Metro North Hospital and Health Service

ANNUAL REPORT

2017–2018

Queensland Government

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Accessibility

Public Availability

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

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

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Interpreter Services Statement

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

If you have difficulty in understanding the annual report, please contact us on 07 3646 8111 and we will arrange an interpreter to communicate the report to you effectively.

Information Security

This document has been security classified using the Queensland Government Information Security Classification Framework (QGISCF) as UNCLASSIFIED – FINAL VERSION and will be managed according to the requirements of the QGISCF.

Letter of Compliance

Metro North
Hospital and Health Service

5 September 2018

The Honourable Steven Miles MP
Minister for Health and
Minister for Ambulance Services
GPO Box 48
BRISBANE QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2017-18 and Financial Statements for Metro North Hospital and Health Service.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be found at page 101 of this annual report.

Yours sincerely

Dr Robert Stable AM
Chair
Metro North Hospital and Health Board

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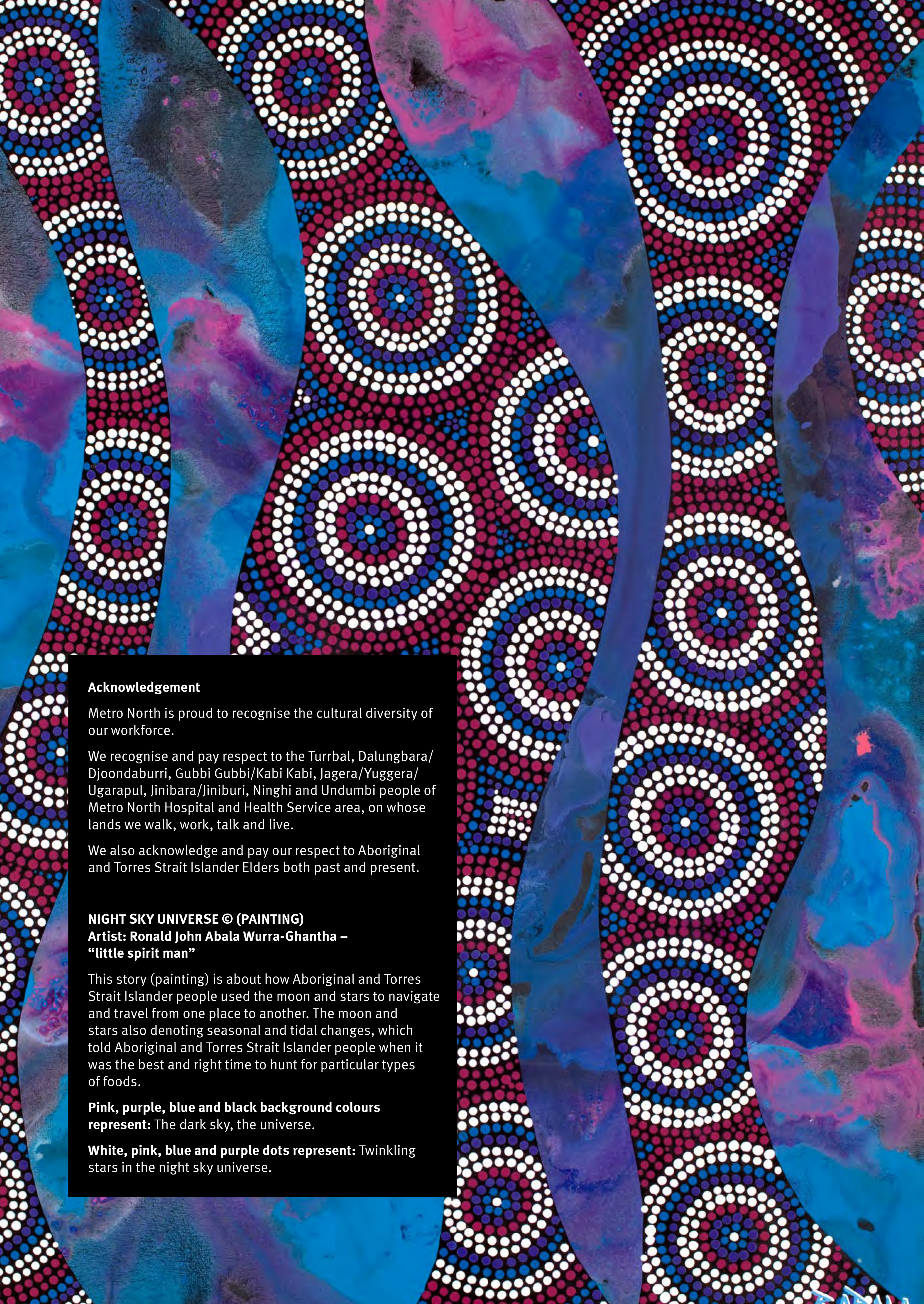

Acknowledgement

Metro North is proud to recognise the cultural diversity of our workforce.

We recognise and pay respect to the Turrbal, Dalungbara/Djoondaburri, Gubbi Gubbi/Kabi Kabi, Jagera/Yuggera/Ugarapul, Jinibara/Jiniburi, Ninghi and Undumbi people of Metro North Hospital and Health Service area, on whose lands we walk, work, talk and live.

We also acknowledge and pay our respect to Aboriginal and Torres Strait Islander Elders both past and present.

NIGHT SKY UNIVERSE © (PAINTING)
Artist: Ronald John Abala Wurra-Ghantha – "little spirit man"

This story (painting) is about how Aboriginal and Torres Strait Islander people used the moon and stars to navigate and travel from one place to another. The moon and stars also denoting seasonal and tidal changes, which told Aboriginal and Torres Strait Islander people when it was the best and right time to hunt for particular types of foods.

Pink, purple, blue and black background colours represent: The dark sky, the universe.

White, pink, blue and purple dots represent: Twinkling stars in the night sky universe.

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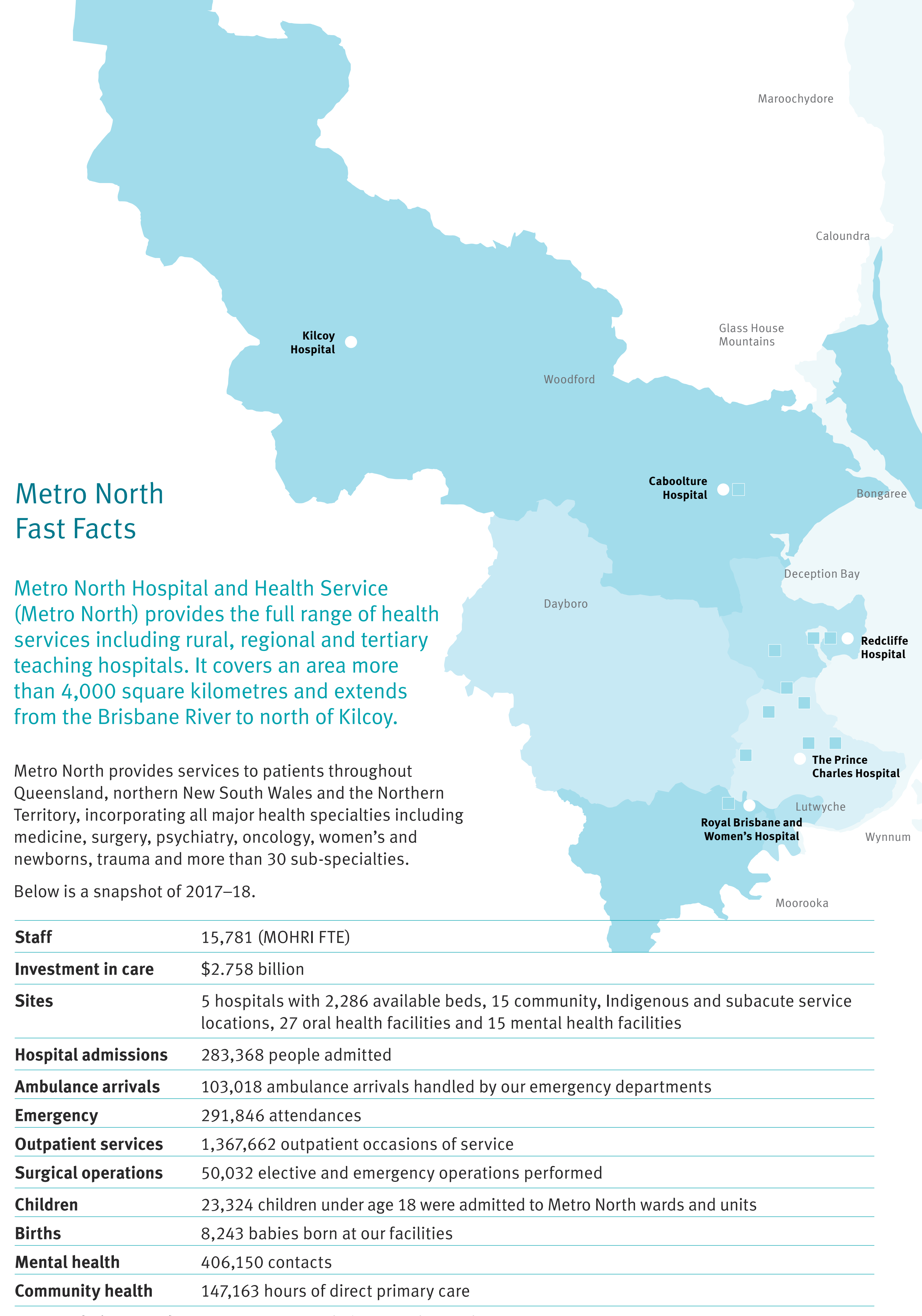


Metro North Fast Facts

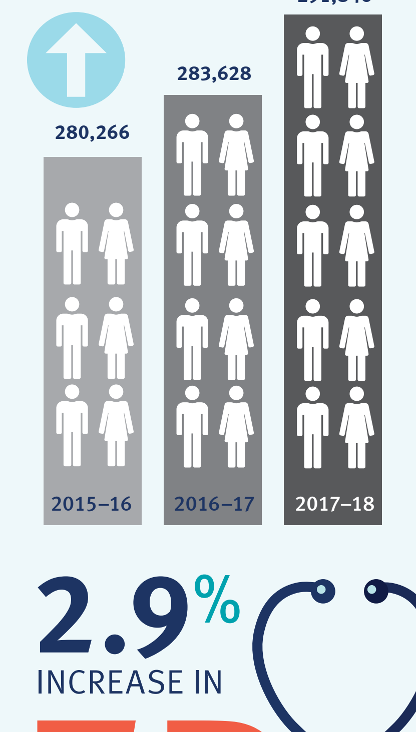
Metro North Hospital and Health Service (Metro North) provides the full range of health services including rural, regional and tertiary teaching hospitals. It covers an area more than 4,000 square kilometres and extends from the Brisbane River to north of Kilcoy.

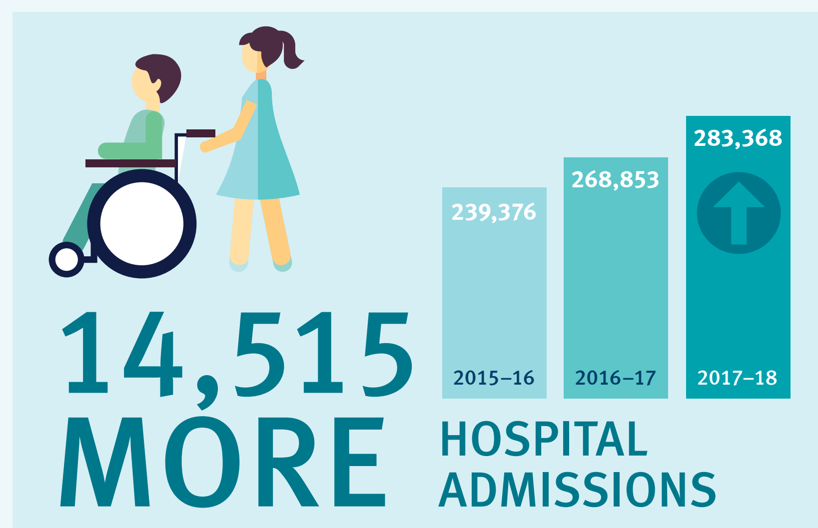
Metro North provides services to patients throughout Queensland, northern New South Wales and the Northern Territory, incorporating all major health specialties including medicine, surgery, psychiatry, oncology, women's and newborns, trauma and more than 30 sub-specialties.

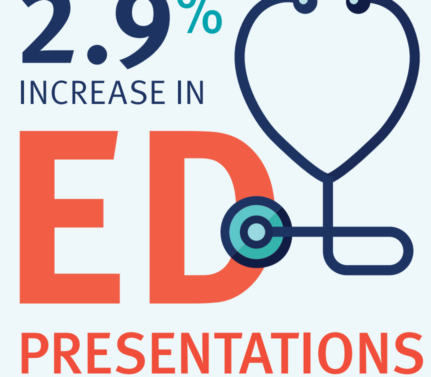
Below is a snapshot of 2017–18.

Staff	15,781 (MOHRI FTE)
Investment in care	$2.758 billion
Sites	5 hospitals with 2,286 available beds, 15 community, Indigenous and subacute service locations, 27 oral health facilities and 15 mental health facilities
Hospital admissions	283,368 people admitted
Ambulance arrivals	103,018 ambulance arrivals handled by our emergency departments
Emergency	291,846 attendances
Outpatient services	1,367,662 outpatient occasions of service
Surgical operations	50,032 elective and emergency operations performed
Children	23,324 children under age 18 were admitted to Metro North wards and units
Births	8,243 babies born at our facilities
Mental health	406,150 contacts
Community health	147,163 hours of direct primary care
X-ray and ultrasound	300,333 x-ray and ultrasound attendances
Dental	770,332 weighted occasions of service
Breastscreens	43,031 breastscreens performed

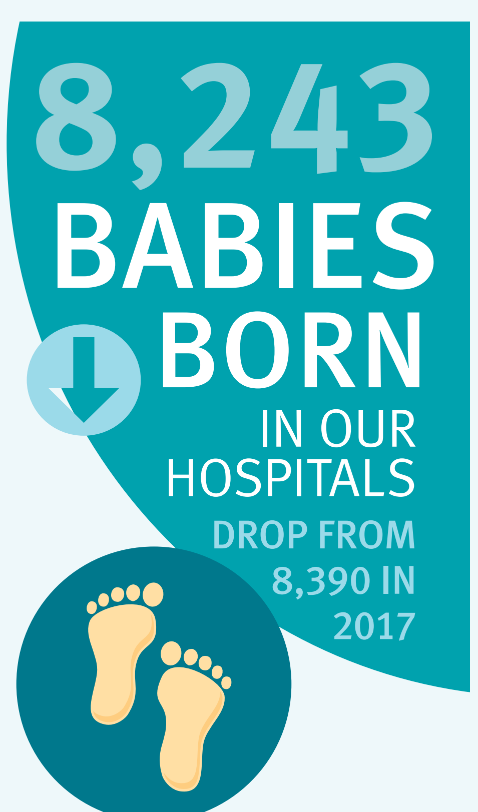
■ *community health centres/facilities*

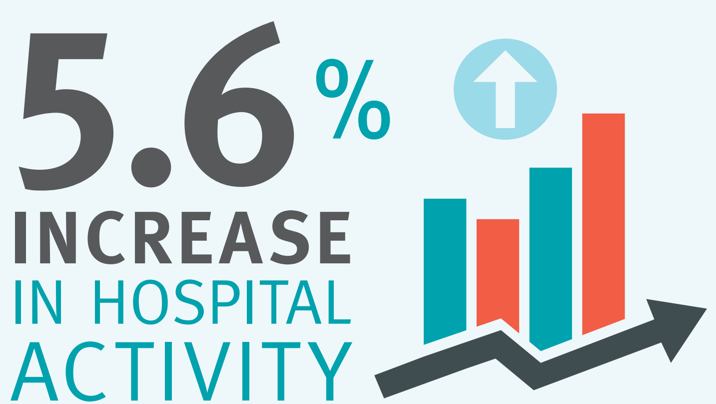






103,018	2017–18
98,483	2016–17
94,824	2015–16





Message from the Board Chair and Chief Executive

With more than one million people in our local catchment, Metro North Hospital and Health Service takes seriously its responsibilities as Australia's largest public health service. These responsibilites extend beyond the provision of good healthcare, and include healthcare that suits the individual needs of patients as best as possible.

Metro North demonstrated the commitment to providing healthcare that takes into account not only the clinical outcomes but also the personal goals of patients with the introduction of a value based healthcare unit. By adopting the value based healthcare model, it has provided the impetus for staff to work in partnership with the patient and their family to ask what they want from their treatment to ensure positive outcomes and experiences.

In the past year, Metro North staff have committed to demonstrating the organisation's values in the way they care for their patients and interact with colleagues through the Values in Action program, designed to make Metro North Australia's biggest, best and nicest health service. This program comprises six main bodies of work focused on how Metro North recruits, retains and develops the right people, supports staff wellbeing, creates a culture of safety and respect, and rewards, recognises and celebrates staff both formally and informally. Values in Action also reflects the dedication of the Clinical Councils to supporting staff.

A major component of this work is the values based recruitment model and the refresh of orientation processes for new staff. During the financial year, Metro North staff grew by 3.8 per cent to 18,935 people. This equates to a 4.1 per cent increase in full-time equivalent staff from 15,162 to 15,781.

During 2017-18, Metro North service volumes and coverage have continued to grow. The year saw 14,515 more admissions, and 8,218 more presentations at emergency departments. Staff cared for 2.4 per cent more acute patients and provided 4.1 per cent more outpatient care. In addition, Metro North continued to reduce the number of people waiting longer than clinically recommended for a specialist outpatient appointment by 10.5 per cent, from 7,225 to 6,463 at June 30.

To meet this demand, investment in care in 2017-18 was $2.758 billion, up from $2.580 billion the previous year. However, Metro North continued to operate well below the Queensland Efficient Price, resulting in delivering an efficiency dividend of $204 million to the state funding pool. The service also finished the year with a modest surplus. During the year, staff worked closely with the Queensland Treasury Corporation to analyse current and forecast service demands, as well as where organisational efficiency can be improved.

"Our staff have committed to demonstrating our organisational values in the way we care for our patients and interact with colleagues through our Values in Action program, designed to make Metro North Australia's biggest, best and nicest health service."

Metro North plays a major role in leading the innovation of healthcare services for Queensland. During 2017-18, it played a key role in leading the replacement of the state's health financing system, rolling out a new risk management system, implementing a new learning management system, supporting the selection of a new pathology system and a new practice management system, and preparatory work to roll out a new electronic patient medical system throughout the health service.

Partnerships like the Health Alliance with the Brisbane North PHN and the Community Board Advisory Group contribute to the excellence of the care provided. Metro North also works closely with the hospital foundations, which raise money for research and hospital improvements, and help manage volunteer helpers. Through these important partnerships, the community can be assured of seamless care that is responsive to their needs. Staff are committed to providing appropriate and accessible care for vulnerable people like those who are frail and elderly, people with mental health issues and disabilities, children, and people with socioeconomic disadvantage. Preparation for the National Disability Insurance Scheme continued throughout the year with training and resources available to staff across the health service. The successes of the partnerships include training for GPs to provide more treatment options for patients with breaks and sprains, a GP with Special Interest headache clinic, and the Geriatric Outreach and Assessment Service at The Prince Charles Hospital.

In 2018, Metro North opened a new community based mental health facility which provides a step up, step down model. Nundah House provides an alternative to hospitalisation for people either completing or starting a course of treatment. Redcliffe Hospital completed the first stages of a redevelopment that will ensure it meets the future needs of the local community, including a new pathology laboratory. The redevelopment of Caboolture Hospital continued with construction completed on a new outpatient services building and 300-space car park. The $1.1 billion Herston Quarter redevelopment continued including design and consultation for the new specialist public health facility.

Metro North strengthened its commitment to closing the health gap for Aboriginal and Torres Strait Islander people during the year with development of the first directorate Reconciliation Action Plan for Community, Indigenous and Subacute Services, in partnership with the local community. Additionally, six Indigenous school-based trainees were recruited for a two-year program, and work began on an Indigenous workforce strategy. The annual NAIDOC Week family fun day event at Caboolture was once again a strong community celebration.

Dr Robert Stable AM
Chair
Metro North Hospital and Health Board

Mr Shaun Drummond
Chief Executive
Metro North Hospital and Health Service

About our health service

Established on 1 July 2012 Metro North Hospital and Health Service (Metro North) is an independent statutory body overseen by a local Hospital and Health Board under the *Hospital and Health Boards Act 2011* (Qld).

Metro North delivers responsive, integrated, and connected care to local communities and provides specialty services for patients throughout Queensland, northern New South Wales and the Northern Territory. Our clinical services incorporate all major health specialties including medicine, surgery, psychiatry, oncology, women's and newborns, trauma and more than 30 sub-specialties.

Vision

Changing the face of healthcare through compassion, commitment, innovation and connection.

OBJECTIVE 1

To always put people first.

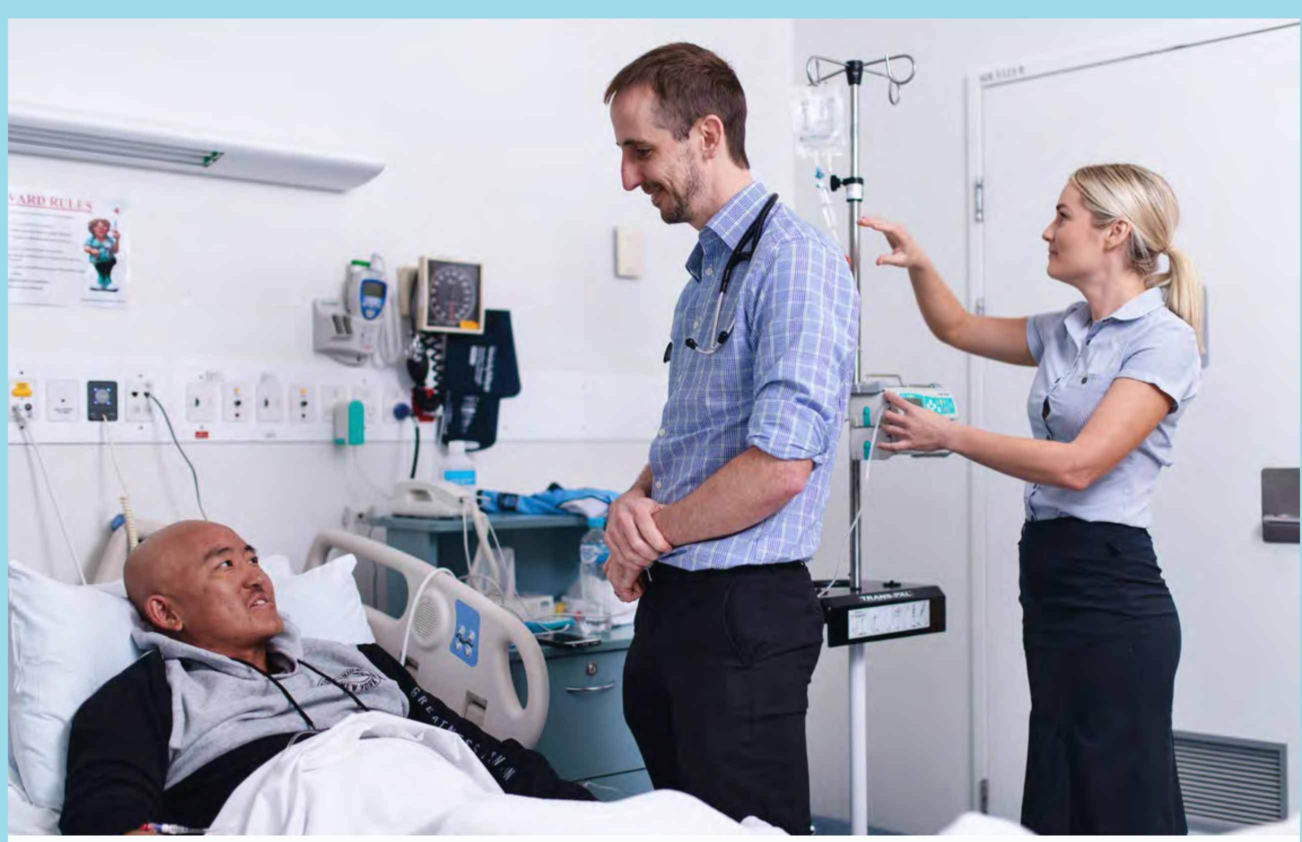
OBJECTIVE 2

To improve health equity, access, quality, safety and health outcomes.

OBJECTIVE 3

To deliver value based health services through a culture of research, education, learning and innovation.

Continued on page 12 ›



IMPROVING HEALTH OUTCOMES

STREAMLINING CARE FOR CANCER PATIENTS

An Australian first multidisciplinary model is streamlining care for cancer patients at Royal Brisbane and Women's Hospital (RBWH).

Cancer Care Services introduced the Accountable Care Unit (ACU) model in December 2017. The model includes Structured Interdisciplinary Bedside Rounds (SIBR), which has been embraced by both staff and patients.

The SIBR model brings together all the clinicians involved in a patient's care for daily ward rounds, rather than each person visiting the patient separately. It gives patients the opportunity to ask questions and receive consistent information about their care.

RBWH Cancer Care was the first Australian hospital ward to introduce the ACU and SIBR model. Overseas, the model has been consistently associated with improvements in clinical outcomes, costs, patient satisfaction, interdisciplinary collaboration, and staff morale.

Haematology Resident Medical Officer Dr Ross Lindell-Innes said at first he couldn't see how the round would fit into a busy ward, but now couldn't imagine the ward without it.

"The one thing I have loved about it is the multidisciplinary input. With SIBR everyone is there. It closes that communication loop really quickly and efficiently, every single day," Dr Lindell-Innes said.

Since the introduction of ACU, more than 1,400 Cancer Care patients have received the SIBR model of care during their stay at RBWH.

The successful program will now be introduced in other services, with Caboolture Hospital commencing ACU and SIBR in July 2018.

IMPROVING ACCESS

TELEPHONE NUTRITION SUPPORT FOR NEW MUMS

Nutritionists at Royal Brisbane and Women's Hospital (RBWH) are providing support and advice to pregnant women over the phone.

