Children's Health Queensland
Hospital and Health Service

2019–2020 ANNUAL REPORT

Queensland Government

Letter of compliance

3 September 2020

The Honorable Steven Miles MP
Deputy Premier, Minister for Health and Minister for Ambulance Services
GPO Box 48
Brisbane QLD 4001

Dear Deputy Premier

I am pleased to submit for presentation to the Parliament the Annual Report 2019–2020 and financial statements for Children's Health Queensland Hospital and Health Service.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*; and
- the detailed requirements set out in the Annual Report Requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found on page 87 of this annual report.

Yours sincerely

David Gow
Chair, Children's Health Queensland Hospital and Health Service Board

Acknowledgment to Traditional Owners
Children's Health Queensland pays respect to the Traditional Owners of the lands on which we walk, talk, work and live. We acknowledge and pay our respects to Aboriginal and Torres Strait Islander Elders past, present and emerging.

Recognition of Australian South Sea Islanders
Children's Health Queensland recognises the Australian South Sea Islander people as a distinct cultural group within our geographical boundaries. Children's Health Queensland is committed to fulfilling the Queensland Government Recognition Statement for Australian South Sea Islander Community to ensure that present and future generations of Australian South Sea Islanders have equality of opportunity to participate in and contribute to the economic, social, political and cultural life of the State.

Feedback
Feedback is important for improving the value of our future reports. We welcome comments which can be made by contacting us at:
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Open data
Information about consultancies, overseas travel, and the Queensland language services policy is available at the Queensland Government Open Data website (www.data.qld.gov.au).

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 understanding this report, you can contact us on 07 3068 3365 and we will arrange an interpreter to effectively communicate the report to you.

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Message from the Board Chair and the Chief Executive

Evolution, change and innovation have been a constant for Children's Health Queensland. We deliver care in family homes, at schools, in regional hospitals and remote communities – sharing our expertise and knowledge so every child can get the best care, closer to home.

In 2019-20, as the COVID-19 pandemic significantly impacted the way people around the world lived, worked, learned and socialised – so too did it impact access to healthcare services.

As the pandemic evolved in a matter of weeks, our exceptional teams adapted and activated new models of service delivery to ensure we could continue to provide safe, accessible care for patients and families across the state.

As you would expect, our operational focus in the second half of the financial year was the COVID-19 pandemic response and recovery. However, this annual report also outlines the significant progress Children's Health Queensland made in the first half of the 2019-20 financial year in pursuing its overarching strategic priorities of child- and family-centred care, partnerships, people, and performance.

As Queensland's leader in paediatric health care, our unwavering commitment to the best outcomes for Queensland kids means we are always improving the way we care, teach and research – as we work to ensure the reach and impact of our specialist services and capability can be felt across the state.

In 2019-20, this included the launch of the Queensland Paediatric Emergency Care website, an online resource that supports the delivery of consistent, high-quality, person-centred emergency care, regardless of which hospital a child presents at across Queensland.

Queensland Children's Hospital clinicians also created Australia's first pathway for the assessment and management of paediatric stroke, to ensure children with signs of suspected stroke are diagnosed faster and receive treatments that can significantly improve their long-term health outcomes; as well as the world's first paediatric appropriateness guideline for intravenous access devices, in collaboration with Griffith University and the University of Michigan.

We expanded the Navigate Your Health model of care – which aims to improve health outcomes for children and young people in care – to include young people involved with the youth justice system, and we are now supporting children in Brisbane, Logan and Cairns in partnership with the Department of Child Safety, Youth and Women and the Department of Youth Justice.

We have engaged extensively with consumers, families and clinicians to co-design critical services and initiatives to improve the specialist services and resources available to young people facing significant mental health challenges.

In April 2020, we opened Jacaranda Place, an Australian-first adolescent extended treatment centre for young Queenslanders experiencing severe and complex mental illness. Located in the Brisbane suburb of Chermside, the $27 million purpose-built centre delivers specialist care in a safe, supportive and structured environment, with treatment focused on improving life skills, and increasing a young person's capacity and confidence to successfully reconnect with their family and community. The centre and the services it will deliver were designed in close collaboration with consumers, families, young people and clinicians.

The *Generation Zero Suicide* initiative was also developed in partnership with consumers and carers, resulting in the launch of the *Suicide Risk Response and Elevated Pathways* clinical pathway for suicide prevention, and the publication of valuable support resources for use statewide.

This collaborative approach to how we deliver care is replicated right across the organisation, as we strive to live our commitment to excellence through continuous service improvement and truly person-centred care. In 2019-20, the voice of patients and families was further amplified through the establishment of a number of new and engaged consumer forums, including the CHQ Aboriginal and Torres Strait Islander Consumer Advisory Group and the Young Leaders' Forum (Youthi), in partnership, with the Queensland Children's Hospital School. These valued voices will be added to the existing network of consumer and community forums that provide vital feedback and insight into the care we provide so we can be confident it meets the needs of those we serve.

Our partnership philosophy with consumers, families and clinicians also played a critical role in the design of the new, 29-bed inpatient ward at the Queensland Children's Hospital. Significant progress has been made on the construction of the $20 million project, which will have an immediate and positive impact when it opens in late 2020. Increasing the flexibility and capacity across the hospital to respond to spikes in demand, particularly during busy periods, this expansion also future-proofs the QCH for the forecast growth in demand for specialist paediatric services

in coming years. Six additional, dedicated oncology beds will also be delivered as part of the expansion, providing a more consistent and improved healthcare experience for patients, families and specialist clinicians.

Research and innovation are central to improving health outcomes for children and young people in Australia and internationally, and we want to recognise the extraordinary program of paediatric research that continues to occur throughout Children's Health Queensland every day.

In 2019-20, our researchers secured $6.89 million in research funding (including grants and clinical trials) to pursue vital work in areas including oncology, critical care, respiratory medicine and infectious diseases. This work is made possible through our valued partners in the Centre for Children's Health Research and further afield.

We have also established a new governance structure to support research at CHQ. The Board Research Committee provides strategic oversight of research activity and priorities, along with an advisory CHQ Research Council comprised of senior clinician researchers and members of the Executive Leadership Team. With this enhanced governance in place, we are best placed to further strengthen Children's Health Queensland's position as a leader and pioneer in paediatric care and research on the world stage.

Changing the way we care in the face of COVID-19

Our organisation has risen to the challenges presented by the rapidly evolving COVID-19 pandemic. We want to acknowledge the engagement and outstanding efforts displayed by staff and our community partners to ensure we continued to deliver safe, world-class, person-centred care when and where it was needed most.

We have adapted and activated new models of service delivery to ensure we could continue to provide safe, accessible care for patients and families across the state during the pandemic. The rapid growth in telehealth services will have lasting benefits to children and families as we are able to provide more options in how and where care is delivered.

For example, the Queensland Paediatric Rehabilitation Service (QPRS) implemented tele-rehabilitation outreach clinics to ensure continuity of care for rural and regional patients and families during the COVID-19 pandemic. At 30 June, seven outreach clinics had been delivered via the new tele-rehabilitation model, supporting 93 individual children and their families.

Similarly, the Deadly Ears program (Indigenous ear health) also moved to telehealth solutions when its regular outreach clinics in remote Indigenous communities were paused in March 2020. The telehealth clinics commenced the following month, targeting high-priority children with significant ear and hearing health needs. The new model of care has proved such a success with families, local health services and communities that it will be established as an ongoing option for future service delivery.

Our 'new normal' and beyond

The impacts of COVID-19 will continue to be felt by our communities for a long time to come and we know that our role as a statewide leader in paediatric care will be more critical for the health and wellbeing of children and young people than ever before.

To prepare for the challenges and opportunities ahead, we commenced an extensive co-design program to develop the *Children's Health Queensland Strategic Plan 2020-24* and asked more than 1,000 people across Queensland – families, young people, communities, and our staff and partners – a simple question: "What matters most?"

This engagement has resulted in a plan that outlines how we will to continue leading life-changing care for children and young people – for a healthier tomorrow. Importantly, it truly speaks to those whose needs and aspirations live within it.

We know the care we deliver today will shape the tomorrows of thousands of young Queenslanders and as we look ahead to 2020-21 and beyond, we are clear and focused in ensuring we are ready to perform at our best, every time.

David Gow
Chair

Frank Tracey
Health Service Chief Executive

Statement on Queensland Government objectives for the community

The Queensland Government's Our Future State: Advancing Queensland's Priorities is a clear plan to advance Queensland—both now and into the future. While Children's Health Queensland contributes to the priorities of *Being a responsive government* and *Keeping Queenslanders healthy*, we play a central role in supporting the *Give all children a great start* priority by:

- increasing the number of babies born healthier,
- Increasing childhood immunisation rates, and
- Improving wellbeing prior to starting school.

Ensuring that children receive the best possible start in life and flourish as part of a healthy, vibrant society is our ethical, social and economic responsibility. We are committed to improving the health and wellbeing of children and young people, particularly those from vulnerable communities and families, by delivering quality front-line services and building safe, caring and connected communities.

The *Children's Health Queensland Strategic Plan 2016-2020* (see Appendices, page 80) also supports the 10-year strategy for health in Queensland, *My health, Queensland's future: Advancing health 2026*. The vision is that by 2026 Queenslanders will be among the healthiest in the world.

Five principles underpin this vision, direction and strategic agenda: Sustainability, Compassion, Inclusion, Excellence and Empowerment.

1. Sustainability – we will ensure available resources are used efficiently and effectively for current and future generations.
2. Compassion – we will apply the highest ethical standards, recognising the worth and dignity of the whole person and respecting and valuing our patients, consumers, families, carers and health workers.
3. Inclusion – we will respond to the needs of all Queenslanders and ensure that, regardless of circumstances, we deliver the most appropriate care and service with the aim of achieving better health for all.
4. Excellence – we will deliver appropriate, timely, high-quality and evidence-based care, supported by innovation, research and the application of best practice to improve outcomes.
5. Empowerment – we recognise that our healthcare system is stronger when consumers are at the heart of everything we do, and when they can make informed decisions.

Section 1: About us

1.1 Strategic direction

Our Strategic Plan 2016-2020 (reviewed 2019) describes how we will lead life-changing care for children and young people – for a healthier tomorrow.

It outlines our vision, commitments, values, objectives and describes how we measure our success against broader Queensland Government strategies and goals.

Our four overarching strategic goals are:

- **Child and family-centred care**
  We will place the child and family at the heart of all we do.
- **Performance**
  We will deliver sustainable, high-value health services driven by continuous improvement, creativity and innovation.
- **Partnerships**
  We will work collaboratively with partners to improve service coordination and integration, and optimise child and young person health outcomes across Children's Health Queensland and statewide.
- **People**
  We will create an inspirational workplace where people want to work and learn, where contributions are valued and staff come to work with a purpose and leave with a sense of pride.

Our Health Service Chief Executive reports to the Board on a regular basis against the organisation's achievements towards these strategic goals. Reporting includes the progress of principal activities and reporting risks, challenges and opportunities.

See page 80 for the full *Children's Health Queensland Strategic Plan 2016–2020 (2019 update).*

Agency role and functions

Children's Health Queensland Hospital and Health Service is an independent, statutory body, governed by the Children's Health Queensland Hospital and Health Board, which is accountable to the local community and the Deputy Premier, Minister for Health and Minister for Ambulance Services.

Established on 1 July 2012 under the *Hospital and Health Boards Act 2011,* Children's Health Queensland is Queensland's only statewide specialist hospital and health service responsible for the provision of public paediatric health services.

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 Children's Health Queensland that identifies the healthcare, teaching, research and other services that Children's Health Queensland will provide, funding arrangements for those services, and targets and performance indicators to ensure outputs and outcomes are achieved.

This service agreement is negotiated annually and available publicly at http://bit.ly/2blPVwf.

1.2 Vision, commitment and values

Everything we do at Children's Health Queensland is guided by our vision, our commitment and our values.

Our vision:

Leading life-changing care for children and young people – for a healthier tomorrow.

Our commitment:

To offer the best: safe, expert, accessible child and family-centred care for children and young people.

Our values:

Respect:
teamwork, listening, support
'We listen to others'

Integrity:
trust, honesty, accountability
'We do the right thing'

Care:
compassion, safety, excellence
'We look after each other'

Imagination:
creativity, innovation, research
'We dream big'

Queensland Public Service values

Children's Health Queensland's core values of Respect, Integrity, Care and Imagination work in parallel with the five Queensland Public Service values of Customers first, Ideas into action, Unleash potential, Be Courageous and Empower people.

Customers first

- Know your customers
- Deliver what matters
- Make decisions with empathy

Ideas into action

- Challenge the norm and suggest solutions
- Encourage and embrace new ideas
- Work across boundaries

Unleash potential

- Expect greatness
- Lead and set clear expectations
- Seek, provide and act on feedback

Be courageous

- Own your actions, successes and mistakes
- Take calculated risks
- Act with transparency

Empower people

- Lead, empower and trust
- Play to everyone's strengths
- Develop yourself and those around you

1.3 Priorities

In 2019-20, we continued to maintain a strong focus on establishing, strengthening, integrating and evolving our healthcare services in line with the four strategic priorities of the *Children's Health Queensland Strategic Plan 2016-2020 (2019 update)*. These priorities were:

Child- and family-centred care

- Ensure services are consistently delivered in child- and family-friendly and supportive environments.
- Facilitate an integrated system of specialised care for children, through service models that support continuity of care and care close to home, and respond to local needs and service capability.
- Continuously undertake comprehensive health service planning and reviews to support future services, and influence statewide policy and plans for child and youth health services.

Performance

- Develop and implement an Excellence Framework which defines aspiration, benchmarks current performance against industry leaders and drives game-changing improvement.
- Develop and implement an evidence-based evaluation framework for health service innovation to assess and prioritise redesign and improvement investments.
- Deliver business intelligence and data analytics capabilities which enable us to efficiently achieve service agreement targets, identify areas for performance improvement and support research outcomes.

Partnerships

- Work with public and primary health agencies to promote wellbeing of children by encouraging further development of protection, promotion, prevention and early intervention services.
- Work with partners in other sectors (e.g. education, housing) to address the determinants of child and youth health outcomes.
- Strengthen emphasis on improving Aboriginal and Torres Strait Islander child and family access and outcomes, including working with Aboriginal community-controlled health organisations and community leaders to eliminate barriers to access, and grow the Aboriginal and Torres Strait Islander workforce.

People

- Optimise organisational culture to facilitate high levels of employee engagement that enables high performance.
- Implement people processes, practices and systems that enable people-related matters to be managed in a timely and effective manner, through support by a business partnering model.
- Develop interdisciplinary models to maximise opportunities for innovative practice and professional development across our organisation.

Throughout 2019-20, we progressed the operationalisation of the *Children's Health Queensland Children's Health and Wellbeing Services Plan 2018-2028*, our 10-year vision for the future of clinical services for children and young people, and the complementary *Aboriginal and Torres Strait Islander Health and Wellbeing Plan 2018-2023*. The documents outline our five key health service directions for optimising the health and wellbeing of children and young people. These are:

1: Promoting wellbeing and health equity
2: Improving health service design and integration
3: Evolving service models
4: Delivering services closer to home
5: Pursuing innovation

Both plans can be viewed at: www.childrens.health.qld.gov.au/chq/about-us/strategies-plans

Strategic Outcomes 2019-2020

Strategic priority: Child and family-centred care

Place the child and family at the heart of everything we do.

- Commissioned and opened Jacaranda Place, a $27 million purpose-built adolescent extended treatment centre at Chermside, Brisbane. The Australian-first centre delivers specialist care and support for young people experiencing severe and complex mental health issues in a safe, supportive and structured environment.
- Published *Birdie and the Virus*, a new COVID-19-specific addition to the Birdie's Tree series of children's books created to support the mental health and wellbeing of young children during and after a natural disaster or unusual event. At 30 June 2020, the Birdie and the Virus page on the Children's Health Queensland website had been viewed more than 690,000 times by people in 79 countries.
- Launched the MyQCH app to provide patients and families with convenient and timely access to a range of searchable information about the Queensland Children's Hospital including service profiles and contacts, visitor information, educational videos and parking information. In 2019-20, the app was accessed more than 7,000 times.
- Realigned the Child Development Program workforce across the Greater Brisbane metropolitan area to ensure children and families can access responsive services closer to home. This included the establishment of a new service at Yarrabilba.
- Increased the use of telehealth by 153 per cent compared to 2018-19, saving families across Queensland more than 7,121,764 km in travel to and from the Queensland Children's Hospital.
- Implemented tele-rehabilitation outreach clinics to ensure continuity of care for rural and regional patients and families during the COVID-19 pandemic. By 30 June 2020, the Queensland Paediatric Rehabilitation Service (QPRS) had implemented seven outreach clinics via the new tele-rehabilitation model, supporting 93 individual children and their families.
- Expanded the right@home program, launched in the Logan, Beenleigh and Browns Plains areas in April 2019, to the Moreton Bay region. The home visiting service offers parents a minimum of 25 home visits with a child health nurse to improve prenatal care, parent-child attachment and the family environment. Over 900 families were cared for under the program in 2019-20, with 95 per cent of participating parents reporting they felt more enabled as a result.
- Strengthened our proactive response to suicide prevention in young people, by partnering with consumers and families to develop two booklets offering targeted information and support for young people and parents/carers after a suicide risk assessment. In 2019-20 more than 11,400 booklets were distributed to clinicians across Queensland. The Generation Zero Suicide Initiative also developed the *Suicide Risk Response and Elevated Pathways* clinical pathway for suicide prevention.
- Established an expanded Bereavement Service to offer bereavement support for all families who experience the death of a child at the Queensland Children's Hospital. The service, supported by the Children's Hospital Foundation and the Scarlett May Foundation, was previously only available to families referred to our Paediatric Palliative Care Service.

Strategic priority: Performance

Deliver high-value, health services driven by continuous improvement, creativity and innovation.

- Led the development of the Queensland Paediatric Emergency Care website, an online resource that supports the delivery of consistent, high-quality, family-centred emergency care regardless of which hospital a child presents at across Queensland.
www.childrens.health.qld.gov.au/chq/health-professionals/qld-paediatric-emergency-care/
- Developed Australia's first pathway for the assessment and management of paediatric stroke. The pathway, known as Code Stroke, aims to ensure children with signs of suspected stroke are diagnosed faster and receive treatments that will help significantly improve their long-term health outcomes.
- Implemented the Paediatric Ear, Nose and Throat (ENT) Pathway to improve and streamline statewide access to appropriate, safe and timely specialist ENT care and surgery at the Queensland Children's Hospital. In 2019-20, more than 1650 children accessed the new pathway.
- Operationalised the Brainlab Navigation System, a surgical navigation tool which allows surgeons to use real-time 2D and 3D images to achieve greater precision and accuracy during orthopaedic surgery and deliver better outcomes for children with bone cancer. The $1.7 million system, funded by the Children's Hospital Foundation, will be used for other surgical specialties in the future.
- Secured $6.89 million in research funding (including grants and clinical trials) in 2019-20. This includes vital work in oncology, critical care, respiratory medicine and infectious diseases
- Appointed a member of the US-based Institute for Advanced Clinical Trials (I-ACT) for Children, a not-for-profit organisation that works with public and private stakeholders to help advance and accelerate paediatric clinical trials and novel drugs for children.
- Trained nine organisations to become licensed Project ECHO® Hubs, following Children's Health Queensland's appointment to Project ECHO® Superhub status in 2019. ECHO® is an interactive model of online case-based learning for health and education professionals, in which frontline health professionals in rural, remote and under-served areas receive support from tertiary-based specialists. In total, Children's Health Queensland ECHO® networks supported more than 930 participants during 2019-20.
- Launched *Journey Towards Excellence for the Queensland Paediatric Cardiac Service 2020-2024*, a five-year strategic roadmap to guide service development, continuous improvement and sustainability.
- Developed *Keeping Kids Safe*, a child and youth risk management strategy focused on creating a child-safe environment for all children and young people who access our services. The strategy provides a clear and consistent framework to guide staff and those who partner, work or volunteer with Children's Health Queensland.
- Transitioned to the new Queensland Health finance, procurement and materials management system S/4Hana, delivering improvements in efficiency, compliance, and reporting.
- Expanded the child health 'pop up' clinics initiative to deliver targeted clinics at 18 new sites in five priority populations across Greater Brisbane (Inala, Deception Bay, Macleay Island, Eagleby and Moorooka). The clinics aim to improve access to developmental assessments and other child health services.
- Led the development of the Australian and New Zealand Clinical Motion Analysis Practice Recommendations to facilitate clinical decision making and delivery of best outcomes for children with gait abnormalities.
- Developed a live dashboard to accurately track stock levels of personal protective equipment (PPE) as part of Children's Health Queensland's COVID-19 response to support the safe provision of care for patients, families and staff.

Strategic priority: Partnerships

Work collaboratively with partners to improve service coordination and integration.

- Expanded the Navigate Your Health model of care, aimed at improving health outcomes of children and young people in out-of-home care. The program is now available to young people involved with the youth justice system in Brisbane, Cairns and Logan. The program is delivered in partnership with the Department of Child Safety, Youth and Women and the Department of Youth Justice.
- Partnered with the Queensland Police Service and Queensland Forensic Mental Health Service to establish the Project Solus initiative, which aims to identify and proactively manage and support young people with mental health challenges within the youth justice system.
- Established the Young Leaders Forum (Youthi) through a partnership with the Queensland Children's Hospital School to formalise consultation with school students and strengthen consumer engagement and feedback.
- Collaborated with Griffith University and the University of Michigan to create the world's first paediatric appropriateness guidelines for intravenous access devices. The evidence-based Michigan Appropriateness Guide for Intravenous Catheters in Paediatrics provides appropriate and safe criteria for vascular access devices across a range of clinical indications in paediatric healthcare.
- Partnered with Education Queensland and UQ Health Care to co-design and pilot a GP model of care in targeted secondary schools, with the goal of improving adolescent access to primary care. The pilot weekly clinic at Mabel Park State High School saw 198 students attend over 20 weeks.
- Collaborated with the Queensland Forensic Mental Health Service and The University of Queensland to secure a $1.98 million research grant to support the mental health and social and emotional wellbeing needs of Indigenous adolescents who experience detention.
- Commenced the inaugural Arts in Health research project 'Future Stories', using virtual reality technology to enable long-term adolescent patients to build imaginary worlds for enjoyment and distraction. This project is a partnership with academics from Griffith University, Central Queensland University and the University of New South Wales.
- Partnered with Western Australia Country Health Service and Perth Children's Hospital to deliver an educational workshop utilising online, face-to-face and simulated learning for the specialist area of paediatric feeding and swallowing.
- Worked in close partnership with young people with a lived mental health experience and their carers to curate a contemporary art collection for Jacaranda Place, Children's Health Queensland's new mental health extended treatment centre. At the request of young people, the collection has an emphasis on uplifting and encouraging pieces by artists who are open about their own mental health journeys.

