Cairns and Hinterland
Hospital and Health Service

# ANNUAL REPORT
# 2024–2025

DELIVERING FOR QUEENSLAND

Queensland Government

# Accessibility

***Open data***

Information about consultancies, overseas travel, and the Queensland language services policy is available at the Queensland Government Open Data website (https://www.data.qld.gov.au).

***Public availability statement***

An electronic copy of this report is available https://www.cairns-hinterland.health.qld.gov.au. Hard copies of the annual report are available by phoning the Communications Team on (07) 4226 0000 (Cairns Hospital switch) Alternatively, you can request a copy by emailing CHHHS_Board@health.qld.gov.au

***Interpreter service statement***

The Cairns and Hinterland Hospital and Health Service is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. To talk to someone about this annual report in your preferred language call (07) 4226 0000 and ask to speak with an interpreter.




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Aboriginal and Torres Strait Islander people are advised that this publication may contain words, names and descriptions of people who have passed away.

Cairns and Hinterland Hospital and Health Service (HHS) formally recognises the Australian South Sea Islanders as a distinct cultural group within our geographical boundaries. Cairns and Hinterland HHS is committed to fulfilling the Queensland Government Recognition Statement for the 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.

# Acknowledgement

The Cairns and Hinterland Hospital and Health Service acknowledges Aboriginal peoples and Torres Strait Islanders as this country's First Peoples and Traditional Owners and Custodians of the lands we work on to provide culturally responsive and clinically safe healthcare.

We acknowledge and pay our respects to Elders past, present and emerging as the curators and caretakers of Aboriginal and Torres Strait Islander culture and lore. We honour and deeply respect the continued leadership of First Peoples through their participation and contribution to the Queensland public sector in the design, delivery and evaluation of policies, services and programs.

The Cairns and Hinterland region extends north to Kuku Yalanji (Cow Bay), west to Tagalaka (Croydon), and south to Girramay (Jumbun), as well as all the tribes and clans therein, including the diaspora of Torres Strait Islanders and other First Peoples, who have made this region their home.

Within our geographical catchment there are at least 20 traditional owner groups associated with our health facilities, and these include:

- Bar Burrum
- Djiru
- Djabugay
- Ewamian
- Gimuy Walubara Yidinji
- Girramay
- Gulngay
- Gunggandji
- Jirrbal
- Kuku Yalanji
- Mamu
- Malanbarra Yidinji
- Mandingalbay Yidinji
- Muluridji
- Ngadjon Jii
- Tableland Yidinji
- Tagalaka
- Wakaman
- Wanyurr Majay
- Yirrganydji

***Terminology***

The term 'Aboriginal and Torres Strait Islander peoples' is used interchangeably for 'First Nations People', 'First Peoples', 'Aboriginal peoples' and 'Torres Strait Islanders', and 'Aboriginal and Torres Strait Islander peoples'. We acknowledge Aboriginal and Torres Strait Islander people' right to self-determination and respect the choice of Aboriginal and Torres Strait Islander people to describe their own cultural identities, which may include these or other terms.

# Letter of compliance

2 September 2025

The Honourable Tim Nicholls MP
Minister for Health, Mental Health and Ambulance Services
GPO Box 48
Brisbane QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2024-2025 and financial statements for Cairns and Hinterland Hospital and Health Service.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements is provided at Appendix C of this Annual Report.

Yours sincerely

**Chris Boland**
**Chair**
**Cairns and Hinterland Hospital and Health Board**

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# Queensland Government's objectives for the community

Cairns and Hinterland Hospital and Health Service (HHS) is committed to the objectives laid out in the statement of the Queensland Government's objectives for the community — Safety where you live, Health Services when you need them, A better lifestyle through a stronger economy, and A plan for Queensland's future.

The Cairns and Hinterland HHS Strategic Plan 2023-2027 articulates our vision of excellence in healthcare, wellbeing, research and education in Far North Queensland.

Actions and priorities that support the Queensland Government's objectives for the community are:

| **Statement of the Queensland Government objectives for the community** | **Cairns and Hinterland HHS achievement by:** |
|---|---|
| Providing health services where you need them | • Delivering frontline clinical care (our care)<br>• Ensuring access to healthcare no matter where people live (our care and our sustainability)<br>• Delivering new health infrastructure to meet community needs (our sustainability)<br>• Actively working towards health equity and improved health outcomes for First Peoples (First Peoples health)<br>• Using real time data to help inform transparent and targeted investment (our care and our sustainability) |
| Providing a better lifestyle through a stronger economy | Attracting people, talent and investment into our region (our people) |
| Providing a plan for Queensland's future | Reducing our waste and carbon footprint to improve our environmental sustainability (our sustainability) |

*Table 1 Cairns and Hinterland HHS priorities aligned with the statement of the Queensland Government objectives for the community*

# Message from the Board Chair and Chief Executive

Our mission to provide accessible, safe, and innovative care, particularly in key areas of healthcare is continuing to transform lives across Far North Queensland.

One of our proudest accomplishments during the 2024-2025 financial year has been the significant increase in surgical access for our community.

Through strategic investments and dedicated teamwork, we've expanded our surgical lists ensuring more residents receive timely interventions without the need for extensive travel.

We've also prioritised bringing surgical care closer to rural communities by increasing surgical lists, particularly in gynaecology and endoscopy. The gastroenterology team saw 848 more patients (total 8,769) than the previous year, whilst simultaneously improving triage within 5 days from 39% to 95.6% of referrals. We also provided endoscopy for 850 additional patients compared to the previous year, thanks in part to expanding availability of endoscopy procedures in Atherton, Mareeba and Innisfail hospitals.

These rural surgical lists allow patients to undergo procedures in familiar surroundings, reducing the emotional and logistical burden of travel. This initiative aligns with our vision of patient-centred care and supports our goal of building resilient, self-sufficient health services across the region.

It has been an especially busy time for our emergency healthcare teams. Emergency surgery has seen a notable rise, with 8,255 cases treated last year (527 more than the previous year). Emergency and trauma surgery comprises more than 50 per cent of all surgery and underscores the crucial role of Cairns Hospital as the major referral hospital for all of Far North Queensland. Of the most urgent cases presenting to our emergency departments, 100 per cent were treated within clinically recommended timeframes.

Our ability to respond swiftly and effectively to emergencies underscores our importance as the sole provider of secondary emergency services to the Far North, supported by a skilled workforce. This growth in emergency surgery highlights our readiness to meet the needs of a population facing increasingly complex health challenges.

Our Health Service treated more patients than anticipated during the financial year. Approximately 2390 surgeries were conducted by private and other public facilities via the Surgery Connect program.

This over-delivery means more patients have accessed care than anticipated, from outpatient services to elective surgeries, reflecting our ability to efficiently use our resources to meet unprecedented demand. Our staff's tireless efforts have made this possible, and we extend our deepest gratitude to them.

A major milestone this year has been the successful rollout of the integrated electronic Medical Record (ieMR) system across our rural hospitals, shifting them from paper to digital records, as well as upgrading Cairns Hospital's ieMR to incorporate medication management. This digital transformation has enhanced patient safety by providing clinicians across the region with real-time access to critical information, streamlining workflows, and reducing the potential for errors. The ieMR has also facilitated closer-to-home care by enabling seamless coordination between facilities, ensuring patients receive consistent, high-quality treatment regardless of location.

Our investment in community-based services has further strengthened our ability to deliver fast-track care through programs like Hospital in the Home and the Rapid Access Medical Service, offering patients alternatives to hospital stays and rapid specialist consultations without going through the emergency department. These services not only improve patient experience but also alleviate pressure on our hospitals, allowing us to focus on those with the most urgent needs.

Recruitment has been another success story, with our full-time equivalent (FTE) vacancy rate reducing from 10.2 per cent to 6.4 per cent from June 2024 to June 2025 despite an increase in FTE roles.

Through targeted campaigns and a supportive workplace culture, we've attracted and retained talented clinicians, nurses, and allied health professionals. This bolstered workforce enhances our capacity to deliver care and reinforces our commitment to growing our own medical talent in Far North Queensland.

Our self-sufficiency remains a point of pride. With 96.24 per cent of high-level acute services provided by Cairns and Hinterland HHS (up from 95 per cent), we continue to reduce reliance on health agencies operating beyond the Far North, ensuring that our community receives comprehensive care locally.

As we look to 2026, we are on track to further strengthen this self-sufficiency, supported by investments like the record $1.562 billion allocated in the 2025 State Budget, and the 2025 Hospital Rescue Plan pertaining to our capital development.

Thank you to our staff, patients, and community partners for your unwavering support. Together, we are building a healthier, more connected Far North Queensland.

**Chris Boland**
**Chair**
**Cairns and Hinterland Hospital and Health Board**

**Leena Singh**
**Chief Executive**
**Cairns and Hinterland Hospital and Health Service**

# About us

Cairns and Hinterland HHS was established as an independent statutory authority on 1 July 2012 under the *Hospital and Health Boards Act 2011*.

Cairns and Hinterland HHS covers a large geographic area with a diverse and growing population, and relatively high health needs compared with Queensland and national averages. The health service's facilities include nine hospitals, 11 primary health sites and 10 community health centres, as well as mental health facilities and specialist services.

The Cairns Hospital is the primary referral hospital for Far North Queensland with a catchment population of about 291,900 (including Torres and Cape HHS population) and our Cairns and Hinterland HHS population is 265,800. Referrals come from as far north as Cape York Peninsula and the Torres Strait Islands, west to Croydon and south to Tully.

The health service provides a wide range of primary care, acute and specialist services. It is 96 per cent self-sufficient, meaning only four per cent of patients need to be referred to Townsville or Brisbane for highly specialised acute services.

## Strategic direction

The *Cairns and Hinterland Hospital and Health Service Strategic Plan 2023-2027* came into effect from 1 July 2023. It was based on extensive collaboration with our staff and community. It set the future directions and actions for the health service to meet the healthcare challenges and opportunities of our region.

## Vision, Purpose, Values

### Vision

Excellent and sustainable healthcare for all in Far North Queensland.

### Purpose

Working together for high quality care that improves health outcomes and equity for our communities.

### Values

The health service is committed to upholding the five Queensland Public Service (QPS) values of Customers First, Ideas into Action, Unleash Potential, Be Courageous, and Empower People.

The QPS values are augmented within the health service by the organisation's shared values of:

- Compassion
- Accountability
- Integrity
- Respect.

# Priorities

The *Cairns and Hinterland Hospital and Health Service Strategic Plan 2023-2027* identifies four key priority areas.

**Our care:** We work to enable safe and equitable healthcare delivered closer to home through our partnerships and together with communities.

**Our people:** We nurture positive workplaces where our people feel safe, empowered and supported to collaborate in delivering excellence in healthcare.

**First Peoples health:** We recognise the valuable cultural knowledge of our First Peoples and through our partnerships, we will strive to improve health and wellbeing outcomes for First Peoples communities.

**Our sustainability:** With our people, our places and our technology, we will deliver efficient and sustainable healthcare and services.

## Aboriginal and Torres Strait Islander health

The Cairns and Hinterland HHS footprint covers an area of 142,900 $km^2$ and extends north to Kuku Yalanji (Cow Bay), Tagalaka in the west (Croydon) and Girramay in the south (Jumbun) and to all other tribes and clans therein, including the diaspora of Torres Strait Islander people and other First Peoples who have made this region their home.

This diversity and geographical distance provide an opportunity for the health service to lead in quality, culturally responsive and clinically safe regional healthcare. It also provides a challenge to innovate through strengthening our knowledge, understanding and application of industry expertise in partnership with communities and the primary healthcare stakeholders, to evolve and improve the sector's system and approaches of healthcare delivery.

## Aboriginal and Torres Strait Islander peoples' population

The Cairns and Hinterland HHS region is home to the second largest population of Aboriginal and Torres Strait Islander residents in comparison with other hospital and health service regions. There is an estimated 12 per cent Aboriginal and/or Torres Strait Islander people (28,223 people) in the Cairns and Hinterland HHS region. Nearly one third (28 per cent) of patients accessing our admitted services are Aboriginal and/or Torres Strait Islander people (from both Torres and Cape HHS region and Cairns and Hinterland HHS region).

The Cairns Hospital is the only major referral hospital in Far North Queensland that provides care for people from Cape York Peninsula and the Torres Strait. There are at least 60 Aboriginal and Torres Strait Islander traditional owner groups within and across Cape York and in the Torres Strait. During 2024-2025, more than 36,638 First Peoples were discharged from our network of hospitals, 15 per cent of whom reside in Cape York or the Torres Strait.

Health outcomes for Aboriginal and Torres Strait Islander peoples are improving, however, a significant number of Aboriginal and Torres Strait Islander peoples are presenting to the health service with co-morbidity of chronic conditions, often the result of remoteness from services, lack of access to healthcare and low socioeconomic circumstances.

While progress is being made, we continue to have challenges to reduce the gap in health equity that exists between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians. The health gap is largely due to the disproportionate burden of disease for Aboriginal and Torres Strait Islander peoples across the following five main drivers:

- Mental health
- Cardiovascular disease
- Chronic respiratory disease
- Cancer
- Diabetes

## Aboriginal and Torres Strait Islander people's health planning

The *Cairns and Hinterland Hospital and Health Service Health Equity Strategy and Implementation Plan 2025-2028* has been developed following extensive community consultation across the health service region. More than 900 pieces of feedback were received, forming the foundation of achievable actions in the *2025-2028 Health Equity Strategy and Implementation Plan* to create the change the community have identified to achieving Health Equity for Aboriginal and Torres Strait Islander peoples in the Cairns and Hinterland regions.

Implemented initiatives from the inaugural Health Equity Strategy and Implementation Plan will continue as business as usual.

## Partnerships in health

In partnership with Aboriginal and Torres Strait Islander Community Controlled Health Organisations and the Torres and Cape HHS, Cairns and Hinterland HHS led the work for the Queensland Cancer Strategy action to co-design and implement a Far North Queensland networked service model for survivorship care for Aboriginal and Torres Strait Islander Queenslanders. The aim of the model is to provide multidisciplinary, culturally appropriate cancer survivorship care.

Consultation with Aboriginal and Torres Strait Islander community members, Aboriginal and Torres Strait Islander Community Controlled Health Organisation staff, health service staff, current cancer care patients, and carers and families formed the foundation of the model of care. The First Nations Cancer Wellness Service model is a dedicated Aboriginal and Torres Strait Islander specific intervention and support service for patients and their families that have accessed cancer care treatment services in Cairns and Hinterland HHS.

# Our community and hospital-based services

Cairns and Hinterland HHS is responsible for the delivery of local public hospital and health services across a large geographic area.

Cairns Hospital is the main referral hospital for Far North Queensland as well as providing specialist outreach services for the Torres Strait and Cape York regions.

**Our hospitals**

- Atherton Hospital
- Babinda Multi-Purpose Health Service
- Cairns Hospital
- Gordonvale Hospital
- Herberton Hospital
- Innisfail Hospital
- Mareeba Hospital
- Mossman Multi-Purpose Health Service
- Tully Hospital
- Yarrabah Emergency Service

The health service also provides a number of clinics and general practice services through primary health centres and hospitals in rural and remote areas.

**Our primary and community health centres**

- Cairns North
- Cairns South
- Chillagoe
- Cow Bay
- Croydon
- Dimbulah
- Edmonton
- Forsayth
- Georgetown
- Jumbun
- Lotus Glen Correctional Facility
- Malanda
- Millaa Millaa
- Mission Beach
- Mt Garnet
- Mt Surprise
- Ravenshoe
- Smithfield

**Additional services include**

- Mental health, oral health, and community health, First Peoples and sub-acute services are provided at many sites, including hospitals, community health centres, primary health centres, residential and extended care facilities, and by mobile service teams.
- Tropical Public Health Services (Cairns), which focuses on preventing disease, illness and injury, as well as providing limited health promotion to targeted groups.

### Car parking concessions

During 2024-2025, the Cairns and Hinterland HHS issued 29 patient car parking concession passes valued at $2,117.

## Targets and challenges

Cairns and Hinterland HHS continues to work toward its strategic vision of “excellent and sustainable healthcare for all in Far North Queensland.” Guided by the *Cairns and Hinterland Hospital and Health Service Strategic Plan 2023–2027*, the service is focused on four core objectives: ‘our care,’ ‘our people,’ ‘First Peoples health,’ and ‘our sustainability.’ The 2024–2025 Annual Progress Report highlights considerable progress, as well as persistent challenges in achieving performance targets across these pillars.

Cairns and Hinterland HHS met 66% of its 15 performance indicators, partially met 27%, and did not meet 7%. This marks a notable improvement from the previous year and provides a solid foundation for the second half of the strategic plan.

### Our Care

All four performance indicators under ‘our care’ were met. Accreditation standards were maintained, and key service access measures improved, including better Patient Off Stretcher Times and Emergency Department performance. The rollout of the *Clinical Services Plan 2022-2027* saw major milestones, such as the expansion of Hospital in the Home and community-based care models. Cairns and Hinterland HHS also enhanced partnerships, including with James Cook University and the Northern Queensland Primary Health Network, to strengthen service delivery and consumer engagement.

### Our People

Progress has been made, particularly in workforce diversity and wellbeing. Two of three performance indicators were met, including improved workplace culture and safety. Notable improvements include shorter vacancy fill times and the highest intake of nursing graduates to date. However, workforce capacity remains a challenge. Participation in leadership and training programs has declined, and vacancies persist in specific roles, especially for EB11 and health practitioner classifications. New initiatives, such as the *Workforce Strategy 2024-2032 Implementation Plan* and expanded cadetship programs, aim to address these gaps.

### First People’s Health

Cairns and Hinterland HHS continues to serve Queensland’s largest and most diverse Aboriginal and Torres Strait Islander population. Two of three indicators for this objective were met, with significant progress in cultural responsiveness and integration of community knowledge. Initiatives such as the Health Equity Council, expanded oral health services, and co-designed care models demonstrate commitment to equity. However, access and health outcomes remain only partially met, with ongoing challenges in outpatient wait times and broader health disparities.

## Our Sustainability

Two of five indicators were met under ‘our sustainability’: digital health capability and capital infrastructure delivery. Projects such as the new Cairns Mental Health Unit, digital health rollout, and emissions-reducing infrastructure upgrades are underway or completed. Despite these gains, Cairns and Hinterland HHS did not meet its target for a balanced budget, and progress in research, education, and environmental sustainability remains mixed. Key gaps include sustainable procurement practices and variability in student placements across disciplines.

## Looking Ahead

Cairns and Hinterland HHS faces complex challenges in balancing population growth, rising healthcare costs, workforce shortages, and access issues—particularly for rural and First Nations communities. Opportunities lie in continuing to leverage partnerships, infrastructure investments, and digital transformation to drive innovation and improve care equity. Focused attention on workforce training, cultural safety, sustainable budgeting, and environmental responsibility will be essential to achieving strategic objectives in the years ahead.

# Governance
## Our people

### Board membership

**Chris Boland**
*B.E.(Hons), GAICD*

**Board Chair; Chair, Executive Committee; Member, Safety and Quality Committee; Member, Audit and Risk Committee; Member, Finance and Performance Committee**

*Appointed: 16 May 2017*
*Current term: 1 April 2024 – 31 March 2026*

Chris is an experienced senior executive and was a long-term Chief Executive Officer of the Far North Queensland Ports Corporation (Ports North).

Chris has chaired and sat on several boards including, Queensland Ports Association, Advance Cairns and Ports Australia.

**Jodi Peters**
*B Bus (USQ), GAICD, FIML, MAHRI*

**Chair, Safety and Quality Committee; Member, Finance and Performance Committee**

*Appointed: 16 May 2017*
*Current term: 1 April 2022 – 31 March 2026*

Jodi is a founder and Managing Director of The 20/20 Group. In this role, she advises on strategic planning, governance, and undertakes major tendering projects. Jodi is also the Business Manager of Peters Bosel Lawyers. In addition to having previously worked in senior executive roles, Jodi has chaired and sat on several not-for-profit boards. She regularly consults to private sector boards on governance issues and acts as an independent chair. This experience has given her strong knowledge of governance, executive reporting, financial and performance management.

Jodi is currently:

- Deputy Chair of the Far North Queensland Hospital Foundation; and
- Deputy Chair of Trinity Anglican School.

**Greg Nucifora**
*B Com, FCA, FAICD*

**Chair, Finance and Performance Committee; Member, Audit and Risk Committee**

*Appointed: 18 May 2020*
*Current term: 1 April 2024 – 31 March 2026*

Greg was born and raised in Far North Queensland and is a private client advisor with Bell Potter Securities in Cairns.

As well as sitting on our Board, he's also:

- Director of Queensland Country Bank
- Chair of the Catholic Development Fund for the Diocese of Cairns
- Director Australian Reinsurance Pool Corporation.

**Fiona Jose**

**Member, Executive Committee**

*Appointed: 1 April 2022*
*Current term: 1 April 2022 – 31 March 2026*

Fiona is the Group CEO of Cape York Partnership, an organisation dedicated to empowering Cape York Indigenous people. She oversees 10 entities working on areas of policy, education employment, health, language and culture.

A proud Aboriginal and Torres Strait Islander, Fiona's love for her family, culture and heritage shaped her career in empowering change for Indigenous Australians.

**Dr Aileen Traves**
*MBBS, DCH, MPHTM, FRACGP, JP (Qual), GAICD*

**Member, Executive Committee; Member Safety and Quality Committee**

*Appointed: 1 April 2024*
*Current term: 1 April 2024 – 31 March 2028*

Aileen is a locally trained doctor, living and working in northern Queensland since 2000.

Aileen works as a GP in Cairns and is a Senior Lecturer at James Cook University College of Medicine and Dentistry. She is currently the Deputy Chair of the RACGP Queensland Faculty Council.

Aileen brings clinical experience across general practice, research, and education. She has held a number of board director positions in general practice and education.

