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life. The residual value is zero for all the HHS's intangible assets.

It has been determined that there is not an active market for any of Gold Coast Health's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at date of acquisition in accordance with AASB 138 Intangible Assets. Work in progress is for software developed in-house but not yet in use and will be amortised in the same way as purchased software.

Purchased Software

The purchase cost of this software has been capitalised and is being amortised on a straight-line basis over the period of the expected benefit to Gold Coast Health, namely 5 years.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

2. Significant accounting policies (continued)

(p) 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, Gold Coast Health 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.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus 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, so 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 to the carrying amount. Refer also Note 2(n).

(q) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase or contract price, net of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 to 60 day terms.

(r) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when Gold Coast Health becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash / cash equivalents – held at fair value
- Receivables – held at amortised cost
- Payables – held at amortised cost

Gold Coast Health does not enter into derivative and other financial instrument transactions for speculative purposes nor for hedging. Apart from cash and cash equivalents, Gold Coast Health holds no financial assets classified at fair value through profit and loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by Gold Coast Health are included in Note 26.

(s) Provisions

Provisions are recorded when Gold Coast Health has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate.

(t) Employee benefits

Health Service Employee Expenses

In accordance with section 67 of the *Hospital and Health Boards Act 2011*, the employees of the Department are referred to as health service employees. Pursuant to section 80 of the *Hospital and Health Boards Act 2011*, health service employees remain employees of the Department and are taken to be employed by Gold Coast Health on the same terms, conditions and entitlements. Under this arrangement:

- The health service employees remain as employees of the Department;
- Gold Coast Health is responsible for the day to day management of these Department employees;

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

(t) Employee benefits (continued)

2. Significant accounting policies (continued)

- Gold Coast Health reimburses the Department for salaries and certain on-costs of these Department employees.

As a result of this arrangement, Gold Coast Health treats reimbursements to the Department for their employees in these financial statements as health service employee expenses, rather than employee expenses.

Employee Expenses

Gold Coast Health directly engages Health Service Executives in accordance with section 67(2) of the *Hospital and Health Boards Act 2011* (Qld). The basis of employment for Health Service Executives is in accordance with section 74 of the *Hospital and Health Boards Act 2011* (Qld).

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

The information detailed below relates specifically to these directly engaged employees only.

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. For unpaid entitlement expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual Leave and Long Service

Gold Coast Health participates in the Queensland Government's Annual Leave Central Scheme and Long Service Leave Central Scheme. Under the Annual Leave Central Scheme (established on 30 June 2008) and Long Service Leave Central Scheme (established on 1 July 1999), a levy is made on Gold Coast Health to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed from the Schemes quarterly in arrears.

No provision for annual leave or long service leave is recognised in Gold Coast Health's financial statements as the liability 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.

Superannuation

Employer superannuation contributions are paid to QSuper, 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. Gold Coast Health's obligation is limited to its contribution to QSuper.

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.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

2. Significant accounting policies (continued)

(u) Fair value measurement

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

Observable inputs are publicly available data that are relevant to the characteristics of the assets or liabilities being valued. Observable inputs used by Gold Coast Health include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets or liabilities being valued. Significant unobservable inputs used by Gold Coast Health include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of Gold Coast Health's assets or liabilities, internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets or liabilities.

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

See Note 3 for further information on the critical assumptions related to fair value under AASB 13. As 2013-14 is the first year of application of AASB 13 Fair Value Measurement by Gold Coast Health, there were no transfers of assets between fair value hierarchy levels during the period.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(v) Insurance

Gold Coast Health is covered by the Department's insurance policy with the Queensland Government Insurance Fund (QGIF) and WorkCover Queensland. Gold Coast Health pays a fee to the Department as part of a fee-for-service arrangement.

QGIF covers property and general losses above a \$10,000 threshold and health litigation payments above a \$20,000 threshold plus associated legal fees. Premiums are calculated by QGIF on a risk assessment basis.

(w) Services Received Free of Charge or for Nominal Value

Gold Coast Health receives corporate services support from the Department for no cost. Corporate services received include payroll services, accounts payable services, supply services and information technology services. As the fair value of these services is unable to be estimated reliably, no associated revenue and expense is recognised in the Statement of comprehensive income.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

2. Significant accounting policies (continued)

(x) Taxation

Gold Coast Health is a State body as defined under the *Income Tax Assessment Act 1936* (Cth) and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). All Queensland Hospital and Health Services and the Department are grouped for the purposes of Section 149-25 *A New Tax System (Goods and Services Tax) Act 1999* (Cth). Therefore all transactions made between the entities in the tax group do not attract GST, and all transactions external to the group are required to be accounted for GST where applicable. GST credits receivable from, and GST payable to the Australian Taxation Office are recognised.

(y) Contributed Equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government or other involuntary transfers are adjusted to Contributed Equity in accordance with Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

(z) Rounding

Amounts in this report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

(aa) Comparatives

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. In particular, Notes 4 and 5 refer to revenue that was previously classified as Grants and Contributions but has been reclassified as User charges and fees in accordance with Treasury Guidelines. Accordingly, the comparatives have been restated.

Operations of the Health Service were impacted by the move from the Gold Coast Hospital to the Gold Coast University Hospital and consequently care needs to be taken in assessing comparative data.

(ab) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by Gold Coast Health for the annual reporting period ended 30 June 2014. Gold Coast Health's assessment of the impact of these new or amended Accounting Standards and Interpretations, are set out below.

AASB 9 Financial Instruments and its consequential amendments

AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.

- a. Financial assets that are debt instruments will be classified based on
 - the objective of the entity's business model for managing the financial assets;
 - the characteristics of the contractual cash flows.
- b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

(ab) New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

2. Significant accounting policies (continued)

d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
- The remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.

The AASB issued a revised version of AASB 9 (AASB 2013-9) during December 2013. The revised standard incorporates three primary changes:

1. New hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures
2. Entities may elect to apply only the accounting for gains and losses from own credit risk without applying the other requirements of AASB 9 at the same time
3. In February 2014, the IASB tentatively decided that the mandatory effective date for AASB 9 will be 1 January 2018

Gold Coast Health will adopt this standard and the amendments from 1 July 2018 but the impact of its adoption is yet to be assessed.

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to

require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 January 2014 may increase the disclosures by Gold Coast Health.

AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit continuation of hedge accounting in circumstances where a derivative (designated as hedging instrument) is novated from one counter party to a central counterparty as a consequence of laws or regulations.