Strategic priority: People

Create an inspirational workplace where people want to work and learn, where contributions are valued, and staff come to work with a purpose and leave with a sense of pride.

- Performed highly in all 10 categories of the 2019 Working for Queensland employee opinion survey. These are: Agency engagement, Job empowerment, Workload and health, Learning and development, My workgroup, My manager, Organisational leadership, Organisational fairness, Anti-discrimination and Innovation.
- Developed the Caring Conversations program, to support staff in speaking up and having critical conversations, thereby improving safety for our staff and patients.
- Launched the 'In Our Own Words' Narrative Medicine Project, a collaboration with QUT Creative Writing Faculty and Central Queensland University School of Nursing, investigating the benefits of creative writing in clinical practice and as a clinician wellbeing strategy.
- Recognised the achievements of Children's Health Queensland staff at our annual Excellence Awards. These awards align with our organisational values and strategic priorities, celebrating individuals and teams who have contributed significantly to our vision of leading life-changing care for children and young people.
- Continued to strengthen medical, nursing, allied health and corporate education, training and development activities to ensure Children's Health Queensland has a skilled, highly engaged workforce across all professions.
- Embedded the Children's Health Queensland's Clinical Council as a significant leadership forum to engage with, empower and represent clinicians on issues of strategic significance, as well as act in an advisory role to the organisation.
- Enhanced our organisational focus on occupational violence prevention activities, including the deployment of statewide-endorsed training and proactive projects designed to prevent behavioural escalations.
- Deployed staff peer support programs in targeted services across Children's Health Queensland to ensure our people can easily access confidential support and advice when they need it. The program is focused on help-seeking and referral pathways.
- Demonstrated areas of activity 'above and beyond that which meets the prescribed domains and standards' in the Queensland Children's Hospital's Queensland Pre-vocational Medical Accreditation. These areas included cultural commitment to education and training, visible and responsive medical education unit, and the Junior Doctor Wellbeing and Performance Review Committee. The hospital was awarded full accreditation status for four years (until 22 January 2023).

1.4 Aboriginal and Torres Strait Islander Health

Children's Health Queensland is committed to helping to close the gap in health and developmental inequality so Aboriginal and Torres Strait Islander children can enjoy the same opportunities and health and wellbeing outcomes as non-Indigenous Australians.

Our *Aboriginal and Torres Strait Islander Health and Wellbeing Services Plan 2018-2023* represents Children's Health Queensland's blueprint for meeting the unique and changing needs of Aboriginal and Torres Strait Islander children and young people. It places culture at the core of change; reinforcing that Aboriginal and Torres Strait Islander health is everyone's business, not solely the responsibility of Indigenous-specific programs or services.

Children's Health Queensland is taking a leadership role in ensuring that Aboriginal and Torres Strait Islander children and their families have access to high-quality clinical health care which prioritises their cultural, emotional and spiritual needs. Our progress and achievements in this important work in 2019-20 include:

- Establishment of a new position, Director of Aboriginal and Torres Strait Islander Engagement, to provide leadership and enablement across Children's Health Queensland on matters relating to equitable and culturally appropriate health outcomes for Aboriginal and Torres Strait Islander children and families. The position will be recruited in the second half of 2020.
- Establishment of an Aboriginal and Torres Strait Islander Health Worker role as part of the new team at Jacaranda Place to support the provision of culturally safe mental health care for Aboriginal and Torres Strait Islander young people and assist in the development of a culturally competent service.
- Appointment of two Aboriginal and Torres Strait Islander-identified nurse navigator positions to the Navigate Your Health program to ensure services are coordinated and accessible in culturally appropriate ways that enhances the child's connection to community and culture across the model of care. These roles actively engage and collaborate with children, young people, biological families, foster and kinship carers and key partner agencies.
- The Deadly Ears program continued to make a difference to the lives of Aboriginal and Torres Strait Islander children by ensuring they can hear, talk, learn, and play. In 2019-20, and prior to the pausing of face-to-face outreach services due to COVID-19, the team provided 674 ENT specialist assessments, 722 hearing assessments, and 93 surgeries. Of these children, 118 received additional nursing assessments, 44 were reviewed by a speech pathologist and 42 by an occupational therapist. A further 11 children were fitted with hearing aids in partnership with Hearing Australia.
- Establishment of Children's Mental Health and Drugs Training in the regional communities of Cherbourg and Woorabinda to improve access to mental health supports to families, local agency staff and community justice groups.
- The Connected Care program delivered 2,133 occasions of service to children who identify as being of Aboriginal and Torres Strait Islander descent in 2019-20, and our dedicated Indigenous Nurse Navigator supported 31 children with complex and chronic disease.
- Distribution of more than 200 cultural welcome packs to inpatient families in 2019-20. The packs are designed to promote a sense of cultural safety, connection and self-care for Aboriginal and Torres Strait Islander families during their time at the hospital. The bags are delivered in partnership with the Children's Hospital Foundation, QantasLink and the Brisbane Boys Grammar School.
- Children's Health Queensland's Arts in Health Program collaborated with the Hush Foundation's Parenthood project and the Institute of Urban Indigenous Health to undertake a workshop involving young Indigenous mothers and babies. Brisbane singer/songwriter Emily Wurramara worked with the mothers to compose songs for their babies which will be recorded by the Tasmanian Symphony Orchestra as part of its ongoing *Parenthood* album project.

COVID-19 response

- Five consumer representatives were recruited for a First Nations COVID-19 Consumer group to support Children's Health Queensland's response to the pandemic and enhance culturally safe and appropriate service delivery.
- We established a clinical services partnership with Institute for Urban Indigenous Health to support Aboriginal and Torres Strait Islander families who present for testing for at the Queensland Children's Hospital. Through this partnership, we can offer families access to additional medical and community support.
- The Queensland Centre for Perinatal and Infant Mental Health created a suite of educational resources to support Aboriginal and Torres Strait Islander communities including the fact sheets Protecting your mob, your community and yourself and Yarning with your kids about COVID-19.
- In response to the social restrictions introduced in March 2020 to protect Indigenous communities from COVID-19, the Deadly Ears team adapted models of care to continue delivering integrated interdisciplinary care via telehealth. This approach proved beneficial for families, local health services and the program, and as a result, will be included as an option for future service delivery.

1.5 Our hospital and community-based services

Children's Health Queensland is dedicated to caring for children and young people from across Queensland and northern New South Wales.

We deliver responsive, integrated, high-quality, person-centred care through a network of professionals, services and facilities, incorporating the:

- Queensland Children's Hospital
- Child and Youth Community Health Service
- Child and Youth Mental Health Service
- statewide services and programs, including specialist outreach and telehealth services.

A recognised leader in paediatric healthcare, education and research, we deliver a full range of clinical services, tertiary and quaternary care and health promotion programs.

Our services are provided at the Queensland Children's Hospital and from community sites in the greater Brisbane metropolitan area. We also partner with the 15 other hospital and health services in Queensland, as well as non-governments agencies, charities and other healthcare providers to ensure every child and young person, regardless of where they live, has access to the best-possible care, coordinated services and support.

Queensland Children's Hospital

The Queensland Children's Hospital in South Brisbane is the major specialist paediatric hospital for Queensland and northern New South Wales and is a centre for teaching and research. Categorised as a level six service under the Clinical Services Capability Framework for Public and Licensed Private Health Facilities, the Queensland Children's Hospital is responsible for providing general paediatric health services to children and young people in the greater Brisbane metropolitan area, as well as tertiary-level care for the state's sickest and most seriously injured children.

As part of our model of service delivery, we work in partnership with the network of lower-level service hospitals to coordinate, when safe and appropriate to do so, the provision of care as close to home as possible for a child and their family.

The Queensland Children's Hospital also delivers statewide paediatric speciality services, covering areas including burns rehabilitation medicine, cardiology and cardiac surgery, cerebral palsy, cystic fibrosis, gastroenterology, oncology, neurology and haemophilia care.

As part of our commitment to sharing knowledge, Children's Health Queensland offers training in a broad range of clinical specialities and provides undergraduate, postgraduate and practitioner-level training in paediatrics.

The Queensland Children's Hospital also plays a significant role in clinical research, undertaking research programs with affiliated universities including The University of Queensland and Queensland University of Technology.

www.childrens.health.qld.gov.au/qch

Concessional parking

To help families with the cost of parking in the hospital precinct, we continue to exercise the Queensland Children's Hospital Concessional Parking Policy developed in alignment with *Queensland Health's Patient and Carer Car Parking Concessions Standard*.

The policy offers discounted parking of $12 per day or $100 for a monthly pass (where applicable) to families in financial hardship or who attend the hospital two or more days per week for non-Healthcare card holders, and two or more days per month for Healthcare card holders.

During the 2019-20 period, 24,301 concessional parking tickets (at a cost of $144,121.15) were issued to families in financial hardship or patients attending the hospital two or more days per week. An average of 2,000 concessional parking tickets were issued to families per month, which represents a 10 per cent increase on the average of 1,883 per month in 2018-19.

Child and Youth Community Health Service

Our Child and Youth Community Health Service unites a variety of primary health community-based services and specialist statewide programs dedicated to helping children and their families lead healthier lives.

The multidisciplinary teams deliver a comprehensive range of health promotion, assessment, intervention and treatment services across the continuum of care.

While predominantly providing frontline healthcare from more than 50 community clinics across greater Brisbane, care is also delivered via our outreach and statewide services such as the Deadly Ears and Good Start programs, Healthy Hearing, Queensland Hearing Loss Family Support Service and the Ellen Barron Family Centre.

www.childrens.health.qld.gov.au/chq/our-services/community-health-services/

Child and Youth Mental Health Service

Our Child and Youth Mental Health Service provides comprehensive, collaborative, client and family-centred care for infants, children, young people and families in need of specialised mental health treatment.

We aim to improve the mental health and wellbeing of children and young people and their carer networks using a recovery-focused model.

High priority is placed on collaborative care, consultation, consumer choices and partnering with families and stakeholders to achieve optimal outcomes.

We provide acute and tertiary-level hospital-based care at the Queensland Children's Hospital, sub-acute care at the new adolescent mental health extended treatment centre, Jacaranda Place, community-based care at six clinics across the greater Brisbane metropolitan area, and a range of specialist services (including forensic, eating disorders, perinatal and infant mental health and tele-psychiatry services) across the state.

1.6 Targets and challenges

Operating environment

Our operating environment is complex and ever-changing. Drivers for change include shifting disease profiles, population growth, emerging technology and research, government policies and priorities, fiscal pressures, consumer expectations and partner priorities. These represent opportunities and challenges for Children's Health Queensland to learn, innovate and transform. Our evolving response to the COVID-19 pandemic has demonstrated how we can rapidly evaluate and respond to emerging challenges with agility, innovation and connectedness across the system. A summary of the external factors that have impacted Children's Health Queensland in 2019-20 is detailed below.

COVID-19 response

The COVID-19 pandemic has created challenges for our health, social, education and economic systems. Collaboration across governments, states, territories and the public and private health sectors has strengthened and supported health systems to build and redirect capacity to manage the impacts of the COVID-19 pandemic. Children's Health Queensland will continue to build upon the rapid and responsive innovation that occurred through the COVID-19 response, such as telehealth utilisation, hospital in the home, virtual wards, alternative pathway development and statewide planning and education.

Investing in wellbeing and mental health

Children's Health Queensland, alongside other partners, is working with Health and Wellbeing Queensland to improve mental and physical wellbeing, including through the *Boost your Healthy during COVID-19* campaign.

Closing the Gap and addressing health inequity

There is still a long way to go to deliver better health, education and employment outcomes for Aboriginal and Torres Strait Islander people. The *2020 Closing the Gap* report outlines progress against targets set in 2008, with the objective of eliminating the gap between Indigenous and non-Indigenous Australians in health and life expectancy. The annual report highlights some improvements in health and education.

However, despite some improvement in Indigenous child mortality rates, the mortality rate for non-Indigenous children has improved at a faster rate and as a result, the gap has widened.

In Queensland, the establishment of the Aboriginal and Torres Strait Islander Health Division, commencement of the Chief Aboriginal and Torres Strait Islander Health Officer and the release of the *Aboriginal and Torres Strait Islander Cultural Capability Action Plan 2019-22* reaffirm the importance of developing culturally responsive and inclusive workplaces and practices. Health equity remains a priority focus for Children's Health Queensland. Our *Aboriginal and Torres Strait Islander Health and Wellbeing Services Plan 2018-2023* outlines our commitment to improving the health and wellbeing of Aboriginal and Torres Strait Islander children and young people.

Building a resilient healthcare workforce

It is predicted that Australia will face a shortage of healthcare workers in the next decade, raising concerns about future workforce supply. The challenge of current and future workforce capacity and capability is particularly of concern in rural and remote areas of Queensland. Rural and remote communities often have reduced access to comprehensive services, and poorer health and wellbeing outcomes than those in metropolitan areas. The recently established Office of Rural Health in Queensland Health aims to strengthen future workforce and service delivery planning in rural and remote communities.

Strengthening statewide workforce capacity and capability is central to our organisation's statewide role in delivering paediatric clinical excellence, research, advocacy and leadership. To enable a resilient and sustainable workforce, Children's Health Queensland will continue to foster innovative workforce models, advance alternative models of care, leverage new technology and explore different ways of delivering specialist training.

Authentic partnering with empowered consumers

The health system is increasingly acknowledging the importance of consumers and their families/carers being active and authentic partners in health and wellbeing. Person-centred care has been shown to result in increased treatment adherence, better outcomes, reduced utilisation of healthcare services and costs, and improved staff retention and satisfaction. Children's Health Queensland is committed to partnering with consumers to build health literacy and to co-design services that are person-centred and respect and promote human rights. Queensland's new *Human Rights Act 2019* (HR Act) came into effect on 1 January 2020. The HR Act highlights our collective responsibility to consider the impact of decisions and actions on the human rights of Queenslanders including in law, policy and service development and delivery.

Transforming care through digital enablement

Advances in technology and emerging digital health interventions are revolutionising healthcare across the world, providing new opportunities to improve access and quality of care, workforce productivity and patient outcomes and experience. Queensland is already at the forefront of the provision of telehealth services in Australia, and further technological advances will enable these services to expand, incorporating virtual reality tools and remote monitoring devices. The May 2020 Clinical Senate meeting provided an opportunity for clinicians across Queensland to share and discuss models of care that have been disrupted and transformed through the response to COVID-19. Several key principles and recommendations were formed by the Clinical Senate including delivery of virtual care wherever desired by the patient and clinically and logistically appropriate; strengthened IT infrastructure to expand virtual healthcare services in rural and remote Queensland; implementation and evaluation of virtual integrated multi-disciplinary, multi-specialist models or care; and expanded implementation of e-consultation across primary care and specialist clinicians to enable faster and more effective decision-making. Children's Health Queensland will continue to invest in programs that support digital transformation to enable the delivery of contemporary healthcare innovations while also maintaining digital infrastructure.

Strategic opportunities and risks

Children's Health Queensland has identified the below opportunities and risks in the medium to long term. Our ability to leverage future opportunities and mitigate risks is vital to meeting our strategic objectives.

Strategic opportunities

- Lead and advocate in a connected system and strengthen partnerships for better care for all children and young people across Queensland.
- Develop the leadership capability of our people to deliver world-class care for children and young people.
- Enhance paediatric service delivery efficiencies across the health system to improve continuity of care and health outcomes.
- Embed a person-centred approach to care that is inclusive and integrated, and delivered in partnership with each child, young person, family and community.
- Leverage health intelligence technology and innovation capability to improve health outcomes for children and young people.

Strategic challenges

- The health system can be complex and fragmented, which impacts our ability to deliver integrated care for children and young people as close to home as possible.
- Attracting and retaining a diverse workforce with specialised knowledge and skills impacts how we respond to our environment to deliver health service priorities.
- Our capacity to meet demand for paediatric services across Queensland is impacted by population growth, changing disease profiles and resource availability and allocation.
- The agility and strength of our interprofessional teams and partnerships impacts how we meet and exceed the evolving health and wellbeing needs of children and young people.
- Our ability to innovate is impacted by the health system environment and our use of health intelligence to respond to population needs.

1.7 Looking ahead – key activities, projects and goals for 2020-21

Strategic directions

- Strengthen Children's Health Queensland's capability to provide equitable access to information and care for children and young people, including establishing an Aboriginal and Torres Strait Islander community advisory group, enhancing the cultural capability program and expanding Project ECHO® networks for priority populations.
- Mobilise a Queensland paediatric research community to generate and lead ground-breaking research and translate new knowledge into better health outcomes.
- Continue to collaborate with our alliance of health and cross-sector partners to support the care of adolescents and young adults, including transition to adult services.
- Enhance our organisation's role in system-wide leadership activities through cross-sector partnerships, including the opportunity to lead and collaborate on priorities under the *Advancing Queensland's Priorities* initiative.
- Operationalise a redesign of Children's Health Queensland's community-based child health services to better deliver services when and where they are needed.
- Co-design an environmental stewardship program with staff, consumers and partners.
- Advance health and business intelligence capability to support a population-based approach to planning and investment.

Digital

- Launch the YourQH app and enhance MyQCH functionality, which will assist patients and their families to better navigate their healthcare by managing their specialist appointments and accessing health-related information easily.
- Continue to optimise the functionality and benefits of the ieMR.

Infrastructure

- Complete construction and commissioning of a new inpatient ward on Level 12 at the Queensland Children's Hospital, to better meet current and future demand for inpatient services. The $20 million expansion project will deliver a ward with 29 neurosurgical and orthopaedic beds, as well as six more dedicated oncology beds for Queensland children and young people.

Workforce

- Progress our Interprofessional Practice and Education Plan to further support clinicians in working together with patients, families, carers, and communities to deliver the highest quality of care.
- Continue to invest in a coordinated approach to support and build Children's Health Queensland's leadership capabilities and pipeline.
- Launch the Imagination Hub, an online community and resource centre established to inspire and support staff to pursue their ideas; whether that be improving current processes at CHQ or exploring and testing innovative ideas.

Safety and Quality

- Continue Children's Health Queensland's progression towards achieving Person-centred Care Certification, an international Planetree program for benchmarking and optimising person-centred care. We are on track to be the first certified paediatric health service in the world.
- Obtain accreditation against the second edition of the National Safety and Quality Health Service Standards.
- Mature our Quality Management System, based on the principles outlined in *ISO 9001: Quality Management Systems Requirements*, to optimise continuous quality improvement across Children's Health Queensland.

Section 2: Governance

2.1 Our people

Board

The Children's Health Queensland Hospital and Health Service Board is appointed by the Governor-in-Council on the recommendation of the Deputy Premier, Minister for Health and Minister for Ambulance Services. The Board is responsible for the governance of Children's Health Queensland, in terms of the *Hospital and Health Boards Act 2011* and *Hospital and Health Boards Regulation 2012*.

Board appointments

- David Gow was reappointed as the Board Chair in May 2020.
- Dr David Wood was reappointed as a Board Member in May 2020.
- Meredith Staib was appointed to the Board in May 2020.
- Georgie Somerset's term ended in May 2020.

Meetings

Board meetings were held at the Queensland Children's Hospital and a number of Children's Health Queensland community sites on the following dates:

4 July 2019	7 November 2019	2 April 2020
8 August 2019	5 December 2019	7 May 2020
5 September 2019	6 February 2020	4 June 2020
3 October 2019	5 March 2020	

Meeting attendance

Position	Name	Meetings attended
Board Chair	David Gow	11
Deputy Chair	Cheryl Herbert	10
Member	Darren Brown	11
Member	Suzanne Cadigan	11
Member	Paul Cooper	10
Member	Karina Hogan	9
Member	Georgie Somerset **Term ended 17 May 2020*	8
Member	Heather Watson	11
Member	Ross Willims	11
Member	Dr David Wood	11
Member	Meredith Staib **Appointed 18 May 2020*	1
Total number of scheduled meetings		**11**

Children's Health Queensland Hospital and Health Service Board

Act or instrument	*Hospital and Health Boards Act 2011* and *Hospital and Health Boards Regulation 2012.*
Functions	• oversee Children's Health Queensland Hospital and Health Service as necessary, including its control and accountability systems • provide input and final approval of executive development of organisational strategy and performance objectives, including agreeing the terms of the Service Agreement with the Chief Executive (Director-General) of Queensland Health • review, ratify and monitor systems of risk management and internal control and legal compliance • monitor Health Service Chief Executive's and senior executives' performance (including appointment and termination decisions) and implementation of the Strategic Plan • approve and monitor the progress of minor capital expenditure, capital management, and acquisitions and divestitures • approve and monitor the annual budget and financial and other reporting.
Financial reporting	The general purpose financial statements of Children's Health Queensland are prepared pursuant to Section 62(1) of the *Financial Accountability Act 2009*, relevant sections of the *Financial and Performance Management Standard 2019* and other prescribed requirements (see page 38).
Remuneration	As approved by Governor-in-Council, the CHQ Board Member annual fees are $75,000 Board Chair, $40,000 Deputy Chair and Members. Committee fees (per statutory committee) are $4,000 Chair and $3,000 Member.
Total out-of-pocket expenses in 2019-20	$7,254 (including airfares, mileage and accommodation).

Our committees

Board Committees

Health Service Executive Committee

Membership: Cheryl Herbert (Chair), Paul Cooper, David Gow, Ross Willims and Dr David Wood.

The Health Service Executive Committee supports the Board with its governance responsibilities and makes recommendations to the Board by overseeing select strategic issues, strategic planning and engagement strategies of the Hospital and Health Service. Additional responsibilities include supporting the Board with performance and remuneration arrangements for the Health Service Chief Executive and Executive Leadership Team and advising the Board on committee membership and representation.