**Louise Prychidczuk**
*LLB Hons, B Com*

**Chair, Audit and Risk Committee**

*Appointed: 1 April 2024*
*Current term: 1 April 2024 - 31 March 2028*

Louise is a highly experienced lawyer and board director with more than 20 years of experience in the legal industry. She holds a Bachelor of Laws (Hons) degree from Griffith University and has been admitted to practice law in multiple jurisdictions.

Throughout her career, Louise has worked with a diverse range of clients, from individuals and small businesses to large corporations and government entities.

She has also had extensive experience working for Aboriginal and Torres Strait Islander legal services in criminal law. Louise started the first Homeless Persons Legal Clinic in Cairns.

**Bevan Ah Kee**

**Member, Safety and Quality Committee**

*Appointed: 1 April 2024*
*Current term: 1 April 2024 – 31 March 2028*

Bevan's experience spans almost 30 years in the Indigenous community-controlled and non-government organisation sectors, half of which was in CEO and executive roles.

He is currently the General Manager, Sector Development at Aboriginal and Torres Strait Islander Housing Queensland.

Prior to joining Housing Queensland, Bevan worked for the peak health body, Queensland Aboriginal and Islander Health Council (QAIHC) as a General Manager, and was previously the CEO of Mamu Health Service, an Indigenous community-controlled primary health care organisation in Innisfail. He has experience working across urban, rural and remote settings.

**Julia Leu**
*MBA, BA, GradDipEd, GradDipComm, MAICD*

**Member Executive Committee**

*Appointed: 1 April 2024*
*Current term: 1 April 2024 – 31 March 2028*

Julia is a local council veteran with more than 25 years' experience. She was Mayor of the Douglas Shire Council from 2014 until March 2020, following six years as an independent Councillor with Cairns Regional Council.

Julia was a CEO and senior executive in local government, Indigenous education, community services and economic development.

Currently, she is President of the Port Douglas Neighbourhood Centre and Port Douglas Community Services Network. Julia is also involved in a number of local not-for-profit community organisations.

## Board attendance and fees

The Board meets monthly with 11 meetings typically scheduled each financial year and an extraordinary Board meeting in August to approve the Cairns and Hinterland HHS's annual financial statements. Attendance and fees for the 2024-2025 Board are outlined in the tables below:

| **Cairns and Hinterland Hospital and Health Board** | |
|---|---|
| **Act or instrument** | *Hospital and Health Boards Act 2011* |
| **Functions** | Members of the Cairns and Hinterland Hospital and Health Board (HHB) are appointed by the Governor in Council on recommendation of the Minister for Health and Ambulance Services. The HHB is responsible for the governance and control of the HHS, appointing the Health Service Chief Executive, setting the HHS's strategic direction and monitoring the HHS's financial and operational performance. |
| **Achievements** | Refer to section non-financial performance, page 32 of Annual Report |
| **Financial reporting** | Refer to section Financial Summary, page 39 of Annual Report |

| **Remuneration** | | | | | |
|---|---|---|---|---|---|
| **Position** | **Name** | **Meetings/ sessions attendance** | **Approved annual, sessional or daily fee** | **Approved sub-committee fees if applicable** | **Actual fees received** |
| **Chair** | Christopher Boland | 8 (board)<br>18 (sub-committee) | $75,000 pa | $13,000 (Audit and Risk; Finance and Performance; Safety and Quality; Executive) | $90,000 |
| **Deputy Chair (Acting Chair 28/9/24 – 20/1/25)** | Jodi Peters | 10 (board)<br>19 (sub-committee) | $40,000 pa | $7000 Safety and Quality; Finance and Performance) | $60,000 |
| **Member** | Gregory Nucifora | 11 (board)<br>15 (sub-committee) | $40,000 pa | $7000 (Finance and Performance; Audit and Risk) | $48,000 |
| **Member** | Fiona Jose | 7 (board)<br>4 (sub-committee) | $40,000 pa | $3000 (Executive) | $44,000 |
| **Member** | Dr Aileen Traves | 10 (board)<br>10 (sub-committee) | $40,000 pa | $6,000 (Executive, Safety and Quality) | $47,000 |
| **Member** | Bevan Ah Kee | 10 (board)<br>4 (sub-committee) | $40,000 pa | $3,000 (Safety and Quality) | $44,000 |
| **Member** | Louise Prychidczuk | 9 (board)<br>4 (sub-committee) | $40,000 pa | $4,000 (Audit and Risk) | $45,000 |
| **Member** | Julia Leu | 10 (board)<br>4 (committee) | $40,000 pa | $3,000 (Executive) | $44,000 |

| **No. scheduled meetings/sessions** | 11 |
|---|---|

| | |
|---|---|
| **Total out of pocket expenses** | $632.60 |

*Table 2 – Board meeting attendance and fees*

| Name | Board Meeting | Audit and Risk | Finance and Performance | Safety and Quality | Executive |
|---|---|---|---|---|---|
| **Christopher Boland** | 8/11 | 3/4 | 8/11 | 4/6 | 3/4 |
| **Jodi Peters** | 10/11 | 1/1* | 11/11 | 6/6 | 1/1* |
| **Gregory Nucifora** | 11/11 | 4/4 | 11/11 | | |
| **Fiona Jose** | 7/11 | | | 1/1* | 3/4 |
| **Aileen Traves** | 10/11 | | | 6/6 | 4/4 |
| **Bevan Ah Kee** | 10/11 | | | 4/6 | |
| **Louise Prychidczuk** | 9/11 | 4/4 | | | |
| **Julia Leu** | 10/11 | | | | 4/4 |

*Table 3 – Board meeting and Board sub-committee meeting attendance.*
**Indicates that the Board member attended as a proxy on that committee*

## Board committees

The Board is supported in the discharge of its duties by a series of board committees. These committees include the:

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

### Executive Committee

The Executive Committee is a formal committee of the board established in accordance with section 32A of the *Hospital and Health Boards Act 2011*, and performs the functions described in this section and in accordance with its Terms of Reference.

During the 2024-2025 year, the Executive Committee considered a number of matters, including:

- Operational and strategic planning
- First Peoples Health Equity Plan
- Cultural Strategy
- Workplace Health and Safety
- Communications and Engagement Plan
- HR performance
- Consumer engagement
- Workforce.

### Safety and Quality Committee

The Safety and Quality Committee is a formal committee of the board established in accordance with schedule 1, section 8 of the *Hospital and Health Boards Act 2011*, and performs the functions described under part 7, section 32 of the *Hospital and Health Boards Regulation 2012*.

The purpose of the Safety and Quality Committee is to assist the health service and its board by fulfilling its oversight responsibilities and ensuring effective and accountable systems are in place to monitor and improve the quality and effectiveness of health services provided by the health service.

During the 2024-2025 year, the Safety and Quality Committee considered a number of matters, including:

- Clinical governance
- Clinical litigation
- Patient safety and quality
- Key performance indicators relating to organisation-wide assessment (accreditation) in accordance with the National Safety and Quality Health Service Standards.

**Audit and Risk Committee**

The Audit and Risk Committee is a formal committee of the Board established in accordance with schedule 1, section 8 of the *Hospital and Health Boards Act 2011*.

The Audit and Risk Committee performs the functions as so described under part 7, section 34 of the *Hospital and Health Boards Regulation 2012*. The purpose of the Audit and Risk Committee is to advise the Board on the adequacy of the Health Service's financial statements, internal control structure, internal audit function and legislative compliance systems. The Committee also oversees the Health Service's liaison with the Queensland Audit Office (QAO). The Audit and Risk Committee monitors audit recommendations on a quarterly basis – including External Audit recommendations and QAO performance audit recommendations (where relevant). Risk Management is another area that this Committee oversees.

**Finance and Performance Committee**

The Finance and Performance Committee is a formal committee of the board established in accordance with schedule 1, section 8 of the *Hospital and Health Boards Act 2011* and performs its functions as so described under part 7, section 33 of the *Hospital and Health Boards Regulation 2012*.

The purpose of the Finance and Performance Committee is to assess the health service's budgets and monitor the health service's cash flow and its financial and operating performance. It is responsible for advising and updating the board about these and other related matters.

During 2024-2025, the Finance and Performance Committee considered a number of matters, including:

- Financial performance
- Operational performance and supporting key performance indicators
- Capital projects
- Financial Improvement Plan.

# Executive team

Health Service Chief Executive
**Ms Leena Singh** *CA, BMS*

Leena, with over 20 years of senior executive experience in health systems across New South Wales, Queensland, and New Zealand, excels in strategic development, governance, and health system improvement, having served as Chief Executive, Chief Operating Officer, and Chief Financial Officer in various organisations. She is a skilled leader dedicated to uniting stakeholders and staff around a shared vision, with a strong commitment to enhancing health outcomes for vulnerable communities.

Chief Operating Officer
**Ms Jenelle Matic** *BNurs (Hons), MBA*

Jenelle was appointed to the newly created Chief Operating Officer role in July 2024. Jenelle, formerly the General Manager of Westmead Hospital with a background in business and nursing, has held senior leadership roles in critical care, patient safety, medical operations, and surgical services across NSW's tertiary and metropolitan facilities, and is dedicated to delivering responsive, high-quality services while fostering a safe and positive workplace for staff.

Chief Finance Officer
**Mr Thomas Pamminger** *BBus, FCANZ*

Thomas commenced in the Chief Finance Officer role in May 2025. The Fellow of the Institute of Chartered Accountants Australia and New Zealand has more than 25 years of senior executive experience as Chief Financial Officer, General Manager, and Company Secretary in health and education sectors and is passionate about improving lives, particularly in rural communities.

Executive Director People and Culture
**Ms Cheryl Winstanley** *LLB (Master of Laws), GAICD*

Cheryl, with extensive senior-level human resource management experience in both public and private sectors, has served as a Darwin-based workplace relations consultant, Executive Director in the Office of the Commissioner for Public Employment for the Northern Territory Government and senior consultant in Government Owned Corporations unit, Queensland Government. She is a member of the Australian Institute of Company Directors and holds a Master of Laws.

Executive Director Medical Services
**Dr Donald Mackie** *MB ChB, FANZCA, FRACMA, MInstD*

Don Mackie brings over 20 years of clinical leadership experience from Australia, New Zealand, the United Kingdom, and the United States, with a background in anaesthesia. He previously served as Executive Director of Medical Services and Clinical Governance at Central Adelaide Local Health Network, and previously held roles as New Zealand Ministry of Health Chief Medical Officer and Chief Medical Officer at Counties Manukau District Health Board.

Executive Director of Nursing and Midwifery
**Ms Rachael Andrew** *B (Nurs) Gradcert (PsychNurs) ISQua Fellowship*

Rachael, who began as Executive Director of Nursing and Midwifery in June 2025, is an experienced healthcare leader with a robust background in nursing and midwifery management across diverse hospital and health service settings.

She brings extensive expertise in clinical governance, operational strategy, and workforce development, having led large-scale service delivery, hospital commissioning projects, and multidisciplinary teams to improve patient outcomes and system performance in metropolitan, regional, and rural healthcare environments.

Executive Director Allied Health
**Ms Tania Cavanagh** *B. Physiotherapy, GAICD*

Tania, with over 30 years as a physiotherapist, has held clinical and leadership roles in public and private health settings across Australia and the UK, serving as the health service's Director of Physiotherapy since 2004 and acting as Director of Allied Health for extended periods. She is a member of the Australian Physiotherapy Association and the Australian Institute of Company Directors and is committed to implementing health service models that support care delivery closer to home and in the community.

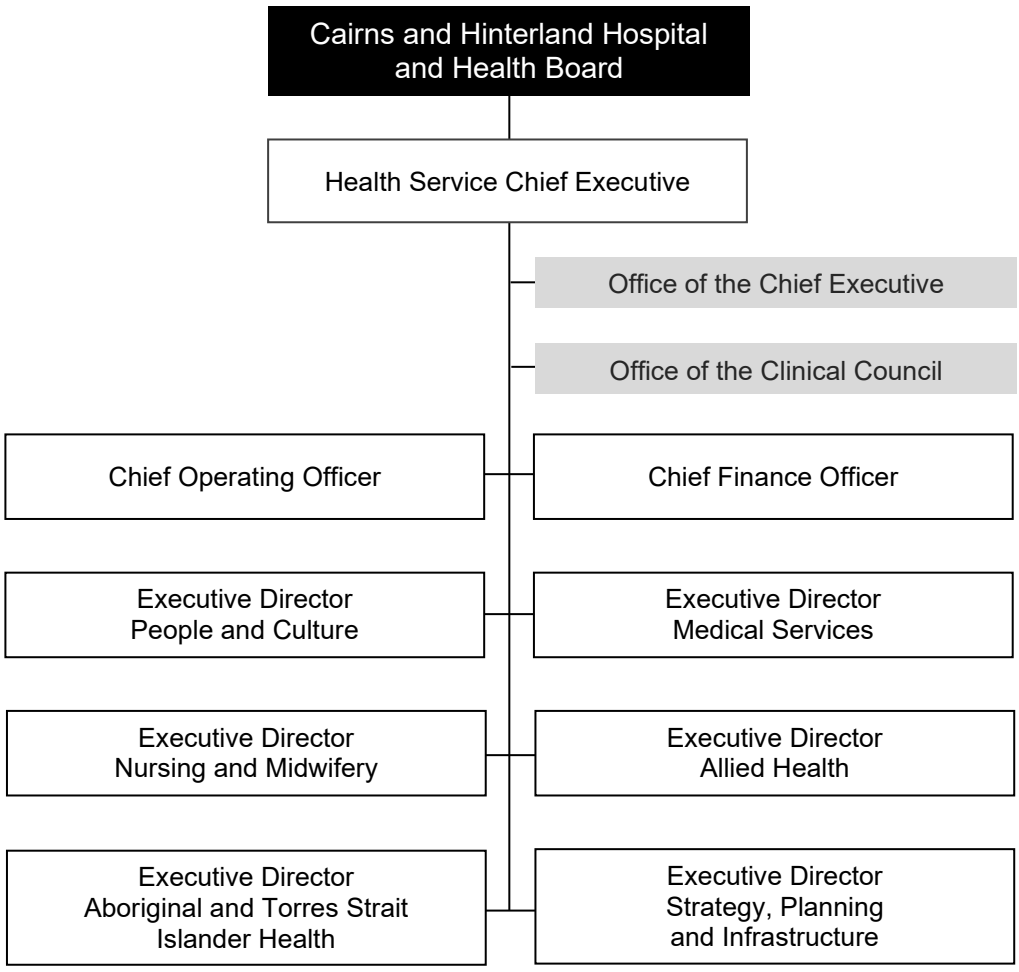
Executive Director Aboriginal and Torres Strait Islander Health
**Ms Simone Lukies**

Simone Lukies has 17 years of experience in the health industry focused on improving Aboriginal and Torres Strait Islander patient outcomes. She has enhanced systems, strategies, and services across disciplines such as pharmacy, sexual health, rheumatic heart disease, and eHealth projects.

Executive Director Strategy, Planning and Infrastructure
**Mr Dean Davidson** *BComm, MBA*

Dean has held various executive roles including acting Executive Corporate Services, Executive Director Asset Management, Executive Director Strategy and Investment, and acting Health Service Chief Executive. He holds a Bachelor of Commerce in Business Logistics, Business Administration, and Economics from the University of Natal, South Africa, and a Master of Business Administration (MBA) from the University of Otago, New Zealand.

# Organisational structure and workforce profile



## Workforce profile

Cairns and Hinterland HHS continues to be the largest employer in Far North Queensland. As at 30 June 2025, 6,565 full-time equivalent employees[2] delivered or supported safe and quality healthcare services across nine executive-led portfolios within the health service.

| Total Staffing | Number |
|---|---|
| **Headcount (MOHRI)** | 8,009 |
| **MOHRI FTE** | 6568.40 |

| Occupation Types | % |
|---|---|
| **Corporate** | 4.19% |
| **Frontline and frontline support** | 95.81% |

| Appointment Type by FTE | % |
|---|---|
| **Permanent** | 77.92% |
| **Temporary** | 17.69% |
| **Casual** | 4.22% |
| **Contract** | 0.17% |

| Employment Status by Headcount | % |
|---|---|
| **Full-time** | 46.473% |
| **Part-time** | 45.823% |
| **Casual** | 7.704% |

The HHS remains focused on building a culture of excellence, underpinned by the values of compassion, accountability, integrity, and respect. The HHS continues to work towards increasing representation across our diversity groups including Aboriginal and Torres Strait Islander peoples to build a workforce which reflects our local community and patient profile. This is being supported through targeted traineeships and cadetships, mentoring, and the creation of identified positions where appropriate.

| Gender | Headcount | **Percentage of total workforce** (calculated on headcount) |
|---|---|---|
| **Woman** | 6,120 | 76.414% |
| **Man** | 1,875 | 23.411% |
| **Non-Binary** | 14 | 0.175% |

[2] *MOHRI FTE data for fortnight ending 30 June 2025*
*Table 4 – staffing and employment*

| Diversity Groups | Headcount | Percentage of total workforce (calculated on headcount) |
|---|---|---|
| **Women** | 6,120 | 76.41% |
| **Aboriginal Peoples and Torres Strait Islander Peoples** | 301 | 3.76% |
| **People with disability** | 161 | 2.01% |
| **Culturally and Linguistically Diverse – Speak a language at home other than English**** | 1,024 | 12.79% |

*Table 5 - Diversity target group data*
*Data is based on employees who have chosen to identify as part of a Diversity Group*
***This includes Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages spoken at home*

| **Women in leadership roles** (headcount) | Headcount | **Women percentage as total leadership cohort** (calculated on MOHRI headcount) |
|---|---|---|
| **District Senior Officers** (Classified, s122 and s155 combined) | 8 | 66.67% |
| **Senior Executive Service and Health Service Executive** (Classified, s122 and s155 combined) | 8 | 66.67% |

*Table 6 - Target group data for Women in Leadership Roles*

## Strategic workforce planning and performance

The health service workforce goals are focused on sourcing, attracting, developing, and retaining high-calibre staff with the knowledge, skills and experience needed to successfully deliver the objectives set out in the *Cairns and Hinterland Hospital and Health Service Strategic Plan 2023-2027* and the *Cairns and Hinterland Hospital and Health Service Clinical Services Plan 2022-2027.*

## Staff wellbeing

The *Cairns and Hinterland Hospital and Health Service Culture Strategy 2020-2025* promotes a safe and healthy workplace through focus on values, diversity and inclusion, teamwork, shared accountability and leadership.

The Cairns Hospital Wellbeing Expo held in October 2024, during Queensland Mental Health Week, provided staff with activities based on the eight dimensions of wellness. This initiative was supported by both face-to-face and online wellbeing and resilience training, extending access to staff in rural, regional and remote areas.

In response to the implementation of the Psychosocial Code of Practice in April 2023, the Workplace Health and Safety team delivered record increased training for managers and staff across Cairns and Hinterland HHS. A comprehensive psychosocial risk assessment identified gaps which informed the 2024-2025 program of work.  Cairns and Hinterland HHS continues to advance staff wellbeing under a shared responsibility model aimed at protecting the psychological wellbeing and mental health of all employees.

Following updates to the *Work Health and Safety Act 2011*, Cairns and Hinterland HHS undertook significant analysis of psychosocial risks, resulting in the development of targeted action plans to support affected work areas and staff.

The risk mitigation strategies and initiatives include the development of a Sexual Harassment Prevention Plan including training and the establishment of a sexual harassment contact officers network. The Sexual Harassment Prevention Plan provides practical tools and information to proactively manage the risk of sexual and gender-based harassment as part of Cairns and Hinterland HHS' duty to address psychosocial hazards.

## Planning for the future of work

Cairns and Hinterland HHS engaged with the secondary education sector through work experience placements and participation in school career days, promoting health careers and educational pathways.

The two-day Heroes in Health program, delivered in partnership between Cairns Hospital and James Cook University, gave 40 local high school students the opportunity to explore a range of health careers. Students experienced hands-on activities across fields such as medical imaging, occupational therapy, physiotherapy, nursing, midwifery, ultrasound, speech pathology, oral health, pharmacy, medicine, pathology and the Royal Flying Doctor Service.

The Deadly Start Education Employment program is underway again this year, offering First Nations students a pathway into health careers through placements in nursing and allied health. The program began in 2023 with 11 students enrolled in a Certificate III in Health Service Assistance. Nine successfully completed the qualification in July 2024 who were provided employment opportunities to continue their experience in the health sector.

In addition, Cairns and Hinterland HHS has partnered with a registered training organisation to offer traineeships across the health service. For the 2024–25 financial year, 12 trainees have commenced placements in a range of areas—including administration, workplace health and safety, and clinical settings—across both Cairns Hospital and the broader Cairns and Hinterland HHS footprint.

## Flexible working arrangements

Cairns and Hinterland HHS recognises the importance of flexible working arrangements in attracting and retaining employees, building an engaging workplace culture, fostering diversity and inclusion, and supporting all staff in achieving a better work/life balance.

Flexible work arrangements are considered where they:

- support the continued provision of quality services across Cairns and Hinterland HHS;
- align with the operational needs and collaborative work of the team and directorate;
- suit the individual circumstances of the team member; and
- comply with relevant legislation and industrial instruments.

## Recognising our staff

Cairns and Hinterland HHS proudly celebrated Staff Excellence and Recognition Month in March 2025, acknowledging the vital contributions of staff across all areas of the organisation. Dedicated events and activities were held to recognise the diverse roles that support our health service, including administration professionals, whose behind-the-scenes efforts are essential to keeping our services running smoothly. In addition to organisation-wide celebrations, the operational services, allied health, and nursing directorates also hosted their own recognition events and award presentations to honour the exceptional work of their teams.

## Leadership programs

Leadership and management development programs were implemented to build capability and effectiveness. The Transition to Leadership program supports staff aspiring to management roles, while the Management Development Program provides current managers with insights into the core skills needed to be effective organisational leaders.