The adoption of these amendments from 1 January 2014 will not have a material impact on Gold Coast Health.

AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and allow entities that meet the definition of an 'investment entity' to account for their investments at fair value through profit or loss. An investment entity is not required to consolidate investments in entities it controls, or apply AASB 3 'Business Combinations' when it obtains control of another entity, nor is it required to equity account or proportionately consolidate associates and joint ventures if it meets the criteria for exemption in the standard.

The adoption of these amendments from 1 January 2014 will have no impact on Gold Coast Health.

Annual Improvements to IFRSs 2010-2012 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows:

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

(ab) New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

2. Significant accounting policies (continued)

- Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment';
- Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date;
- Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria and clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly;
- Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial;
- Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and
- Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity.

The adoption of these amendments from 1 January 2015 will not have a material impact on the Gold Coast Health.

Annual Improvements to IFRSs 2011-2013 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows:

- Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards';
- Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself;
- Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and
- Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other.

The adoption of these amendments from 1 January 2015 will not have a material impact on the Gold Coast Health.

Interpretation 21 Levies

This interpretation is applicable to annual reporting periods beginning on or after 1 January 2014. The Interpretation clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. The adoption of the interpretation from 1 January 2014 will not have a material impact on the Gold Coast Health.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

(ab) New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

2. Significant accounting policies (continued)

AASB 1055 Budgetary Reporting and 2013-14 Amendments to AASB 1049 Relocation of Budgetary Reporting Requirements

AASB 1055 Budgetary Reporting applies from reporting periods beginning on or after 1 July 2014. The 2014-15 financial statements will need to include the original budgeted financial statements as published in the 2014-15 Queensland Government's Service Delivery Statements. The budgeted figures will need to be presented consistently with the statutory financial statements, and will be accompanied by explanations of major variances between the actual amounts presented in the financial statements and the corresponding original budget amounts.

AASB 1031 Materiality

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.

The adoption of these amendments from 1 January 2014 will not have a material impact on Gold Coast Health.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.

The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied

in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

The adoption of these amendments from 1 January 2016 will have no impact on Gold Coast Health.

Revenue from Contracts with Customers (IFRS 15)

IFRS 15 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

IFRS 15 supersedes:

- (a) IAS 11 Construction Contracts
- (b) IAS 18 Revenue
- (c) IFRIC 13 Customer Loyalty Programmes
- (d) IFRIC 15 Agreements for the Construction of Real Estate
- (e) IFRIC 18 Transfers of Assets from Customers
- (f) SIC-31 Revenue—Barter Transactions Involving Advertising Services

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- (a) Step 1: Identify the contract(s) with a customer
- (b) Step 2: Identify the performance obligations in the contract
- (c) Step 3: Determine the transaction price
- (d) Step 4: Allocate the transaction price to the performance obligations in the contract
- (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The application date for this standard is 1 July 2018 and the impact of its adoption is yet to be assessed.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amount of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions with the most significant effect on the financial statements are outlined as follows.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account inventory obsolescence.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- level 2 – represents fair value measurements that are substantially derived from inputs

(other than quoted prices included within level 1) that are observable, either directly or indirectly; and

- level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

None of Gold Coast Health's assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy.

Estimation of useful lives of assets

Gold Coast Health determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where:

- the useful lives are less than previously estimated lives;
- the asset is technically obsolete; or
- non-strategic assets that have been abandoned or sold will be written off or written down.

Land and Building Valuation Assessment

Independent valuers were engaged to value Gold Coast Health's land and buildings. The result of these valuations were assessed by management and changes recorded in the asset register as required. See note 2(n) and note 20 for more information.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

Gold Coast Health assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to Gold Coast Health and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

	2014 \$'000	2013 \$'000
4. User charges and fees		
Hospital fees	29,188	24,037
Pharmaceutical benefits scheme	25,280	13,454
Sale of goods and services	5,126	6,734
Service revenue	922,304	784,512
Total	981,898	828,737

*Funding revenue from the Department has been reclassified from Grants and Contributions to User charges and fees in accordance with Treasury's Guideline 'Distinction between grants and service procurement payments'. This has resulted in an increase to User charges and fees of \$922,304k (2013: \$784,512k). Refer note 2(f) for more information.

	2014 \$'000	2013 \$'000
5. Grants and other contributions		
Commonwealth grants and contributions	12,044	11,947
Other grants	3,201	3,225
Other minor capital funding	6,102	8,600
Donations other	2,165	1,817
Donations non-current physical assets	79	23
Total	23,591	25,612

6. Other revenue		
Interest	180	112
Recoveries*	10,401	8,003
Rental income	918	299
Other	168	270
Total	11,667	8,684

*Recoveries include receipts from third parties such as universities, hospitals and other government agencies for seconded staff.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

	2014 \$'000	2013 \$'000
7. Gain on sale of property, plant and equipment		
Total	4	-
8. Employee expenses		
Wages and salaries	2,404	2,608
Annual Leave	298	303
Superannuation	242	118
Long Service Leave	44	39
Termination payments	173	140
Other employee expenses	41	57
Total	3,202	3,265

In accordance with section 67(2) of the *Hospital and Health Boards Act 2011* (Qld), Gold Coast Health directly engages Health Service Executives. Employee expenses disclosed above relate specifically to these directly engaged Health Service Executives.

The number of employees of Gold Coast Health as at 30 June 2014, including both full-time employees and part-time employees, measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information) is 13 (2013:11).

	2014 \$'000	2013 \$'000
9. Health service employee expenses		
Total	640,128	570,140

The number of health service employees as at 30 June 2014, including both full-time employees and part-time employees, measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information) is 5,951 (2013: 5,087).

