

Metro South Hospital and Health Service

2012–13 Annual Report

Report objective

This annual report fulfils Metro South Health's reporting requirement to the community and to the Minister for Health. It summarises the health service's results, performance, outlook and financial position for 2012–2013.

In particular, the report outlines Metro South Health's performance against key objectives identified in the *Metro South Health Strategic Plan 2012-2016*, as well as the Queensland Government's objectives for the community and its *Blueprint for better healthcare in Queensland*.

Licence and attribution



This annual report is licensed by the State of Queensland (Metro South Hospital and Health Service) under a Creative Commons Attribution (CC BY) 3.0 Australia licence.

CC BY Licence Summary Statement

In essence, you are free to copy, communicate and adapt this annual report, as long as you attribute the work to the State of Queensland (Metro South Hospital and Health Service).

To view a copy of this licence, visit <http://creativecommons.org/licences/by/3.0/au/deed.en>

Attribution

Content from this annual report should be attributed as:

The State of Queensland (Metro South Hospital and Health Service) annual report 2012–2013

If you have an enquiry regarding this annual report, please contact Metro South Health on (07) 3156 4949 or Metro_South_Communications@health.qld.gov.au

Public availability statement

This report, including the Other Reporting Requirements, can be viewed on Metro South Health's website at:

www.health.qld.gov.au/metrosouth/annual-report

Hard copies of the annual report are available by phoning the Office of the Chief Executive, Metro South Health, on (07) 3156 4949.

Interpreter service statement



The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on (07) 3156 4949 and we will arrange an interpreter to effectively communicate the report to you.

© The State of Queensland (Metro South Hospital and Health Service) 2013

ISSN 2202-4182

Metro South Hospital and Health Service

2012–13 Annual Report

Letter of compliance

The Honourable Lawrence Springborg MP
Minister for Health
Member for Southern Downs
Level 19, 147–163 Charlotte Street
Brisbane QLD 4000

Dear Minister

I am pleased to present the Annual Report 2012–2013 and financial statements for Metro South Hospital and Health Service.

Following machinery-of-government changes implemented in 2012, the public hospital and health service functions of Queensland Health were transferred to 17 hospital and health services. Metro South Hospital and Health Service (Metro South Health) is now the major provider of public health services in the Brisbane south side, Logan, Redlands and Scenic Rim regions.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found on page 110 of this annual report or accessed at www.health.qld.gov.au/metrosouth/annual-report.

Yours sincerely



Terry White AO
Chair
Metro South Hospital and Health Board

Contents

Letter of compliance	2
Table of contents	3
Hospital and Health Board Chair’s overview	4
Health Service Chief Executive’s overview	5
2012–2013 highlights	6

1. Our organisation..... 7

Vision, purpose and objectives	7
About Metro South Health	8
Agency role and functions.....	10
Community profile	10
Highlights and new initiatives.....	11
Strategic risks, opportunities and challenges...	13
Machinery of government	14

2. Our governance 15

Organisation structure	16
Hospital and Health Board.....	17
Metro South Health Service Executive team	24
Board committees	26
Health service committees.....	28
Ethics and code of conduct.....	35
Audit and risk management.....	36
Information systems and recordkeeping	39

3. Our performance..... 41

Government’s objectives for the community.....	42
Blueprint for better healthcare in Queensland..	43
Objectives and performance indicators.....	44
Service agreement key performance indicators....	56
Financial performance	58

4. Our people..... 61

Workforce profile	62
Workforce planning, attraction and retention ...	64
Early retirement, redundancy and retrenchment ..	66

5. Financial statements..... 67

Statement of comprehensive income	68
Statement of financial position	69
Statement of changes in equity.....	70
Statement of cash flows.....	71
Notes to the financial statements	72
Management certificate	107
Independent auditor’s report.....	108
Compliance checklist.....	110
Glossary	112

Hospital and Health Board Chair's overview

I am pleased to be able to present the first Metro South Hospital and Health Service (Metro South Health) Annual Report. This year has seen major changes in health care across Queensland, with the establishment of the local hospital and health services and the focus on devolving decision making closer to the local community. It has been a privilege to be part of this exciting new direction that will have major benefits for health care delivery.

Metro South Health provides a full scope of health related services to over one million people, the biggest catchment population in Queensland and expected to grow by more than 330,000 people over the next 20 years. It also provides statewide services for spinal injury, brain injury and transplant. These services are delivered by over 12,500 staff (10,500 full time equivalents) and through a budget in excess of \$1.7 billion.

The Metro South Hospital and Health Board was established on 1 July 2012 and is professional, experienced and skills based. It is focussed on delivering the vision articulated in the *Strategic Plan 2012–16*—to be renowned worldwide for excellence in health care, teaching and research. I extend my appreciation to all of the inaugural Board members for the time and energy they have committed to ensuring Metro South Health's first year has been a successful one.

I am also pleased that five of the six inaugural Board members will continue in their role next year. I note that Professor Andrew Wilson has now transferred to Sydney to take up the prestigious post of Director of the Menzies Centre for Health Policy (University of Sydney). I thank him for his contribution to our first year and wish him every success in this new role.

To achieve its vision, the Metro South Hospital and Health Board is also committed to delivering on the principles of the Minister for Health's *Blueprint for better healthcare in Queensland*.

Engagement with consumers, the community and clinicians is a cornerstone of all activities. Through this, increased devolution of authority and decision making will ensure ongoing health service improvements.

The Metro South Hospital and Health Board expects that all layers of the health service actively seek to improve efficiency and healthcare outcomes. This expectation is modelled by the Board as demonstrated by the completion of two independent assessments of Board governance, an independent assessment of Board effectiveness, as well as the Health Service Readiness Capability Assessment, all completed in 2012–2013. The outcomes of these assessments, though all positive, have provided impetus and opportunity for the continuous improvement of governance across the Health Service.

The Metro South Hospital and Health Board has established a Health Service Executive team, led by Dr Richard Ashby, with the necessary skills, experience and professionalism to lead the delivery of excellent health care services to our community. This Executive team, along with all Metro South Health employees, are to be congratulated on their performance in this, the first year as an independent statutory body.

I look forward to continuing to build on the team spirit exhibited between the Metro South Hospital and Health Board, its Executive team, and all of our hard working staff to ensure ongoing achievement in 2013–2014.

Terry White AO

Chair

Metro South Hospital and Health Board

Health Service Chief Executive's overview

2012–2013 was the first year of operation of the new Metro South Hospital and Health Service. It was also a year of great achievement in difficult times. With respect to corporate governance, our new board was appointed, chaired by Mr Terry White AO, an executive team was confirmed and much work was undertaken on financial systems and management, audit and risk management, the performance management framework, planning and development and public affairs amongst others.

All strategies and plans required by legislation or policy have been duly completed on time and have been adopted by the board. These include:

- *Strategic Plan 2012–2016*
- *Financial Plan 2012–2016*
- *Community and Consumer Engagement Strategy 2012–2015*
- *Clinician Engagement Strategy 2012–2015*
- *Strategic Audit Plan 2012–2015*
- *ICT Strategic Plan 2012–2017*
- *Strategic Workforce Plan 2012–2017*
- *Clinical Governance Strategic Plan 2012–2015.*

A new matrix organisational structure was developed and implemented including eight new clinical streams operating across Metro South with responsibility for innovation and service delivery and integration.

A number of strategic reviews were conducted including community and primary health services, education, training and development, residential aged care services, chronic disease services, and building, engineering and maintenance services. Reviews of oral health services and security services were commenced. These were all designed to assist Metro South Health to address the government's Public Sector Renewal Program and its *Blueprint for better health care in Queensland*.

The performance of Metro South Health against the 2012–2013 *Service Agreement* with the Department of Health was very good. Metro South Health balanced its budget despite a mid year funding withdrawal by the Commonwealth of \$18.8 million and delivered 6,260 weighted activity units (WAU) above the original purchased target—a community dividend worth \$45 million in total.

There was a 28 per cent improvement in performance against the National Emergency Access Target (NEAT) of four

hours, with the Princess Alexandra Hospital recording the largest improvement in Australia at nearly 72 per cent. This improvement was also reflected in a reduction of patient off-stretcher time of 30 per cent over the year and a 50 per cent reduction in patients who did-not-wait for treatment in our emergency departments.

Elective surgery performance against the National Elective Surgery Targets (NEST) proved to be problematic after the mid year Federal Government funding withdrawal which required a reduction in the non-urgent categories of elective surgery and resulted in an increase in category 2 long wait patients. However, small improvements in performance were seen in Category 1 (8 per cent) and Category 3 (10 per cent).

Metro South Health was the first hospital to introduce the Metropolitan Emergency Department Access Initiative recommendations to eliminate ambulance bypass, and procedural services were reintroduced at Beaudesert Hospital, 13 months ahead of the Ministerial schedule.

Major capital works projects including new emergency departments at the QEII and Logan hospitals progressed on time and on budget. New endoscopy suites at the QEII Hospital and a day procedure unit at the Princess Alexandra Hospital will significantly increase capacity and a significant reduction in patients waiting for endoscopy in Metro South Health in 2013–2014 is assured.

A highlight of the year was the opening of the Translational Research Institute (TRI) on the Princess Alexandra Hospital campus. This \$350 million state-of-the-art development will bring an additional 800 researchers onto the PAH campus and will greatly strengthen the national and international credentials of the Diamantina Health Partners—the Metro South Health academic health science centre collaboration.

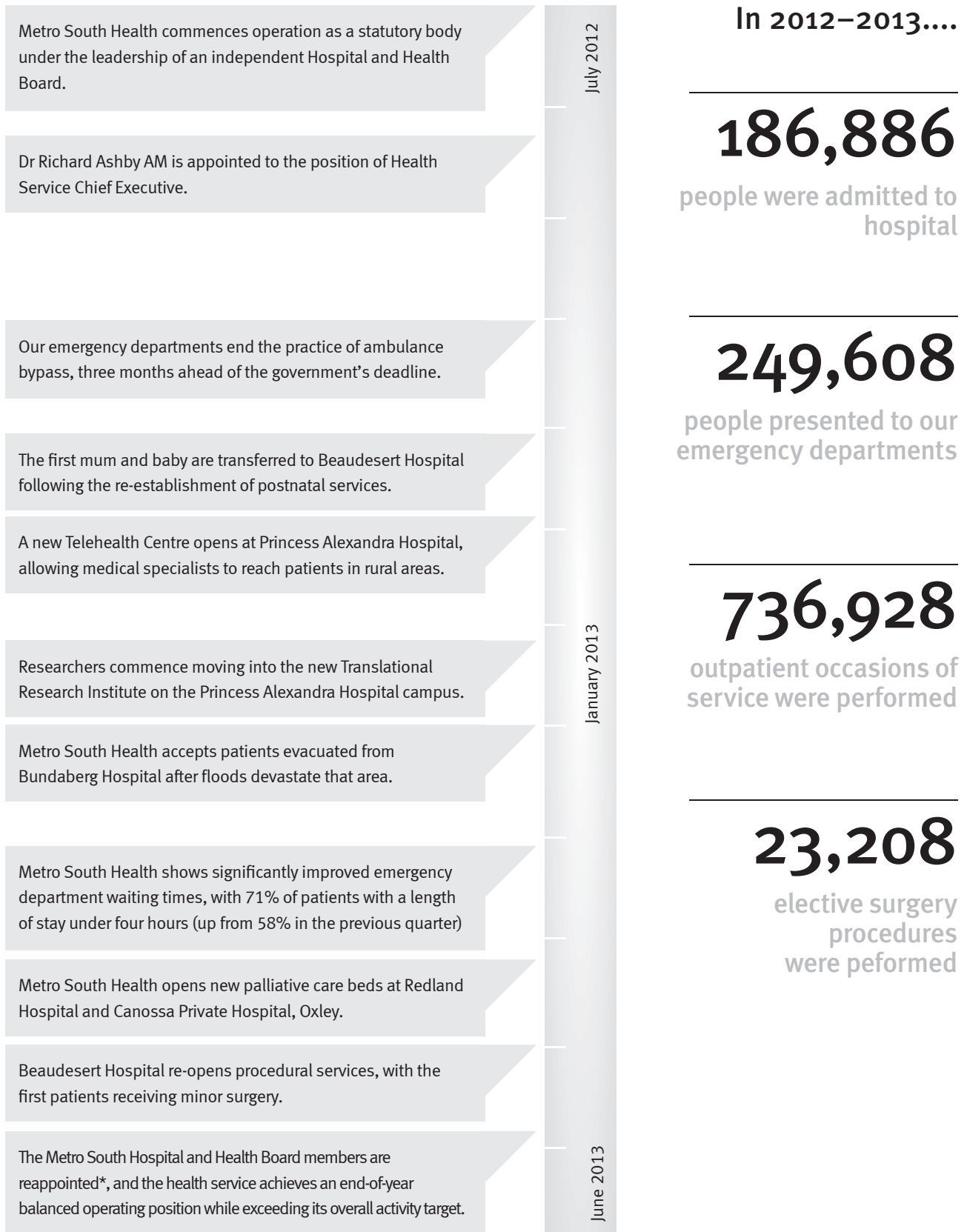
Most importantly, the safety and quality of our care improved steadily throughout the year with lower complication rates and all hospitals having a standardised mortality rate less than 80.

I would like to thank our Board, the Executive, Stream Leaders and all of our dedicated staff without whom these achievements would not have been possible. A strong foundation has been laid to meet the challenges of the next triennium.

Dr Richard Ashby AM

Health Service Chief Executive
Metro South Hospital and Health Service

Highlights 2012–2013



Metro South Health commences operation as a statutory body under the leadership of an independent Hospital and Health Board.

Dr Richard Ashby AM is appointed to the position of Health Service Chief Executive.

Our emergency departments end the practice of ambulance bypass, three months ahead of the government's deadline.

The first mum and baby are transferred to Beaudesert Hospital following the re-establishment of postnatal services.

A new Telehealth Centre opens at Princess Alexandra Hospital, allowing medical specialists to reach patients in rural areas.

Researchers commence moving into the new Translational Research Institute on the Princess Alexandra Hospital campus.

Metro South Health accepts patients evacuated from Bundaberg Hospital after floods devastate that area.

Metro South Health shows significantly improved emergency department waiting times, with 71% of patients with a length of stay under four hours (up from 58% in the previous quarter)

Metro South Health opens new palliative care beds at Redland Hospital and Canossa Private Hospital, Oxley.

Beaudesert Hospital re-opens procedural services, with the first patients receiving minor surgery.

The Metro South Hospital and Health Board members are reappointed*, and the health service achieves an end-of-year balanced operating position while exceeding its overall activity target.

*with the exception of Professor Andrew Wilson who has moved interstate.



Our organisation

Metro South Hospital and Health Service (hereafter referred to as Metro South Health) is the major provider of public health services, and health education and research, in the Brisbane south side, Logan, Redlands and Scenic Rim regions.

Vision, purpose and objectives

As outlined in Metro South Health's *Strategic Plan 2012–2016*, Metro South Health's vision, purpose and objectives describe and support our direction, our purpose and how we work together.

Our vision

To be renowned worldwide for excellence in health care, teaching and research.

Our purpose

Metro South Health's purpose is to deliver high quality health care through the most efficient and innovative use of available resources, using planning and evidence-based strategies.

Our objectives

Metro South Health's objectives reflect our commitment to working closely with the Queensland Government to implement its *Blueprint for better healthcare in Queensland*. This is demonstrated by Metro South Health's four objectives:

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

These principal themes inform and guide the delivery of services within Metro South Health.

Metro South Health is also committed to the government's statement of objectives for the community—to grow a four pillar economy, lower the cost of living, invest in better infrastructure and better planning, revitalise frontline services, and restore accountability to government.

About Metro South Health

Metro South Health is one of 17 hospital and health services in Queensland and serves an estimated population of 1 million people, 23 per cent of Queensland's population. It employs over 12,500 staff and has an annual operating budget of approximately \$1.8 billion. The health service's catchment spans 3,856 square kilometres and covers the area from the Brisbane River in the north to Redland City in the east, south to Logan and the eastern portion of the Scenic Rim to the border of New South Wales.

Metro South Health is made up of five major hospitals in addition to a number of health centres throughout the region.

Our hospitals

- Beaudesert Hospital
- Logan Hospital
- Princess Alexandra Hospital
- Queen Elizabeth II Jubilee Hospital
- Redland Hospital.

Major health centres

- Beenleigh
- Browns Plains
- Dunwich
- Eight Mile Plains
- Inala
- Logan Central
- Redland
- Wynnum.

Specialty services

Metro South Health delivers a full suite of specialty health services, including:

- acute medical
- acute surgical
- aged care
- cancer
- cardiology
- emergency medicine
- mental health
- obstetrics and gynaecology

- palliative care
- rehabilitation
- trauma
- transplantation.

Health services delivered in the community include:

- Aboriginal and Torres Strait Islander health
- alcohol, tobacco and other drug services
- BreastScreen
- chronic disease management
- community rehabilitation
- hospital avoidance and substitution services
- mental health
- offender health
- oral health
- refugee health
- palliative care.

State-wide services

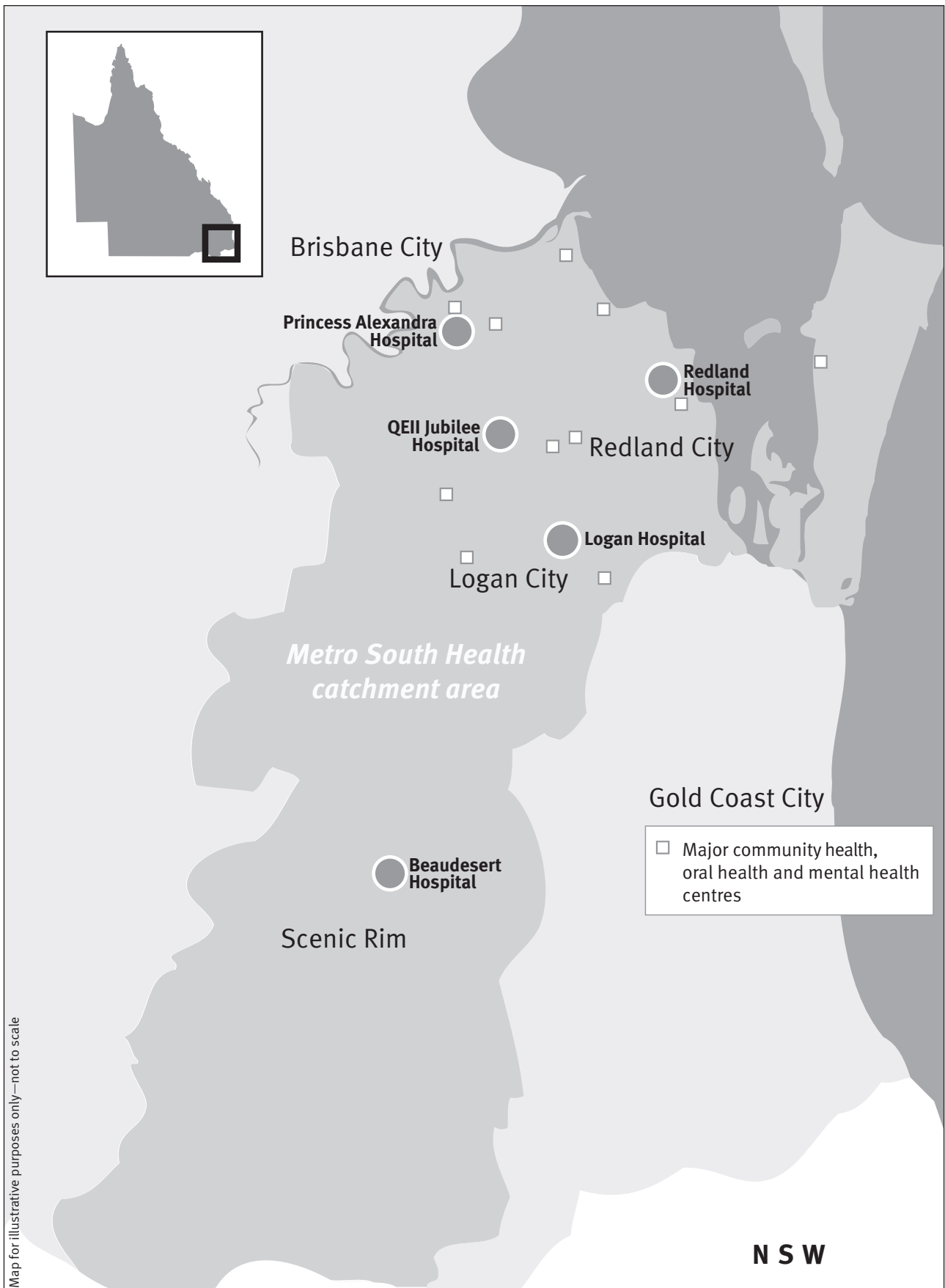
Princess Alexandra Hospital is a major tertiary facility that is renowned for its work in liver transplantation, renal transplantation, spinal injury management, brain injury rehabilitation and skull base surgery.

Education and research

Metro South Health is committed to strong undergraduate and post-graduate teaching programs in medicine, nursing and allied health with linkages to the University of Queensland, Queensland University of Technology and Griffith University, as well as several other Queensland universities.

Metro South Health is internationally recognised as a leader in biomedical and clinical research. Princess Alexandra Hospital is home to the new Translational Research Institute (TRI)—a world class medical research facility housing over 700 researchers from four of the country's pinnacle institutions.

Metro South Health also plays a key role in Diamantina Health Partners, Queensland's first academic health science centre. This partnership currently comprises Princess Alexandra Hospital, Inala Indigenous Health Service, Metro South Addiction and Mental Health Services, Mater Health Services, the University of Queensland, Queensland University of Technology, the Translational Research Institute and UQ Healthcare.



Agency role and functions

Under the *Hospital and Health Boards Act 2011*, Metro South Health is the principal provider of public health services for the community within its geographical area. It is an independent, statutory body, governed by the Metro South Hospital and Health Board, which is accountable to the local community and the Queensland Minister for Health.

The service was initially gazetted as a Health Service District on 1 November 2008 as an amalgamation of Princess Alexandra Hospital and the former Southside Health Service District. Under the federal and state government health reforms, Metro South Health became one of the 17 new hospital and health services (HHSs) on 1 July 2012.

Under the *Hospital and Health Boards Act 2011*, the Queensland Department of Health is responsible for the overall management of the public health system including statewide planning and monitoring the performance of hospital and health services. A formal service agreement is in place between the Department of Health and Metro South Health. This service agreement defines the outcomes that are to be met by Metro South Health and how its performance will be managed. The service agreement also sets out the activity that is purchased by the Department from Metro South Health, and the funding provided for delivery of the purchased activity.

Metro South Health's vision is to be renowned worldwide for excellence in health care, teaching and research. This is achieved through the application of the health service's purpose, which is to deliver high quality health care through the most efficient and innovative use of available resources, using planning and evidence-based strategies.

Our community

Metro South Health is the most populated hospital and health service in Queensland. In 2011, there were 1,032,508 residents in the region, equal to approximately 23 per cent of Queensland's population. By 2016, this is expected to grow to 1,126,304 residents.

The region's population is also forecast to continue to age, like the rest of the Australian population, due to increasing life expectancy at birth, the current population age structure and relatively low levels of fertility. Between 2011 and 2031, the number of residents aged 65 years and over is projected to grow by 113 per cent or 134,601 people.

In 2011, 19,573 residents of Metro South, or two per cent of the population, identified as Aboriginal and/or Torres Strait Islander.

Metro South is one of the most culturally and linguistically diverse populations in Queensland. In 2011, 282,543 people or 28.5 per cent of the total population were born overseas and now reside in the region.

Of residents born overseas, 47 per cent speak a language other than English at home.

In Metro South Health's geographical region:

- 54.3 per cent of adults are classified as overweight or obese
- 8.0 per cent of adults report consuming the recommended serve of vegetables (five serves per day)
- 13.6 per cent of adults consume tobacco daily
- 55.2 per cent of adults report undertaking a sufficient level of exercise
- 18.2 per cent of adults report drinking at risky levels.

The leading causes of burden of disease in Metro South are cancer, mental health disorders, cardiovascular disease and neurological disorders.

Males account for about half of the Metro South population, but experience more than half of the total disease burden (51.7 per cent). Men had a significantly greater burden of disease for cancer, cardiovascular disease, intentional and unintentional injuries and alcohol dependence.

Highlights and new initiatives

Emergency department and elective surgery performance

A key focus for Metro South Health is meeting national and state targets for emergency department and elective surgery waiting times. The health service is particularly committed to achieving the following targets:

- National Emergency Access Target (NEAT): 77 per cent of all patients presenting to emergency departments are admitted to hospital or discharged within four hours.
- National Elective Surgery Target (NEST): The percentage of elective surgery patients who receive their treatment within the clinically recommended timeframe for their urgency category.

A number of initiatives and strategies have been implemented across the organisation to improve the performance in these measures, including:

- Metro South Health is investing in short stay and 24-hour wards that relieve pressure on emergency departments.
- Metro South Health hospitals were the first in Queensland to end ambulance bypass, the practice of diverting ambulances to other emergency departments during periods of high demand. This has resulted in significant improvements in emergency department waiting times and ambulance ‘ramping’.
- The READi strategy—Rapid Emergency Admission Destination Initiative—has been implemented in hospitals across Metro South Health. READi is a ‘pull’ strategy that focuses on streamlining the admission process and improving communication between multidisciplinary staff.

Structural reform and clean sheet redesign

In October 2012, Metro South Health implemented a high-level organisational restructure with a view to improving integration, efficiency and enhancing clinical outcomes.

This involved the creation of eight clinical streams led by senior clinicians, all of which take a health service-wide focus:

- Medicine and Chronic Disease
- Surgical Services

- Cancer Services
- Aged Care and Rehabilitation Services
- Women’s and Children’s Services
- Addiction and Mental Health Services
- Emergency and Clinical Support Services
- Patient Flow, Ambulatory Care and Hospital Avoidance Services.

As part of the clinical streams initiative, the Metro South Community and Primary Health Services division was dissolved and each of its services aligned to one of the eight streams. Each stream now has a Stream Leader appointed through an expression of interest process, in addition to one or more Sub Stream Leaders.

Stream Leaders report directly to the Health Service Chief Executive and are expected to lead the direction of the clinical specialty areas, undertake service planning and clinical redesign, and innovate for the future.

In addition to the new clinical streams, two ‘health networks’ were formed to be led by a single Executive Director:

- PAH – QEII health network (incorporating Princess Alexandra and QEII Jubilee hospitals)
- Logan – Bayside health network (incorporating Beaudesert, Logan and Redland hospitals, and Wynnum Health Service).

Service planning and clean sheet redesign

Under the new hospital and health service arrangements, Metro South Health has a direct responsibility to undertake effective service planning to ensure the community’s needs continue to be met into the future. Health service planning is the process of aligning health services with changing patterns of population need, while making the most effective use of current and future resources. A focus for the past year has been the development of health service plans for newly formed clinical streams. Two major health services plans—Surgical Services and Aged Care and Rehabilitation Services—have been drafted and have been circulated for staff and community consultation.

Metro South Health is undertaking a number of ‘clean sheet redesign’ processes to complement its service planning activities. Clean sheet redesign is the process of looking at how an organisation can deliver better services in the future without the constraints of existing structures and issues.

An independent project officer was appointed to undertake a clean sheet redesign for community-based medicine and chronic disease services. Key recommendations of the redesign included a restructure of these services into three distinct units; the integration of chronic disease services with hospital specialties; and the establishment of a central referral hub and a chronic disease oversight committee. The outcomes from this redesign process are now being implemented and further clean sheet redesigns will take place in 2013–2014.

Revitalising health services in Wynnum–Bayside

Metro South Health has a vision to revitalise health services in the Wynnum-Bayside area. This involves refocussing the health services provided in the area to better meet the needs of the current and future population profile.

In 2012–2013, Metro South Health established a project team to prepare a business case for the Board and the Queensland Government on the potential development of a health and community precinct in the Wynnum area. It is envisaged that the precinct will be part of Metro South Health's network of health services and could include community health services, general practice services and health-related private services.

Metro South Health's focus is on providing publicly funded health services where there is highest community health need or where there are no alternative providers of the service. Residential aged care is an area where non-government organisations may be able to provide the service more appropriately and efficiently than Metro South Health. For this reason, the decision was made to close the Moreton Bay Nursing Care Unit in 2012–2013. The unit—which was built in the 1970s—was in a poor state of repair and beyond the reasonable lifespan for a health care facility of this type. Metro South Health successfully transferred all residents to either Redland Residential Care or appropriate, non-government accommodation to allow for the closure of the residential buildings.

During the year, Metro South Health also changed the opening hours and renamed the 'emergency care clinic' at Wynnum Health Service to 'primary care clinic' to better reflect the services provided at that facility.

Re-introducing birthing and procedural services at Beaudesert Hospital

In May 2012, the Health Minister announced the re-opening of birthing and procedural services at Beaudesert Hospital by July 2014. Since that announcement, Metro South Health has been undertaking significant preparation to ensure the services are safe, sustainable and patient-centred. This includes comprehensive training of staff, developing new clinical protocols and guidelines, and upgrading equipment and facilities.

A number of key milestones in the project were achieved in the 2012–2013 year including:

- the re-opening of procedural services, including minor surgeries such as the removal of lesions, minor orthopaedic surgery and some investigative procedures
- the commencement of postnatal services
- comprehensive training for staff including basic life support and neonatal resuscitation
- submitting a recommendation for full accreditation from the Australian College of Rural and Remote Medicine and the Royal Australian College of General Practitioners
- developing new clinical protocols and guidelines for some neonatal and postnatal services
- a full stocktake of equipment in order to determine the hospital's readiness for new services
- the establishment of a steering committee to oversee the re-introduction of procedural and birthing services, including key stakeholders from Metro South Health, the Greater Metro South Brisbane Medicare Local, the Rural Doctors Association of Queensland and local general practitioners.

Translational research

Metro South Health continued its commitment to translational research, emphasising the link between laboratory and clinical practice. The health service is a key partner in the \$350 million Translational Research Institute (TRI), which opened on the Princess Alexandra Hospital campus in early 2013. The TRI is one of the few places in the world that treatments and biopharmaceuticals can be researched, clinically tested and manufactured all in one facility.

Strategic risks, challenges and opportunities

Australia's health system is amongst the best in the world. However, demands on the system are increasing due to an ageing population, increased rates of chronic and preventable disease, new treatments becoming available and rising health care costs.