Living Well During Pregnancy is a new program delivered by RBWH maternity dietitian Hilary Powlesland to help mums-to-be achieve a healthy pregnancy.

The program provides convenient tailored support, motivation and advice to help women eat well, keep active and achieve their lifestyle goals.

Ms Powlesland said the free program is for RBWH patients who are above a healthy weight at the start of pregnancy or who are gaining weight more quickly than recommended.

"A lot of these women are at an increased risk of high blood pressure, gestational diabetes and caesarean sections, so this program is designed to give women the support they need to achieve a healthy pregnancy and reduce these risks," Ms Powlesland said.

"I understand just how challenging it can be trying to find time to make healthy meals and be active, while juggling a family, work and other commitments. By providing this service over the phone, we can talk to women from the comfort and privacy of their own home or workplace."

Continued from page 10 ›

A comprehensive and diverse range of health services are delivered from:

- The Royal Brisbane and Women's and The Prince Charles Hospitals, tertiary/quaternary referral facilities, providing advanced levels of healthcare which are highly specialised, such as heart and lung transplantation, genetic health and burns treatment.
- Redcliffe and Caboolture Hospitals, major community hospitals providing a comprehensive range of services across the care continuum.
- Kilcoy Hospital, a regional community hospital.
- Mental Health, Oral Health, and Community, Indigenous and Subacute Services are provided from many sites including hospitals, community health centres, residential and extended care facilities and mobile service teams.
- A dedicated Public Health Unit focused on preventing disease, illness and injury and promoting health and wellbeing across the community.
- Woodford Correctional Centre, which provides offender health services.
- The state-wide Clinical Skills Development Centre is one of the world's largest providers of healthcare simulation.

The Strategic Plan 2016–20 outlines how we will meet the needs of our growing population over the duration of the plan.

5.4% increase from previous year

IMPROVING ACCESS

VITAL EXPANSION FOR NEORESQ SERVICE

Queensland's specialist neonatal retrieval service, NeoRESQ, has expanded its services with two additional clinical rooms and updated technology.

In the past 12 months, more than 470 babies requiring urgent care have been retrieved by NeoRESQ around the state.

Royal Brisbane and Women's Hospital (RBWH) Director of Neonatology Dr Pieter Koorts said he looked forward to the increasing support across regional and rural hospitals.

"Our team is very privileged to have been able to help so many parents and their babies with this service and we are thrilled to be able to help so many more," Dr Koorts said.

The expansion will also include a world class simulation centre that will use telehealth to assist patients in regional hospitals, where nearly 20 per cent of admissions come from.

This will enable NeoRESQ to support maternity departments in regional hospitals to determine the best method of care for premature babies, and aid in antenatal counselling. It will mean infants can receive care closer to home.

"At the end of the day, all we care about is saving little lives, and this is going to help us do just that," Dr Koorts said.

NeoRESQ is a collaboration between RBWH and the Mater Mother's Hospital, and was launched in 2015.

IMPROVING SAFETY

ROBOTIC TECHNOLOGY TO OPTIMISE MEDICATION MANAGEMENT

Robots are enabling safer, more effective and more efficient medication management across Metro North hospitals.

More than $100 million worth of medications are supplied across Metro North hospitals and health services each year.

Director of Pharmacy at Royal Brisbane and Women's Hospital (RBWH) Associate Professor Ian Coombes said that managing medication inventory through robotics will bring a raft of benefits to patients' health outcomes as well as to the business of running a hospital.

Pharmacist at The Prince Charles Hospital Meghan Winterflood trials the new Pyxis system in the Emergency Department.

"Medication management is complex and multifaceted and involves a number of different processes and people; for example, doctors, nurses and pharmacists, as well the patient themselves," Assoc Prof Coombes said.

"The reality of current processes is that pharmacists spend much of their time manually storing, distributing and dispensing medications. This reduces the time they can spend on more important and more complex aspects of their job, such as clinically assessing and optimising therapy, and advising patients on medicine use."

As part of Metro North's Electronic Medication Management Plan, Pyxis MedStations have been rolled out in Emergency Departments at Redcliffe, RBWH and The Prince Charles and Caboolture Hospitals.

"Using electronic systems to carry out medication storage and dispensing will reduce the time it takes between when the script is written and the delivery of medications to patients," Assoc Prof Coombes said.

Pyxis also provides additional security, with measures like fingerprint access and barcode scanning to track what is being used and where. It also reduces the risk of an unintended medication being accidentally picked up by only providing access to the medicine that has been pre-selected.

As part of Metro North's Electronic Medication Management plan, a pharmacy robot (CEDRIC) has been implemented in the Cancer Care pharmacy at RBWH to more safely and efficiently automatically pick and store medications. Another huge tandem robot is scheduled to go live in RBWH's main pharmacy in July 2018.

In addition to robotics, an Electronic Prescribing and Medication Administration system (MedChart) is being piloted in selected wards at Caboolture Hospital and RBWH to test the vision of achieving a complete cycle of medication management from prescribing to dispensing, to patient supply and administration.

The results of this proof of concept will be used to inform Metro North on the benefits and potential issues of deploying electronic prescribing more broadly across Metro North.

The rollout of these projects is a core component for Closed Loop Electronic Medication Management (CLEMM) and a fundamental building block for digital hospital readiness.

NGARRAMA FAMILY PROVIDES SUPPORT FOR NEW MUMS

A new service designed to support Aboriginal and Torres Strait Islander families during the first 1,000 days of a child's life has opened in Brisbane.

Ngarrama Social Worker Madeline Mitchell

The Ngarrama Family service operates in conjunction with Ngarrama Maternity to help women and their families from pregnancy through to when a child turns two. It provides a culturally appropriate framework to assist with continuity of care.

The services are dependent on the family's needs with emphasis on assisting families transitioning to other service providers of choice within the community. In the first phase of roll out, Ngarrama Family accepts antenatal and post birth referrals from Redcliffe and Caboolture Ngarrama Maternity services. Royal Brisbane and Women's Hospital and other referral services in Metro North will follow.

The Ngarrama Family team is based at Aspley Community Health Centre and includes Indigenous health workers, child health nurses and social workers. The team also provides antenatal support for families requiring extra assistance during pregnancy.

DELIVERING FOR THE COMMUNITY

Metro North's strategic objectives contribute to the Queensland Government's objectives of *Keep Queensland Healthy* and *Give all our children a great start*.

Government priorities

Metro North is contributing to the following whole of government initiatives and national agreements:

My health, Queensland's future: Advancing health 2026

Metro North is continuing to improve services for our patients and families, optimising the potential of our people, being adaptable and responsive to change, embedding an organisational culture of ethical and fair decision making, better connecting care across the health continuum and across sectors, increasing our commitment to research, adopting new technologies, and pursuing new and renewed infrastructure.

Closing the Gap

Continuing to deliver health service initiatives and undertaking research which is contributing toward progress of the Council of Australian Governments (COAG) targets to close the gap in Aboriginal and Torres Strait Islander life expectancy by 2031, and to halve the gap in child mortality by 2018.

Advancing Our Cities and Regions Strategy

Construction commenced on a state of the art public health facility as part of the $1.1B Herston Quarter redevelopment. The new centre will deliver 184 beds to provide specialist, rehabilitation surgery and care and complement the specialised health, research and innovation activities of the Quarter.

Implementation of the NDIS

During 2017-18, Metro North has worked closely with the Department of Health, Department of Communities, Child Safety and Disability Services, and the NDIA to prepare for the NDIS transition in our community from 1 July 2018. Kilcoy in the north of our boundary has already commenced implementation.

Metro North is a registered NDIS provider for specialist disability supports for Mental Health, Rehabilitation Engineering Centre (modifies wheelchairs and mobility devices for people with disabilities), and The Halwyn Centre (43 permanent bed and 9 respite bed facility which supports people with complex high-care needs).

Tackling occupational violence

Metro North is leading the state-wide implementation of the recommendations of the Occupational Violence Prevention in Queensland Health's Hospital and Health Services Taskforce Report. Working in collaboration with the Department of Health, Hospital and Health Services, Queensland Police Service, unions, Queensland Clinical Senate, Queensland Ambulance Service and other key stakeholders to deliver initiatives including:

- expanding the use of body worn cameras and additional CCTV in hospitals
- trialling an occupational violence risk assessment app across two hospital and health services
- developing and trialing a peer support program
- developing an occupational violence competency framework
- publishing an overarching policy, outlining Metro North's commitment to supporting staff who have been affected by occupational violence.

CULTURE OF INNOVATION

REDCLIFFE HOSPITAL PHARMACY INNOVATIONS

Pharmacists at Redcliffe Hospital have introduced innovative programs to improve patient safety and care.

Responding to growing community and clinical concern over the overuse of opioid medications in Australia, Redcliffe Hospital has introduced an Opioid Stewardship Service (OSS).

Redcliffe Hospital's Director of Pharmacy Geoff Grima said the OSS provides clinicians with an expert advisory service on best practice around opioid pain medications.

"Since we began the service there has been a reduction in the quantity of opioid medications being prescribed through the hospital. That means our patients are receiving better, safer, and more appropriate care, and we're playing an active role in solving a national problem," Mr Grima said.

He said a second initiative, the Medication Management Service (MMS), had been developed in response to research showing some patients were returning to the hospital's emergency department after being discharged because of problems they were having with their medications.

"The MMS provides patients being discharged with a private one-on-one consultation with a pharmacist in a supportive environment away from the ward," Mr Grima said.

Redcliffe Hospital Pharmacy Director Geoff Grima with Pharmacist Benita Suckling.

"During these consultations, pharmacists review a patient's medications and talk openly with them to resolve any concerns or problems they may have with taking their medications as directed when they go home."

The Redcliffe Hospital MMS has seen more than 1,300 patients, with feedback showing patients were finding the service helpful and were feeling more confident about their medications.

HEALTHY PARTNERSHIP GROWING WITH THE MEN’S SHED

A partnership between Community, Indigenous and Subacute Services (CISS) and the Sandgate and Districts Men’s Shed is having a positive effect on patients recovering from serious injury.

A partnership between the Sandgate and District Men’s Shed and Brighton Health Campus is helping patient recovery following stroke and serious trauma.

CISS Acting Executive Director Tami Photinos said the strong partnership is resulting in good health outcomes for patients and residents at Brighton Health Campus.

“The Men’s Shed members have joined our allied health staff to create a range of helpful items to support the care we provide,” Ms Photinos said.

“The Men’s Shed have created innovative rehabilitation aids for use in the gym area, including step-up blocks for balance assessments and exercises, and dexterity boxes with latches, lids and locks for patients that require help to improve their coordination, memory and fine motor skills.

“They have created personal dressing aids to help people who are having difficulty bending over, and a number of fun items such as quoits stands and small bowling alleys for rehabilitation of patients and resident entertainment.”

The Brighton Health Campus has a range of services for adults who required specialised residential or aged care services, or who are recovering from serious injury of illness.

The Sandgate and District Men’s Shed is a not-for-profit organisation that creates traditional toys, furniture and memorabilia for the community and Brighton Health Campus. The Shed has opened doors to residents and patients as a friendly place to spend time, to interact, complete meaningful projects, and ultimately remain active.

Jacana Acquired Brain Injury (ABI) Centre resident Ken Broad said the best thing about the Men’s Shed was the interaction with the volunteers and members.

“It is good to sit down and have a cup of coffee and gossip about things done in the past or holidays. Also seeing some of the items that have been crafted and are now on display,” Mr Broad said.

Since the Men’s Shed moved to the Brighton Health Campus in July 2016 membership has increased from 12 to more than 60 members, including residents at Brighton, Cooinda and Jacana ABI Bracken Ridge.

The Shed members themselves are from the local community and the social connection and support they provide each other as they age is invaluable in keeping them well and supported to age in place.

OUTREACH SERVICE IMPROVES CARE FOR ELDERLY PATIENTS

An outreach service to support the care of frail older people living in residential aged care facilities (RACF) is helping patients get the care they need sooner and avoid unnecessary hospital admissions.

The Geriatric Outreach Assessment Service (GOAS), based at The Prince Charles Hospital (TPCH), was introduced in 2017 to improve the quality of care for residents in RACF through the reduction of potentially preventable emergency department presentations and hospital admissions.

TPCH Geriatrician Dr Gurudev Kewalram said that older patients living in residential care facilities can experience multiple chronic conditions, physiological impairments, decreased resilience, and often take multiple medications.

"This makes them particularly vulnerable to the adverse effects associated with hospitalisation," Dr Kewalram said.

"Once in hospital, people over the age of 75 years are at increased risk of being deconditioned and experiencing adverse events such as malnutrition, falls or pressure injuries."

GOAS is jointly funded by Metro North and the Brisbane North PHN. The service's multidisciplinary team comprises a geriatrician, registrar, two clinical nurses and an administration officer who provide phone and onsite support to residential aged care facilities for residents requiring medical attention.

The model ensures the older person remains under the care of their general practitioner and can be reviewed by GOAS at the request of the GP or on their behalf by RACF staff or the Queensland Ambulance Service.

"Through GOAS, the goal is to allow the older patient to stay within their own environment to receive the necessary medical care, rather than coming to hospital," Dr Kewalram said.

"This ensures the older person's needs are respected and considered, and they experience a higher quality of healthcare."

During its first year of operation, GOAS has delivered some positive outcomes in relation to health service delivery, the result of expert service provision and effective education and training for RACF staff.

GOAS has provided an average of four services to residential aged care facilities every day, totalling 960 episodes of care in 12 months. Of these episodes of care, 879 (92 per cent) were considered potentially preventable emergency department presentations and 686 (78 per cent) were estimated as potentially preventable hospital admissions.

These results have contributed to the decline in inpatient admissions and the stability of ED presentations by residents from residential aged care facilities within TPCH's catchment area.

Cost savings from these episodes have been estimated at approximately $6 million, demonstrating the exceptional cost effectiveness of the service.

GOAS also delivered 417 training sessions to more than 3,000 participants at 24 residential aged care facilities in the Metro North catchment area. This included 22 clinical pathways to guide RACF staff on common medical conditions experienced by their residents.

"With a growing number of older patients now living in residential aged care facilities and requiring acute medical care, it is essential we have services available that can respond to the needs of this vulnerable group," Dr Kewalram said.

"GOAS enables patients to receive the care they need within their own environment, and avoid unnecessary hospital visits that may potentially cause increased health complications and a longer recovery."

Members of the Geriatric Outreach Assessment Service at The Prince Charles Hospital.

CULTURE OF LEARNING

EXPO PUTS HEALTHY AGEING CENTRE STAGE

More than 600 people visited Brighton Health Campus for the second annual Healthy Ageing Expo in August.

The expo, hosted by Community, Indigenous and Subacute Services (CISS), included more than 40 stalls offering information, health checks and activities to help people stay active, healthy and engaged as they get older.

CISS Community and Strategic Relations Manager Danielle Grant-Cross said it was great to see so many people from the community taking advantage of the activities on offer, from tai chi and a Heart Foundation walking group, to hearing and blood pressure checks.

“The expo is all about helping people live the best life they can as they grow older,” Ms Grant-Cross said.

“We know that the health system can be complex and often overwhelming for people. By bringing the community and health service providers together in one place, we hope we have broken down some barriers and inspired people to make good choices about their own health.”

Exhibitors at the Healthy Ageing Expo included Burnie Brae, BallyCara, Carers Australia, Sandbag, Australian Hearing, Sandgate Police, St John Ambulance, Centrelink, BreastScreen, the Continence Foundation and various Metro North health teams.

Stanley Wagner undertakes a balance test with Brighton Health Campus physiotherapist Nelson McClanachan and Rehabilitation and Transition Care Nursing Director Debbie Leahy.

IMPROVING SAFETY

CHILD PROTECTION UNITS AT REDCLIFFE AND CABOOLTURE HOSPITALS

Children visiting Redcliffe and Caboolture Hospitals now have additional support with introduction of a second Child Protection Unit.

Child Protection Units promote the safety and wellbeing of children within a hospital community while also providing expert support to hospital clinicians in managing suspected cases of abuse or neglect.

Until April 2018, child protection staff worked across both hospitals in a shared unit.

Recognising the growing need for these services, and the critical importance of keeping children safe, Metro North provided the additional resources and staff needed to establish two separate teams, one for each hospital.

The change was designed to improve patient and child safety and provide better support to hospital clinicians.

The change also means that both Redcliffe and Caboolture Hospitals now have ownership over their Child Protection Unit, allowing them to be better tailored and adapted to meet each hospital’s vision, values, and service delivery models.

CULTURE OF INNOVATION

BURNS PATIENTS TREATED WITH OWN SKIN

Queensland's first Skin Culture Centre has opened at Royal Brisbane and Women's Hospital (RBWH).

RBWH is Queensland's specialist burns service and treats approximately 450 people with serious burns each year. The new centre will revolutionise burns treatment and significantly reduce recovery time by growing skin for grafts using the patient's own cells.

RBWH Director of Burns Dr Michael Rudd said with just a 50 cent piece size skin biopsy, the centre would be able to grow enough skin to cover 70 per cent of a patient's body within three weeks.

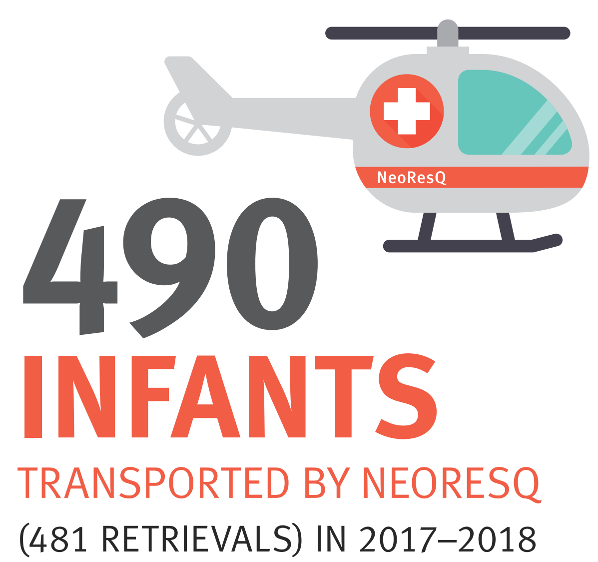
"Currently, we use donor skin for patients who are badly burnt which buys us and the patient precious time when there isn't enough of their own skin to use in surgery," Dr Rudd said.

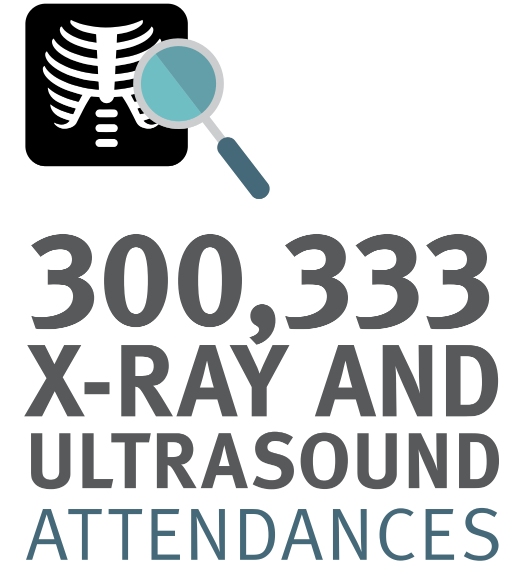
"Our new centre will use a patient's own cells to produce skin. This new technique will improve the time skin takes to heal from weeks to a matter of days and that means a shorter stay in hospital, reduced chances of infection and a faster recovery."

The new centre will improve the hospital's ability to respond to large scale disasters such as the Ravenshoe explosion and the 2002 Bali bombing.

RBWH's Stuart Pegg Adult Burns Centre is the largest of its kind in Australia and New Zealand.

> *This new technique will improve the time skin takes to heal from weeks to a matter of days.*





PUTTING PEOPLE FIRST

RBWH EMBRACES CHOOSING WISELY PRINCIPLES

Royal Brisbane and Women's Hospital (RBWH) continues to embrace Choosing Wisely as a guiding principle, with staff seeking opportunities to discuss options with patients.

Choosing Wisely is a global initiative promoting better conversations between patients and clinicians about appropriate use of medical tests, treatments and procedures.

RBWH Choosing Wisely Clinical Lead Jessica Toleman said asking 'why' is important when discussing treatment.

"We want patients to talk to their doctor about tests and treatment options, and we want to prompt clinicians to ensure the procedures they're undertaking are necessary and add value to the outcome and experience for their patients," Ms Toleman said.

"We're continuing to see reductions in duplicated care, and the list of new initiatives and projects we have underway just keeps growing. It is fantastic to see so many people dedicated to the Choosing Wisely mantra."

Ms Toleman said Choosing Wisely challenges staff to pioneer new processes and improve on making informed healthcare decisions. There are now more than 127 initiatives at various stages of implementation across the hospital.

In the last financial year, RBWH conducted a clinician survey, consumer survey, Choosing Wisely Forum, released the Choosing Wisely 2017 Highlights Report, and held the 2017 Choices awards.

RBWH Senior Project Officer Caitlin Lock and Nurse Researcher Tracey Hawkins presented Choosing Wisely initiatives at the national meeting, such as reducing low-value pathology, currently underway in the Emergency and Trauma Centre.

The projects looked at the benefits of something as simple as taking check boxes off the pathology request form for pathology orders that may not be clinically necessary. A $16 pregnancy test was removed from the request form to encourage clinicians to really consider if it was necessary in every instance, or if a qualitative point of care test was more appropriate for pregnancy rule-out in patients with low risk of pregnancy.

"We targeted tests that were done 'just in case' with no clinical benefit, and we've already seen massive decreases in pathology ordering," Ms Lock said.

"The quantitative pregnancy tests have decreased by 76 per cent since it was implemented in October this year, which is a saving of $74,425."

RBWH is one of 15 healthcare facilities in Australia participating in Choosing Wisely and joins facilities from approximately 20 countries around the world.

METRO NORTH STRATEGIC PRIORITIES

Significant progress occurred in 2017–18 toward implementing the *Metro North Health Service Strategy 2015–2020.*

The strategy has a five-year outlook, setting out how Metro North will achieve its Strategic Plan objectives. In 2016 Metro North reviewed the Strategy to ensure it continued to align with the changing needs of our population to 2020 and supports the delivery of the Strategic Plan 2016-2020.

The refreshed Strategy draws attention to four focus areas, informed by health needs and service data to guide our health service initiatives and implementation effort. A total of 233 initiatives contributed to delivering the Health Service Strategy in 2017-18.

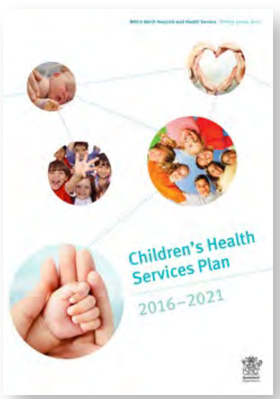
These focus areas are:

- Living healthy and well in our local communities
- Delivering person-centred, connected and integrated care
- Effective delivery of healthcare to address growing population health needs
- Responsive holistic healthcare that meets the specific needs of vulnerable groups including but not limited to:
  - – older people including frail older people
  - – children
  - – young people
  - – people with mental illness
  - – people with substance use disorder
  - – people with disabilities
  - – Aboriginal and Torres Strait Islander peoples
  - – culturally and linguistically diverse communities (CALD).

A total of 233 initiatives contributed to delivering the Health Service Strategy in 2017-18.

Key achievements for 2017-18:

- continuation of the Herston Quarter Redevelopment Project
- increasing inpatient acute bed capacity at Redcliffe Hospital by relocating cancer care and renal services to the Moreton Bay Integrated Care Centre
- gastroenterology expansion and refurbishment at Royal Brisbane and Women's Hospital
- new mental health step-up step-down facility at Nundah to provide short-term care as an alternative to hospital admission
- Caboolture Hospital Emergency Department expansion
- detailed planning for the Caboolture Hospital redevelopment
- nuclear medicine hot lab expansion at Royal Brisbane and Women's Hospital.



TELEHEALTH EXPANDS EMERGENCY SUPPORT TO KILCOY

Nursing Staff at Kilcoy Hospital now have much greater access to specialist clinical support at the touch of a button.

The Telehealth Emergency Management Support Unit (TEMSU) now offers enhanced clinical assessment and support to nursing staff managing patients at Kilcoy Hospital with non-life-threatening conditions.

TEMSU is based at the Emergency Services Complex at Kedron. It operates through the Department of Health's Retrieval Services Queensland (RSQ), providing valuable support for rural and remote hospitals across Queensland.

Telehealth technology already greatly reduces the need for Kilcoy Hospital patients and the Kilcoy community to travel to Brisbane for specialist treatment.

Kilcoy Hospital Facility Director Lyndie Best said Kilcoy Hospital nursing staff call a central phone number to request to speak with a TEMSU staff member 24 hours a day.

"The TEMSU Clinical Nurse on duty will dial into Kilcoy Hospital following the phone call and coordinate an initial assessment of the patient using Tellolehealth, or confer with staff at Kilcoy who may be wanting clarification of their assessment," Ms Best said.

"If needed, the TEMSU team can also connect Kilcoy staff with a medical specialist at RSQ who can then refer to a specialist at a larger hospital, such as Royal Brisbane and Women's Hospital or The Prince Charles Hospital, who can provide further support depending on the patient's condition, all whilst the local Senior Medical Officer at Kilcoy is being notified."

Telehealth technology already greatly reduces the need for Kilcoy Hospital patients and the Kilcoy community to travel to Brisbane for specialist treatment.

TEMSU nurses have clinical backgrounds in emergency or intensive care medicine. Many have also previously worked in rural and remote hospitals, so they understand the need to have some clinical support that comes with clinical decision making.

In life-threatening cases, RSQ coordinates transfer of a patient to a larger hospital, usually by air.

TELEHEALTH SERVICE EVENTS

2017–18
14,818

2016–17
8,413

FITNESS FOR MENTAL HEALTH

A weekly fitness program is improving the health and wellbeing of mental health consumers at The Prince Charles Hospital (TPCH).

Participants of The Prince Charles Hospital Mental Health Service fitness program with SNAP Fitness personal trainers, Dermot Prior and Tom Duggan.