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

	2014 \$'000	2013 \$'000
10. Supplies and services		
Building services	515	488
Catering and domestic supplies	14,897	15,977
Clinical supplies and services	131,534	119,383
Communications	8,406	7,614
Computer services	4,770	3,370
Consultants	1,330	1,228
Contractors and external labour	18,396	5,356
Drugs	38,524	35,176
Expenses relating to capital works	2,298	1,878
Insurance premiums-Queensland Government Insurance Fund	10,699	7,759
Motor vehicles	973	579
Operating lease rentals	7,646	10,860
Outsourced service delivery	10,681	-
Repairs and maintenance	14,313	9,228
Travel - patients	5,712	4,741
Travel - staff	946	858
Utilities	10,962	6,249
Workers' compensation premium	10,014	8,746
Other	5,989	3,440
Total	298,605	242,930
11. Grants and subsidies		
Public hospital support services	1,109	651
Other grants	14	474
Total	1,123	1,125

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

	2014 \$'000	2013 \$'000
12. Depreciation and amortisation		
Buildings	45,308	16,552
Plant and equipment	20,314	7,570
Intangibles	563	531
Total	66,185	24,653
13. Impairment loss		
Impairment losses on receivables	1,252	1,245
Bad debts written off	1,214	770
Total	2,466	2,015
Refer to Note 26 for further information on impairment losses.		
14. Net revaluation decrement		
Land revaluation decrement	12,450	4,537
Net building revaluation decrement	1,732	4,805
Total	14,182	9,342

The net asset revaluation decrement, not being a reversal of a previous revaluation increment in respect of the same class of assets, has been recognised as an expense in the Statement of Comprehensive Income. Gold Coast Health commenced as a statutory body on 1 July 2012. On 1 July 2012, no asset revaluation surplus was transferred to Gold Coast Health hence no asset revaluation surplus was available to offset the revaluation decrements in 2012-2013 or 2013-2014.

	2014 \$'000	2013 \$'000
Buildings:		
Net building revaluation decrement includes:		
Building – impairment losses	3,106	-
Building – revaluation increment	(1,374)	-
Building – revaluation decrement	-	4,805
Net building revaluation decrement	1,732	4,805

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

	2014 \$'000	2013 \$'000
15. Other expenses		
Administration	1,598	1,372
Advertising	111	81
Bank fees	21	23
Ex-gratia payments*	27	11
External audit fees**	260	247
Insurance - other	253	129
Internal audit fees	189	77
Interpreter fees	654	184
Inventory written off	65	388
Legal Fees	897	135
Losses from the disposal of non-current assets	647	597
Other	18	336
Total	4,740	3,580

*Ex-gratia payments are special payments and include payments to patients and staff for damaged or lost property. See note 2(h) for further information.

**External audit fees represent total audit fees paid or accrued to the Queensland Audit Office relating to the 2013-14 financial statement audit. There are no non-audit services included in this amount.

	2014 \$'000	2013 \$'000
16. Current assets – Cash and cash equivalents		
Cash on hand	13	15
Cash at bank	69,940	45,549
QTC Cash Fund	6,062	3,605
Total	76,015	49,169

Cash deposited with the Queensland Treasury Corporation earns interest at a rate of 3.32% per annum (2013: 3.96%).

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

	2014 \$'000	2013 \$'000
17. Current assets – Receivables		
Trade receivables	10,884	11,715
Less: Provision for impairment of receivables	(2,191)	(2,168)
	8,693	9,547
 GST input tax credits receivable	1,336	1,672
GST payable	(117)	(148)
	1,219	1,524
 Service revenue receivable	853	6,116
Total	10,765	17,187
18. Current assets – Inventories		
Medical supplies	6,958	5,613
Less: Provision for impairment	(87)	(369)
 Catering and domestic supplies	198	199
Engineering Supplies	-	17
Other Supplies	37	90
Total	7,106	5,550
19. Current assets – Prepayments		
Total	526	446

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

	2014 \$'000	2013 \$'000
20. Non-current assets – Property, plant and equipment		
Land – at independent valuation	72,962	109,132
Buildings – at independent valuation	1,749,330	464,844
Less: Accumulated depreciation	(94,300)	(184,948)
	1,655,030	279,896
 Plant and equipment – at cost	 154,815	 93,919
Less: Accumulated depreciation	(43,657)	(41,471)
	111,158	52,448
 Capital works in progress – at cost	 -	 27,955
Total	1,839,150	469,431

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

20. Non-current assets – Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land \$'000	Buildings \$'000	Plant and Equipment \$'000	Work-in- Progress \$'000	Total \$'000
Balance at 1 July 2012	-	-	-	-	-
Assets received on 1 July 2012*	113,669	295,905	44,099	1,672	455,345
Disposals	-	-	(638)	-	(638)
Revaluation decrements	(4,537)	(4,805)	-	-	(9,342)
Additions	-	834	14,897	26,283	42,014
Donations received	-	-	23	-	23
Transfers in/(out)	-	4,514	1,637	-	6,151
Depreciation expense	-	(16,552)	(7,570)	-	(24,122)
Balance at 30 June 2013	109,132	279,896	52,448	27,955	469,431
Additions	-	186	33,195	-	33,381
Disposals	-	-	(2,322)	-	(2,322)
Revaluation increments	-	1,374	-	-	1,374
Revaluation decrements	(12,450)	-	-	-	(12,450)
Donations received	-	-	79	-	79
Impairment of assets	-	(3,106)	-	-	(3,106)
Net transfers from the Department	(23,720)	1,421,988	21,222	(1,105)	1,418,385
Transfers in/(out)	-	-	26,850	(26,850)	-
Depreciation expense	-	(45,308)	(20,314)	-	(65,622)
Balance at 30 June 2014	72,962	1,655,030	111,158	-	1,839,150

*Transferred pursuant to the *Hospital and Health Boards Act 2011* (Qld).

Gold Coast Hospital and Health Service

Notes to the financial statements

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20. Non-current assets – Property, plant and equipment (continued)

Valuations of land and buildings

The State Valuation Service performed an independent valuation of all land during 2013-14 representing 100 per cent of the portfolio. The valuations are based on the Fair Value approach in accordance with the requirements of AASB 13 Fair Value Measurement.

This resulted in a net decrement of \$12.450 million (2012-13: \$4.537 million) to the carrying value of land which has been charged as an expense to the Statement of Comprehensive Income. The decrement represents a 11 per cent reduction to value of the land portfolio as at 30 June 2014.

The reduction in the value of the portfolio corresponds to the overall percentage decrease in the value of commercial land across the Gold Coast market. The Gold Coast market is one of volatility and is recognised as its own market. The Gold Coast land values for commercial property have continued to decline. The sales evidence available reflects this movement within the property market.

An independent valuation of 84 per cent of the gross value of the building portfolio was performed by an independent valuer. This includes valuations of the new Gold Coast University Hospital and the Southport Health Precinct which were transferred during the year to Gold Coast Health from the Department. These properties represent 81 per cent of total building portfolio. During construction of new hospital development, projects remain in the Statement of Financial Position in the Department until the assets are commissioned to Gold Coast Health. On hospital commissioning, the assets are recorded in the asset register of Gold Coast Health.

The remaining 3 per cent of the properties which were independently valued resulted in a net increment of \$1.374 million which has been included in the Statement of Comprehensive Income offsetting the decrement in 2012-13 (\$4.805 million).