Metro South Health operates in an environment characterised by reform aimed to achieve decision-making and accountability that is more responsive to local health priorities, stronger clinician, consumer and community participation, and a more 'seamless' patient experience across sectors of the health system.

Risks and challenges

Metro South Health has identified a number of strategic risks over the next four years. These are:

- *Demand is greater than infrastructure and resource capacity*—There are indications that the health of Queenslanders is improving. Life expectancy is increasing, death rates for many causes are decreasing, and more people continue to report satisfaction with their health. However, hospitalisation rates are increasing for many health conditions, and are likely to continue to rise over the next 20 years. Whilst much of the future pressure on the health care system will come from an ageing population, there are also other causes, in particular the impact of chronic diseases. The current infrastructure and resources are likely to be unable to meet the health needs of Metro South residents over the coming years. Changes to models of care and the delivery of health services are required to ensure demand is able to be met.
- *Revenue generated is less than planned*—Metro South Health has developed a number of strategies to generate revenue. If these strategies do not deliver the expected results, a review of services will be required to retain financial viability.
- *Unanticipated events (e.g. natural disasters, pandemics)*—Queensland regularly experiences severe weather events and natural disasters and Metro South Health, as the most populated hospital and health service, is integral in the management of pandemics

or disease outbreaks. Plans are in place to respond to disease outbreaks, natural disasters and environmental hazards.

- *Managing change both internally and externally*—National and state health reform is transforming the Australian health system and changing the way public health and hospital services are managed. These changes will have considerable impact on Metro South Health. Metro South Health is committed to ensuring that these changes are professionally and sensitively managed both internally and externally.
- *Advances in health technology*—It is estimated that half of the increase in health spending over the past 50 years is due to the introduction of new technologies and the subsequent increased volume of services per treated case. However, advances in health technology have also improved the efficiency, effectiveness and quality of health services. Metro South Health is committed to increasing the availability and use of technology in an appropriate way. New technologies including eHealth and telehealth will provide opportunities to deliver more effective health services and improve health outcomes.

Opportunities

There are a number of opportunities that exist for Metro South Health over the next year including:

- establishing public-private partnerships to develop infrastructure
- collaborating with the Greater Metro South Brisbane Medicare Local and the West Moreton-Oxley Medicare Local, to better integrate local health services and drive improvements in health outcomes across the entire health system
- promoting the transfer of knowledge into improved health outcomes through research initiatives such as the Translational Research Institute
- reviewing staff structures to achieve a leaner, more efficient health service
- increasing the use of value-based contracting and outsourcing to improve the effectiveness and efficiency of support services and procurement
- improving workforce efficiency through the judicious use of technology including eHealth.

Machinery of government

Metro South Health commenced operation as a statutory Hospital and Health Service on 1 July 2012. The service was formally established with the passing of the *Hospital and Health Boards Act 2011*, following national and state government health reforms. The new service is governed by an independent Hospital and Health Board, which is accountable to the community and the Minister for Health.

Metro South Health is now the primary provider of public health services for its geographical catchment area, services that were previously provided under the governance of the Queensland Department of Health. The Department of Health is now responsible for system wide management and performance monitoring, and enters into a service agreement with hospital and health services. Metro South Health has commenced reporting in line with its service agreement and continues to meet the objectives and directions of the Queensland Government.

Implementing health reform was essential to put Metro South Health's services on a sustainable footing and to improve health outcomes for patients. The reforms build on the health service's strong track record to provide:

- a focus on patient-centred care
- strengthened engagement with clinicians, consumers and the community at the local level
- the flexibility to innovate and address local priorities
- accountability for performance
- role clarity between the Department of Health and service providers
- increased efficiency to ensure sustainable growth.

The establishment of an independent, local Hospital and Health Board also ensures that high-level decisions regarding health services are made in the interests of the local community and through strong engagement of stakeholders.

In addition to the transfer of public health services, a number of formerly department-led services were transferred to the governance of Metro South Health in 2012–2013. These included the following services from the Department of Health:

- Organ and Tissue Donation Services
- Southside Public Health Unit
- Queensland Health Shared Service Provider functions of financial accounting and recruitment
- Medical Aids Subsidy Scheme
- Queensland Artificial Limb Service
- Queensland Tuberculosis Control Centre.

In addition, Offender Health Services was transferred from the Department of Corrections to Metro South Health in 2012–2013.

Our governance

The inaugural Metro South Hospital and Health Board commenced operation on 1 July 2012, bringing local control and accountability for health services closer to the community.

An accountable structure

Hospital and Health Board

The Metro South Hospital and Health Board is responsible for setting the overall strategic direction, establishing goals and objectives for the health service, and monitoring the organisation in line with government health policies and directives. The Metro South Hospital and Health Board reports to the Queensland Minister for Health.

Metro South Health Executive

The Health Service Chief Executive is responsible for overall management, performance and activity outcomes for Metro South Health. The Chief Executive reports directly to the Board.

Reporting to the Chief Executive is a group of Executive Directors, each responsible for a service, portfolio or professional stream within the organisation.

Clinical streams

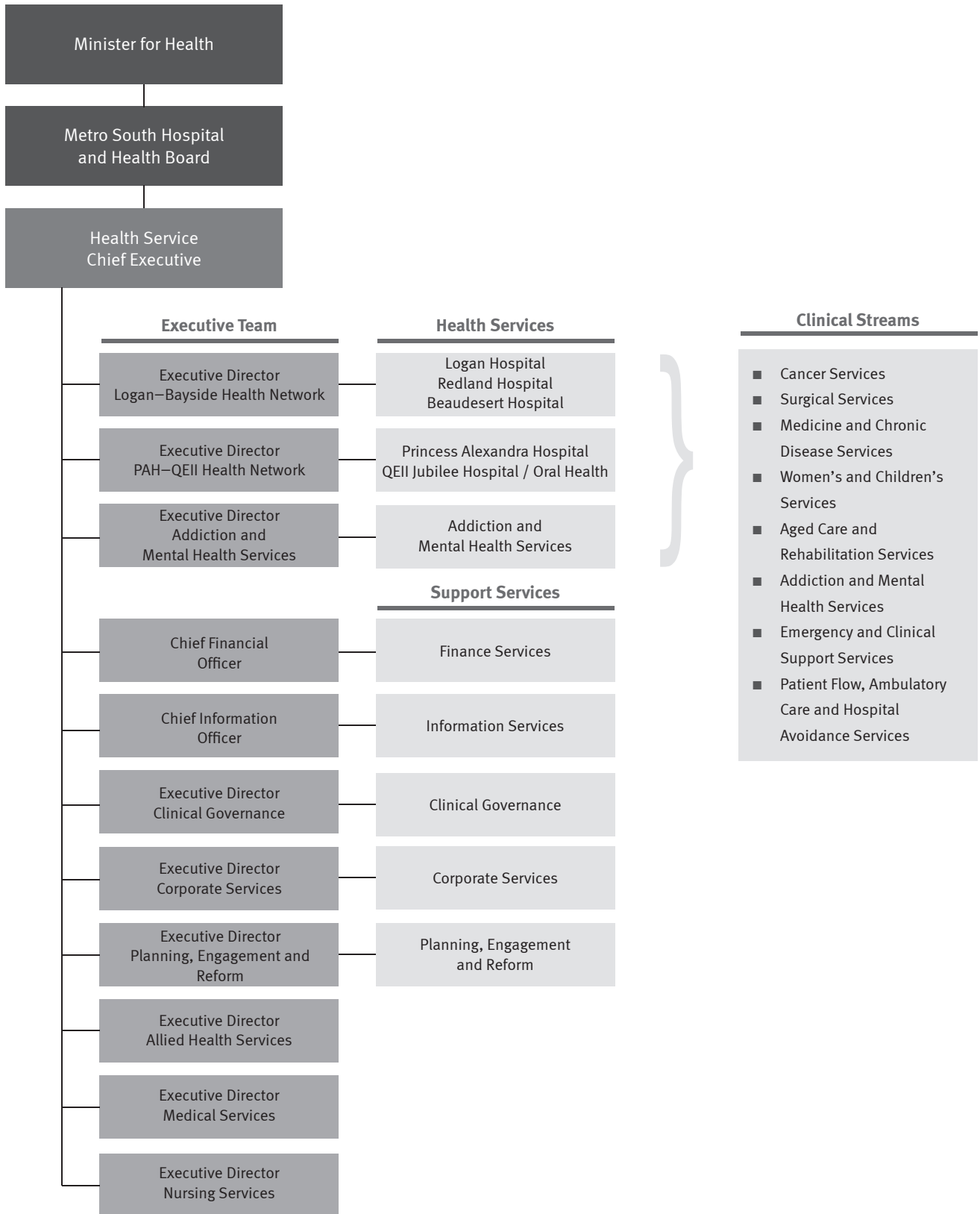
In October 2012, Metro South Health announced the creation of new clinical streams, led by senior clinicians, to improve the integration of services across the organisation through innovation and clinical redesign.

Each clinical stream focuses on a core health specialty area and is led by a single Clinical Stream Leader, supported by one or more Sub Stream Leaders.

The Stream Leader reports directly to the Health Service Chief Executive and is expected to:

- lead the direction of clinical services
- undertake service planning and stakeholder engagement
- redesign clinical services
- innovate for the future.

Organisation structure



Our Board

The Metro South Hospital and Health Board (MSHHB) comprises five or more members appointed by the Governor in Council on the recommendation of the Queensland Minister for Health pursuant to the *Hospital and Health Boards Act 2011*.

The MSHHB is responsible for the governance activities of the organisation and derives its authority to act from the *Hospital and Health Boards Act 2011* (herein referred to as the Act). Each member brings a broad range of skills, expertise and experience to the Board.

The Board is responsible for setting strategic direction, establishing goals and objectives for executive management and monitoring the organisation in line with current government health policies and directives and ensuring that adequate and appropriate community consultation is undertaken. The Board reports to the Honourable Lawrence Springborg, Minister for Health.

Key responsibilities

The key responsibilities of the Board include:

- Review and approve strategies, goals, annual budgets, and financial plans as designed by the hospital and health service in response to community and stakeholder input.
- Monitor financial performance on a regular basis.
- Monitor operational performance on a regular basis including compliance with clinical regulations and standards.
- Ensure that risk management systems are in place to cover all of the organisation's key risk areas including operational, financial, environmental and asset related risks.
- Ensure that Metro South Health has policies and procedures to satisfy its legal and ethical responsibilities.
- Monitor committee reporting on operational, financial and clinical performance.
- Determine the desired culture for the hospital and health service to enhance its reputation with the community and stakeholders
- Report to and communicate with Government, the community and other stakeholders on the financial and operational performance of the organisation.

Functions

The functions of the MSHHB are:

1. To oversee and manage Metro South Health (the HHS), and
2. To ensure that the services provided by the HHS comply with the requirements of the Act and the objectives of the HHS.

Major achievements

The Board's activities and major achievements in 2012–2013 included developing, monitoring and advising on the:

- *2012–2016 Strategic Plan*
- *2012–2013 Operational Plan*
- *2013–2017 Clinical Governance Strategic Plan*
- *Community and Consumer Engagement Strategy*
- *Clinician Engagement Strategy*
- *Internal Audit Strategy*
- *Working Together Agreement* between Greater Brisbane Metro South Medicare Local and Metro South Health
- *Partnership Protocol* between West Moreton-Oxley Medicare Local and Metro South Health
- *South West Corridor Health Service Plan*
- Risk management framework
- Service agreement with Department of Health
- Workforce engagement and culture
- Lobbyist policy and register
- Delegations (finance, procurement, contract, Right to Information, and human resources)
- Clinical governance scorecards
- Risk summary report.

Board members

Mr Terry White AO

Chairman, Metro South Hospital and Health Board

Appointed 18 May 2012 to 17 May 2016



Mr Terry White, a pharmacist, has extensive board and business experience. Mr White's experience includes roles as Member of Parliament, Minister of the Crown, President of the Pharmacy Guild and consultant to healthcare companies such as Faulding, Mayne and Symbion.

Terry established the Terry White Chemists franchise group in 1994 which has grown into a billion dollar business employing over 4500 staff and is currently Chair of Terry White Chemists Group Investments.

He served as a member of the Workcover Board since 1997 following the Kennedy Inquiry into the Workers Compensation Scheme. He was appointed to set up the legislative framework of Workcover and served on the Workcover Board as Deputy Chair, retiring this year to take up his appointment at Metro South Health.

As former State President of the Pharmacy Guild, Terry has been heavily involved in developing systems and services to up-skill pharmacists as small business people. He played a significant role in the development of the Pharmacy Guild of Australia—a leading advocate for community pharmacy and a contributor to improving health outcomes for all Australians.

In January 2006 he was appointed as an Officer of the Order of Australia for his services to the retail industry, the community and the Parliament. In 2011 he was inducted into the Queensland Business Leaders Hall of Fame in recognition of exceptional entrepreneurship and innovation in national retailing and significant contributions to public leadership and the community. In June 2012 Terry was recognised as a Queensland Great by Premier Campbell Newman for his contributions to the state as a business and community leader.

Mr Peter Dowling AM

Deputy Chair and Board Director

Appointed 29 June 2012 to 17 May 2016



Peter Dowling is an accountant and company director. He is a Fellow of CPA Australia and The Institute of Chartered Accountants in Australia and a Fellow of The Australian Institute of Company Directors. He was formerly a Partner with international accounting firm Ernst & Young. He is a Centenary of Federation Medal recipient and was made a Member of the Order of Australia in 2007 for services to accountancy and the community.

Peter has a number of other board and audit and risk committee appointments.

He is a Director of CUA and CUA Health, CPA Australia, Q-COMP, Lexon Insurance, the Cooperative Research Centre for Infrastructure and Engineering Asset Management among others. He is the Chair of the Sunshine Coast Regional Council's Audit and Risk Committee, the Queensland Department of Transport and Main Road's Audit and Risk Committee and the Queensland Crime and Misconduct Commission's Audit Committee. He is a member of the Moreton and Redlands Councils and the Department of Energy and Water Supply (DEWS) Audit and Risk Committees. Peter is also the Queensland Honorary Consul for Botswana.

Dr John Kastrissios

Board Director

Appointed 29 June 2012 to 17 May 2014



Dr John Kastrissios is a general practitioner who has a special interest in the management of cardiovascular disease, asthma, diabetes and mental health. He is the current chair of the Greater Metro South Brisbane Medicare Local and a former chair of General Practice Queensland and the Southeast Primary Health Care Network.

John is a principal in general practice where he also acts as a supervisor for graduate GP registrars in training with Central and Southern Queensland Training Consortium. John also teaches medical students from Griffith University in GP education and training programs.

John is a member of the National eHealth Transition Authority clinical leads, a member of the Queensland Department of Health General Practice and Outpatient Advisory Committee, a member of the Clinical Redesign and Innovation Board, and a member of the Queensland Clinical Senate.

John is a director of the Australian Medicare Local Alliance Board. In 2008 he received the John Aloizos Medal for outstanding individual contribution to the Australian General Practice Network. He is a graduate of the Australian Institute of Company Directors.

Professor Johannes (John) Prins

Board Director

Appointed 29 June 2012 to 17 May 2016



Professor John Prins is an active clinician-scientist, a key opinion leader in diabetes and endocrinology in Australia and sits on numerous national and international scientific, clinical and educational committees and boards for the National Health and Medical Research Council (NHMRC), non-government organisations and industry.

John undertook his clinical training in endocrinology in Brisbane and then completed a PhD in adipose tissue biology at the University of Queensland (UQ). His first post-doctoral research appointment was at the University of Cambridge, UK, based at Addenbrooke's Hospital. He returned to Brisbane in 1998 after being awarded a Wellcome International Senior Research Fellowship.

In 2004 he was founder and director of the UQ Centre for Diabetes and Endocrine Research, one of the most prominent and successful groups on the Princess Alexandra Hospital campus, which merged with the UQ Centre for Immunology and Cancer Research (CICR) in 2007 to form the Diamantina Institute.

As Chair of the Centre of Health Research on the Princess Alexandra Hospital campus from 2005 to 2009, he coordinated campus-wide research strategy, fostering research, facilitating the recruitment of researchers to the campus and integration of research and clinical activities.

In 2009 John was appointed chief executive and director of the Mater Medical Research Institute. John has substantial commercialisation experience, holds two international patents and was founder and scientific director of a biotech company—Adipogen Pty Ltd. John is actively involved in undergraduate and post-graduate teaching and training and has ongoing research interests in obesity and diabetes.

Dr Marion Tower

Board Director

Appointed 29 June 2012 to 17 May 2016



Dr Marion Tower is the Deputy Head of School, Program Director of the Bachelor of Nursing Program, and Senior Lecturer at Griffith University's School of Nursing and Midwifery.

Prior to becoming a lecturer in nursing and midwifery in 2002, Marion was a registered nurse working in various public and private organisations in emergency, critical care and community health areas.

Marion was a member of the QEII Health Community Council from 2003–2011 and was a member of the QEII Health Service District Safety and Quality Committee.

Marion has a PhD from Griffith University for research on the health and healthcare for women affected by domestic violence. She has a Bachelor of Nursing (Hons) and a Master of Nursing.

Ms Lorraine Martin AO

Board Director

Appointed 7 September 2012 to 17 May 2014



Ms Lorraine Martin is a highly successful corporate business woman, experienced board member and outstanding community leader. She was recognised in the 1994 Australia Day Honours List when she was awarded an Order of Australia (AO) for service to business and commerce, particularly in the field of education and training. She is also the former National President of Women Chiefs of Enterprises-International and Queensland President of the Australia Brunei Business Council.

Lorraine established Lorraine Martin College in 1976, which comprised vocational training and personnel agency services. In 1987, she established Queensland's first private English language centre. The group merged with Education and Training Australia in 1996 and grew to include campuses in Brisbane, Cairns, Gold Coast and Sydney. The organisation is now known as Martin College.

Lorraine is a highly experienced board member, having served on numerous public and private sector boards in areas including health, education and community services, including: Mater Hospital Trust; Prince Charles Hospital Foundation; Mindcare (Mental Health Foundation); State Training Council (Queensland); Austrade; Employment Services Regulatory Authority; Bond University School of Business; Queensland State Chamber of Commerce and Industry; Office of Economic Development for the City of Brisbane; Australian Institute of Company Directors; Australian President of Women Chiefs of Enterprises International.

Professor Donald (Andrew) Wilson

Board Director

Appointed 29 June 2012 to 18 May 2013



Professor Wilson is Director of the Menzies Centre of Health Policy at the University of Sydney and Director Designate of the National Health and Medical Research Council's Partnership Centre on systems perspectives on prevention of lifestyle-related chronic disease. Authoring over 100 papers and reports, Andrew has specialist qualifications in clinical medicine and public health.

Andrew's previous roles include: Executive Dean of the Faculty of Health at Queensland University of Technology; Deputy Director-General Policy, Strategy and Resourcing, Queensland Health; Professor of Public Health, School of Population Health and Deputy Dean and Director of Research Faculty of Health Sciences University of Queensland; Chief Health Officer and Deputy Director-General Public Health, NSW Health.

He is a member of the Repatriation Medical Authority and the Board of Health Workforce Australia. He is also Chair of Protocol Advisory Sub-Committee of the Medical Services Advisory Committee and the Specialist Education Accreditation Sub-Committee of the Australian Medical Council. Andrew has a Bachelor of Medical Science and a Bachelor of Medicine, Bachelor of Surgery (Hons). He is a Fellow of the Royal Australasian College of Physicians and a Fellow of Australasian Faculty of Public Health Medicine. Andrew has a PhD in Epidemiology.

Ms Margo MacGillivray

Board Director

Appointed 14 June 2013 to 17 May 2014



Margo MacGillivray is a highly experienced solicitor with a number of years experience in executive and government roles.

She has been a partner at a major Australian law firm in addition to ten years experience as a General Counsel for large, multinational companies.

From July 2011 to September 2012, Margo was Deputy President of the Queensland Parole Board, a senior government position requiring high level decision making and risk management.

Margo holds a Bachelor of Laws and Bachelor of Arts from the University of Queensland.

Board member attendance

Board member	MSHHB meetings	Executive Committee meetings	Finance Committee meetings	Audit and Risk Committee meetings	Safety and Quality Committee meetings
Total meetings	12	9	5	6	7
Terry White AO	12	9	–	–	–
Peter Dowling AM	10	6	5	6	–
Dr John Kastrissios	11	8	–	–	4
Professor John Prins	12	8	5	6	7
Dr Marion Tower	12	8	–	–	7
Lorraine Martin AO ¹	8	8	1	2	5
Professor Donald (Andrew) Wilson ²	11	7	2	4	–
Margo MacGillivray ³	1	1	–	–	–

1. Ms Lorraine Martin was appointed to the Metro South Hospital and Health Board on 7 September 2012.
2. Professor Andrew Wilson did not renew his appointment as a Board member and completed his term on 18 May 2013.
3. Ms Margo MacGillivray was appointed to the Metro South Hospital and Health Board on 14 June 2013.

Remuneration of Board members

Board member	Base and post employment benefits (\$'000)	Non-monetary benefits* (\$'000)	Total remuneration (\$'000)
Terry White AO	83	–	83
Peter Dowling AM	36	–	36
Dr John Kastrissios	36	–	36
Professor John Prins	36	–	36
Dr Marion Tower	35	–	35
Lorraine Martin AO	28	–	28
Professor Donald (Andrew) Wilson	34	–	34
Margo MacGillivray	–	–	–
Total	288	–	288

* e.g. travel arrangements

Board roles

Board Chair

The Chair of the Board is elected on the recommendation of the Queensland Minister for Health following an advertised recruitment process.

The Chair of the Board's responsibilities are:

- Preside over all meetings of the Board. In the event of the Chair being absent, the Deputy Chair shall preside for the course of that meeting.
- Maintain a regular dialogue and mentoring relationship with the Health Service Chief Executive (HSCE).
- Monitor the performance of the Board and individual members and promote the ongoing effectiveness and development of the Board.
- Manage the evaluation and performance of the HSCE and the Board.
- Inform the Minister about significant issues and events.

Health Service Chief Executive

The Board appoints the HSCE and delegates the administrative function of Metro South Health to the HSCE and those officers to whom management is delegated.

The HSCE responsibilities are:

- Managing the performance and activity outcomes of Metro South Health.
- Providing strategic leadership and direction for the delivery of public sector health services in the HHS.
- Promoting the effective and efficient use of available resources in the delivery of public sector health services in the HHS.
- Developing service plans, workforce plans and capital works plans.
- Managing the reporting processes for performance review by the Board.
- Liaising with the executive team and receiving committee reports as they apply to established development objectives.
- The HSCE may delegate the chief executive's functions under the *Hospital and Health Boards Act 2011* to an appropriately qualified health executive or employee.

Corporate Secretary

The Corporate Secretary provides administrative support to the Board.

The Corporate Secretary is responsible for:

- Preparing agendas and minutes.
- Organising Board meetings.
- Organising Directors' attendances.
- Preparing the Board induction packages.
- Providing a point of reference for communication between the Board and Metro South Health Executive.
- Attending to all statutory filings and regulatory requirements.

Our Executive team

Health Service Chief Executive

Dr Richard Ashby AM

Dr Richard Ashby is one of the state's most experienced clinicians and clinical administrators. In 2010, Dr Ashby was awarded a Member of the General Division of the Order of Australia for service to emergency medicine, to medical administration, and to a range of professional associations. He is active across a broad range of medical areas, including teaching, research and consultancy.

Dr Ashby previously held the post of Executive Director and Director Medical Services at the Princess Alexandra Hospital. Dr Ashby is a University of Queensland graduate who undertook his internship at the Princess Alexandra Hospital and subsequently worked in provincial and rural centres and at the QEII Hospital. He was appointed Director of Emergency Medicine at the Royal Brisbane Hospital in 1989, a post he held until his appointment as Executive Director Medical Services at the Royal Brisbane and Women's Hospital in 2000.

During this period, Dr Ashby spent a year as the Assistant Regional Director – Policy and Planning for the Brisbane North Regional Health Authority. Dr Ashby is a past President of the Australasian College for Emergency Medicine and was Chairman of the International Federation for Emergency Medicine from 1994 to 1996. In the period 2000–2006, Dr Ashby also acted as District Manager at both the Royal Brisbane and Women's Hospital and Princess Alexandra Hospitals for lengthy periods. Dr Ashby was appointed Executive Director of Medical Services at PAH in September 2006 and, in 2008, was additionally appointed as Executive Director of the hospital.

Executive team

Mr Robert Mackway-Jones **Chief Finance Officer**

Robert has 18 years of health sector experience and over 12 years of senior leadership experience within the New Zealand environment. He joined Metro South Health in June 2013. Robert's New Zealand health experience included various financial roles and sector leadership roles. From 2010 to 2013 he led the health needs assessment, strategic planning, funding and contracting for health services activities for the Southern District Health Board while concurrently fulfilling its Chief Financial Officer role.

Ms Kay Toshach

Executive Director, Planning Engagement and Reform

Kay has a background in physiotherapy and worked as a senior clinician within Queensland Health and the United Kingdom's National Health Service before pursuing an interest in workforce, organisational development and change management. Both within the Princess Alexandra Hospital and more recently, across Metro South Health, she has been responsible for leading a range of broad change initiatives including workforce and performance models, critical service partnerships, planning frameworks and corporate governance models. Kay acted as the Metro South Health executive lead for the transition to an independent statutory body in line with national and state health reform in 2012.

Mr Michael Draheim **Chief Information Officer**

Michael is a registered nurse with postgraduate qualifications in intensive care, health administration and information systems. He has a background in clinical services, education, informatics and leadership positions across both the public and private sectors and has worked in health delivery roles in Queensland, NSW and Tasmania. Michael has experience in the implementation, management and delivery of ICT and its benefits in hospital and health care environments. He is passionate about working with clinicians in expanding the understanding and value informatics can bring to health care.

Mr Peter Frew **Executive Director, Corporate Services**

Peter has extensive experience in industrial relations, human resource management and organisational improvement. Under his leadership, Metro South Health's Corporate Services division recently won the Queensland Health Business Improvement Award for Corporate Services.

Dr Michael Daly **Executive Director, Clinical Governance**

Michael graduated from University College Dublin. After his internship, he moved to Queensland and in 2000 he became Deputy Director Medical Services at Toowoomba Hospital. He was appointed Executive Director, Medical Services in West Moreton in 2002 and with the health reforms of 2005–2006, he founded the Southern Area Clinical Governance Unit. He was appointed to his current position in 2008.

Mr Brett Bricknell
Executive Director, Logan-Bayside Health Network

Brett began his career in health as a physiotherapist in 1989, working first in NSW and then the United Kingdom. On returning to Australia in 1994, Brett was appointed as the first Director of Physiotherapy Services at Logan Hospital, where his interest in a career in health service management began. Brett has held a number of senior management posts, including in health service planning, allied health services, community and primary health services, and acute hospital services. His most recent prior position was as Executive Director of Redland and Wynnum Hospitals.

Dr Jennifer King
Executive Director, PAH-QEII Health Network

Jennifer has 30 years experience in health care and is a credentialed and well respected health care executive, having served in senior operational roles in the public and private sectors. In addition, she has held a senior executive role as Director, Programs Branch, Department of Human Services, Victoria, and was a health care consultant and Director National Health Practice, KPMG, for two and a half years prior to her joining Metro South Health as Executive Director and Director Medical Services, Logan and Beaudesert Hospitals, in 2011. Jennifer commenced in her role as Executive Director, PAH-QEII Hospital Network on 5 November 2012.

Dr Susan O'Dwyer
Executive Director, Medical Services

Dr Susan O'Dwyer was an intern and house officer at the Royal Brisbane and Women's Hospital prior to commencing her training in obstetrics and gynaecology. Concurrent with training in obstetrics and gynaecology, Susan undertook a Master of Public Health in health services management and policy science, which saw her change career path to medical administration. Susan has spent the past seven years in the Department of Health, most recently as the Principal Medical Officer responsible for the areas of medical workforce, education and training.

Ms Veronica Casey
Executive Director, Nursing and Midwifery Services

Veronica has held nursing executive leadership positions in Queensland Health since 1998. She worked in nursing director roles at the Prince Charles Hospital, the Royal Brisbane Hospital and the Royal Women's Hospital prior to her appointment as Executive Director, Nursing Services at Princess Alexandra Hospital. During her time at PAH, she has been instrumental in helping the hospital achieve re-designation under the Magnet® credentialing program, and the introduction of the Nurse Sensitive Indicator performance monitoring system. In 2010, she was appointed as one of three inaugural international commissioners for the American Nurses Credentialing Centre.

Ms Gail Gordon
Executive Director, Allied Health Services

Gail is an occupational therapist with postgraduate qualifications in business administration. She has held a range of senior occupational therapy roles in the public and private sectors. She was Director of Allied Health at QEII Jubilee Hospital until her appointment as Director of Allied Health at Logan and Beaudesert Hospitals. Gail acted as the Executive Director, Logan and Beaudesert Hospitals between 2010 and 2011. Since taking the role of Executive Director, Allied Health Services, Gail has established a health service wide allied health professional structure to support effective governance of services across Metro South Health.

Associate Professor David Crompton OAM
Executive Director, Addition and Mental Health Services

David worked in private practice as a rural general practitioner prior to commencing psychiatry training and spending 12 years in private psychiatry practice. David has held leadership roles in Queensland Health and New South Wales Health and holds an Associate Professor of Psychiatry at the University of Queensland. He was awarded a Medal of the Order of Australia for development of community based mental health services for veterans, development of community post-traumatic stress disorder and anxiety and substance abuse treatment services.

Board committees

The Metro South Hospital and Health Board (MSHHB) has established four committees to assist in carrying out its functions and responsibilities. The four committees are:

- Executive Committee
- Finance Committee
- Audit and Risk Committee
- Safety and Quality Committee

The Board has authorised the committees, within the scope of their responsibilities, to examine any matter in relation to its objectives as it sees fit or as requested by the Board.

The committees are led by Board members with the Chair of each committee being a member of the Board and supported by the Health Service Chief Executive (HSCE) or other senior executives in Metro South Health.

Executive Committee

The Executive Committee is an advisory committee to the Board. The Executive Committee functions under the authority of the MSHHB in accordance with section 32B of the *Hospital and Health Boards Act 2011*.

The Executive Committee is established to support the Board by:

- Working with the HSCE to progress strategic issues identified by the Board.
- Strengthening the relationship between the Board and the HSCE to ensure accountability in the delivery of services by the HHS.
- Developing strategic service plans for the HHS and monitoring their implementation.
- Developing key engagement strategies and protocols, and monitoring their implementation.
- Performing any other functions required by the Board or prescribed by the Regulation.