The program, run by Snap Fitness Chermside, involves a 30-minute exercise session facilitated by qualified personal trainers from Snap Fitness with assistance from clinicians from the Metro North Mental Health Service at TPCH.

Metro North Mental Health Resource Team Leader, Danielle Fearn said people who experience a mental health condition can also face various challenges with their physical health.

"The SNAP Fitness program provides an opportunity for consumers to participate in a series of physical activities within a controlled environment which are tailored to their individual health needs," Ms Fearn said.

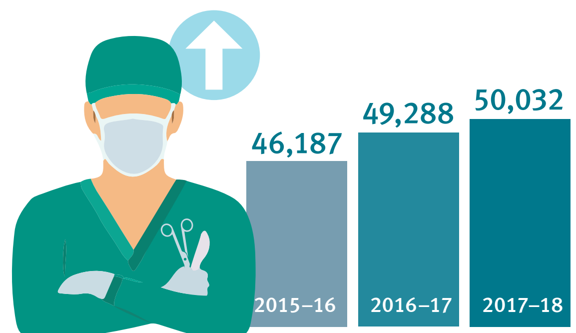
Each session includes a warm up, gentle stretching exercises to help prevent injury, and body weight exercises to improve strength and balance.

"Sessions have been consciously designed based on the personal trainer's observation of participants' posture, body language and observable neurological deficits," Ms Fearn said.

"The aim is for participants to be able to use activities undertaken during the session in their day to day living."

Results from the program have been extremely positive. Most participants reported feeling better after taking part in the sessions and have found the program beneficial to their recovery.

"Many participants have said the program has helped them feel motivated to maintain their own physical health once they are discharged from hospital," Ms Fearn said.



50,032

ELECTIVE AND EMERGENCY OPERATIONS PERFORMED

IMPROVING OUTCOMES

HEALTHY FUTURE FOR NEW SCHOOL-BASED TRAINEES

Thirty-two high school students are learning on the job as part of Metro North's school-based trainee program.

Community, Indigenous and Subacute Services has increased the number of School-Based Trainees working across its community-based facilities to seven in 2018, including Bethany Edwards (second left) and Georgia Luker (second right).

The 2018 trainees come from Pine Rivers, North Lakes, Bray Park, Caboolture, Kilcoy, Narangba, Redcliffe, Glasshouse, Bribie Island and Albany Creek High Schools. Trainees attend school four days a week and work one day a week at a Metro North facility while completing a Certificate III qualification.

Since 2005, 208 students have enrolled in the School-based Traineeship Program. Nearly 70 per cent of graduates are still employed across our service.

The 32 trainees will be pursuing a range of qualifications across aged care, allied health, nursing, dental assistance, kitchen operations, horticulture or information technology.

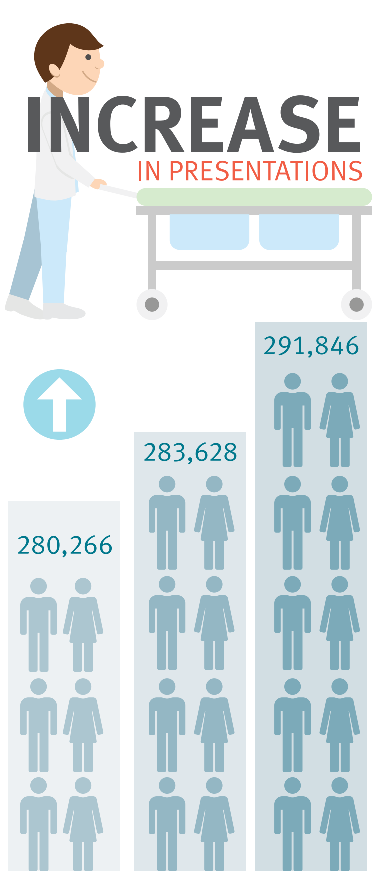
For Kilcoy State High School student Bethany Edwards the chance to work at North Lakes Health Precinct was too good of an opportunity to pass up.

"I have always wanted to do something in business and felt that the traineeship would be great hands-on experience," Bethany said.

"The traineeship will give me an idea of what career pathway I would like to explore after high school."

The trainees are employed through the Australian Training Company, a not-for-profit group training organisation, while completing their Grade 11 and 12 studies at private and public high schools.

Since 2005, 208 students have enrolled in the School-based Traineeship Program. Nearly 70 per cent of graduates are still employed across our service.



2015–16 2016–17 2017–18

LONG WAITS*
AT 30 JUNE 2018
WITH AVERAGE OVERDUE DAYS
CAT 1: 8 DAYS | CAT 2: 22 DAYS
CAT 3: 36 DAYS

** Elective surgery*

TARGETS EXCEEDED

Performance highlights

The following is an overview of Metro North's actual performance results for each service standard, with a comparison of target to actual for the financial year.

EMERGENCY

	Notes	2016–17 Actual	2017–18 Target	2017–18 Actual
Service standards[†]				
Percentage of patients attending emergency departments seen within recommended timeframes:				
– Category 1 (within 2 minutes)		99%	100%	99%
– Category 2 (within 10 minutes)		76%	80%	74%
– Category 3 (within 30 minutes)		61%	75%	59%
– Category 4 (within 60 minutes)		77%	70%	77%
– Category 5 (within 120 minutes)		92%	70%	95%
Percentage of emergency department attendances who depart within four hours of their arrival in the department		68%	>80%	67%
Patients treated within four hours of their arrival in the department		189,409	-	196,221
Median wait time for treatment in emergency departments (minutes)		21	20	22

[†] *Excludes manually collected Kilcoy data.*

ELECTIVE SURGERY

Percentage of elective surgery patients treated within clinically recommended times:

	Notes	2016–17 Actual	2017–18 Target	2017–18 Actual
– Category 1 (30 days)		95%	>98%	94%
– Category 2 (90 days)		96%	>95%	94%
– Category 3 (365 days)		97%	>95%	96%
Median wait time for elective surgery		28 days	25 days	34 days

SPECIALIST OUTPATIENTS

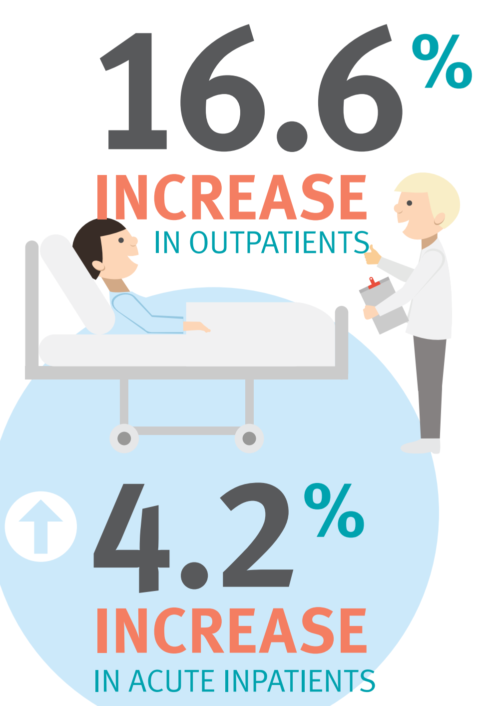
The number of outpatients waiting longer than clinically recommended for a specialist outpatient appointment:

16–17 Actual	17–18 Target	17–18 Actual
7,225 patients	<7,500 patients	**6,463 patients**

3.1 MILLION HEALTHCARE ACTIVITIES DELIVERED

$4,506

AVERAGE COST PER WAU FOR ACTIVITY BASED FUNDING FACILITIES



ACTIVITY AND EFFICIENCY

	Notes	2016–17 Actual	2017–18 Target	2017–18 Actual
Total weighted activity units (WAU):	1, 2	442,848	478,003	467,478
– Acute Inpatients		241,887	265,339	252,110
– Outpatients		63,824	70,779	74,413
– Subacute		22,061	21,887	21,255
– Emergency Department		39,888	42,676	40,648
– Mental Health		33,966	33,489	35,037
– Interventions and Procedures		31,368	33,951	33,328
– Prevention and Primary Care		9,854	9,881	10,688
Average cost per weighted activity unit for Activity Based Funding (ABF) facilities	2	$4,474	$4,795	$4,506
Rate of health care associated *Staphylococcus aureus* (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	3	0.8	<2	0.6
Rate of community follow-up within 1–7 days following discharge from an acute mental health inpatient unit		62%	>65%	59%
Proportion of re-admissions to an acute mental health inpatient unit within 28 days of discharge		13%	<12%	15%
Ambulatory mental health service contact duration (hours)		162,971	>162,950	165,492

STAFFING

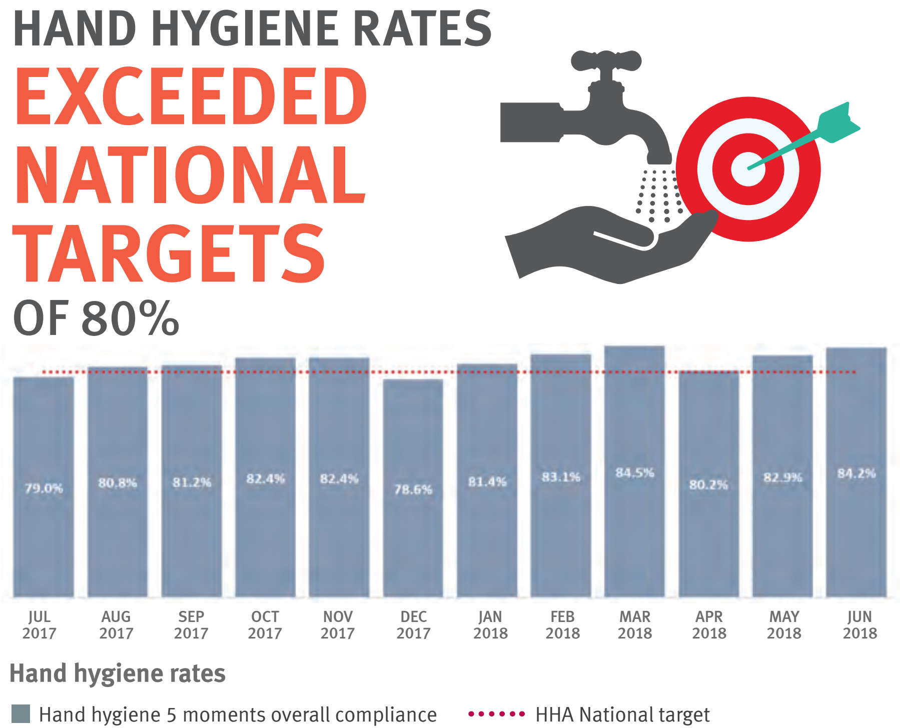
	2016–17 Actual	2017–18 Target	2017–18 Actual
Metro North Hospital and Health Service (MOHRI Occupied FTE)	15,162	15,750	15,781

** New reporting measure*

1. All WAU actuals reported under the funding model (phase 19).
2. SDS budget papers set targets at 461,251 (average cost per WAU $4,435). During the financial year additional funding was provided and targets were revised by Queensland Health to 478,003 (average cost per WAU $4,795). Activity by type has also been updated to reflect this.
3. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.

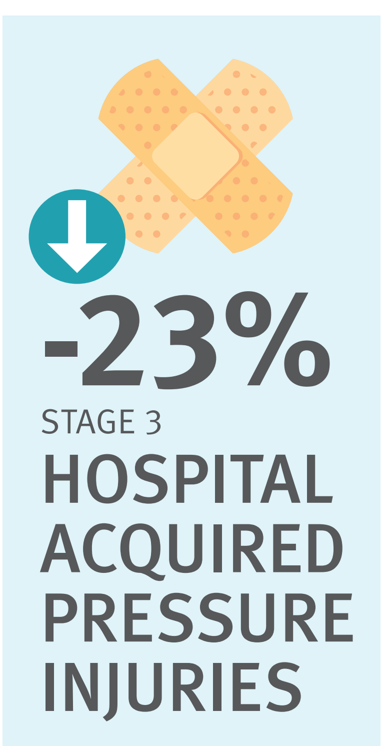
Our Safety and Quality performance

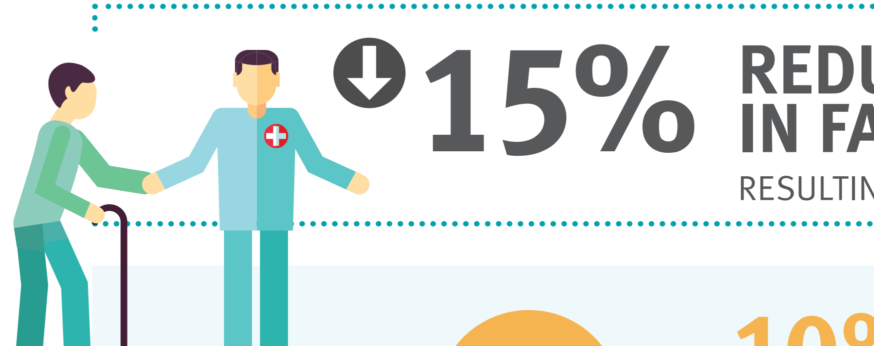
The *Metro North Safety and Quality Strategy 2015–2018* commits to deliver the highest quality healthcare experience in true partnership with our patients. Our performance is assessed against National Standards and benchmarked against nationally recognised safety and quality indicators.



Hand hygiene rates

Hand hygiene 5 moments overall compliance ••••• HHA National target





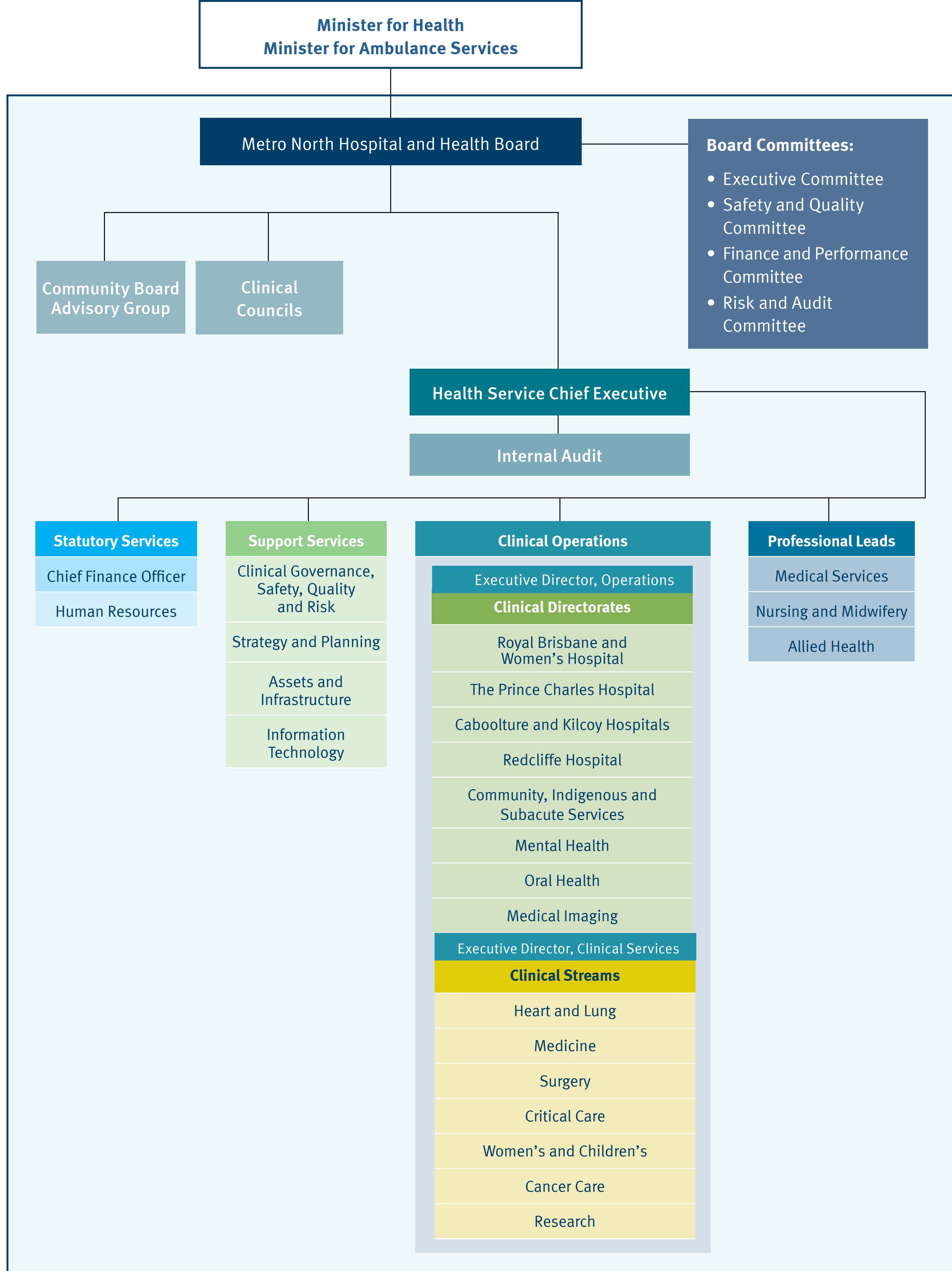
15% REDUCTION IN FALLS

RESULTING IN HARM

10% REDUCTION IN COMPLAINTS

FRONTLINE STAFF HAVE WORKED HARD IN 2017–18 TO RESPOND TO CONSUMER FEEDBACK. METRO NORTH CONTINUES TO PROVIDE TRAINING AND THE TOOLS TO SUPPORT THIS ENGAGEMENT AND ENCOURAGE INVOLVEMENT OF CONSUMERS IN THE DESIGN AND IMPROVEMENT OF SERVICES AND FACILITIES.

Organisational structure



CULTURE OF RESEARCH

NEW CENTRE TARGETS EARLY DETECTION OF LUNG CANCER

Researchers at The Prince Charles Hospital (TPCH) are looking for biomarkers to identify the world's deadliest cancer earlier.

The Australian Cancer Research Foundation (ACRF) Centre for Lung Cancer Early Detection is a partnership with The University of Queensland Thoracic Research Centre at TPCH. The Centre aims to advance lung cancer diagnostics using $1 million of state-of-the-art technology provided by the ACRF.

Director of UQ Thoracic Research Centre and Clinical Manager of the Pulmonary Malignancy Unit at TPCH Professor Kwun Fong said researchers will use the latest technology to identify markers for lung cancer that might be present in a patient's breath, blood or lung fluids at a very early stage of the disease.

"The centre will bring together the skills from several highly skilled researchers and scientists, including collaborators at CSIRO, who will assist by analysing breath samples," Professor Fong said.

"They will be looking for very small traces of lung cancer cells to identify the disease long before our current tests can."

They will be looking for very small traces of lung cancer cells to identify the disease long before our current tests can.

Prof Fong said the researchers will also be looking at how to take research to the clinic as quickly as possible to ensure that patients see the benefits of earlier diagnosis.

Lung cancer remains the leading cause of cancer death, with an estimated 12,741 new Australian cases diagnosed in 2018. The low survival rate associated with the disease is due to it being typically diagnosed at an advanced stage, which is also when curative treatments may no longer be possible.

TPCH sees over 500 patients with diagnosed or suspected lung cancer each year.

Researchers from the UQ Thoracic Research Centre.

Professor Kwun Fong.

Metro North Board back row (l-r): Mr Geoff Hardy, Associate Professor Cliff Pollard AM, Dr Kim Johnston, Ms Bonny Barry, Mr Bernard Curran, Dr Paula Conroy. Front row (l-r): Professor Mary-Louise Fleming, Dr Robert Stable AM (Chair), Dr Kim Forrester (Deputy Chair), Mr Adrian Carson.

The Board

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

The functions of the Board include:

- developing the strategic direction and priorities for the operation of Metro North
- monitoring compliance and performance
- ensuring safety and quality systems are in place which are focused on the patient experience, quality outcomes, evidence-based practice, education and research
- developing plans, strategies and budgets to ensure the accountable provision of health services
- ensuring risk management systems are in place and overseeing the operation of systems for compliance and risk management reporting to stakeholders
- establishing and maintaining effective systems to ensure that the health services meet the needs of the community.

The Board are all independent members, strengthening local decision making and accountability for health policies, programs and services within Metro North. Each Board Member brings a wealth of experience and knowledge in public, private and not- for-profit sectors with a range of clinical, health and business experience.

During the reporting period, terms of office of four members expired on 17 May 2018. These members were Dr Kim Forrester, Professor Helen Edwards OAM, Dr Margaret Steinberg AM, and Mr Mike Gilmour. Dr Kim Forrester was reappointed as Deputy Chair by the Governor in Council. Dr Paula Conroy, Dr Kim Johnston and Mr Bernard Curran were appointed to the Board in May 2018.

A schedule of Board Member attendance at Board and Committee meetings for 2017–18 is available in Appendix 1.

Board meetings are held at Metro North facilities including RBWH, TPCH, Nundah Community Health Centre, Kilcoy Hospital, Caboolture Hospital, Redcliffe Hospital and Brighton Health Campus.

The following committees support the functions of the Board, each operates with terms of reference describing the purpose, role, responsibilities, composition, structure and membership.

Executive Committee

The role of the Executive Committee is to support the Board by working with the Chief Executive to progress strategic issues and ensure accountability in the delivery of services within Metro North. The committee oversees the development of the Strategic Plan and monitors performance, the development of the clinician, consumer and community engagement strategies and the primary healthcare protocol, and works with the Chief Executive in responding to critical and emergent issues.

All Board Members are members of the Executive Committee.

Safety and Quality Committee

The role of the Safety and Quality Committee is to provide strategic leadership in relation to clinical governance. The committee oversees the safety, quality and effectiveness of health services and monitors compliance with plans and strategies, while promoting improvement and innovation for the safety and quality of services within Metro North.

Committee membership*: Dr Kim Forrester (Chair), Dr Robert Stable AM, Associate Professor Cliff Pollard AM, and Professor Mary-Louise Fleming.

Finance and Performance Committee

The role of the Finance and Performance Committee is to oversee the financial performance, systems, risk and requirements of Metro North. The committee reviews the financial strategy, financial policies, annual operating plans and capital budgets, cash flows and business plans to ensure alignment with key strategic priorities and performance objectives.

Committee membership*: Bernard Curran (Chair), Bonny Barry, Geoff Hardy and Dr Paula Conroy.

Risk and Audit Committee

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

Committee membership*: Geoff Hardy (Chair), Dr Kim Forrester, Adrian Carson and Dr Kim Johnston.

*As at 30 June 2018

PUTTING PEOPLE FIRST

NEW CENTRE TO CARE FOR CANCER PATIENTS

Queensland's largest hospital will soon be home to the state's only public specialised adolescent and young adult cancer centre.

Supported by the Sony Foundation and Royal Brisbane and Women's Hospital (RBWH), the state-of-the-art $1.85 million purpose-built hub will address a gap in care and support that currently exists between paediatric and adult health services.

RBWH Executive Director of Cancer Care Services Associate Professor Glen Kennedy said RBWH is one of the largest providers of cancer care in Australia and treats around 140 patients each year between the ages of 15 and 24 years.

The You Can Centre will provide space for young patients to socialise and relax with people who understand their experiences. It will also create new opportunities for research to advance treatment and survival outcomes for young people with cancer.

The Sony You Can Centre will open at RBWH in 2019.

IMPROVING EQUITY

QUEENSLAND FIRST FOR BREAST HEALTH

A new resource is helping Queensland women from culturally and linguistically diverse (CALD) backgrounds make informed decisions about their breast health.

Your guide to Breast Health is an illustrated resource developed by BreastScreen Queensland to provide women whose first language is not English with information about breast screening.

Director of BreastScreen Queensland Brisbane Northside Service Dr Jane Brazier said around 10 per cent of people in the Metro North catchment area were born overseas and do not speak English as a first language.

"Research indicates that breast cancer screening for women in the CALD community in Australia is significantly lower than in the general population," Dr Brazier said.

"We hope that by using this resource, these women will have a better understanding of what's involved in having a breast screen and why it is important to be breast aware."

The new resource was coordinated by the BreastScreen Queensland Brisbane Northside Service in partnership with the local community.

It contains a culturally appropriate illustrated book, as well as brochures translated into 11 different languages.

Dr Brazier said breast cancer was the most common cancer diagnosed in Australian women, with around one in eight developing breast cancer in their lifetime. It is strongly recommended that women aged 50 to 74 years receive a breast cancer screen every two years.

Your guide to Breast Health is now available at BreastScreen Queensland clinics in the Metro North catchment.

Nepalese dancers Shora Gurung and Sailu Pradhan with Project Officer Anna Voloschenko (middle) were an integral part of the multicultural celebrations to launch a new resource for women from CALD backgrounds.

CULTURE OF LEARNING

METRO NORTH IMPROVES DISASTER MANAGEMENT CAPABILITY

Queensland's disaster response capability has been boosted with a dedicated health emergency management centre and new training systems.

Metro North has implemented the Emergo Train System (ETS), an international educational simulation system for training and testing frontline clinical preparedness and management of major incidents and disasters using on real-time simulation based exercising.

Metro North Emergency Manager Di Bretherton said the ETS Competency Centre is the first in Queensland and means staff no longer need to travel interstate for specialist training.

A new dedicated Health Emergency Operating Centre (HEOC) has also been established at Herston which gives disaster response teams access to a range of information and communications in the event of a large-scale incident.

The Metro North Emergency Management Plan was updated in March 2018 and tested with an organisation-wide mass casualty response exercise.

Professor Robert Stable AM
MBBS, DUniv (QUT), MHP, FRACGP, FAICD, FCHSM (Hon)

Board Chair

Professor Stable's 47-year career in health has included roles as a rural and remote general practitioner, a Flying Doctor, Hospital Medical Superintendent and Chief Executive, Director-General of the Queensland Department of Health, Member and Chair of the Australian Health Ministers' Advisory Council, Vice-Chancellor and President of Bond University and Non-Executive Board Director/Member.

He holds other Board appointments as Chair and Director of Health Workforce Queensland, Director of the Royal Flying Doctor Service – Queensland Section, and North and West Remote (Primary) Health.