Senior leaders were also supported through Executive Teaming programs in key project commitments through building project team engagement, collaboration and role responsibilities to be project outcomes focused.

One-on-one coaching provided by the Organisational Development team, is available to support the development of specific leadership or management capabilities and to help embedded learnings into practice.

## Industrial relations framework

The health service facilitates Local Consultative Forums (LCFs) to support a collaborative consultation and the timely resolution of industrial matters with unions.  Aligned with relevant Awards and Enterprise Agreements, LCFs focus on operational issues, while the overarching Health Service Consultative Forum (HSCF) addresses HHS-wide initiatives or strategic matters. An established escalation pathway between LCFs, the HSCF and Department of Health peak industrial forums ensures disputes are managed and resolved in a collegial and constructive manner wherever possible.

## Early retirement, redundancy and retrenchment

No redundancy, early retirement or retrenchment packages were paid during this period.

# Risk management

Cairns and Hinterland Hospital and Health Service is committed to better practice risk management and has implemented an Enterprise Risk Management (ERM) Framework aligned with the requirements of *ISO 31000:2018 Risk management - Guidelines*.

The Health Service has implemented the ERM Framework across all areas of operation and is committed to improved stakeholder outcomes via the proactive identification of risks and opportunities; and ensuring appropriate controls are implemented to mitigate identified exposures. The Health Service Board has approved a Risk Management Policy and accompanying Risk Appetite Statements which constitute the foundation of our ERM Framework. The ERM Framework is comprised of a procedure, strategic and operational risk registers, formalised governance structures, and reporting tools.

Risks are reported monthly to the Health Service's Executive Leadership Committee; and quarterly to the Board Audit and Risk Committee and Board; with additional ad-hoc escalations undertaken when necessary. The ERM Framework, risk appetite statement and risk analysis matrices are reviewed on an annual basis. Accountable executives and leaders are responsible for managing risks to within the Board's risk appetite.

During 2024-2025, the following improvements to the maturity of risk management across the Health Service were implemented: establishing and training risk champions within Health Service directorates; implementation of improvement actions identified during the 2024 external consultants review of the ERM Framework; an increased focus on the resolution of risk treatment actions across all operations; and, commenced the deployment of Camms risk management software to improve efficiency and drive consistency in risk management process across the Health Service (roll-out remains ongoing).

The *Hospital and Health Boards Act 2011* requires annual reports to disclose each direction given by the Minister to the Health Service during the financial year and actions taken by the Health Service as a result of the direction. During the 2024-2025 period, no directions were given by the Minister to the Health Service.

## Internal audit

The Cairns and Hinterland HHS has an internal audit function, which provides independent, objective assurance to the Health Service's Executive Leadership Committee, Board Audit and Risk Committee and Board on the effectiveness of risk management, governance, and the system of internal controls.

The Internal Audit function has an Internal Audit Charter that provides the functional and organisational framework within which Internal Audit operates. The Internal Audit function prepares an Annual Strategic Internal Audit Plan that is risk-based and forward-focused for an additional two-year period.

All internal audit reports are presented to the relevant operational manager for management responses and then submitted to the Health Service's Executive Leadership Committee and Audit and Risk Committee. The Internal Audit team monitors implementation of audit recommendations and presents a quarterly progress update to relevant executive and managers accountable for recommendations.

An Internal Audit progress report is prepared quarterly for the Executive Leadership Committee and the Audit and Risk Committee. The Internal Audit Team is resourced through a co-source arrangement with an in-house Director of Internal Audit and Risk and a Senior Internal Auditor.

# External scrutiny, information systems and recordkeeping

## External scrutiny

The health service's operations are subject to regular scrutiny and validation from numerous external agencies. These include, but are not limited to:

- Australian Council on Healthcare Standards
- Australian Health Practitioner Regulation Agency
- Coroner
- Crime and Corruption Commission
- Medical colleges
- National Association of Testing Authorities Australia
- Office of the Health Ombudsman
- Queensland Prevocational Medical Accreditation
- BreastScreen Queensland
- Radiology Health division of Queensland Health
- Pathology Queensland
- Queensland Audit Office
- Queensland Government Customer and Digital Group (Formerly QGCIO)
- eHealth Queensland.

Cairns and Hinterland HHS achieved a positive accreditation outcome against the National Safety and Quality Health Service Standards (NSQHS) in March 2023. The health service was reaccredited and is compliant to 2025.

## Chief Executive Attestation of 1S18:2018 (ISMS) information security risk

During the 2024-2025 financial year, the Cairns and Hinterland HHS has an informed opinion that information security risks were actively managed and assessed against the Cairns and Hinterland HHS's risk appetite with appropriate assurance activities undertaken in line with the requirements of the Queensland Government Enterprise Architecture (QGEA) Information and cyber security policy (IS18).

### Medical records

Cairns and Hinterland HHS manages medical records through two key mechanisms. Staff at all Cairns and Hinterland HHS hospital and community health centres use an integrated electronic medical record (ieMR) while staff at rural and remote Primary Health Care Centres and Sexual Health use another electronic medical record (Communicare) to document care for their patients. Clinical staff at all other facilities within the Health Service region can view these records, enabling continuity of care.

This allows for information to be available to multiple providers at the one time and assists in the co-ordinated care of patients. All access to the system is controlled and logged, and audit trails are regularly monitored. Health Information Services, within the Health Service, manages the paper records across the facilities and, where required, scans information from paper records into the electronic medical records. Health Information Services is currently accredited against the National Safety and Quality Health Service Standards. Systems are in place to ensure paper records are appropriately stored, easily located and accessible when required, secured from unauthorised access, and protected from environmental threats. Health Information Services also has procedures and work instructions in place that ensure compliance with the Health Sector (Clinical Records) Retention and Disposal Schedule, Queensland Disposal Authority Number (QDAN) 683 and General Retention and Disposal Schedule issued 22 December 2023.

The Information System for Oral Health (ISOH) is a client-centric integrated system that supports the services delivered by public dental clinics. The purpose of this enterprise system is to provide a seamless statewide Oral Health service for clients, and to provide accurate and timely information for the efficient administration, monitoring and evaluation of Oral Health Services in Queensland.

## Information systems and recordkeeping

Cairns and Hinterland HHS is responsible for the management and safe custody of administrative records in accordance with the *Records Governance Policy and Public Records Act 2023*.

Administrative records are created, stored and maintained for only some of the business activities undertaken. The Health Service adheres to the General Retention and Disposal Schedule issued 22 December 2023 and the Health Sector (Corporate Records) Retention and Disposal Schedule.

Building and maintaining best-practice record keeping is the responsibility of all employees.

## Queensland Public Service ethics

Cairns and Hinterland HHS continues to implement the principles of the *Public Sector Ethics Act 1994*: Integrity and impartiality; Promoting the public good; Commitment to the system of government; and Accountability and transparency.

All staff employed are required to undertake training in the Code of Conduct for the Queensland

Public Service (the Code) during their orientation and to re-familiarise themselves with the Code at regular intervals.

The orientation program includes education on conflict of interest, fraud, and bullying and harassment to ensure all staff have an understanding of the requirements to abide by the Code.

## Human rights

During the 2024-2025 period, Cairns and Hinterland HHS continued to embed, promote and strengthen a culture of human rights by incorporating human rights into our *Cairns and Hinterland Hospital and Health Service Strategic Plan 2023-2027*, including human rights considerations in relevant human resource and decision-making processes and engaging with public entities to raise awareness of obligations.

A tailored consumer complaints manual was developed for staff managing customer complaints to ensure human rights considerations have become an inherent part of Cairns and Hinterland HHS decision-making and complaints management processes.

Cairns and Hinterland HHS assesses all complaints for human rights and not just those where a contravention of a human right is specifically alleged by the complainant.

Cairns and Hinterland HHS received 35 human rights complaints, which included nil complaints from Queensland Human Rights Commission (QHRC), and were identified as engaging the following human rights:

- Section 15 – Recognition and equality before the law;
- Section 17 – Protection from torture and cruel, inhuman or degrading treatment;
- Section 21 – Freedom of expression;
- Section 25 – Privacy and reputation;
- Section 26 – Protection of families and children;
- Section 27 – Cultural rights – generally;
- Section 28 – Cultural rights – Aboriginal peoples and Torres Strait Islander peoples;
- Section 29 – Liberty and security of person;
- Section 30 – Humane treatment when deprived of liberty;
- Section 31 – Fair hearing;
- Section 37 – Health Services.

A total of 31 complaints have been reviewed and assessed as being compatible with human rights and resolved by way of explanation, apology, information provided, or concern registered.

## 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. The Chief Executive did not authorise the disclosure of confidential information during the reporting period.

# Performance

## Non-financial performance

Cairns and Hinterland HHS monitors its progress against the *Cairns and Hinterland Hospital and Health Service Strategic Plan 2023-2027.* Progress in 2024-2025 aligned to the strategic plan priorities including:

| Priority | Performance indicator | Achievements 2024-2025 |
|---|---|---|
| **Our care**<br>*We work to enable safe and equitable healthcare delivered closer to home through our partnerships and together with communities.* | • Accreditation and clinical care standards met.<br>• Improvement in service agreement access targets.<br>• Achievement of Cairns and Hinterland HHS Clinical Service Plan service directions.<br>• Increased participatory engagement of community and partners. | • Maintained accreditation against the National Safety and Quality Health Service Standards in Healthcare<br>• Improvements seen for service access KPIs, with higher performance for Patient Off Stretcher Time (POST), Emergency Department length of stay, elective surgery and gastro endoscopy seen in time performance and long wait reductions compared to FY24.<br>• Achievement of the Cairns and Hinterland HHS Clinical Services Plan directions, inclusive of establishment of community liaison officer models with four First Peoples health organisations, commencement of the Rapid Response Falls Service (with QAS), new mental health and addiction service infrastructure (new mental health unit at Cairns Hospital and Youth Alcohol and Other Drug residential unit under construction), partnership with Cairns Private Hospital for additional inpatient overnight beds, expansion of Hospital In The Home (including new geriatric Hospital In the Home service) and additional endoscopy implemented at Atherton, Mareeba and Innisfail hospitals, and additional gynaecology surgery commenced at Atherton Hospital.<br>• Increased number of consumers engaged in Cairns and Hinterland HHS activities, steady Consumer Consultative Committee representation and continued high level of consumer satisfaction with participatory engagement.<br>• Increased participatory engagement with partners- includes a new partnership with |

| Priority | Performance indicator | Achievements 2024-2025 |
|---|---|---|
| | | James Cook University for a joint nursing and midwifery professor (commenced Dec 2024), interhospital transfer partnership with QAS for rural facilities (reducing the need for nurse escorts), partnership with Northern Queensland Primary Health Network (NQPHN) to provide mental health services (Medicare Mental Health) and planning for colocation of services. |
| **Our people**<br>*We nurture positive workplaces where our people feel safe, empowered and supported to collaborate in delivering excellence in healthcare.* | • Improved workforce capacity and capability indicators.<br>• Improved workplace culture indicators.<br>• Improved employee wellbeing and safety indicators. | • Length of vacancies (time to fill) has reduced.<br>• Continuation of medical intern volumes and increased rural generalist positions.<br>• Highest number of nurse graduates employed within Cairns and Hinterland HHS, with 192 working in Cairns and 34 allocated to rural facilities.<br>• Increased number of trainees and cadets.<br>• Feedback from senior leaders, line managers and participants of leadership and training programs informing the future workforce training to be offered.<br>• Improved workforce retention (lower percentage of separations and early separations than previous financial year).<br>• Higher workforce diversity (increased First Peoples and people from non-English speaking backgrounds representation). Similar rates of representation of people with a disability compared to 2023).<br>• Less open workers compensation claims, reduced levels of staff on long term sick leave, significant reduction in worker, visitor and non-individual environment event incidents. |
| **First Peoples health**<br>*We recognise the valuable cultural knowledge of our First Peoples and through our partnerships, we will strive to improve health and wellbeing* | • Improved access to care and health outcomes for First Peoples.<br>• Improved achievement of First Peoples accreditation standards for organisational cultural responsiveness.<br>• Increased use and integration of cultural and community knowledge across services. | • Service access seen in time performance has improved for First Peoples for elective surgery (all categories) and specialist outpatients (categories 2 and 3).<br>• Cairns and Hinterland HHS First Peoples Health Equity Strategy activity is progressing, with improvements in oral health service provision, establishment of the Health Equity Council (to influence the social, cultural and economic determinants of health), improvements in access to health care services, delivery of sustainable |

| Priority | Performance indicator | Achievements 2024-2025 |
|---|---|---|
| *outcomes for First Peoples communities.* | | culturally safe and responsive health services.<br>• Improvements made in 'creating a welcoming environment'. This has included increases in First Peoples workforce across the organisation, incorporation of artwork consistently across the health service and incorporating First Peoples feedback and voices in the development of resources and service delivery. Increased engagement with First Peoples community groups (including Elders groups), informing improvements in communication as a key strategy to creating a welcoming environment.<br>• Ongoing codesign and partnership for development and implementation of models of care (including commencement of the First Nations Cancer Care Survivorship model, Connected Beginnings at Mareeba Hospital midwifery group practice model, and Cairns Diabetes service with local First People health services).<br>• Streamlining of service agreements with Aboriginal and Torres Strait Islander Community Controlled Health Organisations (ATSICCHOs) commenced, with view to ensure easier progression of new partnership models of care.<br>• Increasing participation rates for cultural practice competency, commencement of Courageous Conversations workshops and specific cultural competency workshops with the junior medical workforce in 2024. |
| **Our sustainability**<br>*With our people, our places and our technology, we will deliver efficient and sustainable healthcare and services.* | • Deliver a balanced budget.<br>• Improved organisational research and education.<br>• Reduced environmental impact (e.g. waste reduction and sustainable purchasing)<br>• Delivery of capital infrastructure within allocated timeframes.<br>• Improved digital health capability. | • Capital infrastructure delivery progressing well, with completion of the new Mental Health inpatient unit at Cairns Hospital and Cairns Hospital ED redevelopment, completion of the draft Master Plan for Cairns and Hinterland HHS. Progress underway of the adolescent alcohol and other drug residential rehabilitation facility, Cairns Hospital Expansion Project (additional 64 beds at Cairns Hospital), development of Cow Bay Primary Health Centre and Cairns Hospital high voltage capital project. Planning is progressing for the mental health adolescent unit and the |

| Priority | Performance indicator | Achievements 2024-2025 |
|---|---|---|
| | | Cairns Health and Innovation Centre.<br>• Implementation of ieMR release 4 (medications management) for Cairns Hospital and completion of roll out of ieMR for the Cairns and Hinterland HHS rural facilities. Additional digital health strategy activities have been progressed, inclusive of simplified digital health governance, working group establishment, establishment of virtual champions to promote telehealth, solutions for BYO devices for use of existing applications (telehealth clinic waiting rooms).<br>• Organisational research activities grew resulting in increased number of research applications authorised compared to 2023, increased Cairns and Hinterland HHS associated journal publications compared to 2023 and increased clinical trials and clinical trial participants compared to 2023. Three Cairns and Hinterland HHS researchers were successful in obtaining Clinical Research Fellowships from the Queensland Health Office of Research and Innovation in 2024.<br>• Organisational education activities including appointment of two additional directors of clinical training to strengthen support for prevocational doctors and enhance the quality of education and training. Additional accredited training position approved late 2024 for dermatology. Increased student nursing placements in 2024 compared to 2023, with more planned for 2025. Nursing education initiatives implemented, including clinical facilitator training in 2024 with a standardised training program, inclusive of interdisciplinary training and training provide by external providers. Cojoined professorial role for nursing and midwifery research now in place. Ten allied health trainees and nine First People allied health cadet positions were progressed in 2024.<br>• Significant reduction in waste volumes since 2022, with a 43% reduction (approximately 144,500kg in 2022 to approximately 81,500kg in 2024). Proportion of recycled waste remains steady at approximately 20%. |

| Priority | Performance indicator | Achievements 2024-2025 |
|---|---|---|
| | | Progressive implementation of the LED light replacement project, with completion of Type 2 energy audit and commencement of activities to reduce energy usage for lighting. |

*Table 7: Strategic Plan achievements for 2024-2025*

## Service Standards

The Far North continues to experience challenges in the areas of bed capacity in residential aged care facilities for complex needs patients and timely NDIS packages to enable punctual discharges. At any one time, the Cairns and Hinterland HHS will average 120 patients occupying beds waiting to be placed elsewhere, many staying for longer than 70 days. The lack of availability of timely primary care appointments through GPs in some areas has also been an additional challenge, especially for the community who have chronic conditions that require active management.

Our emergency departments have seen an increase in presentations, particularly in severity with a noticeable increase in category 1 and 2 triaged patients. In order to improve the patient experience and manage volume through our emergency departments we introduced a number of initiatives that saw patients bypass the emergency department and seek care via other parts of our hospital. This includes patients who require a transfer from one of our rural hospitals to Cairns Hospital being assessed prior to transfer. They are directly admitted to a bed in a ward reducing their wait time for ongoing treatment. Additionally, we have implemented post operative discharge services where patients requiring wound care or follow up IV antibiotics can do so without visiting the emergency departments.

The Cairns and Hinterland HHS continues to improve access to health services for the local community, having achieved a record number of surgical interventions since 2017, expansion of community services and initiatives such as Hospital in the Home and delivering more than contracted weighted average units meaning more people received care through the health service than originally anticipated 12 months earlier.

| Cairns and Hinterland Hospital and Health Service | 2024-2025 Target | 2024-2025 Actual |
|---|---|---|
| ***Effectiveness measures*** | | |
| Percentage of emergency department patients seen within recommended timeframes | | |
| • Category 1 (within 2 minutes) | 100% | 100% |
| • Category 2 (within 10 minutes) | 80% | 79% |
| • Category 3 (within 30 minutes) | 75% | 74% |
| • Category 4 (within 60 minutes) | 70% | 76% |
| • Category 5 (within 120 minutes) | 70% | 89% |
| Percentage of emergency department attendances who depart within 4 hours of their arrival in the department | >80% | 66% |
| Percentage of elective surgery patients treated within the clinically recommended times | | |
| • Category 1 (30 days) | >98% | 91% |
| • Category 2 (90 days)[1] | >95% | 65% |
| • Category 3 (365 days)[1] | >95% | 71% |
| Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days[2] | ≤1.0 | 0.6 |
| Rate of community mental health follow up within 1-7 days following discharge from an acute mental health inpatient unit[3] | >65% | 62.3% |
| Proportion of re-admissions to acute psychiatric care within 28 days of discharge[4] | <12% | 12.8% |
| Percentage of specialist outpatients waiting within clinically recommended times[5] | | |
| • Category 1 (30 days) | 83% | 38% |
| • Category 2 (90 days)[6] | .. | 25% |
| • Category 3 (365 days)[6] | .. | 65% |
| Percentage of specialist outpatients seen within clinically recommended times | | |
| • Category 1 (30 days) | 77% | 72% |
| • Category 2 (90 days)[6] | .. | 49% |
| • Category 3 (365 days)[6] | .. | 61% |
| Median wait time for treatment in emergency departments (minutes)[7] | .. | 15 |
| Median wait time for elective surgery treatment (days) | .. | 33 |
| ***Efficiency measure*** | | |
| Average cost per weighted activity unit for Activity Based Funding facilities[8] | $5,845 | $5,990 |
| | | |
| Number of elective surgery patients treated within clinically recommended times | | |
| • Category 1 (30 days) | 3,812 | 3,561 |
| • Category 2 (90 days)[1] | 2,003 | 1,690 |
| • Category 3 (365 days)[1] | 949 | 865 |
| Number of Telehealth outpatients service events[9] | 11,640 | 10,852 |

| Cairns and Hinterland Hospital and Health Service | 2024-2025 Target | 2024-2025 Actual |
|---|---|---|
| Total weighted activity units (WAU)[10] | | |
| • Acute Inpatients | 104,895 | 107,241 |
| • Outpatients | 29,089 | 32,286 |
| • Sub-acute | 14,155 | 14,914 |
| • Emergency Department | 26,807 | 26,821 |
| • Mental Health | 6,725 | 18,817 |
| • Prevention and Primary Care | 2,931 | 3,084 |
| Ambulatory mental health service contact duration (hours)[11] | >72,247 | 53,145 |
| Staffing[12] | 5,920 | 6568.4 |

*Table 8: Service Standards – Performance 2024-2025*

1. Staphylococcus aureus (including MRSA) bloodstream (SAB) infections Actual rate is based on data reported between 1 July 2024 and 31 March 2025
2. Previous analysis has shown similar rates of follow up for both Indigenous and non-Indigenous Queenslanders are evident, but trends are impacted by a smaller number of separations for Indigenous Queenslanders. Mental Health rate of community follow up 2024–2025 Actuals are for the period 1 July 2024 to 31 May 2025 as at 21 July 2025.
3. Mental Health readmissions 2024–2025 is from 1 July 2024 to 31 May 2025 as at 21 July 2025.
4. Waiting within clinically recommended time is a point in time performance measure. 2024–2025 Actual is as at 1 July 2025.
5. Given the System's focus on reducing the volume of patients waiting longer than clinically recommended for specialist outpatients, it is expected that higher proportions of patients seen from the waitlist will be long wait patients and the seen within clinically recommended time percentage will be lower. To maintain the focus on long wait reduction, the 2024–2025 Targets for category 2 and 3 patients are not applicable.
6. There is no nationally agreed target for this measure, and the median wait time varies depending on the proportion of patients in each urgency category.
7. Cost per WAU is reported in QWAU Phase Q27. 2024–2025 Actuals are for the period 1 July 2024 to 31 March 2025.
8. Telehealth 2024–2025 Actual is as at 21 July 2025.
9. All measures are reported in QWAU Phase Q27. The 2024–2025 Actual is a 12-month projection based on data for the period 1 July 2024 to 31 May 2025 as at 28 July 2025. As the Hospital and Health Services have operational discretion to respond to service demands and deliver activity across services streams to meet the needs of the community, variation to the Target can occur.
10. The Mental Health 2024–2025 Actual differs from the 2024–2025 Target due to the planned national transition of Community Mental Health Services into Activity Based Funding in 2025–26. Activity targets for Community Mental Health were incorporated into 2024–2025 Targets following publication of the 2024–2025 Service Delivery Statements, to support Queensland's preparations for the planned national transition in 2025–26.
11. Ambulatory Mental Health service contact duration 2024–2025 Actual is a projection based on data from 1 July 2024 to 31 May 2025 as at 21 July 2025.
12. In alignment with PSC reporting guidelines, only one employment record per employee is reported. For employees with concurrent employment, the arrangement with the highest percentage of work is reported. This may result in a minor variance where staff work across multiple Hospital and Health Services.