The Executive Committee meets monthly, or as determined by the Board.

Committee members: Terry White AO – Chair; Peter Dowling AM; Dr John Kastrissios; Professor John Prins; Margo MacGillivray; Dr Marion Tower; Lorraine Martin AO; Professor Andrew Wilson (to 18 May 2013).

Finance Committee

The committee was established under part 7, section 31, of the *Hospital and Health Boards Regulation 2012*.

The committee functions under the authority of the MSHHB in accordance with Schedule 2, s8, of the *Hospital and Health Board Act 2011*.

The Finance Committee has the following functions:

- Assessing the HHS budget and ensuring the budgets are:
 - consistent with the organisational objectives of the HHS, and
 - appropriate having regard to the HHS funding.
- Monitoring the HHS cash flow, having regard to the revenue and expenditure of the HHS.
- Monitoring the financial and operating performance of the HHS.
- Monitoring the adequacy of the HHS financial systems, having regard to its operational requirements and obligations under the *Financial Accountability Act 2009*.
- Assessing financial risks or concerns that impact, or may impact, on the financial performance and reporting obligations of the HHS, and how the HHS is managing the risks or concerns.
- Assessing the service's complex or unusual financial transactions.
- Any other function given to the committee by the MSHHB (if the function is not inconsistent with a function mentioned in the dot points above).
- Identify risks and mitigating strategies associated with all decisions made.
- Implement processes to enable the committee to identify, monitor and manage critical risks as they relate to the functions of the committee.

The Finance Committee is required to meet at least four times per year or as required by the Chair.

Committee members: Peter Dowling AM – Chair; Professor John Prins; Margo MacGillivray; Lorraine Martin AO; Professor Andrew Wilson (to 18 May 2013); Dr Richard Ashby, Health Service Chief Executive; Robert Mackway-Jones, Chief Finance Officer.

Audit and Risk Committee

The committee was established under part 7, section 31, of the *Hospital and Health Boards Regulation 2012*.

The purpose of the Audit and Risk Committee is to provide advice and assistance to the MSHHB on:

- the service's risk, control and compliance frameworks, and
- the service's external accountability responsibilities as prescribed in the *Financial Accountability Act 2009*, *Auditor-General Act 2009*, *Financial Accountability Regulation 2009* and *Financial and Performance Management Standard 2009*.

The Audit and Risk Committee advises the Board on the following matters:

- Assessing the adequacy of the HHS financial statements, having regard to the following:
 - the appropriateness of the accounting practices used
 - compliance with prescribed accounting standards under the *Financial Accountability Act 2009*
 - external audits of the HHS financial statements
 - information provided by the HHS about the accuracy and completeness of the financial statements.
- Monitoring the HHS compliance with its obligation to establish and maintain an internal control structure and systems of risk management under the *Financial Accountability Act 2009*, including:
 - whether the HHS has appropriate policies and procedures in place, and
 - whether the HHS is complying with the policies and procedures.
- monitoring and advising the HHS Board about its internal audit function.
- Overseeing and HHS liaison with the Queensland Audit Office in relation to the HHS proposed audit strategies and plans.
- Assessing external audit reports for the HHS and assessing the adequacy of action taken by management.
- Monitoring the adequacy of the HHS's management of legal and compliance risks and internal compliance systems, including the effectiveness of the systems in monitoring compliance by the HHS with relevant laws and government policies.

- Assessing the HHS complex or unusual transactions or series of transactions, or any material deviation from the HHS budget.
- Any other function given to the committee by the HHS Board (if the function is not inconsistent with a function mentioned in dot points above).
- Reviewing the risk management framework for identifying, monitoring and managing significant business risks, including fraud.
- Liaising with management to ensure there is a common understanding of the key risks to the HHS. These risks will be clearly documented in the risk register which will be regularly reviewed to ensure it remains up-to-date.
- Assessing and contributing to the audit planning process relating to risks and threats to the HHS.
- Reviewing effectiveness of the HHS's processes for identifying and escalating risks, particularly strategic risks.

The Audit and Risk Committee meetings are held at least quarterly with a schedule of meetings agreed in advance.

Committee members: Peter Dowling AM – Chair; Professor John Prins; Lorraine Martin AO (from 7 September 2013); Margo MacGillivray (from 14 June 2013); Professor Andrew Wilson (to 18 May 2013).

Safety and Quality Committee

The committee was established under part 7, section 32 of the *Hospital and Health Boards Regulation 2012*. The committee functions under the authority of the MSHHB in accordance with schedule 1, section 8 of the *Hospital and Health Boards Act 2011*.

The committee advises the Board on matters relating to the safety and quality of health services provided by the HHS, including strategies for the following:

- Minimising preventable patient harm
- Reducing unjustified variation in clinical care
- Improving the experience of patients and carers of the HHS in receiving health services
- Complying with national and state strategies, policies agreements and standards relevant to promoting consultation with health consumers and members of the community about the provision of health services by the HHS
- Monitoring the HHS governance arrangements relating to the safety and quality of health services, including monitoring compliance with the HHS policies and plans about safety and quality
- Promoting improvements in the safety and quality of health services provided by the HHS
- Monitoring the safety and quality of health services being provided by the HHS using appropriate indicators developed by the HHS
- Collaborating with other safety and quality committees, the department and state-wide quality of health services
- Any other function given to the committee by the HHS Board (if the function is not inconsistent with a function mentioned in dot points above)
- Identify risks and mitigating strategies associated with all decisions made
- Implement processes to enable the committee to identify, monitor and manage critical risks as they relate to the functions of the committee.

The Safety and Quality Committee meets monthly or as required by the Chair.

Committee members: Professor John Prins – Chair; Dr Marion Tower; Dr John Kastrissios; Lorraine Martin AO; Dr Richard Ashby, Health Service Chief Executive; Dr Michael Daly, Executive Director Clinical Governance.

Health service committees

Metro South Health Service Executive Committee

The Health Service Chief Executive (HSCE) has single point accountability for the total performance of the health service but relies on the advice of the Metro South Health Service Executive Committee and the transmitted accountability of the members through that Executive.

The responsibility of the Metro South Health Service Executive Committee is to oversee the delivery and performance of services and give advice to the HSCE by monitoring and making decisions regarding:

- quality and safety
- employment and human resources
- activity
- capital works
- budget assignment
- equipment purchases
- expenditure.

Membership of the Metro South Health Service Executive Committee consists of:

- Health Service Chief Executive – Chair
- Chief Finance Officer
- Executive Director, PAH-QEII Health Network
- Executive Director, Logan-Bayside Health Network
- Chief Information Officer
- Executive Director, Addiction and Mental Health Services
- Executive Director, Clinical Governance
- Executive Director, Planning, Engagement and Reform
- Executive Director, Nursing and Midwifery Services
- Executive Director, Corporate Services
- Executive Director, Allied Health Services
- Executive Director, Medical Services.

Meetings are held once a month.

Finance Network

The Metro South Health Finance Network oversees the financial management of the health service which includes activity, staffing and budget. This is achieved by:

- Ensuring sound financial management of Metro South Health facilities.
- Undertaking financial planning processes including implementing changes to the funding model, activity based funding and setting up the Hospital and Health Service.
- Ensuring own source revenue strategies are in place in each facility to assist in meeting targets.
- Ensuring reporting requirements are met for Metro South Health's finance function.
- Informing finance directors of changes and requirements to ensure compliance and budget objectives are met.
- Undertaking client engagement with the Department of Health's Shared Service Provider.

Membership of the Metro South Health Finance Network consists of:

- Chief Finance Officer – Chair
- Financial Controller, Metro South Finance
- Director, Metro South Health Finance
- Manager, Metro South Health Finance
- Finance Director, Princess Alexandra Hospital
- Finance Director, QEII Hospital
- Finance Director, Logan and Beaudesert hospitals
- Finance Director, Redland Hospital and Wynnum Health Service
- Finance Director, Addiction and Mental Health Services
- Finance Director, Oral Health Services
- Finance Director, Community and Primary Health Services.

The Manager, Department of Health Shared Service Provider, has a standing invitation to the meeting.

Meetings are held once a month.

Credentialing and Scope of Clinical Practice Committee

The Metro South Health Credentialing and Scope of Clinical Practice Committee's purposes is to:

- ensure that all medical practitioners utilising Metro South Health facilities practise high quality care, by granting Scope of Clinical Practice only to those practitioners who are appropriately qualified, trained and experienced to undertake clinical care within the facility, and
- ensure that the Scope of Clinical Practice granted is appropriate to the Service Capability Framework of each facility within Metro South Health.

The committee comprises representatives from the following:

- surgical specialties
- medical specialties
- addiction and mental health services
- obstetrics and gynaecology
- other specialties (e.g. radiology, cancer services) as required
- Director of Nursing and Midwifery (or nominee)
- Director of Oral Health Services (or nominee, when assessing a dental applicant).

In 2012–2013, membership of the Metro South Health Credentialing and Clinical Scope of Practice Committee consisted of:

- Executive Director, Clinical Governance – Chair
- Executive Director, Medical Services
- Executive Director, Nursing and Midwifery Services
- Executive Director, Oral Health Services
- Director, Medical Services, QEII
- Director, Medical Services, Logan-Beaudesert
- Director, Medical Services, Redland-Wynnum
- Deputy Director Medical Services, PAH
- Staff Specialist, Rheumatology, PAH
- Staff Specialist, General Medicine, PAH
- Staff Specialist, Obstetrics and Gynaecology, Logan-Beaudesert
- Staff Specialist, General Surgery.

Meetings are held once a month.

Corporate Services Directors Meeting

The Metro South Health Corporate Services Directors Meeting oversees Corporate Services' performance (including financial), key risks and priorities, policies, and reform processes. Objectives include:

- Review and approve strategies, goals and directions in response to Metro South Health Service Executive requirements.
- Monitor financial performance for facility Corporate Services on a regular basis.
- Monitor operational performance of facility Corporate Services on a regular basis.
- Oversee and address key risk matters for Corporate Services.
- Introduce a quality improvement process for Corporate Services matters.

Membership of the Metro South Health Corporate Services Directors Meeting consists of:

- Executive Director, Corporate Services – Chair
- Director, Corporate Services, Logan-Bayside
- Manager, Corporate Services, Redland-Wynnum
- Director, Corporate Services, Addiction and Mental Health
- Senior Director, PA Support Services, PAH
- Director, Corporate Business and Performance
- Director, Capital Delivery, Asset and Infrastructure
- Director, Building Engineering and Maintenance Services
- Director, Workforce Services.

Meetings are held once a month.

Workforce Services Managers Network

The Metro South Health Workforce Services Network determines the strategic direction and implementation protocols for the delivery of workforce planning and workforce culture improvement activities. Objectives include:

- Provide a platform for the ongoing development of members' planning and culture management capacity, knowledge and skills.
- Provide advice to the Corporate Services directors relating to occupational health and safety management.
- Facilitate the implementation of occupational health and safety plans and initiatives within each facility and across Metro South Health.

Membership of the Metro South Health Workforce Services Managers Network consists of:

- Director, Workforce Services – Chair
- Director, Industrial Relations
- Director, Corporate Services, Logan-Bayside
- Manager, Staff Complaints
- Manager, Workforce Services, PAH
- Manager, Workforce Services, QEII
- Manager, Workforce Services, Logan-Beaudesert
- Manager, Workforce Services, Redland-Wynnum
- Manager, Workforce Services, Addiction and Mental Health Services
- Occupational Health and Safety Manager, Addiction and Mental Health Services
- Occupational Health and Safety Manager, Community and Primary Health Services
- Occupational Health and Safety Manager, Redland-Wynnum
- Occupational Health and Safety Manager, QEII
- Occupational Health and Safety Manager, Logan-Beaudesert
- Workforce Planning representative.

Meetings are held once a month.

Building, Engineering and Maintenance Management Group

The Metro South Health Building, Engineering and Maintenance Management Group oversees building and maintenance performance (including financial), key risks and priorities, policies, and reform processes.

Membership of the Metro South Health Building, Engineering and Maintenance Management Group consists of:

- Director, Building, Engineering and Maintenance Services – Chair
- Senior Director, PA Support Services, PAH
- Director, Corporate Services, Logan-Bayside
- Director, Corporate Services QEII
- Manager, Corporate Services, Redland
- Client Manager, PAH-QEII
- Client Manager, Logan-Bayside
- Client Manager, Community and oral health services
- Client Supervisor, QEII
- Client Supervisor, Redland.

Meetings are held once a month.

Nursing and Midwifery Executive Council

The Metro South Health Nursing and Midwifery Executive Council provides leadership and strategic direction for nursing and midwifery services. It advises and makes recommendations to the Metro South Health Service Executive regarding the planning and management of health services; it also responds to issues relevant to nursing as they arise.

Membership of the Metro South Health Nursing and Midwifery Executive Council consists of:

- Executive Director, Nursing and Midwifery Services – Chair
- Director of Nursing, PAH-QEII
- Director of Nursing and Midwifery, Logan-Bayside
- Director of Nursing, Community Based Services
- Director of Nursing, Aged Care and Residential Services
- Director of Nursing, Addiction and Mental Health Services
- Nursing Director (Communities), Addiction and Mental Health Services
- Director of Nursing, Division of Medicine, PAH-QEII
- Director of Nursing, Division of Surgery, PAH-QEII
- Nursing Director, Division of Cancer Services, PAH-QEII
- Nursing Director, Division of Rehabilitation, PAH-QEII
- Nursing Director, Education, PAH-QEII
- Nursing Director, Research, PAH-QEII
- Nursing Director, Centre of Excellence in Nursing, Nursing Standards and Clinical Performance
- Nursing Director, Metro South Health Patient Flow Program.

Meetings are held once a month.

Metro South Health Consultative Forum

The Metro South Health Consultative Forum (MSHCF) is a joint consultative forum established in accordance with the *Terms of Reference for District Consultative Forums, Queensland Health (2009)*.

The forum enables consultation and communication between Metro South Health management and union representatives.

A number of Local Consultative Forums have been established which report to the MSHCF, including those at:

- Princess Alexandra Hospital
- Logan Hospital
- QEII Jubilee Hospital
- Redland Hospital
- Addiction and Mental Health Services.

The MSHCF has joint chairpersons (one union and one management). For the purposes of meetings, this role alternates between management and union representatives. Membership of the MSHCF consists of:

- Union representation (officials and delegates):
 - Together Queensland Union
 - Queensland Nurses Union
 - United Voice Union
 - Australian Workers Union
 - Automotive, Metals, Engineering, Printing and Kindred Industries Union
 - Electrical Trades Union
 - Construction, Forestry, Mining, Energy Union
 - Plumbers Union Queensland
- Management representation (or delegates)
- Health Service Chief Executive
- Executive Director, PAH-QEII
- Executive Director, Logan-Bayside
- Executive Director, Addiction and Mental Health Services
- Facility Manager, Redland-Wynnum
- Facility Manager, QEII
- Director, Oral Health Services
- Executive Director, Allied Health
- Executive Director, Corporate Services
- Executive Director, Nursing and Midwifery Services
- Director, Industrial Relations.

Meetings are held once a month.

Human Research Ethics Committee

The Metro South Health Human Research Ethics Committee (HREC) acts in a consultative and advisory capacity with researchers to ensure that all clinical, research and management practices are conducted in an ethical and scientifically robust manner. The purposes of the committee, in accordance with the *National Statement on Ethical Conduct in Human Research (2007)*, are to ensure that all human research is conducted in an ethical manner and to promote and foster ethical and good clinical/health research practice that is of benefit to the community. Key objectives of the committee include:

- Protect the mental and physical welfare, rights, dignity and safety of research participants.
- Facilitate and promote high calibre ethical research through efficient and effective review processes.
- Ensure that all clinical and ethical research is conducted responsibly.

The National Statement requires the composition of a HREC to comprise of members with specific experience, knowledge and skill. As per section 5.1.30, the membership of the Metro South Health HREC includes:

- A chairperson, with suitable experience, whose other responsibilities will not impair the HREC's capacity to carry out its obligations under this National Statement.
- At least two lay people, one man and one woman, who have no affiliation with the institution and do not currently engage in medical, scientific, legal or academic work.
- At least one person with knowledge of, and current experience in, the professional care, counselling or treatment of people; for example, a nurse or allied health professional.
- At least one person who performs a pastoral care role in a community, for example, an Aboriginal elder, a minister of religion.
- At least one lawyer, where possible one who is not engaged to advise the institution.
- At least two people with current research experience that is relevant to research proposals to be considered at the meetings they attend. These two members may be selected, according to need, from an established pool of inducted members with relevant expertise.

Meetings are held once a month.

Allied Health Directorate Meeting

The Metro South Health Allied Health Directorate Meeting provides leadership and strategic direction for allied health professionals across Metro South Health to improve the quality and effectiveness of patient care. Its objectives include:

- Provide leadership to Metro South Health allied health and individual allied health professions in matters relating to allied health professional practice.
- Provide timely advice regarding strategic directions for Allied Health Services consistent with the Metro South Health *Allied Health Professional Plan* and the *Allied Health Practitioners Office Queensland Plan*.
- Contribute to planning of Metro South Health Allied Health Services.
- Provide professional support and consultation to the Executive Director, Allied Health in their role as Allied Health representative on the Metro South Health Executive Committee.
- Facilitate the development of consistent Metro South Health allied health policies, procedures and guidelines where deemed strategically beneficial.
- Lead the implementation of innovative models of care, methods of service delivery and allied health management tools.

Membership of the Metro South Health Allied Health Directorate Meeting consists of:

- Executive Director, Allied Health – Chair
- Executive Director, Clinical Support Services, PAH
- Director, Allied Health, QEII
- Director, Allied Health, Logan-Bayside
- Director, Therapies and Allied Health, Addiction and Mental Health Services
- Allied Health Workforce Development Officers.

Meetings are held once a month.

ICT Executive Committee

The Metro South Health ICT Executive Committee is the governance body responsible for the overarching strategy and high-level direction for information, communications and technology (ICT) across Metro South Health.

The ICT Executive Committee takes an interest in enterprise-level ICT projects that impact Metro South Health, to ensure that the health service's specific requirements are taken into account, resourcing is appropriate and that any specific change management issues are addressed. However, the primary focus is on initiatives that are related specifically to the Metro South Health and are within the health service's control. Such initiatives include:

- current operational systems
- new clinical systems
- new business support systems
- communication systems
- supporting infrastructure.

Membership of the Metro South Health ICT Executive Committee consists of:

- Health Service Chief Executive – Chair
- Chief Finance Officer
- Chief Information Officer
- Executive Director, Medical Services
- Executive Director, Nursing and Midwifery Services
- Executive Director, Allied Health Services
- Executive Director, Corporate Services
- Executive Director, Logan-Bayside
- Executive Director, PAH-QEII
- Executive Director, Addiction and Mental Health Services
- Facility Manager, QEII
- Facility Manager, Bayside
- Health Information Management Services representative
- Chief Information Officer/Executive Director, Health Service Information Agency
- Chief Executive, Greater Metro South Brisbane Medicare Local
- Clinical Lead, ieMR Project
- Clinical Lead, Patient Flow
- Relevant staff invited as required.

Meetings are held once a month.

Addiction and Mental Health Clinical Council

Metro South Health's Addiction and Mental Health Clinical Council provides oversight of clinical initiatives and ensures best practice across the health service.

Membership of the Metro South Addiction and Mental Health Clinical Council consists of:

- Director, Medical Services, Metro South Addiction and Mental Health Services – Chair
- Director, Therapies and Allied Health
- Director, Clinical Governance
- Director of Nursing, Metro South Addiction and Mental Health Services
- Clinical Director, Psychosis Academic Clinical Unit (ACU)
- Clinical Director, of Rehabilitation ACU
- Clinical Director, Mood ACU
- Clinical Director, Older Adult ACU
- Clinical Director, Child and Youth ACU
- Clinical Director, Recovery and Access Services ACU
- Clinical Director, Consultation Liaison Psychiatry ACU
- Director, Addictions
- Service Program Manager, Transcultural Mental Health
- Consumer / carer representative.

Meetings are held once a month.

Addiction and Mental Health Clinical Governance Meeting

Metro South Health's Addiction and Mental Health Clinical Governance Meeting provides oversight and monitoring of national standards, patient safety and quality within Addiction and Mental Health Services.

Membership of the Metro South Addiction and Mental Health Clinical Governance Meeting consists of:

- Director, Clinical Governance Director, Clinical Governance – Chair
- Director, Medical Services, Metro South Addiction and Mental Health Services
- Director, Therapies and Allied Health
- Director of Nursing, Metro South Addiction and Mental Health Services
- Clinical Director, Psychosis Academic Clinical Unit (ACU)
- Clinical Director, of Rehabilitation ACU
- Clinical Director, Mood ACU

- Clinical Director, Older Adult ACU
- Clinical Director, Child and Youth ACU
- Clinical Director, Recovery and Access Services ACU
- Clinical Director, Consultation Liaison Psychiatry ACU
- Director, Addictions
- Team Leader, Patient Safety
- Quality Manager, Patient Safety
- Mental Health Information Manager
- Service Program Manager, Transcultural Mental Health
- Consumer / carer representative.

Meetings are held once a month.

Addiction and Mental Health Executive Meeting

Metro South Health's Addiction and Mental Health Executive Meeting provides oversight of clinical initiatives and ensures best practice across the health service.

Membership of the Metro South Addiction and Mental Health Executive Meeting consists of:

- Executive Director, Metro South Addiction and Mental Health Services – Chair
- Director, Therapies and Allied Health
- Director, Clinical Governance
- Director, Medical Services, Metro South Addiction and Mental Health Services
- Director of Nursing, Metro South Addiction and Mental Health Services
- Director, Operations
- Director, Addictions
- Consumer / carer representative.

Meetings are held once a month.

Ethics and code of conduct

The *Public Sector Ethics Regulation 2010* defines Metro South Health as a public service agency, therefore the *Code of Conduct for the Queensland Public Service* is applicable to employees of the health service.

Metro South Health is committed to upholding the values and standards of conduct outlined in the *Code of Conduct for the Queensland Public Service*, which came into effect on 1 January 2011. The code of conduct applies to all employees of Metro South Health and was developed under the *Public Sector Ethics Act 1994* consisting of four core aspirational principles:

- integrity and impartiality
- promoting the public good
- commitment to the system of government
- accountability and transparency.

All Metro South Health employees are required to undertake training in the *Code of Conduct for the Queensland Public Service* during their induction and thereafter undertake re-familiarisation training following any change to the document. Employees are able to readily access the following training throughout the year on the code of conduct:

- intranet based modules
- CD containing training.

Manager, Staff Complaints

With the enactment of the *Hospital and Health Boards Act 2011* from 1 July 2012, the obligation to report allegations of suspected official misconduct to the Crime and Misconduct Commission under the *Crime and Misconduct Act 2001* rested with the Chief Executive of Metro South Health. The Ethical Standards Unit, Department of Health no longer acted as the central point for receiving, reporting and investigating allegations of suspected official misconduct under the *Crime and Misconduct Act 2001*.

From 1 July 2012, the Manager, Staff Complaints became the central point within Metro South Health to receive, assess and refer allegations of suspected official misconduct to the Crime and Misconduct Commission. This role enabled the Chief Executive, Metro South Health to fulfil the obligation to report allegations of suspected official under the *Crime and Misconduct Act 2001*.

Prevention

During 2012-2013 the Manager, Staff Complaints delivered ethical awareness and official misconduct information sessions to approximately 160 staff. These sessions were delivered to a variety of positions and levels within Metro South Health. In addition to the sessions delivered by the Manager, Staff Complaints, Learning and Development staff delivered training on ethical decision making, code of conduct and official misconduct processes to all new staff members through induction and orientation.

Assessment and investigation

The assessment of suspected official misconduct matters is undertaken by the Manager, Staff Complaints with advice and assistance sought from specialist stakeholders relevant to the allegations such as:

- Director, Industrial Relations
- Executive Director, Clinical Governance
- Chief Financial Officer
- Director, Audit and Risk Management
- Department of Health Police Liaison Unit – Queensland Police Service Inspector
- a senior Department of Health workplace services unit representative.

The Department of Health Police Liaison Unit includes a seconded Queensland Police Service (QPS) Inspector who provides specialist advice on criminal matters and acts as a liaison point between Metro South Health and the QPS. Ongoing liaison between members of the QPS and employees of Metro South Health is also governed by a Memorandum of Understanding.

During 2012–2013 the Manager, Staff Complaints had oversight of 154 matters within Metro South Health. A total of 208 matters were received from sources within Metro South Health for assessment resulting in 115 new official misconduct matters and 93 other ethical issues that did not involve official misconduct, but were addressed through the complaints process.

Audit and risk management

External scrutiny

Metro South Health's operations are subject to regular scrutiny from external oversight bodies. These include Queensland Audit Office (QAO), Australian Council on Healthcare Standards, Health Quality and Complaints Commission, Postgraduate Medical Education Council of Queensland, medical colleges, National Association of Testing Authorities and others.

On 1 July 2012, Metro South Health was established as a new statutory body pursuant to the *Hospital and Health Boards Act 2011*. As a public sector entity, Queensland Health was subject to annual audit by the QAO.

The QAO Final Management Report provided to Queensland Health for the 2011–2012 financial year contained several recommendations, of which, eight potentially had relevance to the new hospital and health services, including Metro South Health. The eight recommendations were reviewed to ensure the issue was either adequately addressed by existing internal controls or corrective action was implemented where necessary. These issues included:

- lack of supporting documentation in relation to research projects and asset acquisition process
- research projects with negative balances
- non-compliance with entertainment and travel expenses policies and procedures
- potential misstatement of the impairment provision for receivables
- backlog maintenance data not provided to building valuer to consider when valuing buildings
- supervisor authorisation was not found on Employee Commencement Form or form was signed after the employee commenced
- lack of robustness in the verification of external labour invoices to contracts or agreements and to approved timesheets
- absence of documentation relating to grant expenditure.

Metro South Health also reviewed the QAO Interim Management Report for 2011–2012 provided to Queensland Health and identified seven recommendations that potentially had relevance to the organisation. Again, these recommendations were reviewed to ensure the issues were either adequately addressed by existing internal

controls or corrective action was implemented where necessary. These issues included:

- duplicate reporting of cash floats on the Annual Financial Statements pack and inadequate segregation of trust monies from the general account
- delegated approval in relation to employee movement to higher position not being in accordance with the health service's human resources delegations manual
- stock write-on and write-off memoranda not approved by the Health Service Chief Executive
- supporting documentation not available for inventory balances included in a year end stocktake
- termination checklists not evidenced as checked by an independent officer
- material journals not appropriately certified by a preparing officer and approved by a reviewing officer
- stock-take sheets not certified by two officers.

The audit committee also considered all audit recommendations by the QAO including performance audit recommendations during 2012–2013.

QAO raised three issues in its interim audit letter dated 30 April 2013. One moderate issue, relating to the certification of goods and services received, and two low-risk issues relating to patient revenue were raised and recommendations agreed to by management. QAO indicated it is satisfied that the recommendations were adequately implemented by Metro South Health.

Overall, the interim audit identified that Metro South Health's internal controls were operating effectively.

In addition to the QAO management letters provided directly to Metro South Health, QAO also issued several Auditor-General Reports to Parliament that contained recommendations of relevance to Metro South Health.

Report 4: 2012–13 Queensland Health—eHealth Program

The recommendations contained in this report were primarily directed to the Department of Health. Metro South Health will monitor progress with this project and assess for any impact on its activities.

Report 5: 2012–13 Results of audit: State public sector entities for 2011–12

This report related to the timeliness and quality of financial statements prepared for the 2011–2012 financial year. A better practice for financial statement preparation guide was included in Appendix C to the report.

Metro South Health have used the guide to assist in planning the 2012–2013 financial statement process. The health service's financial statements were certified by the legislative deadline of 31 August 2013 without qualification to the audit opinion.

Report 9: 2012–13 Fraud risk management

The following recommendations were contained in the report and had relevance to Metro South Health:

1. *All public sector agencies should assess their fraud control program against the better practice principles in this report and, as required, implement a plan to address deficiencies identified by this self-assessment.*

Where the following are not in place, agencies should:

2. *conduct and regularly update their fraud risk assessments*
3. *implement routine data analytics over areas identified as inherently susceptible to fraud*
4. *use their fraud data to inform ongoing development of fraud control programs.*

Metro South Health recognises the need to have a strong fraud control program. The health service is currently developing a fraud policy and fraud control program that will address these recommendations.

Report 12: 2012–13 Community Benefit Funds: Grant management

While this report contained no specific recommendations for Metro South Health, the health service will ensure any grant activities undertaken will have due regard to the recommendations contained in this report.

Report 1: 2013–14 Right of private practice in Queensland public hospitals

This report was prepared from a performance audit of the Right of Private Practice (RoPP) arrangements in the public health system. The audit considered whether the

arrangements were achieving their intended public health outcomes and were financial sustainable. The report made eight recommendations in relation to the RoPP arrangements:

1. *Redesign private practice arrangements to incentivise practitioners so the scheme is financially sustainable.*

The redesign of the RoPP system is currently being developed by the Department of Health. Metro South Health will participate in this project to develop a new financially sustainable private practice scheme.

2. *Establish clear targets for the optimal medical workforce in the context of desired clinical, patient access and financial outcomes.*

This is largely a Metro South Health activity, linked to the health service's workforce planning and employment strategies.

3. *Develop an appropriate governance framework for private practice arrangements which includes:*
 - *an oversight body comprising members with sufficient skill, authority and responsibility state-wide*
 - *Board oversight with appropriate delegation responsibilities at the facility level to monitor and enforce contractual obligations.*

The Department of Health will establish an oversight body, while Metro South Health will implement an operational governance structure to ensure adequate Board oversight to assure achievement of business objectives, appropriate delegation of responsibility to manage private practice within the new framework, and to ensure required reporting to the state governance body.

4. *Develop for all administrative, clinical and billing systems supporting private practice:*
 - *standards to ensure the quality of data captured is meaningful and relevant*
 - *a single common doctor identifier.*

As the supplier of the key private practice software, this is predominantly in the Department of Health's responsibility to implement. However, Metro South Health will provide input when required to the design and specification phase.

5. *Make immediate attempts to recover forgone revenue, if cost effective and investigate further revenue uplift opportunities.*

Metro South Health has reprioritised efforts in relation to the review of patient charts to address this issue. The health service will continue its efforts to improve revenue processes to ensure any lost revenue is minimised.