He is a Fellow of the Royal Australian College of General Practitioners (FRACGP), the Australian Institute of Company Directors (FAICD) and the Australian College of Health Service Management (FCHSM (Hon)), has an honorary Doctorate from the Queensland University of Technology (DUniv), a Master of Health Planning (MHP) degree from the University of New South Wales and an undergraduate degree in Medicine (MBBS) from The University of Queensland.

Professor Stable was appointed a Member of the Order of Australia in 2013 and awarded a Centenary Medal in 2001. He was conferred the honour of Emeritus Professor by the Council of Bond University in 2003.

Dr Kim Forrester
RN, BA, LLB, LLM (Advanced), PhD, MAICD

Deputy Chair and Chair, Safety and Quality Committee

Dr Kim Forrester is a registered nurse and barrister at law. Her clinical background includes intensive and coronary care nursing. She is a member of the Australian College of Nursing and established the Masters in Emergency Nursing program at Griffith University where she was also a foundation academic in the School of Medicine. Dr Forrester is an Associate Professor in the Faculty of Health Sciences and Medicine at Bond University.

As a barrister, Dr Forrester's areas of legal practice include coroner's inquests, professional regulation and child protection. She held the position of Assistant Commissioner (legal) on the Queensland Health Quality and Complaints Commission from 2006 to 2009, and is a member of the Queensland Law Society's Health and Disability Law Committee. Dr Forrester is also a Commissioner on the Anglicare Southern Queensland Community Service Commission.

She publishes extensively in the area of health law including as editor of the Nursing Column in the *Journal of Law and Medicine*, and co-author of *Essentials of Law for Health Professionals, Australian Pharmacy Law and Practice and Essentials of Law for Medical Practitioners*.

Mr Geoff Hardy
B Bus (Econ), Dip HA, Grad Dip Commerce (Mkt), MAICD, AFCHSM

Chair, Risk and Audit Committee

Mr Geoff Hardy's extensive career in healthcare management has spanned over 30 years, including operational roles at Royal North Shore Hospital, Westmead, and the Royal Women's Hospital in Melbourne. After a period as Chief Executive at one of Ramsay Healthcare's facilities, he established and ran their Malaysian subsidiary working closely with the Malaysian Ministry of Health in the planning of several major new facilities.

In addition to a period as a consultant to healthcare organisations in Queensland, Mr Hardy has also worked as CEO of two Brisbane law firms and was Global Leader for a commercial advisory practice providing strategic and commercial advice to government clients around the world. Recently, he has worked more broadly as an advisor to governments and private sector clients on significant infrastructure projects in the transport, healthcare and resources sectors and led AECOM's Infrastructure Advisory practice for six years. He is currently leading a national consulting team for Prominence, a Brisbane based firm providing services to a range of clients including several Hospital and Health Services.

Associate Professor Cliff Pollard AM
BD, MB BS QLD, FRACS, FRCS Edin, FACS

Member and representative on the Royal Brisbane and Women's Hospital Foundation Board

Associate Professor Cliff Pollard is a retired general surgeon. He completed his surgical training in Queensland and obtained post-Fellowship experience in the United Kingdom. Dr Pollard has been the staff surgeon and visiting medical officer at Redcliffe Hospital, prior to moving to the Royal Brisbane and Women's Hospital in 2008 as the Director of the Trauma Service. He retired in 2012.

Dr Pollard has a major interest in all aspects of trauma management in both pre-hospital and hospital environments and he has presented widely on the topic both nationally and internationally. As a member of the Royal Australian Army Medical Corps, he deployed to Bougainville and East Timor. Dr Pollard is a member of the Royal Australasian College of Surgeons (RACS) National and Queensland Trauma Committees, the State Trauma Clinical Network, and the Australian Trauma Registry Executive and Steering Committee.

A former examiner in general surgery for the Royal Australasian College of Surgeons, Dr Pollard also teaches anatomy in the Advanced Surgical Anatomy Course in the School of Medicine at The University of Queensland. Dr Pollard is also involved in research activities including the Jamieson Trauma Institute and the Brisbane Diamantina Health Partnership Trauma, Critical Care and Recovery Stream.

IMPROVING OUTCOMES

L-R Jasmin Bird, Jake Fabila, McKenzie Jacobs, Barbara Morton, Talia Penny and Charlize Anderson.

METRO NORTH WELCOMES INDIGENOUS SCHOOL-BASED TRAINEES

Metro North has employed six Indigenous school-based trainees as part of a broader Indigenous Workforce Strategy.

The six high school students are the first to participate in the new two-year program and will complete a certificate in business as part of the traineeship.

The students will spend one day per week within a variety of units including Clinical Services, Communications, Corporate Systems and Infrastructure, Strategy and Planning and Allied Health learning business and administration skills.

The Indigenous school-based trainee program is part of a broader Indigenous Workforce Strategy that aims to recruit and retain more Aboriginal and Torres Strait Islander employees within Metro North.

Ms Bonny Barry
RN BNsg, MAICD

Member and representative on The Prince Charles Hospital Foundation Board

Ms Bonny Barry is a Registered Nurse with over 30 years' experience in community, hospice, hospital and clinic settings in Queensland and Victoria.

Ms Barry was the Professional Officer for Aged Care and Private Hospitals for the Queensland Nurses Union for six years. From 2001, she was State Member for Aspley for eight years, and served on several parliamentary committees including Chair of Caucus, Chair of Health Estimates, and the Assistant Minister for Education, Training and the Arts from 2006 to 2009.

More recently, Ms Barry has worked for the private sector before returning to nursing in 2012. She is co-author of *The Nature of Decision Making of the Terminally Ill.*

Professor Mary-Louise Fleming
BEd (QUT), MA (Ohio), PhD (Qld), MAICD

Member and Deputy Chair, Community Board Advisory Group

Professor Mary-Louise Fleming is Head, Corporate Education in the Faculty of Health at the Queensland University of Technology. She has experience in teaching and research in higher education, public health and health promotion for over 30 years.

Her research activity focuses on evaluation research and translational research for the World Health Organization, both Commonwealth and Queensland Governments, as well as consultancy projects for Queensland Health and the not-for-profit sector.

Professor Fleming has co-authored two books on health promotion and public health, and contributed to several other books.

Professor Fleming is a member of the Queensland Government Ministerial Oversight Committee, *Advancing Health 2026,* a Board member of Wesley Medical Research Institute and a member of the Strategic Planning Committee. Her appointments have included Health Promotion Queensland, Board of the Wesley Research Institute, Board of Governors St Andrew's Hospital, National Heart Foundation, the Queensland Cancer Fund and Chair of the Quality Management Committee for BreastScreen Queensland.

She has an active consultancy practice involving reports on policy and practice for single health issues, policy development and implementation, and reviews and evaluation of numerous projects and programs.

Mr Adrian Carson
GCertHServMgt

Member

Mr Adrian Carson joined Metro North in May 2017 and has over 25 years' experience in Aboriginal and Torres Strait Islander health. As the CEO of the Institute for Urban and Indigenous Health, Mr Carson plays a leading role in the coordination of planning, development and delivery of comprehensive primary healthcare and integrated social support services to Aboriginal and Torres Strait Islander communities across South East Queensland. He has worked as CEO of Queensland Aboriginal and Islander Health Council (QAIHC), the peak body for the Aboriginal and Torres Strait Islander Community Controlled Health Sector in Queensland, and has previously worked with both the Queensland and Australian Governments. Mr Carson is currently completing an MBA and holds directorships of the National Aboriginal Community Controlled Health Organisation (NACCHO) and the Lowitja Institute, Australia's National Institute for Aboriginal and Torres Strait Islander Health Research. He was previously a Director of the Queensland Aboriginal and Islander Health Council (QAIHC).

Mr Bernard Curran
BBus (QUT), FCA, FAICD, FTIA

Chair, Finance and Performance Committee

Bernard is a Chartered Accountant and has practiced in the areas of taxation and business advisory for a range of clients and industry sectors including healthcare over the past 30 years. He is a Partner of BDO Qld and has held executive roles as well as managing his client practice. Bernard has had extensive experience in mergers and acquisitions include firms in the health sector. He is currently a Director of BDO Qld and BDO East Coast Practice.

Bernard has also held directorships on a number of private company boards and serves as Chair and a member of a number of Advisory Boards including in the superannuation administration, contract cleaning and fast moving consumable goods sectors.

Bernard holds a Bachelor of Business – Accountancy from QUT. During 2017 he was appointed an Executive in Residence – Visiting Fellow for the Accountancy School at QUT.

He is a Fellow of Chartered Accountants Australia & New Zealand, a Fellow of the Australian Institute of Company Directors, and Fellow of the Taxation Institute of Australia.

Bernard has been actively involved in serving on not for profit Boards. He was the Chair of Crèche and Kindergarten Association Limited from 2012 to 2017. Bernard became a Director of The Prince Charles Hospital Foundation in 2008 and became Chair of its Board in 2012, a role he currently holds. In 2017 he was appointed to the Board of Governors of the Queensland Community Foundation. He also served as a Director of Australian Children's Education & Care Quality Authority during 2014 and 2015.

Dr Paula Conroy
BSc, MBBS, DCH, FRACGP, AAICD

Member

Dr Paula Conroy has more than 10 years' experience working within the primary care, hospital and corporate health sectors.

She is currently working as a general practitioner in Brisbane's Northern suburbs with a particular interest in preventative health. During her time working in the hospital setting, Dr Conroy spent a number of years in both emergency medicine and general surgery. In the corporate sector Dr Conroy worked for two of the largest health insurance companies in Australia, Bupa and Medibank Private.

Dr Conroy is passionate about medical training and she is both a clinical supervisor for The University of Queensland School of Medicine and teaches GP registrars with General Practice Training Queensland. She also holds positions on the Queensland Faculty of the Royal Australian College of General Practitioners and the Brisbane North PHN.

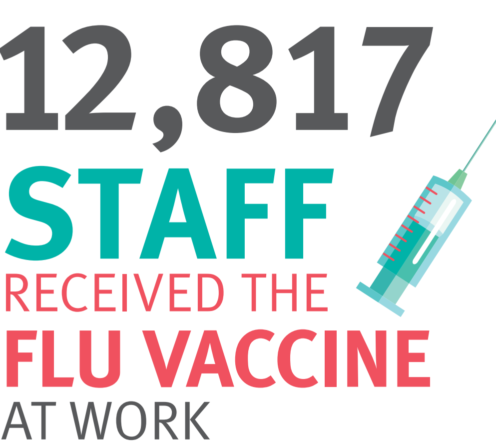
Dr Conroy brings her experience as both a GP and hospital trained clinician to the board. She is committed to continuous improvement particularly around the integration between primary healthcare and the hospital system and the role this plays in maintaining Australia's world class health and hospital system.

Dr Kim Johnston
PhD, MBus, GradCertAcadPrac (QUT), BNurs (NTU), GCertNurs (RPAH), FHEA, MAICD

Member

Dr Kim Johnston teaches at QUT Business School, and researches in the areas of community and stakeholder engagement, social impact, and communication. She originally trained as a registered nurse at Royal Prince Alfred Hospital and worked in Sydney and Darwin in general surgical wards before moving into marketing and communication roles at News Limited, Nine Network, and for the Alcohol and Other Drugs program in NT Health Services.

She moved to Queensland in 1997, working in the Queensland Health's capital works hospital redevelopment program, and later as the communication manager at The Prince Charles Hospital. She joined QUT in 2002 as a full time academic, completing her PhD in strategic communication and organisational culture in 2011. Since this time, Kim has been awarded more than $500,000 in competitive engagement related research grants across government, private, and non-profit sectors. She has also published more than 55 peer reviewed articles, conference papers, and book chapters. She is lead editor of the Handbook of Communication Engagement (Wiley, 2018) and is on the editorial boards of Public Relations Review, Corporate Communication International Journal, and the Public Relations Society of America Journal. She also holds a Masters of Business (Communication), a Graduate Certificate in Academic Practice, a Bachelor of Nursing, and a General Certificate of Nursing.



INCREASE OF 1,732 FROM LAST YEAR

PUTTING PEOPLE FIRST

RECOGNISING STAFF EXCELLENCE

The annual Metro North Staff Excellence Awards recognise individuals and teams who go above and beyond to make a difference for their patients and colleagues.

In their third year, the awards attracted more than 200 nominations across seven categories, with many people recommending their workmates for recognition. The winners were announced at a ceremony in October.

The winners were:

People Focus: Diane Jenkins, Giving a voice to at-risk Children and Families, Caboolture Hospital

Innovation: Matilda Schmidt, The Blood Clock, Royal Brisbane and Women's Hospital

Excellence in Performance: Improving access to Metro North Ear, Nose and Throat Services, Surgery Stream

Leadership: Metro North Nursing and Midwifery Community of Practice

Values in Action: Fit Fab Cab, Caboolture Hospital

Excellence in Integrated Care: CURE-IT Program, The Prince Charles Hospital

Excellence in Training and Education: Dr Peter Thomas, Physiotherapy, Royal Brisbane and Women's Hospital

Chief Executive's Award: Theatre Utilisation Group, Redcliffe Hospital

The Staff Excellence Awards were sponsored by QSuper and SmartSalary.

Executive Management

The Board appoints the Health Service Chief Executive (HSCE) and delegates the administrative function of Metro North to the HSCE and those officers to whom management is delegated. The HSCE's responsibilities are:

- managing the performance and activity outcomes for Metro North;
- providing strategic leadership and direction for the delivery of public sector health services in the hospital and health service;
- promoting the effective and efficient use of available resources in the delivery of public sector health services in the hospital and health service;
- developing service plans, workforce plans and capital works plans;
- managing the reporting processes for performance review by the Board;
- liaising with the executive team and receiving committee reports as they apply to established development objectives;
- the HSCE may delegate the Chief Executive's functions under the *Hospital and Health Boards Act 2011* to an appropriately qualified health executive or employee.

Health Service Chief Executive

Mr Shaun Drummond

As Chief Executive of Metro North, Shaun Drummond is responsible for the day to day management of Australia's largest public health authority. Prior to his commencement as Chief Executive, Shaun held the role of Executive Director Operations for more than two years. In this role, Shaun has led high profile projects including the Specialist Rehabilitation and Ambulatory Care Centre, the biofabrication partnership with QUT, and the Patient Access Coordination Hub.

Shaun brings extensive health experience from across Australia (Queensland, New South Wales and Victoria) and New Zealand working closely with hospital and health boards.

The following Senior Executive positions support the HSCE in the development and execution of the Metro North strategy as approved by the Board. The list includes the names of incumbents as at 30 June 2018.

Executive Director Operations
Ms Jackie Hanson

Chief Finance Officer
Mr James Kelaher

Executive Director Clinical Governance, Safety, Quality and Risk
Associate Professor Noelle Cridland

Executive Director Clinical Services
Dr Elizabeth Whiting

Executive Director Strategy and Planning
Ms Colleen Jen

Professional Leads

Executive Director Medical Services
Dr Elizabeth Rushbrook

Executive Director Nursing and Midwifery Services
Associate Professor Alanna Geary

Executive Director Allied Health
Mr Mark Butterworth

Directorate Executive Directors

Executive Director Royal Brisbane and Women's Hospital
Dr Amanda Dines

Executive Director The Prince Charles Hospital
Mr Anthony Williams

Executive Director Redcliffe Hospital
Ms Louise Oriti

Executive Director Caboolture and Kilcoy Hospitals
Dr Lance Le Ray

Executive Director Community, Indigenous and Subacute Services
Ms Tami Photinos (acting)

Executive Director Oral Health Services
Mr Sam Betros (acting)

Executive Director Mental Health Services
Associate Professor Brett Emmerson AM

Executive Director Medical Imaging
Ms Vanessa Barclay (acting)

Clinical Stream Executive Directors

Executive Director Heart and Lung
Professor Scott Bell

Executive Director Medicine
Dr Jeffrey Rowland

Executive Director Surgery
Dr Jason Jenkins

Executive Director Critical Care
Vacant

Executive Director Women's and Children's
Ms Tami Photinos

Executive Director Cancer Care
Associate Professor Glen Kennedy

Research

Executive Director Research
Professor Scott Bell

IMPROVING HEALTH OUTCOMES

The CISS RAP was launched during National Reconciliation Week.

PLAN IS FIRST STEP TO RECONCILIATION

Community, Indigenous and Subacute Services (CISS) has developed Metro North's first Reconciliation Action Plan (RAP) to improve health, employment and economic outcomes for Aboriginal and Torres Strait Islander peoples.

The RAP was developed in consultation with Indigenous and non-Indigenous clinical and administrative staff from across CISS. It aims to provide opportunities for further training and qualifications, improve the relationships and respect of Aboriginal and Torres Strait Islander people and cultural needs, and improve cultural governance arrangements across the service.

Director of the Aboriginal and Torres Strait Islander Health Unit Paul Drahm co-chaired the RAP committee. He said the RAP positions CISS as a leader in providing culturally appropriate and safe healthcare as well as an employer of choice for Indigenous Australians.

The key actions in the CISS RAP are:

- commit to establishing at least two formal partnerships with Aboriginal and Torres Strait Islander organisations to improve our services to Indigenous Australians by May 2019.
- establish an Aboriginal and Torres Strait Islander cultural governance committee to review the cultural appropriateness of CISS policies and programs by September 2018.
- increase Aboriginal and Torres Strait Islander staff representation levels from five per cent, by one per cent per year until 2020.
- provide scholarships to Aboriginal and Torres Strait Islander employees to access further training and qualifications by September 2018/2019.
- ensure all staff have attended a face to face cultural practice program training session by May 2020.

Caboolture and Redcliffe Hospitals will commence planning local Reconciliation Action Plans over the next 12 months.

COPD PROJECT

An innovative trial at Caboolture Hospital has dramatically reduced hospital re-admissions for patients with chronic obstructive pulmonary disease (COPD).

The 'Caring Together 2 Breathe Easy' project was developed in collaboration with the Canterbury Health Board in New Zealand. It established new care pathways in the Caboolture community to manage acute exacerbations of COPD, rather than coming to the Emergency Department.

Prior to the project starting, 73 per cent of the trial participants had been admitted to hospital at least once for COPD in the previous six months. After the program was introduced, COPD re-admissions fell dramatically. In July 2017, they had fallen to 19 per cent and just seven per cent in August.

The Caring Together 2 Breathe Easy model supported patients with a COPD action plan, educational materials, and regular contact with the hospital's COPD team.

The trial was internationally recognised with the Outstanding Innovation prize from the 2017 Health Roundtable in New Zealand for its work with COPD patients.

IMPROVING OUTCOMES

$30M REFRESH FOR REDCLIFFE HOSPITAL

Redcliffe Hospital is undergoing a once-in-a-generation program of renewal and refurbishment to meet the healthcare needs of the local community.

A renewed and refurbished Redcliffe Hospital will continue to serve the Peninsula for decades to come.

More than $30 million is being invested into the hospital as its facilities continue to be modernised and upgraded across the hospital campus.

In October last year, three floors of new facilities were officially opened in the Moreton Bay Integrated Care Centre including dedicated space for Kidney Health Services and Cancer Care Services.

In June, the hospital's new, $1.5 million, stand-alone pathology laboratory also began operation.

Additional work is planned for the coming year including a new ward, refurbishment of the Day Procedure Unit, sterilising service and anaesthetics and a new operating theatre. The birth suites, paediatric ward and special care nursery will also be refreshed to provide modern facilities for families.

Redcliffe Hospital Executive Director Louise Oriti said with so many projects underway at the same time, the hospital was working hard to coordinate construction activities to ensure patient care continued to come first.

"Ultimately though, these projects will provide a more modern, safer, and clinically capable hospital that will continue to serve the Peninsula community for decades to come," Ms Oriti said.

Along with the refurbishments, a multi-storey car park is planned to provide patients, visitors, and staff with hundreds more car spaces on the hospital's campus.

PUTTING PEOPLE FIRST

80 YEARS OF WOMEN'S HEALTH

Queensland's oldest hospital is celebrating another anniversary, following last year's 150th Royal Brisbane and Women's Hospital (RBWH) celebrations.

This year the hospital is commemorating 80 years of caring for women, mothers and babies.

More than 520,000 babies have been born at the Women's Hospital since it opened in 1938. RBWH delivers around 5,000 babies each year – approximately one every two hours.

RBWH Executive Director Dr Amanda Dines said advancements in care in the past eight decades mean that many premature babies are now surviving even as young as 23 weeks gestation.

IN 2017 **58%**

OF MOTHERS*

(219 TOTAL)

HAD A HEALTH CARE VISIT

DURING THEIR FIRST TRIMESTER

IN 2017 **60%**

OF MOTHERS*

REPORTED NOT SMOKING ‹ 20 WEEKS PREGNANT

66% OF MOTHERS*

REPORTED NOT SMOKING › 20 WEEKS PREGNANT

* WHO IDENTIFIED AS ABORIGINAL OR TORRES STRAIT ISLANDER

Risk Management and Audit

Metro North's risk management system aligns with the Australian/New Zealand Standard ISO31000:2009 on risk management principles and guidelines and the National Safety and Quality Health Service Standard 1, Governance for Safety and Quality in Health Service Organisations.

Metro North is committed to a philosophy and culture that values open, fair and equitable behaviours, and that encourages staff members to proactively manage risk. The Board has communicated a zero tolerance for preventable patient harm as the key organising principle for all risk identification, assessment, treatment, monitoring and reporting.

The 2016-2020 Metro North strategic plan identifies six overarching strategic risks:

- workforce capability and capacity
- service demand
- fragmented healthcare
- quality and safety of services
- community confidence
- asset management and renewal.

Metro North's directorates and support services are responsible for identifying and managing operational risks.

Key achievements for 2017-18:

Metro North continues to improve its risk management system with a particular focus on identifying, treating and responding to risk in a more integrated and contemporary way.

RiskMan, a state-wide information management system in use by all hospital and health services, was implemented across Metro North. RiskMan integrates several systems including clinical incidents, consumer feedback, risk, and work health and safety incidents.

CULTURE OF INNOVATION

MENTAL HEALTH CELEBRATES 100 YEARS

Metro North Mental Health (MNMH) is celebrating 100 years of psychiatry and mental healthcare at Royal Brisbane and Women's Hospital.

MNMH Executive Director Associate Professor Brett Emmerson AM said improvements in the care and understanding of mental illness have reduced inpatient stays from several years to an average of two weeks.

"In the 1950s the only treatment they really had was Electroconvulsive Therapy (ECT), then in the 60s and the 70s we started to see the development of antidepressants and antipsychotics," Assoc Prof Emmerson said.

"I think as we continue to progress in this field, brain imaging such as that carried out at the Herston Imaging Research Facility will hold the key for us to understand the causes of mental health disorders."

IMPROVING ACCESS

CLINICAL COUNCILS LEADING ENGAGEMENT

Each hospital and health service must develop and publish a clinician engagement strategy to promote consultation with clinicians about providing health services. In Metro North, the Working Together Strategy for inclusive clinician engagement 2016-2018, sets out how clinicians and staff who, on top of their usual work, take time to plan for the best outcomes and experiences for our patients and to make Metro North a great place to work.

The Metro North Clinical Council, chaired by Dr George Javorsky (TPCH Director of Advanced Heart Failure and Cardiac Transplantation) is the peak clinical advisory body for Metro North. Locally, six clinical councils provide clinical leadership and involvement in hospitals as well as Oral Health Services and Community, Indigenous and Subacute Services.

In 2017-18, the councils contributed to the development of their local clinical service plans to set the priority service directions for directorates. Plans have outlined local community health needs, infrastructure planning and renewal, priorities for workforce planning, opportunities to strengthen internal and external partnerships and have identified that leadership and culture are important considerations in providing sustainable and innovative healthcare in a dynamic value-driven system.

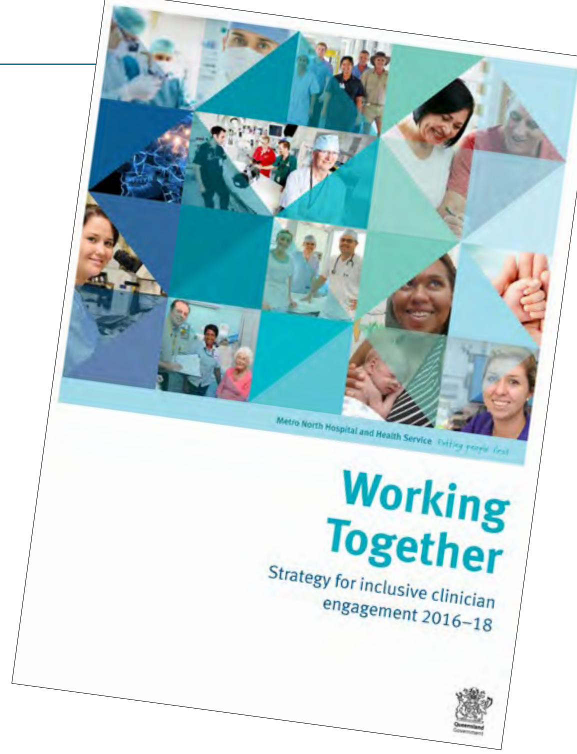
Councils have also championed local initiatives.

Redcliffe – the introduction of three clinical service lines has enabled more decision-making to be taken directly at a clinical service level and is providing a good foundation for the hospitals future expansion and expected growth. The lines are: Medical, Surgical, and Critical Care, Women and Children.

RBWH – clinical sponsorship of Choosing Wisely, staff engagement via Team Royal and strong engagement with RBWH consumer advisory group to measure patient feedback.

Caboolture – Kindness in July. The Caboolture / Kilcoy / Woodford Clinical Council created a staff magazine and delivered lunchtime leadership sessions to encourage staff to do more to care for themselves – physically, emotionally and spiritually.

TPCH – championing Values in Action via the clinician initiated C1 Project (Culture One Team) whose vision is for TPCH to operate as one team, crossing disciplines and specialties.



CULTURE OF RESEARCH

REWARDING RESEARCH INNOVATION

Around 10 per cent of Metro North's clinical and scientific staff participate in research. The Metro North Research Excellence Awards recognise the valuable contribution researchers make to improving healthcare outcomes.

The 2018 awards attracted 77 submissions from all facilities showcasing a wide variety of research projects and excellent researchers. This year there were 13 candidates for Researcher of the Year, more than double the number of candidates last year.