Quality and Safety Committee

Membership: Dr David Wood (Chair), Cheryl Herbert, Georgie Somerset (to 17 May 2020), Suzanne Cadigan, Darren Brown and Meredith Staib (from 18 May 2020).

The Quality and Safety Committee supports the Board with its governance responsibilities and makes recommendations to the Board by overseeing quality and safety, including compliance with state and national standards, provision of person-centred care, patient and family feedback and complaints, service accreditation preparedness, periodic industry review outcomes and critical incidents of concern/interest to the Board.

Audit and Risk Committee

Membership: Paul Cooper (Chair), Cheryl Herbert, Georgie Somerset (to 17 May 2020), Suzanne Cadigan, Karina Hogan, Heather Watson and Meredith Staib (from 18 May 2020).

The Audit and Risk Committee provides independent assurance and oversight to the Chief Executive and the Board on risk, internal control and compliance frameworks and external accountability responsibilities as prescribed in the *Financial Accountability Act 2009, Auditor-General Act 2009, Financial Accountability Regulation 2019* and *Financial and Performance Management Standard 2019*.

Finance and Performance Committee

Membership: Ross Willims (Chair), David Gow, Heather Watson, Darren Brown, Karina Hogan.

The Finance and Performance Committee supports the Board with its governance responsibilities and makes recommendations to the Board by overseeing the financial position, performance and resource planning strategies of the Hospital and Health Service in accordance with the *Financial Accountability Act 2009*.

Research Committee

Membership: Heather Watson (Chair), David Gow, Cheryl Herbert and Suzanne Cadigan.

The Research Committee is a new committee established in May 2020 to provide oversight and recommend strategies to the Board in relation to building long-term collaborations in research and enhanced clinical service delivery founded on sustainable and trusting partnerships. The committee's first meeting will be in July 2020.

Our Board

David Gow, Chair

Commenced: 18/05/2013
Current term: 18/05/2020 to 31/03/2024

David brings more than 30 years' experience in law, banking and finance, having held senior leadership roles with a multinational bank in Australia and internationally. Since returning to Australia in 2008, David has held a number of non-executive board roles in government and private sector companies, specialising in governance, financial management, audit and risk management and research commercialisation.

Darren Brown

Commenced: 18/05/2019
Current term: 18/05/2019 to 17/05/2021

Darren is a highly experienced clinician, with more than 30 years' experience as an ambulance paramedic. Darren also provides strategic advice to Government in relation to ambulance policy, operations and industrial matters. He has previously held senior departmental positions in the Queensland Government, specialising in stakeholder and workforce representation.

Suzanne Cadigan

Commenced: 18/05/2019
Current term: 18/05/2019 to 31/03/2022

Suzanne has vast experience as a registered nurse in both the public and private health sectors, working in a range of clinical and leadership roles in critical care, and surgical, paediatric and emergency nursing. She served as the Nursing Director of Surgical and Perioperative Services at the Royal Brisbane and Women's Hospital for 12 years. Suzanne is a member of the Queensland Board of the Nursing and Midwifery Board of Australia, a past President of the Queensland Nurses Union and former member of the Queensland Nursing Council.

Paul Cooper

Commenced: 29/06/2012
Current term: 18/05/2019 to 17/05/2021

Paul has more than 25 years' experience as an accountant in private practice. He has broad experience in a number of industries with current and former board positions in manufacturing, accounting, education, health and industrial electronics. He is Chair of the Advanced Manufacturing Growth Centre Ltd, Chair of Rinstrum Group and Chair of the Queensland Department of Health Audit and Risk Committee. Paul was previously a Director of the Export Council of Australia and CPA Australia Ltd.

Cheryl Herbert, Deputy Chair

Commenced: 26/06/2015

Current term: 18/05/2019 to 17/05/2021

Cheryl has more than 20 years' experience as a chief executive officer and leader within not-for-profit and government health and regulatory organisations. A trained midwife and nurse, she is a fellow of the Australian College of Nursing and the Australian Institute of Company Directors, a board member of Lives Lived Well Pty Ltd and a Director of Australian Regional and Remote Community Services, UnitingCare Qld Pty Ltd and Peachtree Ltd. Cheryl was the founding CEO of the Health Quality and Complaints Commission (HQCC) from 2006 and served as the CEO of Anglicare (formerly St Luke's Nursing Service) for 10 years.

Karina Hogan

Commenced: 18/05/2019

Current term: 18/05/2019 to 31/03/2022

Karina has a strong background in media and Indigenous advocacy. In addition to her current role as an ABC journalist, Karina is also Chair of the Brisbane Aboriginal and Torres Strait Islander Community Health Service and a Director on the board of Sisters Inside, which works to improve outcomes for women and children in touch with the criminal justice system.

Meredith Staib

Commenced: 18/05/2020

Current term: 18/05/2020 to 31/03/2022

Meredith has more than 20 years' clinical and commercial experience in the public, private and community sectors. She has worked in hospital and healthcare management, global medical assistance and is currently the CEO of the Royal Flying Doctor Service (Queensland), one of the largest and most comprehensive aeromedical operations in the world. Meredith also holds memberships on the Australian Advisory Council Thankful4Farmers and the Crisis Cover Global Advisory Committee, and has previously held international director and board positions.

Heather Watson

Commenced: 18/05/2018

Current term: 18/05/2019 to 17/05/2021

Heather brings more than 30 years' legal and governance experience with specialist expertise in the charitable and not-for-profit sectors. She has been a partner in legal practices in both regional and metropolitan Queensland. Her non-executive director and industry experience includes aged care, health and community services, infrastructure in transport and housing and Indigenous communities.

Ross Willims

Commenced: 18/05/2014

Current term: 18/05/2018 to 17/05/2021

Ross has held several senior executive positions within both the public and private sectors such as Vice President External Affairs BHP Billiton Metallurgical Coal, and Director General of the Queensland Department of Mines and Energy. He has also worked in a range of Commonwealth Government departments. On his retirement from BHP Billiton, Ross was appointed Chair of the Australian Coal Association and Australian Coal Association Low Emissions Technologies Limited. He was awarded life membership of the Queensland Resources Council in 2011.

Dr David Wood AM

Commenced: 29/06/2012

Current term: 18/05/2020 to 17/05/2021

David has more than 20 years' experience in child protection in Queensland. He is a former Chair and Board Member of ACT for Kids (previously known as Abused Child Trust) for 25 years and until recently, Director of Paediatric Health Services at Mater Children's Hospital. David is a well-respected paediatrician who brings significant experience working in Queensland hospitals. As a founding member of the Abused Child Trust he has been instrumental in breaking the cycle of abuse and neglect in Australia through therapy for abused children and their families.

Executive Leadership Team

Adjunct Professor Frank Tracey, Health Service Chief Executive

Frank has 40 years' experience working in health systems, which includes executive roles in large health organisations and the non-government sector. He has a clinical background in nursing and holds advanced qualifications in health management and governance. His extensive experience in health commissioning and provision in clinical and community settings is complemented by strong managerial and leadership skills, and an applied interest in translational health research.

Craig Kennedy, Executive Director Clinical Services – Community, Mental Health and Statewide Services

Craig has worked in various health settings over the past 37 years managing health programs and clinical services, developing and implementing telehealth programs, and conducting research and health planning for both hospital and community services. He has a clinical background in nursing and holds a Bachelor of Commerce, Master in Public Health, and PhD in the field of psychiatry.

Dominic Tait, Executive Director Clinical Services Queensland Children's Hospital

Dominic is a highly experienced healthcare leader and manager who is passionate about providing high-quality paediatric health services in partnership with patients and families. He has held the position of Executive Director for the Queensland Children's Hospital since January 2017. Prior to this, he was the hospital's Divisional Director of Clinical Support. He also served as operations manager across multiple divisions including critical care, surgery and clinical support from 2012. Dominic holds a Bachelor of Physiotherapy, a Master of Business Administration and has worked in clinical paediatric roles both in Australia and the United Kingdom since 2001.

Alan Fletcher, Chief Finance Officer

As Chief Financial Officer, Alan is responsible for Children Health Queensland's financial strategy, compliance, governance and key functions including financial and management accounting, revenue services, clinical costings and business analytics. Alan also leads the facilities and capital infrastructure, disruption and disaster management, procurement and contract services portfolios for the organisation. He is a member of CPA Australia and has more than 25 years' financial leadership and management within the public health sector with extensive knowledge and experience in financial management, business leadership and corporate strategy.

Dr Andrew Hallahan, Executive Director Medical Services

Andrew has more than 20 years' experience in paediatric healthcare. As the former Medical Lead Patient Safety for Children's Health Queensland, he co-developed the Queensland Children's Hospital Patient Safety Operating System, an interdisciplinary approach to 24/7 safe care. Andrew also established the Queensland Children's Critical Incident Panel, as a statewide resource to support expert review of children's patient safety events. He is also the Paediatric Lead for Clinical Excellence Queensland's Patient Safety and Quality Improvement Service.

Callan Battley, Executive Director Nursing Services

Callan is a highly respected executive nurse leader and his professional achievements reflect a depth of strategic leadership as well as operational expertise. He has a strong track record of leading transformation to deliver sustainable and contemporary models of care. Callan has a professional interest in patient experience, nursing education and research and is actively involved in children's health and wellbeing in rural and remote Queensland through volunteer work. Prior to his move to Children's Health Queensland, Callan was the Chief Nursing and Midwifery Officer at Mater Health Services and has previously worked in a range of health services, including UnitingCare Queensland.

Tania Hobson, Executive Director Allied Health

Tania has a strong clinical background and extensive experience as a strategic and operational manager and professional leader. Tania has a passion for health management, transformative organisational change, consumer and community engagement, and best-practice models of care. Tania holds a Bachelor of Speech Pathology, a Master of Business Administration and is a Fellow of the Australian College of Health Service Managers. Tania is currently completing a PHD, researching consumer engagement in health care, and is the lead executive for consumer engagement at Children's Health Queensland.

Michael Aust, Acting Executive Director People and Culture

Michael has more than 20 years' senior experience in public, private and consulting sectors leading strategic and operational human resources and people strategy functions. Michael has worked with executive and senior leaders across a range of industries and has established a sound reputation in successfully delivering a range of people and performance initiatives that have supported the delivery of outcomes with improved business performance. He has held both operational and strategic human resource leadership roles within Children's Health Queensland and is committed to creating an environment where our leaders and staff are supported in leading life-changing care for children and young people.

Lisa Benneworth, Executive Director Legal, Governance and Risk

Lisa has held a range of leadership roles in the public and private sector both nationally and internationally, with more than 17 years' experience as a legal professional. She is highly regarded for her strategic approach and extensive knowledge of the challenges and opportunities relating to healthcare systems. Lisa's portfolio responsibilities include leadership for Children's Health Queensland's quality management system, integrated governance, legal services, enterprise risk management, legislative compliance and internal audit.

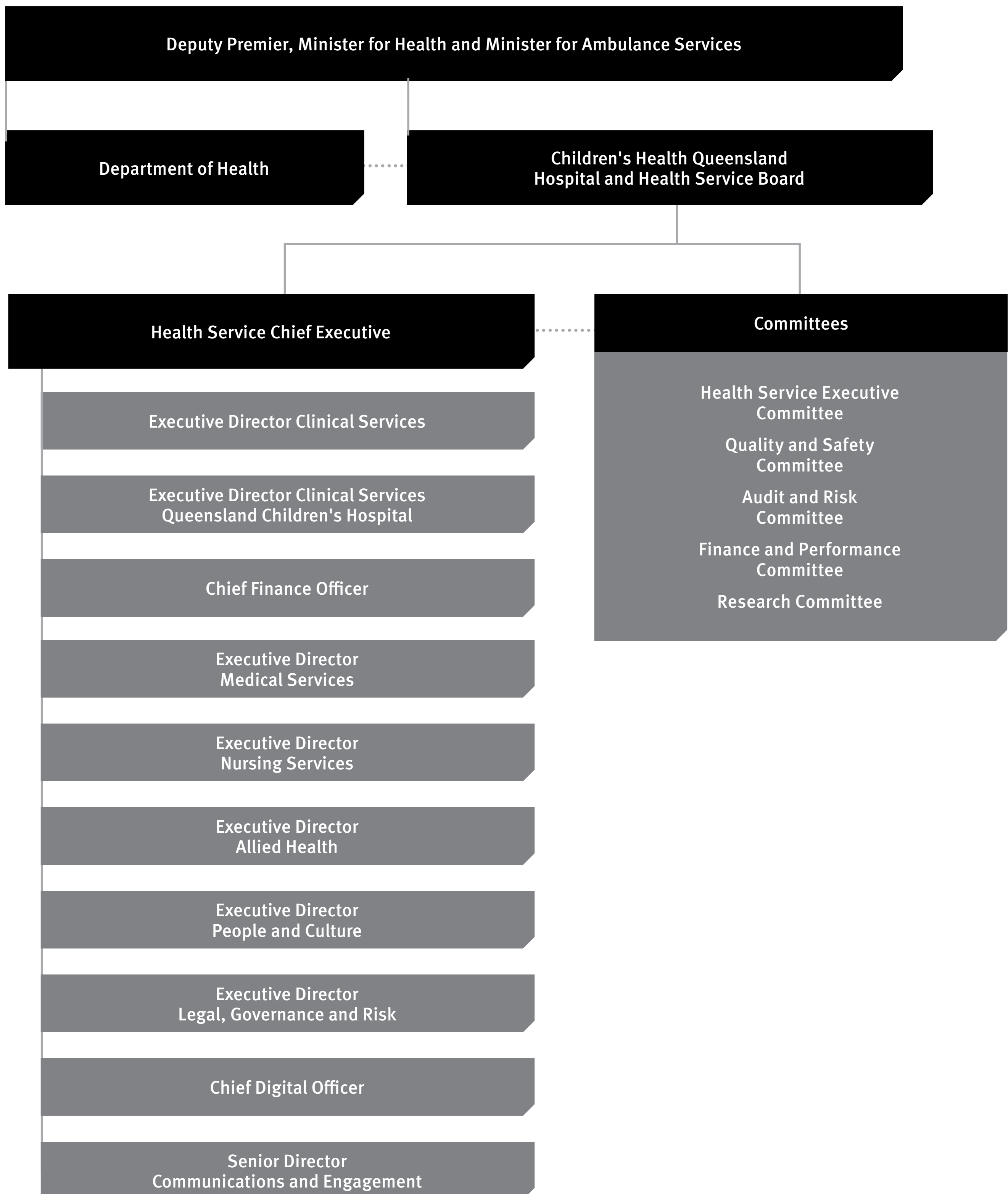
Lisa Knowles, Acting Chief Digital Officer

Lisa has more than 20 years' experience in strategic and operational information management, business intelligence, digital hospital transformation and business service planning in both the public and private sector. Lisa holds advanced qualifications in Health Information Management and is a Certified Health Informatician of Australasia. She has held a number of operational and strategic leadership roles with Children's Health Queensland and is committed to the translation of data into knowledge to improve the health and wellbeing of children and young people.

Belinda Taylor, Senior Director Communications and Engagement

Belinda is a highly experienced communications, corporate and public affairs professional with a career spanning almost 20 years across a range of industry sectors. She has delivered strategic communications, media and stakeholder engagement programs across private sector and publicly listed companies, political offices, government agencies and consultancies. She specialises in developing strategy that creates value-based stakeholder partnerships and multi-channelled communication programs.

Organisational structure



Workforce profile

Children's Health Queensland recognises that our people are our greatest asset. Ongoing investment in our workforce is vital to ensure we can continue to deliver on our core business of providing high-quality care for patients and families. To enable this, our People and Culture unit designs and delivers people strategies and frameworks to build capacity, capability and culture that meets current and future organisational needs.

The goal is to provide a professional, collaborative and supportive work environment that meets the needs and developmental expectations of current and prospective staff.

At 30 June 2020, 4,774 people were employed by Children's Health Queensland, equating to 3,937 full-time equivalent (FTE). Our permanent employee retention rate* was 93 per cent at 30 June 2020, compared with 94 per cent in 2018-19 and 93 per cent in 2017-18. For the same period, our permanent employee separation rate* was 6.5 per cent compared to 6.1 per cent in 2018-19 and 6.6 per cent in 2017-18.

** Retention rate is calculated by the number of permanent staff employed at the start of the financial year (3,411) who remained employed at the end of the financial year (3,189).*

*** Separation rate is calculated by the number of permanent staff who left during the year (223) against the number of permanent staff at the end of the year (3,445).*

Changes to employer arrangements

Changes to employer arrangements came into effect from 15 June 2020. These changes mean all non-executive health service employees in Hospital and Health Services (HHSs) will be employed by the Director-General as system manager of Queensland Health. The changes ensure we have clear and consistent employer arrangements for non-executive health service employees in all HHSs and reflects the fact that staff work for the health of all Queenslanders, regardless of the hospital or HHS they are based in.

Table 1: More doctors and nurses*

	2015-16	2016-17	2017-18	2018-19	2019-20
Medical staff [a]	480	526	550	560	569
Nursing staff [a]	1,456	1,547	1,577	1,616	1,647
Allied Health staff [a]	715	745	794	822	800

Table 2: Greater diversity in our workforce*

	2015-16	2016-17	2017-18	2018-19	2019-20
Persons identifying as being First Nations [b]	28	25	35	42	45

*Note: * Workforce is measured in MOHRI – Full-Time Equivalent (FTE). Data presented reflects the most recent pay cycle at year's end. Data presented is to Jun-20.*

Source: [a] DSS Employee Analysis, [b] Queensland Health MOHRI, DSS Employee Analysis

Strategic workforce planning and performance

Workforce planning, attraction and retention

We are committed to ensuring Children's Health Queensland's workforce is capable, committed and supported, ensuring we provide the best possible healthcare services to Queensland children and their families. In 2019-20, we continued to execute the strategies of the *Children's Health Queensland People Plan 2016-2020* guided by the organisation's Strategic Workforce Planning Framework.

This framework sets the direction for the implementation of workforce planning across the organisation, as supported by best-practice workforce planning methodologies and tools. The framework adopts a service-based, interdisciplinary workforce planning methodology across the organisation, with the aim to forecasting and plan for the right workforce shape, size, skills, cost and location.

The framework will be integrated into standard strategic and operational business planning processes across the organisation, to identify and enable short-term and long-term future workforce planning needs for Children's Health Queensland. These processes will be driven by leaders and supported by the People and Culture team.

A whole-of-organisation workforce strategy will also be developed to support the identification and prioritisation of future workforce needs across the organisation. This organisational-wide strategy will align with local organisational plans and broader state and national healthcare workforce plans. This will ensure Children's Health Queensland is able to develop a workforce that can meet ongoing and future demands locally and in response to broader healthcare workforce influences, priorities and needs.

Contribution to the COVID-19 pandemic response

Children's Health Queensland staff contributed strongly to the pandemic response ensuring the healthcare needs of children and young people continued to be met in a safe, timely and appropriate manner. Staff and leaders across the organisation mobilised quickly to ensure our organisation had the right people, doing the right job at the right time. This included leveraging staff skills and expertise and re-directing to where the organisation most needed it, standing up rapid-response groups across clinical and non-clinical areas to support the delivery of key messages, drive programs of work and to enable effective decision making.

The People and Culture team established the COVID-19 Workforce Advisory Group, which committed itself to supporting clinical areas and staff across the organisation with COVID-19 related initiatives in addition to normal services. This included the development of wellbeing and staff support resources, tailored online orientation (which adhered to physical-distancing requirements), timely industrial and human resource advice, workforce readiness and response activities, and work health and safety COVID-19 risk mitigation activities.

We are committed to building on and further embedding initiatives identified during this time to ensure readiness for the future. A number of initiatives (such as real-time reporting on absence management) will continue to be developed as a long-term workforce optimisation initiative.

Industrial relations

Children's Health Queensland continues to operate within an industrial framework of consultative forums. The framework includes:

- Children's Health Queensland Union Consultative Forum
- Nursing Consultative Forum
- Health Practitioner Local Consultative Forum
- Corporate and Administration Services Local Consultative Forum.

Enterprise bargaining processes are currently underway for the following agreements:

- Queensland Public Health Sector Certified Agreement (No. 9) 2016 – nominal expiry date of 31 August 2019 (administrative, operational, professional and technical officers)
- Health Practitioners and Dental Officers (Queensland Health) Certified Agreement (No.2) 2016 – nominal expiry date of 16 October 2019 (applicable to health practitioners and dental officers).

Flexible working arrangements

Children's Health Queensland supports and implements Queensland Health's work-life balance policy by offering flexible working arrangements to help staff balance work and other responsibilities, including part-time work. In 2019-20, 1,726 people (50 per cent of our permanent workforce) were employed on a permanent part-time basis. During 2019-20, 14 staff participated in purchased leave arrangements. The purchased leave allowance of one to six weeks contributes to work-life balance by enabling staff to purchase leave in addition to their standard recreational leave entitlements.

Flexible working arrangements during the COVID-19 pandemic

During the COVID-19 pandemic response, corporate services staff and staff who provide support to clinical areas were able to successfully perform their duties from home, were able to do so, to help reduce the number of people in the Queensland Children's Hospital, our community facilities and other sites to help support physical distancing

guidelines. A large cohort of our staff continue to work in flexible ways, and transitional arrangements to return staff to the physical workplace will be aligned to the State Government's advice on physical distancing and precautionary health measures.

Inclusion and diversity in the workplace

Children's Health Queensland is committed to providing a supportive and respectful work environment that values the diversity of staff and volunteers. In terms of diversity, the breakdown of staff employed as of 30 June 2020 was:

- 1.08 per cent from an Aboriginal or Torres Strait Islander background
- 10.18 per cent from a non-English speaking background
- 1.13 per cent of staff identified as having a disability.

Leadership development and performance

Children's Health Queensland is committed to developing compassionate leaders who encourage, inspire, innovate and lead the delivery of life changing care for children and young people. To help us deliver on this commitment, we have partnered with Clinical Excellence Queensland to develop well-defined performance standards that clearly articulate the expectations of each different layer of leadership within the organisation. This work involves implementing a leadership pipeline, an evidence-based process for consulting with key stakeholders to define the organisation's people architecture including the different layers of leadership and how these layers need to interrelate for our organisation to perform at its best. The outcomes of this work will be used to support people processes across all aspects of the employee lifecycle, to align people's work and development with the organisation's goals and objectives.