6. *Develop a strategy and engage with private practice participants, medical administrators and support staff to communicate a consistent message aligned with the objectives of the redesigned scheme, including contractual obligations.*

Metro South Health will actively participate in the educational framework that has been developed by the Department of Health to ensure all stakeholders are engaged in the objectives of the redesigned scheme.

7. *Redesign end to end business processes and systems to support enhanced revenue and expenditure management including rostering and overtime.*

Metro South Health will actively participate through the Practice Management Advisory Group to leverage identified revenue opportunities and to consider any identified best practice models. Metro South Health will use this information to feed into the redesign of its operating models.

8. *Review the objectives and the principles governing the use of study and research funds (SERTA/SERTF) to ensure maximum benefits are derived for the State.*

Metro South Health will review current processes around the current operation of the SERTA/SERTF funds to ensure it maximises effective use of existing funds.

In addition, Metro South Health will consider the impacts of the new trust fund arrangements to be developed by the Department of Health by 1 July 2014.

Risk management

Metro South Health is committed to managing risk in a proactive, integrated and accountable manner. The health service's risk management practices recognise and manage risks and opportunities in a balanced manner. Risk is an inherent part of the health service's operating environment.

Risk management activities are incorporated into strategic planning, governance reporting and operational processes.

Metro South Health has a draft risk management policy and integrated risk management framework based on the *Australian/New Zealand ISO Standard 31000:2009* for risk management. The draft policy and framework outline the health service's intent, roles, responsibilities and implementation requirements. All accountability areas are responsible for implementing the policy and framework and developing and maintaining risk registers.

The risk management framework defines the processes for risk identification, recording, rating, key controls identification, determination of risk treatment required and regular monitoring and reporting of risks. Key accountability bodies within our risk framework include:

- The Board retains ultimate responsibility for monitoring key risks and ensuring there are systems and processes in place to identify, manage and monitor these risks. The Board has delegated responsibility for overseeing risk management activities to the Audit and Risk Committee.
- The Audit and Risk Committee oversees the assurance of the health service's risk management framework, internal control structure and systems' effectiveness for monitoring compliance with relevant laws, regulations and government policies.
- The executive management team, known as Metro South Health Service Executive, has active risk management responsibilities both collectively and individually as executive directors in charge of separate service delivery streams.

Risks are controlled within the financial and management accountabilities of each position. The Health Service Chief Executive is supported by the executive director of each stream. The Health Service Chief Executive and executive directors manage risks with support from management structures within their areas of responsibility. Significant risks are reported to the Board and the Audit and Risk Committee on a regular basis.

The Audit and Risk Committee aims to oversee Metro South Health's risk management activities and procedures by mitigating risks to tolerable levels, managing the risks that may affect the ability to continue to service provision, the development and integration of a strategic approach to managing risks (strategic, operational and financial), and embedding the process into routine governance and management practice.

Internal Audit Unit

Internal Audit is an integrated component of corporate governance, promoting efficient management and assisting in risk management. The function operates under the approved Internal Audit Charter consistent with the internal auditors' standards. In line with the overriding requirement of independence from management, and to maintain individual objectivity, the head of Internal Audit reports functionally to the Audit and Risk Committee on the effective, efficient and economical operation of the function. The Internal Audit function operates with due regard to Queensland Treasury and Trade's Audit Committee Guidelines.

Internal Audit unit has a central role in improving operational processes and financial practices by:

- assessing the effectiveness and efficiency of Metro South Health's financial and operating systems, reporting processes and activities
- identifying operational deficiencies and non-compliance with legislation or prescribed requirements
- assisting in risk management and identifying deficiencies in risk management
- bringing a broad range of issues to management's attention, including performance, efficiency and economy
- monitoring whether agreed remedial actions have been undertaken.

The strategic and annual audit plan, endorsed by the Audit and Risk Committee and approved by the Board, directs the unit's activities and provides a framework for its effective operation. A risk-based planning approach is used to develop audit plans, including considering risk registers and consulting with internal stakeholders and the QAO. Audit reports include recommendations to address deficiencies in risk treatment and all audit reports are reviewed by the Audit and Risk Committee.

Achievements for 2012–2013 included:

- establishment of the unit
- introduction of co-sourced arrangement with Ernst & Young
- facilitating enhancement of existing control self-assessment within Metro South Health
- monitoring implementation of agreed audit recommendations
- delivering the risk-based annual plan of audits approved by the Board, covering compliance/financial, governance and operational effectiveness
- completing seven audit reports focused on providing assurance about, and improving the effectiveness of, systems, processes and risk management.

Information systems and recordkeeping

Changes to recordkeeping practices and systems in 2012–2013

Metro South Health undertook the following changes to recordkeeping practices and systems:

- The transfer of paper and electronic records from the Department of Health to the Chief Executive, Metro South Health. This resulted in the moving of ownership of clinical and non-clinical records to Metro South Health.
- Development of a local disaster management plan for health records due to the number of natural disasters occurring. This included creating disaster management kits for each facility with clinical records. It is intended that these items could also be used to assist in the event of administrative records disaster events, e.g. floods, etc.
- Currently assisting in the management of integrating Queensland Tuberculosis Control Centre records into the health service's main medical records system, as this service following the service's transition to Metro South Health.

Recordkeeping roles and responsibilities

All new Metro South Health employees are made aware of their responsibilities regarding security, confidentiality and management of medical records at a variety of forums including staff orientation and department inductions. In addition, procedures have been implemented to ensure all aspects of medical record management is undertaken appropriately.

Training is provided to all relevant administrative officers and competency assessments are undertaken to ensure staff are able to meet record management requirements. Relevant information packs and electronic resources are made available to assist in records management. Health Information Management Services staff routinely attend administrative forums and meetings to ensure important updates, issues and process changes are communicated and understood. Audits and reviews are undertaken and results fed back to relevant areas to ensure compliance to record management processes.

Medical records department staff undergo training and orientation processes to ensure they are competent in

the requirements of record management. Staff undertake training and competency assessment for each position they perform within the department.

Written and electronic resources are available at all times to assist in maintaining a high level of service.

Audits are routinely undertaken within and external to the medical records department to ensure that the record management system is operating appropriately.

Management of records

Across Metro South Health, each facility has a medical records department responsible for the lifecycle management of the clinical records in accordance with the relevant statutory requirements. Non-clinical records are managed through each service's administration department.

Transition to digital records

Work is ongoing to move Princess Alexandra Hospital's medical records to a digital format as part of the Integrated Electronic Medical Record (ieMR) program. The first component of this program is to commence scanning of paper based records. The second phase will involve a move towards direct data input into an electronic system.

Logan Hospital has had a system that supports the scanning of completed paper records in place since 2008. In addition, there are a number of clinical areas such as intensive care units that currently use full electronic medical record systems for clinical care, however these are not in place across all Metro South Health facilities.

Reliability and security

Metro South Health is compliant with the Queensland Government's *Information Standard 40: Recordkeeping*. Metro South Health-wide procedures have been implemented to ensure security of clinical records are maintained.

Back-up systems are in place and maintained to ensure records can be located and delivered during down times of the patient master index (HBCIS).

The Privacy and Confidentiality Officer conducts investigations on any privacy complaints, outcomes of

which are reported to the Metro South Health Service Executive Committee. This officer also provides privacy training to staff.

All facilities have physical security measures in place such as swipe card access to secure departments, information windows, visitor registers and medical record tracking systems.

Retention and disposal

Metro South Health facilities adhere to the Queensland State Archives *Health Sector (Clinical Records) Retention and Disposal Schedule 2012*. There is an ongoing culling and destruction process. The State Archives is still completing a Schedule for the management of functional records. Until a schedule is provided all functional records within Metro South Health are being permanently retained.

Metro South Health is compliant with Queensland Government *Information Standard 31: Retention and Disposal*. Medical record destruction is undertaken regularly at facilities, in line with current retention schedule requirements. Destruction is undertaken in line with best practice and audits are completed to ensure accuracy. Work is underway to standardise disaster management plans across all Metro South Health facilities.

Open data

The Queensland Government has committed to releasing as much public service data as possible through its Open Data Initiative. Under the initiative, a large volume of government data, where suitable for release, is published on the following website:

www.qld.gov.au/data

Metro South Health has published the following data on the government's Open Data website:

- health service expenditure on consultancies
- information relating to staff overseas travel including employee name, costs, purpose and destination.



Our performance

Metro South Health performed well against its targets and key performance indicators in 2012–2013 while operating in a challenging fiscal and external environment.

Performance highlights

In the 2012–2013 financial year:

- National Emergency Access Target (NEAT) performance—the percentage of patients discharged or admitted within four hours—increased from 57 per cent to 74 per cent.
- National Elective Surgery Access Target (NEST) performance—the percentage of elective surgery patients who receive their treatment within the clinically recommended timeframe for their urgency category—improved by four per cent for category 1 surgeries.
- Patient Off Stretcher Time (POST) performance—the percentage of patients handed over from the ambulance to the treating team within 30 minutes—increased from 71 per cent to 85 per cent, with Princess Alexandra Hospital meeting the national 90 per cent target.
- The cost per weighted activity unit was \$4390, \$79 below the target of \$4469.
- Metro South Health exceeded its activity target, delivering a community dividend of 5136 weighted activity units valued at \$24 million.
- Metro South Health achieved a financial surplus of \$19.989 million.
- There were 65 joint appointments in place with major southern Queensland universities.
- Metro South Health met the target of fewer than 1 per cent of patients recording their Aboriginal or Torres Strait Islander status as “unknown or not stated”.
- A number of infrastructure projects have been successfully completed including Redland Hospital’s expanded emergency department, Princess Alexandra Hospital’s new vascular hybrid operating theatre, and the new Southern Queensland Centre of Excellence for Aboriginal and Torres Strait Islander Primary Health Care.
- Metro South Health has substantially decreased its rates of hospital acquired pressure ulcers and healthcare-associated Staphylococcus aureus.

Government's objectives for the community

Metro South Health is committed to contributing to the Queensland Government's statement of objectives for the community, *Getting Queensland back on track*.

In keeping with the Queensland Government's commitment to revitalise front-line services for the community, Metro South Health aims to provide services that are efficient, diverse and flexible to changing community and government need.

The following are examples of how Metro South Health has contributed directly to the ethos of the government's statement of objectives in 2012–2013.

Grow a four pillar economy

Metro South Health is contributing to the government's commitment of returning the state budget to surplus by investigating opportunities for greater efficiency at all levels of the organisation. During 2012–2013, the health service focused on performing business improvement reviews at every level of the organisation and implementing reform, as well as consolidating functions that have transitioned from the Department of Health.

Metro South Health's Finance Service provides a monthly report and financial performance report to the Board. In addition, the Finance sub-committee of the Board meets regularly and considers all matters related to cost, revenue analysis and cost reduction initiatives.

Invest in better infrastructure and better planning

Metro South Health has developed an *Asset Strategic Plan* that addresses the future asset management procedures of the health service. The strategy has been developed to create a planning process around the future management of assets including the disposal of ageing and redundant items. It also aims to create efficiencies in asset management operations to reduce expenditure.

Metro South Health has progressed the establishment of public-private partnerships in a contestability model to pursue efficiencies and improved clinical outcomes for health care service users and consumers.

Revitalise front-line services

Metro South Health is committed to delivering better access to emergency, specialist and maternal health care for Queenslanders. This is demonstrated through:

- implementing reform of the health system in Metro South Health including detailed planning activities and a number of service improvement reviews
- ensuring statutory and standards obligations are realised including processes to monitor national standards such as the National Elective Surgery Target and the National Emergency Access Target
- implementing load-sharing strategies and banning ambulance bypass as mechanisms to ensure care is available when and where it is required
- re-introducing birthing and procedural services at Beaudesert Hospital.

Restore accountability in government

Metro South Health has introduced a comprehensive consumer and community engagement program in line with the government's commitment to give people a real say on issues affecting their local community. The Metro South Hospital and Health Board endorsed a *Consumer and Community Engagement Strategy* in November 2012, which outlines the organisation's approach to ensure consumers and the community are involved in the development of health policies, programs, services and projects. In 2012–2013, Metro South Health has:

- realigned existing Metro South Health staff to lead the implementation of the strategy and support facilities in meeting quality and safety standards relating to consumer and community engagement
- leveraged relationships with Medicare Locals to develop and implement high level engagement mechanisms, and work in partnership to respond to shared issues
- identified opportunities to include consumers or community members on existing committees or groups, for example, safety and quality meetings
- developed new reference groups where gaps have been identified, which include community members
- identified strategies to enhance capacity internally and externally to ensure effective engagement, including the establishment of an online engagement platform
- developed and implemented high-level engagement mechanisms, particularly those to be shared with Medicare Locals.

Blueprint for better healthcare in Queensland

In 2013, the Queensland Government introduced its *Blueprint for better healthcare in Queensland*, an action plan for structural and cultural improvements to improve productivity, care and efficiency and access to services.

The *Blueprint* has four principal themes, which are:

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

Metro South Health is committed to helping the government deliver on the objectives outlined in the *Blueprint*. The following are examples of how Metro South Health has already implemented programs to address these objectives.

Health services focused on patients and people

- During 2012–2013, Metro South Health undertook a number of clinical service redesign processes to ensure the organisation can continue to provide the best services, at the best time and in the best place. Health service-wide clinical streams have been implemented to ensure services provided across the region are delivered in an integrated and seamless way.
- Metro South Health hospitals were the first to end ambulance bypass, the practice of diverting ambulances to other emergency departments during periods of high demand. This has resulted in significant improvements in emergency department waiting times, benefiting the local community.
- Metro South Health is committed to giving rural and remote communities better access to medical specialists through a telehealth program. PAH's newly opened Telehealth Centre includes six consultation rooms and is equipped with the latest video conferencing technology.
- Metro South Health's planning team routinely undertakes detailed analysis of each community's population and demographic profile to ensure any new services meet their needs.
- In response to community need, Metro South Health will re-introduce birthing and procedural services at Beaudesert Hospital by July 2014.
- A vascular hybrid operating theatre is being constructed at PAH, combining state-of-the-art endovascular imaging with a conventional operating theatre.

Empowering the community and our workforce

- Metro South Health has a dedicated consumer and community engagement team whose role it is to ensure people have a voice in the planning, design, delivery and monitoring of health services and programs. In 2012-2013, the team developed a *Consumer and Community Engagement Strategy* that provides a framework to enable structured engagement to take place across the health service.
- Metro South Health has implemented working together agreements with the Greater Metro South Brisbane Medicare Local and the West Moreton-Oxley Medicare Local.
- A *Clinician Engagement Strategy* has been developed that describes how Metro South Health will embed the engagement of health professionals into our planning processes. The first clinician forum was held in November 2012.

Providing Queenslanders with value in health services

- Metro South Health has conducted comprehensive reviews of many units and services to examine opportunities for efficiencies.
- Metro South Health is investigating options for partnerships with non-government and private organisations. For example, in 2012, home care services were transferred to appropriate non-government providers to enable a stronger focus on acute health services, while maintaining quality care for clients.

Investing, innovating and planning for the future

- Metro South Health is committed to involving stakeholders in planning activities to ensure future health services have the capacity and capability to meet the changing needs of the community. This will ensure that value is achieved from every health dollar.
- Metro South Health has a strong record of collaboration in medical research and translation of research into improved outcomes for patients. PAH is one of the primary partners of one of Australia's pinnacle research institutions, the Translational Research Institute.
- Metro South Health is investing in long-term service planning and infrastructure including expansions of Logan and QEII Jubilee hospitals and the building of the Southern Queensland Centre of Excellence for Aboriginal and Torres Strait Islander Primary Healthcare.

Agency objectives and performance indicators

Metro South Health's *Strategic Plan 2012–2016* describes how the health service will provide quality care for the community over the next four years, including key priority areas, objectives and performance indicators. Metro South Health carefully monitors its achievements against these targets. This section contains highlights of the health service's achievements against the strategic plan's objectives over the past financial year.

Ensure the needs of our stakeholders influence all our efforts

Empower local communities with a greater say over their hospital and local health services

The Metro South Health *Consumer and Community Engagement Strategy* was endorsed by the Metro South Hospital and Health Board at the board meeting held on 27 November 2012.

In accordance with the *Hospital and Health Boards Act 2011*, the strategy has been developed following broad consultation with consumers and members of the community, and has been published on the Metro South Health internet site. The strategy complies with the prescribed requirements as detailed in the *Hospital and Health Boards Regulation 2012*. In fulfilling the requirements of the strategy, Metro South Health has implemented the following:

- establishment of a consumer and community engagement section on the Metro South Health website
- the training and support of staff
- the training and support of consumers
- commencement of the Metro South Community of Interest
- establishment of an online Metro South Health consultation hub
- development of consumer engagement procedures
- appointment of consumers to various Metro South Health committees
- involvement of consumers in quality improvement activities
- consumers asked to provide input in planning documents.

Metro South Health has also actively initiated a number of partnership arrangements with primary healthcare and other organisations, including formal 'working together agreements' with Medicare Locals. The following agreements are in place:

- A *Working Together Agreement* (i.e. protocol) between Metro South Health and the Greater Metro South Brisbane Medicare Local has been developed. This agreement was endorsed and signed off by the Chair of the Metro South Hospital and Health Board on 3 September 2012, and by the Chair of Greater Metro South Brisbane Medicare Local Board on 29 October 2012.
- A *Partnership Protocol* (i.e. working together agreement) between Metro South Health and West Moreton-Oxley Medicare Local has been developed. This agreement was endorsed and signed off by the Chair of Metro South Hospital and Health Board on 29 January 2013, and by the Chair of West Moreton-Oxley Medicare Local Board on 8 March 2013.

In addition to the agreements with Medicare Locals, Metro South Health has initiated discussions with non-government organisations, including a number of peak bodies, to determine how the health service can best work with these organisations. Key outcomes of the discussions have been agreements to form protocols that will detail principles of partnerships between the organisations and scope of work to be undertaken over a period of time. A key focus of the partnership protocols will relate to the current redesign of Metro South Health's clinical services. Partnership protocols are currently being pursued with the Council on the Ageing (COTA), the National Disability Service, Health Consumers Queensland, Women's Health, and the Queensland Alliance of Mental Health, among others.

Ensure the involvement of clinicians in the planning, implementation and evaluation of health care

The *Metro South Health Clinician Engagement Strategy 2012–2015* has been developed and was endorsed by the Metro South Hospital and Health Board at the meeting on 27 November 2012.

In accordance with the *Hospital and Health Boards Act 2011*, the strategy has been developed following broad consultation with health professionals across Metro South Health, as well as with members of the community, and has been posted to Metro South Health internet and intranet sites. The strategy complies with the prescribed requirements as detailed in the *Hospital and Health Boards Regulation 2012*.

The Metro South Health *Workforce Engagement Strategy 2013–2015* has been drafted following broad consultation with health professionals across Metro South Health, as well as a literature review and analysis of previous results from the Best Practice Australia workplace survey. The strategy shapes the way workforce engagement is considered within Metro South Health, so as to influence the way employees approach their jobs, their careers and the patients they care for. It describes the context—both environmental and legislative—and articulates clear priority areas for workforce engagement across Metro South Health.

The purpose of the strategy is to ultimately describe the mechanisms for embedding workforce engagement in the organisational culture and practice of Metro South Health.

Establish a person-centred approach to care, placing the individual at the centre of all services they receive

Metro South Health provides a range of health resources to assist consumers in managing their own health and consumers are also actively involved in developing specific resources to ensure suitability for patients.

To ensure health services are planned according to need, Metro South Health invites consumers and community members to provide input into all of its service plans. To support staff in implementing a patient centred approach, Metro South Health provides a number of educational opportunities such as motivational interviewing, which are available through an online learning and development pathway. Metro South Health also works closely with Medicare Locals to ensure patients have access to self-management workshops.

The Metro South Health Patient Satisfaction Survey (facilitated independently by Best Practice Australia) demonstrates a yearly improvement regarding involvement and satisfaction with decision making related to their care.

Providing efficient, safe and timely health care services

Improve access and reduce waiting times in emergency departments, elective surgery and specialist diagnostic services

Metro South Health is committed to improving timely access and quality of care in all of its health services and hospitals. Two of the health service’s highest priorities are improving waiting times for care in emergency departments and elective surgery.

Emergency departments

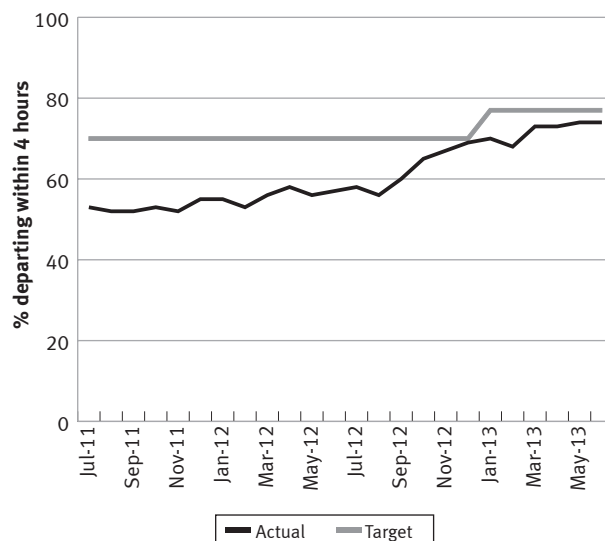
There have been significant initiatives undertaken to improve waiting times in emergency departments throughout Metro South Health in 2012–2013. This has resulted in an increase to the health service’s National Emergency Access Target (NEAT) performance from 57 per cent (June 2012) to its current performance of 74 per cent of all emergency attendances departing within four hours.

Some key strategies that Metro South Health has put in place to improve NEAT performance include:

- streamlined processes for discharging patients
- short stay wards
- a rapid assessment team
- ‘READi’ strategy—all inpatient units pulling from the emergency department
- direct admissions

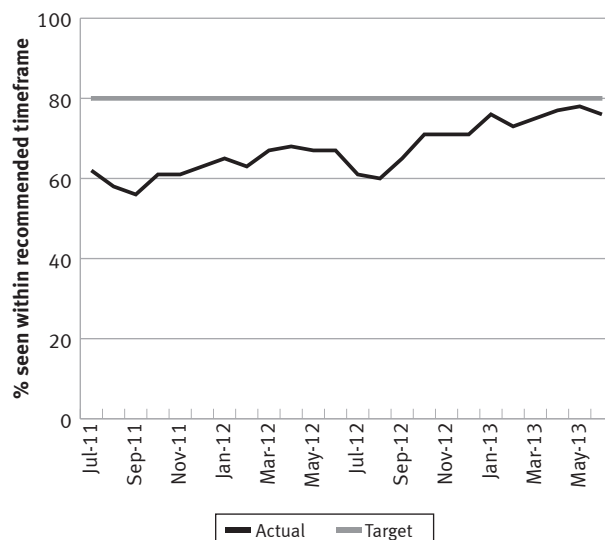
Improvements have also been made to Metro South Health’s performance in the percentage of emergency department presentations seen within clinically recommended triage times—with a target of 80 per cent set by the *National Partnership Agreement on Improving Public Hospital Services*. At the end of the 2011–2012 year performance was only 67 per cent; this has since improved in 2012–2013 to 76 per cent.

Figure 1: National Emergency Access Target (NEAT) performance



Hospital	NEAT (%) at 30 June 2013
Princess Alexandra	63.6%
Logan	73.8%
QEII Jubilee	81.5%
Redland	79.6%
HHS Total	73.8%

Figure 2: Percentage of emergency department presentations seen within the clinically recommended timeframe



Triage category	Target	Actual
Category 1 (within 2 minutes)	100%	100.0%
Category 2 (within 10 minutes)	80%	87.6%
Category 3 (within 30 minutes)	75%	70.3%
Category 4 (within 60 minutes)	70%	76.7%
Category 5 (within 120 minutes)	70%	91.3%
All categories	80%	76.0%

In 2012–2013, Metro South Health worked closely with the Queensland Ambulance Service to improve its Patient Off Stretcher Time (POST). POST refers to the time between a patient’s arrival at an emergency department via ambulance to the completion of the handover to the treating team; the current target is 90 per cent of patients handed over within 30 minutes. At the end of 2011–2012 year, Metro South Health’s performance was at 71 per cent. This has since improved to 85 per cent at the end of June 2013, with Princess Alexandra Hospital meeting the target at 90 per cent.

Hospital	POST (%) at 31 May 2013
Princess Alexandra	90.0%
Logan	84.6%
QEII Jubilee	81.9%
Redland	78.2%
HHS Total	85.2%

Elective surgery

The National Elective Surgery Target (NEST), as set in the *National Partnership Agreement on Improving Public Hospital Services*, measures the percentage of elective surgery patients who receive their treatment within the clinically recommended timeframe for their urgency category. In the first six months of 2012–2013, Metro South Health made progress in reaching the NEST. However, budgetary restraints had a significant impact in the second half of the year.

NEST at 30 June 2013

Hospital	Cat 1 (%)	Cat 2 (%)	Cat 3 (%)
Princess Alexandra	89.45%	69.10%	62.50%
Logan	80.91%	17.86%	46.43%
QEII Jubilee	96.18%	74.33%	62.20%
Redland	90.91%	93.55%	100%
HHS Total	89.48%	69.54%	64.49%

Figure 4: Category 1—National Elective Surgery Target performance

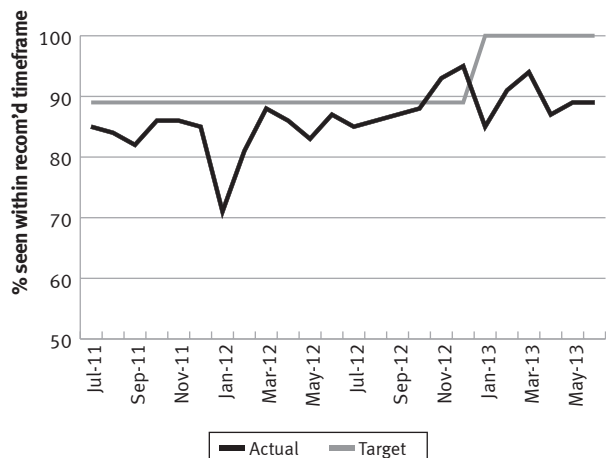


Figure 3: Patient Off Stretcher Time (POST) performance

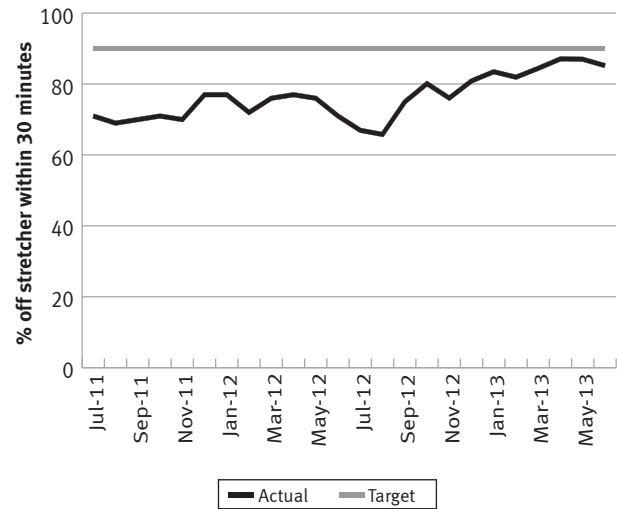


Figure 5: Category 2—National Elective Surgery Target performance

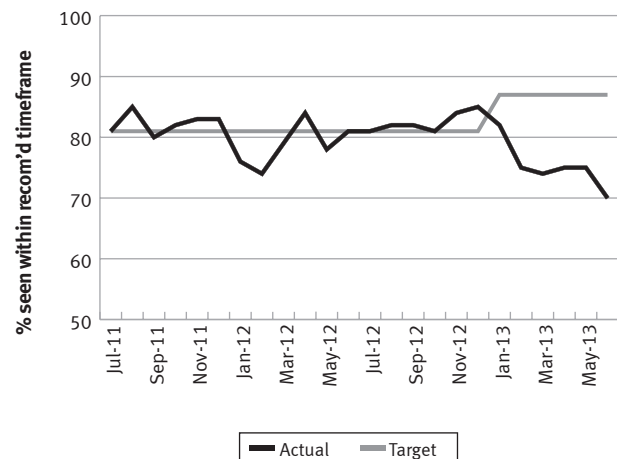
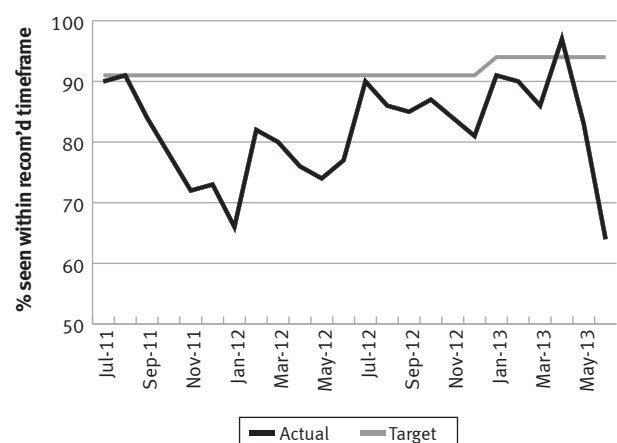


Figure 6: Category 3—National Elective Surgery Target performance



Ensure our services are appropriately delivered and meet the changing needs of our communities

In 2012, the Wynnum Health Service's emergency care clinic was re-named the 'primary care clinic' to more accurately reflect the service it provides. The primary care clinic's opening hours were changed to 8am to 10pm, seven days per week.

The Moreton Bay Nursing Care Unit was in a poor state of repair and beyond the reasonable lifespan for a health care facility of this type. The decision was made to close this facility and relocate the residents to other facilities. This was announced at a public forum on 24 October 2012 and relocation of residents was completed in May 2013.

Detailed planning is underway for the future use of both the Wynnum Health Service and Moreton Bay Nursing Care Unit sites.

Metro South Health continues to work toward re-establishing birthing and procedural services at Beaudesert Hospital. Postnatal services commenced in November 2012 and minor surgical services recommenced at Beaudesert Hospital on 28 May 2013, two months ahead of schedule.

Work with the Medicare Locals to ensure a greater range of services are provided in the community and in the home

Metro South Health is committed to working productively with the Greater Metro South Brisbane Medicare Local (GMSBML) and the West Moreton-Oxley Medicare Local (WMOML) to improve our health system and achieve better health outcomes for the community.

Working groups have been formed to progress the various action areas identified in the working together agreements, and include the following:

- consumer and community engagement
- chronic disease
- provider engagement
- re-introduction of birthing and procedural services at Beaudesert Hospital
- Beaudesert working group.