Congratulations to this year's winners:

- Rising Star – Dr Nicole Andrews
- Research Support – Professor Ian Yang
- Discovery & Innovation – UQ Thoracic Research Centre
- Complex Health Challenges – Queensland Forensic Mental Health Service
- Clinical Research – Qld Lung Transplant Program Clinical Trials Team
- Health Services & Implementation – Physiotherapy Screening Clinic Research team
- Researcher of the Year – Professor Kwun Fong
- Chief Executive Award – Professor Louise Cullen.

The awards were announced at a ceremony in May and sponsored by HESTA, SmartSalary, Virgin Australia, The Prince Charles Hospital Foundation and RBWH Foundation.

Metro North proudly partners with The Prince Charles Hospital Foundation and Royal Brisbane and Women's Hospital Foundation to support world-class health research.

$10.9 MILLION IN RESEARCH GRANTS FROM OUR HOSPITAL FOUNDATIONS

There are millions in grants from other sources each year

IMPROVING OUTCOMES

DEVELOPMENT UNDERWAY AT HERSTON QUARTER

Changes to the landscape at the Herston Health Precinct have become visible as progress has been made on the $1.1 billion Herston Quarter Redevelopment Project.

Premier Annastacia Palaszczuk, Member for McConnel Grace Grace MP and Metro North Hospital and Health Board member Geoff Hardy inspecting works on the site of the $340 million specialist public health facility.

The project is being delivered through a public-private partnership between Metro North and Australian Unity.

In December 2017, the Queensland Government approved the Herston Quarter Priority Development Area Development Scheme, which will guide development and the future renewal of the site over the next ten years. Community consultation on the draft Development Scheme was conducted in August and September 2017 before the Development Scheme was finalised.

Works to disconnect services from the broader Herston Health Precinct and demolition works to remove the former children's hospital buildings were completed in February 2018.

The Development Application for the construction of Metro North's new specialist public health facility was approved in January 2018 and construction of the $340 million purpose-built facility officially commenced on 30 April 2018. Construction of the facility is anticipated to be completed by the end of 2020.

Once operational, the new 184-bed facility will provide specialist care for patients requiring rehabilitation, elective surgery, endoscopy and a range of outpatient services. It will include special purpose rehabilitation areas, seven operating theatres and three endoscopy rooms.

An additional 52 inpatient beds have been included in the design of the new facility following a comprehensive clinical design process involving approximately 200 clinicians, allied health professionals and consumers.

Consultation and clinical planning for operational requirements, such as information and communication technology, furniture, fixtures and equipment continued throughout 2017-18.

The partnership with Australian Unity was recognised for Best Social Infrastructure Project and Best Financial Structure at the 2017 Public Private Partnership Awards in November.

CULTURE OF INNOVATION

CENTRE TO LEAD IN INNOVATION AND COLLABORATION

A 20-year academic and research partnership between Metro North and The University of Queensland (UQ) was signed on 18 May 2018.

The Specialist Rehabilitation and Ambulatory Care Centre (SRACC) Alliance to integrate clinical care, education and research will be delivered through the new specialist public health facility and improve outcomes for people with complex rehabilitation needs.

The centre will become one of the largest tertiary specialist rehabilitation centres in the southern hemisphere, accommodating 100 nursing and allied health students each year. From 2021, a broad range of clinical placements will be available for UQ students in nursing, occupational therapy, physiotherapy, speech pathology, audiology, nutrition and dietetics, clinical psychology, social work and rehabilitation medicine.

Metro North Chief Executive Shaun Drummond and UQ Vice-Chancellor and President Professor Peter Høj

External Scrutiny

The operations of Metro North are subject to regular scrutiny and validation from numerous external agencies.

All Metro North services are currently accredited with the Australian Council on Healthcare Standards (ACHS) and the Australian Aged Care Quality Agency for aged care services.

The ACHS conducted a Whole of Organisation survey visit for accreditation of hospital and health services in 2017 for the following services:

- Redcliffe Hospital
- Caboolture Hospital
- Woodford Correctional Centre
- Kilcoy Hospital
- Community, Indigenous and Subacute Services
- The Prince Charles Hospital
- Mental Health Services

All services successfully met all Standards and maintained accreditation.

In 2017–2018, Parliamentary reports tabled by the Auditor-General which broadly considered the performance of Metro North included:

- The National Disability Insurance Scheme (Report 14: 2017–18)
- Queensland state government: 2016–17 results of financial audits (Report 11: 2017–18)
- Health: 2016–17 results of financial audits (Report 7: 2017–18)

The recommendations contained within these Auditor-General reports were considered and action was taken to implement recommendations or address any issues raised, where appropriate.

During 30 April – 3 May 2018, Deloitte Risk Advisory Pty Ltd audited Metro North against AS/NZS4801:2001 Occupational Health and Safety Management Systems, as required under the Service Level Agreement with Department of Health. The finalised report has now been received confirming Metro North successfully met the requirements of all 25 audit criteria relating to the elements with no non-conformance.

Metro North periodically works with the Crime and Corruption Commission across a number of areas to maintain a robust corruption prevention framework.

Internal Audit

The internal audit function provides an independent and objective assurance and consulting service to management and the Board. The audits undertaken are risk-based and are designed to evaluate and improve the effectiveness of risk management, control and governance processes.

The function operates with due regard to Treasury's Audit Committee Guidelines, a Board approved Charter and contemporary internal audit standards. Overall service delivery and audit operations are aligned with the Institute of Internal Auditors – Australia, International Professional Practices Framework (IPPF). The IPPF provides a proven, professional, ethical and defendable audit framework. This framework supports the delivery of effective, efficient and economical audits.

Annual and strategic audit plans are developed in consideration of the Board's risk management (strategic and operational risks) and governance processes, designed and maintained by management. Following consultation with management and members of the risk and audit committee, the audit plans are approved by the Board.

The delivery of audits is assisted through a co-source partnership arrangement using a global consulting firm and a specialist clinical consultant. These firms provide subject matter experts and lead audits requiring specialist knowledge and skills. Although the function liaises regularly with the Queensland Audit Office (QAO) it remains independent of the QAO.

Key achievements for 2017–18:

During the period, Internal Audit completed eighteen internal audits covering both clinical and non-clinical risk areas including:

- IT cyber security review – protective technology
- Contract management: KPIs
- Credentialing practices – Allied Health, Nursing and Midwifery
- Expenditure review – ICT invoices
- Strategic alignment of IT
- Rejection of MBS billing claims by Medicare
- Payroll – leave management controls
- End of life care

Information systems and record keeping

The Health Information Policy and Governance function has responsibility for the development and implementation of health information strategy, policy, standards and governance, including data custodianship, information privacy and right to information. As Metro North progresses with the digital hospital agenda, the function provides support to this process through providing a better understanding of information assets, their management, governance and utilisation. At its core, the function is designed to ensure that Metro North can make the best use of the information it holds in a way that promotes public trust in how we handle, protect and disclose personal and sensitive information.

In terms of access to information by the public, in 2017-2018, Metro North across its four facilities processed 12,153 applications for information. This translates to 1,557,555 pages processed through administrative access and legislative mechanisms like Right to Information and Information Privacy applications. Most of this is related to patient care, however applications are also received relating to wider policy questions and from media outlets, political and non-government organisations.

Metro North continues to develop and implement policies, procedures and guidelines under the Metro North Corporate Records Management Framework. These policy artefacts will continue to be updated to reflect changes within Queensland State Archives policies and Queensland Government Chief Information Officer Information Standards.

MORE THAN 1.5 MILLION PAGES RELEASED TO PATIENTS, CONSUMERS, MEDIA OUTLETS, POLITICAL AND NON-GOVERNMENT ORGANISATIONS

(Through Right to Information and other mechanisms)

The electronic Document and Records Management System has continued to be rolled out to corporate business areas within Metro North to drive increased business functionality, streamlined approval processes, enhanced information security and ongoing monitoring and compliance with legislative, business and accountability requirements.

Metro North has implemented processes to protect records that are relevant to, or may become relevant to, an allegation of child sexual abuse, as directed by the Queensland Archivist issued disposal freeze dated 1st June 2018. This disposal freeze was based on recommendations of the "*Final report of the Royal Commission into Institutional Responses to Child Sexual Abuse*". To comply with the disposal freeze, Metro North has been directed not to dispose of records that are covered by this disposal freeze until the freeze is revoked.

Information disclosures

Section 160 of the *Hospital and Health Boards Act 2011* requires that any confidential information disclosures made in the public interest by a service are outlined in the annual report for that service. There were no disclosures in 2017-18.

Open data

Additional annual report disclosures relating to expenditure on consultancy, overseas travel and implementation of the Queensland Language Services Policy are published on the Queensland government's open data website www.data.qld.gov.au

IMPROVING OUTCOMES

REDCLIFFE ED'S HALF-MILLION MILESTONE

In the ten years since it was officially opened, Redcliffe Hospital's Emergency Department (ED) has treated more than half a million patients.

Executive Director Louise Oriti said the milestone was achieved thanks to the dedication of the hospital's emergency clinicians and good planning when the facility was being designed a decade ago.

Enhancements to the ED have included the recent installation of a new and upgraded X-ray room, and the introduction of Pyxis medication machines.

Ms Oriti said that the emergency department was now seeing around 65,000 patients a year, making supporting patient flow through the hospital more important than ever before.

IMPROVING ACCESS

EXPANDING CAPACITY AT CABOOLTURE

Caboolture Hospital's new Outpatient Services building opened in February 2018. The building has 30 consultation rooms and will allow the hospital to deliver around 70,000 adult, child and antenatal appointments each year.

The new building represents one of the first steps towards the much-needed interim expansion of the hospital's Emergency Department. The former outpatient rooms in the main hospital building will soon house medical imaging, which will clear the way for construction work on the interim ED expansion to start later in 2018.

The Caboolture Hospital ED sees an average of 4,500 patients per month, which is forecast to grow to 5,500 patients per month by 2021-22. The interim ED expansion will significantly increase the floor space and have more appropriate places for the management of children, mental health and elderly patients.

Clinical Governance

The Board, Chief Executive and management are responsible and accountable for ensuring the systems and processes are in place to support clinicians in providing safe, high quality care, and for clinicians to participate in governance activities. These systems are established to set, monitor and improve the performance of the organisation, and communicate the importance of safe, high quality care to all members of the workforce.

The Metro North clinical governance framework provides an integrated system of governance, risk and compliance across five key areas:

1. Governance and quality improvement systems: delivering quality reliably
2. Clinical practice: clinical effectiveness through measurement of performance
3. Performance and skills management: engaged and effective workforce
4. Incident and complaints management: optimising and standardising processes through organisational learning
5. Patient rights and engagement: consumer participation and partnership

Key achievements for 2017-18:

- Metro North's second annual patient safety and quality forum in October 2017 was highly successful and well rated by participants who were Metro North staff from a range of clinical disciplines, as well as community partners and consumers.
- The RiskMan IT solution was implemented as part of a state-wide program and replaced existing management systems for clinical incidents, consumer feedback, staff incidents and case management and risk management.
- Regular internal reporting on safety and quality continues with the "voice of the patient" which provides an opportunity for the Board and senior executives to hear directly from patients and family about their experiences with the healthcare system.
- Strong consumer feedback in clinical governance with the Community Board Advisory Group (CBAG), the peak consumer engagement body for Metro North, actively reviewing safety and quality performance and working in partnership on improvement initiatives.

Our people

Queensland Public Service Values

The core Queensland public service values are demonstrated in the work of Metro North's more than 18,500 staff delivering services from the north of the Brisbane River to the north of Kilcoy.

- Customers first
- Ideas into action
- Unleash potential
- Be courageous
- Empower people

As Australia's largest public healthcare service, Metro North is a leader in healthcare, research, clinical training and education. There is an established link between positive organisational culture and patient safety. Metro North demonstrates the Queensland Public Service values through our Values in Action where we aim to make our Metro North values more than words and strengthen our culture.

Values in Action comprises six main bodies of work:

- Welcome to Metro North – inducting new staff into our culture and values, and creating a sense of belonging.
- Our people, our values – embedding our values in our recruitment, review and staff development systems.
- Celebrating Values in Action – creating a culture of recognising, rewarding and celebrating staff achievements.
- Our people's wellbeing – supporting staff wellbeing through current and new programs.
- Fun – promoting fun, wellbeing, teamwork and belonging in the workplace.
- Culture of safety and respect – developing pathways to promote respect and be accountable for behaviour.

IMPROVING ACCESS

MENTAL HEALTH SUPPORT IN THE COMMUNITY

People living with mental illness now have an alternative to hospital admission after the opening of the first purpose-built facility on Brisbane's northside in April 2018.

The $5 million facility provides 24/7 supervised, short-term recovery-focused residential support for up to 10 people who may need additional support to manage a change in their mental health or transition back to living in the community after being discharged from hospital. Admission is voluntary.

Nundah House delivers on priority areas in the Health Service Strategy 2015-2020 by supporting the mental health needs of our community, working in meaningful partnership to better connect care and expanding services so people can access care at the right time and in the right place.

Executive Director of Metro North Mental Health (MNMH) Associate Professor Brett Emmerson AM said Nundah House provides an important component of care for adults by helping to bridge the gap between the community and the hospital so more people can get the support they need in the community.

Its personalised and recovery-centred approach not only supports people to manage their illness but helps to build resilience, independence and social connectedness.

Nundah House is an initiative of Metro North Mental Health and is delivered in partnership with mental health organisation Neami National who provide recovery-oriented support services.

Planning is now under way to build a six-bed youth 'Step up Step down' facility north of Brisbane. The facility is expected to be built by the end of 2019.

Funding for the facility has been made available as part of the State Government's response to the Barrett Adolescent Centre Commission of Inquiry.

This service will extend the continuum of mental health service options available to youth with severe and complex mental health issues and their families and carers with the least possible disruption to their community connections.

The facility will operate as sub-acute mental health bed-based service in a community setting with clinical services provided by Metro North and community support services by a non-government organisation.

Assoc Prof Brett Emmerson AM, Board Deputy Chair Dr Kim Forrester, Minister for Health and Minister for Ambulance Services, The Honourable Steven Miles, and member for Nudgee Leanne Linard.

OUR COMMUNITIES

Metro North has an active and vibrant culture of consumer engagement and partnerships, with many opportunities for consumers to co-design services and improvements.

Connecting for Health: strategy for inclusive engagement, involvement and partnership 2016-2018 continues to shape and advance the consumer and community engagement agenda in Metro North. Under the *Hospital and Health Boards Act 2011*, Metro North reports annually on its achievements.

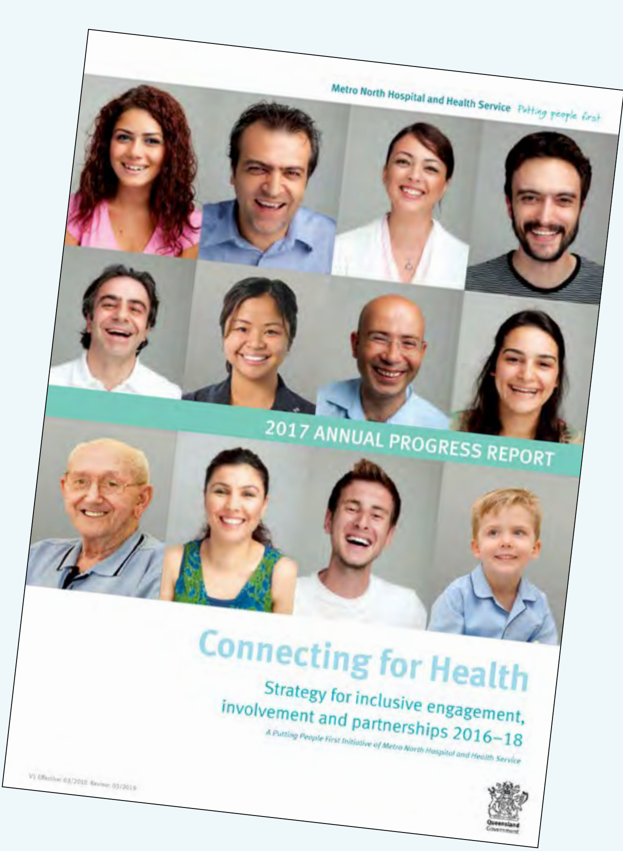
The Community Board Advisory Group (CBAG), now in its fifth year of operation, is an established governing body that continues to advise the Metro North Board and Executive on consumer and community engagement and facilitate essential community partnerships.

In 2017, more than 100 consumers were involved in planning and service redesign including:

- health service planning for bariatric services and palliative care
- A five year health care plan for older people who live in Brisbane North developed in partnership with Brisbane North PHN
- hospital clinical services plans.

Examples of local consumer involvement include:

- 39 individual patient experiences were captured at Halwyn Centre and Jacana in preparation for the transition to the NDIS;
- Redesigning the Caboolture Hospital emergency department including redevelopment, patient journey simulation exercises and design and relocation of the outpatients department.



Metro North is projected to reach over one million residents by 2021 with Caboolture and Redcliffe Hospital catchments the fastest growing and also the most disadvantaged.

The number of people aged 65 years and over will increase by 3.4 per cent per annum (or 60,554 people) over the next 8 years.

One in five people were born overseas and 10.2% of residents spoke a first language other than English, higher than the Queensland rate of 9.5%.

Our workforce 2017–18

Metro North currently employs 15,781 full-time equivalent (FTE) employees and 18,935 headcount to deliver its services across multiple sites, and has experienced a 4.8 per cent permanent separation rate. The number of full-time equivalent employees has increased by 4.1 per cent since the 2016-17 financial year. The highest percentage growth has been at the Caboolture Hospital, which reflects increases in service demand across the health service. The tables below display the number of employees by work location.

Division Facility

	30-Jun-17*	30-Jun-18**	Change %	% of Total
Royal Brisbane & Women's Hospital	6,765	7,122	5.3%	45.1%
The Prince Charles Hospital	3,267	3,355	2.7%	21.3%
Redcliffe Hospital	1,619	1,674	3.4%	10.6%
Caboolture Hospital	1,185	1,279	8.0%	8.1%
Kilcoy Hospital	41	40	-1.7%	0.3%
Metro North Other	2,285	2,310	1.1%	14.6%
Total MOHRI Occupied FTE	**15,162**	**15,781**	**4.1%**	

* Pay cycle ends 18 June 2017 ** Pay cycle ends 17 June 2018

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

Sick leave performance in 2017–18 was 4.3 per cent (target 3.3 per cent) compared to 3.7 per cent in 2016–17.

Ethics and code of conduct

Metro North continues to uphold 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 in Metro North are required to undertake training in the *Code of Conduct for the Queensland Public Service* during their orientation, and re-familiarise themselves with the Code at regular intervals.

The orientation program includes conflict of interest, fraud, and bullying and harassment to ensure all staff have a good understanding of their requirements under the *Code of Conduct for the Queensland Public Service*. Communications relating to the standard of practice are also regularly released.

During 2017-18, there has been a focus on building a professional and positive workplace culture – part of Metro North's Values in Action framework. For example, the Chief Executive or member of the Senior Executive Team deliver the Orientation Welcome Session, speaking openly and honestly about their personal experiences and how this relates to Values in Action.

Other mandatory training for staff includes: Occupational violence prevention orientation; Aboriginal and Torres Strait Islander cultural practice; and *Australian Charter of Health Care Rights* awareness.

Key achievements for 2017–18:

- Continuing the rollout of the Metro North safety culture program SHAPE (Safety Has a Place Everywhere) with training reaching almost 3,000 staff.
- Since the introduction of SHAPE and the implementation of a new risk reporting system for Metro North (RiskMan):
  - Incident reporting increased by 23%*
  - WorkCover claims decreased by 6.3%*
  - Incidents converted to WorkCover claims have decreased by 22.7%*

  *(over the period quarter 4 2016/17 to quarter 4 2017/18)
- Building line manager capability more effectively at the local level, including early intervention tools and techniques for managing workplace behaviour, and best practice performance and development planning for managers. Line managers were also supported by coaching sessions and education / awareness sessions for team members on these topics.
- The Springboard e-Recruitment system now services 100% of requests to hire.
- Rollout of a centralised online learning management system to ensure all mandatory and requisite training is captured and kept current. Piloted in Corporate Business Services (November 2017) and Oral Health (March 2018), The Prince Charles Hospital was the first hospital to go-live in April 2018 followed by Redcliffe Hospital in June 2018. Other sites will join in 2018.
- Launch of a video, 'Barambin', developed in conjunction with Virtual Songlines+, that is the centrepiece to the opening Orientation as it pays respects to the historical Indigenous surrounds of the RBWH area.
- The success of the video story will lead to the production of a similar style opening video for each of the other facilities in Metro North that would be representative of the indigenous heritage of the area.
- 2017-18 proved to be a busy time for Metro North with a noted increase in industrial activity in the second part of the financial year. During this time Metro North has worked in collaboration with the Department of Health in developing a range of state wide improved industrial relations initiatives for example rostering after breaks and the state-wide change management resources.

+ Virtual Songlines is an innovative, computer-generated 3D modelling system of pre-settlement Brisbane and brings greater understanding of our cultural heritage, arts and language

> *In 2017–18, the Metro North Recruitment team received and processed 1,350 requests to hire and 4,801 appointments*

IMPROVING HEALTH OUTCOMES

WOODFORD CORRECTIONS EXPANDS HEALTH SERVICE

New staff have joined the team at Woodford Corrections Health to provide care for an increased prison population.

The facility provides 3,000 episodes of care each month to the 1,400 men at the correctional centre.

In addition to a new Clinical Nurse Consultant who supervises 28 nurses, the service now has its first Nurse Practitioner.

A pharmacist from Kilcoy Hospital visits the health centre several times a week.

A key component of the workload is treating patients for hepatitis C.

The health centre has received funding from The Prince Charles Hospital Foundation to fund a trial of a new cure for hepatitis C in the correctional centre.

CULTURE OF INNOVATION

TECHNOLOGY INCREASES HEART TRANSPLANT CAPABILITY

Cardiac surgeons from The Prince Charles Hospital (TPCH) are the first in Queensland to use new revolutionary technology that will allow more patients to receive life-saving heart transplants.

The new Transmedics Organ Care System preserves the donor heart by mimicking circulation to keep the heart warm and beating in transit, expanding the potential organ donor pool in Queensland.

TPCH transplant surgeon Dr Anil Prabhu said that preserving hearts for transplantation in a normal or close to normal physiological state gives surgeons more time to perform transplants and potentially save more lives.

“The new system gives us over eight hours compared with the current cold storage method which only gives around four hours, before the donor organ starts to deteriorate,” Dr Prabhu said.

“This technology means that we can retrieve donor organs from a far greater range of geographical locations throughout Queensland and Australia, which increases the chance for more patients to receive life-saving heart transplants.

“The new system also allows clinicians to monitor and re-condition the donor heart during the transport period. This keeps the heart in better shape for surgery, and minimises the risk of complications for the patient following their transplant.”

Minister for Health and Minister for Ambulance Services, the Honourable Steven Miles and members of The Prince Charles Hospital Advanced Heart Failure and Cardiac Transplantation team with the new Transmedics Organ Care System.

The Prince Charles Hospital is one of only four heart and lung transplant services in Australia. In the past 15 years there have been average of up to 15 heart transplants per year in Queensland.

TPCH’s Director of Advanced Heart Failure and Cardiac Transplantation Dr George Javorsky said that transplantation was the only option for certain patients with end stage heart failure.

“This new system will hopefully increase the number of suitable donor hearts for patients awaiting transplant, and reduce the amount of time patients wait for their transplant operation,” Dr Javorsky said.

“Importantly, transplantation would not be possible without the generosity of organ donors and their families.”

Funding for the Transmedics Organ Care System was provided by Queensland Health’s New Technology Funding and Evaluation Program.