The Gold Coast Hospital was transferred to the department under a Surrender of Lease Notice. The effective date of the transfer was 9 January 2014.

For the remaining buildings in the portfolio, an index of 1.00 was applied representing the market conditions for non-residential construction to Gold Coast Health. The index resulted in no change to the reportable value of the applicable buildings.

Refer to note 27 for further information on fair value measurement.

Plant and Equipment

The useful lives of medical equipment <\$200,000 were re-assessed during 2013-14 and depreciation rates were adjusted from 10% used in prior years to a range from 6.7%-25%. This has not had a material effect on depreciation expense.

Transfer of Land and Buildings

Commencing 1 July 2014, the legal title of health service land and buildings will progressively transfer from the department to HHSs. As HHSs currently control these assets, through Deed of Lease arrangements, there will be no material impact to the accounts of the department upon transfer. Buildings which are currently used by the department which reside on HHS land will be leased back to the department by HHSs.

Legal title transfer is currently expected to occur within three tranches, according to when both entities have mutual confidence that the respective HHS has the capacity and capability to be effective asset managers. Gold Coast Health is part of Tranche 2 which is expected to occur in the second quarter of the 2014-15 financial year.

Gold Coast Hospital and Health Service

Notes to the financial statements

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	2014 \$'000	2013 \$'000
21. Non-current assets - Intangibles		
Software purchased - at cost	3,376	3,510
Less: Accumulated amortisation	(1,855)	(1,426)
	1,521	2,084
Software work in progress – at cost	432	-
Total	1,953	2,084

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Software	Work-in-progress \$'000	Purchased \$'000	Total \$'000
Balance at 1 July 2012	-	-	-
Assets received on 1 July 2012*	-	2,615	2,615
Amortisation expense	-	(531)	(531)
Balance at 30 June 2013	-	2,084	2,084
Additions	432	-	432
Amortisation expense	-	(563)	(563)
Balance at 30 June 2014	432	1,521	1,953

* Transferred pursuant to the *Hospital and Health Boards Act 2011* (Qld).

Gold Coast Hospital and Health Service

Notes to the financial statements

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	2014 \$'000	2013 \$'000
22. Current liabilities – Payables		
Trade payables	5,248	12,255
Accrued expenses	21,236	17,341
Accrued health service employee expenses	41,988	31,160
Department of Health payables	2,101	3,318
Other creditors	1	99
Total	70,574	64,173

Refer to note 26 for further information on financial instruments.

23. Current liabilities – Provisions

Restoration costs	-	302
Medical imaging services	2,500	-
Total	2,500	302

Restoration Costs

The GCHHS had an obligation to repair and reinstate leased premises at the Pacific Private Hospital. The premises have been reinstated and returned to the lessor in September 2013.

Medical Imaging Services

Provision to retrospectively undertake the reporting of certain medical images for a period prior to 30 June 2014.

	2014 \$'000	2013 \$'000
24. Current liabilities – Accrued employee benefits		
Wages outstanding	47	122
Total	47	122
25. Current liabilities – Unearned revenue		
Unearned revenue	53	289
Total	53	289

Gold Coast Hospital and Health Service

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26. Financial instruments

Financial risk management objectives

Gold Coast Health's activities expose it to a variety of financial risks – credit risk, liquidity risk and market risk. Financial risk management is implemented pursuant to Gold Coast Health's Financial Management Practice Manual. Overall financial risk is managed in accordance with written principles of the Department for overall risk management, as well as policies covering specific areas.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises: foreign exchange risk; interest rate risk; and other price risk.

Price and Foreign Currency Risk

The Gold Coast Health is not exposed to any significant price risk or foreign currency risk.

Interest rate risk

Gold Coast Health is exposed to interest rate risk through its cash deposited in interest bearing accounts. Gold Coast Health does not undertake any hedging in relation to interest risk. Changes in interest rates have a minimal impact on the operating result.

Credit risk

Credit risk exposure refers to the situation where Gold Coast Health may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date is equal to the gross carrying amount of the financial asset, inclusive of any provisions for impairment. As such, the gross carrying amount of cash and cash equivalents as well as receivables represent the maximum exposure to credit risk.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

Impairment of receivables

Gold Coast Health has recognised a loss of \$2,465,770 (2013: \$2,015,294) in the Statement of Comprehensive Income in respect of impairment and write off of receivables for the year ended 30 June 2014.

Impairment is based on a specific review of individual trade debtors at risk for either actual loss events or past experiences in relation to these loss events. These loss events mainly relate to unrecoverable debts from private individuals ineligible for Medicare.

The ageing of the impaired receivables provided for above are as follows:

	2014 \$'000	2013 \$'000
Impaired Receivables		
0-30 days overdue	185	17
31-60 days overdue	116	85
61-90 days overdue	28	23
More than 90 days overdue	1,862	2,043
Total		2,168

Gold Coast Hospital and Health Service

Notes to the financial statements

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26. Financial instruments (continued)

Movements in the provision for impairment of receivables are as follows:

	2014 \$'000	2013 \$'000
Opening balance	2,168	1,324
Additional provisions recognised	1,252	1,245
Receivables written off during the year as uncollectable	(1,229)	(401)
Closing balance	2,191	2,168

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to \$10,766,000 as at 30 June 2014 (\$17,187,000 as at 30 June 2013). The ageing of the past due but not impaired receivables are as follows:

	2014 \$'000	2013 \$'000
0-30 days overdue	8,242	15,190
31-60 days overdue	1,414	995
61-90 days overdue	653	383
More than 90 days overdue	457	619
Total	10,766	17,187

Gold Coast Hospital and Health Service

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26. Financial instruments (continued)

Liquidity risk

Liquidity risk refers to the situation where Gold Coast Health may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Gold Coast Health is exposed to liquidity risk in respect of its payables. Gold Coast Health reduces the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities. Gold Coast Health has an approved overdraft facility of \$8.5 million under whole-of-Government banking arrangements to manage any short term cash shortfalls.

Capital acquisitions have been funded by the Department through equity either as injections of cash or through transfers of assets. Gold Coast Health has no borrowings.