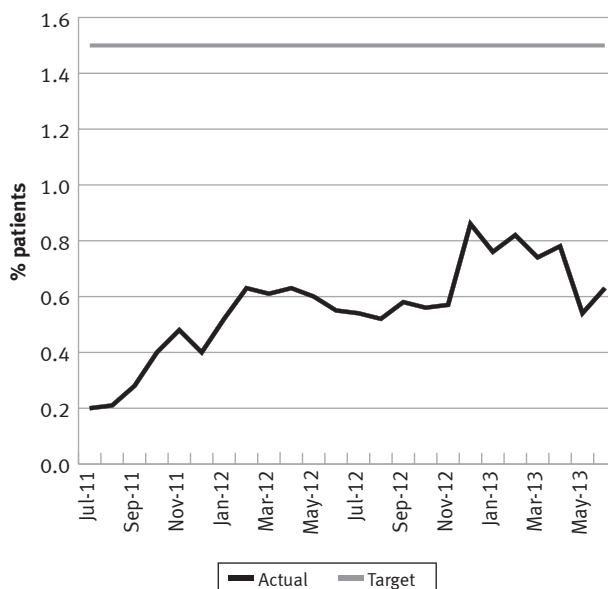
Metro South Health and the Medicare Locals are collaborating on a number of activities. A snapshot of joint activities includes:

- improving consumer and community engagement
- improving the patient journey
- the re-introduction of birthing and procedural services at Beaudesert Hospital
- initiatives around chronic disease including chronic obstructive pulmonary disease, asthma and diabetes
- implementation of a central referral hub
- implementation of a general practice liaison officer program
- clean sheet redesign processes
- promotion of an after hours GP service.

These activities have assisted in the improvement of the National Elective Surgery Target (see figures 4–6, above) and the National Emergency Access Target (see figure 1, above) performance in Metro South Health.

Hospital in the Home (HITH) activity has also increased from 0.2 per cent of inpatient activity in July 2011 to 0.63 per cent across Metro South Health hospitals (three of the four major facilities provide HITH services). Metro South Health continues to work towards the 2012–2013 target of 1.5 per cent of inpatient activity provided as HITH.

Figure 7: Inpatient activity as Hospital in the Home (HITH)



Ensure that the planning of future health services is based on population growth, demographics and health needs

Metro South Health completed health service plans for the Surgical Services and Aged Care and Rehabilitation Services streams in May 2013. These plans are based on advanced demographic and epidemiological analysis of the population and its future health needs. Relevant staff members were consulted in the development of these plans. Consultation with key organisations and the community is occurring in June and July 2013.

Metro South Health is currently collaborating with the West Moreton Hospital Health Service and the Department of Health (Policy and Planning Branch) to develop a South West Growth Corridor Health Service Plan. It is proposed that this plan will provide the basis for future capital planning and development in this area of significant population growth.

Improve the safety and quality of health services

Metro South Health's service agreement with the Department of Health stipulates three key performance indicators with which to measure our safety and quality performance. These new indicators for the health service had extreme performance targets set against them. Although Metro South Health has not met these new targets, the results have significantly improved on previous years.

Key performance indicator	Target	2010–2011	2011–2012	2012–2013
Never Events	0	–	–	1
Hospital acquired 3rd and 4th stage pressure injuries	≤3 (5% of 2010–2011 actuals)	51	41	18
Healthcare-associated Staphylococcus aureus (including MRSA) bacteraemia	≤13 (20% of 2010–2011 actuals)	63	56	56

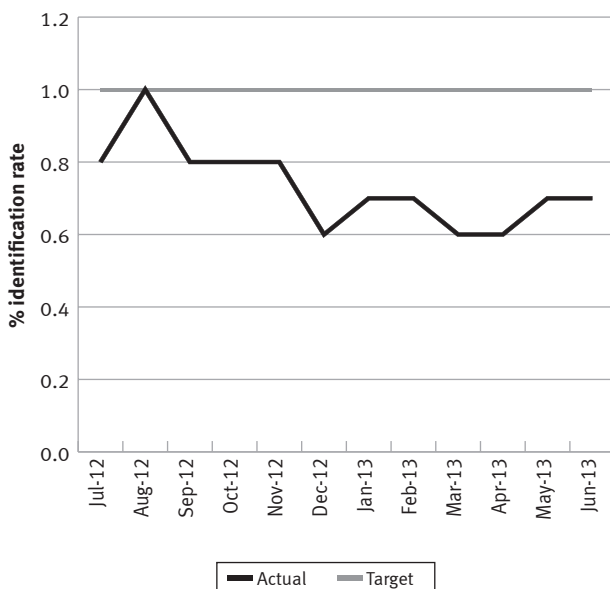
All Metro South Health services have been compliant with safety and quality requirements in 2012–2013 and have therefore remained accredited in this time.

Further advance the health of Aboriginal and Torres Strait Islander people

Metro South Health is committed to improving the identification of Aboriginal and/or Torres Strait Islander patients. Effective identification ensures that those who access the health service can be referred to culturally appropriate services, helping to ‘close the gap’ in Indigenous health outcomes.

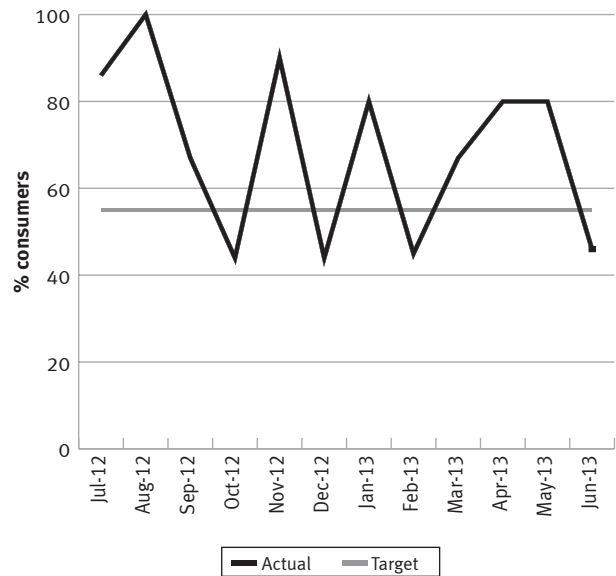
To ensure appropriate identification, Metro South Health monitors the percentage of patients who are recorded as having an Aboriginal or Torres Strait Islander status of “unknown or not stated”. Metro South Health met the target of less than 1 per cent of patients having “unknown or not stated” status in 2012–2013.

Figure 8: ‘Not stated’ Aboriginal or Torres Strait Islander status



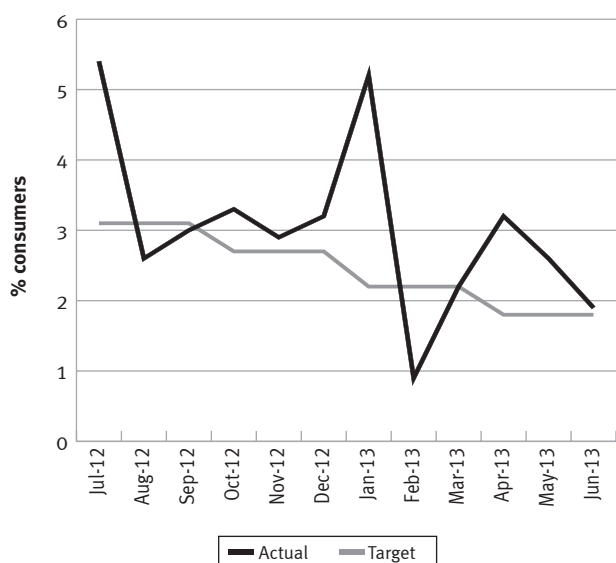
There is an overall reduction against the target of the proportion of Aboriginal and Torres Strait Islander mental health consumers separations with a community contact within seven days of discharge. However, the result is variable and requires focus and effort to reduce and reorient this trend.

Figure 9: Aboriginal and/or Torres Strait Islander mental health consumers with a community contact within seven days of discharge



Furthermore, there is an overall reduction against the target of the proportion of Aboriginal and Torres Strait Islander separations for discharge against medical advice. However, the result is variable and requires focus and effort to maintain this trend.

Figure 10: Aboriginal and/or Torres Strait Islander mental health consumers who discharge themselves against medical advice



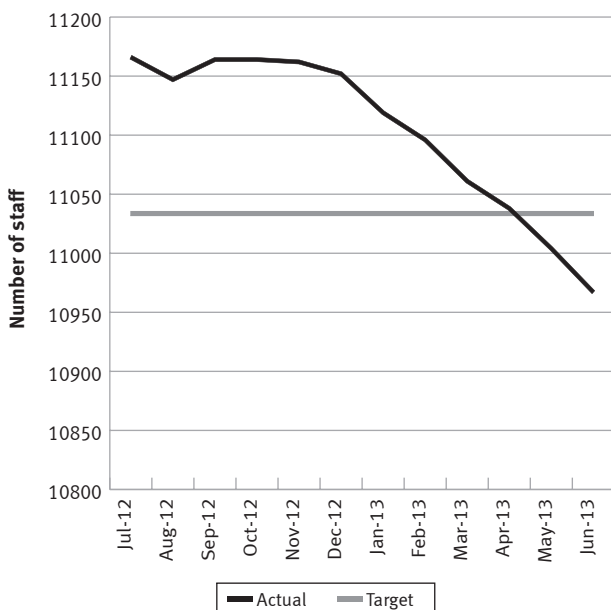
A sustainable, high quality workforce to meet future health needs

Attract, develop and support a high quality workforce

Metro South Health has worked to ensure its workforce is responsive and aligned with strategic direction, clinical activity and financial targets in 2012–2013. This included a reduction of Mandatory Obligatory Human Resources Information (MOHRI) full time equivalent (FTE) staff to meet requirements outlined in the 2012–2013 service agreement.

Performance against the MOHRI target is shown below. Overall, Metro South Health reduced its MOHRI FTE by 710 in 2012–2013.

Figure 11: Year to date average MOHRI full time equivalent staff



Build and maintain a positive and productive workplace where staff can perform at their best, are acknowledged and supported

Best Practice Australia employee engagement surveys were undertaken in at Princess Alexandra Hospital (PAH) in 2011 and at Redland Hospital and Wynnum Health Service in 2012. Both PAH and Redland-Wynnum have shown an upward trend over the past few years in employee levels of engagement and culture. The survey will be rolled out to all Metro South Health staff in late 2013.

In 2012–2013 financial year, two health service-wide management programs and one leadership program were held. Discipline specific management and leadership programs are also continuing.

Metro South Health had 581 advertised vacancies in the period July 2012 to May 2013, with a total of 13,800 applicants—an average of 24 applicants per position.

Industrial disputation remains very low despite significant organisational change occurring throughout 2012. There have been a total of nine separate industrial disputes in 2012–2013, with no adverse findings against Metro South Health.

Teaching and research—supporting research and translation of this into improved health outcomes for patients

Optimise research partnerships to build capacity and attract funding

Significant partnerships are in place with the major southern Queensland universities, with Metro South Health having 65 joint appointments in 2012–2013 in a variety of areas and disciplines.

A highlight is the collaboration with Diamantina Health Partners, which is focused on delivering improved and more cost-effective treatments through integration and innovation of research, clinical enablers and technologies.

Ensuring the best use of allocated resources

Ensure a smooth transition to the new national health funding system

Targeted actions have resulted in improvement in both the accurate coding of clinical activity and procurement costs as evidenced in the graphs opposite. Currently, coding for clinical activity is completed within the Metro South Health target of 15 days. There is currently no easily identifiable coding accuracy measure to establish our performance within five per cent coding accuracy.

Reduction in clinical procurement costs has been achieved in 2012–2013 through the following:

- A centrally controlled catalogue unit managing the electronic imprest system, ensuring that clinical products used are consistent and purchased under standing offer arrangements.
- Consolidation of purchase orders to enable better bulk purchasing discounts from suppliers, and better management of standing offer arrangement compliance.
- Consolidation of freight deliveries (pallets instead of cartons, improving the goods inwards movement flow) has reduced freight cost.
- The review of inbound and outbound freight arrangements and the consolidation of freight from Sydney and Brisbane has reduced freight costs significantly using leverage of scale.

Manage the growth in per capita health expenditure to ensure that health services and outcomes in Queensland are both affordable and sustainable

Under the activity based funding model, weighted activity units (WAU) provide a common unit of comparison for all clinical activities so that hospital activity can be measured and costed consistently. The cost per WAU in Metro South Health activity based funded facilities is \$4390 (below the 2012–2013 target of \$4469), and is \$118 less than the previous financial year. At the end of 2012–2013 year Metro South Health’s year-to-date operating position was \$19.989 million in surplus.

Figure 12: Number of days to complete clinical coding

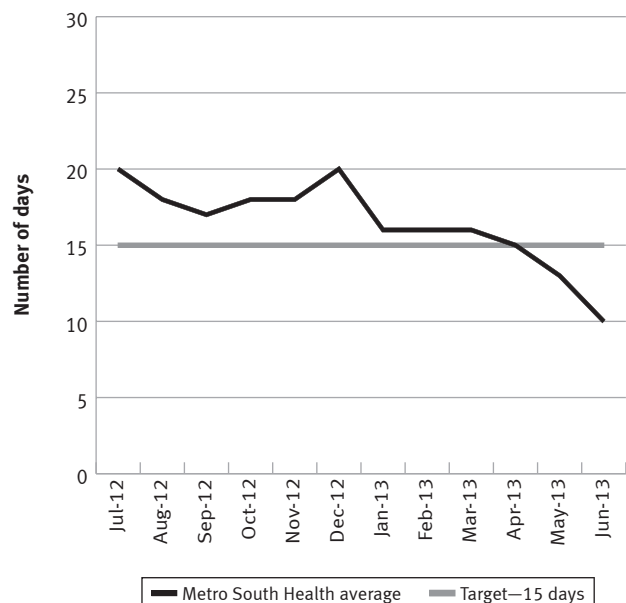
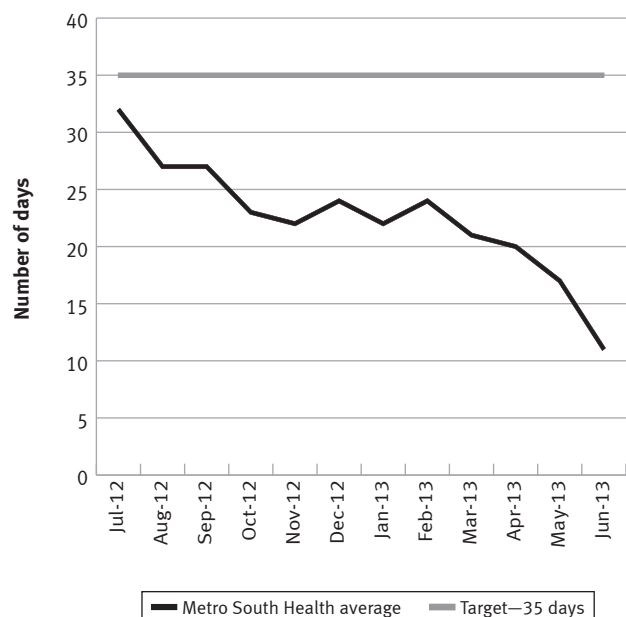


Figure 13: Number of days to submit data to the Department of Health’s data collection unit



Improve the management of health budgets and finances

Finance staff within Metro South Health have a variety of skill development opportunities available to them. Online and classroom training is available for users of the Finance and Materials Management Information System (FAMMIS), the Decision Support System (DSS) and the Budget Planning Tool system (including both initial training and ongoing use). Online self-paced training modules are also available on subjects such as goods and services tax, accounting basics, corporate card, internal control training and fraud awareness.

Revenue training and updates on relevant information is provided by the Metro South Health revenue manager directly to facility managers at monthly meetings. Staff also have the opportunity to attend external training courses or conferences to develop their networks and knowledge.

In 2012–2013, Metro South Health made some significant improvements in own source revenue identification and processes, particularly in the area of outpatient private practice billing. This resulted in a surplus of \$18.9 million above the 2011–2012 financial year and a \$4.8 million surplus to the total own source revenue budget.

Ensure that critical health infrastructure projects are delivered on time, within budget and with value for the taxpayer

Metro South Health has continued to work in partnership with the Department of Health's Health Infrastructure Branch and private-sector contractors during 2012–2013, to progress infrastructure projects with total project budgets in excess of \$250 million across Metro South Health facilities. These new and upgraded facilities and equipment will increase Metro South Health's capacity to provide health services, research and education, providing significant value to our community.

The Logan Hospital redevelopment (\$145 million) and QEII Hospital expansion (\$37 million) continue to progress within allocated budgets and towards completion as planned in 2014.

A number of other health infrastructure developments have been completed during 2012–2013, adding to Metro South Health's service capacity and capabilities. Completed projects included the expansion of Redland Hospital's emergency department (\$13.6 million); construction of the new Southern Queensland Centre of Excellence for Aboriginal and Torres Strait Islander Primary Health Care (\$7 million); and Princess Alexandra Hospital's vascular hybrid operating theatre (\$3 million). Work is also continuing on a number of mental health projects including new community care units at Logan Central (\$6.9 million) and Redland Bay (\$9.4 million), and a new adult inpatient unit at Logan Hospital (\$15.4 million).

Major equipment replacements totalled more than \$10 million in 2012–2013, including a linear accelerator and three computerised tomography scanners.

A significant boost to health research and education infrastructure has also been delivered with the completion of the Translational Research Institute and Biopharmaceuticals Australia facilities on the PAH campus.

Promote and market our world-class health service—locally, nationally and internationally

Promote and market our world-class health service – locally, nationally and internationally

Metro South Health has a dedicated media and communications team that manages all aspects of media relations, web, marketing, and service-wide communication to both internal staff and the general public. A key focus for this team in 2012-2013 was the development of a strong media profile to:

- establish the Metro South Health brand as a new HHS and to build a reputation for innovation and the highest standard of healthcare delivery
- establish positive, open relationships with media outlets and ensure issues are presented accurately and with balance.

Despite significant organisational change, Metro South Health has maintained a strong media profile throughout the financial year. An analysis of the year’s media coverage showed that 26 per cent of all media activity was classified as positive while only 18 per cent was negative. There was also a large amount of neutral coverage (56 per cent) due to ongoing interest in high-profile patients.

Communications strategies and media issues management are ongoing to inform the community and to protect the Metro South Health brand during significant changes to services such as the closure of the Moreton Bay Nursing Care unit, changes to services at Wynnum and the re-introduction of birthing services to Beaudesert. Key proactive achievements include exceptionally improved relationships with community newspapers, greater provision of Metro South Health staff for expert media comment, increased media stories featuring research and the introduction of standardised websites for each facility showcasing services and achievements. Metro South Health now provides input to, and features regularly, on the Department of Health’s Facebook site.

Metro South Health is committed to communicating openly and effectively throughout all levels of its workforce. A suite of internal and external communications materials were tailored and distributed to accompany all reviews and reforms of Metro South Health services and units in this financial year. Ongoing work is also being undertaken to market the health service as an employer of choice. During the period July 2012 to May 2013, the health service had a total of 13,800 applicants to 581 vacancies, an average of 24 applicants per position.

Figure 14: Tone of media coverage

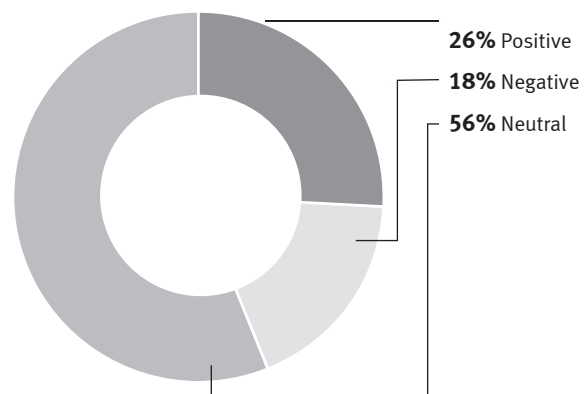
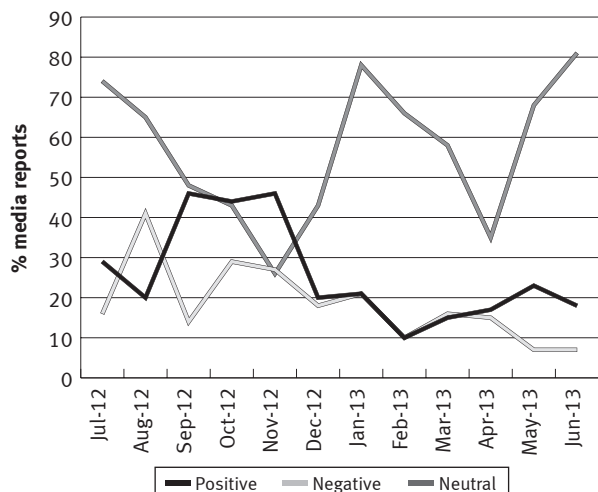


Figure 15: Tone of media coverage over time



Optimise the use of technology

Increase the use of technological advances to improve the efficiency, effectiveness and quality of health services

Metro South Health has implemented a number of projects during 2012–2013 to deliver better health services through the use of technology.

Overtime Recording and Fatigue Leave Management System

An overtime recording and fatigue leave management system has been developed and implemented by the Clinical Informatics and Technology Services (CITS) team in conjunction with the medical executive. The system is designed to assist medical managers to effectively use and manage resources to meet clinical demand. It enables them to visualise trends in overtime so that strategies can be developed to minimise cost to the organisation as well as gaps in service delivery due to clinicians being unable to attend rostered shifts due to fatigue leave. Benefits include reductions in unrostered overtime and reductions in hours worked without an appropriate fatigue break.

Pathology Utilisation Medical Program

The Pathology Utilisation Medical Program (PUMP) was implemented across Metro South Health in 2012–2013. PUMP provides staff with support material to manage and monitor pathology activity and decrease the number of unnecessary tests being ordered.

Recording All Facility Transport

The Recording All Facility Transport (RAFT) system has been developed by Metro South Health to meet an increasing requirement to manage the costs of patient transport. RAFT has been implemented at all Metro South Health hospitals and is now utilised by the Queensland Ambulance Service with transport activity logged via the system directly. This has delivered a significant financial saving to the health service. Benefits include improved accuracy in the allocation of appropriate non-urgent transport type, a central record of all non-urgent transport, and improved approval rate of non-urgent transport.

Integrated Electronic Medical Record

Metro South Health through the Princess Alexandra Hospital has its own clinically-led project team to manage the implementation of the the Integrated Electronic Medical Record (ieMR). Input from all units across the hospital is managed through site reference group change leads and their ‘change champions’.

The ieMR program will be rolled out in a phased approach to ensure the solution is implemented effectively. Most importantly this approach will give the sites the ability to better absorb the change and minimise risk.

Release 1 is the first phase of the ieMR solution rollout, and will implement scanning functionality and the foundations of the system on which the subsequent releases will build.

Release 1 includes:

- document scanning:
 - single patient record—incorporates all information for the same patient, from all ieMR sites into the one record
 - clinical forms are barcoded
 - implementation of a statewide order of filing in health records
 - scan at end of current episode of care
 - no back-scanning
- code build:
 - establishing the foundation of the system for all releases including patient locations and user security.

Service agreement—key performance indicators

The following table contains performance against the mandatory key performance indicators defined in Metro South Health's service agreement with the Department of Health.

KPI	Description	Target	Actual
Safety and Quality			
<i>Never events</i>	■ Intravenous gas embolism resulting in death or neurological damage	0	0
	■ Retained instrument/other material requiring intervention	0	1
	■ Procedures involving wrong patient or body part	0	0
	■ Bed rail entrapment	0	0
	■ Haemolytic blood transfusion	0	0
	■ Infant discharged to the wrong family	0	0
	■ Hospital acquired 3rd and 4th stage pressure injuries	≤ 3 (5% of 2010-11 actuals)	18
	■ Healthcare-associated Staphylococcus aureus (including MRSA) bacteraemia	≤ 12 (20% of 2010-11 actuals)	56
	■ Proportion of the defined target number of women screened (for BreastScreen Queensland for the defined catchment areas in a given financial year)	95%	96%
Access			
<i>National Emergency Access Target</i>	■ % of ED attendances who depart within 4 hours of their arrival in emergency department	2012: 70% 2013: 77%	2012: 69% 2013: 72%
<i>Emergency Department: % seen within recommended timeframe</i>	■ All categories	80%	71%
	■ Category 1 : within 2 minutes	100%	100%
	■ Category 2 : within 10 minutes	80%	87%
	■ Category 3 : within 30 minutes	75%	63%
	■ Category 4 : within 60 minutes	70%	71%
	■ Category 5 : within 120 minutes	70%	91%
	■ Patient Off Stretcher Time (POST) : < 30 mins	90%	80%
<i>Elective Surgery : % treated within the clinically recommended timeframe for their category</i>	■ Category 1 : within 30 days	2012: 89% 2013: 100%	2012: 95% 2013: 90%
	■ Category 2 : within 90 days	2012: 81% 2013: 87%	2012: 85% 2013: 75%
	■ Category 3 : within 365 days	2012: 91% 2013: 94%	2012: 81% 2013: 85%

<i>Elective Surgery : Number of patients waiting more than the clinically recommended timeframe for their category</i>	■ Category 1 : within 30 days	0	63
	■ Category 2 : within 90 days	0	1,997
	■ Category 3 : within 365 days	0	870
	■ Activity : variance between purchased Activity Based Funded activity and year-to-date recorded Activity Based Funded activity	0% to +/- 1%	2.00%
Efficiency and financial performance			
	■ Year to date operating position	Balanced or Surplus	Surplus \$19.989M
	■ Full-Year Forecast Operating Position	Balanced or Surplus	Surplus \$19.989M
	■ Own Source Revenue Budget	Balanced or Surplus	Deficit \$1.77M ¹
	■ Year to date average FTE (MOHRI headcount)	11,042	10,967
Closing the Gap			
<i>Achievement of Closing the Gap escalation indicators contained within Schedule 8 of the Service Agreement</i>	■ Estimated level of completion of Indigenous status - specifically the reporting of 'not stated' on admission	< 1%	0.73%
	■ Percentage of in-scope separations of Aboriginal and Torres Strait Islanders consumers from the health service's acute mental health inpatient unit(s) for which a community ambulatory service contact, in which the consumer participated (in person or videoconference), was recorded in one to seven days immediately following that separation.	55%	67%
	■ The proportion of Aboriginal and Torres Strait Islander patients who discharged themselves against medical advice	Q1: 3.38% Q2: 2.85% Q3: 2.31% Q4: 1.77%	Q1: 3.6% Q2: 3.1% Q3: 2.8% Q4: 2.6%
	■ Percentage of Aboriginal and Torres Strait Islander cultural practice program participants by facility	20%	6.13%
	■ Total achievement of Closing the Gap escalation indicators	50%	50%
Mental Health and Alcohol and Other Drug Treatment Services			
<i>Achievement of Mental Health and Alcohol and Other Drug Treatment Services escalation indicators contained within Schedule 9 of the Service Agreement</i>	■ Ambulatory service contacts	100%	122%
	■ Ambulatory service contacts: duration (hours)	100%	79%
	■ Extended treatment facility and psychiatric hospital beds (accrued patient days in block funded mental health facilities)	95%	93% ²
	■ Closure of Alcohol and Other Drugs Services client intake	< 2 weeks	Unable to report
	■ Total achievement of Mental Health and Alcohol and Other Drug Treatment escalation indicators	67%	33%

Notes:

1. Own source revenue figure does not include other revenue.
2. Does not include Wisteria Unit (Casuarina Lodge) after January 2013.

Financial highlights

Metro South Health has achieved a financial surplus of \$19.989 million for the year ending 30 June 2013. This represents a 1.1% variance against its revenue base of \$1.8 billion.

The result contains \$19.6 million of one-off gains from services and a further \$7.8 million of timing issues relating to research and donated funds that will be spend in subsequent years.

Removing these distortions, it shows that the underlying financial operating result for Metro South Health remains challenging in a constrained funding environment. However, the result was extremely pleasing given the large amount of savings initiatives that the health service successfully delivered to respond to the required productivity and efficiency targets contained in its funding agreement.

It is also important to note that the financial result was achieved while Metro South Health is facing growing demands on its services. These demand pressures arise from increasing chronic conditions (such as diabetes, respiratory and cardiovascular disease) and from a growing and ageing population base.

Metro South Health delivered a range of services at levels 1.8 per cent higher than it is funded for, which demonstrates the value the health service is providing to its local communities.

Income

Metro South Health's income includes operating revenue, which is sourced from three major areas:

- State government grants
- Australian government grants
- own-source revenue.

Figure 16 details the extent of these funding sources for 2012–2013. Metro South Health's total income was \$1.8 billion. The activity based funding for hospital services was 77 per cent or \$1.38 billion, block funding was 7 per cent or \$123.8 million, other grants funding was 10 per cent or \$171.6 million for health services, own source revenue was 6 per cent or \$108.5 million and other revenue was 1 per cent or \$19.5million. The grant funding was predominantly from State government (71.3 per cent) and Australian Government (28.1 per cent).

Figure 16: Revenue by funding

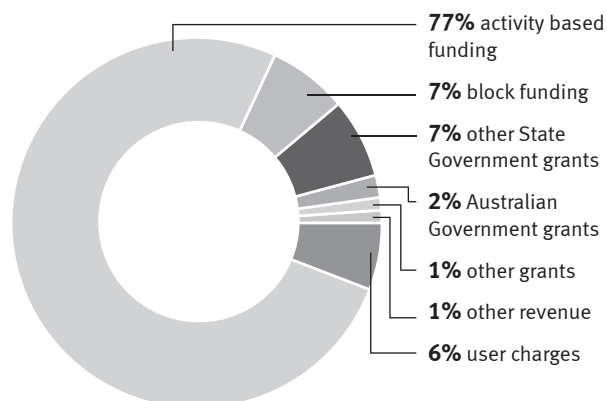
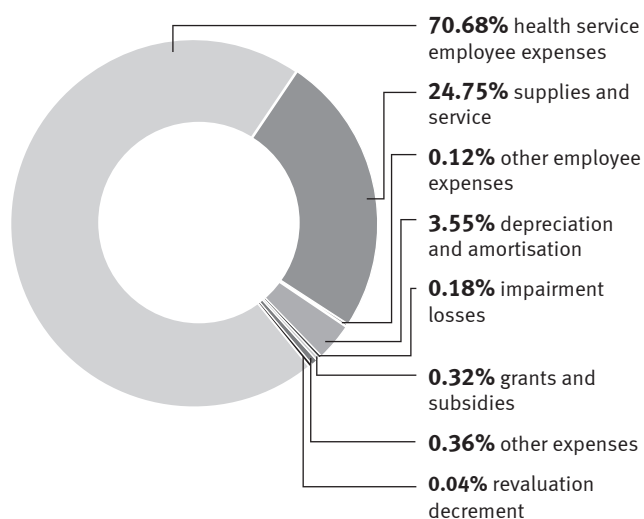


Figure 17: Expenses 2012–2013



Expenses

The total expenses were \$1.783 billion averaging at \$4.885 million a day for providing health services. Figure 17 provides a breakdown of expenditure to the main categories.