Summary of financial performance

for the year ended 30 June 2018

High Level Profit and Loss

	2018 $'000	2017 $'000
Income		
User Charges and fees	240,725	249,549
Funding for the provision of public health services	2,430,149	2,278,474
Grants and Other Contributions	43,187	24,944
Other Revenue	50,850	37,797
Gain on disposal/re-measurement of assets	549	164
Total Income	**2,765,460**	**2,590,928**
Expenses		
Employee Expenses	1,964,160	1,840,832
Supplies and Services	673,034	641,695
Grants and subsidies	1,403	1,271
Depreciation and Amortisation	103,554	84,816
Impairment losses	5,497	5,091
Other Expenses	10,431	6,988
Total Expenses	**2,758,079**	**2,580,693**
Operating result	**7,381**	**10,235**
High Level Balance Sheet		
Assets		
Cash and cash equivalents	75,925	78,915
Receivables	105,607	84,489
Property, plant and equipment	1,335,724	1,294,645
Inventories	20,164	18,632
Intangible assets	21,139	14,623
Other	9,587	8,634
Total Assets	**1,568,146**	**1,499,938**
Liabilities		
Payables	88,695	74,578
Other	119,249	77,650
Total Liabilities	**207,944**	**152,228**
Net Assets	**1,360,202**	**1,347,710**

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Statement of Comprehensive Income
for the year ended 30 June 2018

	Notes	2018 Actual $'000	2018 Budget $'000	Budget Variance $'000	2017 Actual $'000
Income					
User charges and fees	A1-1	240,725	253,616	(12,891)	249,549
Funding for the provision of public health services	A1-2	2,430,149	2,377,909	52,240	2,278,474
Grants and other contributions	A1-3	43,187	20,424	22,763	24,944
Other revenue		50,850	33,058	17,792	37,797
Gain on disposal/re-measurement of assets		549	51	498	164
Total income		**2,765,460**	**2,685,058**	**80,402**	**2,590,928**
Expenses					
Employee expenses	A2-1	1,964,160	1,911,958	(52,202)	1,840,832
Supplies and services	A3-1	673,034	669,470	(3,564)	641,695
Grants and subsidies		1,403	3,173	1,770	1,271
Depreciation and amortisation	B4/ B5-1	103,554	92,330	(11,224)	84,816
Impairment losses		5,497	3,682	(1,815)	5,091
Other expenses	A3-2	10,431	4,445	(6,057)	6,988
Total expenses		**2,758,079**	**2,685,058**	**(73,021)**	**2,580,693**
Operating result		7,381	-	7,381	10,235
Other comprehensive income					
Items that will not be reclassified subsequently to operating result					
Increase in asset revaluation surplus	B7-1	33,078	-	33,078	70,990
Total other comprehensive income		**33,078**	**-**	**33,078**	**70,990**
Total comprehensive income		**40,459**	**-**	**40,459**	**81,225**

Statement of Financial Position

for the year ended 30 June 2018

	Notes	2018 Actual $'000	2018 Budget $'000	Budget Variance $'000	2017 Actual $'000
Current assets					
Cash and cash equivalents	B1	75,925	42,800	33,125	78,915
Receivables	B2-1	105,607	85,189	20,418	84,489
Inventories	B3	20,164	20,048	116	18,632
Other assets		9,142	9,550	(408)	8,391
Total current assets		**210,838**	**157,587**	**53,251**	**190,427**
Non-current assets					
Property, plant and equipment	B5-1	1,335,724	1,306,777	28,947	1,294,645
Intangible assets	B4	21,139	864	20,275	14,623
Other assets		445	-	445	243
Total non-current assets		**1,357,308**	**1,307,641**	**49,667**	**1,309,511**
Total assets		**1,568,146**	**1,465,228**	**102,918**	**1,499,938**
Current liabilities					
Payables	B6-1	88,695	83,488	(5,207)	74,578
Accrued employee benefits	A2-1	85,514	72,351	(13,163)	74,814
Provisions	B6-2	20,429	-	(20,429)	-
Unearned revenue		**13,306**	**1,295**	**(12,011)**	**2,836**
Total current liabilities		**207,944**	**157,134**	**(50,810)**	**152,228**
Total liabilities		**207,944**	**157,134**	**(50,810)**	**152,228**
Net assets		1,360,202	1,308,093	52,108	1,347,710
Equity					
Contributed equity		1,093,797	1,065,701	28,096	1,121,764
Accumulated surplus/(deficit)		91,411	83,466	7,945	84,030
Asset revaluation surplus	B7-1	**174,994**	**158,926**	**16,068**	**141,916**
Total equity		**1,360,202**	**1,308,093**	**52,109**	**1,347,710**

Statement of Changes in Equity
for the year ended 30 June 2018

	Accumulated surplus / (deficit) $'000	Asset revaluation surplus $'000	Contributed equity $'000	Total equity $'000
Balance as at 1 July 2016	73,795	70,926	1,170,990	1,315,711
Operating result for the year	10,235	-	-	10,235
Other comprehensive income				
Increase in asset revaluation surplus	-	70,990	-	70,990
Total comprehensive income for the year	**10,235**	**70,990**	**-**	**81,225**
Transactions with owners:				
Equity injections - minor capital funding	-	-	34,899	34,899
Equity withdrawals - depreciation and amortisation	-	-	(84,810)	(84,810)
Non-appropriated equity asset injections		-	685	685
Net transactions with owners	-	-	(49,226)	(49,226)
Balance at 30 June 2017	**84,030**	**141,916**	**1,121,764**	**1,347,710**
Balance as at 1 July 2017	84,030	141,916	1,121,764	1,347,710
Operating result for the year	7,381	-	-	7,381
Other comprehensive income				
Increase in asset revaluation surplus	-	33,078	-	33,078
Total comprehensive income for the year	**7,381**	**33,078**	**-**	**40,459**
Transactions with owners:				
Equity injections - minor capital funding	-	-	73,612	73,612
Equity withdrawals - depreciation and amortisation	-	-	(103,554)	(103,554)
Non-appropriated equity asset injections	-	-	1,975	1,975
Net transactions with owners	-	-	(27,967)	(27,967)
Balance at 30 June 2018	**91,411**	**174,994**	**1,093,797**	**1,360,202**

The accompanying notes form part of these statements.

Statement of Cash Flows

for the year ended 30 June 2017

	Notes	2018 Actual $'000	2018 Budget $'000	Budget Variance $'000	2017 Actual $'000
Cash flows from operating activities					
Inflows					
User charges and fees		232,586	246,691	(14,105)	237,763
Funding for the provision of public health services		2,315,177	2,377,909	(62,732)	2,239,508
Grants and other contributions		42,565	20,424	22,141	19,965
Interest received		716	579	137	714
Other revenue		20,936	32,479	(11,543)	36,199
GST collected from customers		5,424	-	5,424	5,330
GST input tax credits from ATO		44,164	39,723	4,441	20,494
Outflows					
Employee expenses		(1,953,459)	(1,906,482)	(46,977)	(1,827,700)
Supplies and services		(607,224)	(667,970)	60,746	(639,102)
Grants and subsidies		(2,021)	(3,173)	1,152	(1,671)
Other expenses		(8,714)	(4,445)	(4,269)	(5,967)
GST paid to suppliers		(43,955)	(39,749)	(4,206)	(22,274)
GST remitted to ATO		(5,590)	-	(5,590)	(5,523)
Net cash from operating activities	CF-1	40,605	95,986	(55,381)	57,736
Cash flows from investing activities					
Inflows					
Sales of property, plant and equipment		536	51	485	137
Outflows					
Payments for property, plant and equipment		(109,647)	(69,993)	(39,654)	(77,559)
Payments for intangible assets		(8,096)	-	(8,096)	(9,297)
Net cash (used by) investing activities		(117,207)	(69,942)	(47,265)	(86,797)
Cash flows from financing activities					
Inflows					
Equity transferred		73,612	(57,189)	130,801	34,849
Net cash from/(used by) financing activities		73,612	(57,189)	130,801	34,849
Net increase/(decrease) in cash and cash equivalents		(2,990)	(31,145)	28,155	5,866
Cash and cash equivalents at the beginning of the financial year		78,915	73,945	4,970	73,049
Cash and cash equivalents at the end of the financial year	B1	75,925	42,800	33,125	78,915

Notes to the statement of cash flow
for the year ended 30 June 2018

CF-1 Reconciliation of surplus to net cash from operating activities

	2018 $'000	2017 $'000
Surplus for the year	7,381	10,235
Adjustments for:		
Non-cash equity withdrawal - depreciation funding	(103,554)	(84,810)
Depreciation and amortisation expense	103,554	84,816
Property, plant and equipment revaluation (increment)/ decrement	-	-
Impairment loss	5,345	4,815
Loss on sale of property, plant and equipment	1,094	604
Assets transferred - non-cash	(549)	(2,231)
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables	(25,940)	30,536
(Increase)/decrease in GST receivables	43	(1,973)
(Increase)/decrease in inventories	(1,532)	4,792
(Increase)/decrease in recurrent prepayments	(953)	344
Increase/(decrease) in payables	14,117	(3,875)
Increase/(decrease) in accrued salaries and wages	10,892	11,003
Increase/(decrease) in unearned revenue	10,470	1,351
Increase/(decrease) in other employee benefits	(192)	2,129
Increase/(decrease) in provisions	20,429	-
Net cash from operating activities	**40,605**	**57,736**

Notes to the financial statements
for the year ended 30 June 2018

BASIS OF FINANCIAL STATEMENT PREPARATION
General information

Metro North Hospital and Health Service was established on 1 July 2012, as a not-for-profit statutory body under the *Hospital and Health Boards Act 2011*. Metro North Hospital and Health Service is responsible for providing public sector health services in the area assigned under the *Hospital and Health Boards Regulation 2012*.

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

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

Level 14, Block 7
Royal Brisbane and Women's Hospital
Herston QLD 4029

For information in relation to the health service please call (07) 3646 8111, email metronorthfeedback@health.qld.gov.au or visit Metro North Hospital and Health Service's website at: https://www.health.qld.gov.au/metronorth/about/contact-us

Statement of compliance

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

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with *Queensland Treasury's Financial Reporting Requirements* for the year ending 30 June 2018 and other authoritative pronouncements.

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

The reporting entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of Metro North Hospital and Health Service.

Presentation matters

Currency and rounding

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

Current/Non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of financial position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or Metro North Hospital and Health Service does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

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

Authorisation of financial statements for issue

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

SECTION A: NOTES ABOUT OUR FINANCIAL PERFORMANCE

A1: REVENUE

	2018 $'000	2017 $'000
A1-1: User charges and fees		
Hospital fees	**137,813**	130,909
Sales of goods and services	**22,989**	22,622
Pharmaceutical benefit scheme reimbursements	79,923	96,018
Total	**240,725**	**249,549**

Accounting policy – User Charges and Fees

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

Revenue in this category primarily consists of hospital fees (patients who elect to utilise their private health cover) and sales of goods and services which includes reimbursements of pharmaceutical benefits.

A1-2: Funding for the provision of public health services

	2018 $'000	2017 $'000
Activity based funding	1,977,857	1,868,311
Block funding	171,381	137,371
Other funding	280,911	272,792
Total	**2,430,149**	**2,278,474**

Accounting policy – Funding for the provision of public health services

Funding is provided predominantly from the Department of Health 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 Department of Health, 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 Metro North Hospital and Health Service. Cash funding from the Department of Health is received fortnightly for State payments & monthly for Commonwealth payments and is recognised as revenue on receipt. At the end of the financial year, an agreed technical adjustment between the Department of Health and Metro North Hospital and Health Service may be required for the level of services performed above or below the agreed levels.

The service agreement between the Department of Health and Metro North Hospital and Health Service dictates that depreciation and amortisation charges that are incurred by Metro North Hospital and Health Service are funded by the Department of Health via non-cash revenue. This transaction is shown in the Statement of changes in equity as an equity withdrawal and is recognised in the Statement of comprehensive income as Other funding, $103.6M in 2018 ($84.8M 2017).

A1-3: Grants and other contributions

	2018 $'000	2017 $'000
Grants and other contributions	19,937	24,944
Services received below fair value	23,250	-
Total	**43,187**	**24,944**

Accounting policy – Services received below fair value

During 2017-18 Metro North Hospital and Health Service received services below fair value from the Department of Health in the form of payroll, accounts payable and banking services. AASB 1044 *Contributions* states that Metro North Hospital and Health Service shall recognise income and a matching expense for services received below fair value only if the services would have been purchased from an alternative provider if they had not been provided by the Department and the fair value of the services received can be reliably measured. Both criteria have been satisfied and therefore require Metro North Hospital and Health Service to recognise income and a corresponding expense for the fair value of these service received. The fair value of these services amounted to $23.01m in 2018 and were recognised in “Grants and other contributions” in the Statement of comprehensive income. Please see note A3-1 for disclosure of the corresponding expense recognised for services received below fair value.

A2: EMPLOYEE EXPENSES

A2-1: Employee expenses

	2018 $'000	2017 $'000
Employee benefits		
Wages and salaries	1,560,956	1,454,431
Employer superannuation contributions	159,619	152,190
Annual leave levy	181,936	174,603
Long service leave levy	32,729	30,859
Termination benefits	1,094	1,098
Employee related expenses		
Workers compensation premium	15,130	15,260
Other employee related expenses	12,696	12,391
Total	**1,964,160**	**1,840,832**

	2018 No.	2017 No.
Full-Time Equivalent Employees	**15,781**	15,162

Accounting Policy – Employee Benefits

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

Payroll tax and workers compensation insurance are a consequence of employing employees, and are recognised separately as employee related expenses.

Wages and salaries due but unpaid at reporting date are recognised in the statement of financial position at current salary rates.

As Metro North Hospital and Health Service expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Scheme, a levy is made on the Metro North Hospital and Health Service to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears. Non-vesting employee benefits, such as sick leave, are recognised as an expense when taken.

Employer superannuation contributions are paid to QSuper for all employees and include superannuation contributions to a number of self-managed superannuation funds for Board members. QSuper is the superannuation scheme for Queensland Government employees, and the rates are determined by the Treasurer on the advice of the State Actuary. The QSuper scheme has defined benefit and defined contribution categories. Contributions are expensed in the period in which they are paid or payable and the Metro North Hospital and Health Service's obligation is limited to its contribution to QSuper and the self-managed superannuation funds.

The provisions for annual leave and long service leave and the liability for superannuation obligations are reported on a whole-of government basis pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

A2-2: Key Management Personnel Disclosures

As from 2016-17, Metro North Hospital and Health Service's responsible Minister is identified as part of its key management personnel, consistent with additional guidance included in the revised version of AASB 124 Related Party Disclosures. That Minister is the Honorable Cameron Dick MP, Minister for Health and Minister for Ambulance Services.

The following details for non-Ministerial key management personnel reflect those Metro North Hospital and Health Service positions that had authority and responsibility for planning, directing and controlling activities during the current financial year:

Position	Name	Contract classification / appointment authority	Initial appointment date	Resignation/ Cessation date
Non-executive Board Chair Provide strategic leadership, guidance and effective oversight of management, operations and financial performance.	Emeritus Professor Robert Stable AM MBBS, DUniv (QUT), MHP, FRACGP, FAICD, FCHSM (Hon)	Chairperson – *Hospital and Health Boards Act 2011* Section 25 (1) (a) Tenure: 18/05/2016 to 17/05/2020	18/5/2016	–
Non-executive Deputy Board Chair Provide strategic leadership, guidance and effective oversight of management, operations and financial performance.	Dr Kim Forrester RN, BA, LLB, LLM (Advanced), PhD, Member AICD, Barrister at Law, Associate Professor, Faculty of Health Science and Medicine Bond University	Board Member – *Hospital and Health Boards Act 2011* Section 23 (1) Tenure: 18/05/2014 to 17/05/2018 Tenure: 18/05/2018 to 17/05/2021	18/5/2013	–
Non-executive Board Member Provide strategic leadership, guidance and effective oversight of management, operations and financial performance.	Ms Bonny Barry RN, BNsg, Member AICD	Board Member – *Hospital and Health Boards Act 2011* Section 23 (1) Tenure: 18/05/2017 to 17/05/2020	18/5/2016	–
	Mr Adrian Carson GCertHServMgt	Board Member – *Hospital and Health Boards Act 2011* Section 23 (1) Tenure: 18/05/2017 to 17/05/2020	18/5/2017	–

A2-2: Key management personnel disclosures (continued)

Position	Name	Contract classification / appointment authority	Initial appointment date	Resignation/ Cessation date
	Professor Helen Edwards OAM DipApSc, BA, BA (Hons), PhD, FACN, FAAN, MAICD	Board Member – *Hospital and Health Boards Act 2011* Section 23 (1) Tenure: 18/05/2014 to 17/05/2018	7/9/2012	17/05/2018
	Professor Mary-Louise Fleming BEd (QUT), MA (Ohio), PhD (Qld), Member AICD	Board Member – *Hospital and Health Boards Act 2011* Section 23 (1) Tenure: 18/05/2017 to 17/05/2020	18/5/2016	
	Mr Mike Gilmour Dip Acctg, MBA, GradDipACG, FCPA, FAICD, FGIA JP (Qual)	Board Member – *Hospital and Health Boards Act 2011* Section 23 (1) Tenure: 18/05/2017 to 17/05/2018	18/5/2016	17/05/2018
	Mr Geoff Hardy B Bus (Econ), Dip HA, Grad Dip Commerce (Mkt), MAICD, AFCHSM	Board Member – *Hospital and Health Boards Act 2011* Section 23 (1) Tenure: 18/05/2017 to 17/05/2020	18/5/2016	
	Associate Professor Cliff Pollard AM BD, MB BS QLD, FRACS, FRCS Edin, FACS	Board Member – *Hospital and Health Boards Act 2011* Section 23 (1) Tenure: 18/05/2016 to 17/05/2019	7/9/2012	
Non-executive Board Member Provide strategic leadership, guidance and effective oversight of management, operations and financial performance	Dr Margaret Steinberg AM PhD (Child Health and Education), MPhty (Research), BPhty (Hons), Dip Phty, University of Queensland	Board Member – *Hospital and Health Boards Act 2011* Section 23 (1) Tenure: 18/05/2014 to 17/05/2018	1/7/2012	17/05/2018

A2-2: Key management personnel disclosures (continued)

Position	Name	Contract classification / appointment authority	Initial appointment date	Resignation/ Cessation date
	Dr Kim Johnston PhD, MBus, GradCertAcadPrac (QUT), BNurs (NTU), GCertNurs (RPAH), FHEA	Board Member – Hospital and Health Boards Act 2011 Section 23 (1) Tenure: 18/05/2018 to 17/05/2019	18/05/2018	
	Dr Paula Conroy BSc MBBS DCH FRACGP	Board Member – *Hospital and Health Boards Act 2011* Section 23 (1) Tenure: 18/05/2018 to 17/05/2019	18/05/2018	
	Mr Bernard Curran BBus (QUT); FCA; FAICD; FTIA	Board Member – *Hospital and Health Boards Act 2011* Section 23 (1) Tenure: 18/05/2018 to 17/05/2019	18/05/2018	
Chief Executive Responsible for the strategic direction and the efficient, effective and economic administration of the Health Service.	Mr Shaun Drummond	Acting/Relieving in higher duties	24/06/17	28/09/2017
Chief Executive Responsible for the strategic direction and the efficient, effective and economic administration of the Health Service.	Mr Shaun Drummond	10S24/S70 01, Hospital and Health Boards Act 2011 Tenure: 29/09/2017 to 28/09/2022	29/09/2017	
Executive Director, Operations Responsible for providing operational leadership, direction and day to day management, including infrastructure, of the Metro North Hospital and Health Service to optimise quality health care and business outcomes.	Mr Shaun Drummond	HES4, *Hospital and Health Boards Act 2011* Tenure: 03/08/2015 to 02/08/2018	08/12/2014	23/06/2017
	Dr David Rosengren MBBS; FACEM	Acting/Relieving in higher duties	24/06/17	29/04/2018
	Ms. Jackie Hanson BNSc	HES4, Hospital and Health Boards Act 2011 Tenure: 30/04/2018 to 25/04/2021	30/04/2018	

A2-2: Key management personnel disclosures (continued)

Position	Name	Contract classification / appointment authority	Initial appointment date	Resignation/ Cessation date
Executive Director, Clinical Services Responsible for monitoring and strategically directing the budgetary and activity performance of the Metro North Hospital and Health Service's clinical streams and assist the Health Service Chief Executive and other Executive Directors in effective management of not only the Clinical Streams but also Metro North Hospital and Health Service as an entity.	Dr Elizabeth Whiting, BA, MB BCH BAO, FRACP, FRANZSGM	Tenure: 30/04/2018 to 25/04/2021	01/09/2014	
Chief Finance and Corporate Officer Responsible for development and execution of strategy and full accountability with respect to financial stewardship, management of the asset portfolio, legal, information technology, human resources, commercial matters and procurement.	Mr James Kelaher, BA, MBA, FCPA, Member of RMIA, Assoc British Computing Society	HES3, *Hospital and Health Boards Act 2011* Tenure: 29/06/2015 to 28/06/2018	23/03/2015	
Executive Director, Clinical Services Responsible for monitoring and strategically directing the budgetary and activity performance of Metro North Hospital and Health Service's clinical streams and assist the Health Service Chief Executive and other Executive Directors in effective management of not only the Clinical Streams but also Metro North Hospital and Health Service as an entity.	Dr Elizabeth Whiting, BA, MB BCH BAO, FRACP, FRANZSGM	MMOI4, Medical Officers' (Queensland Health) Certified Agreement (No.4) 2015 Tenure: 01/09/2015 to 30/09/2018	01/09/2014	
Executive Director, Clinical Governance, Safety, Quality and Risk Provide strategic leadership, direction and day to day management of Metro North Hospital and Health Service's governance, quality and risk functions to optimise quality health care, statutory and policy compliance and continuously improving business outcomes.	Ms Linda Hardy, RN	HES3, Hospital and Health Boards Act 2011 Tenure: 29/06/2015 to 28/06/2018	23/03/2015	03/09/2017

A2-2: Key management personnel disclosures (continued)

Position	Name	Contract classification / appointment authority	Initial appointment date	Resignation/ Cessation date
Executive Director, Clinical Governance, Safety, Quality and Risk – Provide strategic leadership, direction and day to day management of Metro North Hospital and Health Service's governance, quality and risk functions to optimise quality health care, statutory and policy compliance and continuously improving business outcomes.	Ms. Noelle Cridland, BN, MN, MAICD	Acting/Relieving in higher duties	04/09/17	31/01/18
	Ms. Noelle Cridland, BN, MN, MAICD	HES3, Hospital and Health Boards Act 2011 Tenure: 01/02/2018 to 31/01/2021	01/02/18	

Remuneration policy

Minister remuneration

Metro North Hospital and Health Service does not incur any expense in relation to the Minister. The majority of Ministerial entitlements are paid by the Legislative Assembly, with remaining entitlements being provided by Ministerial Services Branch within the Department of Premier and Cabinet. As all Ministers are reported as key management personnel of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland Government and Whole of Government Consolidated Financial Statement as from 2016-17, which are published as part of Queensland Treasury's Report on State Finances.

Board

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

Executive Management

Section 74(1) of the *Hospital and Health Boards Act 2011* provides that each person appointed as a Health Executive must enter into a contract of employment. The Health Service Chief Executive must enter into the contract of employment with the Chair of the Board for the Hospital and Health Service and a Health Executive employed by a Hospital and Health Service must enter into a contract of employment with the Health Service Chief Executive. The contract of employment must state the term of employment (no longer than 5 years per contract), the person's functions and any performance criteria as well as the person's classification level and remuneration entitlements.

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

- Short-term employee benefits which include: ***Monetary benefits*** – consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the statement of comprehensive income. ***Non-monetary benefits*** – consisting of provision of vehicle and expense payments together with fringe benefits tax applicable to the benefit.
- Long-term employee benefits include long service leave accrued.
- Post-employment benefits include superannuation contributions.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu on termination, regardless of the reason for termination.
- There were no performance bonuses paid in the 2017-18 financial year (2017: $nil).

A2-2: Key management personnel disclosures (continued)

Board Remuneration

Name	Short Term Employee Benefits		Post-employment benefits	Total remuneration
	Monetary benefits	Non-monetary benefits		
	$'000	$'000	$'000	$'000
2017-18				
Emeritus Professor Robert Stable AM	92	-	9	101
Dr Kim Forrester	58	-	6	64
Ms Bonny Barry	50	-	5	55
Mr Adrian Carson	50	-	5	55
Professor Helen Edwards OAM	49	-	5	54
Professor Mary-Louise Fleming	50	-	5	55
Mr Mike Gilmour	50	-	5	55
Mr Geoff Hardy	54	-	5	59
Associate Professor Cliff Pollard AM	50	-	5	55
Dr Margaret Steinberg AM	46	-	4	50
Dr Kim Johnston	5	-	-	5
Dr Paula Conroy	4	-	-	4
Mr Bernard Curran	5	-	-	5
Total Remuneration	**563**	**-**	**54**	**622**

Metro North Hospital and Health Service has reimbursed board members a total of $1,468.88 for out-of-pocket expenses incurred whilst travelling on approved board business including attendance at board meetings.

Name	Short Term Employee Benefits		Post-employment benefits	Total remuneration
	Monetary benefits	Non-monetary benefits		
	$'000	$'000	$'000	$'000
2016-17				
Emeritus Professor Robert Stable AM	93	-	9	102
Dr Kim Forrester	58	-	6	64
Ms Bonny Barry	50	-	5	55
Mr Adrian Carson	4	-	-	4
Professor Helen Edwards OAM	53	-	5	58
Professor Mary-Louise Fleming	51	-	5	56
Mr Mike Gilmour	54	-	5	59
Mr Geoff Hardy	54	-	5	59
Associate Professor Cliff Pollard AM	50	-	5	55
Dr Margaret Steinberg AM	50	-	5	55
Mr Philip Davies	20	-	2	22
Total Remuneration	**537**	**-**	**52**	**589**

Metro North Hospital and Health Service has reimbursed board members a total of $2,345.21 for out-of-pocket expenses incurred whilst travelling on approved board business including attendance at board meetings.

A2-2: Key management personnel disclosures (continued)

Other key management personnel remuneration

Position	Short-term employee benefits		Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Monetary benefits	Non-monetary benefits				
	$'000	$'000	$'000	$'000	$'000	$'000
2017-18						
Chief Executive	467	-	8	39	-	514
Executive Director, Operations	536	-	11	35	-	582
Chief Finance and Corporate Officer	249	-	5	24	-	278
Executive Director, Clinical Services	513	-	10	37	-	560
Executive Director, Clinical Governance, Safety, Quality and Risk	237	-	3	17	-	257
Total	**2,002**	**-**	**37**	**17**	**-**	**2,191**
2016-17						
Chief Executive	477	-	9	48	-	534
Executive Director, Operations	293	-	6	31	-	330
Chief Finance Officer	237	-	5	24	-	266
Executive Director, Clinical Services	523	1	10	40	-	574
Executive Director, Clinical Governance, Safety, Quality and Risk	223	1	4	22	-	250
Total	**1,753**	**2**	**34**	**165**	**-**	**1,954**

A2-2: Key management personnel disclosures (continued)

Other senior management remuneration

Whilst not considered key management personnel in accordance with AASB 124 Related Party Transactions, Metro North Hospital and Health Service has also made the following payments to other senior management:

Position	Short-term employee benefits		Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Monetary benefits	Non-monetary benefits				
	$'000	$'000	$'000	$'000	$'000	$'000
2017-18						
Deputy Executive Director, Operations	111	-	2	8	-	121
Executive Director, Organisational Development, Strategy and Implementation	148	-	3	12	-	163
Executive Director, Royal Brisbane and Women's Hospital	418	1	8	32	-	459
Executive Director, The Prince Charles Hospital	242	-	4	23	-	269
Executive Director, Redcliffe Hospital	220	-	4	22	-	246
Executive Director, Caboolture and Kilcoy Hospitals	551	-	11	40	-	602
Executive Director, Community, Indigenous and Subacute Services	212	-	4	19	-	235
Executive Director, Mental Health	479	1	10	35	-	525
Executive Director, Oral Health	184	-	4	18	-	206
Executive Director, Medical Imaging	207	-	4	16	-	227
Executive Director, Medical Services	489	-	10	34	-	533
Executive Director, Nursing and Midwifery Services	432	-	7	36	-	475
Executive Director, Allied Health	208	2	4	23	-	237
Total	**3,901**	**4**	**75**	**318**	**-**	**4,298**

A2-2: Key management personnel disclosures (continued)

Other senior management remuneration (continued)

Position	Short-term employee benefits		Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Monetary benefits	Non-monetary benefits				
	$'000	$'000	$'000	$'000	$'000	$'000
2016-17						
Deputy Executive Director, Operations	453	-	9	30	-	492
Executive Director, Organisational Development, Strategy and Implementation	208	-	4	21	-	233
Executive Director, Royal Brisbane and Women's Hospital	416	1	8	32	-	457
Executive Director, The Prince Charles Hospital	235	-	4	23	-	262
Executive Director, Redcliffe Hospital	229	-	4	23	-	256
Executive Director, Caboolture and Kilcoy Hospitals	524	-	10	39	-	573
Executive Director, Community, Indigenous and Subacute Services	202	-	4	21	-	227
Executive Director, Mental Health	484	1	10	36	-	531
Executive Director, Oral Health	197	-	4	20	-	221
Executive Director, Medical Imaging	234	1	4	22	-	261
Executive Director, Medical Services	515	1	10	37	-	563
Executive Director, Nursing and Midwifery Services	371	-	6	31	-	408
Executive Director, Allied Health	**212**	**1**	**4**	**24**	**-**	**241**
Total	**4,280**	**5**	**81**	**359**	**-**	**4,725**

A3: OTHER EXPENSES

A3-1: Supplies and services

	2018 $'000	2017 $'000
Consultants and contractors - non-clinical	**5,459**	7,579
Consultants and contractors - clinical	**6,550**	6,174
Electricity and other energy	**25,043**	20,895
Patient travel	**10,263**	10,765
Other travel	**4,457**	4,235
Water	**3,740**	3,528
Building services	**3,311**	2,557
Computer services	**16,229**	11,684
Insurance	**23,671**	21,987
Motor vehicles	**802**	727
Communications	**24,274**	21,035
Repairs and maintenance	**38,170**	41,410
Minor works including plant and equipment	**4,704**	3,874
Operating lease rentals	**5,876**	4,504
Drugs	**116,771**	134,893
Clinical supplies and services	**190,082**	182,455
Catering and domestic supplies	**43,486**	43,130
Pathology, blood and parts	**100,411**	97,772
Service received below fair value	**23,250**	–
Other	26,485	22,491
Total	**673,034**	**641,695**

Accounting policy – Goods and services received below fair value

During 2017/18 Metro North Hospital and Health Service received services below fair value from the Department of Health in the form of payroll, accounts payable and banking services. Under AASB 1004 Contributions, contributions of goods and services are recognised only if the goods or services would have been purchased if they had not been donated and their fair value can be measured reliably.