Fair value of financial instruments

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the Gold Coast Health are as follows:

	2014		2013	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Assets				
Cash and cash equivalents	76,015	76,015	49,169	49,169
Receivables	10,765	10,765	17,187	17,187
Total	86,780	86,780	66,356	66,356
Liabilities				
Payables	70,574	70,574	64,173	64,173
Total	70,574	70,574	64,173	64,173

Gold Coast Hospital and Health Service

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27. Fair value measurement

Fair value hierarchy

The following tables detail the Gold Coast Health's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

2014	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Land	-	72,962	-	72,962
Buildings	-	2,251	1,652,779	1,655,030
Total assets	-	75,213	1,652,779	1,727,992

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Land valued with reference to an active market is classified as Level 2. Land valued without reference to an active market and/or has significant restrictions is classified as Level 3.

Buildings valued with reference to an active market are classified as Level 2. Purpose-built hospital buildings valued without reference to an active market are valued using the depreciated replacement cost methodology and classified as Level 3.

Gold Coast Hospital and Health Service

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27. Fair value measurement

Level 3 assets and liabilities

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Significant unobservable inputs	Unobservable inputs – quantitative measures	Unobservable inputs – effect on fair value measurement
Buildings – health service sites (fair value \$24.650m)	Replacement Cost Estimates	Health buildings \$613,000 to \$14,850,000 Other buildings \$155,000 to \$2,370,000	Replacement cost is based on tender pricing and historical building cost data. An increase in the estimated replacement cost would increase the fair value of the assets. A decrease in the estimated replacement cost would reduce the fair value of the assets.
	Remaining lives estimates	12 years to 34 years	The remaining useful lives are based on industry benchmarks. An increase in the estimated remaining useful lives would increase the fair value of the assets. A decrease in the estimated remaining useful lives would reduce the fair value of the assets.
	Costs to bring to current standards	Health buildings \$110,000 to \$4,660,000 Other buildings \$Nil to \$400,000	Costs to bring to current standards are based on tender pricing and historical building cost data. An increase in the estimated costs to bring to current standards would reduce the fair value of the assets. A decrease in the estimated costs to bring to current standards would increase the fair value of the assets.
	Condition rating	1 to 3	The condition rating is based on the physical state of the assets. An improvement in the condition rating (possible high of 1) would increase the fair value of the assets. A decline in the condition rating (possible low of 5) would reduce the fair value of the assets.

For further information on condition ratings refer to Note 2 (n) Revaluations of Non-Current Physical and Intangible Assets. Usage of alternative quantitative values (higher or lower) for each unobservable input that are reasonable in the circumstances as at the revaluation date would not result in material changes in the reported fair value.

The condition rating of an asset is used as a mechanism to determine the cost to bring to current standards and also to estimate the remaining life.

There are no other direct or significant relationships between the unobservable inputs which materially impact fair value.

Gold Coast Hospital and Health Service

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28. Key management personnel disclosures

Key management personnel

The following details for key management personnel include those positions that had the authority and responsibility for planning, directing and controlling the major activities of the Gold Coast Health during the financial year.

Name and position of current incumbents	Responsibilities	Contract classification and appointment authority	Appointment date
Board Chair – Ian Langdon	Perform duties of Board Chair as prescribed in the <i>Hospital and Health Boards Act 2011</i> (Qld). Chair of Executive Committee.	Governor-in-Council Section 25(1)(a) of the <i>Hospital and Health Boards Act 2011</i> (Qld)	01/07/2012
Deputy Board Chair – Kenneth Brown	Perform duties of Deputy Board Chair as prescribed in the <i>Hospital and Health Boards Act 2011</i> (Qld). Chair of: Finance and Performance Committee; and Audit and Risk Committee. Member of Safety, Quality and Engagement Committee.	Governor-in-Council Section 25(1)(b) of the <i>Hospital and Health Boards Act 2011</i> (Qld)	01/07/2012
Board Member – Professor Allan Cripps	Perform duties of Board Member as prescribed in the <i>Hospital and Health Boards Act 2011</i> (Qld). Chair of Research and Education Committee. Member of: Executive Committee; Finance and Performance Committee; and Audit and Risk Committee.	Governor-in-Council Section 23(1) of the <i>Hospital and Health Boards Act 2011</i> (Qld)	01/07/2012
Board Member – Colette McCool	Perform duties of Board Member as prescribed in the <i>Hospital and Health Boards Act 2011</i> (Qld). Chair of Safety, Quality and Engagement Committee. Member of: Finance and Performance Committee; and Audit and Risk Committee.	Governor-in-Council Section 23(1) of the <i>Hospital and Health Boards Act 2011</i> (Qld)	01/07/2012
Board Member – Pauline Ross	Perform duties of Board Member as prescribed in the <i>Hospital and Health Boards Act 2011</i> (Qld). Member of: Executive Committee; and Safety, Quality and Engagement Committee.	Governor-in-Council Section 23(1) of the <i>Hospital and Health Boards Act 2011</i> (Qld)	01/07/2012
Board Member – Dr Andrew Weissenberger	Perform duties of Board Member as prescribed in the <i>Hospital and Health Boards Act 2011</i> (Qld). Member of: Executive Committee; and Safety, Quality and Engagement Committee.	Governor-in-Council Section 23(1) of the <i>Hospital and Health Boards Act 2011</i> (Qld)	07/09/2012
Board Member – Dr Cherrell Hirst	Perform duties of Board Member as prescribed in the <i>Hospital and Health Boards Act 2011</i> (Qld). Member of Audit and Risk Committee.	Governor-in-Council Section 23(1) of the <i>Hospital and Health Boards Act 2011</i> (Qld)	18/05/2014
Chief Executive – Ron Calvert	Responsible for the overall management of Gold Coast Health. This position is accountable to the Board.	SESL Contract Section 33 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	01/10/2012