Metro South Health's main expenditure was health service employee expenses (70.7 per cent) and supplies and services (24.8 per cent) supporting health services. Depreciation/amortisation of Metro South Health assets is 3.55 per cent, representing the consumption of a \$1.06 billion asset portfolio. Metro South Health has implemented significant cost saving initiatives during the financial year resulting in reduction of expenditure during the year.

In addition to the above Metro South Health has invested in its asset portfolio of \$38.6 million funded predominantly from State funding.

Comparison of actual financial results with budget

Metro South Health's actual result in comparison to its budget as published in the *State Budget Papers 2012–2013 Service Delivery Statements* are presented in the following tables with accompanying notes.

	Notes	2012–2013 actual \$'000	2012–2013 budget \$'000	Variance %
Income				
User charges	1	108,506	102,827	6%
Grants and contributions	2	1,675,096	1,532,826	9%
Other revenue	3	19,396	2,500	676%
Gains		143	–	n/a
Total income		1,803,141	1,638,153	10%
Expenses				
Employee expenses	4	2,075	989	110%
Health service employee expenses	5	1,260,411	1,130,712	11%
Supplies and services		441,375	441,506	0%
Grants and subsidies	6	5,695	3,816	49%
Depreciation and amortisation	7	63,214	54,071	17%
Impairment losses	8	3,266	1,647	98%
Revaluation decrement	9	772	–	n/a
Other expenses	10	6,344	5,412	17%
Total expenses		1,783,152	1,638,153	9%
Operating result		19,989	–	n/a

Notes

- The increase in user charges is predominantly due to revenue maximisation initiatives with patient fees and right of private practice revenues.
- The increase in grants is predominantly due to amendments to the Service Agreement between Metro South Health and the Department of Health (DOH) for the transfer of new services to Metro South Health. These included the Medical Aids Subsidy Scheme, Queensland Artificial Limb Service, Organ and Tissue Services and the Public Health Unit. In addition to this, Metro South Health was reimbursed for all voluntary redundancy pay outs in 2012-13 by Queensland Treasury and Trade.
- The increase in other revenue is predominantly due to the reimbursement of joint appointment costs with a change in accounting treatment as these were budgeted as an offset to expenditure.
- The higher than budgeted employee expenses includes executives and board remuneration.
- The increase in health service employee expenses are due to transfer of a number of services to Metro South Health from DOH. These include the Medical Aids Subsidy Scheme, Queensland Artificial Limb Service, Organ and Tissue Services and the Public Health Unit. Additionally, joint appointment costs are captured here with the budget assuming cost reimbursement. The actual cost offset was applied to other revenue due to a change in the accounting treatment of these reimbursements.
- The increase in grants expense is due to new funding arrangements including the commitment to the Centre of Excellence for Head and Neck Cancer.
- The increase in depreciation is due to the review of useful life of the building and medical equipment portfolio including increased depreciation charges of \$6.8 million relating to the Moreton Bay Nursing Care Unit which has closed.
- The increase in impairment losses is due to a review of the debt collectability of Metro South Health hospital fees predominantly relating to overseas patients.
- The revaluation decrement is due to the impact of the land valuation.
- The increase in other expenses is spread across various categories and includes increases in costs with interpreter services and legal fees from various reform initiatives.

Statement of financial position as at 30 June 2013

	Notes	2012–2013 actual \$'000	2012–2013 budget \$'000	Variance %
Current assets				
Cash and cash equivalents	11	81,687	45,682	79%
Receivables	12	49,780	27,381	82%
Inventories		12,638	12,656	0%
Other	13	1,355	1,992	-32%
Total current assets		145,460	87,711	66%
Non-current assets				
Intangibles		570	781	-27%
Property, plant and equipment	14	1,061,771	1,177,553	-10%
Other		17	-	n/a
Total non-current assets		1,062,358	1,178,334	-10%
Total assets		1,207,818	1,266,045	-5%
Current liabilities				
Payables	15	105,907	65,210	62%
Accrued employee benefits		91	19	379%
Other liabilities	16	577	-	n/a
Total current liabilities		106,575	65,229	63%
Total liabilities		106,575	65,229	63%
Net assets		1,101,243	1,200,816	-8%
Equity				
Contributed equity				
Retained surpluses	17	1,048,900	1,189,042	-12%
Asset revaluation surplus	18	19,989	-	n/a
Total equity	19	32,354	11,774	175%
		1,101,243	1,200,816	-8%

Notes

11. The increase in cash is due to net cash used in operating activities.
12. The increase in receivables is predominantly due to increases in grants funding receivable from the Department of Health.
13. The decrease is due to less than budgeted prepaid goods and services.
14. The decrease in property, plant and equipment is predominantly due to less than budgeted capital acquisition (timing of capital works completion) offset by an increase due to the revaluation of buildings.
15. The increase in payables is predominantly due to health service employee expenses accruals resulting from the Department of Health moving pay dates out.
16. The increase in other liabilities is due to hospital fees received in advance.
17. The decrease in contributed equity is due to difference in the opening balance transfer from the Department of Health under the National Health Reform.
18. The increase in retained surplus is due to the end of year result.
19. The increase in asset revaluation surplus is due to the result of the revaluation of buildings.

Our people

Metro South Health recognises that investing in people to promote a better workforce culture means the organisation will be able to overcome challenges and continue to provide high quality care for the community.

Our workforce

Metro South Health employs over 10,000 full time equivalent staff. The headcount at June 2013 of our staff included:

- 5,589 nurses
- 1,741 doctors including visiting medical officers
- 1,696 health practitioners and technical officers
- 1,797 operational officers
- 1,925 managerial and clerical officers
- 80 trades and artisans.

Listening to our staff

Every two years for the past decade, Princess Alexandra Hospital has been conducting employee surveys to measure the overall culture and engagement levels of staff and identify potential improvements for the professional working environment. The 2011 survey, conducted by researchers Best Practice Australia, demonstrated significant improvements in many areas including:

- 71 per cent of staff said Princess Alexandra Hospital was a 'truly great place to work'
- 50 per cent of staff said they felt engaged with the organisation (up from 30 per cent in 2000)
- PAH rated extremely well in overall employee engagement levels when benchmarked against similar organisations.

In late 2013, Metro South Health will roll out the survey to all facilities and services within the organisation.

Workforce profile

The demand for medical, nursing and allied health practitioners in Queensland is forecast to increase by 50 per cent by 2024. Metro South Health is faced with the challenge of recruiting and retaining this workforce to meet service demands.

Metro South Health will also be affected by the opening of both the Gold Coast University Hospital in 2013 and the new Queensland Children’s Hospital in 2015. These new hospitals will create significant additional employment opportunities for the health workforce in the south east corner of Queensland. Metro South Health will be required to compete with these new hospitals to recruit and retain the necessary workforce.

Significant capital and service expansion across several Metro South Health facilities will also have an impact on workforce requirements. Emergency department expansions at Logan and QEII hospitals, as well as a range of service expansions at all other hospitals, will increase our capability and capacity needs.

Analysis of current workforce demographics

Analysis of the current workforce and key trends provides important information for projecting future workforce requirements:

- The total number of Minimum Obligatory Human Resource Information (MOHRI) full time equivalent (FTE) staff (excluding external, casuals that did not work in the fortnight and employees on extended unpaid leave) at fortnight ending 23 June 2013 was 10,475.23.
- The MOHRI headcount (employees that are active and paid in the Queensland Health payroll system) at fortnight ending 23 June 2013 was 12,490.
- Metro South Health employed 983 new staff in the 2012–2013 year to 23 June 2013, and had a permanent retention rate of 87.47 per cent.
- 70.68 per cent of the current workforce are clinical with the remaining 29.32 per cent representing administrative and supporting workforces.

Turnover and length of service

In 2012–2013, 2277 Metro South Health staff separated from the organisation.

This equates to a turnover rate of 18.23 per cent and a permanent separation rate of 12.74 per cent.

Figure 19: Employees by professional stream

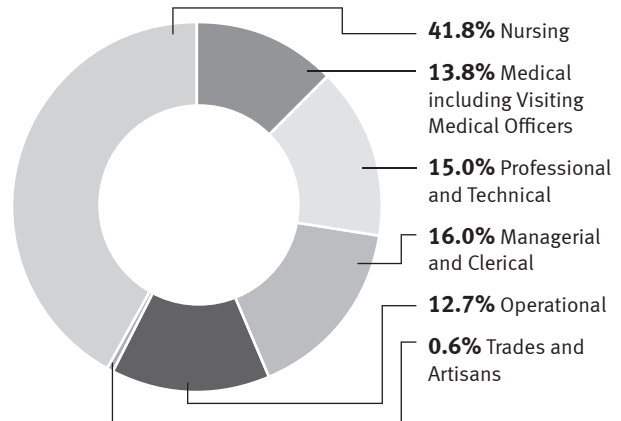
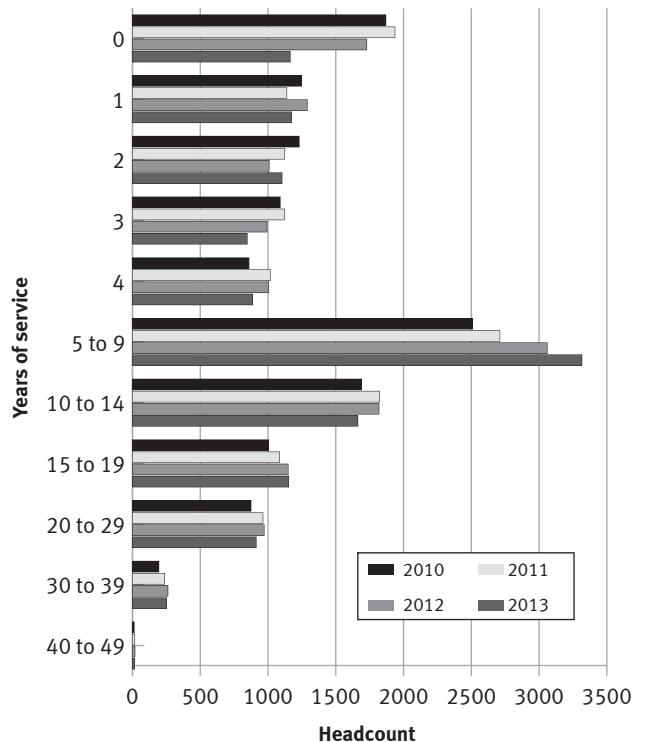


Figure 20: Trend in length of service bands



Generational diversity

Recent census data (Australian Bureau of Statistics, 2011) highlights an ageing workforce and limited supply into the future. Therefore, Metro South Health is dedicated to appropriately managing generational diversity in the workplace:

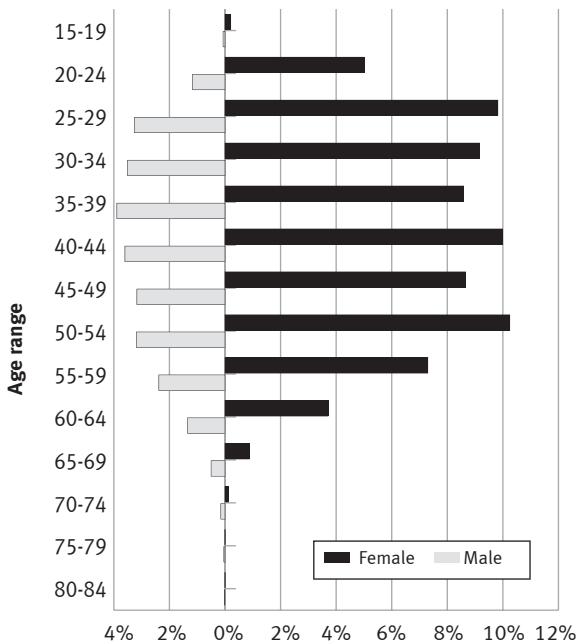
- Health-service wide, the median age is 42 years
- The highest proportion (42.75 per cent) of our staff are generation X
- Baby boomers make up 32.75 per cent
- Generation Y equate to 23.67 per cent
- Silent generation is 0.79 per cent
- Generation Z (iGen) is 0.04 per cent.

Equal employment opportunity

As a total percentage, women comprise of 73.85 per cent of the workforce. Women represent:

- 86.82 per cent of the nursing workforce
- 37.39 per cent of the medical workforce
- 76.28 per cent of the allied health workforce
- 69.97 per cent of the non-clinical workforce.

Figure 21: Percentage of male and female employees by age



As of June 2013, 0.97 per cent of staff employed in the Metro South Health identify themselves as an Aboriginal and/or Torres Strait Islander. This compares to approximately 2 per cent of the population in the Metro South Health catchment area. Continuing efforts are required to achieve the HHS Service agreement 2012–2013 target of 1.09 per cent.

As of June 2013, 16.68 per cent of Metro South Health staff identified themselves as being from a non-English speaking background.

Unscheduled leave

The unscheduled leave rate (verses occupied full time equivalent staff) for the 2012–2013 year was 2.15 per cent meaning, on average, staff took 5.6 days off as unplanned leave.

This has decreased from 2.18 per cent in the 2011–2012 year where on average staff took 5.7 days unscheduled leave. Unscheduled leave is inclusive of sick leave, family leave and special leave.

Monitoring workforce performance

Metro South Health monitors key workforce indicators such as overtime, sick leave and vacancy management. The health service has also developed professional scorecards with key workforce data measured on a monthly basis. These scorecards are in place across all facilities for the purpose of monitoring trends and taking corrective action if required.

Occupational health and safety

In April 2013, a health and safety audit was undertaken across Metro South Health by an external assessors, The Brief Group. The audit examined all elements of health and safety consistent with the requirements of the *Australian health and safety standards* and the prescribed Queensland Government standards. Metro South Health was assessed as compliant with the Australian standard and received a commendation in the auditor's final report.

Injury management

One of Metro South Health’s key focus areas in 2012–2013 was managing the prevalence of incidents resulting in injury to staff, the associated impact on the injured worker, the impact on the workplace and the associated costs.

Action taken to improve the management of injured employees—in addition to mitigating the consequences of the voluntary redundancy program—included a reorganisation of the workforce services structure to develop traditional human resource management and occupational health and safety skills in all practitioners. A specific injury management procedure has been introduced to focus attention on this issue.

Figure 22: Reported incidents vs lost time injuries

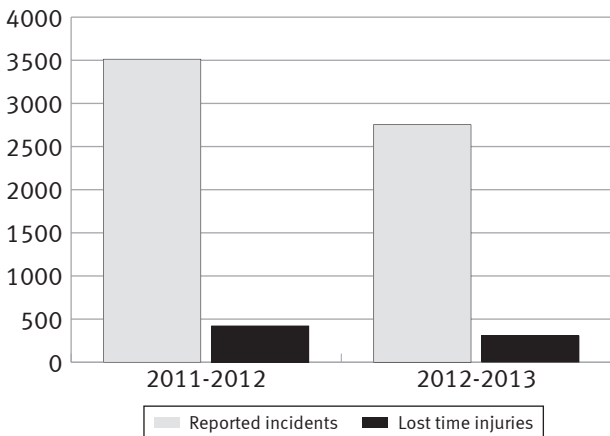
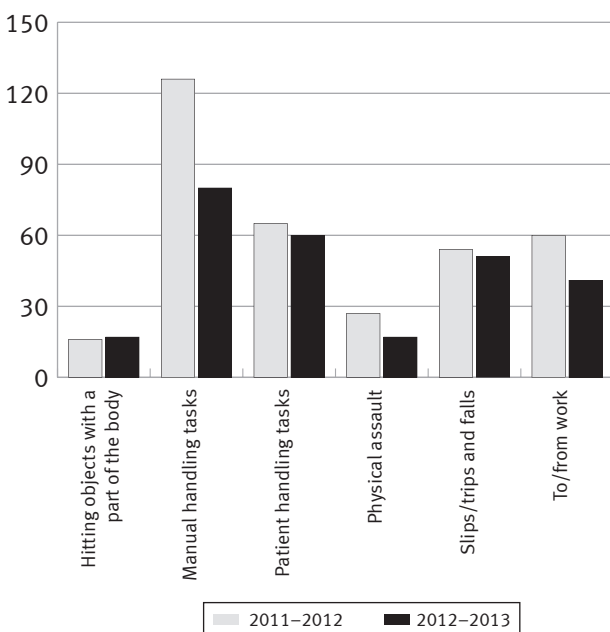


Figure 23: Lost time injuries—key risks



Workforce planning, attraction and retention and performance

Metro South Health has developed a comprehensive workforce strategy to provide direction for its commitment to attract and retain a workforce of skilled health professionals, to support the service’s role as a leader in health care delivery and ensure it is placed in a strong position to meet further challenges.

The Metro South Health *Strategic Workforce Plan 2012–2017* is a five-year plan that provides a vision for the health service to promote systematic improvement in our health workforce and reliable information to support the addressing of immediate and future health workforce needs. It focuses on responding to changes to support the requirements in service delivery and also expanding the capacity of the workforce.

The *Strategic Workforce Plan* is strategically aligned to Metro South Health’s vision, priorities and objectives. The targeted priorities and strategies outlined in the document are supported by strong leadership and engagement with employees to maintain our commitment to be an employer of choice. The plan’s major strategies are:

- Ensure the workforce is responsive and aligned to clinical activity and financial targets.
- Develop and enhance workforce capability and flexibility.
- Establish and maintain a supportive culture.
- Enhance management and leadership capacity.
- Develop and enhance cultural and generational diversity.

This *Strategic Workforce Plan* is regularly reviewed and updated as required. The initial plan was updated in 2012–2013 to reflect significant organisation changes, including full-time equivalent (FTE) staff reduction targets, resulting from the new government direction.

The *Strategic Workforce Plan* focuses on four key, strategic directions which embrace an effective performance management framework, staff development and recognition, and flexible working arrangements for staff. They include:

1. Building capacity through:
 - education alignment
 - recruitment realignment
 - evidence based decision making

- workforce policies.
- 2. Boosting productivity through:
 - Reform agenda
 - Evidence based practice.
- 3. Improving distribution through:
 - Workforce planning alignment to service planning
 - Reshaping the workforce.
- 4. Risk management through:
 - Focussed risk management and decision making.

Management and leadership programs

Management and leadership is a significant feature of a health service-wide review of education and training currently underway. Programs continue to operate with 10 courses provided in 2012–2013 accommodating approximately 200 line managers.

Management Program

Metro South Health has developed a management program that runs over nine days. It includes a total of 19 modules covering topics that are specific to working in the health care environment. The modules are delivered by both internal and external providers. The program includes opportunities for application of learning and networking to improve ongoing embedding of skills.

Topics covered include:

- corporate strategy and its implementation
- management skills
- developing staff (performance appraisal and development)
- courageous conversations
- managing conflict and grievances
- managing performance
- managing attendance
- occupational health and safety manager's training
- managing staff health
- critical thinking
- recruitment and selection
- facilitating effective meetings
- industrial relations framework and human resources delegations
- cost centre management
- team building
- quality improvement
- implementing and managing change.

Leadership Program

Metro South Health has developed a leadership program that runs over a six-month period and builds on the skills acquired in the management program. The program is coordinated by Metro South Health and is delivered by external providers. The program starts with three workshops run over four days which cover the following modules:

- inspiring leadership (two-day workshop)
- personal qualities (one-day workshop)
- coaching skills for leaders (one-day workshop).

The program includes tutorials which cover:

- coaching principles
- holding people to account
- emotional intelligence and personality
- motivating and engaging staff
- being a role model
- delegating, giving feedback and difficult conversations
- work-life balance.

Flexible working arrangements

Metro South Health has adopted, developed and implemented a range of policies and procedures to promote flexible working arrangements for staff of all categories and levels. These include:

- flexible and robust recruitment and selection
- shift work allowances and penalties
- telecommuting
- special leave
- carers leave
- bereavement leave
- parental leave
- long service leave
- time off in lieu
- annual/recreation leave
- overtime
- sick leave
- fatigue leave following weekends and/or rostered days off
- learning and development initiatives
- the Study and Research Assistance Scheme
- professional development packages for doctors, nurses and health practitioners
- conference leave arrangements.

Promotion of these policies occurs through the following avenues:

- role descriptions
- consultative forums
- orientation and induction
- professional development and appraisal
- workforce services unit
- staff forums
- relevant meetings and committees
- promotion via intranet sites and communication publications.

In addition, all new staff undertake a detailed orientation program which outlines these activities, opportunities and entitlements.

Performance management

Metro South Health has developed a responsive performance management framework that is articulated and confirmed at the point of engagement and remains a feature of the employment cycle.

The Executive Management Team have identified key performance indicators negotiated with the Health Service Chief Executive and reviewed regularly.

Performance management and development of staff is undertaken at the workplace level on a regular basis. Plans include generic provisions and those relevant to the category of staff. These plans are industrially compliant and regularly reviewed.

Alignment to financial and strategic planning

A significant reform agenda incorporating key targeted workforce strategies was implemented in 2012–2013 to support financial saving strategies and boost productivity to ensure achievement of critical hospital and health service key performance indicators.

Metro South Health has, and will continue to, review and reform various areas of the organisation as an initial step to realign the workforce to meet our financial and service requirements. This process assists to effectively achieve right sizing of the organisation by examining efficiency opportunities by preparing the organisation for contestability where appropriate.

Key reforms completed in 2012–2013 included:

- Community and Primary Health Services – resulting in the closure of the Moreton Bay Nursing Care Unit, the transfer of service responsibility for Home and Community Care services to non-government providers, and the full integration of the Community and Primary Health workforce into acute hospital structures.
- Education, Training and Professional Development – leading to implementation of a new governance model and prioritisation of core activities.
- Finance Services and Oral Health Services reviews – leading to the establishment of new service structures, commencement of service consolidation and corresponding workforce realignment.
- Building and Maintenance Services – leading to major restructure of the existing workforce.

Early retirement, redundancy and retrenchment

A program of redundancies was implemented during 2012–13. During the period, 822 employees received redundancy packages at a cost of \$40.614 million. Employees who do not accept an offer of a redundancy are offered case management for a set period of time, where reasonable attempts are made to find alternative employment placements. At the conclusion of this period, and where it is deemed that continued attempts of ongoing placement are no longer appropriate, employees yet to be placed are terminated and paid a retrenchment package. However, during the period, no Metro South Health employees received retrenchment packages.



Financial statements

Statement of Comprehensive Income	68	Notes to the Financial Statements	72
Statement of Financial Position	69	Management Certificate	107
Statement of Changes in Equity	70	Independent Auditor's Report	108
Statement of Cash Flows	71		

General information

The Metro South Hospital and Health Service was established on the 1 July 2012 as a Queensland Government statutory body under the *Hospital and Health Boards Act 2011*. The Metro South Hospital and Health Service operates under its registered trading name of Metro South Health.

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

The head office and principle place of business of Metro South Health is:

2404 Logan Road
Eight Mile Plains Q 4113

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

For information in relation to Metro South Health's financial statements visit the Metro South Health website:

www.health.qld.gov.au/metrosouth
or email: **MD05-MetroSouthHSD@health.qld.gov.au**

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

Metro South Health
Statement of Comprehensive Income
For the year ended 30 June 2013

	Notes	2013 \$'000
Income from continuing operations		
User charges	4	108,506
Grants and other contributions	5	1,675,096
Other revenue	6	19,396
Total revenue		<u>1,802,998</u>
Gains	7	143
Total income from continuing operations		<u>1,803,141</u>
Expenses from continuing operations		
Employee expenses	8	2,075
Health service employee expenses	9	1,260,411
Supplies and services	10	441,375
Grants and subsidies	11	5,695
Depreciation and amortisation	12	63,214
Impairment losses	13	3,266
Revaluation decrement	14	772
Other expenses	15	6,344
Total expenses from continuing operations		<u>1,783,152</u>
Operating result for the year		<u>19,989</u>
Other comprehensive income		
<i>Items that will not be reclassified subsequently to operating result</i>		
Increase in asset revaluation surplus	25	32,354
Total other comprehensive income		<u>32,354</u>
Total comprehensive income		<u>52,343</u>

The accompanying notes form part of these statements.

Metro South Health
Statement of Financial Position
As at 30 June 2013

Metro South Health **Annual Report** 2012–2013

	Notes	2013 \$'000
Current assets		
Cash and cash equivalents	16	81,687
Receivables	17	49,780
Inventories	18	12,638
Other	19	1,355
Total current assets		<u>145,460</u>
Non-current assets		
Intangible assets	20	570
Property, plant and equipment	21	1,061,771
Other	19	17
Total non-current assets		<u>1,062,358</u>
Total assets		<u>1,207,818</u>
Current liabilities		
Payables	22	105,907
Accrued employee benefits	23	91
Unearned revenue	24	577
Total current liabilities		<u>106,575</u>
Total liabilities		<u>106,575</u>
Net assets		<u>1,101,243</u>
Equity		
Contributed equity		1,048,900
Accumulated surplus/(deficit)		19,989
Asset revaluation surplus	25	32,354
Total equity		<u>1,101,243</u>

The accompanying notes form part of these statements.

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

	Notes	2013 \$'000
Accumulated surplus/(deficit)		
Balance at the beginning of the financial year		-
Operating result from continuing operations		19,989
Balance at the end of the financial year		<u>19,989</u>
Asset revaluation surplus		
Balance at the beginning of the financial year		-
<i>Total other comprehensive income</i>		
Increase in asset revaluation surplus	25	32,354
Balance at the end of the financial year		<u>32,354</u>
Contributed equity		
Balance at the beginning of the financial year		-
<i>Transactions with owners as owners</i>		
Equity injections		29,297
Equity withdrawals		<u>(63,214)</u>
Net equity injection	36	<u>(33,917)</u>
Net assets received on 1 July 2012*		1,052,557
Non-current assets received	21	30,260
Balance at the end of the financial year		<u>1,048,900</u>
Total equity		<u>1,101,243</u>

*Net assets transferred pursuant to the Hospital and Health Board Act 2011. Refer to Note 3 for details.

The accompanying notes form part of these statements.

	Notes	2013 \$'000
Cash flows from operating activities		
<i>Inflows</i>		
User charges		135,726
Grants and other contributions		1,580,681
Interest received		1,102
GST collected from customers		4,178
GST input tax credits from Australian Taxation Office *		19,121
Health service employee expense recoveries		15,720
Other		954
<i>Outflows</i>		
Employee expenses		(1,984)
Health service employee expenses		(1,232,180)
Supplies and services		(423,008)
Grants and subsidies		(5,759)
GST paid to suppliers		(21,686)
GST remitted to Australian Taxation Office*		(3,545)
Other		(5,377)
Net cash provided by (used in) operating activities	26	63,943
Cash flows from investing activities		
<i>Inflows</i>		
Sales of property, plant and equipment		517
<i>Outflows</i>		
Payments for property, plant and equipment		(38,587)
Net cash provided by (used in) investing activities		(38,070)
Cash flows from financing activities		
<i>Inflows</i>		
Cash transfer 1 July 2012**		26,517
Equity injections	36	29,297
Net cash provided by (used in) financing activities		55,814
Net increase/(decrease) in cash and cash equivalents		81,687
Cash and cash equivalents at the beginning of the financial year		-
Cash and cash equivalents at the end of the financial year	16	81,687

*The GST transactions with the Australian Taxation Office are lodged and managed via the Department of Health.

** Cash transferred pursuant to the Hospital and Health Board Act 2011. Refer to Note 3 for details.

The accompanying notes form part of these statements.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 1	Objectives and strategic priorities of Metro South Health
Note 2	Summary of significant accounting policies
Note 3	Major services, activities and other events
Note 4	User charges
Note 5	Grants and other contributions
Note 6	Other revenue
Note 7	Gains
Note 8	Employee expenses
Note 9	Health service employee expenses
Note 10	Supplies and services
Note 11	Grants and subsidies
Note 12	Depreciation and amortisation
Note 13	Impairment losses
Note 14	Revaluation decrement
Note 15	Other expenses
Note 16	Cash and cash equivalents
Note 17	Receivables
Note 18	Inventories
Note 19	Other assets
Note 20	Intangible Assets
Note 21	Property, plant and equipment
Note 22	Payables
Note 23	Accrued employee benefits
Note 24	Unearned revenue
Note 25	Asset revaluation surplus by class
Note 26	Reconciliation of operating surplus to net cash from operating activities
Note 27	Non-cash financing and investing activities
Note 28	Commitments for expenditure
Note 29	Contingencies
Note 30	Restricted assets
Note 31	Agency and fiduciary trust transactions and balances
Note 32	Arrangements for the provision of public infrastructure by other entities
Note 33	Collocation arrangements
Note 34	Financial instruments
Note 35	Key executive management personnel and remuneration
Note 36	Net equity injection

1 Objectives and strategic priorities of Metro South Health

On 1 July 2012, Metro South Hospital and Health Service (Metro South Health) was established as an independent, statutory body, one of 17 new hospital and health services (HHSs) in Queensland. It is governed by a Hospital and Health Board that is accountable to the local community and the Queensland Minister for Health for its performance.

Metro South Health is responsible for the delivery of public hospital services and other health services within its geographical catchment. It comprises 5 main hospital sites in Brisbane's south side, Princess Alexandra Hospital, Queen Elizabeth II Jubilee (QEII) Hospital, Logan Hospital, Beaudesert Hospital and Redland Hospital, in addition to a number of aged care facilities, community and mental health clinics and home services.

Metro South Health's objectives reflect our commitment to working closely with the Queensland Government to implement its *Blueprint for better healthcare in Queensland*. This is demonstrated by Metro South Health's four objectives:

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

These principal themes inform and guide the planning, coordination and delivery of services throughout Metro South Health.

Metro South Health is also committed to the Government's statement of objectives for the community:

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

Metro South Health's strategic priorities for 2012-13 include:

1. Ensuring the needs of our stakeholders influence all our efforts
2. Providing efficient, safe and timely health care services
3. A sustainable, high quality workforce to meet future health needs
4. Supporting research and translation of this into improved health outcomes for patients
5. Ensuring the best use of allocated resources
6. Ensuring that our governance and organisational structure are at the leading edge of industry norms
7. Promote and market our world-class health service – locally, nationally and internationally
8. Optimise the use of technology.