Metro North Hospital and Health Service satisfied both requirements and therefore the fair value of the services received is recognised as revenue with a corresponding expense in the financial statements.

Please see note A1-3 for disclosure of the corresponding income recognised for services received below fair value.

The Department of Health issued guidance outlining the methodology to determine the fair value of each service provided to hospital and health service's below fair value. Using the detailed method as prescribed by the Department of Health, the fair value of the services received below fair value during the financial year ended 30 June 2018 amounted to $23.25m in total and were recognised in supplies and services expense in the Statement of comprehensive income.

Accounting policy – Insurance

Metro North Hospital and Health Service is covered by the Department of Health's insurance policy with the Queensland Government Insurance Fund (QGIF) and pays a fee to the Department of Health 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.

Audit expenses

Total audit fees paid or payable to the Queensland Audit Office relating to the 2017-18 financial year are $320,000 (2017: $315,000). There are no non-audit services included in this amount.

Accounting Policy – Special payments

Special payments include ex-gratia expenditure and other expenditure that the Metro North Hospital and Health Service is not contractually or legally obligated to make to other parties. In compliance with the Financial and Performance Management Standard 2009, Metro North Hospital and Health Service maintains a register setting out the details of all special payments greater than $5,000. The total of all special payments (including those of $5,000 or less) is within the category of Other Expenses in the financial statements. In 2017-18, ex-gratia payments of $72,234 (2017: $56,907) were made, consisting of two reportable payments totalling $33,999 (2017: $22,475) and a number of smaller non-reportable payments. Two reportable payments of $19,999 and $20,000 relate to patient medical claims.

SECTION B: NOTES ABOUT OUR FINANCIAL POSITION

B1: CASH AND CASH EQUIVALENTS

	2018 $'000	2017 $'000
Cash at bank and on hand	51,965	53,626
Cash on deposit	23,960	25,289
Total	**75,925**	**78,915**

Cash on deposit represents cash contributions from external entities and other benefactors in the form of gifts, bequests, donations and legacies for specific purposes. These funds are deposited with Queensland Treasury Corporation and set aside for specific purposes underlying the contribution. Cash on deposit is at call and is subject to floating interest rates. The annual effective interest rate is 2.41% (2017: 2.49%)

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 yet banked at reporting date as well as deposits at call with financial institutions. Metro North Hospital and Health Service's bank account is grouped within the whole-of-government set-off arrangement with the Queensland Treasury Corporation and, as a result, does not earn interest on surplus funds nor is it charged interest or fees for accessing its approved cash overdraft facility. Interest earned on the aggregate set-off arrangement balance accrues to the consolidated fund.

B2: RECEIVABLES

B2-1: Receivables

	2018 $'000	2017 $'000
Trade receivables (net of allowance for impairment)	**78,606**	68,828
Other receivables	**27,001**	15,661
Total	**105,607**	**84,489**

Movements in the allowance for impairment loss		
Balance at beginning of the year	**9,158**	8,882
Amounts written off during the year	**(5,345)**	(4,815)
Increase/(decrease) in allowance recognised in operating result	**5,574**	5,091
Total	**9,387**	**9,158**

Accounting policy – Receivables

Trade and other receivables are initially recognised at the amount invoiced to customers. Trade and other receivables reflect the amount anticipated to be collected. The collectability of these balances is assessed on an ongoing basis. When there is evidence that an amount will not be collected it is provided for and then written off. If receivables are subsequently recovered the amounts are credited against other expenses in the Statement of comprehensive income when collected.

Trade receivables are generally due for settlement within 30-120 days. They are presented as current assets unless collection is not expected for more than twelve months after the reporting date. Due to the short-term nature of current receivables, their carrying amount is assumed to approximate the amount invoiced. All credit and recovery risk associated with trade receivables has been provided for in the Statement of financial position.

Key judgements and estimates – Recoverability of trade receivables

Judgement is required in determining the level of provisioning for customer debts. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, default or delinquency in payments (more than 90 days overdue or more than 120 days in the case where the account is with a health fund), past experience, and management judgement are considered indicators that the trade receivable is impaired.judgement are considered indicators that the trade receivable is impaired.

B2-2: Impairment of receivables

At 30 June, the ageing of both impaired trade receivables and trade receivables past due but not impaired was as follows:

	Past due but not Impaired $'000	Impaired $'000
2018		
Trade Receivables		
Less than 30 days	7,327	258
30 to 60 days	7,674	276
60 to 90 days	5,755	163
Greater than 90 days	21,618	8,690
Total overdue	**42,374**	**9,387**

	Past due but not Impaired $'000	Impaired $'000
2017		
Trade Receivables		
Less than 30 days	7,919	967
30 to 60 days	5,519	476
60 to 90 days	4,189	832
Greater than 90 days	13,474	6,883
Total overdue	**31,101**	**9,158**

B3: INVENTORIES

	2018 $'000	2017 $'000
Medical supplies and equipment	19,682	18,200
Other	482	432
Total	**20,164**	**18,632**

Accounting policy – Inventories

Inventories consist mainly of clinical supplies and pharmaceuticals held for distribution to the hospital and health service facilities. Inventories are measured at weighted average cost, adjusted for obsolescence. Unless material, inventories do not include supplies held for ready for use in the wards throughout the hospital and health service facilities.

B4: INTANGIBLE ASSETS

B4-1: Intangible Assets – Balances and reconciliations of carrying amount

2018	Software purchased $'000	Software generated $'000	Software work in progress $'000	Total $'000
Cost	8,204	4,488	16,944	29,636
Less: Accumulated amortisation	(4,009)	(4,488)	-	(8,497)
Carrying amount at 30 June 2018	**4,195**	**-**	**16,944**	**21,139**
Represented by movement in carrying amount:				
Carrying amount at 1 July 2017	1,504	198	12,921	14,623
Additions	950	-	7,146	8,096
Transfers between classes#	3,123	-	(3,123)	-
Amortisation expense	(1,382)	(198)	-	(1,580)
Carrying amount at 30 June 2018	**4,195**	**-**	**16,944**	**21,139**

2017	Software purchased $'000	Software generated $'000	Software work in progress $'000	Total $'000
Cost	4,131	4,489	12,921	21,541
Less: Accumulated amortisation	(2,627)	(4,291)	-	(6,918)
Carrying amount at 30 June 2017	**1,504**	**198**	**12,921**	**14,623**
Represented by movement in carrying amount:				
Carrying amount at 1 July 2016	2,037	413	8,555	11,005
Additions	137	-	9,160	9,297
Transfers between classes#	-	-	(4,794)	-(4,794)
Amortisation expense	(670)	(215)	-	(885)
Carrying amount at 30 June 2017	**1,504**	**198**	**12,921**	**14,623**

#Transfers represent reclassification from software work in progress to property, plant and equipment during the year.

B4-2: ACCOUNTING POLICIES – RECOGNITION

Capitalisation and Recognition Thresholds

Intangible assets are only recognised if they satisfy recognition criteria in accordance with AASB 138 "Intangible Assets". Intangible assets are recorded at cost, which is consideration plus costs incidental to the acquisition, less accumulated amortisation and impairment losses.

An intangible asset is recognised only if its cost is equal to or greater than $100,000. Internally generated software cost includes all direct costs associated with development of that software. All other costs are expensed as incurred.

B4-3: ACCOUNTING POLICIES – AMORTISATION

Intangible assets are amortised on a straight-line basis over their estimated useful life with a residual value of zero. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis. The useful life of Metro North's Hospital and Health Service's software is 5 years.

Software is amortised from the time of acquisition or, in respect of internally generated software, from the time the asset is completed and held ready for use.

B4-4: ACCOUNTING POLICIES – IMPAIRMENT

Intangible assets are assessed for indicators of impairment on an annual basis.

Impairment indicators were assessed in 2017-18; no impairment indicators were identified in relation to intangible assets there was no impairment loss recognised in 2017-18 (2017: $nil).

B5: PROPERTY, PLANT AND EQUIPMENT

B5-1: Property, plant and equipment - Balances and reconciliations of carrying amount

2018	Land Level 2* $'000	Buildings Level 3** $'000	Buildings Level 2** $'000	Plant and equipment $'000	Capital works in progress $'000	Total $'000
Gross	366,635	2,248,151	930	378,342	61,092	3,055,150
Less: Accumulated depreciation	-	(1,505,025)	(470)	(213,931)	-	(1,719,426)
Carrying amount at 30 June 2018	**366,635**	**743,126**	**460**	**164,411**	**61,092**	**1,335,724**
Represented by movements in carrying amount:						
Carrying amount at 1 July 2017	365,725	745,334	485	133,919	49,182	1,294,645
Transfers in from other Queensland Government entities	-	-	-	1,565	-	1,565
Acquisitions	-	10,054	-	58,761	40,832	109,647
Donated assets	-	-	-	54	-	54
Disposals	-	-	-	(1,081)	-	(1,081)
Transfers out to other Queensland Government entities	-	-	-	(209)	-	(209)
Transfers between classes#	910	25,018	-	2,993	(28,922)	-
Net revaluation increments	-	33,078	-	-	-	33,078
Depreciation expense	-	(70,358)	(25)	(31,591)	-	(101,974)
Carrying amount at 30 June 2018	**366,635**	**743,126**	**460**	**164,411**	**61,092**	**1,335,724**

B5-1: Property, plant and equipment - Balances and reconciliations of carrying amount (continued)

2017	Land Level 2* $'000	Buildings Level 3** $'000	Buildings Level 2** $'000	Plant and equipment *** $'000	Capital works in progress $'000	Total $'000
Gross	365,725	2,264,233	930	356,790	49,182	3,036,860
Less: Accumulated depreciation	-	(1,518,899)	(445)	(222,871)	-	(1,742,215)
Carrying amount at 30 June 2017	**365,725**	**745,334**	**485**	**133,919**	**49,182**	**1,294,645**
Represented by movements in carrying amount:						
Carrying amount at 1 July 2016	365,725	722,782	510	124,875	9,116	1,223,008
Transfers in from other Queensland Government entities	-	518	-	290	-	808
Acquisitions	-	1,712	-	30,822	45,025	77,559
Donated assets	-	-	-	2,112	-	2,112
Disposals	-	-	-	(622)	-	(622)
Transfers out to other Queensland Government entities	-	-	-	(74)	-	(74)
Transfers between classes#	-	5,079	-	4,675	(4,959)	4,795
Net revaluation increments	-	70,990	-	-	-	70,990
Depreciation expense	-	(55,747)	(25)	(28,159)	-	(83,931)
Carrying amount at 30 June 2017	**365,725**	**745,334**	**485**	**133,919**	**49,182**	**1,294,645**

* Level 2 land assets comprise land with an active market.

** Level 3 building assets are special purpose built and have no active market. Level 2 building assets are buildings with an active market.
Plant and equipment is held at cost except for Heritage and Cultural assets which are held at fair value are valued at $0.89m (2018 and 2017).

Transfers represent a reclassification from software work in progress to property, plant and equipment and capitalisation of commissioned assets during the year.

B5 PROPERTY PLANT AND EQUIPMENT

B5-2: Accounting Policies – Recognition

Capitalisation and Recognition Thresholds

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

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

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

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

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

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

Acquisition

Plant and equipment are initially recorded at consideration plus any other cost directly incurred in bringing the asset ready to use. 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, the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

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

B5-3: Accounting Policies – Measurement

Measurement at Historical Cost

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

Measurement of Fair Value

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.

In 2015, the Board of Metro North Hospital and Health Service ratified the implementation of all building assets. The fair value of land and building assets are assessed annually with a comprehensive valuation being undertaken at least once in every three financial years by an independent professional valuer. In the two other financial years of the rolling three year program, building assets are valued by the use of appropriate and relevant indices.

Land assets are valued each financial year by the use of appropriate and relevant indices.

Due to the introduction of a standardised approach to the valuation of all Queensland public infrastructure, Metro North Hospital and Health Service elected to comprehensively value 44% of all building and site improvement assets in the 2016-17 financial year. In 2017-18, a further 56% of all building and site improvement assets have been comprehensively revalued.

Use of Indices

Where assets have been valued using appropriate indices in the years when not comprehensively valued, the valuations are kept materially up to date using relevant indices for land and buildings. The indices used by the independent valuer were based on local construction prices for the areas of Brisbane and the surrounding South East Queensland area.

Use of Specific Appraisals

If a class of asset experiences significant and volatile changes in fair value (i.e. where indicators such as property market and construction cost movements suggest that the value of the class of assets may have changed significantly from one reporting period to the next); it is subject to such revaluations in the reporting period.

Accounting for Changes in Fair Value

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

Metro North Hospital and Health Service has adopted the gross method of reporting assets. This method restates separately the gross amount and related accumulated depreciation of the assets comprising the class of revalued assets (current replacement cost). Accumulated depreciation is restated proportionally in accordance with the independent advice of the appointed valuer.

B5 PROPERTY PLANT AND EQUIPMENT

B5-4: Accounting Policies – Depreciation

Land is not depreciated as it has an unlimited useful life.

Buildings are recognised and depreciated using a weighted average of the remaining useful lives of the building's components. This process does not materially change the depreciation recognised during the financial year.

Plant and Equipment is depreciated on a straight-line basis so as to allocate the net cost of revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life.

Where plant and equipment assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

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

Plant and Equipment is depreciated on a straight-line basis to reflect the consistent and even consumption of the service potential of these assets over their useful life to Metro North Hospital and Health Service.

Key Judgement:

Management estimates the useful lives and residual values of buildings and plant and equipment based on the expected period of time over which economic benefits from the use of the asset will derived. Management reviews useful life assumptions on an annual basis having given consideration to variables including historical and forecast usage rates, technological advancements and changes in legal and economic conditions. All depreciable assets have a nil residual value.

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

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

B5-5: Accounting Policies – Impairment

Impairment Assessment

Metro North Hospital and Health Service's buildings are held at current replacement cost which is determined as its value in use under AASB 136 Impairment of Assets. These assets are regularly revalued to fair value through an independent annual valuation process to determine that the depreciated replacement cost of these assets is materially the same as their fair values in accordance with AASB 116. As such, AASB 136 does not apply to Metro North North's land and building assets that are regularly revalued to fair value under the revaluation model on AASB 116. This year's independent valuation assessed and determined that the buildings held at depreciated replacement cost by Metro North Hospital and Health Service were equivalent to their recoverable amount.

Recognition of Impairment Losses

For assets measured at cost, an impairment loss is recognised immediately in the Statement of comprehensive income, unless the asset is carried at a revalued amount, in which case the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available. Impairment indicators were assessed in 2017-18 and identified obsolescence as a primary indicator. The total impairment loss recognised in 2017-18 was $0.33M (2016-17: $0.05M).

B5-6: Accounting Policies – Fair Value

Fair Value

The 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 Inputs

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued and include, but are not limited to, published sales data for land and residual dwellings. Fair values reported by Metro North Hospital and Health Service are based on valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

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

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

B5-7: Accounting Policies – Impairment

Fair Value Measurement Hierarchy

This note explains the judgements and estimates made in determining the fair values of land and buildings that are recognised and measured at fair value in the financial statements. Metro North Hospital and Health Service classify inputs to fair value into three levels prescribed under AASB 13" Fair Value Measurement".

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

None of Metro North Hospital and Health Service's valuations are eligible for categorisation into level 1 of the fair value hierarchy.

There were no transfers of assets between fair value hierarchy levels during the period.

Land (level 2) – The fair value of land is based on publicly available data on recent sales of similar land in nearby localities. In determining the values adjustments were made to the sales data to take into account the location of the land, its size, street/road frontage and access, and any significant restrictions. Land is measured at fair value utilising either independent revaluation or applying an interim revaluation methodology, using an appropriate index.

Buildings – Non-health service delivery (level 2) – Non-health service delivery buildings are measured at the value that reflects the likely exit price in the principal market for an asset of this type, with valuations based on recent sales in the relevant areas.

Buildings – Health service delivery (level 3) – Health service delivery buildings are typically special purpose facilities. Reflecting the specialised nature of health service buildings and on hospital-site residential facilities, for which there is no active market, fair value is determined using the current replacement cost methodology.

Valuation Methodology

During 2017-18 Metro North Hospital and Health Service utilised both indexation and comprehensive valuation in determining the fair value of land and buildings.

Metro North Hospital and Health Service assesses the value of land assets using appropriate indices. This assessment did not identify any movements in land values during the financial year.

A total of 44% of all building and site improvement assets were comprehensively valued as at 30 June 2017, with a further 56% being comprehensively valued as at 30 June 2018.

The building valuation program for 2017-18 resulted in a net valuation increase of $33.08M (7.6%), (2017: $70.99M (9.8%)).

There were no changes in the valuation technique used during the financial year. The key assumption in using the current replacement cost is determining a replacement cost of a modern day equivalent. The methodology makes a further adjustment to total estimated life taking into consideration physical and technical obsolescence impacting on the remaining useful life to arrive at a current replacement cost via straight-line depreciation.

The valuations have been prepared on a componentised basis using twenty-two core building elements. To estimate the replacement costs of each component, each element was quantified. The measurement of each element uses 'key quantities' including building footprint or Gross floor area (also used as the roof area), girth of the building, height of the building, number and height of staircases and number of lifts and number of 'stops'.

These key quantities have been measured from drawings and verified via an onsite inspection to replace, upgrade or maintain these buildings. Furthermore, during the valuation process Metro North Hospital and Health Service agreed the useful lives with the valuer with reference to the current buildings condition and potential funding available in the future.

B6: LIABILITIES

B6-1: Payables

	2018 $'000	2017 $'000
Trade creditors	72,117	66,939
Other creditors	16,578	7,639
Total	**88,695**	**74,578**

Accounting policy – Payables

Payables are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled within the creditor's normal payment terms.

B6-2: Provisions

	2018 $'000	2017 $'000
Provisions	20,429	
Total	**20,429**	

Accounting Policy – Provisions

Provisions are recorded when Metro North Hospital and Health Service has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at the reporting date for which the obligation will be settled in a future period.

The revenue recognised by Metro North Hospital and Health Service includes approximately 2.4% of total Commonwealth funding for coded clinical activity for 16/17 and 17/18 which is yet to be accepted by the Commonwealth. This provision has been raised in the event that any claims or class of claims that are presently recorded as revenue and are awaiting confirmation, are adjusted.

B7: EQUITY

B7-1: Asset revaluation surplus

	Land	Buildings	Heritage & Cultural Assets	Total
	$'000	$'000	$'000	$'000
Balance 1 July 2017	46,169	95,230	517	141,916
Revaluation increments/(decrements)	-	33,078	-	33,078
Balance 30 June 2018	**46,169**	**128,308**	**517**	**174,994**

Accounting Policy – Revaluation Surplus

The asset revaluation surplus represents the net effect of revaluation movements in assets. Please see note B5 for full disclosure.

SECTION C: NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

C1: FINANCIAL RISK DISCLOSURES

C1-1: Financial instrument categories

Metro North Hospital and Health Service has the following categories of financial assets and financial liabilities:

Category	Notes	2018 $'000	2017 $'000
Financial assets			
Cash and cash equivalents	B1	75,925	78,915
Receivables	B2-1	105,607	84,489
Total		**181,532**	**163,404**
Financial liabilities			
Payables	B6-1	88,695	74,578
Provisions	B6-2	20,429	-
Total		**109,124**	**74,578**

Accounting policy – Financial instruments

Financial assets and financial liabilities are recognised in the Statement of financial position when Metro North Hospital and Health Service becomes a party to the contractual provisions of the financial instrument.

Metro North Hospital and Health Service holds financial instruments in the form of cash and cash equivalents and receivables (excluding prepayments) and payables.

C1-2: Financial risk management

Metro North Hospital and Health Services activities expose it to a variety of financial risks - credit risk, liquidity risk and interest rate risk.

(a) 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. The carrying amount of financial assets, which are disclosed in more detail in note B2, represents the maximum exposure to credit risk at the reporting date.

No financial assets and financial liabilities have been offset and presented net in the Statement of financial position, except for GST. No collateral is held as security and no credit enhancements relate to financial assets held by Metro North Hospital and Health Service.

There are no significant concentrations of credit risk.

(b) Liquidity Risk

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

Metro North Hospital and Health Service is exposed to liquidity risk through its trading in the normal course of business and aims to reduce the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations at all times. An approved debt facility of $23M under the whole-of-government banking arrangements to manage any short-term cash shortfalls has been established. No funds had been withdrawn against this debt facility as at 30 June 2018.

All financial liabilities are current in nature and will be due and payable within twelve months. As such no discounting of cash flows has been made to these liabilities in the Statement of financial position.

(c) Interest Rate Risk

Metro North Hospital and Health Service has interest rate exposure on its 24 hour call deposits however there is no risk on its cash deposits.

Metro North Hospital and Health Service does not undertake any hedging in relation to interest rate risk.

Changes in interest rate have a minimal effect on the operating result of Metro North Hospital and Health Service.

C2: COMMITMENTS

(a) Non-cancellable operating lease commitments

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

	2018 $'000	2017 $'000
No later than 1 year	3,889	3,564
Later than 1 year but no later than 5 years	10,736	13,024
Later than 5 years	278	-
Total	**14,902**	**16,588**

Metro North Hospital and Health Service has non-cancellable operating leases relating predominantly to office and residential accommodation. Lease payments are generally fixed, but with escalation clauses on which contingent rentals are determined. No lease arrangements contain restrictions on financing or other leasing activities.

(b) Capital expenditure commitments

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

	2018 $'000	2017 $'000
No later than 1 year	9,501	34,562
Later than 1 year but no later than 5 years	-	-
Later than 5 years	-	-
Total	**9,501**	**34,562**

(c) Future lease commitments (Specialist Rehabilitation and Ambulatory Care Centre ("SRACC")

Located at the former Royal Children's Hospital site at Herston, the Heston Quarter is being developed under a consortium led by Australian Unity.

Australian Unity's scope of work includes the construction of a new SRACC, which is being delivered under a public-private partnership lease arrangement with Metro North Hospital and Health Service. The building will provide approximately a 35,000 sqm facility which includes 100 rehabilitation beds, special purpose rehabilitation support areas, and a surgical and endoscopic centre with a thirty-two bed surgical inpatient room, seven operating theatres, three endoscopy rooms and recovery spaces.

The demolition of the former Royal Children's Hospital has been completed and construction work has commenced and SRACC is scheduled to open in late 2020.

The land on which SRACC will be developed is owned by Metro North Hospital and Health Service and will be leased to Australian Unity for 99 years.

As at 23 February 2017, Metro North Hospital and Health Service is contractually obligated to occupy the SRACC building and upon completion will enter into a lease for an initial 20 year period, with an option to extend this lease by two periods of 10 years (40 years in total).

The estimated future cash outflows for the SRACC relate to the cost of leasing the building once constructed and are shown below;

	2018 $'000	2017 $'000
Outflows		
Not later than 1 year	5,000	-
Later than 1 year but not later than 5 years	87,721	51,959
Later than 5 years but not later than 10 years	159,108	158,449
Later than 10 years	507,603	531,024
Total estimated cash outflows	**759,432**	**741,432**

C3: CONTINGENCIES

As at 30 June 2018, the following cases were filed in the courts naming the State of Queensland acting through Metro North Hospital and Health Service as defendant:

	2018 Number of cases	2017 Number of cases
Supreme Court	6	5
District Court	5	7
Magistrates Court	-	3
Tribunals, commissions and boards	3	3
	14	18

(a) Litigation in Progress

It is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time. Health litigation is underwritten by the Queensland Government Insurance Fund (QGIF). Metro North Hospital and Health Service's maximum exposure is limited to an excess per insurance event up to $20,000. Metro North Hospital and Health Service's net exposure is not material.

(b) Contractual Contingencies

Metro North has entered and received various contractual contingencies through the year, primarily in the form of indemnities. Those indemnities have been given in accordance with the requirements of the *Statutory Bodies Financial Arrangements Act 1982* (Qld).