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

28. Key management personnel disclosures (continued)

Name and position of current incumbents	Responsibilities	Contract classification and appointment authority	Appointment date
Executive Director, Operations – Jane Hancock	Responsible for the strategic leadership and management of all non-clinical and clinical support functions for Gold Coast Health.	HES3 Contract Section 67 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	27/06/2013
Executive Director, Finance and Business Development – Ian Moody	Responsible for the financial and budget management of Gold Coast Health.	HES3 Contract Section 67 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	04/12/2013
A/Executive Director, Clinical Governance, Education and Research – Professor Anita Bamford Wade	Responsible for setting the standard of clinical care and clinical performance across Gold Coast Health.	HES3 Contract Section 67 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	18/06/2014
A/Executive Director, Clinical Governance, Education and Research – Dr William Butcher	Responsible for setting the standard of clinical care and clinical performance across Gold Coast Health.	Medical Officers (Queensland Health) Certified Agreement 2012	07/08/2013 (to 17/06/2014)
Executive Director, Organisation Development – Naomi Dwyer	Responsible for establishing and maintaining governance frameworks and standards within Gold Coast Health.	HES3 Contract Section 67 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	08/07/2013 (to 22/04/2014)
Executive Director, People Systems and Performance – Damian Green	Responsible for the strategic management of Gold Coast Health's information communication technology and human resource capacity and capability.	HES3 Contract Section 67 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	07/01/2013
Executive Director Strategy and Planning – Michael Allsopp	Responsible for the strategic management of health service planning for Gold Coast Health including contract funding negotiations with the Department of Health.	HES3 Contract Section 67 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	27/06/2013
General Manager, Specialty and Procedural Services – was held by Dr Lance Le Ray but vacant as at 30 June 2014	Accountable for delivery of health services within Specialty and Procedural Services	HES2 Contract Section 67 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	28/10/2013
Clinical Director, Specialty and Procedural Services –Professor David Ellwood	Responsible for setting and maintaining professional and clinical standards within Specialty and Procedural Services.	Joint appointment with Griffith University	17/03/2014
General Manager, Diagnostic, Emergency and Medical Services – Ms Kimberley Pierce	Accountable for delivery of health services within Diagnostic and Medical Services.	HES2 Contract Section 67 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	20/01/2014

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

28. Key management personnel disclosures (continued)

Name and position of current incumbents	Responsibilities	Contract classification and appointment authority	Appointment date
Clinical Director, Diagnostic, Emergency and Medical Services – Dr Mark Forbes	Responsible for setting and maintaining professional and clinical standards within Diagnostic and Medical Services.	Medical Officers (Queensland Health) Certified Agreement 2012	23/12/2013
General Manager, Mental Health and Integrated Care – Ms Karlyn Chettleburgh	Accountable for delivery of health services within Mental Health and Integrated Care.	HES2 Contract Section 67 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	27/06/2013
Clinical Director, Mental Health and Integrated Care - Dr Kathryn Turner	Responsible for setting and maintaining professional and clinical standards within Mental Health and Integrated Care.	Medical Officers (Queensland Health) Certified Agreement 2012	10/12/2013
General Manager, Cancer, Access and Support Services - Ms Alison Ewens	Accountable for delivery of health services within Cancer Access and Support Services.	HES2 Contract Section 67 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	01/10/2013
Clinical Director, Cancer, Access and Support Services - Dr Jeremy Wellwood	Responsible for setting and maintaining professional and clinical standards within Cancer, Access and Support Services.	Medical Officers (Queensland Health) Certified Agreement 2012	03/03/2014
Senior Director, Clinical Governance and Community Partnerships - Morven Gemmill	Responsible for the strategic management of clinical governance.	Health Practitioner (Queensland Health) Certified Agreement 2011	31/01/2014
Professor Nursing and Midwifery - Professor Anita Bamford Wade	Responsible for the strategic management of nursing and midwifery services.	HES2 Contract Section 67 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	24/02/2014
Executive Director, Allied Health* - Morven Gemmill	Responsible for the strategic management of allied health services.	Health Practitioner (Queensland Health) Certified Agreement 2011	01/07/2012 (to 30/01/2014)
Executive Director, Emergency Critical and Support Services* - Dean Blond	Responsible for the strategic management of the Emergency, Critical and Support Services Division.	HES2 Contract Section 67 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	29/10/2012 (to 18/11/2013)

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28. Key management personnel disclosures (continued)

Name and position of current incumbents	Responsibilities	Contract classification and appointment authority	Appointment date
Chief Finance Officer* - Garry Button	Responsible for the financial and budget management of Gold Coast Health.	HES2 Contract Section 67 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	27/06/2013 (to 06/12/2013)
Executive Director Medical Services* - Dr Brian Bell	Responsible for setting the standard of clinical care and clinical performance across Gold Coast Health.	Medical Officers (Queensland Health) Certified Agreement 2012	01/07/2012 (to 12/08/2013)
Executive Director Nursing & Midwifery Services* - Professor Gerald Williams	Responsible for the strategic management of nursing and midwifery services.	Nurses and Midwives (Queensland Health) Certified Agreement 2012	01/07/2012 (to 22/09/2013)
A/Executive Director, Medicine* and A/General Manager, Diagnostic, Emergency and Medical Services - Helen Cooper	Accountable for delivery of health services within Medicine Division.	HES2 Contract Section 67 of the <i>Hospital and Health Boards Act 2011</i> (Qld)	22/07/2013 (to 19/1/2014)
A/Executive Director Nursing & Midwifery Services* and A/Professor Nursing and Midwifery - Paula Duffy	Responsible for the strategic management of nursing and midwifery services.	Nurses and Midwives (Queensland Health) Certified Agreement 2012	22/09/2013 (to 16/03/2014)

* An organisational restructure occurred in 13-14. As a result of this restructure, these positions were discontinued as the duties are covered by other roles.

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28. Key management personnel disclosures (continued)

Remuneration

Remuneration policy for Gold Coast Health's key management personnel is set by the Director-General of the Department as provided for under the *Hospital and Health Boards Act 2011* (Qld). The remuneration and other terms of employment for the key management personnel are specified in individual employment contracts.

Remuneration packages for key management personnel comprise the following components:

- Short term employee benefits which include: base salary, allowances and annual 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 obligations.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice 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.

Dr Cherrell Hirst was appointed to the Board 18/05/2014 however no payments were made before 30 June 2014.

Gold Coast Hospital and Health Service

Notes to the financial statements

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28. Key management personnel disclosures (continued)

2014 Name & Position	Short-term Employee Expenses		Post-employment expenses \$'000	Long-term Employee expenses \$'000	Termination benefits \$'000	Total expenses \$'000
	Monetary \$'000	Non-monetary \$'000				
Board Chair – Ian Langdon	82	-	6	-	-	88
Deputy Board Chair – Kenneth Brown	38	-	3	-	-	41
Board Member – Professor Allan Cripps	36	-	3	-	-	39
Board Member – Colette McCool	36	-	3	-	-	39
Board Member – Pauline Ross	36	-	3	-	-	39
Board Member – Dr Andrew Weissenberger	36	-	3	-	-	39
Chief Executive – Ron Calvert	328	13	36	-	-	377
Executive Director, Operations – Jane Hancock	221	-	22	4	-	247
Executive Director, Finance and Business Development – Ian Moody	112	-	13	-	-	125
Executive Director, Organisation Development – Naomi Dwyer	199	1	19	-	-	219
Executive Director, People Systems and Performance – Damian Green	217	-	22	-	-	239
Executive Director, Strategy and Service Planning – Michael Allsopp	169	1	21	4	-	195
Executive Director, Clinical Governance, Education and Research - Dr William Butcher	435	1	26	-	-	462
A/Executive Director, Clinical Governance, Education and Research and Professor of Nursing - Professor Anita Bamford Wade	61	-	6	-	-	67
General Manager, Specialty and Procedural Services - Dr Lance Le Ray	198	10	23	4	-	235
Clinical Director, Specialty and Procedural Services - Professor David Ellwood	64	-	-	-	-	64