# Financial summary

Cairns and Hinterland HHS reported a $26.4 million deficit, against revenue of $1.54 billion for the year ended 30 June 2025.

## Where the funds came from

The health service's income from all funding sources for 2024-2025 was $1.54 billion and was principally derived from Activity Based Funding (ABF) and block-funded models with Queensland Health.

## Where funding was spent

Total expenses were $1.566 billion, averaging $4.3 million per day to provide public health services. Expenditure has increased by $137 million on 2023-2024 levels ($1.429 billion) predominately relating to salary and wages to support initiatives such as Better Care Together, Connected Community Pathways, Planned Care Recovery, and the bed partnership with Cairns Private Hospital.

Additionally, the health service has invested in hiring more graduate nurses to reduce reliance on premium (external) labour. The Health Service invested a one off $6.5m in the successful implementation of the integrated electronic medical record (ieMR) system in rural hospitals and the integrated workforce management (IWFM) rostering system to enhance patient care and staff resource optimisation. Other investments included addressing critical infrastructure risks, 24/7 security in a number of rural facilities and clinical resources to ensure the safety of both patients and staff.

## Cash and investments

At balance date, the health service had $10.3 million in cash and cash equivalents.

## Asset revaluation

The revaluation program for 2024-2025 of land and building assets led to a revaluation increment of $120.9 million for the year, bringing the accumulated asset revaluation surplus balance to $900.3 million.

## Deferred maintenance

All Queensland Health entities comply with the Queensland Government Building Policy Framework – Growth and Renewal and its supporting Queensland Government Building Policy Guideline which require the reporting of deferred maintenance. Deferring maintenance is a common building maintenance strategy used to optimise value while managing resources and asset risks.

Deferred maintenance refers to required maintenance not undertaken within the financial year, where the work is necessary to restore the building to a required condition standard or desired risk level. Based on a consideration of risk, these works are deferred to a future budget cycle. It does not include forecast maintenance – planned work that was anticipated but not required during the reporting period (e.g. forecast repainting where no deterioration occurred).

All deferred maintenance items are risk assessed to identify any potential impact on users and services and are closely managed to ensure all facilities remain safe. The health service has increased expenditure in remediated maintenance over the past financial year to ensure critical infrastructure availability to provide essential services.

As per the Queensland Government Building Policy Guideline, deferred maintenance expenditure may be operational or capital expenditure. Both operational and capital quantities are reported, using the terminology “deferred maintenance” (operational), and “postponed capital maintenance” (capital).

As of 30 June 2025, the Cairns and Hinterland HHS reported:

- $48.956 million in deferred operational maintenance expenditure, and
- $54.432 million in postponed capital maintenance expenditure.

The Cairns and Hinterland HHS has the following strategies in place to mitigate any risks associated with these items:

- seek assistance from Timely Investment Infrastructure Maintenance (TIIM) Program.
- increase the operational maintenance budget
- prioritisation on critical infrastructure plant and equipment replacement.

Forecast lifecycle costs are planned future asset replacements, renewals, and refurbishments. They may be planned as capital or operational expenditure but are reported as a single figure. Forecasts are based on expected asset deterioration and required asset condition standards.

# Appendix A – Financial statements and Independent Auditor's Report

# Cairns and Hinterland Hospital and Health Service

## Financial Statements - 30 June 2025

# Cairns and Hinterland Hospital and Health Service

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*for the year ended 30 June 2025*

# Cairns and Hinterland Hospital and Health Service

## Table of Contents

*for the year ended 30 June 2025*

# Cairns and Hinterland Hospital and Health Service
## Statement of Comprehensive Income
For the year ended 30 June 2025

| | Notes | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **Income** | | | |
| User charges and fees | B1-1 | **128,840** | 115,998 |
| Funding for public health services | B1-2 | **1,368,768** | 1,281,751 |
| Grants and other contributions | B1-3 | **29,104** | 15,946 |
| Interest | | **114** | 107 |
| Other revenue | B1-4 | **12,773** | 14,548 |
| **Total income** | | **1,539,599** | 1,428,350 |
| | | | |
| **Expenses** | | | |
| Employee expenses | B2-1 | **(144,377)** | (150,316) |
| Health service employee expenses | B2-2 | **(952,381)** | (854,608) |
| Supplies and services | B2-3 | **(362,187)** | (326,740) |
| Depreciation and amortisation | C4-2, C5, C6 | **(88,832)** | (75,365) |
| Impairment losses | B2-4 | **(1,157)** | (1,702) |
| Other expenses | B2-5 | **(17,115)** | (20,096) |
| **Total expenses** | | **(1,566,049)** | (1,428,827) |
| | | | |
| **Operating result for the year** | | **(26,450)** | (477) |
| | | | |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified subsequently to operating result** | | | |
| (Decrease)/increase in asset revaluation surplus | C9-1 | **120,913** | 191,561 |
| **Total other comprehensive income** | | **120,913** | 191,561 |
| | | | |
| **Total comprehensive income for the year** | | **94,463** | 191,084 |

*The accompanying notes form part of these statements.*

# Cairns and Hinterland Hospital and Health Service
## Statement of Financial Position
As at 30 June 2025

| | Notes | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | C1-1 | **10,302** | 31,853 |
| Receivables | C2-1 | **36,508** | 39,901 |
| Inventories | C3-1 | **6,799** | 3,352 |
| Prepayments | | **1,923** | 2,471 |
| **Total current assets** | | **55,532** | 77,577 |
| **Non-current assets** | | | |
| Property, plant and equipment | C4-1 | **1,416,751** | 1,286,678 |
| Right-of-use assets | C6-1 | **4,255** | 5,058 |
| Intangible assets | C5-1 | **6** | - |
| **Total non-current assets** | | **1,421,012** | 1,291,736 |
| **Total assets** | | **1,476,544** | 1,369,313 |
| **Current liabilities** | | | |
| Payables | C7-1 | **110,194** | 112,932 |
| Lease liabilities | C6-1 | **807** | 891 |
| Accrued employees benefits | C8-1 | **3,413** | 2,688 |
| Contract liabilities | | **1,021** | 861 |
| **Total current liabilities** | | **115,435** | 117,372 |
| **Non-Current liabilities** | | | |
| Lease liabilities | C6-1 | **3,457** | 4,217 |
| **Total non-current liabilities** | | **3,457** | 4,217 |
| **Total liabilities** | | **118,892** | 121,589 |
| **Net assets** | | **1,357,652** | 1,247,724 |
| **EQUITY** | | | |
| Contributed equity | | **561,836** | 546,371 |
| Accumulated surplus/(deficit) | | **(104,447)** | (77,997) |
| Asset revaluation surplus | C9-1 | **900,263** | 779,350 |
| **Total equity** | | **1,357,652** | 1,247,724 |

*The accompanying notes form part of these statements.*

# Cairns and Hinterland Hospital and Health Service
## Statement of Changes in Equity
For the year ended 30 June 2025

| | Contributed equity | Accumulated surplus/(deficit) | Asset revaluation surplus (Note C10-1) | Total equity |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 |
| **Balance at 1 July 2023** | 580,535 | (77,520) | 587,789 | 1,090,804 |
| Operating result for the year | - | (477) | - | (477) |
| Other comprehensive income | | | | |
| Increase in asset revaluation surplus | - | - | 191,561 | 191,561 |
| **Total comprehensive income for the year** | **-** | **(477)** | **191,561** | **191,084** |
| Transactions with owners as owners | | | | |
| Non appropriated equity asset transfers | 2,954 | - | - | 2,954 |
| Non appropriated equity injections | 38,247 | - | - | 38,247 |
| Non appropriated equity withdrawals (depreciation funding) | (75,365) | - | - | (75,365) |
| **Net transactions with owners as owners** | **(34,164)** | **-** | **-** | **(34,164)** |
| **Balance at 30 June 2024** | **546,371** | **(77,997)** | **779,350** | **1,247,724** |
| **Balance at 1 July 2024** | 546,371 | (77,997) | 779,350 | 1,247,724 |
| Operating result for the year | - | (26,450) | - | (26,450) |
| Other comprehensive income | | | | |
| Increase in asset revaluation surplus | - | - | 120,913 | 120,913 |
| **Total comprehensive income for the year** | **-** | **(26,450)** | **120,913** | **94,463** |
| Transactions with owners as owners | | | | |
| Non appropriated equity asset transfers | 61,026 | - | - | 61,026 |
| Non appropriated equity injections | 43,271 | - | - | 43,271 |
| Non appropriated equity withdrawals(depreciation funding) | (88,832) | | - | (88,832) |
| **Net transactions with owners as owners** | **15,465** | **-** | **-** | **15,465** |
| **Balance at 30 June 2025** | **561,836** | **(104,447)** | **900,263** | **1,357,652** |

*The accompanying notes form part of these statements.*

# Cairns and Hinterland Hospital and Health Service
## Statement of Cash Flows
For the year ended 30 June 2025

| | Notes | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| *Inflows:* | | | |
| User charges and fees | | **1,407,051** | 1,322,791 |
| Grants and other contributions | | **22,369** | 9,691 |
| Interest received | | **114** | 107 |
| GST input tax credits from Australian Tax Office | | **29,139** | 27,739 |
| GST collected from customers | | **1,389** | 1,530 |
| Other revenue | | **12,627** | 14,884 |
| *Outflows:* | | | |
| Employee expenses | | **(154,573)** | (177,126) |
| Health service employee expenses | | **(939,178)** | (853,680) |
| Supplies and services | | **(344,580)** | (303,954) |
| GST paid to suppliers | | **(29,283)** | (26,837) |
| GST remitted to Australian Tax Office | | **(1,465)** | (1,518) |
| Interest payments on lease liabilities | | **(216)** | (145) |
| Other expenses | | **(31,247)** | (19,443) |
| **Net cash provided by (used in) operating activities** | CF-1 | **(27,853)** | (5,961) |
| **Cash flows from investing activities** | | | |
| *Outflows:* | | | |
| Payments for property, plant and equipment | C4-2 | **(36,008)** | (31,324) |
| Payments for intangibles | C6-2 | **(6)** | - |
| **Net cash provided by (used in) investing activities** | | **(36,014)** | (31,324) |
| **Cash flows from financing activities** | | | |
| *Inflows:* | | | |
| Equity injections | | **43,271** | 38,247 |
| *Outflows:* | | | |
| Lease payments | CF-2 | **(955)** | (664) |
| **Net cash provided by (used in) financing activities** | | **42,316** | 37,583 |
| Net increase / (decrease) in cash and cash equivalents | | **(21,551)** | 298 |
| Cash and cash equivalents at the beginning of the financial year | | **31,853** | 31,555 |
| **Cash and cash equivalents at the end of the financial year** | C1-1 | **10,302** | 31,853 |

*The accompanying notes form part of these statements.*

## NOTES TO THE STATEMENT OF CASH FLOWS

### CF-1 RECONCILIATION OF OPERATING RESULT TO NET CASH FROM OPERATING ACTIVITIES

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Operating result for the year | **(26,450)** | (477) |
| **Non-cash items included in operating result:** | | |
| Depreciation and amortisation expense | **88,832** | 75,365 |
| Equity funding for depreciation and amortisation | **(88,832)** | (75,365) |
| Services received below fair value | **(10,677)** | - |
| Services below fair value | **10,677** | - |
| Net loss on disposal of non-current assets | **240** | 332 |
| Asset stocktake write on | **(218)** | (3) |
| Donated assets received | **(66)** | - |
| **Change in assets and liabilities:** | | |
| (Increase)/decrease in trade and other receivables | **3,613** | (4,350) |
| (Increase)/decrease in GST receivables | **(220)** | 914 |
| (Increase)/decrease in inventories | **(3,447)** | 1,319 |
| (Increase)/decrease in prepayments | **548** | 1,135 |
| Increase/(decrease) in payables | **(2,738)** | 12,225 |
| Increase/(decrease) in accrued employee benefits | **725** | (17,020) |
| Increase/(decrease) in contract liabilities and unearned revenue | **160** | (36) |
| **Net cash from operating activities** | **(27,853)** | (5,961) |

### CF-2 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

| **2025** | | **Non-cash changes** | | | **Cash flows** | | |
|---|---|---|---|---|---|---|---|
| | **Opening balance 2025** | **Transfers to/(from) other Queensland Government entities** | **New leases acquired** | **Other** | **Cash received** | **Cash repayments** | **Closing balance 2025** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Lease liabilities | 5,108 | - | 111 | - | - | (955) | 4,264 |
| **Total** | **5,108** | **-** | **111** | **-** | **-** | **(955)** | **4,264** |

| **2024** | | **Non-cash changes** | | | **Cash flows** | | |
|---|---|---|---|---|---|---|---|
| | **Opening balance 2024** | **Transfers to/(from) other Queensland Government entities** | **New leases acquired** | **Other** | **Cash received** | **Cash repayments** | **Closing balance 2024** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Lease liabilities | 688 | - | 5,084 | - | - | (664) | 5,108 |
| **Total** | **688** | **-** | **5,084** | **-** | **-** | **(664)** | **5,108** |

Assets and liabilities received or transferred by CHHHS through equity adjustments are set out in the Statement of Changes in Equity.

# PREPARATION INFORMATION

## GENERAL INFORMATION

These financial statements cover the Cairns and Hinterland Hospital and Health Service (CHHHS) as an individual entity.

CHHHS is a not-for-profit statutory body established under the *Hospital and Health Boards Act 2011* and is domiciled in Australia.

CHHHS is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of CHHHS is:

Cairns Hospital
165 – 171 The Esplanade
Cairns QLD 4870

For more information in relation to the CHHHS financial statements, email CHHHS_Board@health.qld.gov.au or visit the website at www.health.qld.gov.au/cairns_hinterland/.

## COMPLIANCE WITH PRESCRIBED REQUIREMENTS

CHHHS has prepared these financial statements in compliance with section 62 (1) of the *Financial Accountability Act 2009* and section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the period beginning on or after 1 July 2024.

CHHHS is a not-for-profit statutory body and these financial statements are general purpose financial statements which 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.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note G4.

## PRESENTATION

### Currency and Rounding

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest $1,000.

There were no material restatements of comparative information required to ensure consistency with current period disclosures.

## AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

## BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for the following:

- Land, land improvements and buildings which are measured at fair value;
- Provisions expected to be settled 12 or more months after reporting date which are measured at their present value; and
- Inventories which are measured at the weighted average cost, adjusted for obsolescence.

### Historical Cost

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 amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

### Fair Value

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

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The *income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

**BASIS OF MEASUREMENT (continued)**

**Present Value**

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

## SECTION A

## HOW WE OPERATE – OUR OBJECTIVES AND ACTIVITIES

### A1 OBJECTIVES OF CHHHS

CHHHS is responsible for providing primary health, community and public health services in the area assigned under the *Hospital and Health Boards Regulation 2023*.

Funding is obtained predominantly through the purchase of health services by the Department of Health (DoH) on behalf of both the State and Australian Governments. In addition, health services are provided on a fee for service basis primarily for private patient care.

### A2 CONTROLLED ENTITIES

The Hospital and Health Service has no wholly-owned controlled entities or indirectly controlled entities.

### A3 INVESTMENT IN PRIMARY HEALTH NETWORK

North Queensland Primary Health Network Limited (NQPHNL) was established as a public company limited by guarantee on 21 May 2015. The principal place of business of NQPHNL is Cairns, Queensland. The company's principal purpose is to work with general practitioners, other primary health care providers, community health services, pharmacists and hospitals in the north of Queensland to improve and coordinate primary health care across the local health system for patients requiring care from multiple providers.

Cairns and Hinterland Hospital and Health Service is one of thirteen members. As each member has the same voting entitlement, it is considered that none of the individual members has power over NQPHNL (as defined by AASB 10 Consolidated Financial Statements) and therefore none of the members individually control NQPHNL. CHHHS currently has 7.69% of the voting power of the NQPHNL – below the 20% at which it is presumed to have significant influence (in accordance with AASB 128 Investments in Associates and Joint Ventures). This is supported by the fact that each other member also has 7.69% voting power, limiting the extent of any influence that CHHHS may have over NQPHNL. Each member's liability to NQPHNL is limited to $10. NQPHNL is legally prevented from paying dividends to its members and its constitution also prevents any income or property of the NQPHNL being transferred directly or indirectly to or amongst the members.

As NQPHNL is not controlled by CHHHS and is not considered a joint operation or an associate of CHHHS, financial results of NQPHNL are not required to be disclosed in these statements.

### A4 INVESTMENT IN TROPICAL AUSTRALIAN ACADEMIC HEALTH CENTRE

Tropical Australian Academic Health Centre (TAAHC) registered as a public company limited by guarantee on 3 June 2019. The principal place of business of TAAHC is Townsville, Queensland. The company's principal purpose is the advancement of health through the promotion of the study and research topics of special importance to people living in the tropics.

Cairns and Hinterland Hospital and Health Service is one of eight members. As each member has the same voting entitlement (12.5%), it is considered that none of the individual members has power or significant influence over TAAHC (as defined by AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures). Each member's liability to TAAHC is limited to $10. TAAHC's constitution prevents any income or property of the company being transferred directly or indirectly to or amongst the members. Each member must pay annual membership fees as determined by the board of TAAHC.

As TAAHC is not controlled by CHHHS and is not considered a joint operation or an associate of CHHHS, financial results of TAAHC are not required to be disclosed in these statements.

### A5 ECONOMIC DEPENDENCY

CHHHS's primary source of income is from the DoH for the provision of public hospital, health and other services in accordance with a service agreement with the DoH, (refer to Note B1-2). The current service agreement covers the period from 1 July 2022 to 30 June 2025, with a new agreement already in place for the period 1 July 2025 to 30 June 2028. CHHHS's ongoing viability is dependent on continued funding under these agreements. At the date of this report, management has no reason to believe that this funding as per the terms of the service agreement will not continue.

## SECTION B

## NOTES ABOUT OUR FINANCIAL PERFORMANCE

# B1 REVENUE

### B1-1 USER CHARGES AND FEES

| | 2025 | 2024 |
|---|---|---|
| | **$'000** | $'000 |
| **Revenue from contracts with customers** | | |
| Pharmaceutical Benefits Scheme subsidy | **65,454** | 59,512 |
| Hospital fees | **44,822** | 45,260 |
| **Other user charges and fees** | | |
| Rental income | **52** | 47 |
| Other | **18,512** | 11,179 |
| **Total** | **128,840** | 115,998 |

### B1-2 FUNDING FOR PUBLIC HEALTH SERVICES

| | Share of Funding 2025 | | 2025 | 2024 |
|---|---|---|---|---|
| | *State* | *Australian Government* | | |
| | **$'000** | **$'000** | **$'000** | $'000 |
| **Revenue from contracts with customers** | | | | |
| Activity based funding | 598,353 | 378,388 | **976,741** | 911,658 |
| **Other funding for public health services** | | | | |
| Block funding | 99,688 | 50,783 | **150,471** | 147,634 |
| Teacher training funding | 20,259 | 8,766 | **29,025** | 27,730 |
| General purpose funding | 212,531 | - | **212,531** | 194,729 |
| **Total** | | | **1,368,768** | 1,281,751 |

**Accounting Policy – User charges and fees and funding for public health services**

Funding is provided predominantly from the DoH for specific public health services purchased by the Department in accordance with a service agreement. The Australian Government pays its share of National Health funding directly to the DoH, for on forwarding to the Hospital and Health Service. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by CHHHS. Cash funding from the DoH is received fortnightly for State payments and monthly for Australian Government payments and is recognised as revenue as the performance obligations under the service level agreement are discharged. Australian Government funding to CHHHS in 2025 was $438M (2024: $429M).

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

Other funding for public services includes block funding, which is typically applied for small public hospitals where the technical requirements for applying activity based funding (ABF) are not satisfied and there is an absence of economies of scale that mean some services would not be financially viable under ABF. It is recognised that the public hospital system has a significant role in educating and training the clinical workforce. The teacher training funding is a consistent state-wide methodology that is applied and provided as a block grant annually. This methodology considers the differences in the extent to which activity based funded hospitals provide clinical education and training, and to incentivise facilities to build this capacity. General purpose funding consists of agreed funding for various programmes for public health services.

The service agreement between the DoH and CHHHS specifies that the DoH funds CHHHS's depreciation and amortisation charges via non-cash revenue. The DoH retains the cash to fund future major capital replacements. This transaction is shown in the Statement of Changes in Equity as a non-appropriated equity withdrawal.

Services are provided over time, with customers simultaneously receiving and consuming the benefits provided during that period. CHHHS does not invoice for services rendered until the end of the service delivery period and recognises revenue progressively as the services are provided each month and a contract asset representing its right to consideration for services delivered but not yet billed. Revenue from contracts with customers is recognised when CHHHS transfers control over a good or service to the customer or third-party beneficiary. Revenue from hospital fees and the sales of services is comprised of private healthcare services, interstate patient revenue, Departments of Veterans' Affairs, and research and training services respectively.

**B1-2 FUNDING FOR PUBLIC HEALTH SERVICES (continued)**

Revenue from sales of goods and the pharmaceutical benefit scheme subsidy comprises the sale of retail and pharmacy products and is recognised on transfer of the goods to the customer, which is the sole performance obligation.

Revenue recognition for other user charges and fees is based on either invoicing for related goods, services and/or the recognition of accrued revenue based on the volumes of goods and services delivered.

**B1-3 GRANTS AND OTHER CONTRIBUTIONS**

| | **2025** | 2024 |
|---|---|---|
| | **$'000** | $'000 |
| **Revenue from contracts with customers** | | |
| Australian Government - Specific purpose payments | **6,284** | 6,003 |
| Other grants | **1,105** | 523 |
| **Other grants and contributions** | | |
| Australian Government - Nursing home grants | **3,178** | 3,283 |
| Australian Government - Specific purpose - capital grants | **600** | 600 |
| Australian Government - Specific purpose payments | **4,151** | 3,705 |
| Donations other | **703** | 714 |
| Donations non-current physical assets | **66** | - |
| Other grants | **2,340** | 1,118 |
| Services received below fair value | **10,677** | - |
| **Total** | **29,104** | 15,946 |

**Accounting Policy – Grants and other contributions**

Grants, contributions, donations and gifts revenue arise from non-exchange transactions where CHHHS does not directly give approximately equal value to the grantor.

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

Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for- Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets to be controlled by CHHHS. Special purpose capital grants are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as CHHHS satisfies its obligations under the grant through construction of the asset.

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

Services received below fair value represents corporate services support provided to CHHHS by the DoH at no direct cost. Corporate services received would have been purchased if they were not provided by the DoH and include payroll services, accounts payable services, finance transactional services, taxation services and procurement services. The fair value of these services for 2024-25, as estimated by the DoH, was $10.7M (2024: $9.8M). For financial years prior to 2024-25, CHHHS has not accounted for these in the financial statements as the value of services received was not considered material to the financial statements. However, due to the value associated with these services in the current year, CHHHS has elected to recognise both income and a corresponding expense of equal value in 2024-25 for the first time (refer to Note B2-3).

**B1-4 OTHER REVENUE**

| | **2025** | 2024 |
|---|---|---|
| | **$'000** | $'000 |
| Sale proceeds for assets | **110** | 107 |
| Licences and registration charges | **49** | 56 |
| Recoveries from other agencies and other hospital and health services | **10,615** | 12,421 |
| Other revenue | **1,999** | 1,964 |
| **Total** | **12,773** | 14,548 |

**Accounting Policy – Other revenue**

Other revenue primarily reflects recoveries of payments for contracted staff from third parties such as universities and other government agencies and travel and inventory management services provided on behalf of other hospital and health services.

Revenue is recognised on a gross basis at cost (i.e. no margin attached) when or as the good or service is transferred to the other entity under AASB 15 *Revenue from Contracts with Customers*.

## B2 EXPENSES

### B2-1 EMPLOYEE EXPENSES

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| **Employee benefits** | | |
| Wages and salaries | **113,536** | 115,174 |
| Annual leave levy | **13,890** | 14,599 |
| Employer superannuation contributions | **13,268** | 17,015 |
| Long service leave levy | **3,077** | 3,056 |
| **Employee related expenses** | | |
| Workers compensation premium | **606** | 472 |
| **Total** | **144,377** | 150,316 |

**Full-time equivalent**

| | As at 30 June 2025 | As at 30 June 2024 |
|---|---|---|
| Number of employees* | **302** | 291 |
| Number of health service employees* | **6,263** | 5,800 |
| **Total full-time equivalent** | **6,565** | 6,091 |

* The number of employees and health service employees as at 30 June includes full-time and part-time employees measured on a full-time equivalent (FTE) basis reflecting Minimum Obligatory Human Resource Information (MOHRI). The number of employees does not include the Chair or the Deputy Chair of the Board or the Board members.

**Accounting Policy – Employee expenses**

Employee expenses include the health executives and directors. Health executives are directly engaged in the service of CHHHS in accordance with section 70 of the *Hospital and Health Boards Act 2011* (HHBA). The basis of employment for health executives is in accordance with section 74 of the HHBA.

Employee expenses also include senior medical officers who entered individual contracts since commencing August 2014.

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

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

The HHS pays a premium to Workcover Queensland in respect of its obligations for employee compensation.

Workers compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as an employee related expense.

Wages, salaries and sick leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. As CHHHS expects liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

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

Annual and long service leave

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

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment.

Defined benefit plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan

**B2-1 EMPLOYEE EXPENSES (continued)**

obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the Department at the specified rate following completion of the employee's service each pay period. The Department's obligations are limited to those contributions paid.

Board members and Visiting Medical Officers are offered a choice of superannuation funds and CHHHS pays superannuation contributions into a complying superannuation fund. Contributions are expensed in the period in which they are paid or payable. CHHHS obligation is limited to its contribution to the superannuation fund. Therefore no liability is recognised for accruing superannuation benefits in CHHHS financial statements.

Key management personnel and remuneration

Key management personnel and remuneration disclosures are made in accordance with FRR 3C of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to Note G1 for the disclosures on key executive management personnel and remuneration.

**B2-2 HEALTH SERVICE EMPLOYEE EXPENSES**

| | **2025** | 2024 |
|---|---|---|
| | **$'000** | $'000 |
| Health service employee expenses | **929,321** | 835,616 |
| Health service employee related expenses* | **12,569** | 9,401 |
| Other health service employee related expenses | **10,491** | 9,591 |
| **Total** | **952,381** | 854,608 |

*The health service employee related expenses include a part allocation of the HHS's compensation insurance premium total of $13.2M (2024: $9.9M). The remaining $0.6M is included in health service employee expenses, please refer to note B2-1.

**Accounting Policy – Health service employee expenses**

Health service employee expenses represent the cost of DoH employees and other contracted staff to CHHHS paid via invoice, to provide public health services.

As established under the *Hospital and Health Boards Act 2011*, the DoH is the employer for all health service employees (excluding persons appointed as a Health Executive and Senior Medical Officers who entered individual contracts since commencing August 2014) and recovers all employee expenses and associated on-costs from hospital and health services. In accordance with the *Hospital and Health Boards Act 2011*, the employees of the DoH are referred to as health service employees. Under this arrangement:

- The DoH provides employees to perform work for CHHHS and acknowledges and accepts its obligations as the employer of these employees
- CHHHS is responsible for the day to day management of these DoH employees
- CHHHS reimburses the DoH for the salaries and on-costs of these employees

CHHHS discloses the reimbursement of these costs as health service employee expenses.

**B2-3 SUPPLIES AND SERVICES**

| | **2025** | 2024 |
|---|---|---|
| | **$'000** | $'000 |
| Clinical supplies and services | **89,275** | 80,050 |
| Drugs | **79,559** | 71,489 |
| Pathology, blood and parts | **32,510** | 30,178 |
| Other | **26,110** | 28,149 |
| Communications | **22,147** | 18,652 |
| Repairs and maintenance | **20,397** | 22,610 |
| Catering and domestic supplies | **18,291** | 18,940 |
| Patient travel | **14,695** | 12,325 |
| Computer services | **14,691** | 11,749 |
| Services below fair value | **10,677** | - |
| Electricity and other energy | **9,516** | 8,874 |
| Rental expenses* | **8,838** | 8,601 |
| Other travel | **6,463** | 5,192 |
| Minor works including plant and equipment | **3,002** | 4,509 |
| Agency fees | **2,036** | 2,135 |
| Building services | **2,251** | 1,963 |
| Motor vehicles | **933** | 970 |
| Consultancies | **796** | 354 |
| **Total** | **362,187** | 326,740 |

**B2-3 SUPPLIES AND SERVICES (continued)**

*Rental Expenses for 2024-25 includes the access license costs for Oregon Street Sub-Acute Care facility. A right of use asset and lease liability is expected to be recognised once a lease agreement has been fully executed. Refer to Note C6-1 for the breakdown of expenses and other lease disclosures.

**B2-4 IMPAIRMENT LOSSES**

| | **2025** | 2024 |
|---|---|---|
| | **$'000** | $'000 |
| Impairment losses on receivables | **(259)** | 581 |
| Bad debts written off | **1,416** | 1,121 |
| **Total** | **1,157** | 1,702 |

**B2-5 OTHER EXPENSES**

| | **2025** | 2024 |
|---|---|---|
| | **$'000** | $'000 |
| Insurance premiums - QGIF | **12,322** | 11,619 |
| Other | **2,309** | 6,401 |
| Advertising | **557** | 532 |
| Legal costs | **551** | 176 |
| Interpreter fees | **333** | 302 |
| Net losses from the disposal of non-current assets | **240** | 332 |
| Insurance premiums - Other | **233** | 298 |
| External audit fees* | **228** | 224 |
| Interest expense on lease liabilities | **216** | 145 |
| Special payments - ex-gratia payments | **126** | 67 |
| **Total** | **17,115** | 20,096 |

*Total audit fees paid to the Queensland Audit Office relating to the 2024-25 financial year are estimated to be $0.2M (2024: $0.2M) including out of pocket expenses. There are no non-audit services included in this amount.

**Accounting Policy – Insurance**

CHHHS is covered by the DoH insurance policy with Queensland Government Insurance Fund (QGIF) and pays a fee to the DoH as a fee for service arrangement.

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

**Accounting Policy – Special payments – Ex-gratia payments**

Special payments include ex-gratia expenditure and other expenditure that CHHHS is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2019*, CHHHS maintains a register setting out details of all special payments exceeding $5,000. The total of all special payments (including those of $5,000 or less) is disclosed separately within this note. However, descriptions of the nature of special payments are only provided for special payments greater than $5,000, see below list.

- the HHS made an ex-gratia payment to a person whose vehicle was affected by an accident that occurred at a facility owned by the HHS.
- the HHS made an ex-gratia payment to a patient for personal lost property.
- the HHS made an ex-gratia payment to a person for personal injury incurred whilst being admitted to hospital.
- the HHS made an ex-gratia payment to a patient to pay for out of pocket expenses.
- the HHS made 11 special payments to staff in recognition of loss of income due to changes in billing practices.

## SECTION C
## NOTES ABOUT OUR FINANCIAL POSITION

# C1 CASH AND CASH EQUIVALENTS

### C1-1 CASH AND CASH EQUIVALENTS

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Cash at bank and on hand | **9,061** | 30,649 |
| Call deposits | **1,241** | 1,204 |
| **Cash and cash equivalents** | **10,302** | 31,853 |
| **Cash and cash equivalents in the Statement of Cash Flows** | **10,302** | 31,853 |

Cash deposited at call with Queensland Treasury Corporation earns interest, calculated on a daily basis reflecting market movements in cash funds. Rates achieved throughout the year range between 4.64% to 5.27%.

**Accounting Policy – Cash and cash equivalents**

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked as at 30 June 2025 as well as deposits at call with financial institutions.

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

# C2 RECEIVABLES

### C2-1 RECEIVABLES

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **Current** | | |
| Trade debtors* | **35,748** | 39,612 |
| Less: Loss allowance | **(1,700)** | (1,959) |
| | **34,048** | 37,653 |
| GST input tax credits receivables | **2,095** | 1,951 |
| GST payable | **(55)** | (131) |
| | **2,040** | 1,820 |
| Payroll receivables | **2** | 4 |
| Sundry debtors | **418** | 424 |
| **Total** | **36,508** | 39,901 |

**Accounting Policy – Receivables**

Receivables are measured at amortised cost which approximates their fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale or service delivery. Trade receivables are generally settled within 120 days from invoice date. The collectability of receivables is assessed periodically with provision being made for expected credit losses. All known bad debts are written off when identified.

*Trade debtor balance includes invoices to DoH and other hospital and health services of $19.2M (2024: $23.2M).

The closing balance of receivables arising from debtors, excluding DoH and other hospital and health services, as at 30 June 2025 is $11.9M (2024: $11.2M).

**Accounting Policy – Impairment of Receivables**

The loss allowance for trade debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward looking information, including forecast economic change expected to impact CHHHS's debtors, along with relevant industry and statistical data.

CHHHS's other receivables are from Queensland Government agencies or Australian Government Agencies. No loss allowance is recorded for these receivables on the basis of materiality refer to Note D1-3 for CHHHS's credit risk management policies.

Where CHHHS has no reasonable expectation of recovering an amount owed by a debtor, the debt is written off by directly reducing the receivables against the loss allowance. Generally this occurs when the debt is over 120 plus days past due when CHHHS has ceased enforcement activity.

The amount of impairment losses recognised for receivables is disclosed in Note B2-4.

**C2-1 RECEIVABLES (continued)**

**Disclosure – Credit risk exposure of receivables**

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no other credit enhancements relating to CHHHS receivables.

CHHHS uses a provision matrix to measure the expected credit losses on trade debtors which include patient accounts and other billable services. CHHHS has used a historical impairment calculation based on type of revenue, type of customer and debt collection protocol. CHHHS's current credit risk ratio of 14.81% has been determined based on the assessment period of 1 November 2023 to 31 October 2024.

Set out below is the credit risk exposure on CHHHS's trade debtors other than the DoH and other HHS debtors broken down by ageing band

| | **2025** | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Trade Debtors** | **Loss Rate** | **Expected Credit Losses** | Trade Debtors | Loss Rate | Expected Credit Losses |
| Aging | **$'000** | **%** | **$'000** | $'000 | % | $'000 |
| Current | **3,423** | **2.86%** | **313** | 3,280 | 0.26% | 29 |
| 30 to 60 Days | **2,136** | **1.22%** | **134** | 2,181 | 0.83% | 90 |
| 61 to 90 Days | **1,128** | **1.37%** | **150** | 1,381 | 1.08% | 119 |
| 91 to 120 Days | **652** | **1.71%** | **186** | 813 | 0.12% | 13 |
| Greater than 121 Days | **3,599** | **7.65%** | **917** | 3,320 | 16.07% | 1,708 |
| **Total** | **10,938** | **14.81%** | **1,700** | 10,975 | 18.36% | 1,959 |

**Accounting Policy - Taxation**

CHHHS 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 taxes accounted for by CHHHS.

The Australian Taxation Office (ATO) has recognised the DoH and the sixteen Queensland hospital and health services as a single taxation entity for reporting purposes. All FBT and GST reporting to the Commonwealth is managed centrally by the DoH, with payments/receipts made on behalf of CHHHS reimbursed to/from the DoH on a monthly basis. GST credits receivable from, and GST payable to the ATO, are recognised on this basis.

## C3 INVENTORIES

**C3-1 INVENTORIES**

| | **2025** | 2024 |
|---|---|---|
| | **$'000** | $'000 |
| **Inventories held for distribution** | | |
| Drugs | **6,730** | 3,347 |
| Clinical supplies and services | **50** | 3 |
| Catering and domestic supplies | **19** | 2 |
| **Total** | **6,799** | 3,352 |

**Accounting Policy – Inventories**

Inventories consist mainly of clinical supplies and pharmaceuticals held for distribution in hospital and health service facilities. Inventories are measured at weighted average cost, adjusted for obsolescence. These supplies are expensed once issued from CHHHS.

## C4 PROPERTY, PLANT AND EQUIPMENT AND RELATED DEPRECIATION

### C4-1 PROPERTY, PLANT AND EQUIPMENT

| | **2025** | 2024 |
|---|---|---|
| | **$'000** | $'000 |
| Land: at fair value | | |
| Gross | **55,663** | 51,890 |
| Buildings: at fair value | | |
| Gross | **1,956,958** | 1,744,348 |
| Less: Accumulated depreciation | **(704,412)** | (611,075) |
| | **1,252,546** | 1,133,273 |
| Plant and equipment: at cost | | |
| Gross | **161,406** | 155,037 |
| Less: Accumulated depreciation | **(85,089)** | (79,635) |
| | **76,317** | 75,402 |
| Heritage and cultural: at cost | | |
| Gross | **14** | 14 |
| | **14** | 14 |
| Capital works in progress | | |
| At cost | **32,211** | 26,099 |
| **Total** | **1,416,751** | 1,286,678 |

**Accounting Policy - Property, plant and equipment**

Recognition thresholds

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

| **Class** | **Threshold** |
|---|---|
| Buildings (including land improvements) | $10,000 |
| Land | $1 |
| Plant and equipment | $5,000 |
| Other (including heritage and cultural) | $5,000 |

Revaluations of non-current physical assets

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

Plant and equipment is measured at cost in accordance with the NCAPS. The carrying amounts for plant and equipment should not materially differ from their fair value.

Land and buildings are measured at fair value each year using comprehensive valuations, market valuations or indexation. Independent valuations are performed with sufficient regularity to ensure assets are carried at fair value.

In accordance with the NCAPS, comprehensive revaluations occur every three to five years. In the off cycle years indexation is applied where there is no evidence of significant market fluctuations in land and building prices.

Construction of major health infrastructure is managed by the DoH. Upon practical completion of a project, assets under construction are assessed at fair value by the DoH through the engagement of an independent valuer prior to the transfer of those assets to CHHHS , effected via an equity adjustment.

Fair value measurement

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

Fair value measurement can be sensitive to various valuation inputs selected. Observable inputs are publicly available data that are relevant to the characteristics of the assets being valued, and include but are not limited to, published sales data for land and general buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets being valued. Unobservable inputs are used to the extent that sufficient, relevant and reliable observable inputs are not available for similar assets. Significant unobservable inputs applied by CHHHS include, but are not limited to:

- subjective adjustments to observable data to reflect the specialised nature of health service buildings and on-site residential facilities;
- information from historical and current construction contracts or cost estimates; and
- assessments of physical condition and remaining useful life.

**C4-1 PROPERTY, PLANT AND EQUIPMENT (continued)**

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

All assets of CHHHS 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.

CHHHS has land assets categorised into level 2 and 3 of the fair value hierarchy. All of CHHHS's building assets are categorised into level 3 of the fair value hierarchy.

Land

The fair value of land is determined using market based evidence taking into account trends and sales information for each land use category, the land's best use and zoning under the relevant planning scheme, and the physical attributes and constraints on use of the land. Where available, transaction data for similar vacant parcels of land have been compared to the subject parcel, after first making appropriate adjustments for variations in the differing characteristics of the evidence. This approach has been applied to each assessment, based on the valuer's evaluation of the comparability of the asset to the evidence and any adjustment for risk which is viewed to be required.

In 2024-25 CHHHS engaged McGee Property, to undertake the comprehensive valuations on land as at 30 June 2025.

The revaluation program for 2024-25 resulted in a net increment of $3.8M to the carrying value of land.

Buildings

In 2024-25 CHHHS engaged GRC Quantity Surveyors, to conduct comprehensive valuations on a select number of building assets and indexation on all other building assets not comprehensively valued, as at 30 June 2025.

For indexation, building price and locality indices were applied to determine the fair value of building assets as at 30 June 2025. The indexation rates applied range from 5.45% to 9.74%, with the higher rates assigned to sites located within the Hinterland and Cassowary Coast regions.

For the comprehensive valuations, due to the specialised nature of health service buildings and on hospital-site residential facilities, fair value is determined using current replacement cost methodology, due to there not being an active market for such facilities. The replacement cost estimates are reflective of the anticipated sum that might be expected from an informed transaction between knowing parties at current market conditions as at the measurement date. The methodology applied by the valuer is a financial simulation in lieu of a market based measurement as these assets cannot be bought and sold on the open market.

The replacement cost estimate of each building was prepared from the most current available plans and elevations, together with available schedules and specifications, and information collected from site surveys. The valuer applied a combination of pricing methodologies, all of which were adjusted to reflect the anticipated construction market as at the effective reporting date. Detailed estimates were used to determine the cost of replacing the existing assets with a modern equivalent, taking into account the specific site conditions identified from the site surveys. The replacement cost estimates were benchmarked against a locality index and building price index.

The following key assumptions were made when determining the replacement cost estimate of each building:

- The present use was considered to represent highest and best use;
- The market rates applied were based on tier 1 or tier 2 contractors delivering the replacement equivalent, and having reasonable experience in the design and delivery of hospital and health facilities;
- The documents including site plans and drawings provided by CHHHS to the valuer were accurate. (Where possible, the valuer verified this information as part of their site inspections);
- Rates for the project on-costs such as professional fees, statutory charges, contingencies etc are reflective of current market rates;
- The rate of physical wear and tear continues at a normal rate and not affected by natural disasters or extreme events;
- A planned maintenance program continues to be implemented, as was evident in the site surveys and inspections; and
- The replacement equivalent incorporates technical or commercial obsolescence in building services. The inclusions have been limited to current building technologies not for cutting edge systems that are new to the market and are not widely incorporated into new building works.

The revaluation program for 2024-25 resulted in a net increment of $117.1M to the carrying amount of buildings.

**Accounting Policy – Depreciation of property, plant and equipment**

Land is not depreciated as it has 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, less its estimated residual value, progressively over its estimated useful life to CHHHS

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property, plant and equipment.

**C4-1 PROPERTY, PLANT AND EQUIPMENT (continued)**

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

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

| Class | Rate |
|---|---|
| Buildings | 0.9% - 25.0% |
| Plant and equipment | 3.0% - 33.3% |

The standard life of a health facility is generally 20 to 40 years and is adjusted for those assets in extreme climatic conditions that have historically shorter lives.

Estimates of remaining life are based on the assumption that the asset remains in its current function and will be maintained. No allowance has been provided for significant refurbishment works in the estimate of remaining life as any refurbishment should extend the life of the asset. Buildings have been valued on the basis that there is no residual value. Existing condition of the building is also taken into account when assessing the remaining useful life of the assets. Significant judgement is also used to assess the remaining service potential of the facility, given local climatic and environmental conditions and records of the current condition of the facility.

A review is conducted annually in order to isolate indicators of impairment in accordance with AASB 136 *Impairment of Assets*. If an indicator of impairment exists, CHHHS determines the asset's recoverable amount (the higher of value in use or fair value less costs of disposal). Any amount by which the asset's carrying amount exceeds the recoverable amount is considered an impairment loss.

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

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

**C4-2 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT**

| | Land | | Buildings | Plant and equipment | Heritage and cultural assets | Work in progress | Total |
|---|---|---|---|---|---|---|---|
| | Level 2 | Level 3 | Level 3 | | | | |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Carrying amount at 1 July 2024 | 33,264 | 18,627 | 1,133,274 | 75,400 | 14 | 26,099 | 1,286,678 |
| Acquisitions | - | - | 520 | 14,589 | - | 20,899 | 36,008 |
| Transfers in from other Queensland Government entities* | - | - | 60,126 | 937 | - | - | 61,063 |
| Asset stocktake write on | - | - | - | 218 | - | - | 218 |
| Donations received | - | - | - | 66 | - | - | 66 |
| Disposals | - | - | - | (240) | - | - | (240) |
| Transfers out to other Queensland Government entities | - | - | - | (37) | - | - | (37) |
| Transfers between asset classes** | 19,545 | (19,545) | 14,388 | 399 | - | (14,787) | - |
| Net revaluation increments | 2,854 | 918 | 117,141 | - | - | - | 120,913 |
| Depreciation | - | - | (72,903) | (15,015) | - | - | (87,918) |
| **Carrying amount at 30 June 2025** | 55,663 | - | 1,252,546 | 76,317 | 14 | 32,211 | 1,416,751 |

*Net assets transferred pursuant to the *Hospital and Health Boards Act 2011* to CHHHS from the DoH and other Hospital and Health Services. In 2024-25, CHHHS accepted $60.1M against the building asset class from the DoH regarding the Cairns Hospital Mental Health Unit which reached practical completion in December 2024.

**In 2024-25, CHHHS reclassified one land asset from level 3 to level 2 of the fair value hierarchy, due to the availability of sufficient comparable sales evidence to support a level 2 valuation.

**C4-2 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT (CONTINUED)**

| | Land | | Buildings | Plant and equipment | Heritage and cultural assets | Work in progress | Total |
|---|---|---|---|---|---|---|---|
| | Level 2 | Level 3 | Level 3 | | | | |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Carrying amount at 1 July 2023 | 32,453 | 18,175 | 989,767 | 71,835 | 14 | 23,576 | 1,135,820 |
| Acquisitions | - | - | 1,217 | 17,689 | - | 12,418 | 31,324 |
| Transfers in from other Queensland Government entities | - | - | 1,946 | 1,008 | - | - | 2,954 |
| Asset stocktake write on | - | - | - | 3 | - | - | 3 |
| Disposals | - | - | - | (332) | - | - | (332) |
| Transfers between asset classes | - | - | 9,716 | 179 | - | (9,895) | - |
| Net revaluation increments | 811 | 452 | 190,298 | - | - | - | 191,561 |
| Depreciation | - | - | (59,670) | (14,982) | - | - | (74,652) |
| **Carrying amount at 30 June 2024** | 33,264 | 18,627 | 1,133,274 | 75,400 | 14 | 26,099 | 1,286,678 |

## C5 INTANGIBLES

**C5-1 INTANGIBLE ASSETS**

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Software purchased: at cost | | |
| Gross | **1,963** | 1,963 |
| Less: Accumulated depreciation | **(1,963)** | (1,963) |
| | **-** | - |
| Software works in progress | | |
| At cost | **6** | - |
| **Total** | **6** | - |

**C5-2 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT**

| | Software purchased | Software work in progress | Total |
|---|---|---|---|
| | $'000 | $'000 | $'000 |
| Carrying amount at 1 July 2024 | - | - | - |
| Acquisitions | - | 6 | 6 |
| **Carrying amount at 30 June 2025** | - | 6 | 6 |

| | Software purchased | Software work in progress | Total |
|---|---|---|---|
| | $'000 | $'000 | $'000 |
| Carrying amount at 1 July 2023 | 5 | - | 5 |
| Amortisation | (5) | - | (5) |
| **Carrying amount at 30 June 2024** | - | - | - |

**Accounting Policy - Intangible assets**

Actual cost is used for the initial recording of all intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred. Items or components that form an integral part of an asset are recognised as a single (functional) asset. Where assets are received free of charge from another Queensland Government entity (whether as a result of a machinery-of-government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated amortisation. Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at the date of acquisition in accordance with AASB 138 *Intangible Assets.* Intangible assets with a cost or other value equal to or greater than $100,000 are recognised in the Statement of Financial Position. Items with a lesser value are expensed. Each intangible asset is amortised over its estimated useful life to CHHHS.

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

## C6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### C6-1 LEASES AS A LESSEE

**Right-of-use assets**

| | Building | Plant and Equipment | Total |
|---|---|---|---|
| | **$'000** | **$'000** | $'000 |
| Carrying amount at 1 July 2024 | 4,661 | 397 | 5,058 |
| Additions | 111 | - | 111 |
| Depreciation | (664) | (250) | (914) |
| **Carrying amount at 30 June 2025** | 4,108 | 147 | 4,255 |

### C6-1 LEASES AS A LESSEE (continued)

**C6-1 RIGHT-OF-USE ASSETS (PREVIOUS YEAR)**

| | Building | Plant and Equipment | Total |
|---|---|---|---|
| | **$'000** | **$'000** | $'000 |
| Carrying amount at 1 July 2023 | 35 | 647 | 682 |
| Additions | 5,084 | - | 5,084 |
| Depreciation | (458) | (250) | (708) |
| **Carrying amount at 30 June 2024** | 4,661 | 397 | 5,058 |

| | **2025** | 2024 |
|---|---|---|
| | **$'000** | $'000 |
| **Current** | | |
| Lease liabilities | **807** | 891 |
| **Total current** | **807** | 891 |
| **Non-Current** | | |
| Lease liabilities | **3,457** | 4,217 |
| **Total non-current** | **3,457** | 4,217 |
| **Total** | **4,264** | 5,108 |

**Accounting policies – Leases as lessee**

Right-of-use assets
Right-of-use assets are initially recognised at cost comprising the following:

- the amount of the initial measurement of the lease liability
- lease payments made at or before the commencement date, less any lease incentives received
- initial direct costs incurred, and
- the initial estimate of restoration costs

Right-of-use assets are subsequently depreciated over the lease term and are subject to impairment testing on an annual basis. The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following a change in discount rate, a reduction in lease payments payable, changes in variable lease payments that depend upon variable indexes/rates of a change in lease term.

CHHHS measures right-of-use assets from concessionary leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognition.

CHHHS has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than $10,000 when new.

Where a contract contains both a lease and non-lease components such as asset maintenance services, CHHHS allocates the contractual payments to each component on the basis of their stand-alone prices.

**C6-1 LEASES AS A LESSEE (continued)**

Lease liabilities
Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that CHHHS is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the department under residual value guarantees
- the exercise price of a purchase option that the department is reasonably certain to exercise
- payments for termination penalties, if the lease term reflects the early termination

When measuring the lease liability, CHHHS uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of CHHHS's leases. To determine the incremental borrowing rate, CHHHS uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

Subsequent to initial recognition, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g. a market rent review), or a change in the lease term.

**Disclosures – Leases as a lessee**

*(i) Details of leasing arrangements as lessee*

| Category/Class of Lease Arrangement | Description of Arrangement |
|---|---|
| Plant and equipment leases | CHHHS routinely enters into leases for plant and equipment including medical equipment, office equipment, IT and pharmacy dispensing equipment.<br>The majority of these leases are short-term leases or leases of low value assets. Lease terms for plant and equipment leases that are recognised on balance sheet can range from 1 to 10 years.<br>A small number of leases have renewal or extension options. The options are generally exercisable at market prices and are not included in the right-of-use asset or lease liability unless CHHHS is reasonably certain it will renew the lease. |
| Building leases | CHHHS has entered into a small number of leases for office accommodation and employee housing outside of the agreement with the Department of Housing and Public Works (DHPW).<br>Due to the value, term and likelihood of renewal or extension options, these leases have been recognised in CHHHS's right-of-use assets and lease liabilities. |

*(ii) Office accommodation, employee housing and motor vehicles*

The Department of Housing and Public Works (DHPW) provides CHHHS with access to office accommodation and employee housing and also provides CHHHS with access to motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because DHPW has substantive substitution rights over the assets. The related service expenses are included in Note B2-3 under Rental expenses.

*(iii) Amounts recognised in profit or loss*

| | **2025** | 2024 |
|---|---|---|
| | **$'000** | $'000 |
| Interest expense on lease liabilities | **216** | 145 |
| Expenses relating to short-term and low value leases | **8,466** | 8,377 |
| Expenses relating to other leases | **372** | 224 |
| **Total cash outflow for leases** | **9,054** | 8,746 |

Rental Expenses for 2024-25 includes the access license costs for Oregon Street Sub-Acute Care facility. A right of use asset and lease liability is expected to be recognised once a lease agreement has been fully executed.

## C7 PAYABLES

### C7-1 PAYABLES

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **Current** | | |
| Trade creditors | **8,862** | 9,367 |
| Accrued expenses | **28,093** | 33,038 |
| Department of Health payables* | **73,239** | 70,527 |
| **Total** | **110,194** | 112,932 |

* Department of Health payables consists of outstanding payments relating to payroll of $46.5M (2024: $42.7M), paid in July 2025, and funding payable back to the DoH of $26.7M (2024: $27.8M), in 2025-26.

**Accounting Policy – Payables**

Trade creditors and accrued expenses are recognised upon receipt of the goods or services ordered (and irrespective of having been invoiced) and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and generally settled on 30 day terms.

## C8 ACCRUED EMPLOYEE BENEFITS

### C8-1 ACCRUED EMPLOYEE BENEFITS

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Salaries and wages accrued | **3,319** | 2,596 |
| Other employee entitlements payable | **94** | 92 |
| **Total** | **3,413** | 2,688 |

**Accounting Policy – Accrued Employee Benefits**

No provision for annual leave and long service leave is recognised by CHHHS as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

## C9 EQUITY

### C9-1 ASSET REVALUATION SURPLUS BY CLASS

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **Land** | | |
| Balance at the beginning of the financial year | **21,692** | 20,429 |
| Revaluation (decrement)/increment | **3,772** | 1,263 |
| **Balance at the end of the financial year** | **25,464** | 21,692 |
| | | |
| **Buildings** | | |
| Balance at the beginning of the financial year | **757,658** | 567,360 |
| Revaluation (decrement)/increment | **117,141** | 190,298 |
| **Balance at the end of the financial year** | **874,799** | 757,658 |
| | | |
| **Total** | **900,263** | 779,350 |

**Accounting Policy - Asset revaluation surplus**

The asset revaluation surplus represents the net effects of revaluation movements of assets to fair value.

**Accounting Policy – Contributed Equity**

Transactions with owners as owners include equity injections for non-current asset acquisitions and non-cash equity withdrawals to offset non-cash depreciation funding received under the Service Level Agreement with the Department of Health.

## SECTION D

## NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

## D1 FINANCIAL RISK MANAGEMENT

CHHHS holds the following financial instruments by category:

| Category | Note | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **Financial assets** | | | |
| Cash and cash equivalents | C1-1 | **10,302** | 31,853 |
| Financial assets at amortised cost: | | | |
| Receivables | C2-1 | **36,508** | 39,901 |
| **Total** | | **46,810** | 71,754 |
| **Financial liabilities** | | | |
| Payables | C7-1 | **110,194** | 112,932 |
| Lease liabilities | C6-1 | **4,264** | 5,108 |
| **Total** | | **114,458** | 118,040 |

CHHHS is exposed to a variety of financial risks – liquidity risk, market risk and credit risk.

### D1-1 LIQUIDITY RISK

Liquidity risk is the risk that CHHHS will not have the resources required at a particular time to meet its obligations to settle its financial liabilities.

The CHHHS is exposed to liquidity risk through its trading in the normal course of business. CHHHS aims to reduce the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations at all times.

Under the whole-of-government banking arrangements, CHHHS has an approved working debt facility of $13.5M to manage any short term-cash shortfalls, and can seek assistance from the DoH for short term cash advances on funding, usually less than twelve months to repay. The HHS has utilised up to $3.6M of its debt facility for a short period throughout the 2024-25 financial year.

Due to the short-term nature (less than 12 months) of the current payables, their carrying amount is assumed to approximate the total contractual cash flow.

### D1-2 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 price. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market.

CHHHS does not trade in foreign currency and is not materially exposed to commodity price changes. CHHHS has minimal interest rate exposure on the call deposits, however there is no such risk on its cash deposits. CHHHS does not undertake any hedging in relation to interest rate risk.

CHHHS is exposed to interest rate risk on its cash deposited in interest bearing accounts with Queensland Treasury Corporation.

### D1-3 CREDIT RISK

Credit risk is the potential for financial loss arising from a counterparty defaulting on its obligations. The maximum exposure to credit risk at balance date is equal to the gross carrying amount of the financial asset, inclusive of any allowance for impairment.

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

CHHHS reflects a loss allowance for receivables measured at lifetime expected credit losses. The exception is receivables from Queensland Government agencies or Australian Government Agencies. No loss allowance is recorded for these receivables on the basis of materiality, as these are considered to have no risk to CHHHS.

There are no significant concentrations of credit risk.

Overall credit risk for CHHHS is considered minimal.

| Movements in the allowance for impairment loss | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Balance at 1 July | **1,959** | 1,378 |
| Amounts written off during the year | **(1,416)** | (1,121) |
| Increase in allowance recognised in operating result | **1,157** | 1,702 |
| **Total** | **1,700** | 1,959 |

## D2 CONTINGENCIES

### D2-1 LITIGATION IN PROGRESS

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

| | **2025** | 2024 |
|---|---|---|
| | **Number of cases** | Number of cases |
| Supreme Court | **6** | 6 |
| District Court | **1** | 2 |
| **Total** | **7** | 8 |

Health litigation is underwritten by the Queensland Government Insurance Fund (QGIF). CHHHS liability in this area is limited to an excess per insurance event.

As of 30 June 2025, there were 55 claims (2024: 70 claims) managed by QGIF, some of which may never be litigated or result in payments to claims. The maximum exposure to CHHHS under this policy is up to $20,000 for each insurable event.

## D3 COMMITMENTS

### D3-1 EXPENDITURE COMMITMENTS

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

| | **2025** | 2024 |
|---|---|---|
| | **$'000** | $'000 |
| **Buildings** | | |
| Not later than 1 year | **8,735** | 20,944 |
| Later than 1 year but not later than 5 years | **116** | 885 |
| **Total** | **8,851** | 21,829 |
| | | |
| **Plant and Equipment** | | |
| Not later than 1 year | **1,646** | 4,320 |
| **Total** | **1,646** | 4,320 |

## SECTION E

## NOTES ON OUR PERFORMANCE COMPARED TO BUDGET

## E1 BUDGETARY REPORTING DISCLOSURES

This section contains explanations of major variances between CHHHS's actual 2024-25 financial results and the original budget presented to Parliament.

## E2 BUDGET TO ACTUAL COMPARISON – STATEMENT OF COMPREHENSIVE INCOME

| | Original Budget 2025 $'000 | Actual 2025 $'000 | Variance $'000 | Variance % of Budget |
|---|---|---|---|---|
| **Income** | | | | |
| User charges and fees | 98,982 | 128,840 | 29,858 | 30% |
| Funding for public health services | 1,313,090 | 1,368,768 | 55,678 | 4% |
| Grants and other contributions | 16,622 | 29,104 | 12,482 | 75% |
| Interest | 21 | 114 | 93 | 443% |
| Other revenue | 7,578 | 12,773 | 5,195 | 69% |
| **Total income** | **1,436,293** | **1,539,599** | **103,306** | |
| **Expenses** | | | | |
| Employee expenses | (145,221) | (144,377) | 844 | (1%) |
| Health service employee expenses | (742,786) | (952,381) | (209,595) | 28% |
| Supplies and services | (435,065) | (362,187) | 72,878 | (17%) |
| Depreciation and amortisation | (85,113) | (88,832) | (3,719) | 4% |
| Impairment losses | (1,845) | (1,157) | 688 | (37%) |
| Other expenses | (26,263) | (17,115) | 9,148 | (35%) |
| **Total expenses** | **(1,436,293)** | **(1,566,049)** | **(129,756)** | |
| **Operating result for the year** | **-** | **(26,450)** | **(26,450)** | |

**EXPLANATION OF MAJOR VARIANCES - STATEMENT OF COMPREHENSIVE INCOME**

Major variations between the 2024-2025 budget and 2024-2025 actual include

*User charges and fees* — The increase in user charges and fees is primarily attributable to higher patient activity, which has directly increased revenue from the Pharmaceutical Benefits Scheme. Additional increases relate to revenue from outsourced service delivery, specifically under the DoH's capital reimbursement scheme, due to several significant capital projects undertaken by CHHHS.

*Funding for public health services* — The increase in funding for public health services reflects additional funding received through amendments to the Service Agreement with the DoH to support the increased delivery of public hospital and health services, including Better Care Together; Connected Community Pathways; Planned Care Recovery; Private Hospital Bed Partnership and Enterprise Bargaining Agreements (EBAs). These initiatives were not incorporated in the initial 2024-25 Service Agreement Officer (Window 1), which formed the basis of the original 2024-25 budget.

*Grants and other contributions* — The increase in grants and other contributions is primarily attributable to additional funding received for Specialist Outreach Services, as well as higher than anticipated donations.

*Other revenue* — The increase in other revenue is mainly due to higher external staff recoveries and Workcover, as well as greater than anticipated revenue from nursing clinical placements, which attract funding from universities across the region.

*Employee expenses and health service employee expenses:* — The increase reflects the engagement of additional frontline staff required to meet the growing demand for healthcare services, supported by additional funding under the Better Care Together and Planned Care Recovery initiatives across CHHHS. The overall increase in staff from 2024-25 was 474 MOHRI, with clinical staff accounting for 71% of the growth. Also contributing to the increase were the EBA wage uplifts across all pay streams and the Workforce Attraction and Incentive Payments aimed at supporting staff recruitment and retention with the CHHHS catchment.

*Supplies and services* — The favourable variance is primarily due to a realignment of the original budget across various expense categories. It is important to note that the level of supplies and services for 2024-25 are consistent with those of the prior year. Surgical outsourcing has continued to effectively manage elective surgery waitlists, particularly for endoscopy services. Further investment in Planned Care Elective Surgery has also progressed into 2024-25. Moreover, drug and pathology expenses have increased due to higher activity levels in 2024-25, reflecting a 6.5% rise compared to the prior year.

**E2 BUDGET TO ACTUAL COMPARISON – STATEMENT OF COMPREHENSIVE INCOME (continued)**

| | |
|---|---|
| *Other expenses* | The decrease is attributable to a centrally held budget for specific funded initiatives designed to mitigate clawback and deferral risk, with the majority of associated expenditure recognised within other expense categories during the financial year. |

## E3 BUDGET TO ACTUAL COMPARISON – STATEMENT OF FINANCIAL POSITION

| | Original Budget 2025 | Actual 2025 | Variance | Variance % of Budget |
|---|---|---|---|---|
| **Assets** | **$'000** | **$'000** | **$'000** | |
| **Current assets** | | | | |
| Cash and cash equivalents | 32,694 | 10,302 | (22,392) | (68%) |
| Receivables | 37,988 | 36,508 | (1,480) | (4%) |
| Inventories | 4,485 | 6,799 | 2,314 | 52% |
| Other assets | 3,674 | 1,923 | (1,751) | (48%) |
| **Total current assets** | **78,841** | **55,532** | **(23,309)** | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 1,224,476 | 1,416,751 | 192,275 | 16% |
| Right-of-use assets | 13,395 | 4,255 | (9,140) | (68%) |
| Intangible assets | - | 6 | 6 | 100% |
| **Total non-current assets** | **1,237,871** | **1,421,012** | **183,141** | |
| **Total assets** | **1,316,712** | **1,476,544** | **159,832** | |
| **Current liabilities** | | | | |
| Payables | 103,090 | 110,194 | 7,104 | 7% |
| Lease liabilities | 398 | 807 | 409 | 103% |
| Accrued employees benefits | 19,806 | 3,413 | (16,393) | (83%) |
| Other liabilities | 905 | 1,021 | 116 | 13% |
| **Total current liabilities** | **124,199** | **115,435** | **(8,764)** | |
| **Non-Current liabilities** | | | | |
| Lease liabilities | 13,624 | 3,457 | (10,167) | (75%) |
| **Total non-current liabilities** | **13,624** | **3,457** | **(10,167)** | |
| **Total liabilities** | **137,823** | **118,892** | **(18,931)** | |
| **Net assets** | **1,178,889** | **1,357,652** | **178,763** | |
| **Total equity** | **1,178,889** | **1,357,652** | **178,763** | **15%** |

### EXPLANATION OF MAJOR VARIANCES - STATEMENT OF FINANCIAL POSITION

Major variations between the 2024-2025 budget and 2024-2025 actual include

| | |
|---|---|
| *Cash and cash equivalents* | The decrease in cash and cash equivalents is primarily attributable to the operating deficit position recorded as at 30 June 2025. |
| *Property, plant and equipment* | The increase in property, plant and equipment is primarily driven by the outcomes of the 2024-25 land and building revaluation program.<br><br>A 5.45% increase in the Building Price Index (BPI), rising from 422 in 2023-24 to 445 in 2024-25, along with an average 1.4% rise in the Locality Index (LI), has contributed to a higher current replacement cost of building and site infrastructure assets. These index movements reflect prevailing trends in the construction market, including a relatively low but stable Australian dollar, limited availability of certain subcontractor services, the intensity and volume of new capital projects, constraints in the supply of key construction materials, shortages in skilled labour, pressure on head contractor capacity to meet growing demand, and ongoing rapid population growth and shifting community demographics across the State.<br><br>In addition, the higher than budgeted opening balance resulting from the 2023-24 land and building revaluation program has also contributed to the overall increase. |
| *Right-of-use assets and lease liabilities* | The decrease in right-of-use assets and lease liabilities is the result of a fully executed lease agreement not yet in place for the Oregon Street Sub-Acute Care facility. |
| *Payables* | The increase in payables is attributable to the recognition of year-end accrued funding clawbacks and output-to-equity capital swaps payable to the DoH. |

**E3 BUDGET TO ACTUAL COMPARISON – STATEMENT OF FINANCIAL POSITION (continued)**

| | |
|---|---|
| *Accrued employee benefits* | The decrease in accrued employee benefits relates to end of month payroll accruals for June 2025 which could not be determined at the time the 2024-25 budget was finalised. |
| *Total equity* | The increase in total equity is attributable to the outcomes of the 2023-24 and the 2024-25 land and building revaluation programs, partially offset by the operating deficit recognised for 2024-25. |

## E4 BUDGET TO ACTUAL COMPARISON – STATEMENT OF CASH FLOWS

| | Original Budget 2025 | Actual 2025 | Variance | Variance % of Budget |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | |
| **Cash flows from operating activities** | | | | |
| *Inflows:* | | | | |
| User charges and fees | 1,409,398 | 1,407,051 | (2,347) | (0%) |
| Grants and other contributions | 16,622 | 22,369 | 5,747 | 35% |
| Interest receipts | 21 | 114 | 93 | 443% |
| GST input tax credits from Australian Tax Office | 15,770 | 29,139 | 13,369 | 85% |
| GST collected from customers | - | 1,389 | 1,389 | 100% |
| Other receipts | 7,831 | 12,627 | 4,796 | 61% |
| *Outflows:* | | | | |
| Employee expenses | (145,172) | (154,573) | (9,401) | 6% |
| Health service employee expenses | (742,786) | (939,178) | (196,392) | 26% |
| Supplies and services | (434,018) | (344,580) | 89,438 | (21%) |
| GST paid to suppliers | (15,782) | (29,283) | (13,501) | 86% |
| GST remitted to Australian Tax Office | - | (1,465) | (1,465) | 100% |
| Interest payments on lease liabilities | - | (216) | (216) | 100% |
| Other expenses | (25,769) | (31,247) | (5,478) | 21% |
| **Net cash provided by (used in) operating activities** | **86,115** | **(27,853)** | **(113,968)** | |
| **Cash flows from investing activities** | | | | |
| *Outflows:* | | | | |
| Payments for property, plant and equipment | - | (36,008) | (36,008) | 100% |
| Payments for intangibles | | (6) | (6) | 100% |
| **Net cash provided by (used in) investing activities** | **-** | **(36,014)** | **(36,014)** | |
| **Cash flows from financing activities** | | | | |
| *Inflows:* | | | | |
| Equity injections | 1,766 | 43,271 | 41,505 | 2350% |
| Equity withdrawals | (85,113) | - | 85,113 | (100%) |
| *Outflows:* | | | | |
| Lease payments | (1,706) | (955) | 751 | (44%) |
| **Net cash provided by (used in) financing activities** | **(85,053)** | **42,316** | **127,369** | |
| Net increase / (decrease) in cash and cash equivalents | 1,062 | (21,551) | (22,613) | (2129%) |
| Cash and cash equivalents at the beginning of the financial year | 31,632 | 31,853 | 221 | 1% |
| **Cash and cash equivalents at the end of the financial year** | **32,694** | **10,302** | **(22,392)** | |

**EXPLANATION OF MAJOR VARIANCES - STATEMENT OF CASH FLOWS**

Major variations between the 2024-2025 budget and 2024-2025 actual include

| | |
|---|---|
| *Payments for property, plant and equipment* | The increase relates to payment of capital projects, including Cairns Hospital Emergency expansion, priority capital projects, Health Technology Equipment replacement and Capital Maintenance and Asset replacement. |
| *Equity injections* | The increase is due to the funding arrangement of reimbursement of capital projects, including Cairns Hospital Emergency expansion, priority capital projects, Health Technology Equipment replacement and Capital Maintenance and Asset replacement. The capital budget is included in the DoH budget. |
| *Equity withdrawals* | The decrease reflects the change in treatment of depreciation from cash withdrawal to non-cash withdrawal offsetting depreciation funding (non-cash) under user charges and fees. |

The explanation of major variances as reported in the Statement of Comprehensive Income and Statement of Financial Position, reflect all other major variances between budget and actual in the Statement of Cash Flow.

## SECTION F

## WHAT WE LOOK AFTER ON BEHALF OF THIRD PARTIES

# F1 TRUST TRANSACTIONS AND BALANCES

### F1-1 PATIENT TRUST RECEIPTS AND PAYMENTS

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **Trust receipts and payments** | | |
| Receipts | **103** | 231 |
| Payments | **(123)** | (240) |
| **Decrease in patient funds** | **(20)** | (9) |
| | | |
| **Trust assets and liabilities** | | |
| *Current assets* | | |
| Cash held and bank deposits* | **68** | 88 |
| **Total current assets** | **68** | 88 |

* Represents patient trust funds and refundable deposits

**Accounting Policy – Patient fiduciary fund transactions**

CHHHS undertakes patient fiduciary fund account transactions as trustee. These funds are received and held on behalf of patients with CHHHS having no discretion over the use of monies. As such they are not part of CHHHS 's assets recognised in the financial statements. Patient funds are not controlled by CHHHS but trust activities are included in the annual audit performed by the Auditor-General of Queensland.

### F1-2 GRANTED PRIVATE PRACTICE RECEIPTS AND PAYMENTS

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **Receipts** | | |
| Private practice receipts | **13,577** | 14,308 |
| **Total receipts** | **13,577** | 14,308 |
| | | |
| **Payments** | | |
| Payments to doctors | **2,877** | 3,408 |
| Payments to HHS for recoverable costs | **10,353** | 11,040 |
| **Total payments** | **13,230** | 14,448 |
| | | |
| **Increase/(decrease) in net right of private practice assets** | **347** | (140) |
| | | |
| **Right of private practice assets** | | |
| *Current assets* | | |
| Cash | **1,019** | 802 |
| **Total current assets** | **1,019** | 802 |

**Accounting Policy – Granted Private Practice arrangement**

CHHHS has a Granted Private Practice (GPP) arrangement in place.

Hospital and health services now hold the prerogative to grant a clinician limited rights to conduct private practice on the terms and conditions of the private practice schedule within the employment contract (granted private practice). These arrangements include options for revenue assignment or revenue retention. Revenue assignment allows 100% of private patient billings to be assigned to CHHHS and the clinician has full access to Attraction and Retention allowances. Revenue retention allows the clinician to access professional services revenue after the payment of service fees, GST and any service retention amount to CHHHS. For senior medical officers, this retention arrangement provides partial access to the Attraction and Retention allowance.

No expenses are payable for granted private practice aside from the doctors payments.

The Private Practice Trust Fund has been established to fund various educational, study and research programmes for CHHHS staff. A Study, Education, Research, Training and Administration (SERTA) committee approves the expenditure of this Fund.

Recoverables (service costs etc.) in respect of the retained revenue, which CHHHS is entitled to, are recorded in the Statement of Comprehensive Income.

**F1-2 GRANTED PRIVATE PRACTICE RECEIPTS AND PAYMENTS (continued)**

The only asset of the arrangement is cash, the balance of which is held in the Private Practice bank account. This account does not form part of the cash and cash equivalents of CHHHS but the activities are included in the annual audit performed by the Auditor-General of Queensland. As at 30 June 2025 the balance was $1.0M (2024: $0.8M).

## SECTION G

## OTHER INFORMATION

## G1 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES

### G1-1 KEY MANAGEMENT PERSONNEL

CHHHS's responsible Minister is identified as part of its key management personnel. This is consistent with additional guidance included in AASB 124 *Related Party Disclosures.* The Minister for Health and Ambulance Services is the Honourable Timothy Nicholls.

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of CHHHS during 2024-25. Further information on these positions can be found in the body of the annual report under the section Governance – Board membership and Executive Management.

| Position | Responsibilities | Contract classification and appointment authority | Date appointed to position (Date resigned from position, if applicable) |
|---|---|---|---|
| ***Cairns and Hinterland Hospital and Health Board*** | CHHHS is independently and locally controlled by the Cairns and Hinterland Hospital and Health Service Board. The Board appoints the Health Service Chief Executive and exercises significant responsibilities at a local level, including controlling the financial management of CHHHS and the management of CHHHS land and buildings (section 7 *Hospital and Health Board Act 2011*). | Appointments are under the provisions of the *Hospital and Health Board Act 2011* by Governor in Council. Notice is published in the Queensland Government Gazette. | |
| **Chair**<br>Christopher Boland | | | 16/05/2017<br>Appointed as Chair 01/04/2024 |
| **Deputy Chair****<br>Jodi Peters | | | 16/05/2017 |
| Gregory Nucifora | | | 18/05/2020 |
| Fiona Jose | | | 01/04/2022 |
| Aileen Traves | | | 01/04/2024 |
| Bevan Ah Kee | | | 01/04/2024 |
| Julia Leu | | | 01/04/2024 |
| Louise Prychidczuk | | | 01/04/2024 |
| **Chief Executive***<br>Leena Singh | Responsible to the Board for the efficient overall operational management of CHHHS and the achievement of its strategic objectives, as determined by the Board. Acts as principal advisor to the Board and provides the leadership of and guidance to the Executive Management Team of CHHHS. | s24 & s70 appointed by Board under Hospital and *Health Board Act 2011* (Section 7 (3)). | 27/02/2023 |
| **Chief Finance Officer***<br>Thomas Pamminger | Responsible to the Chief Executive to ensure the financial and fiscal responsibility of CHHHS are met. Provides governance arrangements to meet financial performance targets and imperatives. Provides strategic financial advice in all aspects of finance management and performance. | HES3.1 01 appointed by Chief Executive under *Hospital and Health Board Act 2011*. | 19/05/2025 |
| **A/Chief Finance Officer***<br>James McGuigan | Responsible to the Chief Executive to ensure the financial and fiscal responsibility of CHHHS are met. Provides governance arrangements to meet financial performance targets and imperatives. Provides strategic financial advice in all aspects of finance management and performance. | HES3.1 01 appointed by Chief Executive under *Hospital and Health Board Act 2011*. | 27/11/2024<br>(25/05/2025) |

| Position | Responsibilities | Contract classification and appointment authority | Date appointed to position (Date resigned from position, if applicable) |
|---|---|---|---|
| **Chief Finance Officer*** Vijayan Balasubramaniam | Responsible to the Chief Executive to ensure the financial and fiscal responsibility of CHHHS are met. Provides governance arrangements to meet financial performance targets and imperatives. Provides strategic financial advice in all aspects of finance management and performance. | HES3.1 01 appointed by Chief Executive under *Hospital and Health Board Act 2011*. | 02/10/2023 (17/12/2024) |
| **Executive Director Medical Services*** Donald Mackie | Responsible to the Chief Executive as the single point of accountability for clinical governance and professional leadership and direction of medical services across CHHHS . Provides medical executive leadership, strategic focus, managerial direction, authoritative counsel and expert advice on a wide range of professional and policy issues that meet safe professional practice standards. | L18 to L27 appointed by Chief Executive under *Medical Officers (Queensland Health) Certified Agreement (No.6) 2022* | 17/06/2019 |
| **Chief Operating Officer*** Jenelle Matic | Accountable to the Chief Executive, the Executive Director Cairns Services has the primary responsibility for delivering effective and efficient services of all clinical and non-clinical services and resources within the portfolio. | HES3.3 01 appointed by Chief Executive under *Hospital and Health Board Act 2011*. | 08/07/2024 |
| **A/Executive Director Cairns Services*** Susan Henderson | Accountable to the Chief Executive, the Executive Director Cairns Services has the primary responsibility for delivering effective and efficient services of all clinical and non-clinical services and resources within the portfolio. | HES3.1 01 appointed by Chief Executive under *Hospital and Health Board Act 2011*. | Acting in role from 03/03/2023 (14/07/2024) |
| **Executive Director Allied Health*** Tania Cavanagh | Responsible to the Chief Executive as the single point of accountability for clinical governance and professional leadership and direction of allied health services across CHHHS . Provides allied health executive leadership, strategic focus and authoritative counsel on professional and policy issues that meet safe professional practice standards. | HP8.4 01 appointed by Chief Executive under *Hospital and Health Board Act 2011*. | 01/07/2022 |
| **A/Executive Director Allied Health*** Linda Bailey | Responsible to the Chief Executive as the single point of accountability for clinical governance and professional leadership and direction of allied health services across CHHHS . Provides allied health executive leadership, strategic focus and authoritative counsel on professional and policy issues that meet safe professional practice standards. | HP8.4 01 appointed by Chief Executive under *Hospital and Health Board Act 2011* | Acting in role from 09/10/2024 (03/11/2024) |

| Position | Responsibilities | Contract classification and appointment authority | Date appointed to position (Date resigned from position, if applicable) |
|---|---|---|---|
| **Executive Director People & Culture*** Cheryl Winstanley | Responsible to the Chief Executive for the management and resolution of people and cultural issues within CHHHS . Provides strategic development and strategies to achieve maximum employee engagement, safety and productivity and to ensure CHHHS's capacity to attract and retain the skilled resources required. | HES2.3 01 appointed by Chief Executive under *Hospital and Health Board Act 2011* | 02/10/2023 |
| **A/Executive Director People & Culture*** Loretta Tolland | Responsible to the Chief Executive for the management and resolution of people and cultural issues within CHHHS . Provides strategic development and strategies to achieve maximum employee engagement, safety and productivity and to ensure CHHHS's capacity to attract and retain the skilled resources required. | HES2.3 01 appointed by Chief Executive under *Hospital and Health Board Act 2011.* | Acting in role from 31/10/2024 (17/11/2024) |
| **Executive Director Nursing and Midwifery*** Rachael Andrew | Responsible to the Chief Executive as the single point of accountability for clinical governance and professional leadership and direction of nursing and midwifery services across CHHHS . Provides nursing and midwifery executive leadership, strategic focus, managerial direction, authoritative counsel and expert advice on a wide range of professional and policy issues that meet safe professional practice standards. | Nurse Grade 13 (2) Nurses and Midwives (Queensland Health) Award – State 2015 in conjunction with Nurses and Midwives (Queensland Health and Department of Education and Training) Certified agreement (EB11) 2022 | 09/06/2025 |
| **A/Executive Director Nursing and Midwifery*** Leanne Boyd | Responsible to the Chief Executive as the single point of accountability for clinical governance and professional leadership and direction of nursing and midwifery services across CHHHS . Provides nursing and midwifery executive leadership, strategic focus, managerial direction, authoritative counsel and expert advice on a wide range of professional and policy issues that meet safe professional practice standards. | Nurse Grade 13 (2) Nurses and Midwives (Queensland Health) Award – State 2015 in conjunction with Nurses and Midwives (Queensland Health and Department of Education and Training) Certified agreement (EB11) 2022 | 13/01/2025 (03/06/2025) |
| **Executive Director Nursing and Midwifery*** Cameron Duffy | Responsible to the Chief Executive as the single point of accountability for clinical governance and professional leadership and direction of nursing and midwifery services across CHHHS . Provides nursing and midwifery executive leadership, strategic focus, managerial direction, authoritative counsel and expert advice on a wide range of professional and policy issues that meet safe professional practice standards. | Nurse Grade 13 (2) Nurses and Midwives (Queensland Health) Award – State 2015 in conjunction with Nurses and Midwives (Queensland Health and Department of Education and Training) Certified agreement (EB11) 2022 | 15/08/2022 (02/02/2025) |

| Position | Responsibilities | Contract classification and appointment authority | Date appointed to position (Date resigned from position, if applicable) |
|---|---|---|---|
| **Executive Director Aboriginal and Torres Strait Islander Health*** Simone Lukies | The Executive Director Aboriginal and Torres Strait Islander Health reports to the Chief Executive and will contribute to better outcomes for Aboriginal and Torres Strait Islander healthcare by developing and implementing strategies aimed at effectively managing the health and wellbeing of the Aboriginal and Torres Strait Islander Community. | HES2.3 01 appointed by Chief Executive under *Hospital and Health Board Act 2011.* | 08/01/2024 |
| **Executive Director of Strategy, Planning and Infrastructure*** Dean Davidson | Responsible to the Chief Executive for the design, implementation and continuous improvement of the integrated planning, strategy communications framework and systems. Also responsible for providing leadership, strategic focus and managerial direction for CHHHS Infrastructure. | HES2.3 01 appointed by Chief Executive under *Hospital and Health Board Act 2011.* | 15/01/2024 |

*Denotes directly employed by CHHHS.

**Jodi Peters was Acting Chair from 28/09/2024 – 20/01/2025

### G1-2 REMUNERATION EXPENSES

*Key management personnel – Executive management*

Remuneration policy for CHHHS key executive management personnel is set by the following legislation:

- *Hospital and Health Boards Act 2011*
- Industrial awards and agreements

Section 74 of the *Hospital and Health Boards Act 2011* provides that the contract of employment for health executive staff must state the term of employment, the person's functions and any performance criteria as well as the person's classification level and remuneration package.

Remuneration policy for CHHHS key executive management personnel is set by direct engagement common law employment contracts. The remuneration and other terms of employment for the key executive management personnel are also addressed by these common law employment contracts. The contracts provide for other benefits including motor vehicles and expense payments such as rental or loan repayments.

The following disclosures focus on the expenses incurred by CHHHS during the respective reporting periods that are attributable to key management positions. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income. Remuneration expenses for key management personnel comprise the following components:

- Short-term employee benefits include:
  - 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 – consisting of provision of vehicle and other expenses together with fringe benefits tax applicable to the benefit.
- 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 on termination, regardless of the reason for termination.

Key management personnel do not receive performance payments as part of their remuneration package.

*Key management personnel – Minister*

The Legislative Assembly of Queensland's Members' Remuneration Handbook outlines the ministerial remuneration entitlements. CHHHS does not incur any remuneration costs for the Minister for Health and Ambulance Services, but rather ministerial entitlements are paid primarily by the Legislative Assembly with some remaining entitlements provided by the Ministerial Services Branch with the Department of the Premier and Cabinet.

All ministers are reported as key management personnel of the Queensland Government. As such, the aggregate remuneration expenses for all Ministers are disclosed in the Queensland Government and Whole of Government consolidated financial statements, which are published as part of the Queensland Treasury Report on State finances.

*Key management personnel – Board*

Members of the Cairns and Hinterland Hospital and Health Board are appointed by the Governor in Council on recommendation of the Minister for Health and Ambulance Services. The Board is responsible for the governance and control of CHHHS, appointing the Health Service Chief Executive, setting CHHHS's strategic direction and monitoring CHHHS's financial and operational performance. Remuneration arrangements of

**G1-2 REMUNERATION EXPENSES (continued)**

the Board are approved by the Governor in Council and the Board members are paid annual fees consistent with the government titled "Remuneration procedures for part-time chairs and members of Queensland Government bodies".

**G1-3 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES**

| 1 July 2024 - 30 June 2025 | | | | | | |
|---|---|---|---|---|---|---|
| | Short Term Benefits | | Long Term Employee Benefits | Post Employment Benefits | Termination Benefits | Total Remuneration |
| Position | Monetary Expenses $'000 | Non-Monetary Benefits $'000 | $'000 | $'000 | $'000 | $'000 |
| **Chair** Christopher Boland | 90 | - | - | 11 | - | **101** |
| **Deputy Chair** Jodi Peters | 60 | - | - | 8 | - | **68** |
| **Board Member** Gregory Nucifora | 48 | - | - | 5 | - | **53** |
| **Board Member** Fiona Jose | 44 | - | - | 6 | - | **50** |
| **Board Member** Aileen Traves | 47 | - | - | 6 | - | **53** |
| **Board Member** Bevan Ah Kee | 44 | - | - | 6 | - | **50** |
| **Board Member** Julia Leu | 44 | - | - | 6 | - | **50** |
| **Board Member** Louise Prychidczuk | 45 | - | - | 6 | - | **51** |
| **Chief Executive** Leena Singh | 460 | 29 | 11 | 54 | - | **554** |
| **Chief Finance Officer** Thomas Pamminger | 32 | - | 1 | 4 | - | **37** |
| **Chief Finance Officer** Vijayan Balasubramaniam | 130 | 11 | 3 | 14 | 3 | **161** |
| **A/Chief Finance Officer** James McGuigan | 121 | - | 3 | 13 | - | **137** |
| **Executive Director Medical Services** Donald Mackie | 282 | 17 | 7 | 28 | - | **334** |
| **Chief Operating Officer** Jenelle Matic | 289 | - | 7 | 33 | - | **329** |
| **A/Executive Director Cairns Services** Susan Henderson | 13 | 17 | - | 1 | - | **31** |
| **Executive Director Allied Health** Tania Cavanagh | 266 | 17 | 6 | 31 | - | **320** |
| **A/Executive Director Allied Health** Linda Bailey | 20 | 17 | - | 2 | - | **39** |
| **Executive Director People & Culture** Cheryl Winstanley | 258 | - | 7 | 30 | - | **295** |
| **A/Executive Director People & Culture** Loretta Tolland | 10 | 17 | - | 1 | - | **28** |
| **Executive Director Nursing and Midwifery** Rachael Andrew | 18 | - | - | 2 | - | **20** |

**G1-3 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES (continued)**

| 1 July 2024 - 30 June 2025 | | | | | | |
|---|---|---|---|---|---|---|
| | Short Term Benefits | | Long Term Employee Benefits | Post Employment Benefits | Termination Benefits | Total Remuneration |
| Position | Monetary Expenses $'000 | Non-Monetary Benefits $'000 | $'000 | $'000 | $'000 | $'000 |
| **Executive Director Nursing and Midwifery** Cameron Duffy | 191 | - | 4 | 22 | - | **217** |
| **A/Executive Director of Nursing and Midwifery** Leanne Boyd | 134 | - | 3 | 14 | - | **151** |
| **Executive Director Aboriginal and Torres Strait Islander Health** Simone Lukies | 258 | - | 6 | 29 | - | **293** |
| **Executive Director of Strategy, Planning and Infrastructure** Dean Davidson | 242 | 17 | 6 | 28 | - | **293** |

**G1-3 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES (continued)**

| 1 July 2023 - 30 June 2024 | | | | | | |
|---|---|---|---|---|---|---|
| | Short Term Benefits | | Long Term Employee Benefits | Post Employment Benefits | Termination Benefits | Total Remuneration |
| Position | Monetary Expenses $'000 | Non-Monetary Benefits $'000 | $'000 | $'000 | $'000 | $'000 |
| **Chair** Christopher Boland | 54 | - | - | 8 | - | **62** |
| **Chair** Clive Skarott AM | 67 | - | - | 6 | - | **73** |
| **Deputy Chair** Luckbir Singh | 36 | - | - | 6 | - | **42** |
| **Board Member** Jodi Peters | 49 | - | - | 7 | - | **56** |
| **Board Member** Gregory Nucifora | 47 | - | - | 7 | - | **54** |
| **Board Member** Dr Amanda Roberts | 35 | - | - | 6 | - | **41** |
| **Board Member** Fiona Jose | 43 | - | - | 6 | - | **49** |
| **Board Member** Aileen Traves | 10 | - | - | 1 | - | **11** |
| **Board Member** Bevan Ah Kee | 10 | - | - | 1 | - | **11** |
| **Board Member** Julia Leu | 10 | - | - | 1 | - | **11** |
| **Board Member** Louise Prychidczuk | 10 | - | - | 1 | - | **11** |

**G1-3 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES (continued)**

| 1 July 2023 - 30 June 2024 | | | | | | |
|---|---|---|---|---|---|---|
| | Short Term Benefits | | Long Term Employee Benefits | Post Employment Benefits | Termination Benefits | Total Remuneration |
| Position | Monetary Expenses $'000 | Non-Monetary Benefits $'000 | $'000 | $'000 | $'000 | $'000 |
| **Board Member** Tracey Wilson | 17 | - | - | 3 | - | **20** |
| **Board Member** Nancy Long | 35 | - | - | 4 | - | **39** |
| **Chief Executive** Leena Singh | 457 | 28 | 12 | 56 | - | **553** |
| **Chief Finance Officer** Vijayan Balasubramaniam | 181 | 4 | 4 | 22 | - | **211** |
| **A/Chief Finance Officer** Tiaan Grobbelaar | 25 | 17 | 1 | 8 | - | **51** |
| **Executive Director Medical Services** Donald Mackie | 525 | 17 | 13 | 74 | - | **629** |
| **A/Executive Director Cairns Services** Susan Henderson | 245 | 17 | 6 | 33 | - | **301** |
| **Executive Director Allied Health** Tania Cavanagh | 253 | 17 | 6 | 30 | - | **306** |
| **Executive Director Rural and Remote Services** Tracey Morgan | 22 | 9 | - | 4 | - | **35** |
| **A/Executive Director Rural & Remote Services** Linda Bailey | 198 | 17 | 5 | 25 | - | **245** |
| **Executive Director People & Culture** Cheryl Winstanley | 187 | - | 4 | 22 | - | **213** |
| **A/Executive Director People & Culture** Raelene Burke | 72 | - | 2 | 8 | - | **82** |
| **Executive Director Nursing, Midwifery** Cameron Duffy | 291 | 17 | 7 | 39 | - | **354** |
| **Executive Director Aboriginal and Torres Strait Islander Health** Simone Lukies | 209 | - | 4 | 21 | - | **234** |
| **Executive Director Aboriginal and Torres Strait Islander Health** Maria Dorante | 47 | 9 | 1 | 11 | 2 | **70** |
| **Executive Director of Strategy, Planning and Infrastructure** Dean Davidson | 103 | 17 | 2 | 13 | - | **135** |

## G2 RELATED PARTY TRANSACTIONS

CHHHS does not have any subsidiaries, associates or joint ventures with other parties, other than its collaboration in Better Health NQ Alliance, and investment in Tropical Australian Academic Health Centre and a primary health network (refer to notes A3 and A4) and therefore no related parties of this kind to declare. CHHHS does not make loans to or receive loans from related parties.

### G2-1 PARENT ENTITY AND OTHER HHSs

CHHHS is controlled by the State of Queensland which is the ultimate parent entity. All State of Queensland controlled entities meet the definition of a related party under AASB 124 *Related Party Disclosures*.

*Department of Health*

CHHHS receives funding from the DoH in return for specific public health services, purchased by the DoH in accordance with a service agreement between the DoH and CHHHS. The service agreement is periodically reviewed and updated for changes in activities and prices of services delivered by CHHHS.

The signed service agreements are published and are publicly available on the Queensland Government website.

As outlined in Note B2-2, CHHHS is not a prescribed employer and CHHHS health service employees are employed by the DoH and contracted to work for CHHHS. The cost of contracted wages for 2024-25 is $952.4M (2024: $854.6M).

In addition to the provision of corporate services support (refer to Note B1-3), the DoH centrally manages, on behalf of CHHHS, a range of services including pathology testing, pharmaceutical drugs, clinical supplies, patient transport, telecommunications and technology services. These services are provided on a cost recovery basis. In 2024-25, these services totalled $252.6M (2024: $224.4M).

Refer to note B1-1 user charges and B1-2 funding for public health services.

Refer to note C2-1 receivables for DoH debtor balance as at 30 June 2025.

Refer to note C7-1 payables for DoH creditor balance as at 30 June 2025.

*Other Hospital and Health Services*

Payments to and receipts from other Hospital and Health Services occur to facilitate the transfer of patients, staff and other incidentals.

Refer to note C2-1 receivables for other inter hospital and health services debtor balance as at 30 June 2025.

### G2-2 KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in G1.

*Far North Queensland Hospital Foundation*

CHHHS has paid $0.2M to the Far North Queensland Hospital Foundation (FNQHF), for other supplies and services provided by the FNQHF to CHHHS, for 2024-25.

The balance of trust funds transferred from CHHHS to the FNQHF in 2019-20 are being carried as a Sundry Debtor item on the Statement of Financial Position. A total of $1.2M trust funds were transferred from CHHHS to FNQHF in 2019-20 for management and usage on behalf of CHHHS, as outlined in a Memorandum of Understanding between CHHHS and the FNQHF. The balance of the FNQHF Sundry Debtor totalled $0.4M as at 30 June 2025.

These transactions were conducted on an arms-length basis.

*Identified Close Family Members*

CHHHS employs and contracts 7,986 (MOHRI head count) staff through an arms-length process. Two board members and one Health Executive have been identified as having close family members employed by CHHHS. All transactions between CHHHS and key management personnel, including their close family members were on normal commercial terms and conditions and were immaterial in nature.

### G2-3 OTHER GOVERNMENT ENTITIES

CHHHS transactions with other government entities are on normal terms and conditions and were immaterial in nature.

The other government entities include:

*Department of Housing and Public Works*

CHHHS pays rent to Department of Housing and Public Works for government employee housing and property leases. Additionally, vehicle leasing and strategic fleet management services are provided by the Department of Housing and Public Works via QFleet.

*Queensland Treasury Corporation*

CHHHS has an investment bank account with the Queensland Treasury Corporation for general trust monies.

## G3 RESTRICTED ASSETS

CHHHS receives cash contributions primarily from private practice clinicians and external entities to provide for education, study and research in clinical areas. Contributions are also received from benefactors in the form of gifts, donations and bequests for stipulated purposes. At 30 June 2025, amounts of $1.3M (2024: $1.2M) in General Trust and $2.4M (2024: $1.8M) for research projects are set aside for the specified purpose underlying the contribution.

## G4 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

**Accounting standards applied for the first time**

No accounting standards or interpretations that apply to CHHHS for the first time in 2024-25 had any material impact on the financial statements.

**Accounting standards early adopted**

No Australian Accounting Standards have been early adopted for 2024-25.

## G5 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below:

AASB 18 *Presentation and Disclosure of Financial Statements*

AASB 18 replaces AASB 101 *Presentation of Financial Statements* and aims to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.

Consequential amendments have also been made to other accounting standards, including AASB 108 which will have its title changed from "Accounting Policies, Changes in Accounting Estimates and Errors" to "Basis of Preparation of Financial Statements", with content moved from AASB 101 to that standard.

The key changes introduced by AASB 18 include the following:

- Statement of profit or loss:
  - i. Income and expenses are required to be categorised as operating, financing or investing in the statement of profit or loss; and
  - ii. Two newly defined subtotals, namely 'operating profit' and 'profit before financing and taxes', to enhance comparison and analysis.
- Notes to the financial statements:
  - iii. Introduction of 'management-defined performance measures' with specific disclosures to be made about these in the notes (only relevant for certain entities).
- Primary statements and notes:
  - iv. Enhanced requirements aggregating and disaggregating information;
  - v. Guidance on whether information should be in the primary statements or in the notes; and
  - vi. Disclosures about items labelled 'other'.

AASB 18 is effective for not-for-profit public sector entities for annual reporting periods beginning on or after 1 January 2028. CHHHS will be required to prepare its financial statements in accordance with the requirements of AASB 18, and will seek further guidance from Queensland Treasury's Financial Reporting Requirements for Queensland Government Agencies from 2028-29.

AASB 2024-2 – *Classification and Measurement of Financial Instruments*

The Standard amends AASB 9 *Financial Instruments* and AASB 7 *Financial Instruments: Disclosures* to refine how financial assets and liabilities are classified, measured and presented in the financial statements. It provides clearer guidance on the classification of financial instruments based on their contractual cash flow characteristics and the entity's approach to managing them. Additionally, AASB 2024-2 addresses the treatment of certain financial instruments, including modifications to the criteria for hedge accounting and the treatment of certain embedded derivatives.

The amendments aim to improve the consistency and transparency of financial reporting, offering enhanced clarity for entities applying the classification and measurement principles for financial instruments.

The standard applies to annual periods beginning on or after 1 January 2026; however, is unlikely to have any material impact on CHHHS's financial statements for 2026-27 and future years.

## G6 CLIMATE RISK DISCLOSURE

Whole-of-Government climate-related reporting

The State of Queensland, as the ultimate parent of CHHHS, has published a wide range of information and resources on climate related risks, strategies and actions accessible via https://www.energyandclimate.qld.gov.au/climate.

The Queensland Sustainability Report (QSR) outlines how the Queensland Government measures, monitors and manages sustainability risks and opportunities, including governance structures supporting policy oversight and implementation. To demonstrate progress, the QSR also provides time series data on key sustainability policy responses. The QSR is available via Queensland Treasury's website at https://www.treasury.qld.gov.au/programs-and-policies/queensland-sustainability-report.

CHHHS accounting estimates and judgements – climate-related risks

CHHHS considers climate-related risks when assessing material accounting judgements and estimates used in preparing its financial report. Key estimates and judgements identified include the potential for changes in asset useful lives, changes in the fair value of assets, impairment of assets, the recognition of provisions or the possibility of contingent liabilities.

**G6 CLIMATE RISK DISCLOSURE (continued)**

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

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

# Cairns and Hinterland Hospital and Health Service

## Management Certificate

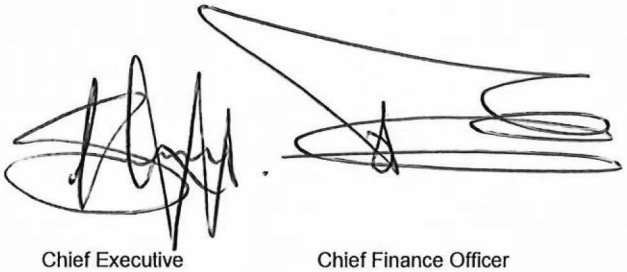
For the year ended 30 June 2025

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 Cairns and Hinterland Hospital and Health Service for the financial year ended 30 June 2025 and of the financial position of the Cairns and Hinterland 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 Christopher Boland | Leena Singh | Thomas Pamminger |
|---|---|---|
| B.E.(Hons)<br>GAICD | CA<br>BMS | BBus<br>FCANZ |
|  |  | |
| Chair | Chief Executive | Chief Finance Officer |
| 27/08/2025 | 27/08/2025 | 27/08/2025 |

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# INDEPENDENT AUDITOR'S REPORT

To the Board of Cairns and Hinterland Hospital and Health Service

## Report on the audit of the financial report

### Opinion

I have audited the accompanying financial report of Cairns and Hinterland Hospital and Health Service.

The financial report comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

In my opinion, the financial report:

a) gives a true and fair view of the entity's financial position as at 30 June 2025, and its financial performance and cash flows for the year then ended; and

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

### 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 (including independence standards)* (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.

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### *Valuation of specialised buildings ($1,252.5 million)*

Refer to note C4 in the financial report.

| Key audit matter | How my audit addressed the key audit matter |
|---|---|
| Buildings were material to Cairns and Hinterland Hospital and Health Service at balance date and were measured at fair value using the current replacement cost method.<br>Cairns and Hinterland Hospital and Health Service performed a comprehensive revaluation of all buildings/site improvements this year as part of the revaluation program.<br>The current replacement cost method comprises:<br>• gross replacement cost, less<br>• accumulated depreciation.<br>Cairns and Hinterland Hospital and Health Service derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for:<br>• identifying the components of buildings with separately identifiable replacement costs<br>• developing a unit rate for each of these components, including:<br>– estimating the current cost for a modern substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. $/square metre)<br>– 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.<br>The measurement of accumulated depreciation involved significant judgements for determining condition and forecasting the remaining useful lives of building components.<br>The significant judgements required for gross replacement cost and useful lives are also significant judgements for calculating annual depreciation expense. | My procedures included, but were not limited to:<br>• assessing the adequacy of management's review of the valuation process and results<br>• reviewing the scope and instructions provided to the valuer<br>• assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices<br>• assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices<br>• assessing the competence, capabilities and objectivity of the experts used to develop the models<br>• for unit rates, on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the:<br>– modern substitute (including locality factors and oncosts)<br>– adjustment for excess quality or obsolescence.<br>• evaluating useful life estimates for reasonableness by:<br>– reviewing management's annual assessment of useful lives<br>– at an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets<br>– testing that no building asset still in use has reached or exceeded its useful life<br>– enquiring of management about their plans for assets that are nearing the end of their useful life<br>– reviewing assets with an inconsistent relationship between condition and remaining useful life.<br>• where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence. |

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**Other Information**

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

**Responsibilities of the entity for the financial report**

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

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

**Auditor's responsibilities for the audit of the financial report**

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

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/auditors_responsibilities/ar6.pdf

This description forms part of my auditor's report.

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## Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2025:

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.

28 August 2025

D J Toma
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

# Appendix B – Glossary

| | |
|---|---|
| **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:<br>• capturing consistent and detailed information on hospital sector activity and accurately measuring the costs of delivery<br>• creating an explicit relationship between funds allocated and services provided<br>• strengthening management's focus on outputs, outcomes and quality<br>• 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<br>• providing mechanisms to reward good practice and support quality initiatives. |
| **Acute** | Having a short and relatively severe course of care in which the clinical intent or treatment goal is to:<br>• manage labour (obstetric)<br>• cure illness or provide definitive treatment of injury<br>• perform surgery<br>• relieve symptoms of illness or injury (excluding palliative care)<br>• reduce severity of an illness or injury<br>• protect against exacerbation and/or complication of an illness and/or injury that could threaten life or normal function<br>• perform diagnostic or therapeutic procedures. |
| **Admission** | A patient who undergoes a hospital's formal admission process as an overnight-stay patient or a same-day patient. |
| **Allied health** | 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; orthopaedics; pharmacy; physiotherapy; podiatry; prosthetics and orthotics; psychology; radiation therapy; sonography; speech pathology and social work. |
| **Clinical governance** | A framework by which health organisations are accountable for continuously improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish. |
| **Clinical workforce or staff** | Employees 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, that have a direct impact on clinical outcomes. |
| **Full-time equivalent (FTE)** | Refers to full-time equivalent staff currently working in a position. |

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|---|---|
| **Health Service Consultative Forum (HSCF)** | Consults on local workplace matters, workloads, workplace health and safety, recruitment issues and policies. It is attended by Executive Directors and has strategic oversight of people management issues, and is the peak body for unresolved matters from the local consultative forums. |
| **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** | Made up of a mix of members with expert skills and knowledge relevant to governing a complex healthcare organisation. |
| **Hospital and Health Service (HHS)** | Hospital and Health Services are separate legal entities established by the Queensland Government to deliver public hospital services. Hospital and Health Services commenced in Queensland on 1 July 2012, replacing existing health service districts. |
| **Inpatient** | A patient who is admitted to, and discharged from, the hospital on different dates (not same-day patients). |
| **Local Consultative Forum (LCF)** | A group of union representatives and management representatives that meet regularly to discuss work-related issues. The LCF is a consultative body for the purposes of informing staff about new initiatives, restructures or any changes including Workplace Reforms and then allows for feedback from staff, through their union representatives, about the proposals. |
| **Long wait** | A 'long wait' elective surgery patient is one who has waited longer than the clinically recommended time for 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. |
| **Outpatient** | Non-admitted individual accessing health service provided at a hospital or health service facility. |
| **Outpatient service** | Examination, consultation, treatment or other service provided to non-admitted, non-emergency patients in a speciality unit or under an organisational arrangement administered by a hospital. |

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|---|---|
| **Queensland Audit Office** | The Queensland Audit Office is the independent auditor of the public sector. |
| **QDAN** | Queensland Disposal Authority Number |
| **Statutory bodies** | A non-departmental government body established under an Act of Parliament. Statutory bodies can include corporations, regulatory authorities and advisory committees/councils. |
| **Sub-acute care** | Care for people who are not severely ill but need support to regain their ability to carry out activities of daily life after an episode of illness and/or changing health conditions. |
| **Telehealth** | Delivery of health-related services and information via telecommunication technologies, including:<br>• live audio and or/video interactive links for clinical consultations and educational purposes<br>• store and forward Telehealth, including digital images, video, audio and clinical notes (stored) on a client computer, then transmitted securely (forwarded) to a clinic at another location where they are studied by relevant specialists<br>• tele-radiology for remote reporting and clinical advice for diagnostic images<br>• Telehealth services and equipment to monitor patients' health in their homes. |
| **Weighted Activity Unit** | A standard unit used to measure all patient care activity consistently. The more resource intensive an activity is, the higher the weighted activity unit. This is multiplied by the standard unit cost to create the 'price' for the episode of care. |

# Appendix C – Compliance Checklist

| Summary of requirement | | Basis for requirement | Annual report reference |
|---|---|---|---|
| **Letter of compliance** | • **A letter of compliance from the accountable officer or statutory body to the relevant Minister/s** | ARRs – section 7 | 4 |
| **Accessibility** | • **Table of contents**<br>• **Glossary** | ARRs – section 9.1 | 5<br>Appendix B |
| | • **Public availability** | ARRs – section 9.2 | 2 |
| | • **Interpreter service statement** | *Queensland Government Language Services Policy*<br>ARRs – section 9.3 | 2 |
| | • **Copyright notice** | *Copyright Act 1968*<br>ARRs – section 9.4 | 2 |
| | • **Information Licensing** | *QGEA – Information Licensing*<br>ARRs – section 9.5 | 2 |
| **General information** | • **Introductory Information** | ARRs – section 10 | 9 |
| **Non-financial performance** | • **Government's objectives for the community and whole-of-government plans/specific initiatives** | ARRs – section 11.1 | 6 |
| | • **Agency objectives and performance indicators** | ARRs – section 11.2 | 32 |
| | • **Agency service areas and service standards** | ARRs – section 11.3 | 36 |
| **Financial performance** | • **Summary of financial performance** | ARRs – section 12.1 | 39 |
| **Governance – management and structure** | • **Organisational structure** | ARRs – section 13.1 | 23 |
| | • **Executive management** | ARRs – section 13.2 | 21 |
| | • **Government bodies (statutory bodies and other entities)** | ARRs – section 13.3 | 19 |
| | • **Public Sector Ethics** | *Public Sector Ethics Act 1994*<br>ARRs – section 13.4 | 30 |
| | • **Human Rights** | *Human Rights Act 2019*<br>ARRs – section 13.5 | 31 |
| | • **Queensland public service values** | ARRs – section 13.6 | 9 |
| **Governance – risk management and accountability** | • **Risk management** | ARRs – section 14.1 | 28 |
| | • **Audit committee** | ARRs – section 14.2 | 20 |
| | • **Internal audit** | ARRs – section 14.3 | 28 |
| | • **External scrutiny** | ARRs – section 14.4 | 29 |
| | • **Information systems and recordkeeping** | ARRs – section 14.5 | 30 |
| | • **Information Security attestation** | ARRs – section 14.6 | 29 |
| | • **Strategic workforce planning and performance** | ARRs – section 15.1 | 25 |

| | | | |
|---|---|---|---|
| **Governance – human resources** | • **Early retirement, redundancy and retrenchment** | Directive No.04/18 *Early Retirement, Redundancy and Retrenchment*<br>ARRs – section 15.2 | 27 |
| **Open Data** | • **Statement advising publication of information** | ARRs – section 16 | 2 |
| | • **Consultancies** | ARRs – section 31.1 | https://data.qld.gov.au |
| | • **Overseas travel** | ARRs – section 31.2 | https://data.qld.gov.au |
| | • **Queensland Language Services Policy** | ARRs – section 31.3 | https://data.qld.gov.au |
| | • **Charter of Victims' Rights** | *VCSVRB Act 2024*<br>ARRs – section 31.4 | https://data.qld.gov.au |
| **Financial statements** | • **Certification of financial statements** | FAA – section 62<br>FPMS – sections 38, 39 and 46<br>ARRs – section 17.1 | Appendix A |
| | • **Independent Auditor's Report** | FAA – section 62<br>FPMS – section 46<br>ARRs – section 17.2 | Appendix A |

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

ANNUAL REPORT 2024–2025
**Cairns and Hinterland Hospital and Health Service**
www.cairns-hinterland.health.qld.gov.au