Metro North notes the particular provision of indemnity in relation to Transfer Duty arising from future transactions in the Herston Quarter redevelopment. Metro North has received a corresponding indemnity in the same amount from the Queensland Treasury.

C4: FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

A number of new standards, amendments and interpretations are effective for annual reporting periods beginning on or after 1 January 2018, and have not been applied in preparing these financial statements.

AASB 9 *Financial Instruments* is effective for financial statements prepared for the year ending 30 June 2019. The main impact of this standard on Metro North Hospital and Health Service are the change in requirements for the classification, measurement, impairment and disclosure of financial assets.

In accordance with AASB 9, financial assets can only be measured at amortised cost if two conditions are met;

- The asset must be held within the business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the asset gives rise to cash flows that are solely payments of principal and interest on the outstanding principal amount.

C4: FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE (continued)

The only financial assets that are currently disclosed at amortised cost in the Statement of financial position are receivables. There is a change to the requirement in calculating impairment of all receivables of Metro North Hospital and Health Service, rather than only those receivables that are credit impaired. Assuming that there has been no substantial change in the nature of Metro North Hospital and Health Service's receivables, and as they do not have a significant financing component, impairment losses have been determined according to their lifetime expected credit loss, using a provision matrix approach as a practical expedient to measure the impairment provision under the simplified approach under AASB 9.

Metro North Hospital and Health Service are required to determine the expected credit losses for its receivables on the date of initial application by comparing the credit risk at that time to the credit risk in existence at the date that each receivable was initially recognised. The impact of this standard has been assessed by Metro North Hospital and Health Service and the change in the estimated opening provision for impairment for trade receivables on 1 July 2018 has been calculated and has no material impact on transition.

Metro North Hospital and Health Service will not restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. Aside from a number of one-off disclosures in the 2018-19 financial statements to explain the impact of adopting AASB 9, a number of new or changed disclosure requirements will apply from that time. Assuming no change in the types of financial instruments that Metro North Hospital and Health Service enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment.

AASB 15 *Revenue from Contracts with Customers* (effective for financial statements prepared for the year ending 30 June 2020) introduces the core principles that an entity recognises revenue to depict the transfer of goods (or services) to customers in amounts that reflect the consideration (payment) which the entity expects to be entitled to in exchange for those goods (or services). This standard will supersede AASB 118 Revenue Recognition and AASB 111 Construction Contracts.

AASB 1058 *Income of Not-for-Profit Entities* (effective for financial statements prepared for the year ending 30 June 2020) removes the concept of reciprocal and non-reciprocal transactions and replaces it with an assessment of enforceability and performance obligations. This standard will supersede AASB 1004 Contributions.

Metro North Hospital and Health Service is currently performing its analysis of the new revenue recognition requirements under AASB 15 and AASB 1058 and its existing arrangements. However, at this stage, Metro North Hospital and Health Service does not expect a material impact on its present accounting practices.

AASB 16 *Leases* (effective for financial statements prepared for the year ending 30 June 2020) will result in the recognition of all leases on Statement of Financial Position, excluding low value asset leases and leases with a term of less than 12 months. This standard will supersede AASB 117 *Leases*. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the asset) and a financial liability to pay rentals for all lease contracts within the scope of the standard. Under the Queensland Treasury 2017-18 Financial Reporting Requirements for Queensland Government Agencies, the threshold for low value assets has been determined as $10,000. This threshold will be applied to the value of the asset upon commencement of the lease.

Metro North Hospital and Health Service has not yet quantified the exact impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases, including the extent of additional disclosure requirements. The exact impact will not be known until the year of transition. However, assuming Metro North Hospital and Health Service's current operating lease commitments (see Note C2) were recognised 'on-balance sheet' at transition, the expected increase in lease liabilities (with a corresponding right-of-use asset) is estimated to be $14.9 million. The reclassification between supplies and services expense and depreciation/interest has not yet been estimated.

AASB 1059 *Service Concession Arrangements: Grantors* (effective for financial statements prepared for the year ending 30 June 2020) provides guidance on accounting for arrangements which involve an operator who has constructed or improved infrastructure used to provide a public service and operates and maintains that infrastructure for a specified period of time. Metro North Hospital and Health Service is currently assessing the full impact of this interpretation.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the Metro North Hospital and Health Service's activities, or have no material impact on Metro North Hospital and Health Service.

C5 SUBSEQUENT EVENTS

There are no matters or circumstances that have arisen since 30 June 2018 that have significantly affected, or may significantly affect Metro North Hospital and Health Service's operations, the results of those operations, or the HHS's state of affairs in future financial years.

SECTION D: WHAT WE LOOK AFTER ON BEHALF OF THIRD PARTIES

D1: GRANTED PRIVATE PRACTICE

Granted Private Practice permits Senior Medical Officers (SMOs) and Visiting Medical Officers (VMOs) employed in the public health system to treat individuals who elect to be treated as private patients.

Granted Private Practice provides the option for SMOs and VMOs to either assign all of their private practice revenue to the HHS (assignment arrangement) and in return receive an allowance, or for SMOs and VMOs to share in the revenue generated from billing patients and to pay service fees to the HHS (retention arrangement).

All monies received for Granted Private Practice are deposited into separate bank accounts that are administered by Metro North Hospital and Health Service on behalf of the Granted Private Practice SMOs and VMOs. These accounts are not reported in Metro North Hospital and Health Service's Statement of financial position.

All assignment option receipts, retention option services fees and service retention fees are included as revenue in the Statement of comprehensive income of Metro North Hospital and Health Service on an accrual basis. The funds are then subsequently transferred from the Granted Private Practice bank accounts into Metro North Hospital and Health Service's operating and general trust bank account (for the service retention fee portion).

	2018 $'000	2017 $'000
Receipts		
Billings - (SMOs and VMOs)	69,290	65,658
Interest	91	94
Total receipts	**69,381**	**65,752**
Payments		
Payments to medical practitioners	17,263	16,559
Hospital and Health Service recoverable administrative costs	48,445	45,363
Hospital and Health Service education/travel fund	3,260	3,731
Total payments	**68,968**	**65,653**
Closing balance of bank account under a trust fund arrangement not yet disbursed and not restricted cash	**6,480**	**6,068**

D2: FIDUCIARY TRUST TRANSACTIONS AND BALANCES

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

	2018 $'000	2017 $'000
Opening balance	529	359
Patient trust receipts	5,490	5,591
Patient trust payments	(5,707)	(5,421)
Closing balance (represented by cash)	**312**	**529**

D3: RESTRICTED ASSETS

Metro North Hospital and Health Services receives cash contributions primarily from private practice clinicians and external entities for the provision of education, study and research in clinical areas. Contributions are also received from benefactors in the form of gifts, bequests, donations and legacies for specific purposes. At 30 June 2018, an amount of $ 24.8M (2017: $25.6M) in General Trust is set aside for specified purposes defined by the contribution.

SECTION E: OTHER INFORMATION

E1: FIRST YEAR APPLICATION OF NEW STANDARDS OR CHANGE IN ACCOUNTING POLICY

Change in Accounting Policy

Metro North Hospital and Health Service did not voluntarily change any of its accounting policies in 2017-18.

Accounting Standards early adopted for 2017-18

Metro North Hospital and Health Service did not adopt any applicable Australian Accounting Standards early in the 2017-18 financial year.

Accounting Standards applied for the first time in 2017-18

Metro North Hospital and Health Service has reviewed financial reporting requirements issued by Queensland Treasury and the Department of Health and has incorporated the appropriate modifications in this year's financial statements. There are two changes to the Australian Accounting Standards and Interpretations, applicable for the first-time in FY 2017-18; AASB 136 *Impairment for not-for-profit entities* and AASB 107 *Statement of Cash Flows*. Both of which have been applied in the preparation of this set of financial statements.

AASB 136 Impairment no longer applies to Metro North Hospital and Health Service's buildings as the recoverable cost of assets regularly revalued under the current replacement cost methodology are materially the same as their fair values in accordance with AASB 13 Fair Value Measurement.

AASB 107 *Statement of Cash Flows* requires an additional disclosure in relation to liabilities arising from financing activities. Metro North Hospital and Health Service does not hold any liabilities from financing activities during the financial year 2017/2018 and as such is not required to make any additional disclosure.

E2: RELATED PARTY TRANSACTIONS

Transactions with Queensland Government controlled entities

Metro North Hospital and Health Service is controlled by its ultimate parent entity, the State of Queensland. All State of Queensland controlled entities meet the definition of a related party in AASB 124 *Related Party Disclosures*.

The following table summarises significant transactions with Queensland Government controlled entities:

E2-1: Related Party Transactions –Department of Health

	2018 $'000	2017 $'000
Revenue received	2,515,971	2,295,164
Expenditure incurred	255,078	259,035
Receivables	16,836	14,119
Payables	31,699	23,236

E2-2: Related Party Transactions- Queensland Treasury Corporation

	2018 $'000	2017 $'000
Revenue received	604	421
Expenditure incurred	37	25
Receivables	23,906	25,288
Payables	-	3

(a) Department of Health

Metro North Hospital and Health Service receives funding in accordance with a service agreement with the Department of Health. The Department of Health receives its revenue from the Queensland Government (majority of funding) and the Commonwealth. Metro North Hospital and Health Service is funded for eligible services through block funding; activity based funding or a combination of both. Activity based funding is based on an agreed number of activities per the service agreement and a state-wide price by which relevant activities are funded. Block funding is not based on levels of public care activity.

The funding from the Department of Health is provided predominantly for specific public health services purchased by the Department of Health from Metro North Hospital and Health Service in accordance with a service agreement between the Department of Health and Metro North Hospital and Health Service. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by Hospital and Health Service.

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

The Department of Health provides a number of services including, ambulatory services, procurement, payroll, pharmacy, biomedical technology services, pathology, superannuation (QSuper) payments, information technology infrastructure and support as well as accounts payable services. Any expenses paid by the Department of Health on behalf of Metro North Hospital and Health Service for these services are recouped by the Department of Health.

(b) Queensland Treasury Corporation

Metro North Hospital and Health Service has bank accounts with the Queensland Treasury Corporation for general trust monies and receive interest and incur bank fees on these bank accounts.

Other

There are no other individually significant transactions with related parties.

Transactions with other related parties

All transactions in the year ended 30 June 2018 between Metro North Hospital and Health Service and key management personnel, including their related parties were on normal commercial terms and conditions and were immaterial in nature.

E3: TAXATION

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

The Australian Taxation Office has recognised the Department of Health and sixteen 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 department, with payments/receipts made on behalf of Metro North Hospital and Health Service reimbursed to/from the department on a monthly basis. GST credits receivable from, and GST payable to the ATO, are recognised on this basis.

E4: PROVISION OF PUBLIC INFRASTRUCTURE BY OTHER ENTITIES

Public Private Partnership (PPP) arrangements are a contractual obligation between the Department of Health and the counterparty listed below. These arrangements are located on land that is recognised as an asset in the financial statements of Metro North Hospital and Health Service (subject to an operating lease with the Department of Health). Public Private Partnership (PPP) arrangements operating for all or part of the financial year are as follows:

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

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

Butterfield Street Car Park

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

The Prince Charles Hospital Car Park

A $1M up-front payment for rental of land on which the car park has been built was received at the commencement of car park opera-tions in November 2000. This amount was transferred to The Prince Charles Hospital Foundation via a Deed of Assignment. Rental of $0.05M per annum has also been assigned under the same Deed of Assignment to The Prince Charles Hospital Foundation. Un-der the agreement, the Department of Health and Metro North Hospital and Health Service's staff are entitled to concessional rates when using the car park.

The Prince Charles Hospital Early Education Centre

An independent developer constructed a 150 place early education centre in April 2007 on site at the hospital. The developer oper-ates and maintains the facility at its sole cost and risk. Under the agreement, staff on site are given priority access to child care. Rental of $0.1M per annum is charged for the land and is adjusted for CPI annually. From the 1st July 2014, the rights to the inflows from this arrangement transferred from the Department of Health to Metro North Hospital and Health Service due to the legal title transfer of land and buildings. The duration of this arrangement is 20 years, expiring in April 2027, with an option to extend by 10 years.

E4: PROVISION OF PUBLIC INFRASTRUCTURE BY OTHER ENTITIES (continued)

The estimated future cash flows from current arrangements are shown below:

	2018 $'000	2017 $'000
Inflows		
Not later than 1 year	95	95
Later than 1 year but not later than 5 years	396	408
Later than 5 years but not later than 10 years	315	582
Later than 10 years	-	-
Outflows		
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years but not later than 10 years	-	-
Later than 10 years	-	-
Estimated Net Cash Flow	**806**	**1,085**

The facility buildings are not recorded as assets by Metro North Hospital and Health Service; however, it does receive rights and incurs obligations under these arrangements, including:

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

Herston Quarter

The Herston Quarter is approximately a five-hectare site adjacent to the Royal Brisbane and Women's Hospital. In August 2016 the Premier of Queensland announced the consortium led by Australian Unity as the preferred proponent to redevelop the Herston Quarter over a period of approximately 10 years. On 23 February 2017, Metro North Hospital and Health Service entered into a range of contractual requirements to govern the redevelopment.

Once completed, the precinct will feature the adaptive reuse of the heritage buildings in the Herston Quarter (planned to include student accommodation, childcare and retail); a private hospital; residential aged care; retirement living; a precinct-wide car parking solution; office and residential accommodation.

Work has commenced on the initial stages of this project, being the diversion of site infrastructure currently providing services to RBWH, the demolition of the former Royal Children's Hospital and construction commencement of the Specialist Rehabilitation and Ambulatory Care Centre ("SRACC").

All building construction costs will be borne by the developer.

E5: COLLOCATION ARRANGEMENTS

Colocation arrangements are a contractual obligation between Metro North Hospital and Health Service and the counterparties listed below. These arrangements are located on land that is recognised as an asset in the financial statements of Metro North Hospital and Health Service. Colocation arrangements operating for all or part of the financial year are as follows:

Facility	Counterparty	Term of Agreement	Commencement Date
Caboolture Private Hos-pital.*	Affinity Health Ltd	25 years	May 1998
Holy Spirit Northside Private Hospital**	The Holy Spirit Northside Private Hospital Limited	66 years	September 1999
Herston Imaging Research Facility (HIRF)*	The University of Queensland (UQ), The Council of the Queensland Institute of Medical Research (QMIR) and Queensland University of Technology (QUT)	12 years	April 2013

* *There are no inflows to Metro North Hospital and Health Service from the Caboolture Private Hospital and the Herston Imaging Research Facility (HIRF).*

***Under the terms of the colocation agreement with Holy Spirit Northside Private Hospital, Metro North Hospital and Health Service received a one-off payment of $1.35M on 30 June 2016 under an extension and variation deed. From 1 July 2016, annual rental income of $1.8M indexed for CPI is payable until the expiration of the agreement in November 2065. The estimated rent income (inclusive of the CPI increment) is shown below:*

	2018 $'000	2017 $'000
Inflows		
Not later than 1 year	**1,831**	1,854
Later than 1 year but not later than 5 years	**7,639**	7,989
Later than 5 years but not later than 10 years	**10,302**	11,411
Later than 10 years	**114,398**	179,980
Total estimated lease income	**134,170**	**201,234**

SECTION F: BUDGET v ACTUAL COMPARISON

NB: A budget versus actual comparison and explanation of major variances has not been included for the Statement of Changes in Equity, as major variances relating to that statement have been addressed in explanation of major variances in the other statements.

F1 BUDGET VS ACTUAL COMPARISON – STATEMENT OF COMPREHENSIVE INCOME

User charges and fees – This variance is below the materiality threshold.

Funding for the provision of public health services – This variance is below the materiality threshold.

Other revenue – This variance is below the materiality threshold.

Employee expenses – This variance is below the materiality threshold.

Supplies and services – This variance is below the materiality threshold.

Grants and Subsidies – This variance is below the materiality threshold.

Impairment losses – This variance is below the materiality threshold.

Other expenses – This variance is below the materiality threshold.

Increase in asset revaluation surplus – This variance is below the materiality threshold.

F2 BUDGET VS ACTUAL COMPARISON – STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents – The variance to budget is due to higher than planned receipts from the Department of Health. This relates to additional activity ($110M) being delivered with offsetting costs for delivery for these services.

Receivables – This variance is below the materiality threshold.

Property plant and equipment – This variance is below the materiality threshold.

Intangible Assets – This variance is below the materiality threshold.

Payables – This variance is below the materiality threshold.

Accrued employee benefits – This variance is below the materiality threshold.

Provisions – This variance is below the materiality threshold.

F3 BUDGET VS ACTUAL COMPARISON – STATEMENT OF CASH FLOWS

Funding for the provision of public health services – This variance is below the materiality threshold.

Other revenue – This variance is below the materiality threshold.

Outflows for employee expenses – This variance is below the materiality threshold.

Payments for property, plant and equipment and intangible assets – The variance is primarily due to; additional investment made in the Health Technology Equipment Replacement program ($19M), Information technology assets ($5.4M), higher than expected expenditure on Minor Capital and other Metro North funded capital projects.

Cash flow from equity transferred – The variance is primarily due to; additional funding received for the Health Technology Equipment Replacement program and depreciation and amortisation funding being treated as a cash item (equity withdrawal) in the budget, however this has been accounted as a non-cash item in the statement of cash flow ($92.3M).

Management Certificate

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of *the Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1) (b) of the Act, we certify that in our opinion:

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

(b) the statements have been drawn up to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of Metro North Hospital and Health Service for the financial year ended 30 June 2018 and of the financial position of the Health Service at the end of the year; and

(c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

Professor Robert Stable AM
Board Chair
Date: 23 August 2018

Mr Shaun Drummond
Chief Executive
Date: 22 August 2018

Mr James Kelaher
FCPA, MBA, BA
Chief Finance and Corporate Officer
Date: 22 August 2018

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Metro North Hospital and Health Service

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Metro North Hospital and Health Service.

In my opinion, the financial report:

a) gives a true and fair view of the entity's financial position as at 30 June 2018, and its financial performance and cash flows for the year then ended

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

The financial report comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Key audit matters

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

Specialised buildings valuation ($743.6 million)

Refer to Note B5 in the financial report.

<table>
<tr><th>Key audit matter</th><th>How my audit addressed the key audit matter</th></tr>
<tr><td>Buildings were material to Metro North Hospital and Health Service at balance date, and were measured at fair value using the current replacement cost method. For 2018 approximately 56% of builings representing 69% of written down value were comprehensively revalued, with indexation being applied to the remaining buildings.

The current replacement cost method comprises:
• Gross replacement cost, less
• Accumulated depreciation

Metro North Hospital and Health Service derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for:
• identifying the components of buildings with separately identifiable replacement costs
• developing a unit rate for each of these components, including:
  ○ estimating the current cost for a modem substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. $/square metre)
  ○ identifying whether the existing building contains obsolescence or less utility compared to the modem substitute, and if so estimating the adjustment to the unit rate required to reflect this difference.
• The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of building components.

The values used for indexation purposes are based on estimates of labour and material cost inflation adjusted for specific market conditions and as such also require judgement to appropriately determine.

The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</td><td>My procedures included, but were not limited to:

• Assessing the adequacy of management's review of the valuation process.
• Assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices.
• Assessing the competence, capabilities and objectivity of the experts used to develop the models.
• Reviewing the scope and instructions provided to the valuer, and obtaining an understanding of the methodology used and assessing its appropriateness with reference to common industry practices.
• For unit rates associated with buildings that were comprehensively revalued this year:
  ○ On a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the:
    ▪ modem substitute (including locality factors and oncosts)
    ▪ adjustment for excess quality or obsolescence.
• For unit rates associated with the remaining buildings
  ○ Assessing the appropriateness of indexation rates used for changes in cost inputs.
  ○ Recalculate the application of the indices to the asset balances.
• Evaluating useful life estimates for reasonableness by:
  ○ Reviewing management's annual assessment of useful lives.
  ○ At an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets.
  ○ Ensuring that no asset still in use has reached or exceeded its useful life.
  ○ Enquiring of management about their plans for assets that are nearing the end of their useful life.
  ○ Reviewing assets with an inconsistent relationship between condition and remaining useful life.
• Where changes in useful lives were identified, evaluating whether they were supported by appropriate evidence.</td></tr>
</table>

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 2009 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

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

b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

29 August 2018

C G Strickland
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

GLOSSARY

ABF	Activity Based Funding
ACHS	The Australian Council on Healthcare Standards
CaPRS	Contracting and Performance Reporting System
CBAG	Community Board Advisory Group
CISS	Community, Indigenous and Subacute Services
CT	Computed tomography
DAFU	Delirium and Falls Unit
ED	Emergency Department
eDRMS	Electronic document and records management system
ES	Elective Surgery
FTE	Full Time Equivalent
GP	General Practitioner
GPLOs	General Practitioner Liaison Officers
HSCE	Health Service Chief Executive
HHS	Hospital and Health Service
ICU	Intensive Care Unit
IPPF	International Professional Practices Framework
IOA	Improving Outpatient Access
LINK	Leading Innovation through Networking and Knowledge sharing
Metro North	Metro North Hospital and Health Service
MNPHU	Metro North Public Health Unit
MOHRI	Minimum Obligatory Human Resource Information
MRI	Magnetic resonance imaging
MRSA	Methicillin-resistant Staphylococcus aureus
NDIA	National Disability Insurance Agency
NDIS	National Disability Insurance Scheme
NEAT	National Emergency Access Target
NeoRESQ	Neonatal Retrieval Emergency Service
NICU	Neonatal Intensive Care Unit
NEST	National Elective Surgery Target
PACH	Patient Access Coordination Hub
PET	Positron emission tomography
POST	Patient Off Stretcher Time
QAO	Queensland Audit Office
QCAT	Queensland Civil and Administrative Tribunal
QIMR	Queensland Institute of Medical Research
RAS	Rehabilitation and Acute Stroke Unit
RBWH	Royal Brisbane and Women's Hospital
SEED	Support, Explore, Excel & Deliver
SRACC	Specialist Rehabilitation and Ambulatory Care Centre
TPCH	The Prince Charles Hospital
VMO	Visiting Medical Officer
WAU	Weighted Activity Unit

BOARD MEMBER MEETING ATTENDANCES 2017-18

Name	Board	Executive Committee	Safety & Quality Committee	Finance & Performance Committee	Risk & Audit Committee
	11 meetings	6 meetings	6 meetings	7 meetings	5 meetings
Board Chair – Emeritus Professor Robert Stable AM	11 of 11	6 of 6	4 of 6	NA	NA
Deputy Chair – Dr Kim Forrester	11 of 11	6 of 6	6 of 6	NA	4 of 5
Board Member – Mr Adrian Carson	9 of 11	5 of 6	NA	NA	3 of 4
Board Member – Mr Bernard Curran	2 of 2	0 of 1	NA	1 of 1	NA
Board Member – Ms Bonny Barry	11 of 11	5 of 6	NA	5 of 7	NA
Board Member – Associate Professor Cliff Pollard AM	10 of 11	4 of 6	5 of 6	1 of 1 (attended as proxy)	1 of 1 (attended as proxy)
Board Member – Mr Geoff Hardy	11 of 11	6 of 6	NA	6 of 7	5 of 5
Board Member – Professor Helen Edwards OAM	7 of 9	5 of 5	3 of 5	4 of 6	NA
Board Member – Dr Kim Johnston	1 of 2	1 of 1	NA	NA	NA
Board Member – Dr Margaret Steinberg AM	9 of 9	5 of 5	5 of 5	NA	NA
Board Member – Professor Mary-Louise Fleming	11 of 11	6 of 6	6 of 6	NA	NA
Board Member – Mr Mike Gilmour	9 of 9	5 of 5	NA	6 of 6	5 of 5
Board Member – Dr Paula Conroy	2 of 2	1 of 1	NA	0 of 1	NA

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	p3
Accessibility	Table of contents	ARRs – section 9.1	p5
	Glossary	ARRs – section 9.1	p99
	Public availability	ARRs – section 9.2	p2
	Interpreter service statement	*Queensland Government Language Services Policy* ARRs – section 9.3	p2
	Copyright notice	*Copyright Act 1968* ARRs – section 9.4	p2
	Information licensing	*QGEA – Information licensing* ARRs – section 9.5	p2
General information	Introductory information	ARRs – section 10.1	p6–7
	Agency role and main functions	ARRs – section 10.2	p10–12
	Operating environment	ARRs – section 10.3	p22, 100
Non-financial performance	Government's objectives for the community	ARRs – section 11.1	p15
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	p16
	Agency objectives and performance indicators	ARRs – section 11.3	p22, 28
	Agency service areas and service standards	ARRs – section 11.4	p26–27
Financial performance	Summary of financial performance	ARRs – section 12.1	p57
Governance – management and structure	Organisational structure	ARRs – section 13.1	p29
	Executive management	ARRs – section 13.2	p38–39
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	NA
	Public Sector Ethics Act 1994	*Public Sector Ethics Act 1994* ARRs – section 13.4	p53
	Queensland public service values	ARRs – section 13.5	p50

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Risk management	ARRs – section 14.1	p43
	Audit committee	ARRs – section 14.2	p32
	Internal Audit	ARRs – section 14.3	p48
	External Scrutiny	ARRs – section 14.4	p47
	Information systems and record keeping	ARRs – section 14.5	p48
Governance – human resources	Workforce planning and performance	ARRs – section 15.1	p53–54
	Early retirement, redundancy and retrenchment	Directive No. 11/12 *Early Retirement, Redundancy and Retrenchment* Directive No. 16/16 *Early Retirement, Redundancy and Retrenchment (from 20 May 2016)* ARRs – section 15.2	p53
Open Data	Statement advising publication of information	ARRs – section 16	p49
	Consultancies	ARRs – section 33.1	p49
	Overseas travel	ARRs – section 33.2	p49
	Queensland Language Services Policy	ARRs – section 33.3	p49
Financial Statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	p94
	Independent Auditor's Report	FAA – section 62 FPMA – section 50 ARRs – section 17.2	p95

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*

ARRs Annual report requirements for Queensland Government agencies

NIGHT SKY UNIVERSE © (PAINTING)
Artist: Ronald John Abala Wurra-Ghantha – "little spirit man"