Gold Coast Hospital and Health Service

Notes to the financial statements

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28. Key management personnel disclosures (continued)

2014 Name & Position	Short-term benefits		Post-employment expenses \$'000	Long-term employee expenses \$'000	Termination benefits \$'000	Total expenses \$'000
	Monetary \$'000	Non-monetary \$'000				
General Manager, Diagnostic, Emergency and Medical Services – Ms Kimberley Pierce	85	-	9	-	-	94
Clinical Director, Diagnostic, Emergency and Medical Services – Dr Mark Forbes	229	1	15	4	-	249
General Manager, Mental Health and Integrated Care – Ms Karlyn Chettleburgh	180	1	18	-	-	199
Clinical Director, Mental Health and Integrated Care – Dr Kathryn Turner	170	1	13	3	-	187
General Manager, Cancer, Access and Support Services – Ms Alison Ewens	169	-	17	-	-	186
Clinical Director, Cancer, Access and Support Services – Dr Jeremy Wellwood	40	4	2	1	-	47
Senior Director, Clinical Governance and Community Partnerships (formerly Executive Director, Allied Health) – Morven Gemmill	196	-	21	-	-	217
Executive Director, Emergency Critical and Support Services – Dean Blond	77	-	6	1	-	84
Chief Finance Officer – Garry Button	139	-	15	-	-	154
Executive Director Medical Services – Brian Bell	179	-	4	7	153	343
Executive Director Nursing & Midwifery Services – Professor Gerald Williams	124	-	5	6	139	274
A/Executive Director, Medicine and A/General Manager, Diagnostic, Emergency and Medical Services – Helen Cooper	85	-	8	2	-	95
A/Executive Director Nursing & Midwifery Services – Paula Duffy	97	-	9	2	-	108

Gold Coast Hospital and Health Service

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28. Key management personnel disclosures (continued)

2013 Name & Position	Short-term benefits		Post-employment expenses \$'000	Long-term employee expenses \$'000	Termination benefits \$'000	Total expenses \$'000
	Monetary \$'000	Non-monetary \$'000				
Board Chair – Ian Langdon	76	-	8	-	-	84
Deputy Board Chair – Kenneth Brown	33	-	3	-	-	36
Board Member – Professor Allan Cripps	33	-	2	-	-	35
Board Member – Colette McCool	33	-	3	-	-	36
Board Member – Pauline Ross	33	-	-	-	-	33
Board Member – Dr Andrew Weissenberger	33	-	3	-	-	36
Chief Executive – Ron Calvert	243	15	25	-	-	283
Chief Executive – Naomi Dwyer	55	-	6	-	-	61
Chief Operations Officer – Naomi Dwyer	152	-	16	-	-	168
Chief Operations Officer – Karlyn Chettleburgh	45	-	4	-	-	49
Chief Finance Officer – Garry Button	2	-	-	-	-	2
Chief Finance Officer – Trevor Saunders	175	-	15	-	-	190
Executive Director, Allied Health – Morven Gemmill	164	3	19	-	-	186
Executive Director, Community and Sub-Acute Services – Elizabeth Carr	54	-	7	2	-	63
Executive Director, Community and Sub-Acute Services – Robert Pegram	122	5	11	-	-	138
Executive Director, Emergency Critical and Support Services – Dean Blond	121	-	11	2	-	134
Executive Director, Emergency Critical and Support Services – Jane Hancock *	188	-	18	4	-	210

Gold Coast Hospital and Health Service

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2013 Name & Position	Short-term benefits		Post-employment expenses \$'000	Long-term employee expenses \$'000	Termination benefits \$'000	Total expenses \$'000
	Monetary \$'000	Non-monetary \$'000				
Executive Director, Family, Women's and Children & Executive Director, Surgical Services – Lance Le Ray	283	16	35	7	-	341
Executive Director, Family, Women's and Children – Richard Christensen	65	-	8	-	-	73
Executive Director, Medical Services – Brian Bell	339	-	27	4	-	370
Executive Director, Medicine – Lindsey Gough	54	16	5	-	-	75
Executive Director, Medicine – Paula Duffy	80	-	11	2	-	93
Executive Director, Mental Health & ATODs – Karlyn Chettleburgh	151	-	15	-	-	166
Executive Director, Mental Health & ATODs – Diana Grice	48	-	5	-	-	53
Executive Director Nursing & Midwifery Services – Gerald Williams	209	-	22	-	-	231
Executive Director, People and Culture – Damian Green	74	-	8	-	-	82
Executive Director, Strategic Development – Michael Allsopp	150	-	19	4	-	173
Executive Director, Surgical Services – Louise Fisher	106	-	13	19	140	278

*From 29 October 2012 to 24 March 2013, Ms Hancock worked on GCHHS'S public, private and partnerships project. On 25 March 2013, Ms Hancock commenced transitioning to the role of Executive Director, operations as part of the new organisational structure submitted to the Department of Health for approval.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

29. Contingent liabilities

The following cases were filed in the courts naming the State of Queensland acting through the Gold Coast Health as defendant:

	2014 cases	2013 cases
Supreme Court	1	1
District Court	3	4
Magistrates Court	1	-
Tribunals, commissions and boards	9	33
Total cases	14	38

It is not possible to make a reliable estimate of the final amount payable, if any, in respect of litigations before the courts at this time. Any amount payable would be covered by the Queensland Government Insurance Fund (QGIF). Gold Coast Health's maximum exposure under the QGIF policy is \$20,000 excess for each insurable event. Tribunals, commissions and boards include matters that may never be litigated or result in payments to claims.