Metro South Health is predominantly funded for the health services it delivers by State Government grants via the Queensland Department of Health and by Australian Government grants. It also provides health services on a fee-for-service basis mainly for private inpatient care.

2 Summary of significant accounting policies

(a) Statement of compliance

Metro South Health has prepared these financial statements in compliance with section 43 of the *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 the *Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2013*, and other authoritative pronouncements.

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

(b) The reporting entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of Metro South Health. Metro South Health does not have any controlled entities. Metro South Health's major activities are disclosed in Note 3.

(c) Agency and fiduciary trust transactions and balances

Fiduciary trust transactions

Metro South Health undertakes patient trust accounts transactions as trustee. As Metro South Health acts only in a custodial role in respect to these transactions and balances, they are not recognised in the financial statements. Patient funds are not controlled by Metro South Health but trust activities are included in the annual audit performed by the Auditor-General of Queensland and disclosed in Note 31(a).

Agency transactions- Right of Private Practice (RoPP) scheme

Under the Australian Government's National Health Reform Agreement with the states and territories, patient choice is facilitated by the right of private practice (RoPP) scheme, which provides for senior medical officers (SMOs) who are employed in the public health system to also treat those patients who come into the public system and elect to be treated as private patients. The Queensland RoPP scheme was approved to capture privately insured patients receiving treatment as public patients in a cost neutral manner; and additionally to assist in the recruitment and retention of full time specialist staff in the public hospital system. Public patients were not to be affected adversely by the introduction of scheme options.

Under the scheme, SMOs receive a private practice allowance as well as a base salary. In exchange for being paid this allowance, these SMOs assign all the private practice revenue they generate to the hospital and health service (HHS) facility where they are working. In turn, the HHS fully absorbs the direct and indirect costs (facility, administrative and other overheads) associated with these services including, for example, the cost of billing and collection of revenue. This scheme is called Option A. It is also referred to as the 'assignment' model.

The other major scheme variant allows SMOs to retain a proportion of the private fees they earn, with the balance being paid into a trust account for the HHS facility to apply to research by, and education of, all staff at the facility referred to as SERTA funds. The HHS recovers a facility charge and administration fee from each participating SMO to defray the overhead costs of service provision. Today, this scheme is called Option B, and there is a variant called Option R which is available only for radiologists. It is also referred to as the 'retention and revenue sharing' model.

A third model is a combination of the assignment and revenue sharing models. It is available only for pathologists and is known as Option P.

Metro South Health acts in an agency role in respect of the transactions and balances of the Private Practice (RoPP) bank accounts. Transactions relating to Option B revenue are managed in an agency capacity, except for payments to Metro South Health for recoverable costs which are recognised as controlled revenue in Metro South Health's accounts and payment of SERTA funds to the General Trust. At balance date any monies remaining in the RoPP bank accounts that represent Metro South Health's revenue is accrued as revenue in Metro South Health's accounts. As such, the right of private practice funds are not controlled by Metro South Health but the activities are included in the annual audit performed by the Auditor-General of Queensland and disclosed in Note 31(b).

Metro South Health
Notes to the Financial Statements
 For the year ended 30 June 2013

(d) User charges, fees and fines

User charges and fees are controlled by Metro South Health when they can be deployed for the achievement of Metro South Health's objectives. User charges and fees are recognised as revenues when earned and can be measured reliably with sufficient degree of certainty. This involves either invoicing for related goods, services and/or the recognition of accrued revenue. User charges and fees controlled by Metro South Health primarily consist of hospital fees (private patients), reimbursement of pharmaceutical benefits, sales of goods and services.

(e) Grants and other contributions

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

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

Metro South Health is predominantly funded by non-reciprocal grants from the Department of Health and recognised as revenue when received. The amount of this grant is governed and determined by a Service Agreement between the Department of Health and Metro South Health. This agreement is reviewed periodically in line with Queensland Treasury's budget timetable and updated for changes in activities and prices of services delivered by Metro South Health.

(f) Special payments

Special payments include ex-gratia expenditure and other expenditure that Metro South Health is not contractually or legally obliged to make to other parties. In compliance with *Financial and Performance Management Standard 2009*, Metro South 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 in Note 15. However, descriptions of the nature of special payments are only provided for special payments greater than \$5,000.

(g) Cash and cash equivalents

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked as at 30 June as well as deposits at call with financial institutions. Refer to Note 30 for restricted assets.

In accordance with 31(2) of the *Statutory Bodies Financial Arrangements Act 1982*, Metro South Health obtained approval by Queensland Treasury and Trade for a bank overdraft facility on its main operating bank account. This arrangement is forming part of the whole-of-government banking arrangements with the Commonwealth Bank of Australia and allows Metro South Health access to the whole-of-government debit facility up to its approved limit. Refer to Note 34(d).

(h) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery. Trade receivables are generally settled within 60-120 days, while other receivables may take longer than twelve months.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts are written off as at 30 June. Increases in allowance for impairment are based on loss events disclosed in Note 34(c).

(i) Inventories

Inventories consist mainly of pharmaceutical medical supplies held for distribution in Metro South Health hospitals. Inventories are measured at weighted average cost adjusted for obsolescence. Unless material, inventories do not include supplies held ready for use in the wards and are expensed on issue from Metro South Health's main storage facilities.

Consignment inventory

Supplies may be held on site under arrangements with external suppliers. The terms of consumption of these goods are outlined in the agreement with the relevant supplier. The goods do not form part of the inventory holding of Metro South Health and are not included in the financial statements. The value of these goods is charged and expensed by Metro South Health in the period they are consumed.

(j) Property, plant and equipment

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

<u>Class</u>	<u>Threshold</u>
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 as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation. Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are initially recognised at their fair value at the date of acquisition.

On 1 July 2012, the Minister for Health approved the transfer of land and buildings via a three year concurrent lease (representing its right to use the assets) to the hospital and health services from the Department of Health. AASB 17 *Leased assets* is not applicable as under the terms of the lease no consideration in the form of a lease or residual payment by the hospital and health services is required therefore failing to meet the criteria in section 4 of this standard for recognition.

While the Department of Health retains legal ownership, effective control of these assets was transferred to the hospital and health services. Under the terms of the lease the hospital and health service has full exposure to the risks and rewards of asset ownership.

Metro South Health has the full right to use, managerial control of land and building assets and is responsible for maintenance. The Department of Health generates no economic benefits from these assets. In accordance with the definition of control under Australian Accounting Standards, Metro South Health recognises the value of these assets in the Statement of Financial Position.

Revaluations of property, plant and equipment

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and *Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector*. Land and building revaluations incorporate the results from the independent revaluations and the indexation of the assets not subject to independent revaluations. In respect of these asset classes, the cost of items acquired during the financial year has been judged by management to materially represent the fair value at the end of the reporting period.

Land is measured at fair value each year using independent revaluations, desktop market revaluations or indexation by the 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.

In 2012-13 Metro South Health engaged the State Valuation Service to provide indices for all land holdings at 30 June 2013. Indices are based on actual market movements for each local government area issued by the Valuer-General. An individual factor change per property has been developed from review of 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. In 2012-13 Metro South Health engaged independent quantity surveyors, Davis Langdon Australia Pty Ltd (Davis Langdon) to revalue 86 per cent of its building portfolio. Assets under construction are not revalued until they are ready for use.

Metro South Health

Notes to the Financial Statements

For the year ended 30 June 2013

Reflecting the specialised nature of Metro South Health buildings (health service buildings and on hospital-site residential facilities), fair value is determined using depreciated replacement cost methodology. Depreciated replacement cost is determined as the replacement cost less the cost to bring to current standards. The methodology applied by the valuer is a financial simulation lieu of 'market value' as these assets cannot be bought and sold on the open market.

In determining the replacement cost of each building, the estimated replacement cost of the asset, or the likely cost of construction including fees and on costs if tendered on the valuation date, is assessed. This is based on historical and current construction contracts. Assets are priced using Brisbane rates with published industry benchmark location indices. Revaluations are then compared and assessed against current construction contracts for reasonableness. The valuation assumes that a replacement building will replace the current function of the building with a building of the same form (size and shape) but built to meet current design standards. The key measurement quantities used in the determination of the replacement cost were:

- Gross floor area
- Number of floors
- Girth of the building
- Height of the building
- Number of lifts and staircases.

Estimates of area were obtained by measuring floor areas from Project Services e-Plan room or drawings from Department of Health. Refurbishment costs have been derived from specific projects and are therefore indicative of actual costs.

The 'cost to bring to current standards' is the estimated cost of refurbishing the asset to bring it to current standards and a new condition. This estimated cost is linked to the condition assessment rating of the building evaluated by the quantity surveyor during site inspection. The condition rating is also determined using asset condition data provided by Department of Health, information from asset managers and previous reports and inspection photographs (where available) to show the change in condition over time.

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

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

These condition ratings are linked to the cost to bring to current standards.

The valuation methodology in 2012-13 has changed from prior year revaluations reflected in the transfer value of these assets as at 1 July 2012. Category 2 and category 3 condition ratings were significantly influenced by the age of the asset in the previous methodology. In 2012-13, this condition criteria has been replaced to more accurately reflect an asset's condition through its life. The financial effect on depreciated replacement cost values from this change in condition criteria has been modelled and has been assessed as immaterial (ie, in the range of 1 per cent and 2 per cent) .

Metro South Health

Notes to the Financial Statements

For the year ended 30 June 2013

The standard life of a health facility is generally 30 years and is adjusted for those assets in extreme climatic conditions have historically shorter lives, or where assets such as residences generally have longer lives. Estimates of remaining 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 our estimate of remaining life as any refurbishment should extend the life of the asset. Buildings have been valued on the basis that there is no residual value.

Metro South Health has adopted the gross method of reporting revalued assets. This method restates separately the gross amount and related accumulated depreciation of the assets comprising the class of revalued assets. Accumulated depreciation is restated proportionally in accordance with the independent advice of the appointed quantity surveyors. The proportionate method is also applied where buildings are valued by way of indexation.

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

Revaluation increments are credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

Included in the class of plant and equipment are artworks valued at \$6,800. These items are not depreciated as their value is not expected to diminish with time. Artwork assets form part of the plant and equipment class and are not disclosed separately as they are not considered material to the total assets held. There are no heritage buildings included in the buildings asset class.

Depreciation

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

Any expenditure that increases the capacity or service potential of an asset is capitalised and depreciated over the remaining useful life of the asset. Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

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

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

<u>Class</u>	<u>Depreciation rates</u>
Buildings	2.5% - 3.33%
Plant and equipment	5.0% - 20.0%

Leased plant and equipment

Operating lease payments, being representative of benefits derived from the leased assets, are recognised as an expense of the period in which they are incurred. All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

Metro South Health had no finance lease assets as at the reporting dates.

Impairment of non-current assets

All non-current and intangible assets are assessed for indicators of impairment on an annual basis in accordance with AASB 136 *Impairment of Assets*. If an indicator of impairment exists, Metro South 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.

Metro South Health

Notes to the Financial Statements

For the year ended 30 June 2013

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but 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.

(k) Intangible assets

Intangible assets are only recognised if they satisfy recognition criteria in accordance with AASB 138 *Intangible Assets*. Intangible assets are recorded at cost, which is consideration plus costs incidental to the acquisition, less accumulated amortisation and impairment losses. An intangible asset is recognised only if its cost is equal to or greater than \$100,000. Internally generated software cost includes all direct costs associated with development of that software. All other costs, including research activities, are expensed as incurred.

Intangible assets are amortised on a straight-line basis over their estimated useful life with a residual value of zero. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

Software is amortised from the time of acquisition or, in respect of internally developed software, from the time the asset is completed and held ready for use. The amortisation rates for Metro South Health's software are between 10 per cent and 20 per cent.

Intellectual property

The Department of Health currently controls Metro South Health's registered intellectual property in the form of patents, designs and trademarks and other unregistered intellectual property in the form of copyright. At the reporting date these intellectual property assets do not meet the recognition criteria. Commercialisation of Intellectual Property owned by the State of Queensland will be facilitated by the Department of Health appointing hospital and health services as agents to commercialise as requested and approved on a case by case basis.

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

The Department of Health, prior to the establishment of Metro South Health, has entered into a number of contractual arrangements with private sector entities for the construction and operation of public infrastructure facilities for a period of time on land now controlled by Metro South Health. After an agreed period of time, ownership of the facilities will pass to Metro South Health (see Note 32). Arrangements of this type are known as Public Private Partnerships (PPP).

Although the land on which the facilities have been constructed remains an asset of Metro South Health, Metro South Health does not control the facilities associated with these arrangements. Therefore these facilities are not recorded as assets. Metro South Health receives rights and incurs obligations under these arrangements, including:

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

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

(m) Collocation agreements

There are a number of contractual arrangements with private sector entities, set up by the Department of Health prior to the establishment of hospital and health services, for the construction and operation of private health facilities for a period of time on land controlled by Metro South Health. After an agreed period of twenty-five years, ownership of the facilities will pass to Metro South Health.

As with PPP type agreements, Metro South Health does not recognise these facilities as assets. Consequently, Metro South Health has not recognised any rights or obligations that may attach to those agreements, other than those recognised under generally accepted accounting principles. Current collocation agreements in operation are listed in Note 33.

(n) Payables

Payables are recognised for amounts to be paid in the future for goods and services received. Trade creditors are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. The amounts are unsecured and are generally settled in accordance with the vendors' terms and conditions typically within 30 days.

(o) Financial instruments

Recognition

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Statement of Financial Position when Metro South Health becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- cash and cash equivalents – held at fair value through profit or loss;
- receivables – held at amortised cost;
- payables – held at amortised cost.

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

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

Metro South Health does not enter into transactions for speculative purposes, or hedging. Apart from cash and cash equivalents, Metro South Health holds no financial assets classified at fair value through the Statement of Comprehensive Income.

Other disclosures relating to the measurement and financial risk management of other financial instruments are included in Note 34.

(p) Employee benefits

On 1 July 2012, Metro South Health employment arrangements were established in accordance with the *Hospital and Health Boards Act 2011* (HHBA). Part five of the HHBA outlines the conditions for the Health Service Employees continued to be employed by the Department of Health and Health Executives directly engaged by the hospital and health services. The information below outlines the terms relevant to these arrangements.

Metro South Health
Notes to the Financial Statements
 For the year ended 30 June 2013

Health Service Employees

In accordance with HHBA section 67, the employees of the Department of Health are referred to as health service employees. Pursuant to section 80 of the HHBA they remain employees of the Department of Health and are taken to be employed by Metro South Health on the same terms, conditions and entitlements.

Under this arrangement:

- The health service employees remain as Department of Health employees.
- Metro South Health is responsible for the day to day management of these Department of Health employees.
- Metro South Health reimburses the Department of Health for the salaries, on-costs and other employee related expenses (payroll tax and workers' compensation premium) relating to these Department of Health employees. These reimbursements are shown under Note 9.

Health Executives

Health executives are directly engaged in the service of Metro South Health in accordance with section 70 of the HHBA. The basis of employment for health executives is in accordance with section 74 of the HHBA.

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. Payroll tax is paid as a consequence of employing employees but is not counted as part of the employee's total remuneration package and recognised separately as employee related expense.

Metro South Health treats sick leave as an expense that on average sick leave taken in the 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 leave

Metro South Health participates in the Annual Leave Central Scheme (ALCS) and the Long Service Leave Scheme (LSLS).

Under the Queensland Government's Annual Leave Central Scheme (established on 30 June 2008) and Long Service Leave Central Scheme (established on 1 July 1999), levies are payable by Metro South Health to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. These 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 which is currently facilitated by the Department of Health.

No provision for annual leave or long service leave is recognised in the Metro South Health's financial statements, as the liability for these schemes 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 payable and Metro South 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*.

Metro South Health complies with The Superannuation Guarantee (Administration Act) 1992 (Superannuation Guarantee) which requires Metro South Health to provide a minimum superannuation cover for all eligible employees. The minimum level of superannuation cover under the Superannuation Guarantee is 9 per cent of each eligible employee's earnings base. Contributions are expensed in the period in which they are paid or payable. Metro South Health obligation is limited to its contribution to the superannuation fund. Therefore no liability is recognised for accruing superannuation benefits in Metro South Health financial statements.

Key executive management personnel and remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the *Financial Reporting Requirements for Queensland Government Agencies* issued by Queensland Treasury and Trade. Refer to Note 35 for the disclosures on key management personnel and remuneration.

(q) Insurance

Metro South Health is covered by the Department of Health insurance policy with Queensland Government Insurance Fund (QGIF) and pays a fee to the Department of Health as a fee for service arrangement. Refer to Note 10.

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

(r) Services received free of charge or for a nominal value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. When this is the case, an equal amount is recognised as revenue and an expense.

(s) Contributed equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland Public Sector entities as a result of machinery of government changes are adjusted to contributed equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated. Refer to Note 3 and Note 36.

(t) Taxation

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

Both the Metro South Health and the Department of Health satisfy section 149-25(e) of the A New Tax System (Goods and Services) Act 1999 (Cth) (the GST Act) and were able, with other hospital and health services, to form a "group" for GST purposes under Division 149 of the GST Act. This means that any transactions between the members of the "group" do not attract GST. However, all entities are responsible for the payment or receipt of any GST for their own transactions. As such, GST credits receivable from and payable to the Australian Taxation Office (ATO) are recognised and accrued. Refer to Note 17.

(u) Issuance of financial statements

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

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

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Metro South Health
Notes to the Financial Statements
 For the year ended 30 June 2013

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Receivables – Note 17
- Property, plant and equipment – Note 21
- Contingencies – Note 29

(w) Rounding and comparatives

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

There are no comparatives reported as Metro South Health is a new statutory body established on 1 July 2012. Refer to Note 3 for *Health Reform* information.

(x) New and revised accounting standards

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

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

Australian Accounting Standards applicable for the first time for 2012-13 had minimal effect on Metro South Health financial statements as the Metro South Health Service is first time reporting in this financial year.

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

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

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

- *AASB 9 Financial Instruments* requires all financial assets to be subsequently measured at amortised cost or fair value. Financial assets can only be measured at amortised cost if: (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (b) the contractual terms of the asset give rise to cash flows that are solely payments of principal and interest. For financial liabilities which are designated as at fair value through profit or loss, the amount of change in fair value that is attributable to changes in the liability's credit risk will be recognised in other comprehensive income.
- *AASB 13 Fair Value Measurement* applies from reporting period beginning on or after 1 January 2013. AASB 13 sets out a new definition of fair value as well principals to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of Metro South Health's assets and liabilities that are measured and disclosed at fair value. The potential impacts of AASB13 relate to the fair value measurement methodologies used and financial statement disclosure made in respect of assets and liabilities. While Metro South Health is yet to complete a review of the impact of this standard no substantial changes are anticipated based on the fair value methodologies presently used.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurement for both assets and liabilities. To the extent of fair value measurement for an asset or liability uses data that is not 'observable' outside the department, the amount of information to be disclosed will be relatively greater.

Notes to the Financial Statements

For the year ended 30 June 2013

- *AASB 119 Employee benefits – revised version* applies from reporting period beginning on or after 1 January 2013. The revised AASB 19 is generally to be applied retrospectively. The impact of the standard is relating to that the standard clarifies the concept of termination benefits and the recognition criteria for termination benefits will be different. If termination benefits meet the criteria for “short term employee benefits” they will be measured in accordance with AASB 119 requirements for “short term employee benefits”. Otherwise termination benefits will need to be measured in accordance with AASB 119 requirements for “other long-term employee benefits”. Under the revised standard, the recognition and measurement of employer obligations for “other long-term benefits” will need to be accounted for according to most of the requirements for defined benefit plans.
- *AASB 1053 Application of Tiers of Australian Accounting Standards* applies from reporting periods beginning on or after 1 July 2013. Metro South Health is required to report under the Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements. Therefore there is no change from the current reporting requirements applicable to Metro South Health.

All other Australian accounting standards and interpretations with new or future commencement dates are either not applicable to Metro South Health’s activities or have no material impact on Metro South Health.

3 Major services, activities and other events

Major activities

Administrative arrangements under the National Health Reform

Health Reform

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

- moving to a purchaser-provider model, with health service delivery to be purchased from legally independent hospital networks (statutory bodies to be known as hospital and health services (HHSs) in Queensland)
- introducing national funding models and a national efficient price for services, with the majority of services to be funded on an activity unit basis into the future
- defining a refocused role for state governments in managing the health system, including:
 - the use of purchasing arrangements and other levers to drive access and clinical service improvements within and across the HHSs
 - a responsibility to intervene to remediate poor performance, either at the state's initiative or in response to prompting by the National Health Performance Authority, which will publicly report on performance of the HHSs and health care facilities.

The Health and Hospitals Network Act 2011 (HHNA), enabling the establishment of the new health service entities and the System Manager role for the health department in Queensland, was passed by the Queensland Parliament in October 2011. On 17 May 2012, the Minister for Health introduced amending legislation into the Parliament to expand the functions of HHSs under the HHNA. The amended legislation is known as *the Hospital and Health Boards Act 2011* (HHBA).

Funding reforms

Funding is provided to the HHSs in accordance with Service Agreements.

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

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

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

Transfer of net asset balances

As at 1 July 2012, net asset balances were transferred from the Department of Health to Metro South Health. This was executed via a transfer notice signed by the Minister for Health, designating that the transfer be recognised as a contribution by owners through equity. The transfer notices were approved by the Director-General of Queensland Health and the Health Service Chief Executive of Metro South Health and the Chair of the Metro South Hospital and Health Board. Balances transferred to Metro South Health materially reflected the closing balances of Metro South Health Service District as at 30 June 2012.

The cash assets transferred to Metro South Health was to commence operation with a balanced working capital position.

Metro South Health
Notes to the Financial Statements
 For the year ended 30 June 2013

The value of assets and liabilities transferred to Metro South Health as of 1 July 2012 were as follows*:

	1 July 2012 '000
Cash and cash equivalents	26,517
Receivables	45,238
Inventories	12,438
Other	1,254
Property, plant and equipment	1,025,139
Intangibles	957
Payables	(58,987)
Total Net Assets, contributed equity	1,052,556

*The values include subsequent changes to the net assets. On 3 January 2013 a subsequent contribution of \$1.86 million by the Minister representing the fair value of specialist dental vans previously held by the Department of Health was transferred into the asset pool of Metro South Health as part of the Transfer Notice of 1 July 2012. In addition, as part of the end of year audit process it was identified that the property, plant and equipment value was understated by \$94 million and so it was subsequently included in the net asset value transferred as of 1 July 2012.

Major services

Metro South Health delivers a full suite of speciality health services, including:

Inpatient

Metro South Health delivers a range of speciality inpatient services, including in-hospital and telehealth services. These services include: medical inpatient services such as Cardiology, Gastroenterology, Gynaecology, Oncology, Obstetrics, Renal Dialysis, Neurology and Respiratory and surgical inpatient services such as Cardiac, Colorectal, Neurosurgery, Orthopaedics, Transplant, Vascular and Plastic and Reconstructive Surgery.

Metro South Health's critical care services provide multidisciplinary care to a wide variety of critically ill patients in a highly technological environment. Critical care units within Metro South Health include intensive care units, trauma units and special care nurseries.

Outpatient

Outpatient services are one facet of the non-admitted services that Metro South Health provides. These services include; Medical, Surgical, Maternity, Transplant, Renal Medicine and Dialysis, Chemotherapy and Medical and Radiation Oncology.

Emergency Department

Four of Metro South Health's major hospitals, Princess Alexandra, Logan, Redland and QEII house an emergency department.

Sub-Acute

Sub-acute patients are patients that do not require further complex assessment or stabilisation. Metro South Health provides the following sub-acute services: geriatric evaluation and management, rehabilitation, palliative care and maintenance services.

Mental Health

Metro South Health provides mental health care to the largest culturally and linguistically diverse population in the state, and regions that have some of the highest population growth. Services offered are community mental health services, inpatient services and acute care services which may be undertaken in the home, in GP surgeries or in emergency departments.

Metro South Health
Notes to the Financial Statements
For the year ended 30 June 2013

Block Funded Facilities and Services

Block funded facilities include Beaudesert Hospital and the Marie Rose Centre.

Block funded services within Metro South Health cover a wide range of services including; community health care, intellectual disability services, medical aides and appliances, mental health community services, offender health services, oral health services, population health services, primary health services, residential aged care facilities and research.

Other events

Natural Disaster Relief and Recovery Arrangements

The National Disaster Relief and Recovery Arrangements (NDRRA), a joint Commonwealth/State program, has provided funding to the Authority to assist with the natural disaster relief and recovery costs. The Authority coordinates the distribution of funding for NDRRA claims to enable Metro South Health to fund these activities.

Early retirement and redundancy

A program of redundancies was implemented during 2012-13. During the period, 822 employees received redundancy packages at a cost of \$40.614 million. The cost of the voluntary retirement program is funded by Queensland Treasury and Trade and provided to Metro South Health as a Department of Health grant.

Employees who do not accept an offer of a redundancy are offered case management for a set period of time, where reasonable attempts are made to find alternative employment placements. At the conclusion of this period, and where it is deemed that continued attempts of ongoing placement are no longer appropriate, employees yet to be placed are terminated and paid a retrenchment package. During the period, no Metro South Health employees received retrenchment packages.

Metro South Health
Notes to the Financial Statements
For the year ended 30 June 2013

2013
\$'000

4 User charges

Hospital fees	63,537
Sale of goods and services	44,969
	108,506

5 Grants and other contributions

State Government grants*

Activity based funding	1,379,648
Block funding	123,827
Other	128,730
	1,632,205

Australian Government grants

Nursing home grants	9,050
Other specific purpose recurrent grants	21,054
Other specific purpose capital grants	2,727
	32,831

Other grants	9,448
Donations other	612
	1,675,096

*State government grants include \$456.465 million Australian Government contribution as part of the National Health Reform Funding Pool arrangement. Please also refer to Note 3 *Funding reforms*.

6 Other revenue

Interest	1,102
Sale proceeds of non-capitalised assets	4
Health service employee expense recoveries*	15,720
General Recoveries	530
Rental Income	1,354
Other	686
	19,396

*Health service employee expenses are recovered for services provided to external parties not including the Department of Health or other Hospital and Health Service.

7 Gains

Gain on sale of property, plant and equipment	143
---	------------

2013
\$'000

8 Employee expenses*

Employee benefits

Wages and salaries	1,577
Employer superannuation contributions	161
Annual leave expense	139
Long service leave levy	27
Redundancies	140
	2,044

Employee related expenses

Payroll tax	29
Other employee related expenses	2
	2,075

30 June 2013
6

Number of employees**

*Employee expenses include the health executives. Refer to Note 2(p) and Note 35.

**The numbers of employees include full-time and part-time employees measured on a full-time equivalent basis. The number of employees does not include the chair, deputy chair of the board and the board members.

9 Health service employee expenses

Health service employee expenses	1,244,154
Health service employee related expenses*	12,350
Other health service employees related expenses	3,907
	1,260,411

30 June 2013
10,469

Number of health service employees **

*The health service employee related expenses include \$12.09 million of workers' compensation insurance premium and \$0.26 million payroll tax.

**The number of health service employees reflects full-time and part-time health service employees measured on a full time equivalent basis. Please also refer to Note 2(p).

10 Supplies and services

Consultants and contractors	10,278
Electricity and other energy	11,498
Patient travel	1,742
Other travel	2,657
Water	2,242
Building services	1,039
Computer services	7,994
Motor vehicles	1,062
Communications	15,749
Repairs and maintenance	28,104
Expenses relating to capital works	2,602
Operating lease rentals	14,102
Insurance payment to the Department of Health*	13,274
Drugs	67,779
Inter entity hospital and health service supplies and services	17,451
Clinical supplies and services	208,335
Catering and domestic supplies	28,038
Other	7,429
	441,375

*Includes Queensland Government Insurance Fund (QGIF) Ref Note 2(q).

Metro South Health
Notes to the Financial Statements
For the year ended 30 June 2013

2013
\$'000

11 Grants and subsidies

Home and community health services	1,801
Medical research programs	3,894
	5,695

12 Depreciation and amortisation

Buildings	38,800
Plant and equipment	24,098
Software purchased	201
Software internally generated	115
	63,214

13 Impairment losses

Impairment losses on receivables*	1,256
Bad debts written off	2,010
	3,266

* Refer to Notes 17 and 34(c).

14 Revaluation decrement

Land*	772
-------	------------

*The revaluation of land has resulted in a decrement. As Metro South Health is a new entity there was no asset revaluation reserve for the asset class resulting in a decrement charged to the comprehensive income. Refer to Note 21.

15 Other expenses

External audit fees*	250
Other audit fees	196
Bank fees	63
Insurance	74
Inventory written off	103
Intangible asset written off	71
Losses from the disposal of non-current assets	669
Losses	
Public monies	1
Special payments	
Donations/gifts	1
Ex-gratia payments**	29
Other legal costs	1,097
Journals and subscriptions	261
Advertising	200
Interpreter fees	3,211
Other	118
	6,344

*Total audit fees paid to the Queensland Audit Office for the 2012-13 financial year were estimated to be \$0.315 million. There are no non-audit services included in this amount.

** Metro South Health made a number of ex-gratia payments for less than \$5,000 to patients for their lost property whilst in hospital care. There was one payment made for \$5,600 to a patient's spouse to support travel and accommodation due to hardship.

2013
\$'000

16 Cash and cash equivalents

Cash at bank and on hand	53,466
24 hour call deposits	28,221
	81,687

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

Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund. Cash deposited at call with the Queensland Treasury Corporation earns interest at a rate of 3.44 per cent. Refer to Note 34.

17 Receivables

<i>Current</i>	
Trade debtors	21,251
Grants receivable	31,201
Less: Allowance for impairment	(4,604)
	47,848
GST input tax credits receivable	2,565
GST payable	(633)
Net receivable	49,780

Movements in the allowance for impairment loss

<i>Current</i>	
Balance at 1 July 2012	-
Transfers in as at 1 July 2012*	3,348
Increase in allowance recognised in operating result**	1,256
Balance at 30 June 2013	4,604

*Refer to Note 3 for balances transferred as at 1 July 2012 from the Department of Health.

**Refer to Note 34(C) for an analysis of movements in the impairment loss.

18 Inventories

<i>Inventories held for distribution:</i>	
Medical supplies and equipment	12,036
Catering and domestic	311
Engineering	216
Other	75
	12,638

19 Other assets

<i>Current</i>	
Other prepayment	1,355
<i>Non-current</i>	
Prepayments	17

2013
\$'000

20 Intangible assets

Software purchased	
At cost	5,782
Less: Accumulated amortisation	(5,517)
	265
Software internally generated	
At cost	1,997
Less: Accumulated amortisation	(1,692)
	305
Total Intangible assets	570

Intangible assets reconciliation

	Software purchased	Software internally generated	Software work in progress	Total
	'000	'000	'000	'000
Carrying amount as at 1 July 2012	-	-	-	-
Transfers in as at 1 July 2012*	466	420	71	957
Transfers in/(out)	-	-	(71)	(71)
Amortisation charge for the year	(201)	(115)	-	(316)
Carrying amount as at 30 June 2013	265	305	-	570

* Net assets received /transferred pursuant to the *Hospital and Health Boards Act 2011* to Metro South Health from the Department of Health. Refer to Note 3.

2013
\$'000

21 Property, plant and equipment

Land	
At fair value	223,242
Buildings	
At fair value	1,259,792
Less: Accumulated depreciation	(557,960)
	701,832
Plant and equipment	
At cost	257,943
Less: Accumulated depreciation	(127,296)
	130,647
Capital works in progress	
At cost	6,050
Total property, plant and equipment	1,061,771

Land

Land was fair valued by State Valuation Service using the following methodology:

- a desktop valuation was performed, taking into consideration indicators such as location, size, zoning and recent market data. This resulted in the provision of an indexation factor being applied to existing land values to obtain fair value.
- an additional desktop valuation was performed and appropriate market evidence provided for two sites where there was significant value movements in the initial valuation provided.

Metro South Health
Notes to the Financial Statements
 For the year ended 30 June 2013

The State Valuation Service valuation team for 2012-13 comprised of the following registered valuers:

Matthew Woodbridge Regd Valuer No. 1827

Dan Moran Regd Valuer No. 2414

Pat Murphy Regd Valuer No. 3657

The land valuations for 2012-13 resulted in a net decrement of \$0.772 million to the carrying amount of land charged as an expense to the Statement of Comprehensive Income. Refer to Note 14.

Buildings

An independent valuation of 86 per cent of the gross value of the building portfolio (19 buildings) was performed during 2012-13 by Davis Langdon. For the remaining buildings not subject to independent valuation Davis Langdon provided an index representing the change in market conditions for non-residential construction applicable to Metro South Health. The index was not material and was therefore not applied. Refer to Note 2(j).

The Davis Langdon valuation team for 2012-13 comprised of:

Mr Damien Hirst – BSc(Hons) Quantity Surveying AAIQS

Mr Calvin Ling – B.App.Sc(Hons) Quantity Surveying AAIQS

Mr James Brophy – BSc(Hons)

Ms Wendy Wan – BEngMan, MCP

Mr Josh Sodhou – BUrbDev Quantity Surveying

The independent valuation in 2012-13 resulted in a net increment to the building portfolio of \$32.354 million in the asset revaluation surplus. This is an increase of 3 per cent to the value of buildings as at 30 June 2013. Refer to Note 25.

Metro South Health has plant and equipment with an original cost of \$1.50 million or 0.6 per cent of total plant and equipment gross value and a written down value of zero still being used in the provision of services.

Property, plant and equipment reconciliation

	Land	Buildings	Plant and equipment	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount as at 1 July 2012	-	-	-	-	-
Acquisitions	-	4,699	28,265	5,623	38,587
Donation received	-	-	4	-	4
Disposals	-	-	(1,115)	-	(1,115)
Transfers in as at 1 July 2012*	224,014	673,933	126,268	924	1,025,139
Transfers in**	-	29,372	888	-	30,260
Transfer between asset classes	-	274	435	(497)	212
Revaluation increments to asset revaluation reserve***	-	32,354	-	-	32,354
Revaluation decrements to comprehensive income****	(772)	-	-	-	(772)
Depreciation charge for the year	-	(38,800)	(24,098)	-	(62,898)
Carrying amount as at 30 June 2013	223,242	701,832	130,647	6,050	1,061,771

* Net assets received /transferred in as at 1 July 2012 pursuant to the Hospital and Health Boards Act 2011 to Metro South Health from the Department of Health. Refer to Note 3.

** Transfers in are from the Department of Health and includes transfer of assets due to transfer of services and commissioning of work in progress assets managed by the Department of Health as part of Queensland Health's Capital Acquisition Plan.

*** Refer above and Note 25.

**** Refer above and Note 14.

Metro South Health
Notes to the Financial Statements
For the year ended 30 June 2013

	2013
	\$'000
22 Payables	
Trade creditors	18,703
Accrued expenses	25,181
Department of Health payables*	61,872
Other creditors	151
	<u>105,907</u>

*Department of Health payables are due to outstanding payments for payroll and other fee for service charges.

23 Accrued employee benefits

Salaries and wages accrued	<u>91</u>
----------------------------	-----------

24 Unearned revenue

<i>Current</i>	
Unearned other revenue*	<u>577</u>

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

25 Asset revaluation surplus by class

Buildings

Balance at the beginning of the financial year*	-
Revaluation increment	32,354
Balance at the end of the financial year	<u>32,354</u>

*The asset revaluation surplus represents the net effect of revaluation movements in assets. Refer to Note 21.

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

Operating result from continuing operations	19,989
<i>Non-cash items:</i>	
Depreciation expense	62,898
Amortisation expense	316
Funding for depreciation, amortisation	(63,214)
Assets written (on)/off	(177)
Inventory written off	103
Loss on sale of property, plant and equipment	669
Gain on sale of property, plant and equipment	(143)
Revaluation decrement	772
<i>Changes in assets and liabilities:</i>	
(Increase)/decrease in trade and payroll receivables	(2,610)
(Increase)/decrease in GST input tax credits receivable	(1,932)
(Increase)/decrease in inventories	(199)
(Increase)/decrease in prepayments	(117)
Increase/(decrease) in unearned revenue	541
Increase/(decrease) in accrued health service employees expenses	28,139
Increase/(decrease) in payables	18,908
Net cash generated by operating activities	<u>63,943</u>

27 Non-cash financing and investing activities

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

28 Commitments

(a) Non-cancellable operating leases*

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

	2013 \$'000
Not later than one year	1,344
Later than one year and not later than five years	2,374
Later than five years	150
	<hr/> 3,868 <hr/>

*Metro South Health has non-cancellable operating leases relating predominantly to office, car park and clinical services accommodation and medical equipment. Lease payments are generally fixed, but with escalation clauses on which contingent rentals are determined. No lease arrangements contain restrictions on financing or other leasing activities.

(b) Capital expenditure and other expenditure commitments

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

Capital works	2,188
Supplies	27,466
Repairs and maintenance	10,445
Employment	4,259
	<hr/> 44,358 <hr/>
Not later than one year	28,716
Later than one year and not later than five years	15,642
	<hr/> 44,358 <hr/>

(c) Grants and other contributions

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

Not later than one year	3,543
Later than one year and not later than five years	2,159
	<hr/> 5,702 <hr/>

29 Contingencies

(a) Litigation in progress

	2013 cases
Cases have been filed with the courts as follows:	
Supreme Court	2
District Court	1
Magistrates Court	1
Tribunals, commissions and boards	5
	<u>9</u>

Health litigation is underwritten by the Queensland Government Insurance Fund (QGIF). Metro South Health's liability in this area is limited to an excess per insurance event. Refer to Note 2(q).

The introduction of the *Personal Injuries Proceedings Act 2002* has resulted in fewer cases appearing before the courts. These matters are usually resolved at the pre-proceedings stage.

As of 30 June 2013, there were 62 claims managed by QGIF, some of which may never be litigated or result in payments to claim. The maximum exposure to Metro South Health under this policy is up to \$20,000 for each insurable event. There are currently 3 complaints that are being managed by Metro South Health solicitors.

(b) Native Title

As of 30 June 2013, Metro South Health does not have legal title to properties under its control. Refer to Note 3 regarding the Health Reform information. The Department of Health remains the legal owner of health service properties.

The *Queensland Government Native Title Work Procedures* were designed to ensure that native title issues are considered in all land and natural resource management activities. All business pertaining to land held by or on behalf of Queensland Health must take native title into account before proceeding. Such activities include disposal, acquisition, development, redevelopment, clearing, fencing of real property including the granting of leases, licenses or permits. Real property dealings may proceed on department owned land where native title continues to exist, provided native title holders or claimants receive the necessary procedural rights.

Queensland Health undertakes native title assessments over real property when required and is currently negotiating a number of Indigenous Land Use Agreements (ILUA) with native title holders. These ILUAs will provide trustee leases to validate the tenure of current and future health facilities. There is no native title claims reported by *The National Title Tribunal* that would impact on the land reported by Metro South Health.

30 Restricted assets

Metro South Health receives cash contributions primarily from private practice clinicians and from external entities to provide for education, study and research in clinical areas. Contributions are also received from benefactors in the form of gifts, donations and bequests for stipulated purposes. At 30 June 2013, amounts of \$30.056 million in General Trust and \$1.183 million for Research projects are set aside for the specified purposes underlying the contribution.

31 Agency and fiduciary trust transactions and balances

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

(a) Fiduciary trust transactions

	2013 \$'000
Fiduciary trust receipts and payments	
Receipts	<u>4,277</u>
Payments	<u>4,378</u>
Increase/(decrease) in net patient trust assets	<u>(101)</u>
Decrease in net refundable deposits	<u>(9)</u>
Fiduciary trust assets	
Current assets	
Cash	
Patient trust funds	538
Other refundable deposits	12
Total current assets	<u>550</u>

(b) Agency right of private practice transactions and balances

	2013 \$'000
Right of private practice receipts and payments	
Receipts	
Private practice receipts	44,824
Total receipts	<u>44,824</u>
Payments	
Payments to doctors	10,991
Payments to Metro South Health for recoverable cost	22,435
Payments to Metro South Health general trust for SERTA*	7,429
Other payments**	3,617
Total payments	<u>44,472</u>
Increase/(decrease) in net right of private practice assets	<u>352</u>

* 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.

** Payments relating to the receipts on behalf of other Queensland Health entities such as Pathology Services, Medical Imaging, Children Services, refund to Medicare and or Private Insurance. Refer to Note 2 (c).

Right of private practice assets

Current assets	
Cash*	1,698
Total current assets	<u>1,698</u>

*Cash balance predominantly includes doctor payments and payments to other entities outstanding at balance date and other payments due to Metro South Health which have been accrued as revenue in Metro South Health's accounts.

32 Arrangements for the provision of public infrastructure by other entities

Public Private Partnership (PPP) arrangements operating for all or part of the financial year are as follows. Refer to Note 2(l). The PPP is a Build-Own-Operate-Transfer (BOOT) arrangement.

Facility	Counterparty	Term of Agreement	Commencement Date
The Princess Alexandra Hospital Multi Storey Car Park	International Parking Group Pty Limited	25 years	February 2008

Assets

As of 30 June 2013 Metro South Health does not have legal title to properties under its control. The land where the facility has been constructed is recognised as Metro South Health's land, subject to an operating lease.

Metro South Health has not recognised any rights or obligations relating to these facilities other than those associated with land rental and the provision of services under the agreements. Metro South Health has the right to retain the rent in accordance with the Deed of Lease in the Transfer Notice. Refer to Note 3 regarding the Health Reform.

2013
\$'000

Revenues

Revenues recognised in relation to these arrangements:

User charges

342

The Princess Alexandra Hospital Multi Storey Car Park

The developer has constructed a 1,403 space multi storey car park on site at the hospital. Rental of \$0.295 million per annum escalated for CPI annually will be received from the car park operator up to February 2033. The developer operates and maintains the facility at its sole cost and risk. Metro South Health staff is entitled to concessional rates when using the car park.

PPP arrangements of Metro South Health cash flows (indicative)

**The Princess
Alexandra
Hospital multi
storey car park
\$'000**

Inflows

Up to 1 year 353

More than 1 year but less than 5 years 1,520

More than 5 years but less than 10 years 2,170

Later than 10 years 5,175

Net indicative cash flow

9,218

33 Collocation arrangements

Collocation arrangements operating for all or part of the financial year are as follows. Refer to Note 2(m).

Facility	Counterparty	Term of Agreement	Commencement Date
Redlands Private Hospital	Sister of Mercy	25 years	August 1999

34 Financial instruments

(a) Categorisation of financial instruments

Metro South Health has the following categories of financial assets and financial liabilities:

	2013
	\$'000
Financial assets	
Cash and cash equivalents	81,687
Receivables	49,780
	<u>131,467</u>
Financial liabilities	
Payables*	<u>105,907</u>

*Measured at amortised cost

(b) Financial risk management

Metro South Health is exposed to a variety of financial risks – credit risk, liquidity risk and market risk.

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

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

(c) Credit risk exposure

Credit risk is the potential for financial loss arising from a counterparty defaulting on its obligations. The maximum exposure to credit risk at balance date is equal to the gross carrying amount of the financial asset, inclusive of any allowance for impairment. The carrying amount of receivables represents the maximum exposure to credit risk.

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

Maximum exposure to credit risk

Cash	81,687
Receivables	49,780
	<u>131,467</u>

34 Financial instruments (continued)

Financial assets

No collateral is held as security and no credit enhancements relate to financial assets held by Metro South Health.

Impairment of financial assets

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

The allowance for impairment reflects Metro South Health's assessment of the credit risk associated with receivables balances and is determined based on consideration of objective evidence of impairment, past experience and management judgement. The current year allowance is affected by the following loss events:

- Overseas patients treated in public hospitals where the cost was unrecoverable amounting to \$0.962 million
- debts including general private patients \$0.354 million ;
- unrecoverable debts from private businesses \$0.017 million; and
- un-recoverable third party claim settlements from patients involved in motor vehicle accidents \$0.677 million.

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

Financial assets past due but not impaired 2012-13

	Overdue \$'000				
	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total
Receivables	44,423	2,155	756	2,446	49,780

Individually impaired financial assets 2012-13

	Overdue \$'000				
	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total
Receivables	38	411	432	3,723	4,604

(d) Liquidity risk

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

Metro South Health is exposed to liquidity risk through its trading in the normal course of business. Metro South Health aims to reduce the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations at all times. Metro South Health has an approved overdraft facility of \$18 million under whole-of-government banking arrangements to manage any short term cash shortfalls.

(e) Market risk

Metro South Health has interest rate exposure on the 24 hour call deposits and there is no interest rate exposure on its cash and fixed rate deposits. Metro South Health does not undertake any hedging in relation to interest rate risk. Changes in interest rate have a minimal effect on the operating result of Metro South Health.

(f) Interest rate sensitivity analysis

Liquidity and interest rate risk 2012-13

	1 year or less	1 to 5 years	Maturity date More than 5 years	Non-interest bearing	Total	Weighted average rate %
	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets						
Cash	-	-	-	53,466	53,466	
24 hour call deposits	28,221	-	-	-	28,221	3.44
Receivables	-	-	-	49,780	49,780	
	28,221	-	-	103,246	131,467	
Financial liabilities						
Payables	-	-	-	105,907	105,907	

35 Key executive management personnel and remuneration

(a) Key executive management personnel*

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

Name and position	Responsibilities	Contract classification and appointment authority	Appointment date (date resigned from position) or temporary assignment period
<i>Metro South Hospital and Health Board</i>			
Chair Terry White AO	The board decides the objectives, strategies and policies to be followed by Metro South Health and ensure it performs its functions in a proper, effective and efficient way.	Appointments are under the provisions of the Hospital and Health Board Act 2011 by Governor in Council. Notice published in the Queensland Government Gazette.	18/05/2012
Deputy Chair Peter Dowling AM			29/06/2012
Board Members			
Dr John Kastrissios	29/06/2012		
Lorraine Martin AO	07/09/2012		
Professor John Prins	29/06/2012		
Dr Marion Tower	29/06/2012		
Professor Andrew Wilson	29/06/2012		
Margo MacGillivray		(18/05/2013)	
		14/06/2013	

(a) Key executive management personnel (continued)			
Position and name	Responsibilities	Contract classification and appointment authority	Appointment date (date resigned from position) or temporary assignment period
Health Service Chief Executive- Dr Richard Ashby	This position is the single point of accountability for executive leadership and management of all public hospital and health services in Metro South Health. This position is accountable to the Hospital and Health Board for ensuring that Metro South Health achieves a balance between efficient service delivery and high quality health outcomes. The service has a budget of \$1.8 billion.	Section 74 Contract, Hospital and Health Board Act 2011	6/08/2012
Executive Director, PAH-QEII Health Network Dr Jennifer King	This position provides effective strategic leadership, direction and financial management of the Princess Alexandra Hospital–QEII health network. Ensures the effective delivery of health services consistent with the identified needs of the client group and the approved service profile of these hospitals.	Senior Medical Officer and Resident Medical Officers Award MMO11	5/11/2012
Executive Director, Logan-Bayside Health Network Brett Bricknell	This position provides effective strategic leadership, direction and financial management of the Logan – Bayside Health Network. Ensures the effective delivery of health services consistent with the identified needs of the client group and the approved service profile of these hospitals.	Hospital Executive Service HES 2.1	4/04/2011
Executive Director, Addiction and Mental Health Services Associate Professor David Crompton	This position provides strong clinical and operational leadership and support for the strategic direction and provides high quality service provision as part of an integrated addiction and mental health services, comprising in-patient and community services. The role actively participates in the promotion and development of addiction and mental health.	Senior Medical Officer Award and Resident Medical Officers Award MMO13	03/12/2007
Executive Director, Clinical Governance Dr Michael Daly	This position provides leadership for Clinical Governance and Patient Safety in Metro South Health. This position ensures the appropriate performance and outcomes of the clinical governance systems across Metro South Health across the domains of compliance, performance and support.	Senior Medical Officer and Resident Medical Officer Award MMO11	29/12/2008
Chief Finance Officer Robert Crown Alister Whitta (acting) Robert Mackway-Jones	This position is responsible and accountable for the operation of the financial management system for Metro South Health. It provides strategic advice and leadership of the financial management functions for the Hospital and Health Service.	Hospital Executive Service -HES2 Hospital Executive Service -HES2 Hospital Executive Service -HES3	4/06/2009 (3/6/2013) 13/08/2012 to 3/6/2013 4/06/2013
Executive Director Community and Public Health Services Glenn Bradley	These services are now incorporated into the Health Networks under the leadership of the Executive Director PAH-QEII and Logan-Bayside Networks.	Hospital Executive Service -HES2	12/07/2010 (11/11/2012)

(a) Key executive management personnel (continued)			
Position and name	Responsibilities	Contract classification and appointment authority	Appointment date (date resigned from position) or temporary assignment period
Executive Director, Corporate Services Metro South Health Peter Frew	This position is the Executive lead for corporate governance, asset management, capital planning and development, procurement management, contracts management, human resource management, operational support services, building engineering and maintenance services, and other ancillary corporate support functions.	Hospital Executive Service -HES2	23/10/2009
Chief Information Officer Michael Draheim	This position provides strategic leadership, direction and management across Metro South Health for Informatics, ICT and HIMS, to ensure that the teams develop and execute relevant strategies. Maintains specific information systems and services that maximise the quality, access and use of information across Metro South Health.	Hospital Executive Service -HES2	13/12/2010
Executive Director, Planning, Engagement and Reform Kay Toshach	This position provides strategic leadership and innovation in the development and delivery of the following critical functions across Metro South Health – health service planning, engagement, government relations, health reform, media and communications. This position supports the health service Chief Executive in the development and delivery of key strategies, with particular reference to Government and Board priorities. This position is the Board Secretary for the Metro South Hospital and Health Board.	District Senior Officer -DSO1	28/05/2012
Executive Director, Medical Services Dr Susan O'Dwyer Dr Lizbeth Jordan	This position is the principal medical officer for Metro South Health and is responsible for supporting the health service Chief Executive in the planning and management of the health service's clinical services. This position provides professional leadership to all medical officers within Metro South Health.	Senior Medical Officer Award and Resident Medical Officer Award 2012 MS-3	12/11/2012 25/2/2008 (11/11/2012)
Executive Director, Nursing and Midwifery Services Veronica Casey	This position leads the nursing services of Metro South Health, The position maximises the potential of nursing to enhance health outcomes for Metro South Health.	Nurses and Midwives Certified Agreement 2012 Nurse Grade 12	29/07/2007
Executive Director of Allied Health Services Gail Gordon	This position provides strategic leadership of Metro South Health allied health workforce and services with particular reference to workforce planning, policy review and development, information management, learning and development, research and education and standards of professional practice, in line with Metro South Health and National Policy and strategic direction.	Health Practitioners Certified Agreement 2011	05/12/2008

*acting arrangement less than 3 month in the year has not been included in the above table.

**key executives commencement dates reflect their original appointment to the position which has transitioned to Metro South Health from 1 July 2012. Refer to Note 2 (p)

(b) Remuneration

Remuneration policy for Metro South Health's key executive management personnel is set by the following legislations:

- Hospital and Health Boards Act 2011 (HHBA)
- Industrial Awards and Agreements.

The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts. The Chief Executive is appointed in accordance with the provisions of section 33 of the HHBA and also appointed as a health executive under section 74 of the HHBA. The other health executives are appointed either in accordance with section 74 of the HHBA or in accordance with the relevant industrial award and agreement as medical practitioner, health practitioner (HP) or nursing executive. For the 2012-13 year, remuneration of key management personnel increased by 2.5 per cent and 3 per cent for medical, HP and nursing awards in accordance with government policy.

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

- Short-term employee benefits which include:
 - Base – consisting of base salary, allowances and leave entitlements expensed for the entire year or for that part of the year during which the employee occupied the specified position.
 - Non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long-term employee benefits include amounts expensed in respect of long service leave.
- Post-employment benefits include amounts expensed in respect of employer superannuation 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.

35. Key executive management personnel and remuneration (continued)

1 July 2012 to 30 June 2013						
Position and name	Short term benefits		Long term benefit \$'000	Post-employment benefit \$'000	Termination benefit \$'000	Total remuneration \$'000
	Base \$'000	Non-monetary benefits \$'000				
Chair Terry White AO	76	-	-	7	-	83
Deputy Chair Peter Dowling AM	33	-	-	3	-	36
Board Member Dr John Kastrissios	33	-	-	3	-	36
Board Member Lorraine Martin AO	26	-	-	2	-	28
Board Member Professor John Prins	33	-	-	3	-	36
Board Member Dr Marion Tower	33	-	-	2	-	35
Board Member Professor Andrew Wilson	31	-	-	3	-	34
Health Service Chief Executive Dr Richard Ashby	482	17	9	39	-	547
Executive Director, PAH- QEII Health Network Dr Jennifer King	258	-	3	19	-	280
Executive Director, Logan-Bayside Health Network Brett Bricknell	153	-	3	16	-	172
Executive Director, Addiction and Mental Health Services Associate Professor David Crompton	413	11	4	28	-	456
Executive Director, Clinical Governance Dr Michael Daly	408	-	4	29	-	441
Chief Finance Officer Robert Mackway-Jones	15	-	-	-	-	15
Chief Finance Officer Robert Crown*	93	-	3	17	43	156
Chief Finance Officer Alister Whitta	152	-	3	12	-	167
Executive Director, Corporate Services Peter Frew	204	-	3	16	-	223
Chief Information Officer Michael Draheim	171	-	3	16	-	190
Executive Director, Planning, Engagement and Reform Kay Toshach	146	11	3	15	-	175
Executive Director, Medical Services Dr Lizbeth Jordan*	143	18	2	13	138	314
Executive Director, Medical Services Dr Susan O'Dwyer	234	36	3	18	-	291

35. Key executive management personnel and remuneration (continued)						
Position	Short term benefits		Long term benefit \$'000	Post-employment benefit \$'000	Termination benefit \$'000	Total remuneration \$'000
	Base \$'000	Non-monetary benefits \$'000				
Executive Director, Nursing and Midwifery Services Veronica Casey	187	13	4	21	-	225
Executive Director of Allied Health Services Gail Gordon	162	-	4	18	-	184
Executive Director Community and Public Health Services** Glenn Bradley*	31	-	2	6	141	180

* employee terminated

** position has been abolished

There are no related party transactions to report. For further information refer to the Annual Report.

36 Net equity injection

Transactions with owners as owners include equity injections for non-current asset acquisitions and non-cash equity withdrawals to offset non-cash depreciation funding received under the Service Agreement with the Department of Health.

Metro South Health
Management Certificate

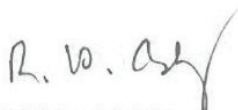
These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act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

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Metro South Health for the financial year ended 30 June 2013 and of the financial position of Metro South Health at the end of that year.



Terry White AO
Chair
Metro South Hospital and
Health Board

27, 8, 13



Dr Richard Ashby
Chief Executive Officer
Metro South Health

27, 8, 13



Robert Mackway-Jones
Chief Finance Officer
Metro South Health

27, 8, 13

INDEPENDENT AUDITOR'S REPORT

To the Board of Metro South Hospital and Health Service

Report on the Financial Report

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

The Board's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Metro South Hospital and Health Service for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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



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



Queensland Audit Office
Brisbane

Annual report compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> ■ A letter of compliance from the accountable officer or statutory body to the relevant Minister 	ARRs – section 8	p. 2
Accessibility	<ul style="list-style-type: none"> ■ Table of contents ■ Glossary 	ARRs – section 10.1	p. 3 p. 112
	<ul style="list-style-type: none"> ■ Public availability 	ARRs – section 10.2	inside cover
	<ul style="list-style-type: none"> ■ Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 10.3	inside cover
	<ul style="list-style-type: none"> ■ Copyright notice 	Copyright Act 1968 ARRs – section 10.4	inside cover
	<ul style="list-style-type: none"> ■ Information licensing 	Queensland Government Enterprise Architecture – Information licensing ARRs – section 10.5	inside cover
General information	<ul style="list-style-type: none"> ■ Introductory Information ■ Agency role and main functions ■ Operating environment ■ Machinery of Government changes 	ARRs – section 11.1 ARRs – section 11.2 ARRs – section 11.3 ARRs – section 11.4	pp. 7–9 p. 10 pp. 11–13 p. 14
Non-financial performance	<ul style="list-style-type: none"> ■ Government objectives for the community ■ Other whole-of-government plans / specific initiatives ■ Agency objectives and performance indicators ■ Agency service areas, service standards and other measures 	ARRs – section 12.1 ARRs – section 12.2 ARRs – section 12.3 ARRs – section 12.4	p. 42 p. 43 pp. 44–55 pp. 56–57
Financial performance	<ul style="list-style-type: none"> ■ Summary of financial performance 	ARRs – section 13.1	pp. 58–60
Governance—management and structure	<ul style="list-style-type: none"> ■ Organisational structure ■ Executive management ■ Related entities ■ Boards and committees ■ <i>Public Sector Ethics Act 1994</i> 	ARRs – section 14.1 ARRs – section 14.2 ARRs – section 14.3 ARRs – section 14.4 Public Sector Ethics Act 1994 (section 23 and Schedule) ARRs – section 14.5	p. 16 pp. 18–25 n/a pp. 26–34 p. 35

Governance—risk management and accountability	■ Risk management	ARRs – section 15.1	p. 38
	■ External Scrutiny	ARRs – section 15.2	pp. 36–38
	■ Audit committee	ARRs – section 15.3	p. 27
	■ Internal Audit	ARRs – section 15.4	p. 39
	■ Public Sector Renewal Program	ARRs – section 15.5	p. 5
	■ Information systems and recordkeeping	ARRs – section 15.7	pp. 39–40
Governance—human resources	■ Workforce planning, attraction and retention and performance	ARRs – section 16.1	pp. 64–66
	■ Early retirement, redundancy and retrenchment	Directive No.11/12 Early Retirement, Redundancy and Retrenchment ARRs – section 16.2	p. 66
	■ Voluntary Separation Program	ARRs – section 16.3	n/a
Open Data	■ Open Data	ARRs – section 17	p. 40
Financial statements	■ Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	p. 107
	■ Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	p. 108–109
	■ Remuneration disclosures	Financial Reporting Requirements for Queensland Government Agencies ARRs – section 18.3	pp. 105–106

Glossary of acronyms

ABF	Activity Based Funding
ACLS	Annual Leave Central Scheme
ACU	Academic Clinical Unit
AM	Member of the Order of Australia
AO	Order of Australia
AO	Officer of the Order of Australia
ATO	Australian Tax Office
BOOT	Build-Own-Operate-Transfer
BPA	Best Practice Australia
CITS	Clinical Informatics and Technology Services
COTA	Council on the Ageing
DOH	Department of Health
DSS	Decision Support System
FAMMIS	Finance and Materials Management Information System
FBT	Fringe Benefits Tax
FTE	Full Time Equivalent
GMSBML	Greater Metro South Brisbane Medicare Local
GP	General Practitioner
GST	Goods and Services Tax
HBCIS	Hospital Based Corporate Information System
HHBA	Hospital and Health Boards Act 2011
HHNA	Health and Hospitals Network Act 2011
HHS	Hospital and Health Service
HIMS	Health Information Management Services
HITH	Hospital in the Home
HREC	Human Research Ethics Committee
HSCE	Health Service Chief Executive
ICT	Information, Communication and Technology
ieMR	Integrated Electronic Medical Record
IHPA	Independent Hospital Pricing Authority

ILUA	Indigenous Land Use Agreements
ISO	International Organisation for Standardisation
LSLS	Long Service Leave Scheme
MOHRI	Minimum Obligatory Human Resources Information
MSH	Metro South Health
MSHCF	Metro South Health Consultative Forum
MSHNB	Metro South Hospital and Health Board
NDRRA	National Disaster Relief and Recovery Arrangements
NEAT	National Emergency Access Target
NEST	National Elective Surgery Target
OAM	Medal of the Order of Australia
PAH	Princess Alexandra Hospital
POST	Patient Off Stretcher Time
PPP	Public Private Partnerships
PUMP	Pathology Utilisation Medical Program
QAO	Queensland Audit Office
QAS	Queensland Ambulance Service
QEII	Queen Elizabeth II Jubilee Hospital
QGIF	Queensland Government Insurance Fund
QPS	Queensland Police Service
RAFT	Recording All Facility Transport
READI	Rapid Emergency Admission to Destination Initiative
RoPP	Right of Private Practice
SERTA	Study, Education and Research Trust Account
TRI	Translational Research Institute
UQ	University of Queensland
WAU	Weighted Activity Unit
WMOML	West Moreton-Oxley Medicare Local
YTD	Year to Date