Working for Queensland survey

The annual Working for Queensland (WfQ) survey provides a valuable opportunity for staff to provide feedback to the business so we can better understand the experience of our staff and continue to collaboratively build a workforce culture that supports them as they deliver life-changing care for children and young people.

In 2019, 56 per cent (2,660) of Children's Health Queensland's workforce responded to the WfQ survey.

Children's Health Queensland outperformed the public sector average on all 10 survey factors: Agency engagement, Job empowerment, Workload and health, Learning and development, My workgroup, My manager, Organisational leadership, Organisational fairness, Anti-discrimination and Innovation. Areas where our workforce reported a particularly positive experience included My workgroup (81 per cent positive), Job empowerment (77 per cent positive), and My manager (76 per cent positive). Consistent with our 2018 results, Workload and Health continues to be our lowest performing survey factor (42 per cent positive). However, this score has improved, including a two percentage points improvement since 2018 in responses to the item 'I feel burned out by my work' (with 44 per cent disagreeing that this is their experience). We will continue to use this employee feedback to inform workforce improvements, including the staff and wellbeing support, to enable staff to sustainably deliver high quality, person-centred care.

Early retirement, redundancy and retrenchment

No redundancy packages were paid during 2019-20.

Work health and safety

Our safety performance

Children's Health Queensland has a genuine commitment to ensuring the safety of our staff, volunteers, patients and their families. The *Children's Health Queensland Work Health and Safety Plan 2019-20* guides our work health and safety planning, decision-making and practices. At an operational level, the Children's Health Queensland Work Health and Safety Management System provides the framework to ensure planned, organised and integrated processes are in place to provide a safe and healthy workplace.

Continuous improvement ensures we constantly identify high-risk health and safety issues and implement actions to keep people safe. This important work involves:

- governance, consultative and capability development frameworks
- an integrated work health and safety hazard management and risk mitigation system
- improved board and monthly reporting including monitoring, review and performance evaluation
- workplace injury rehabilitation and return to work programs.

Our work health and safety key performance indicator results for 2019-20 included:

- zero regulatory notices or infringements from the Work Health and Safety Regulator
- workers' compensation premium rate of 0.319, which is significantly lower than the industry premium rate of 0.996.

2.2 Our risk management

Children's Health Queensland recognises that the proactive identification and effective management of our risks is essential for the successful delivery of our operational and strategic objectives and realisation of our vision.

Systems of internal control and risk management have been established and these are maintained through our enterprise risk management framework and oversight by the Board, via the Audit and Risk Committee and Executive Leadership Team. The framework is underpinned by the *International Standard 31000:2018* and applies a principles-based approach to risk management.

A centralised electronic information system, RiskMan, is used to document information about risks, their status and responsibilities for ongoing management across corporate and clinical functions and management levels. Opportunities to further integrate risk management, build risk consciousness and improve risk management maturity across the organisation continue to be progressed.

The *Hospital and Health Boards Act 2011* requires annual reports to state each direction given by the Minister to the Hospital and Health Services (HHS) during the financial year and the action taken by the HHS as a result of the direction. During the 2019-20 period, no directions were given by the Minister to Children's Health Queensland.

Accountability

The Audit and Risk Committee met on four occasions in 2019-20. Remuneration for duties is included in Board remuneration, outlined in the remuneration disclosures section of the financial statements.

Activities in 2019-20 included:

- reviewing and approving the Children's Health Queensland 2018-19 Financial Statements
- noting the Queensland Audit Office's client service strategy, interim and final management letters, and review of the Executive's response to findings and recommendations
- reviewing strategic and organisational risk reports noting management plans and status
- reviewing and approving the strategic and annual internal audit plans
- providing oversight on the performance of the internal audit function, including the delivery of the plan
- reviewing and approving internal audit reports, including recommendations and management responses
- reviewing and noting the completed COVID-19 Self-Assessment Checklist for Children's Health Queensland for readiness
- reviewing and noting compliance management status reports.

Compliance management

Children's Health Queensland adopts a systematic and integrated approach to compliance management to identify, monitor and manage its obligations.

Our compliance management framework, underpinned by *AS/ISO 19600:2015*, articulates roles and responsibilities, processes and resources that support a standardised and risk-based approach for the effective management of compliance obligations.

Our ongoing review of our legislative and regulatory environment has been instrumental in enabling the development of a shared understanding of our compliance obligations. We monitor our performance status through the maintenance of a compliance-obligations register that records controls, risk assessments and planned actions against obligations. Oversight of the effectiveness of the compliance management framework is provided by the Audit and Risk Committee and is facilitated through the provision of regular progress reports.

Internal audit

By the nature of its organisational independence, internal audit is positioned to provide objective assurance and advice to the Executive Leadership Team and Board (via the Audit and Risk Committee) regarding the efficiency and effectiveness of our internal control systems and the alignment of business and operational performance with the organisation's values and strategy. Internal audit consults widely and applies a risk-based approach to the development of the annual internal audit plan.

Nine engagements were completed in the 2019-20 financial year. This includes five engagements that were finalised from the 2018-19 annual internal audit plan across IT patch testing, facilities contract management and medical discharge communication. Four internal audit engagements were completed in the 2019-20 financial year. Internal Audit activities were reallocated to respond collaboratively with the Governance and Risk Team to COVID-19 including the COVID-19 Self-Assessment Checklist for Children's Health Queensland.

In addition to strengthening the organisation's risk management, assurance controls and governance processes, insights gained through audit engagements

provided opportunities to inform decision-making and support continuous improvement across the organisation. The implementation of recommendations arising from internal audits is monitored by the internal audit team and status updates are contained in quarterly reports provided to the Executive Leadership Team and the Board (via the Audit and Risk Committee). These include progress of the plan and engagement outcomes.

External scrutiny

The following external reviews were conducted in 2019-20:

- The Queensland Audit Office reported on the 2018-19 results of financial audits.
- Surveyors from Technical Quality Certification Services International conducted a survey visit addressing ISO 9001:2015 Quality Management Systems Requirements standards.

Information systems and record keeping

Children's Health Queensland's Health Service Information Management is dedicated to continuous service improvement to ensure availability and timely access to critical information to support the provision of high-quality and safe patient care. The Health Service Information Management (HSIM) team consists of two departments: Business Intelligence and Health Information Services.

The implementation of the integrated electronic Medical Record (ieMR) Advanced in April 2018 has continued to produce increased efficiencies and service improvements throughout the 2019-20 period. Embedding and establishing ieMR Advanced into clinical workflows has reduced the number of pages scanned by 106,307 pages when compared to the 2018-19 reporting period. HSIM are committed to continued identification of workflow improvements to reduce the reliance on paper in clinical areas through digital workflow conversion. In consultation with key stakeholders, work practices have been developed to enable the digital upload of documents to the ieMR. For the 2019-20 period 24,537 documents were digitally uploaded to the ieMR.

The Health Information Services team facilitated the electronic upload of 100,598 referrals into the ieMR and distribution of 52,829 typed letters to clinicians and families during this reporting period. The Health Information Services team currently manages 98,003 corporate records and 933,023 clinical records. To maintain recordkeeping compliance, Children's Health Queensland is committed to meeting our responsibilities under the relevant Acts, Queensland Government Information Standards, Queensland State Archives Standards and best-practice methods outlined in applicable International Standards.

The Clinical Coding team coded 38,585 inpatient episodes in 2019-20. The Coding Audit and Optimisation team continue to implement improvements in documentation and facilitate relationships between coders and clinicians, with a goal to maximise efficiency and funding generated for the health service. The Health Information Liaison team has executed several activities which include involvement in weekly ward rounds; discussion regarding the importance of accurate and thorough documentation in clinical staff orientation for each division; involvement in clinical divisional meetings; and targeted audits with clinicians to focus on improvements in documentation for individual specialties.

The Health Information Access team processed 6,839 requests for information in accordance with the *Hospital and Health Boards Act 2011*, the *Right to Information Act 2009*, and the *Information Privacy Act 2009* resulting in 421,626 pages being reviewed and processed for release.

The Business Intelligence (BI) service has four key areas of work. These are Data Services, Collaboration Services, Data Warehousing and Reporting & Analytics. The BI service supports clinical and business areas around the organisation with a wide range of tools, techniques and methods to ensure high-quality data is captured, transformed and consumed in effective and efficient ways. In addition, the BI team is responsible for developing and implementing customised solutions to support continuous improvement through data and knowledge.

Public Sector Ethics Act 1994

Children's Health Queensland is dedicated to upholding the values and standards of conduct outlined in the *Code of Conduct for the Queensland Public Service*. The Code of Conduct also reflects the amended ethics principles and values set out in the *Public Sector Ethics Act 1994*.

The Code of Conduct reflects the principles of integrity and impartiality, promoting the public good, and commitment to the system of government, accountability and transparency. Each principle is strengthened by a set of values and standards of conduct describing the behaviour that will demonstrate that principle.

Children's Health Queensland identifies the Code of Conduct as one of eight mandatory training requirements for all employees. Biennial refresher training on the Code of Conduct is also a mandatory requirement. All new employees are automatically assigned to all mandatory Code of Conduct training courses through the Children's Health Queensland online learning management system, TEACHQ, for completion. The Code of Conduct is available to all staff within the learning program and through the Children's Health Queensland intranet site.

Code of Conduct training is also a mandatory training requirement for members of external service providers who are not Children's Health Queensland employees but deliver services to or for Children's Health Queensland patients, families and service areas. Members of external service providers include contractors, students, volunteers and other non-government organisations. Code of Conduct training for external service providers is accessed online through the Queensland Health learning management system, iLearn.

Human Rights

Under the *Human Rights Act 2019*, which came into effect on 1 January 2020, Children's Health Queensland is required to include information and data in relation to the implementation of the Act in our annual report.

As a result of the COVID-19 pandemic, Children's Health Queensland played an essential role in the Government's efforts to protect and support Queenslanders. From a human rights perspective, our organisation acted and made decisions which protected the following rights: the right to protection of families and children, the rights to liberty and security of person and the right to health services. In protecting these rights other human rights at times were limited such as the right to freedom of movement and the right to protection of families and children.

In taking these actions and making these decisions, Children's Health Queensland was mindful of its obligation to act compatibly with human rights, by ensuring that any limitations on human rights were reasonable and justified.

Actions/decisions taken in 2019-20 included:
- limiting access and imposing restrictions on visitors to Children's Health Queensland facilities,
- suspending operations/services which could not be conducted in compliance with physical distancing requirements and to maintain available resources,
- obtaining supplies to protect staff/vulnerable persons, and
- supporting staff with flexible working arrangements (where possible) to support physical distancing.

The performance of actions to further the objects of the *Human Rights Act 2019* and reviews for compatibility with human rights have been impacted as a result of COVID-19. While relevant actions in 2020 have been different to what was anticipated, Children's Health Queensland undertook significant work within the 2019-20 period including:

- distribution of the Toolkit developed for Queensland Government managers in working with human rights,
- review of and incorporating human rights in the *Children's Health Queensland Strategic Plan 2020-2024*,
- finalisation of the complaints handling procedure to include human rights complaints and processes,
- delivery of focused training for staff, including complaint handling on human rights and supporting access to online training,
- engagement with functional public entities to raise awareness of their obligations,
- commencement of a review of all policies and procedures for human rights complaints, and
- a review of contracts and procurement process to ensure human rights were applied.

Table 3: Summary of human rights complaints received in 2019-20

Complaints Received	Rights engaged	Outcomes
6	In most cases, complaints did not specifically mention human rights and were identified by Children's Health Queensland as follows: • s15 – Recognition and equality before the law • s16 – Right to life • s17 – Protection from torture and cruel, inhuman or degrading treatment • s25 – Privacy and reputation • s37 – Right to health services	Five complaints were reviewed and assessed as not breaching human rights: • one complaint accepted by the Queensland Human Rights Commission and closed with no further action required • four complaints resolved – by way of explanation, apology or quality improvement One complaint still being considered/not yet finalised

Confidential information

The *Hospital and Health Boards Act 2011* requires annual reports to state the nature and purpose of any confidential information disclosed in the public interest during the financial year. During the 2019-20 period, one disclosure was authorised in relation to de-identified patient data. The de-identified patient data was disclosed to two officers of the Queensland Treasury Corporation over a period of four months for the purpose of assisting with the delivery of the Children's Health Queensland sustainability program.

Section 3: Performance

The physical distancing and lockdown restrictions, and the postponement of non-urgent elective surgeries introduced for the COVID-19 response and recovery from March 2020, saw a drop in activity in some service areas across Children's Health Queensland. This resulted in some variance between the 2019-20 target/estimate and the 2019-20 actual results reported in the service delivery statement below. Targets for these impacted measures will be reviewed in subsequent years to consider the longer-term impact of the COVID-19 response and recovery.

Despite the impact of the COVID-19 pandemic in the first half of 2020, the Queensland Children's Hospital emergency department saw 100 per cent of Category 1 (most urgent) patients within the clinically recommended time and exceeded targets for Categories 2 to 6. The median wait time for treatment in the emergency department was 13 minutes.

Telehealth usage increased by 153 per cent compared to 2018-19, primarily due to our efforts to ensure safe and continuous access to care for Queensland families amid the pandemic restrictions. This change in service delivery also saved families across Queensland more than 7,121,674 km in travel to and from the Queensland Children's Hospital.

3.1 Service standards

Table 4: Service standards – performance 2019-20

Service standards	Target	Actual
Effectiveness measures		
Percentage of patients attending emergency departments seen within recommended timeframes: [a]		
Category 1 (within 2 minutes)	100%	100.0%
Category 2 (within 10 minutes)	80%	92.8%
Category 3 (within 30 minutes)	75%	78.1%
Category 4 (within 60 minutes)	70%	84.0%
Category 5 (within 120 minutes)	70%	96.1%
Percentage of emergency department attendances who depart within four hours of their arrival in the department [a]	>80%	77.4%
Percentage of elective surgery patients treated within clinically recommended times: [b]		
Category 1 (30 days)	>98%	98.8% [1]
Category 2 (90 days)	>95%	84.9%
Category 3 (365 days)	>95%	95.2%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days [c]	<2	0.7 [2]
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit [d]	>65%	53.4%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge [d]	<12%	10.6% [3]
Percentage of specialist outpatients waiting within clinically recommended times: [e]		
Category 1 (30 days)	98%	85.1% [1]
Category 2 (90 days)	95%	42.3%
Category 3 (365 days)	95%	79.5%

Table 4: Service standards – performance 2019-20 cont.		
Service standards	**Target**	**Actual**
Percentage of specialist outpatients seen within clinically recommended times: [e]		
Category 1 (30 days)	98%	87.3% [1]
Category 2 (90 days)	95%	50.8%
Category 3 (365 days)	95%	52.7%
Median wait time for treatment in emergency departments (minutes) [a]	..	13
Median wait time for elective surgery (days) [b]	..	51
Efficiency Measure		
Average cost per weighted activity unit for Activity Based Funding facilities [f,g]	$ 5,059	$5,764 [4]
Other Measures		
Number of elective surgery patients treated within clinically recommended times: [b]		
Category 1 (30 days)	1,562	1,575 [1]
Category 2 (90 days)	3,795	3,285
Category 3 (365 days)	2,798	1,804
Number of Telehealth outpatient occasions of service events [h]	3,462	8,414
Total weighted activity units (WAU's) [g]		
Acute Inpatient	55,827	57,775 [5]
Outpatients	18,752	12,394
Sub-acute	2,186	1,835
Emergency Department	8,918	8,093
Mental Health	4,205	3,589
Ambulatory mental health service contact duration (hours) [d]	>65,767	56,279
Staffing [i]	3,823	3,937

1. *Non urgent elective surgery and specialist outpatient services were temporarily suspended as part of COVID-19 preparation. Seen in time performance and service volumes were impacted as a result.*
2. *The Epidemiology and Research Unit in the Communicable Diseases Branch are unable to provide full year SAB data as resources are redirected to the COVID-19 response. SAB data presented as Mar-20 FYTD and is preliminary.*
3. *Readmission to acute Mental Health inpatient unit data presented as May-20 FYTD.*
4. *Cost per WAU data presented as Mar-20 FYTD.*
5. *Delivery of activity and weighted activity units was impacted by two significant factors in 2019-20; the introduction of a revised Australian Coding Standard "0002 Additional diagnoses" from 1 July 2019, resulted in lower weighted activity units being calculated for admitted patients relative to the same casemix of 2018-19 year and COVID-19 preparation and the temporary suspension of non urgent planned care services reduced the volume of patient activity. Activity data presented is preliminary. Data presented is full year as at 17 August 2020.*

Source: [a] Emergency Data Collection, [b] Elective Surgery Data Collection, [c] Communicable Diseases Unit, [d] Mental Health Branch, [e] Specialist Outpatient Data Collection, [f] DSS Finance, [g] GenWAU, [h] Monthly Activity Collection, [i] DSS Employee Analysis.
Note: *Targets presented are full year targets as published in 2019-20 Service Delivery Statements.*

3.2 Chief Finance Officer's Report

Summary

This financial summary provides an overview of Children's Health Queensland's financial results for 2019-20.
A comprehensive set of financial statements covering the organisation's activities is provided in this report (see page 38).

The organisation recorded an operating surplus of $1.17 million for the 2019-20 financial year. The significant contributor to the HHS operating surplus was the Trust and Research funds surplus positions. The Trust fund's position is attributable to funding received from the Children's Hospital Foundation supporting targeted capital medical equipment purchases. The Research fund's surplus is due to increased grant funding supporting ongoing paediatric clinical research programs and clinical trials.

The operating position for 2019-20 has been impacted by the onset of the COVID-19 pandemic. The National Partnership Agreement (NPA) was established with the Commonwealth to support the reimbursement of State's healthcare COVID-19 response and recovery strategies. However, not all impacts are covered for reimbursement under the NPA, including but not limited to, loss of own-source revenue and the reduction in staff recreation leave taken rates. In addition, activity-based funding was guaranteed by the Commonwealth government for the 2019-20 financial year under the National Health Reform Agreement, meaning no financial penalty was incurred by Children's Health Queensland despite reduced levels of delivered activity due to the onset of COVID-19.

Table 5 summarises the key financial results of the organisation's operations for the past three financial years:

Table 5: Key financial results of the organisation's operations

	2019-20 $'000	2018-19 $'000	2017-18 $'000
Financial performance			
Total income	889,602	860,600	762,994
Total expenses	888,437	832,810	773,160
Operating result	1,165	27,790	(10,166)
Financial position			
Current assets	77,812	64,726	77,881
Non-current assets	1,165,287	1,166,387	1,194,129
Total assets	**1,243,099**	**1,231,113**	**1,272,010**
Current liabilities	73,709	58,015	70,899
Total liabilities	**73,709**	**58,015**	**70,899**
Total equity	**1,169,390**	**1,173,098**	**1,201,111**
Ratios	**2019-20**	**2018-19**	**2017-18**
Current ratio [a]	1.1	1.0	1.1
Equity [b]	0.94	0.95	0.94

Notes:
(a) Current assets divided by current liabilities
(b) Total equity divided by total assets

Financial performance

Income

Children's Health Queensland's income from all funding sources was $889.60 million, which was a total increase of $29.00 million or three per cent from the previous year. (Refer to Section B1 of the Financial Statements for additional information). This was mainly attributable to:

- An increase to health service funding totalling $36.90 million, received through funding amendments to the service agreement between Children's Health Queensland and the Department of Health. This additional funding includes the effect of enterprise bargaining agreements and newly funded program initiatives.
- User charges and fees increased by $22.18 million, due to increased Pharmaceutical Benefits Scheme (PBS) revenue driven by the usage of high-cost drugs.
- 2018-19 financial year total income included a one-off asset revaluation increment of $26.95 million.

Children's Health Queensland's income by source is reflected in Table 6.

Table 6: CHQ income by source 2019-20	
User charges and fees	10%
Health service funding	88%
Grants and other income	2%

Expenses

Total expenses for 2019-20 increased by seven per cent or $55.63 million to $888.44 million (Refer to Section B2 of the Financial Statements for additional information). This was primarily attributable to:

- An increase in employee expenses, mainly due to additional funded labour costs associated with enterprise bargaining agreements, increased workforce costs related to the COVID-19 response, and commissioned clinical services and programs agreed through the service agreement amendment window process.
- An increase in supplies and services predominantly relates to increased usage of high-cost drugs, as well as an increase of contractor services for information and communication technology (ICT) programs and other strategic projects.
- An increase in depreciation and amortisation expenses as a result of the increased value of property, plant, and equipment assets.

A breakdown of incurred expenditure by major expenditure categories includes:

- Workforce costs, which represented 64 per cent of total expenses.
- Supplies and services and other expenses, representing 29 per cent of total expenses.
- Depreciation and amortisation expenditure representing seven per cent of total expenses.

How the money was spent

The majority of Children's Health Queensland's expenditure was incurred on acute hospital services which accounted for 62 per cent of the total expenditure. Community-based health services accounted for 17 per cent of the total expenditure, while corporate and infrastructure services was 19 per cent. The remaining two per cent related to strategic projects (largely ICT that are designed to enable health service improvements), non-operating research and trust activities.

Anticipated maintenance

Anticipated maintenance is a common building maintenance strategy utilised by public and private sector industries. All Queensland Health entities comply with the Queensland Government Maintenance Management Framework which requires the reporting of anticipated maintenance.

Anticipated maintenance is defined as maintenance that is necessary to prevent the deterioration of an asset or its function, but which has not been carried out. Some anticipated maintenance activities can be postponed without immediately having a noticeable effect on the functionality of the building. All anticipated maintenance items are risk assessed to identify any potential impact on users and services and are closely managed to ensure all facilities are safe.

As of 3 June 2020, Children Health Queensland had reported anticipated maintenance totalling $3.8 million. Children's Health Queensland is currently completing a condition assessment program for its major facilities, and the value of anticipated maintenance may vary as a result.

Children's Health Queensland has invested approximately $18.88 million to maintain hospital and healthcare assets. Children's Heath Queensland undertakes systematic reviews to identify individual anticipated maintenance tasks and prioritised corrective action from available funding sources of capital expenditure or operational expenditure.

The following strategies are in place to mitigate identified risks associated with anticipated maintenance tasks:

- For tasks identified as sustaining capital expenditure, business cases are submitted for funding allocation from the Priority Capital Program (PCP) or the Children's Health Queensland minor capital funds.
- Tasks identified as operational expenditure are addressed by allocation of annual operational maintenance budgets.

Financial position

Total assets

Total assets increased by $11.99 million or one per cent during the year to $1.24 billion. Property, plant and equipment totalling $1.16 billion is the predominant asset class and mainly comprises the Queensland Children’s Hospital and associated infrastructure. The net increase in total assets primarily reflects:

- Total current assets increase of $13.09 million, mainly due to an increase in cash and cash equivalents offset by a higher year end payables position.
- Net revaluation increment relating to land and buildings assets of $31.13 million and annual depreciation and amortisation charges amounting to $65.79 million.
- The transfers from Department of Health of $21.02 million for the adolescent mental health extended treatment centre Jacaranda Place.

Total equity

Total equity is at $1.17 billion which is a decrease of $3.71 million from the prior year. This decrease mainly reflects the decrease in contributed equity, offset by an increment in the asset revaluation reserve.

Future outlook

Children's Health Queensland’s key 2020-21 priorities and objectives align with and support the Queensland Government’s objectives for the community to deliver quality front-line services including strengthening the public health system and building safe, caring and connected communities. The service agreement funding for 2020-21 will incorporate key clinical resources to deliver increasing activity for Children’s Health Queensland. Total income, excluding non-cash adjustments, is estimated to reduce to $862.24 million in 2020-21 mainly due to the cessation of non-recurrent programs, and the application of an annual efficiency dividend. It is also important to note that activity-based funding will continue to be guaranteed by the Commonwealth government for the 2020-21 financial year under the National Health Reform Agreement.

Based on the funding allocated, Children’s Health Queensland is expected to achieve the following key service outcomes:

- Meet the following planned care volume targets, which are inclusive of a 2.8 per cent productivity dividend set by the Department of Health:
  - 8,880 elective surgery cases,
  - 1,139 gastrointestinal endoscopy cases, and
  - 37,512 outpatient initial service events.
- Meet the Average Emergency Length of Stay (ELOS) target for admitted patients of 60 per cent.
- Deliver elective surgery performance in line with the current targets of 98 per cent for Category 1 patients, 95 per cent for Category 2 patients, and 95 per cent for Category 3 patients and achieve no elective surgery patients waiting longer than clinically recommended by 30 June 2021.
- Reduce the number of Specialist Outpatient long waits to 2,284 by 30 June 2021.
- Deliver a balanced financial operating position, including the delivery of an efficiency dividend set by the Department of Health. For 2020-21, this equates to approximately two per cent of the total activity-based funding.

Section 4: Financial Statements

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Statement of Comprehensive Income

	Note	2020 $'000	2019 $'000
Operating result			
Income from continuing operations			
Health services funding	B1.1	778,739	741,841
User charges and fees	B1.2	90,969	68,787
Grants and other contributions	B1.3	10,314	7,685
Other revenue	B1.4	9,554	15,323
Total revenue		**889,576**	**833,636**
Gains on disposal / revaluation of assets	B1.5	26	26,964
Total income from continuing operations		**889,602**	**860,600**
Expenses from continuing operations			
Employee expenses	B2.1	544,964	534,212
Health service employee expenses	B2.2	19,579	-
Supplies and services	B2.3	248,430	224,342
Grants		2,561	2,817
Depreciation and amortisation	C4/C5	65,788	65,234
Losses on disposal		56	138
Other expenses	B2.4	7,059	6,067
Total expenses from continuing operations		**888,437**	**832,810**
Total operating result from continuing operations		**1,165**	**27,790**
Other comprehensive income			
Items that will not be reclassified to operating result:			
- Increase in asset revaluation surplus	C8.2	31,131	2,334
Total other comprehensive income		**31,131**	**2,334**
Total comprehensive income		**32,296**	**30,124**

The accompanying notes form part of these financial statements.

Statement of Financial Position

	Note	2020 $'000	2019 $'000
Current assets			
Cash and cash equivalents	C1	44,148	31,563
Receivables	C2	14,405	14,730
Inventories		7,800	6,875
Other current assets	C3	11,459	11,558
Total current assets		**77,812**	**64,726**
Non-current assets			
Property, plant and equipment	C4	1,163,270	1,164,794
Intangible assets	C5	2,017	1,593
Total non-current assets		**1,165,287**	**1,166,387**
Total assets		**1,243,099**	**1,231,113**
Current liabilities			
Payables	C6	66,229	33,981
Employee benefits	C7	5,243	22,419
Contract liabilities		2,237	1,615
Total current liabilities		**73,709**	**58,015**
Total liabilities		**73,709**	**58,015**
Net assets		**1,169,390**	**1,173,098**
Equity			
Contributed equity	C8.1	1,082,745	1,118,749
Accumulated surplus		41,855	40,690
Asset revaluation surplus	C8.2	44,790	13,659
Total equity		**1,169,390**	**1,173,098**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

	Note	Accumulated Surplus $'000	Asset Revaluation Surplus (Note C8.2) $'000	Contributed Equity (Note C8.1) $'000	Total $'000
Balance as at 1 July 2019		40,690	13,659	1,118,749	1,173,098
Operating result for the year		1,165	-	-	1,165
Other comprehensive income:					
- Increase in asset revaluation surplus		-	31,131	-	31,131
Total comprehensive income for the year		1,165	31,131	-	32,296
Transactions with owners as owners:					
- Equity injections for capital funding		-	-	8,763	8,763
- Equity withdrawals for non-cash depreciation and amortisation funding		-	-	(65,788)	(65,788)
- Asset transfers	C4.1	-	-	21,021	21,021
Net transactions with owners as owners		-	-	(36,004)	(36,004)
Balance as at 30 June 2020		**41,855**	**44,790**	**1,082,745**	**1,169,390**
Balance as at 1 July 2018		12,900	11,325	1,176,886	1,201,111
Operating result for the year		27,790	-	-	27,790
Other comprehensive income:					
- Increase in asset revaluation surplus		-	2,334	-	2,334
Total comprehensive income for the year		27,790	2,334	-	30,124
Transactions with owners as owners:					
- Equity injections for capital funding		-	-	7,634	7,634
- Equity withdrawals for non-cash depreciation and amortisation funding		-	-	(65,234)	(65,234)
- Asset transfers	C4.1	-	-	(537)	(537)
Net transactions with owners as owners		-	-	(58,137)	(58,137)
Balance as at 30 June 2019		**40,690**	**13,659**	**1,118,749**	**1,173,098**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Inflows:			
Health services funding		714,037	673,132
User charges and fees		89,966	61,240
Grants and other contributions		3,874	1,788
Interest receipts		130	217
GST collected from customers		1,213	1,055
GST input tax credits from ATO		12,349	12,877
Other		10,442	17,540
Outflows:			
Employee expenses		(562,252)	(532,366)
Supplies and services		(229,728)	(230,433)
Grants		(2,561)	(2,817)
GST paid to suppliers		(12,606)	(12,384)
GST remitted to ATO		(1,160)	(1,150)
Other		(7,523)	(6,817)
Net cash provided by/(used in) operating activities		**16,181**	**(18,118)**
Cash flows from investing activities			
Inflows:			
Sales of property, plant and equipment		34	108
Outflows:			
Payments for property, plant and equipment		(11,368)	(8,462)
Payments for intangibles		(1,025)	(426)
Net cash used in investing activities		**(12,359)**	**(8,780)**
Cash flows from financing activities			
Inflows:			
Equity injections		8,763	7,634
Net cash provided by financing activities		**8,763**	**7,634**
Net increase/(decrease) in cash and cash equivalents		**12,585**	**(19,264)**
Cash and cash equivalents at beginning of the year		31,563	50,827
Cash and cash equivalents at end of the year	C1	**44,148**	**31,563**

The accompanying notes form part of these financial statements.

Notes to the Statement of Cash Flows

Reconciliation of operating result to net cash from operating activities

	2020 $'000	2019 $'000
Operating result for the year	1,165	27,790
Non-cash items included in operating result:		
Depreciation and amortisation expense	65,788	65,234
Depreciation and amortisation funding	(65,788)	(65,234)
Net building revaluation increment	-	(26,950)
Increase/(decrease) in trade receivable impairment losses	106	(576)
Inventory written off	173	120
Bad debts written off	340	208
Donations of plant and equipment	(10)	-
Recognition of plant and equipment	(197)	(89)
Gains on disposal of property, plant and equipment	(26)	(14)
Losses on disposal of property, plant and equipment	56	138
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(121)	(4,147)
(Increase)/decrease in inventories	(1,098)	(1,444)
(Increase)/decrease in other current assets	99	(270)
Increase/(decrease) in payables	32,248	(10,370)
Increase/(decrease) in employee benefits	(17,176)	1,844
Increase/(decrease) in contract liabilties	622	(4,358)
Net cash provided by/(used in) operating activities	**16,181**	**(18,118)**

Section A Basis of financial statements preparation

A1 General information

Children's Health Queensland Hospital and Health Service (Children's Health Queensland) is a not-for-profit statutory body established on 1 July 2012 under the *Hospital and Health Board Act 2011*. Children's Health Queensland is controlled by the State of Queensland which is the ultimate parent.

The principal address of Children's Health Queensland is:
Queensland Children's Hospital
Level 7, 501 Stanley Street
South Brisbane, QLD, 4101

For information in relation to Children's Health Queensland's financial statements, email CHQ_Comms@health.qld.gov.au or visit the website at: www.childrens.health.qld.gov.au.

A2 Objectives and principal activities

A description of the nature, objectives and principal activities of Children's Health Queensland is included in the Annual Report.

A3 Statement of compliance

These general purpose financial statements have been prepared pursuant to Section 62(1) of the *Financial Accountability Act 2009*, relevant sections of the *Financial and Performance Management Standard 2019* and other prescribed requirements. The financial statements are general purpose financial statements and have been prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019 and other authoritative pronouncements.

A4 Presentation details

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 less than $500, to zero unless the disclosure of the full amount is specifically required. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

Current/non-current classification

Assets and liabilities are classified as either current or non-current in the Statement of Financial Position and associated notes.

Assets are classified as current where their carrying amount is expected to be realised within 12 months after the reporting date.

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

A5 Authorisation of financial statements for issue

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

A6 Basis of measurement

Historical cost

The historical cost convention is used as the measurement basis except where stated. Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amount of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value

The fair value convention is used as the measurement basis for property, plant and equipment and is further explained in Note D1.

Net realisable value

Children's Health Queensland's inventories are measured using the lower of cost or net realisable value measurement. Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

A7 The reporting entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of Children's Health Queensland.

Section B Notes about our financial performance

B1 Revenue

B1.1 Health services funding

	Note	2020 $'000	2019 $'000
Activity-based funding		464,612	451,615
Block funding		97,520	28,512
COVID-19 support funding		3,194	-
Depreciation		65,789	65,234
Other funding		147,624	196,480
Total		**778,739**	**741,841**

Health services funding mainly comprises of funding from the Department of Health for specific public health services purchased in accordance with a service agreement. The service agreement is reviewed periodically and updated for changes in activities and prices of services. The Department of Health receives its revenue for funding from the Queensland and Commonwealth Governments. The State funding is received fortnightly and Commonwealth funding is received monthly in advance through the Department of Health.

Activity-based funding
Ordinarily, activity-based funding is recognised as public health services are delivered, however, due to the impacts of COVID-19, activity-based funding was guaranteed by the Commonwealth government for 2019-20 financial year under the National Health Reform Agreement. As such, the Department of Health will not make any adjustments for under-delivery against activity based funding targets for the 2019-20 financial year.

Block funding
Block funding is received for services agreed under the service agreement. Block funding does not have sufficiently specific performance obligations whereby Children's Health Queensland can determine and assign transaction prices. Accordingly it is recognised as revenue on receipt.

COVID-19 support funding
COVID-19 support funding includes funding associated with eligible costs reimbursed in accordance with the National Partnership Agreement. It should be noted that some impacts in relation to the pandemic were not funded and have impacted Children's Health Queensland financial results for 2019-20, including a reduction in own-source revenue, rent relief and reduced rates of recreation leave taken.

Depreciation
State funding includes a non-cash appropriation for depreciation and amortisation and is disclosed in the Statement of Changes in Equity as an equity withdrawal.

Other funding
Other funding mainly includes funding for specific programs, as per the service agreement with the Department of Health, which are not classified as activity-based or block funding.

B1.2 User charges and fees

	Note	2020 $'000	2019 $'000
Hospital fees		23,259	23,451
Sale of goods and services		67,321	44,904
Rental revenue		389	432
Total		**90,969**	**68,787**

User charges and fees from contracts with customers is recognised as revenue when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods and services and/or the recognition of accrued revenue.

B1.3 Grants and other contributions

	Note	2020 $'000	2019 $'000
Grants	D6	3,527	1,346
Donations		356	442
Services received below fair value		6,431	5,897
Total		**10,314**	**7,685**

Services received below fair value
Children's Health Queensland has entered into a number of arrangements with the Department of Health where services are provided for no consideration. These include payroll services, accounts payable services and finance transactional services for which the fair value is reliably estimated and recognised as a revenue contribution and an equivalent expense (Note B2.3). The fair value of additional services provided such as taxation services, supply services and information technology services are unable to be reliably estimated and not recognised.

B1.4 Other revenue

	2020 $'000	2019 $'000
Recoveries	7,883	14,467
Interest income	121	218
Other	1,550	638
Total	**9,554**	**15,323**

Recoveries
Recoveries mainly include revenue recoveries from the Department of Health for non-capital projects in accordance with project agreements.

B1.5 Gains on disposal / revaluation of assets

	2020 $'000	2019 $'000
Gains on disposal of property, plant and equipment	26	14
Net building revaluation increment	-	26,950
Total	**26**	**26,964**

Net building revaluation increment
The net revaluation increment is recognised as revenue to the extent that it reverses a net revaluation decrement of the same class of assets previously recognised in the Statement of Comprehensive Income.

B2 Expenses

B2.1 Employee expenses

	Note	2020 $'000	2019 $'000
Wages and salaries		430,009	424,434
Board member fees		505	467
Employer superannuation contributions		47,879	45,299
Annual leave levy		52,991	51,474
Long service leave levy		10,714	9,122
Other employee related expenses		2,866	3,416
Total		**544,964**	**534,212**
Number of health services employees	B2.2	256	3,954

The number of employees (rounded to the nearest whole number) represents full-time or part-time staff, measured on a full-time equivalent basis reflecting Minimum Obligatory Human Resource Information as at 30 June 2020. Members of the Board, operational service contractors and volunteers are not included in this total.

Key management personnel and remuneration disclosures are detailed in Note G1.

Wages and salaries
Wages and salaries includes $2.492 million of $1,250 one-off payments for 1,994 full time equivalent employees (announced in September 2019).

B2.2 Health service employee expenses

Health service employee expenses	19,579	-
Total	**19,579**	**-**
Number of non-executive health services employees	**3,681**	**-**

Health service employee expenses

Effective 15 June 2020, amendments to *Hospital and Health Board Act 2011* resulted in Children's Health Queensland becoming a non-prescribed employer. As a result, the Department of Health became the employer of all non-executive health service employees. A non-executive health service employee is any employee who is not a Senior Health Service employee (including Senior Medical Officers and Visiting Medical Officers) or a member of the Health Service Executive. As such, the $19,579 million represents the employee costs for the 3,861 Department of Health employees, working for Children's Health Queensland, for the fortnight ending 30 June 2020 only. The $544,964 million recorded in Note B2.1 represents all the employee costs up to 15 June 2020 and the cost for the 256 health service employees for the fortnight ending 30 June 2020.

Under these employment arrangements, the Department of Health enables Children's Health Queensland to perform its functions and exercise powers under the *Hospital and Health Boards Act 2011* and to ensure delivery of the services prescribed in the Service Agreement. These functions include:

- The Department of Health providing non-executive employees to perform work for Children's Health Queensland and the Queensland health system, acknowledging and accepting its obligations as the employer of the Queensland Health employees
- Children's Health Queensland being responsible for the day-to-day workforce management
- Children's Health Queensland reimbursing the Department of Health for the salaries and on-costs of non-executive employees.

B2.3 Supplies and services

	Note	2020 $'000	2019 $'000
Clinical supplies and services		54,201	63,444
Consultants and contractors – clinical		4,156	6,794
Consultants and contractors – non-clinical		16,269	18,237
Pharmaceuticals		76,353	56,246
Catering and domestic supplies		13,922	11,344
Communications		3,687	3,452
Repairs and maintenance		18,876	18,750
Computer services		14,331	12,062
Building utilities		17,672	15,440
Rental agreements	D6	4,550	4,546
Patient travel		271	1,010
Other travel		2,224	2,168
Office supplies		1,251	1,207
Minor works and equipment		3,921	2,445
Services received below fair value	B1.3	6,431	5,897
Other		10,315	1,300
Total		**248,430**	**224,342**

B2.4 Other expenses

	Note	2020 $'000	2019 $'000
External audit fees		175	174
Other audit fees		179	97
Inventory written off		173	120
Bad debts written off		340	208
Transfer to/(from) allowance for impairment of receivables	C2	236	(19)
Legal costs		224	168
Insurance		5,575	5,261
Special payments		-	3
Other		157	55
Total		**7,059**	**6,067**

External audit fees
Total audit fees paid or payable to the Queensland Audit Office (QAO) relating to the 2019-20 financial year are $212,000 (2019: $173,125). There were no non-audit services provided by the QAO during the period.

Insurance premiums
Property and general losses are insured through the Queensland Government Insurance Fund (QGIF) under the Department of Health's insurance policy with a maximum exposure of $10,000. Health litigation payments and associated legal fees are also insured through QGIF and the maximum exposure to Children's Health Queensland under this policy is limited to $20,000 for each insurable event. Premiums are calculated by QGIF on a risk assessed basis. Children's Health Queensland also maintains separate Directors and Officers liability insurance.

Special payments
Special payments relate to ex-gratia expenditure that is not contractually or legally obligated to be made to other parties. In compliance with the *Financial and Performance Management Standard 2019*, Children's Health Queensland maintains a register setting out details of all special payments greater than $5,000. There were no ex-gratia payments exceeding $5,000 during the year.

Section C Notes about our financial position

C1 Cash and cash equivalents

	2020 $'000	2019 $'000
Imprest accounts	15	13
Cash at bank and on hand	37,846	24,440
Cash on deposit	6,287	7,110
Total	**44,148**	**31,563**

Cash assets include all cash on hand and in banks, cheques receipted but not banked at the reporting date and at call deposits.

Children's Health Queensland bank accounts are grouped within the whole-of-government set-off arrangement with Queensland Treasury Corporation. As a result, Children's Health Queensland does not earn interest on surplus funds and is not charged interest or fees for accessing its approved cash debit facility.

Cash on deposit relates to General Trust Fund monies which are not grouped within the whole-of-government set-off arrangement and are able to be invested and earn interest. Cash on deposit with the Queensland Treasury Corporation earned interest at an annual effective rate of 0.86 per cent (2019: 2.39 per cent).

C2 Receivables

	2020 $'000	2019 $'000
Trade debtors	13,941	14,364
Less: allowance for impairment loss	(384)	(278)
	13,557	14,086
GST receivable	1,035	778
GST payable	(187)	(134)
	848	644
Total	**14,405**	**14,730**

Receivables
Trade debtors are recognised at the agreed purchase or contract price due at the time of sale or service delivery. Settlement of these amounts is required within 30 days from invoice date. The collectability of receivables is assessed on a monthly basis. All known bad debts are written off as at 30 June 2020.

Ageing trade debtors position

2020	Gross	Loss rate	Expected credit losses	Net
Trade debtors	$'000	%	$'000	$'000
Not yet due	**7,601**	0.55%	(42)	**7,559**
Less than 30 days	**2,972**	0.88%	(26)	**2,946**
30 - 60 days	**888**	3.27%	(29)	**859**
61 - 90 days	**788**	4.19%	(33)	**755**
More than 90 days	**1,692**	15.01%	(254)	**1,438**
Total	**13,941**		**(384)**	**13,557**

2019	Gross	Loss rate	Expected credit losses	Net
Not yet due	**8,007**	0.01%	(1)	**8,006**
Less than 30 days	**2,518**	0.28%	(7)	**2,511**
30 - 60 days	**1,609**	0.68%	(11)	**1,598**
61 - 90 days	**702**	0.57%	(4)	**698**
More than 90 days	**1,528**	16.69%	(255)	**1,273**
Total	**14,364**		**(278)**	**14,086**

Movement in allowance for impairment of trade debtors	2020 $'000	2019 $'000
Opening balance	278	854
Amounts written off during the year	(130)	(557)
Increase/(decrease) in allowance recognised in operating result	236	(19)
Closing balance	**384**	**278**

Impairment of receivables
The loss allowance for trade debtors (excluding inter-government agency receivables) reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Children's Health Queensland assesses it there is objective evidence that receivables are impaired or uncollectible on a monthly basis. Objective evidence includes financial difficulties of the debtor, the class of debtor or delinquency in payments. After an appropriate range of debt recovery actions are undertaken, if the amount becomes uncollectible it is written off.

Debts representing inter-government agency receivables are expected to have an insignificant level of credit risk exposure and therefore are excluded from any loss allowance.

C3 Other current assets

	2020 $'000	2019 $'000
Contract assets		
- Contracted health services	2,526	2,318
- Others	6,286	7,357
Prepayments	2,647	1,883
Total	**11,459**	**11,558**

Contract assets

Contract assets arise from contracts with customers and are transferred to receivables when Children's Health Queensland is right to payment becomes unconditional. This occurs when the invoice is issued to the customer.

C4 Property, plant and equipment

	2020 $'000	2019 $'000
Land at fair value:	78,082	77,928
Buildings:		
At fair value	1,397,295	1,331,145
Less: accumulated depreciation	(352,498)	(286,015)
	1,044,797	1,045,130
Heritage and cultural assets at fair value:	1,169	1,126
Plant and equipment:		
At cost	83,711	77,048
Less: accumulated depreciation	(48,459)	(42,046)
	35,252	35,002
Capital works in progress at cost:	3,970	5,608
Total	**1,163,270**	**1,164,794**

C4.1 Property, plant and equipment reconciliation

	Land (Level 2) $'000	Buildings (Level 2) $'000	Buildings (Level 3) $'000	Heritage and cultural $'000	Plant and equipment $'000	Work in progress $'000	Total $'000
Balance at 1 July 2019	77,928	317	1,044,813	1,126	35,002	5,608	**1,164,794**
Acquisitions	-	-	-	43	6,680	4,645	**11,368**
Transfers from DoH	-	-	21,021	-	-	-	**21,021**
Disposals	-	-	-	-	(64)	-	**(64)**
Net revaluation increments	154	148	30,829	-	-	-	**31,131**
Recognition of assets	-	-	-	-	197	-	**197**
Donations	-	-	-	-	10	-	**10**
Transfers between asset classes	-	-	5,044	-	1,239	(6,283)	**-**
Depreciation for the year	-	(12)	(57,363)	-	(7,812)	-	**(65,187)**
Balance at 30 June 2020	**78,082**	**453**	**1,044,344**	**1,169**	**35,252**	**3,970**	**1,163,270**
Balance at 1 July 2018	77,848	328	1,070,449	911	40,039	2,424	**1,191,999**
Acquisitions	-	-	18	5	3,322	5,117	**8,462**
Transfers to DoH/other HHS	-	-	-	-	(49)	-	**(49)**
Disposals	-	-	-	-	(232)	-	**(232)**
Net revaluation increments	80	-	29,204	-	-	-	**29,284**
Recognition of assets	-	-	-	-	89	-	**89**
Transfers between asset classes	-	-	1,334	210	389	(1,933)	**-**
Depreciation for the year	-	(11)	(56,192)	-	(8,556)	-	**(64,759)**
Balance at 30 June 2019	**77,928**	**317**	**1,044,813**	**1,126**	**35,002**	**5,608**	**1,164,794**

C4.2 Property, plant and equipment accounting policies

(a) Recognition thresholds

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

Land	$1
Buildings	$10,000
Heritage and cultural assets	$5,000
Plant and equipment	$5,000

Items with a lesser value are expensed in the year of acquisition.

Children's Health Queensland has an annual maintenance program for its plant and equipment and infrastructure assets. Expenditure is only capitalised if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear) is expensed.

Land improvements undertaken by Children's Health Queensland are included within the buildings asset class.

(b) Acquisition

Property, plant and equipment are initially recorded at consideration plus any other costs incidental to the acquisition, including all other costs directly incurred in bringing the asset ready for use. Separately identified components of significant value are measured on the same basis as the assets to which they relate.

Where assets are acquired for no consideration from another Queensland Government entity, the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

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

(c) Subsequent measurement

Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits, in excess of the originally assessed performance of the asset, will flow to the entity in future years. Costs that do not meet the criteria for capitalisation are expensed as incurred.

Land, buildings and heritage and cultural assets are subsequently measured at fair value in accordance with AASB 116 Property, Plant and Equipment, AASB 13 Fair Value Measurement and Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

The cost of items acquired during the year has been judged by Management to materially represent the fair value at the end of the reporting period.

(d) Depreciation

Land and heritage and cultural assets are not depreciated as they have an unlimited useful life.

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset over the estimated useful life. This is consistent with the even consumption of service potential of these assets over their useful life.

Assets under construction (works in progress) are not depreciated until they reach service delivery capacity or are ready for use. For each class of depreciable assets, the estimated useful lives of the assets are as follows:

Buildings	7 to 71 years
Plant and equipment	1 to 25 years

Separately identifiable components of assets are depreciated according to the useful lives of each component.

The depreciable amount of improvements to or on leasehold buildings is allocated progressively over the shorter of the estimated useful lives of the improvements or the unexpired period of the lease. The unexpired period of leases includes any option period where exercise of the option is probable.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised, and the new depreciable amount is depreciated over the remaining useful life of the asset.

Management estimates the useful lives of property, plant and equipment based on expected period of time over which economic benefits from use of the asset will be derived. Management reviews useful life assumptions on an annual basis having given consideration to variables including historical and forecast usage rates, technological advancements and changes in legal and economic conditions.

For Children's Health Queensland's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

(e) Impairment

Property, plant and equipment, with the exception of buildings revalued under the current replacement cost methodology, are assessed for indicators of impairment on an annual basis. In accordance with AASB 13 Fair Value Measurement, the recoverable cost of buildings revalued under replacement cost methodology are deemed to be materially the same as their fair values.

If an indicator of impairment exists, Children's Health Queensland 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.

For assets measured at cost, an impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Impairment indicators were assessed in 2019-20 with no asset requiring an adjustment for impairment.

C4.3 Property, plant and equipment valuation

The fair value of land and buildings are assessed on an annual basis by independent professional valuers. Comprehensive revaluations are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

Where assets have not been specifically appraised in the reporting period, previous valuations are materially kept up-to-date via the application of relevant indices. The valuers supply the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to the valuer. The valuers provide assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by the valuer, and analysing the trend of changes in values over time.

Through this process, which is undertaken annually, Management assesses and confirms the relevance and suitability of indices provided by the valuer based on Children Health Queensland's particular circumstances.

Revaluation increments are credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. In that case it is recognised as income. 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.

(a) Land

Land is valued by the market approach, using the direct comparison method. Under this valuation technique, the assets are compared to recent comparable sales as the available market evidence. The valuation of land is determined by analysing the comparable sales and reflecting the shape, size, topography, location, zoning, any restrictions such as easements and volumetric titles and other relevant factors specific to the asset being valued. From the sales analysed, the valuer considers all characteristics of the land and may apply an appropriate rate per square metre to the subject asset.

All land was revalued by an independent professional valuer, State Valuation Services, using comprehensive and indexed valuation methods with an effective date of 30 June 2020. Management has assessed the valuations as appropriate and has received confirmation from the valuer that there is no material change observable in the land asset values provided following the outbreak of COVID-19.

Restriction: Children's Health Queensland controls land subject to a legal restriction, being the land footprint for the Queensland Children's Hospital (QCH) with a fair value of $52 million as at 30 June 2020. This land is subject to a Memorandum of Understanding and a Call Option to Buy Hospital between the State of Queensland (the State) represented by the Department of Health and Mater Misercordiae Limited (Mater), which provides for the granting of an option to Mater to acquire the footprint for consideration of $1. Mater may exercise the option by notice in writing within 30 days after the earlier of the 60th anniversary of the opening of the QCH (29 November 2074), or the date when the State ceases to use QCH as a tertiary paediatric hospital. The State may, on or before the 60th anniversary of the opening of the hospital, exercise an option to extend the term to a date not less than 90 years from the opening date. However, Mater may then elect for the State to demolish the buildings on the footprint (at the cost of the State) prior to transferring the land to Mater. The asset has been recognised under the land asset class at fair value.

(b) Buildings

Health service buildings

Reflecting the specialised nature of health service buildings for which there is not an active market, fair value is determined using current replacement cost.

The methodology applied by the valuer is a financial simulation in lieu of a market based measurement as these assets are rarely bought and sold on the open market.

A replacement cost is estimated by creating a cost plan (cost estimate) of the asset through the measurement of key quantities such as:

- Gross floor area/ building footprint
- Height of the building
- Number of lifts and staircases
- Girth of the building
- Number of floors
- Location

The model developed by the valuer creates an elemental cost plan using these quantities. It can apply to multiple building types and relies on the valuer's experience with construction costs.

The cost model is updated each year and tests are done to compare the model outputs on actual recent projects to ensure it produces a true representation of the cost of replacement. The costs are at Brisbane prices and published location indices are used to adjust the pricing to suit local market conditions. Live project costs from across the State are also assessed to inform current market changes that may influence the published factors.

The key assumption on the replacement cost is that the estimate is based on replacing the current function of the building with a building of the same form (size and shape). This assumption has a significant impact if an asset's function changes. The cost to bring to current standards is the estimated cost of refurbishing the asset to bring it to current standards.

Adjustment to the replacement cost is then made to reflect the gross value of the building. The valuer in conjunction with Management have identified items of functional and economic obsolescence. These items have been costed and used to adjust the replacement cost to produce the gross value which reflects the replacement cost less any utility not present in the asset.

The gross value is then adjusted for physical obsolescence using a straight line adjustment using the asset capitalisation date (depreciation start date) and the estimated remaining useful life of each of the building elements. The valuer and Management agree on the estimated remaining useful life of each building element.

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 the estimate of remaining life as any refurbishment should extend the life of the asset.

Children's Health Queensland has adopted the gross method of reporting comprehensively 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 in accordance with the independent advice of the valuers. The proportionate method has been applied to those assets that have been revalued by way of indexation.

All buildings were revalued by an independent professional valuer, AECOM, using comprehensive, desktop and indexed valuation methods with an effective date of 30 June 2020. Management has assessed the valuations as appropriate and has received confirmation from the valuer that there is no material change observable in the building asset values provided following the outbreak of COVID-19.

Commercial office building

Children's Health Queensland owns a commercial office building that is valued under the income valuation approach. Such valuation technique capitalises the adjusted market net income to determine the fair value of the asset using readily available market data. The fair value measurement reflects current market expectations about these future amounts.

Children's Health Queensland has adopted the net method of reporting this asset. This method eliminates accumulated depreciation and accumulated impairment losses against the gross amount of the asset prior to restating for the revaluation.

This building was revalued by an independent professional valuer, State Valuation Services, with an effective date of 30 June 2020. Management has assessed the valuations as appropriate and has received confirmation from the valuer that there is no material change observable in the valuation provided following the outbreak of COVID-19.

(c) Plant and equipment

Plant and equipment is measured at cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amount for plant and equipment at cost does not materially differ from fair value.

C5 Intangible assets

	2020 $'000	2019 $'000
Developed software:		
At cost	2,667	2,667
Less: accumulated amortisation	(2,045)	(1,627)
	622	1,040
Purchased software:		
At cost	1,097	750
Less: accumulated amortisation	(380)	(197)
	717	553
Software work in progress:		
At cost	678	-
Total intangible assets	**2,017**	**1,593**

Intangibles reconciliation

	Developed software	Purchased software	Software work in progress	Total
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 July 2019	1,040	553	-	1,593
Acquisitions	-	347	678	1,025
Amortisation for the year	(418)	(183)	-	(601)
Balance at 30 June 2020	**622**	**717**	**678**	**2,017**
Balance at 1 July 2018	1,243	399	488	2,130
Acquisitions	-	-	426	426
Transfers to DoH	-	-	(488)	(488)
Transfer between asset classes	145	281	(426)	-
Amortisation for the year	(348)	(127)	-	(475)
Balance at 30 June 2019	**1,040**	**553**	**-**	**1,593**

An intangible asset is recognised only if its historical cost is equal to or greater than $100,000. Items with a lesser cost are expensed. As there is no active market for any of the intangibles held by Children's Health Queensland, the assets are recognised and carried at cost less accumulated amortisation.

Software is amortised on a straight-line basis over the period in which the related benefits are expected to be realised. The useful life and amortisation method is reviewed annually and adjusted appropriately. The current estimated useful life for Children's Health Queensland software systems is 3 to 9 years.

Intangibles are assessed for indicators of impairment on an annual basis with no asset requiring an adjustment for impairment in 2019-20.

C6 Payables

	Note	2020 $'000	2019 $'000
Trade creditors		11,008	5,830
Health services employee payables	B2.2	19,579	-
Other accrued payables		35,642	28,151
Total		**66,229**	**33,981**

Payables are recognised for amounts to be paid in the future for goods and services received. Payables are measured at the agreed purchase or contract price, gross of applicable trade and other discounts. The amounts owing are unsecured and generally settled on 30 day terms.

C7 Employee benefits

	Note	2020 $'000	2019 $'000
Accrued salary, wages and related costs		5,132	19,323
Other	B2.2	111	3,096
Total		**5,243**	**22,419**

Accrued salary, wages and related costs

Salaries, wages and related costs due but unpaid at reporting date are recognised in the Statement of Financial Position at current salary rates. Unpaid entitlements are expected to be paid within 12 months and as such any liabilities are recognised at their undiscounted values.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual leave and long service leave

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

Superannuation
Employer superannuation contributions relating to employees and Board members are expensed in the period in which they are paid or payable. Children's Health Queensland's obligation is limited to its contributions to the respective superannuation funds.

Other employee benefits
The liability for employee benefits includes provisions for accrued, rostered day-off entitlements.

C8 Equity

C8.1 Contributed equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities 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.

Children's Health Queensland receives funding from the Department of Health to cover depreciation and amortisation costs. However, as depreciation and amortisation are non-cash expenditure items, the Minister for Health has approved a withdrawal of equity by the State for the same amount, resulting in non-cash revenue and non-cash equity withdrawal.

C8.2 Asset revaluation surplus by asset class

	Land $'000	Building $'000	Total $'000
Balance at 1 July 2019	11,405	2,254	13,659
Revaluation increment for the year	154	30,977	31,131
Balance at 30 June 2020	**11,559**	**33,231**	**44,790**
Balance at 1 July 2018	11,325	-	11,325
Revaluation increment for the year	80	2,254	2,334
Balance at 30 June 2019	**11,405**	**2,254**	**13,659**

Section D Notes about our risks and other accounting uncertainties

D1 Fair value measurement

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

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued, and include, but are not limited to, published sales data for land and the commercial office building.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by Children's Health Queensland include, but are not limited to, subjective adjustments made to observable data to take account of the specialised nature of health service buildings, including historical and current construction contracts (and/or estimates of such costs), and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use.

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

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

None of Children's Health Queensland's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy and there were no transfer of assets between fair value hierarchy levels during the period. More specific fair value information about the entity's property, plant and equipment and intangibles is outlined further in Notes C4 and C5.

Trade and other receivables are measured at cost less any allowance for impairment. Due to the short-term nature of these assets the fair value does not differ significantly from their amortised cost.

D2 Financial risk disclosures

(a) Financial instruments categories

Children's Health Queensland has the following categories of financial assets and financial liabilities as reflected in the Statement of Financial Position – Cash and cash equivalents (Note C1), Receivables (Note C2), Other current assets (Note C3) and Payables (Note C6).

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

(b) Financial risk management

Children's Health Queensland 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 agency policies. Children's Health Queensland policies provide written principles for overall risk management and aim to minimise potential adverse effects of risk events on the financial performance of the agency.

Risk exposure	Measurement method
Credit risk	Ageing analysis
Liquidity risk	Sensitivity analysis, monitoring of cash flows by 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 reporting date is equal to the gross carrying amount of the financial asset, inclusive of any allowance for impairment.

Credit risk, excluding receivables, is considered minimal given all Children's Health Queensland cash on deposits are held by the State through Queensland Treasury Corporation.

No collateral is held as security and no credit enhancements relate to financial assets held by Children's Health Queensland.

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

(d) Liquidity risk

Liquidity risk is the risk that Children's Health Queensland will not have the resources required at a particular time to meet its obligations to settle its financial liabilities. Children's Health Queensland is exposed to liquidity risk through its trading in the normal course of business. It aims to reduce the exposure to liquidity risk by ensuring sufficient funds are available to meet employee and supplier obligations at all times. Children's Health Queensland has an approved debt facility of $10.500 million (2019: $3.000 million) under whole-of-government banking arrangements to manage any short term cash shortfalls. This facility has not been drawn down as at 30 June 2020 and is available for use in the next reporting period.

The liquidity risk of financial liabilities held by Children's Health Queensland is limited to the payables category as reflected in the Statement of Financial Position. All payables are less than 1 year in term.

(e) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk. Children's Health Queensland has interest rate exposure on the cash on deposits with Queensland Treasury Corporation. Children's Health Queensland does not undertake any hedging in relation to interest rate risk. Changes in interest rates have a minimal effect on the operating result of Children's Health Queensland.

D3 Commitments

	2020 $'000	2019 $'000
(a) Non-cancellable rental agreements commitments - payables		
Rental agreements commitments are payable as follows:		
Not later than 1 year	3,807	2,878
Later than 1 year and not later than 5 years	5,242	3,768
Later than 5 years	1,722	-
Total	**10,771**	**6,646**
(b) Capital expenditure commitments		
Capital expenditure commitments are payable as follows:		
Not later than 1 year	524	496
Total	**524**	**496**
(c) Other expenditure commitments		
Other expenditure commitments are payable as follows:		
Not later than 1 year	24,755	28,029
Later than 1 year and not later than 5 years	84,525	4,119
Later than 5 years	-	682
Total	**109,280**	**32,830**
(d) Non-cancellable rental agreements commitments – receivables		
Future minimum rental income under non-cancellable rental agreements are as follows:		
Not later than 1 year	316	305
Later than 1 year and not later than 5 years	1,122	1,295
Later than 5 years	-	145
Total	**1,438**	**1,745**

D4 Contingencies

Litigation in progress

As at 30 June 2020 there were three cases filed with the courts as follows:

	2020	2019
Supreme court	2	-
Tribunals, commissions and boards	1	-
Total	**3**	**-**

Health litigation is underwritten by QGIF and Children's Health Queensland's liability in this area is limited to an excess per insurance event.

All Children's Health Queensland indemnified claims are managed by QGIF. As at 30 June 2020, there were 33 claims being managed by QGIF, some of which may never be litigated or result in claim payments. The maximum exposure to Children's Health Queensland under this policy is limited to $20,000 for each insurable event.

D5 Events occurring after the reporting date

No matters or circumstances have arisen since 30 June 2020 that have significantly affected, or may significantly affect Children's Health Queensland operations, the results of those operations, or the state of affairs in future years.

D6 New and revised accounting standards

(a) Changes in accounting policy

Children's Health Queensland did not voluntarily change any accounting policies during 2019-20.

(b) Accounting standards early adopted in 2019-20

No Australian Accounting Standards have been early adopted for 2019-20.

(c) Accounting standards applied for the first time in 2019-20

The following Australian Accounting Standard has been adopted for the 2019-20 year.

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

These Standards first apply to Children's Health Queensland's 2019-20 financial statements and contain detailed requirements for the accounting of revenue from customers. Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from sales of goods and services, such that some revenue may need to be deferred to a later reporting period to the extent Children's Health Queensland has received cash but has not met its associated obligations.

Children's Health Queensland elected:

- to apply the modified retrospective transition approach and has not restated comparative information for 2018-19.
- to apply the standard retrospectively to all contracts, including completed contracts at 1 July 2019.

Where the agreement is enforceable and contains sufficiently specific performance obligations for Children's Health Queensland to transfer goods or services to a third party on the grantor's behalf, the transaction is accounted for under AASB 15 Revenue from Contracts with Customers. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the agreement is accounted under AASB 1058 Income of Not-for-Profit Entities, whereby revenue is recognised upon receipt of the grant funding.

Children's Health Queensland has completed its review of the new revenue recognition requirements under these Standards. Based on this review, there has been no material change in the timing of when revenue is recognised for the period after 1 July 2019, compared to the prior year.

To align with new terminology in AASB 15, accrued revenue and unearned revenue arising from contracts with customers have been renamed as contract assets and contract liabilities respectively.

AASB 16 Leases

This Standard first applies to Children's Health Queensland's 2019-20 financial statements and supersedes AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases – Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Impact for Lessees

AASB 16 introduces a single lease accounting model for leases. Lessees are required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases, individually identifiable, with a term of more than 12 months, unless the underlying assets are of low value (less than $10,000).

In effect, operating leases (as defined by the previous AASB 117) are reported on the Statement of Financial Position under AASB 16.

The right-of-use asset is initially recognised at cost consisting of:

- the initial amount of the associated lease liability,
- plus any lease payments made to the lessor at or before the effective date,
- less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee.

The right-of-use asset gives rise to a depreciation expense.

The lease liability is initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. The right of use asset lease payments are no longer expensed in the Statement of Comprehensive Income. They are apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

Impact for Lessors

Lessor accounting under AASB 16 remains largely unchanged from AASB 117. Lease receipts from operating leases are recognised as income.

Impact for Children's Health Queensland

In adopting AASB 16, Children's Health Queensland has identified the following:

- During the 2019-20 financial year, Children's Health Queensland held operating leases under AASB 117 from the Department of Housing and Public Works (DHPW) for non-specialised, commercial office accommodation through the Queensland Government Accommodation Office (QGAO) and for fleet vehicles through DHPW's QFleet program. Queensland Treasury and DHPW advised that as at 1 July 2019, these leases are outside the scope of AASB 16. This is due to DHPW having substantive substitution rights over the accommodation and vehicles provided. From 2019-20 onward, costs relating to the above arrangements are be referred to as rental agreements and are treated as operating expenses when incurred.
- In addition, Children's Health Queensland has assessed there are no impacts at transition date of this standard.

D7 Future impact of accounting standards not yet effective

At the date of authorisation of the financial statements, Children's Health Queensland has assessed there are no new or amended Australian Accounting Standards, issued but with future commencement dates that will have a potential impact on Children's Health Queensland activities.

Section E Notes about our performance compared to Budget

This section discloses Children's Health Queensland's original budgeted figures for 2019-20 compared to actual results, with explanations of major variances, in respect of the Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

E1 Budget to actual comparison – Statement of Comprehensive Income

	Variance Notes	Original Budget 2020 $'000	Actual 2020 $'000	Variance $'000
Income from continuing operations				
Health services funding		730,406	778,739	48,333
User charges and fees	(a)	66,936	90,969	24,033
Grants and other contributions		847	10,314	9,467
Other revenue		1,581	9,554	7,973
Total revenue		**799,770**	**889,576**	**89,806**
Gains on disposal / revaluation of assets		-	26	26
Total income from continuing operations		**799,770**	**889,602**	**89,832**
Expenses from continuing operations				
Employee expenses	(b)	522,241	544,964	22,723
Health service employee expenses	(b)	-	19,579	19,579
Supplies and services	(c)	206,339	248,430	42,091
Grants		1,704	2,561	857
Depreciation and amortisation		65,602	65,788	186
Loss on disposal		400	56	(344)
Other expenses		3,484	7,059	3,575
Total expenses from continuing operations		**799,770**	**888,437**	**88,667**
Total operating result		**-**	**1,165**	**1,165**
Other comprehensive income				
Items that will not be reclassified to operating result:				
– Increase in asset revaluation surplus		-	31,131	31,131
Total other comprehensive income		-	31,131	31,131
Total comprehensive income		**-**	**32,296**	**32,296**

E2 Budget to actual comparison – Statement of Financial Position

	Variance Notes	Original Budget 2020 $'000	Actual 2020 $'000	Variance $'000
Current assets				
Cash and cash equivalents	(d)	37,681	44,148	6,467
Receivables	(e)	10,882	14,405	3,523
Inventories		6,176	7,800	1,624
Other current assets	(f)	13,431	11,459	(1,972)
Total current assets		**68,170**	**77,812**	**9,642**
Non-current assets				
Property, plant and equipment		1,105,456	1,163,270	57,814
Intangible assets		1,294	2,017	723
Total non-current assets		**1,106,750**	**1,165,287**	**58,537**
Total assets		**1,174,920**	**1,243,099**	**68,179**
Current liabilities				
Payables	(g)	32,161	66,229	34,068
Employee benefits	(b)	23,587	5,243	(18,344)
Contract liabilities		5,863	2,237	(3,626)
Total current liabilities		**61,611**	**73,709**	**12,098**
Total liabilities		**61,611**	**73,709**	**12,098**
Net assets / Total equity		**1,113,309**	**1,169,390**	**56,081**

E3 Budget to actual comparison – Statement of Cash Flows

	Variance Notes	Original Budget 2020 $'000	Actual 2020 $'000	Variance $'000
Cash flows from operating activities				
Inflows:				
Health services funding		730,406	714,037	(16,369)
User charges and fees	(a)	66,233	89,966	23,733
Grants and other contributions		847	3,874	3,027
Interest receipts		186	130	(56)
GST collected from customers		-	1,213	1,213
GST input tax credits from ATO		-	12,349	12,349
Other		6,270	10,442	4,172
Outflows:				
Employee expenses		(520,281)	(562,252)	(41,971)
Supplies and services		(214,266)	(229,728)	(15,462)
Grants		(1,704)	(2,561)	(857)
GST paid to suppliers		-	(12,606)	(12,606)
GST remitted to ATO		-	(1,160)	(1,160)
Other		(3,484)	(7,523)	(4,039)
Net cash provided by/(used in) operating activities		**64,207**	**16,181**	**(48,026)**
Cash flows from investing activities				
Inflows:				
Sales of property, plant and equipment		-	34	34
Outflows:				
Payments for property, plant and equipment	(h)	(3,432)	(11,368)	(7,936)
Payments for intangibles	(i)	-	(1,025)	(1,025)
Net cash used in investing activities		**(3,432)**	**(12,359)**	**(8,927)**
Cash flows from financing activities				
Inflows:				
Equity injections	(j)	3,432	8,763	5,331
Outflows:				
Equity withdrawals	(k)	(65,602)	-	65,602
Net cash provided by/(used in) financing activities		**(62,170)**	**8,763**	**70,933**
Net increase/(decrease) in cash and cash equivalents		**(1,395)**	**12,585**	**13,980**
Cash and cash equivalents at beginning of the year		39,076	31,563	(7,513)
Cash and cash equivalents at end of the year		**37,681**	**44,148**	**6,467**

E4 Budget to actual comparison – explanation of major variances

a) An increase in user charges is mainly due to increases to Pharmaceutical Benefits Scheme (PBS) revenue ($24.048 million) aligned to higher pharmaceutical costs.

b) An increase in employee expenses relates to a number of items, including variances in annual leave and long service leave expenses due to a combination of a higher than expected revaluation of the centrally-managed liabilities and reduced rates of leave taken impacted by COVID-19 ($6.266 million), one-off payments ($4.223 million), and finally, additional funded labour costs associated with enterprise bargaining arrangements and commissioned services and programs agreed through the service agreement amendment window process (approximately $30.954 million).

c) An increase in supplies and services predominantly relates to higher usage than originally estimated of high cost drugs ($30.817 million) as well as an increase of contractor services for ICT and other strategic projects ($5.953 million). Furthermore, various services received below fair value from the Department of Health ($6.431 million) have been reliably estimated and recognised for the 2019-20 year and not included in the original estimates.

d) An increase in the cash asset position is mainly due to higher payables ($14.489 million) and higher employee benefits ($1.235 million), offset by higher receivables ($3.523 million) and a lower cash position as at the end of last financial year ($6.118 million) than originally anticipated.

e) An increase in receivables is mainly due to higher debtors invoicing for ICT projects ($1.534 million) and additional tenant recoveries ($1.483 million) occurring in June 2020 which were not known at the time of the original budget build.

f) In the original budget, accrued revenue is classified as Receivables, however, to align with the new terminology in AASB 15, accrued revenue arising from contracts with customers has been renamed as Contract assets and classified under Other current assets.

g) An increase in payables is mainly due to inclusion of Health services employee payable ($19.579 million) as a result of Children's Health Queensland becoming a non-prescribed employer. Higher outstanding creditors than originally expected for the end of year contributed to the balance of the movement ($14.489 million).

h) An increase in payments for property, plant and equipment mainly relates to higher than anticipated capital projects expenditure ($4.645 million) and medical equipment ($3.291 million).

i) An increase in payments for intangible assets relates to expenditure for a program licence ($0.347 million) and the costs associated with CHQ Imaging Informatics Program ($0.678 million).

j) An increase in equity injections relates to higher than anticipated funding towards capital expenditure for facility projects ($3.924 million) and equipment purchases under the Health Technology Equipment Replacement (HTER) Program ($1.407 million).

k) Funding for depreciation was budgeted as a cash item. It was subsequently accounted for as a non-cash equity withdrawal.

Section F What we look after on behalf of third parties

F1 Restricted assets

Children's Health Queensland holds a number of General Trust accounts which meet the definition of restricted assets. These accounts ensure the associated income is only utilised for the purposes specified by the issuing body.

Children's Health Queensland receives cash contributions from benefactors in the form of gifts, donations and bequests for stipulated purposes. Contributions are also received from private practice clinicians and from external entities to provide for education, study and research in clinical areas.

	2020 $'000	2019 $'000
Opening balance	7,387	7,727
Income	3,325	1,160
Expenditure	(3,315)	(1,500)
Closing balance	**7,397**	**7,387**

F2 Third party monies

	2020 $'000	2019 $'000
(a) Grant of private practice accounts		
Revenue and expense:		
Revenue		
Billings	6,254	6,379
Total revenue	**6,254**	**6,379**
Expense		
Payments to medical practitioners	3,328	3,359
Payments to Children's Health Queensland for recoverable costs	2,897	2,951
Payments to medical practitioners' trust	29	69
Total expenditure	**6,254**	**6,379**
Assets and liabilities:		
Current assets		
Cash at bank	1,185	1,543
Total assets	**1,185**	**1,543**
Current liabilities		
Payables to medical practitioners	271	262
Payables to Children's Health Queensland for recoverable costs	888	1,225
Payables to medical practitioners' trust	26	56
Total liabilities	**1,185**	**1,543**
(b) Patient trust accounts		
Opening balance	7	7
Cash receipts	3	2
Cash payments	(2)	(2)
Closing balance	**8**	**7**

Children's Health Queensland acts as a billing agency for medical practitioners who use Children's Health Queensland facilities for the purpose of seeing patients under the Grant of Private Practice agreement (GOPP). Under this agreement, Children's Health Queensland deducts a service fee (where applicable) from private patient fees received to cover the use of the facilities and administrative support provided to the medical practitioner.

In addition, Children's Health Queensland acts in a custodian role in relation to patient trust accounts. As such, these transactions and balances are not recognised in the financial statements, but are disclosed for information purposes. The Queensland Audit Office undertakes a review of such accounts as part of the audit of the Children's Health Queensland financial statements.

Section G Other information

G1 Key management personnel and remuneration expenses

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of Children's Health Queensland during 2019-20.

(a) Deputy Premier, Minister for Health and Minister for Ambulance services

The Deputy Premier, Minister for Health and Minister for Ambulance services is identified as part of Children's Health Queensland's key management personnel, consistent with AASB 124 Related Party Disclosures.

(b) Board

Position and Name	Responsibilities, Appointment Authority and Memberships	Date of Initial Appointment	Date of Resignation or Cessation
Board Chair – Mr David Gow	Perform duties of Chair as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Member – Health Service Executive Committee Member – Finance and Performance Committee	11 May 2018 (Appointed as Board member 18 May 2013)	-
Deputy Chair – Ms Cheryl Herbert	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Chair – Health Service Executive Committee Member – Quality and Safety Committee	6 July 2018 (Appointed as Board member 26 June 2015)	-
Board Member – Mr Darren Brown	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Member – Quality and Safety Committee Member – Finance and Performance Committee	18 May 2019	-
Board Member – Ms Suzanne Cadigan	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Member – Quality and Safety Committee Member – Audit and Risk Committee	18 May 2019	-
Board Member – Mr Paul Cooper	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Chair – Audit and Risk Committee Member – Health Service Executive Committee	29 June 2012	-
Board Member – Ms Karina Hogan	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Member – Finance and Performance Committee Member – Audit and Risk Committee	18 May 2019	-
Board Member – Ms Meredith Staib	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Member – Quality and Safety Committee Member – Audit and Risk Committee	18 May 2020	-
Board Member – Ms Heather Watson	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Member – Finance and Performance Committee Member – Audit and Risk Committee	18 May 2018	-
Board Member – Mr Ross Willims	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Chair – Finance and Performance Committee Member – Health Service Executive Committee	18 May 2014	-
Board Member – Dr David Wood	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Chair – Quality and Safety Committee Member – Health Service Executive Committee	29 June 2012	-

(b) Board (continued)

Position and Name	Responsibilities, Appointment Authority and Memberships	Date of Initial Appointment	Date of Resignation or Cessation
Board Member – Ms Georgina Somerset	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Member – Audit and Risk Committee Member – Quality and Safety Committee	23 August 2013	17 May 2020

(c) Executive management

Health Service Chief Executive

Responsibilities

The single point of accountability for ensuring patient safety through effective executive leadership and management of Children's Health Queensland, as well as associated support functions. Accountable for ensuring Children's Health Queensland achieves a balance between efficient service delivery and high quality health outcomes.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Francis Tracey	Current	Individual contract *Hospital and Health Boards Act 2011*, S24/70 Award Free Section 24	23 July 2019	-
Francis Tracey	Former (Acting)	Individual contract *Hospital and Health Boards Act 2011*, S24/70 Award Free Section 24	01 July 2019	22 July 2019
Fionnagh Dougan	Former	Individual contract *Hospital and Health Boards Act 2011*	15 January 2015	28 June 2019

Executive Director, People and Culture

Responsibilities

Develop and implement workforce strategies relating to people and culture so that Children's Health Queensland has the necessary skills, capabilities and enabling human resource, organisational development, work health and safety, cultural capability and industrial relations frameworks to meet current and future health service needs.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Michael Aust	Current (Acting)	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	26 November 2019	-
Leigh-Anne Goldsmith	Former	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	8 May 2018	2 January 2020

Chief Finance Officer

Responsibilities

Provide strategic advice, leadership and management oversight of the financial and corporate services functions for Children's Health Queensland. Work in conjunction with the executive team to ensure that financial stewardship and governance arrangements are in place to meet financial performance targets and imperatives.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Alan Fletcher	Current	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	3 July 2017	-

(c) Executive management (continued)

Executive Director, Medical Services

Responsibilities

Provide medical executive leadership, strategic focus, managerial direction, authoritative and expert advice on professional and policy issues, leading development of a generative culture that draws the best talent and enhances the attraction and retention of high quality child and family focused medical specialists. To lead paediatric patient safety and quality improvement for Children's Health Queensland.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Andrew Hallahan	Current	Senior Medical Officer (Level 28 – MMOI3), *Medical Officer (Queensland Health) Certified Agreement (No.4) 2015 (MOCA 4)*	11 January 2016 (Secondment from 07 February to 30 August 2019)	-
Steve McTaggart	Former (Acting)	Senior Medical Officer (Level 28 – MMOI3), *Medical Officer (Queensland Health) Certified Agreement (No.4) 2015 (MOCA 4)*	9 February 2019	27 September 2019

Executive Director, Nursing Services

Responsibilities

Provide nursing executive leadership, strategic focus, managerial direction, authoritative and expert advice on a wide range of professional and policy issues. Shape and lead strategic thinking and strategy development of an integrated nursing service delivery model within Children's Health Queensland.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Callan Battley	Current	Nurse Grade 13 *Nurses and Midwives (Queensland Health) Award – State 2015*	16 September 2019	-
Judith Morton	Former Acting	Nurse Grade 13 (NRG13-2) *Nurses and Midwives (Queensland Health) Award – State 2015*	8 July 2019	20 September 2019
Fiona Allsop	Former	Nurse Grade 13 *Queensland Health Nurses and Midwives Award – State 2015 (Grade 13)*	9 April 2018	8 August 2019

Executive Director, Allied Health

Responsibilities

Provide allied health executive leadership, strategic focus, authoritative and expert advice on a wide range of professional and policy issues to the Health Service Chief Executive, members of the Executive Team and other relevant stakeholders. Achieve policy and operational alignment with national, state and Children's Health Queensland strategic directions, policies and professional standards for the effective and safe delivery of contemporary allied health services.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Tania Hobson	Current	Health Practitioners (HP8-2) *Queensland Health Certified Agreement (No.2) 2011*	27 January 2016	-

(c) Executive management (continued)

Chief Digital Officer

Responsibilities

Lead and effectively manage the Digital Health Service portfolio, inclusive of clinical and corporate information management, business intelligence services, technology and application services, telecommunication and technical infrastructure management. In alignment with strategic planning for Children's Health Queensland, Digital Health Services provides a contemporary digital business intelligence, information and technology service that supports the delivery of high quality, safe care to our patients and their families.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Lisa Knowles	Current (Acting)	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	9 August 2018	-

Executive Director, Clinical Services – QCH

Responsibilities

Provide strategic leadership and ultimate accountability for the effective and efficient delivery of all clinical and non-clinical services and resources at the Queensland Children's Hospital including surgery, medicine, critical care and clinical support services.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Dominic Tait	Current	Health Executive Service (HES 3) *Hospital and Health Boards Act 2011*	15 October 2017	-

Executive Director, Clinical Services

Responsibilities

Provide executive leadership to contribute to the development and implementation of the vision, strategic direction and goals and achievement of objectives and agreed outcomes for Children's Health Queensland. Accountable and responsible for strategic focus, professional leadership and governance for child and youth community, mental health and statewide services.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Craig Kennedy	Current (Acting)	Health Executive Service (HES 2.1) *Hospital and Health Boards Act 2011*	1 July 2019	-
Francis Tracey	Former	Health Executive Service (HES 3) *Hospital and Health Boards Act 2011*	4 October 2017	30 June 2019

Executive Director, Legal, Governance and Risk

Responsibilities

Provide strategic advice, leadership and management oversight of legal, governance, risk management and assurance frameworks for Children's Health Queensland to support the delivery of safe, integrated and life-changing care to children, young people and their families.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Lisa Benneworth	Current	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	21 May 2018	-

Senior Director, Communication and Engagement

Responsibilities

Responsible for ensuring the proactive and strategic management of Children's Health Queensland communications, media activity and digital engagement. Responsible for the development and management of the Children's Health Queensland brand, ensuring alignment with expectations articulated in legislation and by the Board. Manage media engagement proactively and issues in a response-ready and professional manner.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Belinda Taylor	Current	District Senior Officer (DSO1) *Hospital and Health Boards Act 2011*	12 November 2018	-

(d) Remuneration expenses

Deputy Premier, Minister for Health and Minister for Ambulance services

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. Children's Health Queensland does not bear any cost of remuneration of the Minister. The majority of ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements which are published as part of Queensland Treasury's Report on State Finances.

Board

The remuneration of members of the Board is approved by Governor-in-Council as part of the terms of appointment. Each member is entitled to receive a fee, with the exception of appointed public service employees unless otherwise approved by the Government. Members may also be eligible for superannuation payments.

Executive Management

In accordance with section 67 of the *Hospital and Health Boards Act 2011*, the Director-General of the Department of Health determines the remuneration for Children's Health Queensland key executive management employees. The remuneration and other terms of employment are specified in employment contracts or in the relevant Enterprise Agreements and Awards.

Remuneration expenses for key executive management personnel comprise the following components:

- Short-term employee expenses which include:
  - Monetary expenses: salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position.
  - Non-monetary benefits: other benefits provided to the employee including performance benefits recognised as an expense during the year with fringe benefits tax where applicable.
- Long-term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits 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.

Employment contracts for key management personnel do not provide for any performance payments.

(i) Board – Remuneration expenses

Position and name	Year	Short-term employee expenses: Monetary expenses	Short-term employee expenses: Non-monetary benefits	Long-term employee expenses	Post-employment expenses	Termination benefits	Total expenses
		$'000	$'000	$'000	$'000	$'000	$'000
Mr David Gow Board Chair	2020	82	-	-	8	-	90
	2019	87	-	-	8	-	95
Ms Cheryl Herbert Deputy Chair	2020	47	-	-	5	-	52
	2019	47	-	-	4	-	51
Mr Darren Brown Board Member	2020	47	-	-	4	-	51
	2019	5	-	-	1	-	6
Ms Suzanne Cadigan Board Member	2020	47	17	-	4	-	68
	2019	5	-	-	1	-	6
Mr Paul Cooper Board Member	2020	47	-	-	5	-	52
	2019	47	-	-	4	-	51
Ms Karina Hogan Board Member	2020	47	-	-	4	-	51
	2019	5	-	-	1	-	6
Ms Meredith Staib Board Member	2020	5	-	-	-	-	5
	2019	-	-	-	-	-	-
Ms Heather Watson Board Member	2020	46	-	-	4	-	50
	2019	46	-	-	4	-	50
Mr Ross Willims Board Member	2020	47	-	-	5	-	52
	2019	47	-	-	4	-	51
Dr David Wood Board Member	2020	47	-	-	5	-	52
	2019	47	-	-	4	-	51
Ms Georgina Somerset Board Member	2020	43	-	-	4	-	47
	2019	49	-	-	4	-	53
Total Remuneration: Board	**2020**	**505**	**17**	**-**	**48**	**-**	**570**
	2019	**385**	**-**	**-**	**35**	**-**	**420**

(ii) Executive Management - Remuneration expenses

Position	Incumbent Status	Year	Short-term employee expenses: Monetary expenses	Short-term employee expenses: Non-monetary benefits	Long- term employee expenses	Post-employment expenses	Termination benefits	Total expenses
			$'000	$'000	$'000	$'000	$'000	$'000
Health Service Chief Executive	Current	2020	292	34	7	29	-	362
	Former Acting	2020	121	-	2	10	-	133
	Former	2020	11	17	(1)	(4)	-	23
	Former	2019	368	17	7	37	-	429
Executive Director, People and Culture	Current Acting	2020	128	15	3	11	-	157
	Former	2020	105	19	1	7	73	205
	Former	2019	210	17	4	21	-	252
Chief Finance Officer	Current	2020	175	17	4	19	-	215
	Current	2019	192	17	4	19	-	232
Executive Director, Medical Services	Current	2020	402	-	9	31	-	442
	Former Acting	2020	76	-	2	4	-	82
	Former Acting	2019	208	15	4	16	-	243
	Former	2019	250	1	5	18	-	274
Executive Director, Nursing Services	Current	2020	210	13	4	21	-	248
	Former Acting	2020	47	-	1	5	-	53
	Former	2020	10	12	-	-	1	23
	Former	2019	233	2	4	26	-	265
Executive Director, Allied Health	Current	2020	175	4	4	20	-	203
	Current	2019	172	4	3	20	-	199
Chief Digital Officer	Current Acting	2020	200	17	4	16	-	237
	Current Acting	2019	203	17	4	15	-	239
	Former	2019	23	7	-	-	1	31
Executive Director, Clinical Services – QCH	Current	2020	219	17	5	22	-	263
	Current	2019	221	17	4	22	-	264
Executive Director, Clinical Services	Current Acting	2020	220	17	5	17	-	259
	Former	2020	4	-	-	-	-	4
	Former	2019	231	15	4	24	-	274
Executive Director, Legal, Governance and Risk	Current	2020	183	17	4	18	-	222
	Current	2019	185	17	4	18	-	224
Senior Director, Communications and Engagement	Current	2020	164	17	3	19	-	203
	Current	2019	102	17	2	12	-	133
	Former Acting	2019	57	-	1	6	-	64
Total Remuneration: Executives		**2020**	**2,742**	**216**	**57**	**245**	**74**	**3,334**
		2019	**2,655**	**163**	**50**	**254**	**1**	**3,123**

G2 Related party transactions

(a) Transactions with Queensland Government controlled entities

Children's Health Queensland is controlled by its ultimate parent entity, the State of Queensland. All State of Queensland controlled entities meet the definition of a related party in AASB 124 Related Party Disclosures.

Material transactions between Children's Health Queensland and Queensland Government controlled entities are as follows:

Department of Health

Children's Health Queensland receives funding from the Department of Health for specific public health services in accordance with a service agreement. Children's Health Queensland also incurs expenditure for supplies and services provided by the Department of Health.

Related transactions for the year are as follow:

	2020 $'000	2019 $'000
Revenue received	780,165	755,662
Expenditure incurred	114,366	79,816
Receivables	655	2,471
Payables	14,883	7,256

In addition, the Department of Health provides some corporate services support to Children's Health Queensland for no consideration as outlined in Note B1.3.

Children's Hospital Foundation

The Children's Hospital Foundation (Foundation) raises funds for research, equipment and services for Children's Health Queensland. Ms Heather Watson (nominee of the Chair of the Children's Health Queensland Board) and Francis Tracey (Health Service Chief Executive) are the nominated members on the Foundation Board at reporting date. Membership of the Board is in line with the Foundation's Constitution and the governance terms of such an arrangement.

(b) Transactions with other related parties

No transactions with members of the Board, key executive management, and their related entities were identified for the reporting period.

G3 Taxation

Children's Health Queensland 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 accounted for by Children's Health Queensland.

Both Children's Health Queensland 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.

G4 Climate risk disclosure

Children's Health Queensland has not identified any material climate related risks relevant to the financial report at the reporting date.

No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the financial year.

G5 Impact of COVID-19

On 27 February 2020, the Prime Minister of Australia activated the Australian Health Sector Emergency Response Plan in response to the outbreak of the Novel Coronavirus or COVID-19. The state of Queensland responded to this with a Pandemic Plan led by the Queensland Disaster Management Committee. The impact of the COVID-19 pandemic on Children's Health Queensland has been assessed as follows:

Revenue

As disclosed in Note B1, the Commonwealth and State Government have agreed to reimburse direct costs related to the health care response to COVID-19. Additional funding of $1.844 million has been provided to Children's Health Queensland under the National Partnership Agreement (NPA) for direct costs relating to COVID-19.

Own source revenue during this period has seen a decline driven by reduced levels of unplanned clinical activity as well as the provision of rent relief to commercial tenants operating within the Queensland Children's Hospital.

Direct expenses

Children's Health Queensland has incurred additional expenditure of $5.901 million. Direct expenses incurred relating to COVID-19 have been reimbursed via the NPA totalling $1.844 million. These expenses related to Children's Health Queensland's response to the pandemic including but not limited to establishment of and operationalising the COVID-19 family testing clinic at Queensland Children's Hospital, increased cleaning and personal protective equipment consumables usage, establishment of perimeter screening and security measures, increased information technology costs to enable delivery of virtual patient care and community screening support.

Indirect expenses

During the period of the COVID-19 pandemic, Children's Health Queensland has experienced significantly reduced rates of staff recreation leave. This has impacted the operating position in 2019-20.

Asset valuation

Ninety-nine per cent of the value of Children's Health Queensland assets were comprehensively valued by a qualified valuer in 2020. Children's Health Queensland has received confirmation from its valuers of land assets and building assets that there was no material observable change in the land asset or building asset values provided following the outbreak of the COVID-19.

Collectability of receivables

Debt impairment has not been significantly affected by COVID-19. Children's Health Queensland's main income sources are the Queensland Government, Medicare and health insurance companies, which are expected to be financially stable to withstand any adverse COVID-19 impacts.

Where individual patients are responsible for payment, Children's Health Queensland is continuing to monitor the impact on these receivables. As the pandemic is a relatively recent and on-going event, no significant change in recoverability of debt has become apparent at this point. These accounts make up a minor portion of Children's Health Queensland's overall receivables profile.

G6 Other matters

On 1 August 2019, Children's Health Queensland implemented S/4 HANA, a new statewide enterprise resource planning (ERP) system, which replaced FAMMIS ERP. The system is used to prepare the general purpose financial statements, and it interfaces with other software that manages revenue, payroll and certain expenditure streams. Its modules are used for inventory and accounts payable management.

Information technology and application level controls were required to be redesigned and new workflows implemented. Extensive reconciliations were completed on implementation to ensure the accuracy of the data migrated.

Management Certificate

These general purpose financial statements have been prepared pursuant to Section 62(1) of the *Financial Accountability Act 2009* (the Act), Section 39 of the *Financial and Performance Management Standard 2019* 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 financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Children's Health Queensland Hospital and Health Service for the financial year ended 30 June 2020 and of the financial position of Children's Health Queensland Hospital and Health Service at the end of that year; and

We, acknowledge responsibility under Section 7 and Section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

Mr David Gow
Chair
Children's Health Queensland
Hospital and Health Board

26 August 2020

Mr Francis Tracey
Health Service Chief Executive
Children's Health Queensland
Hospital and Health Service

26 August 2020

Audit Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Children's Health Queensland Hospital and Health Service

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Children's Health Queensland Hospital and Health Service.

In my opinion, the financial report:

a) gives a true and fair view of the entity's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended

b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Specialised buildings valuation ($1,044 million)

Refer to Note C4 in the financial report.

Key audit matter	How my audit addressed the key audit matter
Buildings were material to Children's Health Queensland Hospital and Health Services at balance date and were measured at fair value using the current replacement cost method. Children's Health Queensland Hospital and Health Service performed a comprehensive revaluation over the majority of its buildings this year. A small number of buildings were assessed using relevant indices. The current replacement cost method comprises: • gross replacement cost, less • accumulated depreciation. Children's Health Queensland Hospital and Health Service derived the gross replacement cost of its buildings at the balance date using unit prices that required significant judgements for: • identifying the components of buildings with separately identifiable replacement costs • developing a unit rate for each of these components, including: – estimating the current cost for a modern substitute (including locality factors and on costs) – identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference. • The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of building components. The significant judgements required for gross replacement cost and useful lives are also significant judgements for calculating annual depreciation expense. Using indexation required: • significant judgement in determining changes in cost and design factors for each asset type since the previous comprehensive valuation • reviewing previous assumptions and judgements used in the last comprehensive valuation to ensure ongoing validity of assumptions and judgements used.	My procedures included, but were not limited to: • assessing the adequacy of management's review of the valuation process and results • assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices • assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices • assessing the competence, capabilities and objectivity of the experts used to develop the models • for unit rates associated with buildings that were comprehensively revalued this year: – on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the modern substitute (including locality factors and oncosts) – adjustment for excess quality or obsolescence. • evaluating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices • evaluating useful life estimates for reasonableness by: – reviewing management's annual assessment of useful lives – at an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets – ensuring that no building asset still in use has reached or exceeded its useful life – enquiring of management about their plans for assets that are nearing the end of their useful life – reviewing assets with an inconsistent relationship between condition and remaining useful life. Where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.

Queensland Audit Office
Better public services

Implementation of new finance system

Refer to Note G6 in the financial report.

Key audit matter	How my audit addressed the key audit matter
The Department of Health (the department) is the shared service provider to Children's Health Queensland Hospital and Health Service for the management of the financial management information system, and processing of accounts payable transactions in the system. The Department replaced its primary financial management information system on 1 August 2019. The financial management system is used to prepare the general-purpose financial statements. It is also the general ledger and it interfaces with other software that manages revenue, payroll and certain expenditure streams. Its modules are used for inventory and accounts payable management. The replacement of the financial management system increased the risk of fraud and error in the control environment of the Department and Children's Health Queensland Hospital and Health Service. The implementation of the financial management system was a significant business and IT project for the Department and Children's Health Queensland Hospital and Health Service. It included: • designing and implementing IT general controls and application controls • cleansing and migrating of vendor and open purchase order master data • ensuring accuracy and completeness of closing balances transferred from the old system to the new system • establishing system interfaces with other key software programs • establishing and implementing new workflow processes.	I have reported issues relating to internal control weaknesses identified during the course of my audit to those charged with governance. My procedures included, but were not limited to: • assessing the appropriateness of the IT general and application level controls including system configuration of the financial management system by: – reviewing the access profiles of users with system wide access – reviewing the delegations and segregation of duties – reviewing the design, implementation, and effectiveness of the key general information technology controls. • validating account balances from the old system to the new system to verify the accuracy and completeness of data migrated • documenting and understanding the change in process and controls for how material transactions are processed, and balances are recorded • assessing and reviewing controls temporarily put in place due to changing system and procedural updates • Undertaking significant volume of sample testing to obtain sufficient appropriate audit evidence, including: – verifying the validity of journals processed pre and post go-live – verifying the accuracy and occurrence of changes to bank account details – comparing vendor and payroll bank account details – verifying the completeness and accuracy of vendor payments, including testing for potential duplicate payments. • Assessing the reasonableness of: – the inventory stocktakes for completeness and accuracy – the mapping of the general ledger to the financial statement line items.

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Board, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

a) I received all the information and explanations I required.

b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.

C. G. Strickland

27 August 2020

C G Strickland
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

5 Appendices

Strategic Plan 2016-2020 (2019 update)

Our vision

Leading life-changing care for children and young people – for a healthier tomorrow.

Our commitment

To offer the best: safe, expert, accessible child and family-centred care for children and young people.

Our values

Respect, Integrity, Care and Imagination.

Our strategies

1. Child and family-centred care

We will place the child and family at the heart of all we do.

Our objectives

- Ensure services are delivered in child- and family-friendly and supportive environments
- Facilitate an integrated system of specialised care for children, through models that support continuity of care and care close to home and respond to local needs and service capability
- Deliver and realise the benefits of the Children's Health Queensland safety and reliability program
- Develop and implement a consumer engagement strategy that targets improved health literacy and involves the voice of families in the planning, delivery, evaluation and improvement of our services
- Continuously undertake comprehensive health service planning and reviews to support future services, and influence statewide policy and plans for child and youth health services
- Implement an engagement and communication strategy that promotes awareness, engagement and community confidence in Children's Health Queensland services
- Work closely with the Children's Hospital Foundation and charity partners to improve the experience of patients and families
- Deliver a digital strategy which enables every young person's family/carer to engage electronically with Children's Health Queensland to improve care outcomes and experience.

Our measures of success

- Patient reported experience measure "How would you rate your/your child's overall patient experience": 80% report "Excellent"
- Complaints resolved within 35 calendar days: >90%
- Hand hygiene compliance: >80%
- Unplanned readmission rates within 5 and 28 days of discharge: Target pending
- Discharge against medical advice: <0.8%
- Zero preventable serious safety events
- Increased tele-health occasions of service: >20% growth

2. Partnerships

We will work collaboratively with partners to improve service coordination and integration, and optimise child and young person health outcomes across CHQ and statewide.

Our objectives

- Lead the development of a best-practice framework to partner with health sector providers locally and statewide to inform state and national policy and enhance child and youth health services and outcomes
- Partner with adult services to develop a framework which ensures continuity of care into adulthood, recognising the importance of transition in youth psychosocial development
- Harness Children's Health Collaborative and Statewide Child and Youth networks to pursue opportunities to lead, influence and advocate on child and youth health policy at a state and national level
- Strengthen emphasis on improving Aboriginal and Torres Strait Islander child and family access and outcomes, including working with ACCHOs and community leaders to eliminate barriers to access, promote shared leadership, grow the Aboriginal and Torres Strait Islander workforce,and build cultural competence
- Go-Live on Digital Hospital project to deliver seamless care with partner Hospital and Health Services (statewide)
- Work with public and primary health agencies to promote the wellbeing of children by encouraging further development of protection, promotion, prevention and early intervention services
- Work with partners in other sectors (e.g. education, housing) to address the determinants of child and youth health outcomes.

Our measures of success

- Service level agreements with HHSs in place: 100%
- External stakeholder reported experience measure "A partnership is based on genuine collaboration has been established": Target pending.

3. People – working, learning, growing

We will create an inspirational workplace where people want to work and learn, where contributions are valued and staff come to work with a purpose and leave with a sense of pride.

Our objectives

- Develop and implement a framework that drives Children's Health Queensland to become a values-based organisation with values at the core of all decisions and actions
- Recognised as the area to work in the health sector – where staff love coming to work and the experience of people matters
- Develop interdisciplinary models to maximise opportunities for innovative practice and professional development across Children's Health Queensland
- Implement a progressive Children's Health Queensland People Plan focused on workforce wellbeing, leadership, culture and capability
- Partner with national and international paediatric exemplars to share knowledge and ensure Queensland children receive contemporary high-value care
- Work with other providers of child health services to build workforce capability, through provision of training and CPD
- Optimise organisational culture to facilitate high levels of employee engagement that enables performance
- Implement people processes, practices and systems that enable people related matters to be managed in a timely and effective manner, through support by a business partnering model.

Our measures of success

- Increased staff engagement as reflected by improved Working for Queensland Survey results:
  - Staff engagement: >60%
  - Organisational leadership: >60%
  - Demonstrated values: >60%
- Attraction and retention rates above industry benchmarks
- All staff develop agreed performance and development goals through participation in the Performance Coaching and Development process.

4. Performance

We will deliver sustainable, high-value health services driven by continuous improvement, creativity and innovation.

Our objectives

- Develop and implement an Excellence Framework which defines aspiration, benchmarks current performance against industry leaders and drives game-changing improvement
- Develop and implement an evidence-based evaluation framework for health service innovation to assess and prioritise redesign and improvement investments
- Partner with the Children's Hospital Foundation and other academic and educational partners to grow an internationally recognised child and young person health research program
- Develop strategy to improve the capture, promotion and recognition of research and improvement activities across Children's Health Queensland
- Deliver business intelligence and data analytics capabilities which enable Children's Health Queensland to efficiently achieve service agreement targets, identify areas for performance improvement and support research outcomes
- Develop and implement a sustainability framework that supports system performance.

Our measures of success

- Deliver balanced budget position
- KPIs outlined in Queensland Health Service Agreement are met or exceeded including:
  - Emergency length of stay within 4 hours: >80%
  - Average cost per Weighted Activity Unit (WAU)
  - Elective surgery % treated within clinically recommended time
  - Zero Specialist Outpatients Long Waits
- Identify areas of excellence and prioritised opportunities for performance improvement through benchmarking against industry leaders.

View the full plan at www.childrens.health.qld.gov.au/wp-content/uploads/PDF/our-strategies/chq-strategic-plan-2016-2020.pdf

Strategic outcomes 2019-20 (not reported elsewhere in this report)

Strategic plan measure of success	Outcome 2019-20
Complaints resolved within 35 days (Target: > 90%)	92%
Hand hygiene compliance: (Target: > 80%)	81%
Discharge against medical advice: (Target: < 0.8%)	0.2% Aboriginal and Torres Strait Islander people 0.1% Non Aboriginal and Torres Strait Islander people
Zero preventable serious safety events	0
All staff develop agreed performance and development goals through participation in the Performance Coaching and Development process.	Achievement of this measure has been impacted by the COVID-19 response. Performance and development goals for staff remain a priority for Children's Health Queensland and will continue to be a focus throughout the COVID-19 response and recovery.

Glossary of terms

Term	Definition
Accessible	Accessible healthcare is characterised by the ability of people to obtain appropriate healthcare at the right place and right time, irrespective of income, cultural background or geography.
Activity based funding (ABF)	A management tool with the potential to enhance public accountability and drive technical efficiency in the delivery of health services by: • creating an explicit relationship between funds allocated and services provided • capturing consistent and detailed information on hospital sector activity and accurately measuring the costs of delivery • strengthening management's focus on outputs, outcomes and quality encouraging clinicians and managers to identify variations in costs and practices so they can be managed at a local level in the context of improving efficiency and effectiveness • providing mechanisms to reward good practice and support quality initiatives.
Acute care	Care in which the clinical intent or treatment goal is to: • cure illness or provide definitive treatment of injury • perform surgery • relieve symptoms of illness or injury (excluding palliative care) • reduce severity of an illness or injury • protect against exacerbation and/or complication of an illness and/or injury that could threaten life or normal function • perform diagnostic or therapeutic procedures.
Acute hospital	Generally a recognised hospital that provides acute care and excludes dental and psychiatric hospitals.
Admission	The process whereby a hospital accepts responsibility for a patient's care and/or treatment. It follows a clinical decision, based on specified criteria, that a patient requires same-day or overnight care or treatment, which can occur in hospital and/or in the patient's home (for hospital-in-the-home patients).
Admitted patient	A patient who undergoes a hospital's formal admission process as an overnight-stay patient or a same-day patient.
Allied health staff	Professional staff who meet mandatory qualifications and regulatory requirements in the following areas: audiology, clinical measurement sciences, dietetics and nutrition, exercise physiology, leisure therapy, medical imaging, music therapy, nuclear medicine technology, occupational therapy, orthoptics, pharmacy, physiotherapy, podiatry, prosthetics and orthotics, psychology, radiation therapy, sonography, speech pathology and social work.
Benchmarking	Involves collecting performance information to undertake comparisons of performance with similar organisations.
Best practice	Cooperative way in which organisations and their employees undertake business activities in all key processes, and use benchmarking that can be expected to lead to sustainable positive outcomes.
Clinical practice	Professional activity undertaken by health professionals to investigate patient symptoms and prevent and/or manage illness, together with associated professional activities for patient care.
Clinical workforce	Staff who are or who support health professionals working in clinical practice, have healthcare specific knowledge/experience, and provide clinical services to health consumers, either directly and/or indirectly, through services that have a direct impact on clinical outcomes.
Full-time equivalent (FTE)	Refers to full-time equivalent staff currently working in a position.
Health outcome	Change in the health of an individual, group of people or population attributable to an intervention or series of interventions.
Hospital	Healthcare facility established under Commonwealth, state or territory legislation as a hospital or a free-standing day-procedure unit and authorised to provide treatment and/or care to patients.
Hospital and Health Board	Hospital and Health Boards are made up of a mix of members with expert skills and knowledge relevant to managing a complex healthcare organisation, charged with authority under the *Hospital and Health Boards Act 2011*.
Hospital and Health Service	A Hospital and Health Service (HHS) is a separate legal entity established by Queensland Government to deliver public hospital services. The first HHSs commenced on 1 July 2012. Queensland's 17 HHSs will replace existing health service districts.

Hospital in the Home	Provision of care to hospital-admitted patients in their place of residence, as a substitute for hospital accommodation.
Immunisation	Process of inducing immunity to an infectious agent by administering a vaccine.
Long wait	A 'long wait' elective surgery patient is one who has waited longer than the clinically recommended time for their surgery, according to the clinical urgency category assigned. That is, more than 30 days for a Category 1 patient, more than 90 days for a Category 2 patient and more than 365 days for a Category 3 patient.
Medical practitioner	A person who is registered with the Medical Board of Australia to practice medicine in Australia, including general and specialist practitioners.
Outpatient	An individual who accesses non-admitted health services at a hospital or health facility.
Outpatient service	Examination, consultation, treatment or other service provided to non-admitted non-emergency patients in a specialty unit or under an organisational arrangement administered by a hospital.
Overnight-stay patient	A patient who is admitted to, and separated from, the hospital on different dates (not same-day patients).
Performance indicator	A measure that provides an 'indication' of progress towards achieving the organisation's objectives and usually has targets that define the level of performance expected against the performance indicator.
Private hospital	A private hospital or free-standing day hospital, and either a hospital owned by a for-profit company or a not-for-profit organisation and privately funded through payment for medical services by patients or insurers. Patients admitted to private hospitals are treated by a doctor of their choice.
Public hospital	Public hospitals offer free diagnostic services, treatment, care and accommodation to eligible patients.
Registered nurse	An individual registered under national law to practise in the nursing profession as a nurse, other than as a student.
Statutory bodies	A non-departmental government body, established under an Act of Parliament. Statutory bodies can include corporations, regulatory authorities and advisory committees or councils.
Sustainable	A health system that provides infrastructure, such as workforce, facilities and equipment, and is innovative and responsive to emerging needs, for example, research and monitoring within available resources.
Telehealth	Delivery of health-related services and information via telecommunication, including: • live, audio and/or video interactive links for clinical consultations and educational purposes • store-and-forward telehealth, including digital images, video, audio and clinical (stored) data on a client computer, then transmitted securely (forwarded) to a clinic at another location where they are studied by relevant specialists • teleradiology for remote reporting and clinical advice for diagnostic images • Telehealth services and equipment to monitor people's health in their home.

Glossary of acronyms

AASB	Australian Accounting Standards Board
ARRs	Annual report requirements for Queensland
ATO	Australian Taxation Office
CEO	Chief Executive Officer
CHQ	Children's Health Queensland
CPA	Certified Practising Accountant
DHPW	Department of Housing and Public Works
DoH	Department of Health
DSO	District senior officer
ECHO	Extension for Community Healthcare Outcomes
FAA	Financial Accountability Act 2009
FBT	Fringe Benefits Tax
FPMS	*Financial and Performance Management Standard 2019*
FTE	Full-time equivalent
FYTD	Financial year to date
GOPP	Grant of Private Practice
GST	Goods and Services Tax
HHS	Hospital and Health Service
ICT	Information and Communication Technology
ieMR	Integrated electronic medical record
ISO	International Organization for Standardization
KMP	Key management personnel
KPI	Key performance indicators
MOCA	Medical officer certified agreement
PhD	Doctor of Philosophy
QAO	Queensland Audit Office
QCH	Queensland Children's Hospital
QGAO	Queensland Government Accommodation Office
QGIF	Queensland Government Insurance Fund
QUT	Queensland University of Technology
UQ	The University of Queensland
VMO	Visiting Medical Officer
WAU	Weighted activity unit
WfQ	Working for Queensland

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Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference (page)
Letter of compliance	• A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	2
Accessibility	• Table of contents • Glossary	ARRs – section 9.1	3 82
	• Public availability	ARRs – section 9.2	2
	• Interpreter service statement	Queensland Government Language Services Policy ARRs – section 9.3	2
	• Copyright notice	Copyright Act 1968 ARRs – section 9.4	2
	• Information Licensing	QGEA – Information Licensing ARRs – section 9.5	2
General information	• Introductory Information	ARRs – section 10.1	7-9, 15
	• Machinery of Government changes	ARRs – section 10.2, 31 and 32	n/a
	• Agency role and main functions	ARRs – section 10.2	6
	• Operating environment	ARRs – section 10.3	17
Non-financial performance	• Government's objectives for the community	ARRs – section 11.1	6
	• Other whole-of-government plans / specific initiatives	ARRs – section 11.2	6
	• Agency objectives and performance indicators	ARRs – section 11.3	7-14
	• Agency service areas and service standards	ARRs – section 11.4	15, 33-34
Financial performance	• Summary of financial performance	ARRs – section 12.1	35-37
Governance – management and structure	• Organisational structure	ARRs – section 13.1	25
	• Executive management	ARRs – section 13.2	23
	• Government bodies (statutory bodies and other entities)	ARRs – section 13.3	20
	• Public Sector Ethics	Public Sector Ethics Act 1994 ARRs – section 13.4	30
	• Human Rights	Human Rights Act 2019 ARRs – section 13.5	31
	• Queensland public service values	ARRs – section 13.6	8
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	29
	• Audit committee	ARRs – section 14.2	29
	• Internal audit	ARRs – section 14.3	29
	• External scrutiny	ARRs – section 14.4	30
	• Information systems and recordkeeping	ARRs – section 14.5	30
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	27
	• Early retirement, redundancy and retrenchment	Directive No.04/18 Early Retirement, Redundancy and Retrenchment ARRs – section 15.2	28
Open Data	• Statement advising publication of information	ARRs – section 16	2
	• Consultancies	ARRs – section 33.1	data.qld.gov.au
	• Overseas travel	ARRs – section 33.2	data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 33.3	data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	74
	• Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	75

FAA Financial Accountability Act 2009
FPMS Financial and Performance Management Standard 2019
ARRs Annual report requirements for Queensland Government agencies

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