30. Commitments

Commitment of Expenditure

Committed at the reporting date but not recognised as liabilities, payable:

	2014 \$'000	2013 \$'000
Within one year	3,668	4,738
One to five years	3,248	5,932
	6,916	10,670

Operating leases entered into by Gold Coast Health as a means of acquiring access to office accommodation and fleet vehicles contain no restrictions on cancellation. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

	2014 \$'000	2013 \$'000
<i>Lessor Commitments</i>		
Minimum lease commitments receivable but not recognised in the financial statements:		
Within one year	1,023	-
One to five years	3,312	-
	4,335	-

Gold Coast Health is the beneficiary of rental income arising from the sub-lease of clinical and office accommodation to third parties. The sub-leases have been entered into on behalf of Gold Coast Health by the Department of Health as legal owner of the Gold Coast University Hospital. Lease receipts are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

31. Trust transactions and balances

Gold Coast Health acts as a trustee for general patient fiduciary funds and the Gold Coast Health's Right of Private Practice (RoPP) bank account. Refer to Note 2(e) for further information. As Gold Coast Health performs only a custodial role in respect of these transactions and balances, they are not recognised in the financial statements but are disclosed in these notes for information purposes.

	2014 \$'000	2013 \$'000
Trust receipts and payments		
<i>Receipts</i>		
Amounts receipted on behalf of patients	208	193
Private practice revenue	14,384	11,896
Private practice interest revenue	26	26
Total receipts	14,618	12,115
<i>Payments</i>		
Amounts paid to or on behalf of patients	232	227
Payments to private practice doctors	4,062	3,520
Payments to Gold Coast Health for recoverables	2,829	2,614
Payments to old Coast Health for Option A receipts	5,295	4,007
Trust payments for SERTA*	2,050	1,766
Total payments	14,468	12,134
Trust assets and liabilities		
<i>Assets</i>		
Cash held and bank deposits on behalf of patients	12	36
Cash held and bank deposits for private practice	1,430	1,256
Total assets	1,442	1,292

*Study, education and research trust account (SERTA) funds are generated by doctors reaching the ceiling allowable under the option B arrangements. The allocation of these funds is managed by a Specialists' Advisory Committee.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

32. Events after the reporting period

Transfer of general purpose housing to the Department of Housing and Public Works

As part of a whole-of-Government initiative, management of all non-operational housing transitioned to the Department of Housing and Public Works (DHPW) on 1 January 2014. Legal ownership of housing assets transferred to the DHPW on 1 July 2014.

As at 30 June 2014, Gold Coast Health held non-operational housing assets with a total net book value of \$567,604 under a Deed of Lease arrangement with the Department of Health. Effective 1 July 2014, the Deed of Lease arrangement in respect of these assets will cease, and the assets will be transferred to the Department of Health at their net book value, prior to their transfer to the DHPW.

As this transfer will be designated as a Contribution by Owners, the transfer will be undertaken through the Equity account. Therefore, this transaction will have no impact on the Statement of Comprehensive Income in the 2014-15 Financial Year.

Hospital and Health Services to be prescribed as employers

Previously, all staff, except Health Service Chief Executives and health executive service (HES) employees (working in an Hospital and Health Service (HHS)), were employed by the Director-General, Department of Health. In June 2012, amendments were made to the Hospital and Health Boards Act 2011, giving Hospital and Health Boards more autonomy by allowing them to become the employer of staff working for their HHS. HHSs will become prescribed employers by regulation.

Once an HHS becomes prescribed to be the employer, all existing and future staff working for the HHS become its employees. The HHS, not the Department of Health, will recognise employee expenses in respect of these staff. The Director-General, Department of Health, will continue to be responsible for setting terms and conditions of employment, including remuneration and classification structures, and for negotiating enterprise agreements.

Gold Coast Health became a prescribed employer from 1 July 2014.

Senior Medical Officer and Visiting Medical Officer Contracts

Effective 4 August 2014, Senior Medical Officers and Visiting Medical Officers will transition to individual employment contracts. Individual contracts mean senior doctors will have a direct employment relationship with their HHS and employment terms and conditions tailored to individual or medical specialty circumstances (within a consistent state-wide framework).

As a direct employment relationship will be established between contracted medical officers and their HHS, employee-related costs for contracted Senior Medical Officers and Visiting Medical Officers will be recognised by the employing HHS (not the department) from the date the contracts are effective. Non-contracted Senior Medical Officers and Visiting Medical Officers will remain employed under current award arrangements.

No other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the Gold Coast Health's operations, the results of those operations, or the Gold Coast Health's state of affairs in future financial years.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

	2014 \$'000	2013 \$'000
33. Reconciliation of surplus/(deficit) to net cash from operating activities		
Surplus/(deficit) for the year	(13,471)	5,983
<i>Adjustments for:</i>		
Depreciation and amortisation	66,185	24,653
Impairment of property, plant and equipment	3,106	-
Net loss on disposal of property, plant and equipment	647	597
Net revaluation decrement	11,076	9,342
Depreciation funding	(66,135)	(24,634)
Other	(84)	(19)
<i>Change in operating assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	6,117	(2,191)
Decrease/(increase) in GST receivables	305	(1,524)
Decrease/(increase) in inventories	(1,556)	2,037
Decrease/(increase) in prepayments	(80)	1,952
Increase/(decrease) in trade and other payables	(4,427)	21,220
Increase in other employee benefits	10,753	19,622
Increase in other provisions	2,198	302
Increase/(decrease) in other operating liabilities	(236)	258
Net cash from operating activities	14,398	57,598
34. Non-cash investing and financing activities		
Net acquisition of land and buildings through equity transfers with the Department of Health	1,418,380	6,151
Total	1,418,380	6,151

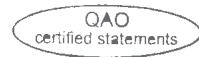
Assets transferred to and from the Department of Health primarily as a result of the transfer from Gold Coast Hospital to Gold Coast University Hospital in September 2013.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

Gold Coast Hospital and Health Service
Management certificate
30 June 2014



CERTIFICATE OF GOLD COAST HOSPITAL AND HEALTH SERVICE

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Gold Coast Hospital and Health Service for the financial year ended 30 June 2014 and of the financial position of the Gold Coast Hospital and Health Service at the end of that year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

A handwritten signature in black ink, appearing to read "Ian Langdon".

Ian Langdon
Board Chair

21 August 2014

A handwritten signature in black ink, appearing to read "Ron Calvert".

Ron Calvert
Chief Executive

21 August 2014

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

INDEPENDENT AUDITOR'S REPORT

To the Board of Gold Coast Hospital and Health Service

Report on the Financial Report

I have audited the accompanying financial report of Gold Coast Hospital and Health Service, which comprises the statement of financial position as at 30 June 2014, 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 Chief Executive.

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.

Gold Coast Hospital and Health Service

Notes to the financial statements

30 June 2014

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 Gold Coast Hospital and Health Service for the financial year 1 July 2013 to 30 June 2014 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.



B R Steel CPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane