

2018–2019  
ANNUAL  
REPORT



## Report objective

This annual report fulfils Metro South Health's reporting requirement to the community and to the Minister for Health and Minister for Ambulance Services. It summarises the Hospital and Health Service's results, performance, outlook and financial position for the 2018–19 financial year.

In particular, the report outlines Metro South Health's performance against key objectives identified in the *Metro South Health Strategic Plan 2015–19*, as well as the Queensland Government's objectives for the community.

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## Accessibility

### Public availability

Where possible, readers are encouraged to download the annual report online at: [www.metrosouth.health.qld.gov.au/about-us/publications/annual-report](http://www.metrosouth.health.qld.gov.au/about-us/publications/annual-report)

Where this is not possible, printed copies are available by phoning the Office of the Chief Executive, Metro South Health, on 07 3176 8074. Alternatively, you can request a copy by emailing: [MD05-MetroSouthHSD@health.qld.gov.au](mailto:MD05-MetroSouthHSD@health.qld.gov.au).

### Interpreter service statement



Metro South 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, you can contact us on 07 3176 8074 and we will arrange an interpreter to effectively communicate the report to you.

## Connect with us

For information on our services, news, updates and details of events, visit our website:

[metrosouth.health.qld.gov.au](http://metrosouth.health.qld.gov.au)

### Connect with us on social media:



[facebook.com/MetroSouthHealth](https://facebook.com/MetroSouthHealth)



[twitter.com/MetSthHealth](https://twitter.com/MetSthHealth)



[linkedin.com/Metro-South-Hospital-and-Health-Service](https://linkedin.com/Metro-South-Hospital-and-Health-Service)



[instagram.com/metrosouthhealth](https://instagram.com/metrosouthhealth)

### Contact a hospital:

Beaudesert Hospital	07 5541 9111
Logan Hospital	07 3299 8899
Princess Alexandra Hospital	07 3176 2111
QEI Jubilee Hospital	07 3182 6111
Redland Hospital	07 3488 3111



## Letter of compliance



**Metro South Health**

19 August 2019

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 deliver for presentation to the Parliament the Annual Report 2018–2019 and financial statements for Metro South Hospital and Health Service.

I certify that this annual report complies with:

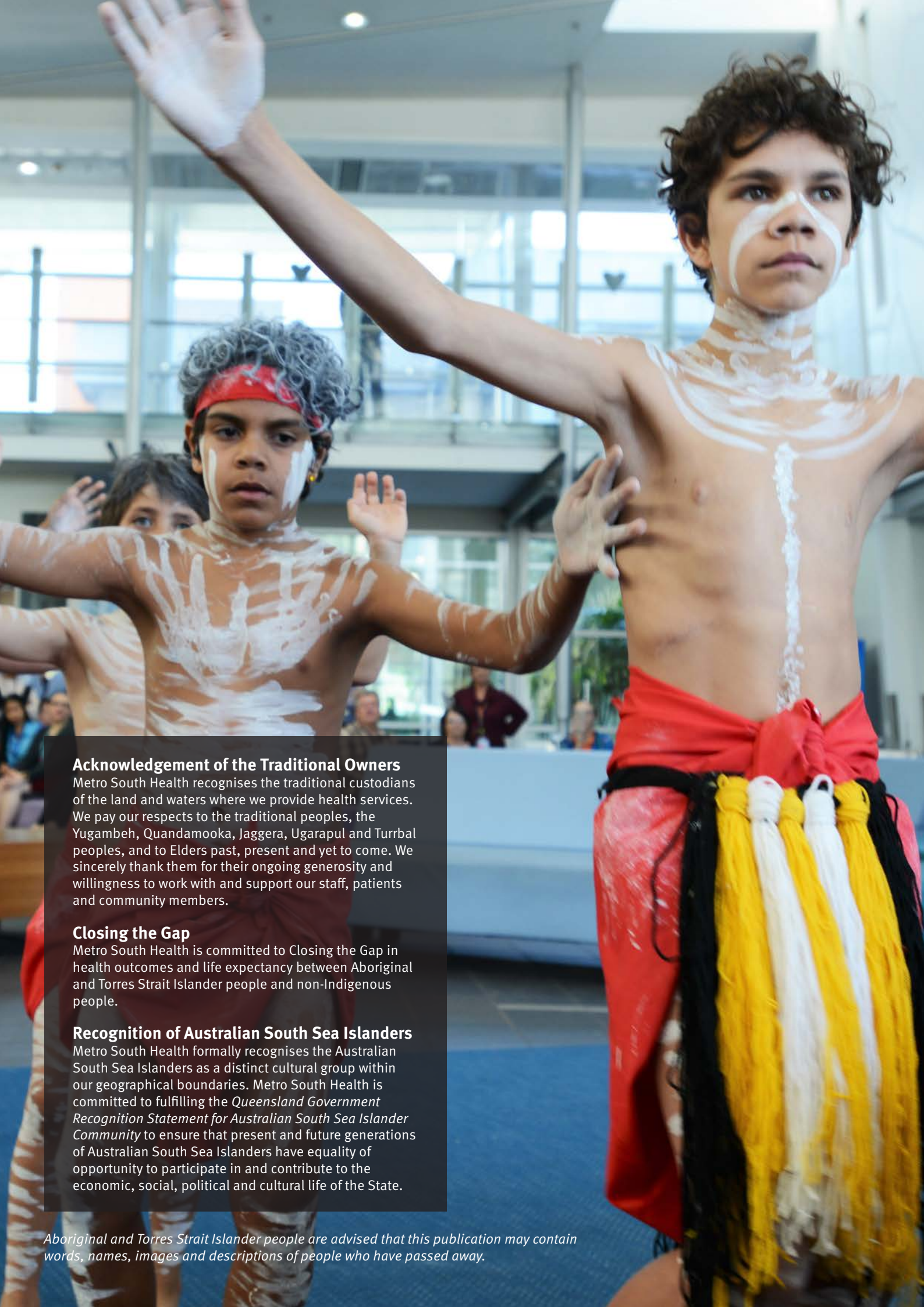
- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*; and
- the detailed requirements set out in the *Annual Report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found on page 100 of this annual report.

Yours sincerely

A handwritten signature in black ink that reads "Janine Walker". The signature is written in a cursive style.

**Janine Walker AM**  
Chair  
Metro South Hospital and Health Board



### **Acknowledgement of the Traditional Owners**

Metro South Health recognises the traditional custodians of the land and waters where we provide health services. We pay our respects to the traditional peoples, the Yugambeh, Quandamooka, Jaggera, Ugarapul and Turrbal peoples, and to Elders past, present and yet to come. We sincerely thank them for their ongoing generosity and willingness to work with and support our staff, patients and community members.

### **Closing the Gap**

Metro South Health is committed to Closing the Gap in health outcomes and life expectancy between Aboriginal and Torres Strait Islander people and non-Indigenous people.

### **Recognition of Australian South Sea Islanders**

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

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

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# Statement on government objectives for the community

Metro South Health contributes to the Queensland Government’s objectives for the community by delivering services for the community that are high quality, efficient, diverse and flexible to changing needs.

## Create jobs in a strong economy

With a workforce consisting of around 15,000 employees, Metro South Health is one of Queensland’s largest employers. The organisation is committed to investing in the skills and diversity of its workforce, flexible working arrangements, supporting current and future leaders, improving opportunities for women and fostering a positive organisational culture.

## Give all our children a great start

Metro South Health provides a wide range of health services to children within its resident catchment population. The organisation is committed to providing

place-based, early intervention projects and strategies that are designed to improve integration of care and improve health equity for children living in vulnerable communities across its region. Working with cross-sector partner agencies, Metro South Health aims to improve health, social and education outcomes for children aged 0-8 years.

## Keep Queenslanders healthy

Metro South Health delivers clinical care to more than 4,000 people each day – in hospital, in community settings and in the home. The objectives and strategies outlined in the *Metro South Health Strategic Plan 2015–19*, aim to deliver clinical excellence and better healthcare solutions for patients through redesign and improvement, efficiency and quality.



## Other whole-of-government plans/specific initiatives

### **My health, Queensland's future: Advancing health 2026**

In 2016, the Queensland Government introduced its vision and 10-year strategy for health in Queensland: *My Health, Queensland's future: Advancing health 2026*. Metro South Health is committed to working closely with the government to realise its four identified strategic directions.

### **Promoting wellbeing—improving the health of Queenslanders, through concerted action to promote healthy behaviours, prevent illness and injury and address the social determinants of health**

Metro South Health is investing in preventative health measures in partnership with the primary care sector and Brisbane South Primary Health Network (PHN). One key initiative is the launch of community grants to help reduce potentially preventable hospitalisations.

Metro South Health is leading the state in promoting quality end-of-life care. The My Care, My Choices program involves encouraging patients and members of the community to think and make choices about their future healthcare. The program developed a *Statement of Choices* document, which can be used to record a person's values, beliefs and healthcare preferences.

### **Delivering healthcare—the core business of the health system and improving equitable access to quality and safe healthcare in its different forms and settings**

Metro South Health maintains full Australian Council on Healthcare Standards (ACHS) accreditation at all of its hospitals and health services. It is also committed to going beyond compliance to become recognised as a leading example of healthcare, both nationally and internationally.

Metro South Health is investing heavily in long-term service planning and infrastructure, with a major planned expansion of Logan Hospital already funded, and long-term service and master planning for all other Metro South Health facilities well-progressed.

We are committed to delivering our actions in Queensland Health's *Logan Community Health Action Plan (Logan CHAP)* to improve the lives of people in one of our major population growth regions.

### **Connecting healthcare—making the health system work better for consumers, their families and communities by tackling the funding, policy and delivery barriers**

Metro South Health works closely with partners and stakeholders, in particular the Brisbane South PHN, to develop strategies to better connect and integrate health services for consumers. Initiatives include the implementation of the Clinical Prioritisation Criteria to provide a streamlined referral process for primary care professionals; 'beacon' clinics for multidisciplinary management of people with diabetes; and a shared maternity care model, where a woman's GP remains part of the broader healthcare team throughout the pregnancy.

Metro South Health is investing in the Planetree program to become Australia's first organisation recognised for excellence in person-centred care. After commencing our journey towards formal Planetree Recognition we have achieved bronze certification for excellence in person-centred care, making us the first organisation in Australia to achieve Planetree designation. Person-centred care focuses on providing care that respects patients' preferences, needs and values. Evidence shows that a focus on person-centred care results in better clinical outcomes, improved patient satisfaction and decreased infection rates.

### **Pursuing innovation—developing and capitalising on evidence and models that work, promoting research and translating it into better practice and care**

Metro South Health invests a significant proportion of funding into translational research through the Centres for Health Research based at Princess Alexandra Hospital.

Metro South Health has established a Futures Lab to bring people together to look at things differently and accelerate great ideas into solutions to health service challenges. Consumers, Metro South Health staff, subject matter experts, industry, community organisations, thought leaders, schools, higher learning organisations, and other partner organisations are invited to work with the Futures Lab team and inject fresh thinking into meeting our challenges.

# From the Chair and Chief Executive

**‘Together, we will improve health and wellbeing for all in our community.’**



Shaun Drummond  
Chief Executive



Janine Walker AM  
Board Chair



We begin by acknowledging the traditional custodians of the land on which we work, and we pay our respects to the traditional peoples—the Yugambah, Quandamooka, Jaggera, Ugarapul and Turrbal peoples—and to Elders past, present and yet to come.

This year, Metro South Health’s annual report truly reflects the incredible work undertaken by staff across our health service and our commitment to achieving quality outcomes for our patients and the community. We continue to put our patients at the core of everything we do and be inspired by the commitment and dedication of our staff and the courage and determination of those we care for, their stories and the health challenges they face.

Meeting the demands of the community now, while we plan for the future needs of the health service, is pivotal for us. Metro South Health is one of the state’s fastest growing regions, so making our health service fit for the future requires strategies and planning now, to meet the needs for our growing community over the next 15 years and beyond.

Aging populations, growing rates of chronic disease and increasing costs present significant challenges to our health service and the wider healthcare system.

We are seeing an increasing transition in many parts of the world from hospital-based care to person-centred and home-based care, where more services are provided in communities and homes. Like all health services, we are under pressure, so connecting with partners, primary care and community service providers to deliver care closer to home for our patients is vital to meet the needs of our growing community. Our Maternity Hubs are just one example of the type of community-based care we provide to our patients in Metro South Health.

We will continue to address these challenges, working in partnership with our staff, stakeholders, patients and the community and will continue to build effective stakeholder relationships through our consumer voice, community connections, strategic partnerships and innovation initiatives like our Futures Lab, which you can read more about in the highlights section of this report.

This year we launched the *Metro South Health Strategic Plan 2019–23*, which provides Metro South Health with our roadmap for the next four years and affirms that underpinning everything we do is our vision of: ‘Health and wellbeing for all in the community’.

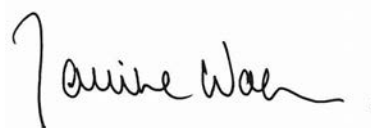
Connections underpin this strategic plan—which is about connecting every person with care that is appropriate and safe and offers the greatest benefit to their ongoing wellbeing. Above all, it’s about forming real connections with our consumers and their families and recognising that they are an integral part of the healthcare team.

Our *Strategic Plan* also reflects Queensland Health’s 10-year vision and strategy, *My health, Queensland’s future: Advancing Health 2026* which aims to make Queenslanders among the healthiest people in the world by 2026.

This past financial year has seen many highlights including some amazing staff-led initiatives, which you can read more about in the highlights section of this report. We continue to build on our strong partnerships with our universities and TAFE to grow and support the next generation of health care professionals.

We are making a profound impact in the communities we serve and will continue to do so into the future. One of our biggest priorities continues to be our commitment to Closing the Gap in health outcomes for Aboriginal people and Torres Strait Islander people and increasing our workforce diversity with a commitment to greater representation of our First Nations people within our workforce as part of our *Pathways to inclusion: Metro South Health Workforce Strategy 2018–22*. It is our obligation, and our priority, to close the health and life expectancy gap between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians.

We are committed to placing people at the centre of all we do at Metro South Health and will continue providing quality health care that meets the needs of our community now and into the future.



**Janine Walker AM**  
Chair  
Metro South Hospital and Health Board



**Shaun Drummond**  
Chief Executive  
Metro South Hospital and Health Service

# Highlights



Logan Hospital celebrated the first children to complete local chemotherapy.



Princess Alexandra Hospital's Professor Sandro Porceddu pioneered research to treat incurable HPV cancers of the head, neck, throat and tongue through a new combination therapy.



Princess Alexandra Hospital had a major environmental impact by replacing 650,000 plastic kidney dishes with a biodegradable alternative made from sugarcane fibre.



Logan Hospital set up a new Clinical Decision Unit for mental health to provide a dedicated space for patients attending Logan Hospital Emergency Department.



Gundu Pa was recognised as one of the best-built small health facilities in Queensland.



The 2019 Metro South Health Research Grants awarded a record \$3.75 million to 40 ground-breaking health and medical research projects.



QEII Hospital offers female patients experiencing domestic and family violence (DFV) access to free, on-site family law, domestic violence and child protection legal advice.



Redland Hospital's maternity and chronic disease team won the gold award at the International Hospital Federation's night of nights for the Gestational Diabetes Mellitus (GDM) App and Interactive Clinician Portal (MoTherApp).



Metro South Health was acclaimed as a world leader in healthcare after winning three prestigious International Hospital Federation (IHF) Awards – the most accolades of any health service at the global awards ceremony that year.



In an Australian first trial, QEII and Redland hospitals used sophisticated technology to monitor patients' vital signs at home to better engage patients with their recovery and give clinicians a clearer picture of their progress.



Metro South Health's 1,000<sup>th</sup> patient received life-saving Gamma Knife treatment.



Metro South Health ran swimming lessons to provide lifesaving skills for refugees in Logan.



Redland Hospital was the first in Queensland to purchase new 4K imaging technology for laparoscopic and endoscopic surgery.



Metro South Health became the first health service in Australia to be recognised for excellence in person-centred care by Planetree International.



Metro South Health's Digital Hospital project received the Outstanding ICT Achievement Award at the sixth Asia Pacific HIMSS-Elsevier Digital Healthcare Awards 2018



Logan Hospital marked 25 years of maternity services and a major milestone with the Maternity Hubs delivering their 100<sup>th</sup> baby.



Metro South Health launched a new strategy to improve employment, training and development opportunities for Aboriginal and Torres Strait Islander people.



Metro South Health's Futures Lab launched to bring people together to look at things differently and accelerate great ideas into solutions for health service challenges.

# About us

Metro South Hospital and Health Service (hereafter referred to as Metro South Health) is an independent, statutory body, governed by the Metro South Hospital and Health Board, which is accountable to the local community and the Queensland Minister for Health and Minister for Ambulance Services.

Metro South Health became a Hospital and Health Service on 1 July 2012. Under the *Hospital and Health Boards Act 2011* (the Act), it is the principal provider of public health services for the community within its geographical area. Under the Act, the Queensland Department of Health is responsible for the overall management of the public health system including statewide planning and monitoring the performance of Hospital and Health Services.

A formal *Service Agreement* is in place between the Department of Health and Metro South Health that identifies the health services Metro South Health will provide, funding arrangements for those services, and targets and performance indicators to ensure outputs and outcomes are achieved.

Metro South Health is one of 16 Hospital and Health Services in Queensland and serves an estimated resident population of more than one million people, 23 per cent of Queensland's population. It employs more than 15,000 staff and has an annual operating budget of \$2.315 billion. The health service's catchment spans 3,856 square kilometres and covers the area from the Brisbane River in the north to Redland City in the east, south to Logan City and the eastern portion of the Scenic Rim to the border of New South Wales.

Metro South Health is the major provider of public health care, teaching, research and other services as outlined in its *Service Agreement* with the Department of Health. It provides these services through five hospitals and a number of community health centres and oral health facilities. A full suite of health specialties is delivered through eight clinical streams: Addiction and Mental Health; Aged Care and Rehabilitation; Cancer; Emergency; Medicine and Chronic Disease; Oral Health; Surgical; and Women's and Children's Services. The *Service Agreement* is negotiated annually with the Department of Health and is publicly available online at: [publications.qld.gov.au/dataset/metro-south-hhs-serviceagreements](http://publications.qld.gov.au/dataset/metro-south-hhs-serviceagreements).

## Our hospitals

- Beaudesert Hospital
- Logan Hospital
- Princess Alexandra Hospital (PA)
- Queen Elizabeth II Jubilee Hospital (QEII)
- Redland Hospital

## Major community health centres

- Beenleigh Community Health Centre
- Browns Plains Community Health Centre
- Eight Mile Plains Community Health Centre
- Inala Community Health Centre
- Logan Central Community Health Centre
- Marie Rose Centre, Dunwich
- Redland Health Service Centre, Cleveland
- Southern Queensland Centre of Excellence, Inala
- Woolloongabba Community Health Centre
- Wynnum-Manly Community Health Centre, Gundu Pa

## Specialty services

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

- acute medical
- acute surgical
- addiction and mental health
- brain injury
- cancer services
- cardiology
- emergency medicine
- obstetrics and gynaecology
- older persons
- paediatrics
- palliative care
- rehabilitation
- spinal injury
- transplantation
- trauma.

**Metro South Hospital and Health Service is the major provider of public health services and health education and research in the Brisbane southside, Logan, Redland and Scenic Rim regions.**



## Strategic direction and priorities

Metro South Health’s *Strategic Plan 2015–19* describes how the health service will provide quality care for the community, and includes its aspirations, strategies and measures of success. Metro South Health carefully monitors its achievements against these targets.

### Our strategic focus areas and enablers

On 1 July 2015 (revised in 2017–18), Metro South Health’s *Strategic Plan 2015–19* came into effect with a refined focus on three key areas, supported by three enabling areas. These focus areas and enablers align with the five core directions of the Queensland Government’s 10-year strategy for Queensland: *My health, Queensland’s future: Advancing health 2026*, which was released in May 2016.



#### Strategic focus areas



1. Clinical excellence and better healthcare solutions for patients through redesign and improvement, efficiency and quality



2. Technology that supports best practice, next generation clinical care



3. Health system integration

#### Enablers



1. Resource management that supports health service delivery needs



2. Enabling and empowering our people



3. Ensuring the needs of our stakeholders influence all our efforts

### Our values



#### Customers first

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



#### Ideas into action

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



#### Unleash potential

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



#### Be courageous

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



#### Empower people

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

## Project and program highlights

### Planetree

Metro South Health is proud to have achieved bronze certification for excellence in person-centred care, making us the first organisation in Australia to achieve Planetree designation.



Planetree is an international recognition program, which provides coaching, professional development, resources and connections to organisations across the world to support ongoing excellence in person centred care. Underpinning their approach is a framework emphasising five core drivers and a roadmap to ongoing improvement. They are the only organisation to officially certify excellence in person-centred care.

Staff across Metro South Health were invited to celebrate this amazing achievement at a special event in November 2018. The event provided a chance to celebrate the great work in providing a positive, comfortable experience for all our patients, to reflect on the incredible journey so far and to look forward to the next stage in our Planetree journey.

Planetree is a person-centred and holistic approach to healthcare which means:

- caring for each person as an individual
- recognising their mental, social, emotional, spiritual and physical care needs.

The Planetree philosophy is proven to provide numerous benefits for patients and community members, including decreased mortality, decreased readmission rates, decreased rates of healthcare-acquired infections in hospital, reduced length of stay in hospital, improved adherence to treatment regimens, and operational benefits such as lower costs per case and increased workforce satisfaction and retention rates.

Metro South Health entered into a formal partnership with Planetree in 2015 and officially launched its bid for Planetree recognition in late 2016. We also implemented the Person-Centred Care Reflective Practice Program to help embed a culture of person-centred care at every level of our organisation. The program is delivered as an online learning module, a set of reflective questions and a hands-on workshop where staff can walk in the shoes of patients and reflect on how they can deliver person-centred care every day. All members of the staff, not just clinicians, are encouraged to take part.

### Futures Lab

The Metro South Health Futures Lab is designed to find solutions to Metro South Health's more challenging problems i.e. those problems that cannot be addressed via simple improvement or redesign processes and which require a strong collaborative process with partners external to Metro South Health. While the Futures Lab

is still developmental in nature and will evolve over the course of the first and subsequent innovation cycles, fundamental core features include:

- flexible and agile methodologies while maintaining rigorous governance
- principles of 'fail fast' via Lean Start-Up (LSU) approaches
- development of an extensive stakeholder network to inform Metro South Health's challenges
- engagement of staff and consumers to ensure that those people providing and receiving services have an opportunity to inform transformational change at all stages of the process
- training and development in LSU and other innovation approaches to build workforce capability in innovation practices and to support staff in 'rethinking' how existing resources are used.

Three key processes underpin the Futures Lab operations:

- **discover**—idea generation via an online platform, supported by workshops where required (two weeks)
- **design**—development and testing of approved ideas through a Lean Start-Up accelerator process (nine weeks)
- **deliver**—delivery of endorsed business cases via validated project management methodologies (timeline will vary based on individual business case requirements).

The Metro South Health Futures Lab is dependent on the involvement of consumers, staff, subject matter experts, industry, community organisations, thought leaders, schools, higher learning organisations, and other partner organisations to work with us and inject fresh thinking into solving problems.

Challenges are open to anyone and everyone, and ideas can be submitted by registering at the online Ideas Jam website. The first challenge 'Nobody wants to be in hospital if they don't need to be', was launched in 2018–19, with more challenges planned in the coming year. Results and outcomes are shared after each challenge so participants can track their progress.



### Pathway to Excellence®

Metro South Health strives to deliver the highest quality care for our patients at all times, with a commitment to continuous improvement. We aim for clinical excellence—not simply compliance to healthcare standards.

Awarded by the American Nurses Credentialing Centre (ANCC), Pathway to Excellence® is a highly sought-after credential for organisations that create supportive and positive working environments where nurses are able to continually excel.

The drive for further improvement and achievement continued in 2018–19 with the Metro South Addiction and Mental Health Services nursing team working towards Pathway to Excellence® designation. PA Hospital already holds the prestigious Magnet® designation for excellence in nursing care and was the first healthcare organisation outside the United States to receive Magnet® designation for a fourth time. The nursing teams at QEII Jubilee Hospital achieved the prestigious Pathway to Excellence Program® designation in 2018 and have created an environment where nurses are empowered to provide the best patient care and where excellence is valued every day. All hospitals in Metro South Health's Logan-Bayside Health Network (Logan, Redland and Beaudesert hospitals) have already gained Pathway to Excellence® designation. It was the first healthcare network in Australia to achieve the designation.

#### **Partnerships with Brisbane South Primary Health Network (PHN) and primary care**

Working closely with Brisbane South PHN is a major focus for Metro South Health. We share the same goals of enhancing the efficiency and effectiveness of healthcare services for patients, particularly those at risk of poor health outcomes.

In 2018–19 Metro South Health partnered with the Brisbane South PHN to deliver the *Brisbane South Older People's Health and Wellness Strategy 2019–24*. This strategy forms a commitment to ensure that every person can live a long life and in good health under the shared 'whole-of-system' vision of 'older people in the Brisbane south region experience a greater quality of life through safe and connected and coordinated person-centred health care in an age friendly community'.

The strategy was developed by a joint steering committee, including executives and clinical leaders from both organisations and was endorsed in December 2018 by Metro South Health and Brisbane South PHN Boards for action. The strategy will be accompanied by a five-year Brisbane South Older People's Strategy Action Plan and will be delivered through the Brisbane South Older People's Health and Wellness Strategy Committee, a joint committee of Metro South Health, Brisbane South PHN and other partners.

This 'whole-of-system' approach will facilitate the delivery of quality older person-centred services that are integrated and will support seamless transitions and continuity of care between hospital, primary health care and community settings.

#### **SpotOnHealth HealthPathways**

SpotOnHealth HealthPathways is a tool that provides General Practitioners (GPs) with localised, web-based information about the assessment, management and referral of a range of clinical conditions. It is designed to help GPs navigate patients through the complex primary, community and acute healthcare system within the Metro South Health region. This online tool has been a catalyst for healthcare co-design and collaboration to an extent not previously seen in the region.

Led by Metro South Health Strategy and Planning, it is a major healthcare integration initiative with Brisbane South PHN. GPs and Brisbane South PHN work together with Metro South Health staff and specialists to build a shared understanding of the patient journey and to jointly develop pathways to improve care. Mater Health Services and Children's Health Queensland have also been engaged as partners and subject matter experts.

Highlights include supporting the prevention and management of emergent health risks including influenza, measles and whooping cough, and enabling GP-to-GP referral for procedures and interventions that prevent the need for people to be treated in hospital.

Since its launch in October 2017, the website has been accessed more than 40,000 times to view nearly 175,000 pages of online content. It is reported by local GPs to be a key tool in their daily consultations with patients, supporting primary care decision-making and clinical management with up-to-date, peer-reviewed information and tools, and clear referral guidelines to support ongoing care.

*"I've just moved across from West Moreton so I'm really excited to have SpotOnHealth HealthPathways to guide my patient care and referrals, especially the information about diabetes."*  
GP, Marsden

*"I'm familiar with SpotOnHealth HealthPathways and really happy with the information available. Last week I needed help with managing and treating Hepatitis C in one of my patients and was pleased to find the pathway localised."*  
GP, Redland Bay

#### **SpotOnHealth Connecting Care**

SpotOnHealth Connecting Care builds on the success of its parent program, undertaking the redesign and health system reform to ensure available resources are optimised.

An initiative of Metro South Health's Strategy and Planning team, SpotOnHealth Connecting Care is a unique partnership between Metro South Health, the Queensland Ambulance Service and Brisbane South PHN. Through collaboration, SpotOnHealth Connecting Care is investigating a range of innovative healthcare models to improve local access to healthcare, reduce duplication of care, and ensure that patients can be safely cared for in their communities without the need to attend hospital if clinically appropriate.

#### **Maternity and Child Health Hubs**

Metro South Health's Maternity and Child Health Hubs provide vulnerable women with access to continuity of midwifery care that is local and culturally appropriate.

This is achieved through an integrated multidisciplinary maternity team and in special community hubs within a woman and family-centred philosophy of care which fosters choice.



Our Maternity and Child Health Hubs are specially designed for local women who are:

- Aboriginal and/or Torres Strait Islander
- Maori or Pasifika
- culturally and linguistically diverse (CALD) or non-English speaking women, including refugees
- young parents 18 years and under
- those with significant social and/or mental health risks.

The hubs are designed to meet the needs of women in the community who are currently not accessing health services. On average, pregnant women in Logan are not attending the recommended number of antenatal appointments, which is why these new community hubs are so important.

The community-based model of care was developed in consultation with many Logan representatives including consumers, community members, advocacy groups, unions and university. Metro South Health opened its first of three designated community hubs in 2018, with a fourth on the way to be delivered in 2019–20. Three maternity hubs offering community midwifery services are located at the Aboriginal and Torres Strait Islander Child and Family Centre (ATSICHS) in Waterford West, Access Gateway at Logan Central and the Browns Plains Early Years Centre.

Women are cared for by the same group of midwives throughout the pregnancy, labour, birth and afterwards at home. This gives them the opportunity to get to know their midwife and develop a partnership that continues after baby is born. Metro South Health is committed to providing good care and support before and during pregnancy, which we know leads to better long-term outcomes for mothers, babies and children.

We are now moving from implementation to consolidation and our outcomes are exceeding expectations.

### Telehealth services

Telehealth services continued to grow for Metro South Health, with the service now one of the largest providers of outpatient telehealth in Queensland.

In 2018–19, telehealth activity for our region increased by at least 40 per cent compared to last year (with 6,008 occasions of service in total), which means it significantly exceeded the KPI of 20 per cent growth set out in the *Metro South Health Strategic Plan 2015–19*. This growth has come from a number of areas, including non-admitted patients, addiction and mental health clients, asynchronous advice services and emergency patients. Specialties that started providing telehealth services in 2018–19 include allergy, pre-admissions and pharmacy. Grant funding assisted with the integration of telehealth into physiotherapy musculoskeletal management clinic (PMMC) at Redland Hospital, and our state-wide acquired brain injury and spinal cord injury services. Correctional facility telehealth was another focus area and services grew by 13 per cent, with seven new specialties offering telehealth outpatient appointments directly into prisons.

### Nurse Navigators

Nurse Navigators provide tailored care and support along the healthcare journey of vulnerable patients and help them better understand and manage their often complex health conditions. In some cases, this can reduce the need for hospital readmission and improve attendance figures for specialist outpatient appointments. Nurse Navigators can provide better health outcomes for high-needs patients by helping them navigate through the health system and improve their health literacy.

In 2018–19 Metro South Health welcomed more of Queensland's specialist Nurse Navigators. These nurses specialise in areas including disability, chronic disease, paediatrics, dementia, diabetes, mental health, multicultural and Indigenous health. By the end of June 2019, 35 Nurse Navigators were employed, with a further 35 positions to be recruited in 2019–20.

### Listening to our patients, staff and community members

Throughout 2018–19 we continued our focus on person-centred care—putting people at the heart of everything we do. We recognise that a good healthcare experience is not only about providing our patients with safe and quality healthcare; it's also about connecting with our patients and their families and the little things we can do to make people feel comfortable and cared for. We also recognise the benefits of engaging closely with patients, families and carers to hear about their experiences. This feedback provides valuable information about what we do well and where we can improve. In 2018–19, we achieved our goal of becoming the first organisation in Australia to be recognised by Planetree (global leaders in person-centred care) as a person-centred organisation.

Metro South Health is heavily invested in building the capacity of staff to build meaningful connections and partnerships with consumers and community. We believe in nurturing long-term relationships with our consumers and community which leads to continuous improvement, transformation and excellence in person-centred healthcare.

In 2018–19, the Metro South Health Engagement team:

- engaged with more than 3,038 consumers and community members
- supported more than 2,600 Metro South Health staff in consumer partnering initiatives
- appointed 35 new Consumer Advisors to Metro South Health Committees, three times the number of consumers than in 2017–18
- grew the Metro South Consumer Network to 85 members
- appointed a Consumer Partnering Advisor
- developed and promoted the use of a Metro South Health consumer partnering policy, including accompanying procedures, guidelines, tools and templates
- hosted quarterly Metro South Health Consumer Network events, including consumer training, consumer consultations and peer networking
- appointed consumers to strategic projects, such as Value-Based Care and Maternity Hubs.

## Vision, purpose, values

As outlined in the *Metro South Health Strategic Plan 2015–19*, Metro South Health’s vision, purpose and objectives describe and support our direction and how we work together.

### Our vision

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

### Our purpose

To deliver high quality healthcare through innovative and evidence-based strategies, enabled by the efficient use of available resources, robust planning processes and stakeholder collaboration.

## Aboriginal and Torres Strait Islander Health

### Aboriginal and Torres Strait Islander people population profile

The lands of Metro South Health are the traditional land, sea and water country of the Yugambah, Quandamooka, Jaggera, Ugarapul and Turrbal peoples.

Metro South Health staff are required to acquire knowledge of Aboriginal and Torres Strait Islander history, culture and customs and increase engagement and partnerships with traditional communities.

### Health profile of the Aboriginal and Torres Strait Islander people population

While life expectancy has been increasing, there has been a shift in cause contribution to the gap in life expectancy. Cancer is now approaching cardiovascular disease as the major contributor to the life expectancy gap. We know reducing mortality among adults aged 50–74 years can have the biggest potential to impact this gap.

While cardiovascular disease remains the most significant cause of the life expectancy gap for males and females, its influence over the gap has decreased due to improvement in cardiovascular disease mortality rates.

For more specific causes for females, diabetes (1.2 years), coronary heart disease (0.8 years), chronic lower respiratory disease (0.7 years) and cancer of trachea, bronchus and lung (0.6 years) were large contributors to the life expectancy gap.

For males, coronary heart disease (1.2 years), diabetes (1.0 years), cancer of trachea, bronchus and lung (0.6 years) and chronic lower respiratory disease (0.5 years) were substantial contributors to the life expectancy gap.

The shorter life expectancy is due to a wide range of factors such as reduced access to health services, higher rates of disease and a number of various health risk factors.

### Population data for Metro South Health

**23,625**

(or 2.2 per cent) were Aboriginal and Torres Strait Islander people (compared to 4.4 per cent in Queensland)

**44.1%**

of Aboriginal and Torres Strait Islander people were aged 0 to 19 years (compared to 26 per cent of non-Indigenous persons)

**42.8%**

of Aboriginal and Torres Strait Islander people were aged 20 to 49 years (compared to 44.3 per cent of non-Indigenous persons)

**13.2%**

of Aboriginal and Torres Strait Islander people were aged 50 years and over (compared to 29.8 per cent of non-Indigenous persons).

*Based on the 2016 estimated resident population*

**Metro South Aboriginal and Torres Strait Islander people health services**

Improving Aboriginal and Torres Strait Islander peoples health and life expectancy is a shared responsibility for Metro South Health staff. Metro South Health’s *Aboriginal and Torres Strait Islander Closing the Gap Plan 2018–20* outlines our priorities in improving health outcomes for Aboriginal and Torres Strait Islander peoples including ensuring services are culturally and clinically responsive and appropriate to Aboriginal and Torres Strait Islander peoples and their families; and providing direction and support to all Metro South Health staff on their role and responsibilities in improving health for Aboriginal and Torres Strait Islander peoples.

Metro South Health’s Health Equity and Access Unit (HEAU) consists of two areas dedicated to improving the health of Aboriginal and Torres Strait Islander people:

The **Aboriginal and Torres Strait Islander Co-ordination Team**, forms part of the HEAU and welcomes the opportunity to provide strategic advice, support and resource development at the request of hospital and health services in order to improve the quality of care across Metro South Health for our Aboriginal and Torres Strait Islander peoples.

The **Southern Queensland Centre of Excellence in Aboriginal and Torres Strait Islander Primary Health Care**, based at Inala, provides:

- a medical clinic staffed by GPs, nurses, Aboriginal and allied health workers
- local outreach
- ongoing research into Aboriginal and Torres Strait Islander health
- community engagement and education programs.

Additionally, a network of Aboriginal and Torres Strait Islander staff are structured into integrated service models throughout Metro South Health, inclusive of Hospital Liaison Staff and Community/Hospital Health Worker positions. These include:

- Addiction and Mental Health Services (adult, child and youth)
- Centre of Excellence
- chronic disease
- hospital/community
- hospital liaison
- nutrition promotion
- renal dialysis
- sexual health
- women’s health and birthing.

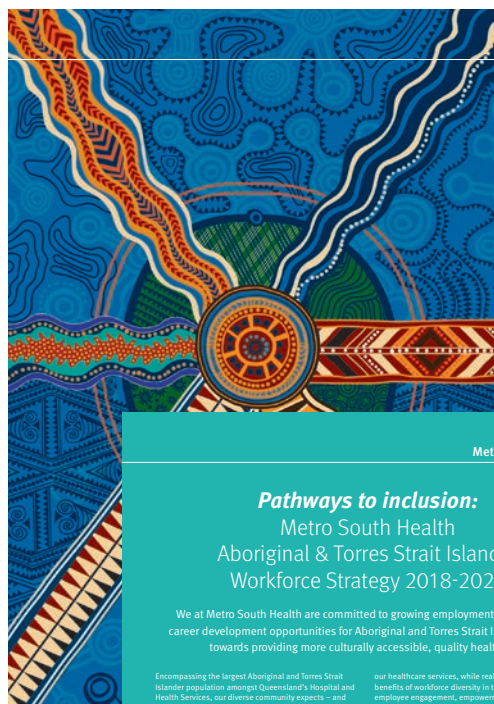
Aboriginal and Torres Strait Islander Staff function in a range of services within an integrated service model. The positions are an integral component of each team by being the link between patient services and community. Each service has specific functions and provides assistance to Aboriginal and Torres Strait Islander consumers and their families.

**Aboriginal and Torres Strait Islander Workforce Strategy 2018–22**

Metro South Health is committed to growing our Aboriginal and Torres Strait Islander workforce to ensure our workforce reflects the demographic of the community we serve and to provide culturally appropriate healthcare towards closing the gap for our First Nations people’s health and wellbeing.

During 2018–19, the health service launched the *Pathways to inclusion: Metro South Health Aboriginal and Torres Strait Islander Workforce Strategy 2018–22*, which brings together a range of strategies towards achieving a target of 3.5% of our workforce identifying as Aboriginal and/or Torres Strait Islander by 2022.

Among these initiatives, Metro South Health partnered with Queensland and Commonwealth government agencies and JobActive providers on a traineeship program for Aboriginal and Torres Strait Islander people leading to ongoing employment opportunities within the health service.



Metro South Health

**Pathways to inclusion:**  
Metro South Health  
Aboriginal & Torres Strait Islander  
Workforce Strategy 2018-2022

We at Metro South Health are committed to growing employment, training and career development opportunities for Aboriginal and Torres Strait Islander people towards providing more culturally accessible, quality healthcare.

Encapsulating the largest Aboriginal and Torres Strait Islander population amongst Queensland’s Hospital and Health Services, our diverse community expects – and deserves – to see reflected in our workforce their own faces and hear their own voices and stories informed by lived cultural insights. More employment, training and career development opportunities for Aboriginal and Torres Strait Islander people will improve Aboriginal and Torres Strait Islander patients’ experience and access to our healthcare services, while realising for us the proven benefits of workforce diversity in the form of greater employee engagement, empowerment and innovation through embracing different perspectives. The *Pathways to Inclusion: Metro South Health Aboriginal and Torres Strait Islander Workforce Strategy 2018-2022* represents our shared commitment to increasing Aboriginal and Torres Strait Islander representation from about 1 per cent of our workforce to 3.5 per cent over the coming four years.

**We acknowledge the Traditional Owners of the land and pay respect to Elders past, present and emerging**

We care about you

## Our community based and hospital based services

### Services delivered in the community

We deliver a range of essential services close to our community members' homes, including:

- Aboriginal and Torres Strait Islander health
- BreastScreen Queensland
- chronic disease management
- community addiction and mental health services
- community rehabilitation
- hospital avoidance and substitution services
- maternity
- offender health
- oral health
- palliative care
- persistent pain
- refugee health
- residential aged care.

### Statewide services

Princess Alexandra Hospital is a major tertiary facility that is renowned for its work in liver transplantation, renal transplantation, spinal injury management, brain injury rehabilitation and skull base surgery. Metro South Health also operates the statewide Medical Aids Subsidy Scheme which provides funding for medical aids and equipment to Queenslanders with disabilities.

In 2018 Metro South Health commenced management and operation of the Queensland Cancer Register, which maintains a register of all cases of cancer diagnosed in Queensland since the beginning of 1982.

### Education and research

Metro South Health is committed to strong undergraduate and postgraduate teaching programs in medicine, nursing and allied health, with linkages to the University of Queensland, Queensland University of Technology, Griffith University, and several other academic institutions.

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

The Hopkins Centre: Research for Rehabilitation and Resilience is a joint initiative of Griffith University, Metro South Health and the Motor Accident Insurance Commission. The centre is leading the way in interdisciplinary applied research that examines disability and rehabilitation practices, services and systems.

These centres of research, along with Brisbane Diamantina Health Partners, of which Metro South Health is a member, play an important role in promoting the transfer of knowledge to improve clinical outcomes and patient experience.

### Our communities

Metro South Health is the most populated hospital and health service in Queensland. In 2018, there were an estimated 1,162,936 residents in the region, equal to approximately 23 per cent of Queensland's population, and by 2031, this is expected to grow to 1,408,364 residents.

The region's population is also forecast to continue to age, like the rest of the Australian population. Between 2016 and 2031, the number of residents aged 65 years and over is projected to grow by 65 per cent or 92,185 people.

In 2016, 23,625 residents of Metro South, or 2.2 per cent of the population, identified as Aboriginal peoples or Torres Strait Islander peoples.

Metro South is one of the most culturally and linguistically diverse populations in Queensland. In 2016, 324,892 Metro South residents reported being born overseas, with 62 per cent of these reporting as being from non-English speaking background countries. Of these, 20 per cent did not speak English well, if at all.

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

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

### In Metro South Health:

**94%** of adults report consuming fewer than the recommended serve of vegetables (five serves per day)

**57%** of adults report they are overweight or obese

**41%** of adults report undertaking less than the recommended level of exercise

**20%** of adults report drinking at risky levels

**11%** of adults smoke daily

## Targets and challenges

Australia’s health system is among the best in the world. However, demands on the system are increasing due to an aging and growing population, increased rates of chronic and preventable disease, and rising healthcare costs.

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

### Risks and challenges

As one of the largest public health services in Queensland, Metro South Health has a number of current strategic risks. These are:

#### Growing demand

There are indications that the health of Queenslanders is improving. Life expectancy is increasing, death rates for many causes are decreasing, and more people continue to report satisfaction with their health. However, hospitalisation rates are increasing for many health conditions, and are likely to continue to rise over the next 20 years.

While much of the future pressure on the healthcare system will come from an aging population, there are also other causes, in particular the impact of chronic diseases. The current infrastructure and resources are unlikely to be able to meet the health needs of Metro South Health residents over the coming years. Changes to models of care and the delivery of health services are required to ensure demand is able to be met.

#### Unanticipated events (e.g. natural disasters, pandemics)

Queensland regularly experiences severe weather events and natural disasters. Metro South Health, as one of the largest Hospital and Health Services, is integral in the management of pandemics or disease outbreaks. Plans are in place to respond to disease outbreaks, natural disasters and environmental hazards.

#### Advances in health technology

It is estimated that half of the increase in health spending over the next 50 years will be due to the introduction of new technologies and the subsequent increased

volume of services per treated case. Metro South Health is committed to increasing the availability and use of technology in an appropriate way.

### Opportunities

Key opportunities for 2019–20 that will assist Metro South Health to continue to meet its targets include:

- activities that contribute to partnerships with other health providers and organisations
- a strong partnership with the Brisbane South PHN to move towards a more integrated and coordinated healthcare system
- leading research and promoting translational research initiatives through the Translational Research Institute (TRI) to enable the transfer of research knowledge into improved health outcomes
- maintaining and improving the current positive workplace culture amid large change programs and new work environments, to realise benefits from an effective and efficient workforce structure
- during 2018–19, Metro South Health developed its new *Strategic Plan 2019–23*, which identifies additional or changed risks and strategies.



# Governance

## Our people

### Organisational structure

#### Hospital and Health Board

The Metro South Hospital and Health Board (MSHHB) is responsible for setting the overall strategic direction, establishing goals and objectives for the health service, and monitoring the organisation in line with government health policies and directives. The MSHHB reports to the Minister for Health and Minister for Ambulance Services, the Honourable Steven Miles MP.

#### Metro South Health Executive

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

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

#### Clinical Streams

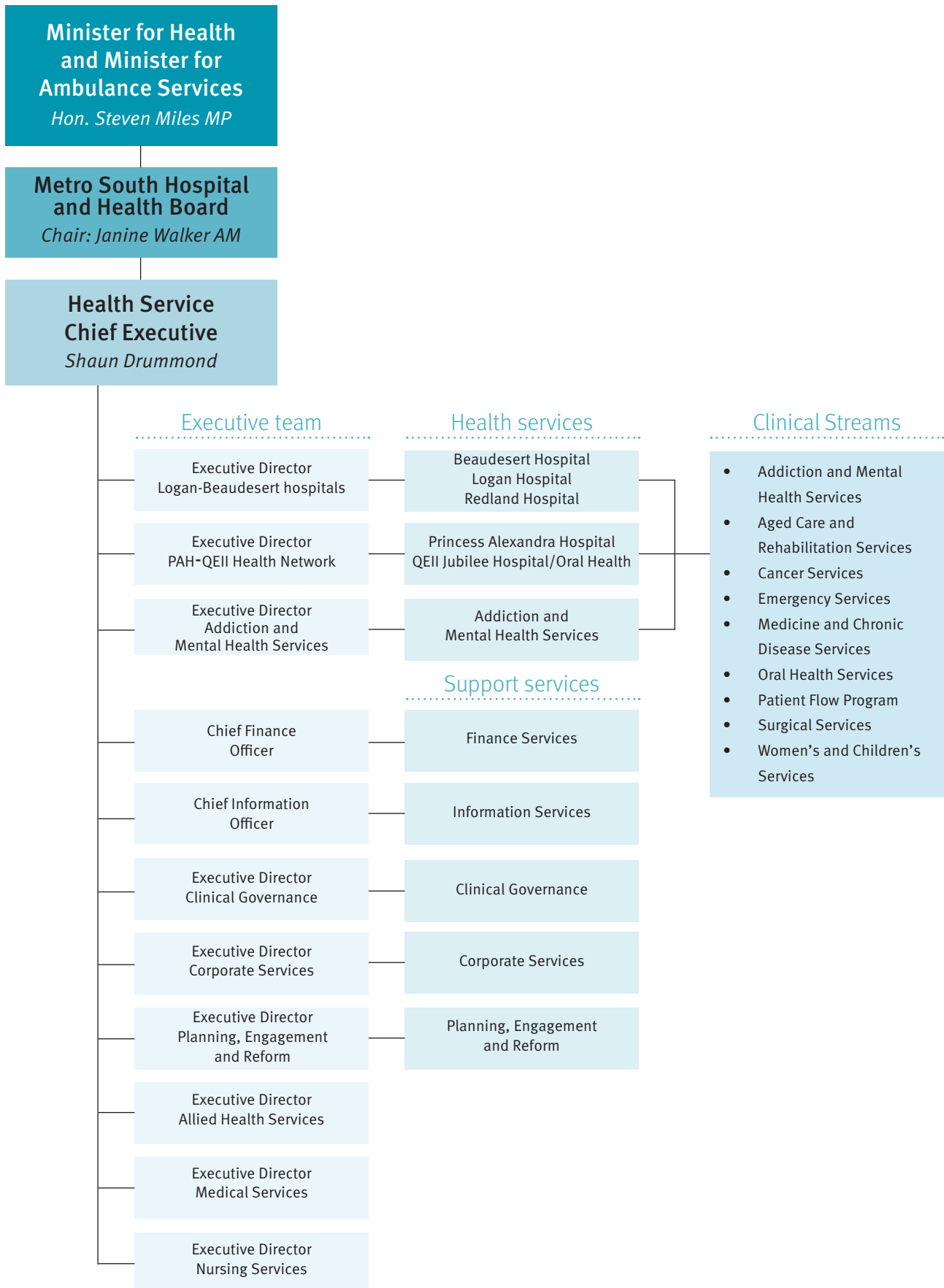
Through its facilities, Metro South Health delivers a full suite of specialties to the community. These services are categorised into nine core health specialty areas, which are referred to as Clinical Streams. Each of the nine Clinical Streams is led by a single Clinical Stream Leader, supported by one or more Sub Stream Leaders.

The benefits of Clinical Stream governance are improved integration of services across Metro South Health and targeted innovation and clinical redesign. Clinical Stream Leaders report directly to the HSCE and are expected to:

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



Organisational structure (as at 30 June 2019)



Workforce profile

Metro South Health’s capacity to deliver health services and achieve positive health outcomes for the population, both now and into the future, is largely dependent upon its workforce.

It is critical to ensure that there are sufficient numbers of the right staff, with the right mix of skills, in the right place at the right time, and that the workforce is appropriately skilled to deliver person-centred care.

Metro South Health employs 13,407 full-time equivalent (FTE) employees and 15,985 across multiple hospital and community facilities and services, and in the 2018–19 period had a permanent employee separation rate of 5.18 per cent.



Table 1: More doctors and nurses\*

	2014-15	2015-16	2016-17	2017-18	2018-19
Medical staff <sup>a</sup>	1,565	1,636	1,662	1,714	1,773
Nursing staff <sup>a</sup>	5,022	5,258	5,485	5,776	5,870
Allied Health staff <sup>a</sup>	1,740	1,806	1,843	1,917	1,917

Table 2: Greater diversity in our workforce\*

	2014-15	2015-16	2016-17	2017-18	2018-19
Persons identifying as being Aboriginal and/or Torres Strait Islander <sup>b</sup>	119	128	125	149	179

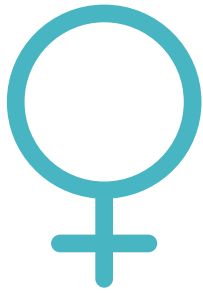
**Note:** \* Workforce is measured in MOHRI – Full-Time Equivalent (FTE). Data presented reflects the most recent pay cycle at year’s end.

**Source:** <sup>a</sup> DSS Employee Analysis, <sup>b</sup> Queensland Health MOHRI, DSS Employee Analysis





At a glance: Metro South Health workforce 2018–19



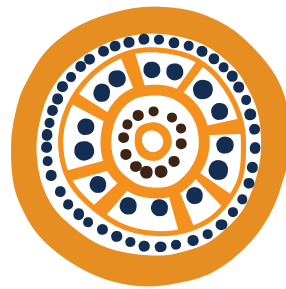
**74%**

of our workforce  
are female



**13,407**

fulltime equivalent (FTE) employees



**179**

members of our workforce identify as  
Aboriginal or Torres Strait Islander



**43%**

of our workforce  
are part time



**19.47%**

of our workforce come from a  
non-English speaking background



### Board membership

The Metro South Hospital and Health Board (MSHHB) comprises 10 members appointed by the Governor in Council on the recommendation of the Minister for Health pursuant to the *Hospital and Health Boards Act 2011*.

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

The functions of the MSHHB are:

1. to oversee and manage the Hospital and Health Service (HHS); and
2. to ensure that the services provided by the HHS comply with the requirements of the Act and the objectives of the HHS.

### The key responsibilities of the Board include:

- reviewing and approving strategies, goals, annual budgets, and financial plans as designed by the HHS in response to community and stakeholder input
- monitoring financial performance on a regular basis
- monitoring operational performance on a regular basis including compliance with clinical regulations and standards
- ensuring that risk management systems are in place to cover all of the organisation’s key risk areas including operational, financial, environmental and asset related risks
- ensuring that Metro South Health has policies and procedures to satisfy its legal and ethical responsibilities
- monitoring committee reporting on operational, financial and clinical performance
- determining the desired culture for the HHS to enhance its reputation with the community and stakeholders
- reporting to and communicating with the government, the community and other stakeholders on the financial and operational performance of the organisation.

The Board has established five committees to assist in carrying out its functions and responsibilities. The five committees are:

- Executive Committee
- Safety and Quality Committee
- Audit and Risk Committee
- Finance Committee
- Aboriginal and Torres Strait Islander Health Access Committee.

#### **Board and Committee activities:**

The Board and Committee activities and major achievements in 2018–19 include the developing, monitoring and advising on the:

- Logan Expansion Project
- *Metro South Health Strategic Plan 2019-23*
- Futures Lab
- Redland Hospital Master Plan
- local implementation for the new finance and logistics system
- a new Financial Delegations Framework
- the rollout of the Internal Audit Program
- endorsement of the Annual Financial Statement
- the Legislative Compliance Program
- the Risk Reporting Framework.

Read more about Metro South Health's committees on page 42 of this annual report.

#### **Role of the Board Chair:**

The Chair of the Board is appointed on the recommendation of the Minister for Health and Minister for Ambulance Services following an advertised recruitment process.

The Chair of the Board's responsibilities are:

- presiding over all meetings of the Board and in the event of the Chair being absent, the Deputy Chair shall preside for the course of that meeting
- maintaining a regular dialogue and mentoring relationship with the HSCE
- monitoring the performance of the Board and individual members and promoting the ongoing effectiveness and development of the Board
- managing the evaluation and performance of the HSCE and the Board
- informing the Minister about significant issues and events.

#### **Role of the Corporate Secretary**

The Corporate Secretary provides administrative support to the Board.

The Corporate Secretary is responsible for:

- preparing agendas and minutes
- organising Board meetings
- organising Directors' attendances
- preparing the Board Induction package
- providing a point of reference for communication between the Board and Metro South Health Executive
- attending to all statutory filings, requirements and regulatory bodies.

### Board members (as at 30 June 2019)



Ms Janine Walker AM

**Board Chair**

*Appointed: 18 May 2016*

*Appointed as Chair: 13 October 2017*

*Current term: 18 May 2017–17 May 2021*

Janine Walker is a human resources expert with a background in health, academia and broadcasting.

Janine previously held senior management positions including Human Resources Director for Griffith University and Princess Alexandra Hospital, Director of Industrial Relations for Queensland Health, and Industrial Director and General Secretary of the Queensland Public Sector Union.

She also worked as a broadcaster and columnist and served for six years on the Board of the Australian Broadcasting Corporation and for four years as Chair of the Corporation's Audit Committee. She has held a range of board and committee appointments including membership of the Vocational Education Training and Employment Commission, Chair of the Australia New Zealand Foundation, Chair of All Hallows' School and Board Member of the Queensland Symphony Orchestra.

Janine is an Adjunct Professor in the Griffith Business School, providing guest lectures and supporting research. She is a Fellow of the Australian Human Resource Institute and Australian Institute of Management and a Member of the Australian Institute of Company Directors and currently serves as a Council Member at St Margaret's Anglican Girls' School.

In June 2019, Janine was recognised in the 2019 Queen's Birthday Honours. Janine was awarded Member of the Order of Australia for her significant service to education, community, health and media.



Mr Peter Dowling AM

**Board Director**

*Appointed: 29 June 2012*

*Current term: 18 May 2019–17 May 2021*

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

Peter has a number of other board and audit and risk committee appointments. He is a Director of Healthdirect, TAFE Queensland and Lexon Insurance and is Chair or is a member of a number of State and Local Government Audit Committees. Peter is also the Queensland Honorary Consul for Botswana.



Dr Marion Tower

**Board Director**

*Appointed: 29 June 2012*

*Current term: 18 May 2019–17 May 2021*

Dr Marion Tower is a registered nurse and an academic. She is currently the Director of Undergraduate and Pre-registration Nursing and Midwifery programs at the University of Queensland's School of Nursing, Midwifery and Social Work. Marion is also a Fellow of the Institute of Teaching and Learning Innovation at the University of Queensland and a Senior Fellow of the Higher Education Academy. She has a PhD from Griffith University which focussed on the health and healthcare needs of women affected by domestic violence, and a Master of Nursing (Women's Health) from the Queensland University of Technology.

She has a strong interest in interprofessional education and in preparing current and future health professionals to deliver contemporary, safe and high quality person-centred care. Marion researches and publishes in this area.

Marion has a long history of service to the Metro South community. From 2003–2011 she was a member of the QEII Health Community Council and was a member of the QEII Health Service District Safety and Quality Committee. Marion has been a member of MSHHB and the Metro South Health Safety and Quality Committee since their inception. Marion is also a member of the Brisbane Boys College Council.



Ms Donisha Duff

**Board Director**

*Appointed: 18 May 2016*

*Current term: 18 May 2016–17 May 2021*

Donisha has a background in health policy, planning and management with a particular focus on Aboriginal and Torres Strait Islander Health. She has over 15 years' experience in health and Indigenous affairs working in the federal government, Queensland Health, Australian Indigenous Doctors' Association, the National Aboriginal Community Controlled Health Organisation (NACCHO), Kidney Health Australia, and as Advisor (Indigenous Health) to the former Minister for Indigenous Health, Warren Snowdon MP. She is currently the General Manager (Deadly Choices) at The Institute for Urban Indigenous Health (UIH).

She holds a number of Board appointments including: Council Member of the Australian Institute for Aboriginal and Torres Strait Islander Studies (AIATSIS); Member of the Medical Radiation Practice Board of Australian Health Practitioner Regulation Agency; Member of the Aboriginal and Torres Strait Islander Business and Innovation Reference Group and Deputy Chair of the Stars Foundation Limited.

Ms Donisha Duff is an Aboriginal and Torres Strait Islander woman from Thursday Island in the Torres Strait. She has familial links with Moa and Badu Islands (Torres Strait) and is a Yadhagana/Wuthathi Aboriginal traditional owner (Cape York).



Ms Helen Darch

**Board Director**

*Appointed: 18 May 2017*

*Current term: 18 May 2017–17 May 2020*

Helen Darch is a prominent consultant with wide-ranging experience across a variety of industry sectors. She established and is the Managing Director of the Nedhurst Consulting Group in Brisbane. Prior to this she was a partner at Niche Consultants; Group Manager, Corporate Communication at Rowland Communication Group; and a consultant at SMS Management and Technology.

Helen has extensive governance, strategic planning, strategic communication, and change management experience, and has consulted widely in the education, health, government, not-for-profit and resources sectors.

Helen is currently Chair of the Domino's Give for Good Pty Ltd Board. Until 2018 she was Deputy Chair of the Children's Hospital Foundation, and interim Chair of the Children's Health Research Alliance, an initiative of the Children's Hospital Foundation and Children's Health Queensland. She chaired the Cerebral Palsy League, Queensland Board, and its Nominations Committee and Executive Appraisal Committee until 2015.



Adjunct Professor Iyla Davies OAM

**Board Director**

*Appointed: 18 May 2017*

*Current term: 18 May 2017–17 May 2020*

Adjunct Professor Iyla Davies was admitted as a lawyer in 1983 and worked in family law and personal injuries before becoming a law academic for more than 20 years, specialising in mediation and dispute resolution.

Iyla is currently the Chair of All Hallows' School and a Director of Mercy Community Services and Emmanuel College within the University of Queensland. She is also an Adjunct Professor in the School of Law, University of Queensland.

Iyla has previously held a number of community leadership roles as National and Queensland President of Relationships Australia, Director of Legal Aid Queensland, National President of University Colleges Australia and a Member of the Specialist Accreditation Board, Queensland Law Society. In addition, she has held senior university positions as Assistant Dean, International, Commercial and Community Engagement in the Faculty of Law, Queensland University of Technology and as Head of College and Chief Executive Officer of the Women's College within the University of Queensland.

Iyla holds a Bachelor of Laws (Hons) and a Master of Laws. She is also a Fellow of the Australian Institute of Company Directors.



Mr Paul Venus

**Board Director***Appointed: 18 May 2017**Current term: 18 May 2017–17 May 2020*

Paul is a recognised industry expert in relation to intellectual property law and technology, media and telecommunications law. He represents ASX listed companies, multinational chemical and technology companies, government agencies and private companies.

Paul is a Queensland Law Society Accredited Specialist in Commercial Litigation and an accredited and highly experienced mediator. Paul is the Queensland Managing Partner of a national law firm. Paul is also a director of the Princess Alexandra Hospital Research Foundation and the City of Logan Mayor's Charity Trust.



Mr Brett Bundock

**Board Director***Appointed: 18 May 2018**Current term: 18 May 2019–17 May 2021*

Brett is one of the Asia Pacific region's most influential contributors to the geospatial technology industry. He is a company director with a spatial industry career spanning more than three decades, across four continents.

He is currently the Group Managing Director for Esri Australia and Esri South Asia, and is also an active contributor to various community and industry groups.



Professor Eleanor Milligan

**Board Director**

*Appointed: 18 May 2019*

*Current term: 18 May 2019–31 March 2022*

Professor Eleanor Milligan is a leader in healthcare ethics, with extensive experience on committees and boards in many facets of health.

Professor Milligan has more than 25 years' experience across a range of sectors including healthcare ethics, education and professional regulation, and a strong academic background with studies in philosophy, education and science.



Dr Helen Benham

**Board Director**

*Appointed: 18 May 2019*

*Current term: 18 May 2019–31 March 2022*

Dr Helen Benham is an experienced Rheumatologist who divides her time between clinical practice at Princess Alexandra Hospital and translational research into rheumatic diseases. Helen is a senior lecturer with the University of Queensland and a previous National Health and Medical Research Council Translating Research into Practice fellow with a strong research interest in implementation science.

Helen is currently on the Board and vice-president of Arthritis Queensland. She holds a Bachelor of Medicine and Surgery (Hons), Bachelor of Applied Science (Podiatry), a PhD from the University of Queensland, is a fellow of the Royal Australasian College of Physicians and a graduate of the Australian Institute of Company Directors.



## Executive management

### Role of the Health Service Chief Executive

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

The HSCE responsibilities are:

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



Mr Shaun Drummond

#### Health Service Chief Executive

Shaun Drummond is the Chief Executive of Metro South Hospital and Health Service. Shaun was the Chief Executive of Metro North Hospital and Health Service from 2017 to 2019 and prior to that, he was the Executive Director of Operations at Metro North.

He has been a Chief Operating Officer in the health sector for more than 15 years and has worked in the public health system in New South Wales, Victoria, Queensland and New Zealand. Shaun's professional background is in industrial relations and organisational development.



Mr Robert Mackway-Jones

#### Chief Finance Officer

Robert has 24 years of health sector experience across the Australian and New Zealand health environments. His senior leadership roles include various Chief Finance Officer roles in New Zealand from 2001, and from June 2013 with Metro South Health.

From 2010–2013 he led the health needs assessment, strategic planning, funding and contracting for health services for the Southern District Health Board in New Zealand while concurrently fulfilling its Chief Finance Officer role. His background also includes time spent in the agricultural and ICT sectors.



Dr Michael Cleary

#### **Executive Director, PAH-QEII Health Network**

Dr Michael Cleary commenced working with Queensland Health 34 years ago and was appointed as Executive Director, Princess Alexandra Hospital in October 2017. Michael has an extensive background with emergency and trauma medicine and senior level positions within health including his involvement on the boards of Australian College for Emergency Medicine and Australian Council on Healthcare Standards. He represented Queensland on the Australian Health Ministers' Advisory Council and the Hospitals' Principal Committee.

He has held the role of Deputy Director-General and Chief Operations Officer within the Queensland Department of Health, President of the Royal Australian College of Medical Administrators and Vice-President of the Australian Medical Association Queensland. Most recently he was appointed Board Chair for the Australian Medical Association Queensland.



Dr Jacinta Powell

#### **Executive Director, Logan-Beaudesert hospitals**

Dr Jacinta Powell was previously Executive Director, Logan-Bayside Health Network from November 2016 until March 2019 and Director of Medical Services Logan and Beaudesert Hospitals from April 2015. Prior to these roles she was the Medical Director of the Metro North Mental Health Service. She was the founder of the Eating Disorders service at Royal Brisbane Women's Hospital.

Her qualifications include Fellowship of the Royal Australian and New Zealand College of Psychiatrists, Graduate Certificate in Management, Queensland University of Technology, Masters of Health Administration, University of NSW and a Fellowship of the Royal Australasian College of Medical Administrators. She was the recipient of the Bernard Nicholson Prize RACMA in 2011.

Jacinta has experience in working in state-wide roles as the Principal Advisor in Psychiatry and Director of Mental Health for Queensland. She was an active member of the Queensland Branch of the Royal Australian and New Zealand College of Psychiatrists for many years having served on State and Federal Committees and until 2017 was Chair of the Queensland Branch Training Committee. She is an assessor with the Australian Council on Healthcare Standards and has a keen interest in health care systems, patient safety and consumer and carer engagement. Jacinta maintains an active clinical practice working with adults with severe, chronic and complex mental illness. She has provided expert medicolegal opinions and assessments for the coroner and registration boards.



Kieran Kinsella

#### **Executive Director, Addiction and Mental Health Services**

Kieran Kinsella has held senior health management positions in both UK and Australian health services. Kieran qualified as a mental health nurse following his training at St Bartholomew's Hospital in London and also has a Masters qualification.

Kieran worked in various leadership roles in London and the South East of England. These included a mental health advisory role and Head of Mental Health Services. A key achievement in this role was the development of an acute care service model that reduced the reliance on inpatient beds ensuring consumers had opportunities to be cared for in their homes when acutely unwell.

In February 2019 Kieran was appointed as the Executive Director, Addiction and Mental Health Services, Metro South Health. Kieran is passionate about supporting staff to innovate and create opportunities that lead to better outcomes for our consumers.

Prior to this, Kieran held the Executive Director position within Central Queensland Hospital and Health Service. Kieran was responsible for a broad range of services, including mental health, oral health, public health and aged care. In this role, Kieran led several successful projects and played a key role in the development of a range of Aboriginal and Torres Strait Islander initiatives in partnership with local communities.



Dr Michael Daly

#### **Executive Director, Clinical Governance**

A graduate from University College Dublin, Michael commenced his senior management roles as the Executive Director Medical Services of West Moreton district in 2002.

After leading the Bundaberg Hospital Emergency Response Team in 2005, Michael founded the Southern Area Clinical Governance Unit in Queensland Australia. Since 2008, Michael has been the Executive Director of Clinical Governance, Metro South Health, incorporating a tertiary and four general hospitals.

At Metro South Health, Michael has developed and evolved a number of Australian-leading clinical governance systems, including communication training programs, senior medical performance processes, audit and scorecard systems, digital hospital safety systems and short notice accreditation.

He is an Adjunct Professor at the Queensland University of Technology. Michael is published in end-of-life, deteriorating patients, disaster management and communication programs and has spoken internationally on clinical governance, senior medical performance, digital hospital safety and accreditation.



Cameron Ballantine

#### **Chief Information Officer**

Cameron Ballantine is the Chief Information Officer, Metro South Health. Cameron is a Registered Nurse with post-graduate qualifications in Intensive Care. Cameron has practical experience in clinical leadership positions across the public sector, has worked in health delivery roles in Queensland, and also has a Masters qualification in Health Science. He has experience in the implementation, management and delivery of information and communications technology and its benefits in hospital and healthcare systems, through working with clinicians to drive transformation and deliver outcomes.

His most recent position has been leading on the successful implementation of the Digital Hospital/ieMR for Metro South Health.

Cameron's digital experience includes service delivery transformation to support changing models of care associated with digital hospitals. This includes significant experience in leading implementation of data analytics and predictive modelling to support patient care.



Kay Toshach

#### **Executive Director, Planning, Engagement and Reform**

Kay has a background in physiotherapy and worked as a senior clinician within Queensland Health and the United Kingdom's National Health Service before pursuing an interest in health service planning, change management and corporate governance.

Both within the Princess Alexandra Hospital and, more recently, across Metro South Health, she has been responsible for leading a range of broad change initiatives, including planning frameworks, performance models, critical service partnerships and corporate governance models.

Kay acted as the Metro South Health lead for the transition to an independent statutory body in line with national and state health reform in 2012, and continues as the Board Secretary for Metro South Health.



Dave Waters

**Executive Director, Human Resources**

Dave joined Metro South Health as Executive Director, Workforce Services in October 2017. His previous roles include Chief Human Resources Officer for both Queensland's Department of Health and the Department of Transport and Main Roads.

During his state public sector career spanning more than 10 years, he led major public sector enterprise bargaining rounds as Head of Employee Relations for the Department of Health and the Department of Education and Training.

Dave holds tertiary qualifications in human resources management, economics and government.



Dr Susan O'Dwyer

**Executive Director, Medical Services**

Susan has worked in various medical administration roles at facilities across Queensland Health since 2001. Her experience includes a seven-year term at the Department of Health with responsibilities for medical workforce, education and training.

Susan has a long-standing involvement with the Australian Medical Council, including accreditation activities for international medical graduate pathways, pre-vocational accreditation, and specialist college accreditation.

Susan is a Censor with the Royal Australasian College of Medical Administrators, a member of the Medical Board of Australia, and Chair of the Queensland Board of the Medical Board of Australia. She is also the Chair of the Queensland Registration Committee of the Medical Board of Australia. These professional roles complement Susan's role with Metro South Health as the professional lead for medical practitioners.



Veronica Casey AM

**Executive Director, Nursing and Midwifery Services**

Veronica has held nursing and midwifery executive leadership positions in Queensland Health since 1997. She worked in Nursing and Midwifery Director roles at the Prince Charles Hospital District, the Royal Brisbane Hospital and the Royal Women’s Hospital prior to her appointment as Executive Director, Nursing Services Princess Alexandra Hospital and Executive Director Nursing and Midwifery Services, Metro South Health.

During her time at Princess Alexandra Hospital, she has been instrumental in helping the hospital achieve re-designation under the Magnet® credentialing program, and the introduction of the Nurse Sensitive Indicator performance monitoring system.

Veronica’s experience and expertise in the nursing profession extends to national and international platforms, holding membership on the Nursing and Midwifery Board of Australia, serving as an inaugural International Magnet Commissioner for the American Nurses Credentialing Centre (ANCC) from 2010 to December 2017, and is appointed to the Australian Quality and Safety Commission 2019.

She has also been recognised for her contribution to the nursing and midwifery profession by being awarded the ANCC HRH Princess Muna Al-Hussein Award for international contribution to nursing in 2011. Veronica has been awarded the Queensland University of Technology Outstanding Alumni award for Health in 2018. In June 2019, Veronica was recognised in the 2019 Queen’s Birthday Honours. She was awarded Member of the Order of Australia in the General Division.



Anne Coccetti

**A/Executive Director, Allied Health**

Anne is the current A/Executive Director of Allied Health for Metro South Health. Prior to commencing at Metro South Health in 2010, she worked in New South Wales Health for 13 years in a variety of allied health roles, in addition to leadership roles in health service and hospital management, clinical service re-design and service development.

Since commencing at Metro South Health as the Director of Speech Pathology and Audiology, Anne has been seconded into both service re-design and service development roles. This has included working on the introduction of the inpatient rehabilitation unit, medical assessment and planning unit and the Health Minister’s award winning Integrated Specialist ENT service based at Logan Hospital.

Anne’s keen interest in service development, person-centred care and innovative models of care aligns with her current research interests. She is involved in a number of research projects evaluating innovative service delivery models including allied health extended scope of practice and delegation models.

She was permanently appointed to the Director of Allied Health role for Logan and Beaudesert hospitals in February 2018.

## Awards and recognition

Reward and recognition plays an important role in attracting and retaining high quality staff across Metro South Health and improving workforce culture.

The Metro South Health reward and recognition program aims to:

- recognise outstanding performance
- boost staff morale and workplace culture
- inspire excellence.

Staff recognition and awards are held in facility staff forums each month.

### Workforce culture

Advancing Metro South Health's positive workforce culture continued during the reporting period, with actions being implemented in acknowledgement of the results of our bi-annual Metro South Health Employee Survey with Best Practice Australia, last held in 2017. Each facility and service undertook local actions in response to the survey results. Across the health service, initiatives include:

- Logan and Beaudesert Hospital's C.A.R.E. Program online platform, allowing staff to give feedback to colleagues who have championed or undermined a culture of civility, respect, professionalism and safety
- Princess Alexandra Hospital Corporate Services Champions network—in collaboration with senior leadership, champions contribute to strategic planning and support a positive workplace culture by building trust and respect, celebrating successes, creating awareness of Metro South Health's strategic direction and creating pathways for personal and professional growth
- Metro South Health LGBTIQ+ Inclusion Advisors Committee, formed to make Metro South Health a truly inclusive place for all LGBTIQ+ patients, their families and staff.

### Board Chair's Awards

The Metro South Health Board Chair's Awards celebrate and promote the outstanding achievements of staff throughout our organisation.

It is the pinnacle staff recognition initiative for Metro South Health and builds on the local awards and recognition initiatives for staff in all facilities and services.

The award categories reflect the Queensland Government's values and Metro South Health's priorities. In 2018 there was a special focus on innovation through digital technology.

The fourth annual Board Chair's Awards took place in September 2018 and recognised the following teams and individuals:

- **Board Chair Excellence Award**—Logan Hospital Peritoneal Dialysis Team for their 'PDBuddy' mobile app project
- **Be Courageous Award**—Logan Hospital Audiology Department
- **Customers First Award**—Gundu Pa Dietitian First Gastroenterology Service
- **Empower People Award**—Princess Alexandra Hospital Occupational Violence Management Team
- **Ideas into Action Award**—Skin Lesion Assessment Management (SLAM) Project: Dr Michael Wagels and Melanie Hickson
- **Unleash Potential Award**—Logan Hospital Allied Health Vestibular Service
- **Innovation through Digital Technology Award**—MoTHER App and GDM Clinician Portal Project Team, Redland Hospital
- **Person-Centred Care Team Award**—Oral Health Hub
- **Shaping our Future Award**—QEII Jubilee Hospital Colorectal Unit (Department of Surgery)
- **Volunteer of the Year Award**—Kerrie Keepa



### Strategic workforce planning and performance

Metro South Health works within the state-wide Queensland Health industrial relations framework and applies all industrial instruments, policies and processes under this framework. Metro South Health has several well-established and productive joint management, employee and union consultative forums to ensure effective and constructive communication with staff in relation to industrial and employment related matters. Metro South Health works with the Department of Health to support state-wide industrial improvements by participating in enterprise bargaining negotiations, and piloting processes arising from enterprise bargaining outcomes.

Metro South Health’s *Strategic Workforce Plan* provides a vision and pathway for the health service in systematic improvement in the health workforce. Our changing and complex work environment, and employee and community expectations, has underpinned our focus on programs of work in diversifying our workforce, the health and safety of our employees, and equipping our managers with the right practical people management skills.

### Aboriginal and Torres Strait Islander strategy

Aligned to *Pathways to inclusion: Metro South Health Aboriginal and Torres Strait Islander Workforce Strategy 2018–22*, in the 2018–19 period, Metro South Health provided training and work opportunities for Aboriginal and Torres Strait Islander job seekers in our community by offering tailored entry level employment pathways. In partnership with JobActive providers through lead provider HELP Enterprises, the Department of Employment, Small Business and Training and Department of Aboriginal and Torres Strait Islander Partnerships, TAFE Queensland, and the Commonwealth’s Vocational Training and Employment Centres (VTEC), 11 Aboriginal and Torres Strait Islander people successfully completed our inaugural *Pathways to Inclusion* program. The program includes completing Certificate level modules at TAFE, participation in a work-buddying program and on-the-job training in support and operational services at Logan Hospital, Redland Hospital or QEII Hospital. Participants were comprehensively orientated into the hospital work environment and, where needed, received support in literacy and numeracy. Ongoing VTEC support for the participants for a further 26 weeks was also provided. All 11 participants from the inaugural program have continued their employment with Metro South Health.

In June 2018–19, an information session was held at the Princess Alexandra Hospital for Aboriginal and Torres Strait Islander people. This information session was attended by 79 jobseekers wanting to join Metro South Health’s *Pathways to Inclusion* program. Because of this interest, Metro South Health made available two programs at the Princess Alexandra Hospital for 25 participants commencing in late 2018–19 and continuing in 2019–20. A second program for 10 Aboriginal and Torres Strait Islander people also commenced at QEII Hospital in June 2018–19.

### Safety and wellness strategy

With an increasing focus on social, emotional and financial wellness and aligned to our *We care about you: Metro South Health Safety and Wellness Strategy 2018–20*, Metro South Health continues to support and make available recognised work-life balance and other flexible work options for our employees. Flexible working arrangements for our employees can include home-based work (telecommuting), purchased leave arrangements, working compressed hours or nine-day fortnights, flexible facility working arrangements, breastfeeding lactation breaks, variable shift lengths and part-time and job share opportunities. Our policies and procedures are available for all employees to access through the Metro South Health intranet or through our human resource teams. These are promoted face-to-face at our consultative forums, orientation and staff forums and at the work unit level. As part of our attracting talent strategy, we promote these flexible working arrangements by including information in position information packs for prospective employees. Part-time employment continues to be supported in Metro South Health, evidenced by 43 per cent of our workforce participating in a part-time employment arrangement.

Increasing our employees access to wellness and physical fitness programs was a priority for Metro South Health in the 2018–19 period, with the release of three fitness programs for staff, under our *We care about you: Metro South Health Safety and Wellness Strategy 2018–20*. Our employees could join our #MSHFitFam, by registering to participate individually or as a team in a 10,000 Steps Challenge or 15-Minute Exercise Challenge, or by signing up for a Fitness Passport, which continues to be available for current and new employees.





## Projects

The 2018–19 period saw the complete implementation of *myHR* across Metro South Health, as part of Queensland Health's Integrated Workforce Management Project. *myHR* is an online self-service tool providing employees and managers with greater control and visibility of their HR information. It also allows for the submission and approval of online payroll related forms and requests, and an ability to track requests and approvals.

Implemented across staged rollouts, with approximately 16,500 employees provisioned onto *myHR*, the early benefits are showing quicker processing times for more accurate pay outcomes, and a reduction in the number of paper forms submitted by Metro South Health to the Department of Health's Payroll Services—from approximately 15,000 paper forms prior to go-live, to 3,500 at the end of rollout three, heavily decreasing the impact on the environment.

## Leadership and capability activity

The 2018–19 financial year saw the continued delivery of leadership and management development programs to further develop the capability of our employees. *Our Leadership and Capability Workshops and Learning Program Directory* was refreshed and released during the period, offering relevant, yet innovative learning and development programs, interactive face-to-face and online options, that build essential professional and interpersonal skills to enhance our workforce capability.

Our Leadership and Capability team delivered our *Positive Workplace Culture – 'Our People, Our Culture, Our Story'*

program throughout 2018–19. This suite of six workshops were delivered sequentially, progressively enhancing employee engagement and building workplace culture. They also focus on the themes of trust, respect, tenacity, energy, resilience and empathy. These workshops use evidence-based, industry best practice learning strategies underpinned by Metro South Health's person-centred care frameworks. Recognising that our staff members feel valued and supported by leaders who energise and skill 'Our people', we enable accountability, create 'Our culture' of civility and gain respect by telling 'Our story'.

Our employee development and learning opportunities are published in the Leadership and Capability training calendar, which enables all employees to access capability development initiatives in the form of workshops, seminars and short courses.

In the 2018–19 period, a cohort of Metro South Health's senior leaders participated in the LEAD4QLD capability and assessment process. Delivered in partnership across the Queensland Public Service by Hudson Talent Management, LEAD4QLD incorporates the latest thinking in leadership capability assessment and development, allowing for the development of a personalised development plan for the individual, and offering Metro South Health insights into capability across differing levels of leadership in the organisation.

## Early retirement, redundancy and retrenchment

No redundancy, early retirement or retrenchment packages were paid during the 2018–19 period.



## Our committees

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

- Executive Committee
- Safety and Quality Committee
- Audit and Risk Committee
- Finance Committee
- Aboriginal and Torres Strait Islander Health Access Committee.

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

The Committees are led by Board members with the Chair of each Committee being a member of the Board and supported by the HSCE or other senior executives of Metro South Health.

### Board and committee member meeting attendance for 2018–19

Board member	Board Meeting	Executive Committee	Safety and Quality Committee	Audit and Risk Committee	Finance Committee	Aboriginal and Torres Strait Islander Health Access Committee
No. scheduled meetings	11	4	6	6	5	5
Ms Janine Walker AM	11	4	-	5	5	-
Mr Peter Dowling AM	9	3	-	6	5	-
Dr John Kastrissios**	8	3	5	-	-	-
Professor John Prins**	4	1	2	-	-	-
Dr Marion Tower	11	4	6	-	-	-
Ms Donisha Duff	8	2	3	-	-	5
Ms Helen Darch	11	3	6	5	4	-
Adjunct Professor Iyla Davies OAM	11	4	6	1	1	4
Mr Paul Venus	10	4	-	5	4	-
Mr Brett Bundock	11	4	5	-	1	-
Dr Helen Benham *	2	1	1	1	1	-
Professor Eleanor Milligan *	2	1	0	-	-	-

\*Appointed to the Board in May 2019

\*\* Departed the Board in May 2019

### Remuneration of Board Directors

Total Board expenses, including allowance e and employer superannuation expenses incurred by Metro South Health, are disclosed in the Financial Statements section at the end of this Annual Report.

There was a total cost of \$444.76 in out-of-pocket expenses for Board members during 2018-19.

### Executive Committee

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

The Executive Committee is established to support the Board by:

- working with the HSCE to progress strategic issues identified by the Board
- strengthening the relationship between the Board and the HSCE to ensure accountability in the delivery of services by Metro South Health
- developing strategic service plans for Metro South Health and monitoring their implementation
- developing key engagement strategies and protocols and monitoring their implementation
- performing any other functions required by the Board or prescribed by the *Hospital and Health Boards Regulation 2012*.

The Executive Committee meet quarterly, or as determined by the Board.

#### Membership

**Chair:** Ms Janine Walker AM

**Committee members:** Mr Peter Dowling AM; Dr Marion Tower; Ms Donisha Duff; Ms Helen Darch; Mr Paul Venus; Adjunct Professor Iyla Davies OAM; Mr Brett Bundock; Professor Eleanor Milligan; Dr Helen Benham

**Note:** Professor John Prins attended one meeting as a Board Director; Dr John Kastrissios attended three meetings as a Board Director; Dr Stephen Ayre attended three meetings as the Health Service Chief Executive

### Safety and Quality Committee

The Safety and Quality Committee is a prescribed committee under part 7, section 32 of the *Hospital and Health Boards Regulation 2012*. It functions under schedule 1, section 8 of the *Hospital and Health Boards Act 2011*.

The Safety and Quality Committee advises the Board on matters relating to the safety and quality of health services provided by Metro South Health, including strategies for:

- minimising preventable patient harm
- reducing unjustified variation in clinical care
- improving the healthcare experience of patients and carers in the Metro South region
- complying with national and state strategies, policies, agreements and standards relevant to promoting consultation with health consumers and members of the community about the provision of health services by Metro South Health
- monitoring Metro South Health governance arrangements relating to the safety and quality of health services, including monitoring compliance with Metro South Health policies and plans about safety and quality
- promoting improvements in the safety and quality of health services provided by Metro South Health
- monitoring the safety and quality of health services being provided by Metro South Health and using appropriate indicators developed by Metro South Health
- collaborating with other safety and quality committees, the Department of Health and statewide bodies to monitor the quality of health services
- identifying risks and mitigating strategies associated with all decisions made
- implementing processes to enable the committee to identify, monitor and manage critical risks as they relate to the functions of the committee.

The Safety and Quality Committee meets bi-monthly or as directed by the Chair.

#### Membership

**Chair:** Dr Marion Tower

**Committee members:** Ms Helen Darch; Adjunct Professor Iyla Davies OAM; Ms Donisha Duff; Dr Helen Benham; Professor Eleanor Milligan

**Note:** Professor John Prins attended two meetings as a Board Director; Dr John Kastrissios attended five meetings as a Board Director; Dr Stephen Ayre attended five meetings as the Health Service Chief Executive

### Audit and Risk Committee

The Audit and Risk Committee provides advice and assistance to the Board on the risk, control and compliance frameworks and the service's external accountability responsibilities as prescribed in the *Financial Accountability Act 2009 (FAA 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*.

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

- assessing the adequacy of Metro South Health financial statements, having regard to the following:
  - o the appropriateness of the accounting practices used
  - o compliance with prescribed accounting standards under the *FAA 2009*
  - o external audits of Metro South Health financial statements
  - o information provided by Metro South Health about the accuracy and completeness of the financial statements
- monitoring Metro South Health compliance with its obligation to establish and maintain an internal control structure and systems of risk management under the *FAA 2009*, including:
  - o whether Metro South Health has appropriate policies and procedures in place
  - o whether Metro South Health is complying with the policies and procedures
- monitoring and advising the Board about its internal audit function
- overseeing Metro South Health liaison with the Queensland Audit Office in relation to proposed audit strategies and plans
- assessing external audit reports and assessing the adequacy of action taken by management as a result of the reports
- monitoring the adequacy of Metro South Health's management of legal and compliance risks and internal compliance systems, including the effectiveness of the systems in monitoring compliance with relevant laws and government policies
- evaluation and approval of the *Internal Audit Charter*, *Internal Audit Strategic Plan* and *Annual Audit Plan*
- overseeing and appraising financial operational reporting processes
- reviewing the effectiveness of the internal audit function and ensuring that it meets the requirements of the professional standards issued by Institute of Internal Auditors and has regard to Queensland Treasury's *Financial Accountability Handbook*
- monitoring the effectiveness of performance information and compliance with the performance management framework and performance reporting requirements
- assessing complex or unusual transactions or series of transactions, or any material deviation from the budget
- reviewing the risk management framework for identifying, monitoring and managing significant business risks, including fraud
- liaising with management to ensure there is a common understanding of the key risks to the agency. These risks will be clearly documented in the risk register which will be regularly reviewed to ensure it remains up-to-date.
- assessing and contributing to the audit planning process relating to risks and threats to Metro South Health
- reviewing the effectiveness of Metro South Health's processes for identifying and escalating risks, particularly strategic risks.

The Audit and Risk Committee meets at least quarterly.

#### Membership

**Chair:** Mr Peter Dowling AM

**Committee members:** Ms Janine Walker AM; Mr Paul Venus; Ms Helen Darch; Adjunct Professor Iyla Davies OAM; Dr Helen Benham

### Finance Committee

The Finance Committee's functions include:

- assessing Metro South Health's budget and ensuring the budgets are:
  - o consistent with the organisational objectives of Metro South Health
  - o appropriate having regard to Metro South Health funding
- monitoring Metro South Health's cash flow, having regard to its revenue and expenditure
- monitoring Metro South Health's financial and operating performance
- monitoring the adequacy of Metro South Health's financial systems, having regard to its operational requirements and obligations under the *FAA 2009*
- assessing financial risks or concerns that impact, or may impact, on the financial performance and reporting obligations of Metro South Health, and how it is managing the risks or concerns
- assessing Metro South Health's complex or unusual financial transactions
- assessing any material deviation from Metro South Health's budget
- identifying risks and mitigation strategies associated with all decisions made
- implementing processes to enable the committee to identify, monitor and manage critical risks as they relate to the functions of the committee.

The Finance Committee meets at least five times per year or as required by the Chair.

#### Membership

**Chair:** Mr Peter Dowling AM

**Committee members:** Ms Janine Walker AM; Mr Paul Venus; Ms Helen Darch; Adjunct Professor Iyla Davies OAM; Dr Helen Benham

### Aboriginal and Torres Strait Islander Health Access Committee

The Aboriginal Torres and Strait Islander Health Access Committee assists the Board on matters relating to:

- improved health outcomes for the Aboriginal and Torres Strait Islander community
- areas where access to health services can be simplified and streamlined to ensure equitable and accessible health services for the Aboriginal and Torres Strait Islander community
- improved reporting and monitoring of identified key performance indicators for access to and health outcomes for Aboriginal and Torres Strait Islanders.

#### Membership

**Chair:** Ms Donisha Duff

**Committee members:** Professor Eleanor Milligan

## Our risk management

### Internal audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The internal audit activity contributes to the effectiveness and efficiency of governance, risk management, and control processes within Metro South Health.

The function operates under the Board-approved charter consistent with the *International Professional Practices Framework*.

Internal audit is independent of management. The head of Internal Audit reports directly to the Audit and Risk Committee on the effective, efficient and economical operation of the function and has well developed systems to monitor performance. Internal audit has no direct authority or responsibility for the activities, which it audits or reviews. To ensure objectivity of the internal audit function, Internal Audit staff do not develop or install systems and procedures, nor are they engaged directly in any other activity which Internal Audit would normally review or appraise.

The internal audit function operates with regard to *Queensland Treasury Audit Committee Guidelines*. The Internal Audit unit has a central role in improving operational processes and financial practices by:

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

The *Strategic and Annual Audit Plan*, approved by the Audit and Risk Committee, directs the unit's activities and provides a framework for its effective operation. A risk-based planning approach is used to develop audit plans, including considering risk registers and consulting with internal stakeholders and the Queensland Audit Office.

Metro South Health risk registers are regularly reviewed for changes in the organisational risk profile and potential impacts on planned audits and areas of internal audit focus. Audit reports include recommendations to address deficiencies in risk treatment and all audit reports are reviewed by the Audit and Risk Committee.

Internal Audit achievements during 2018–19 include:

- development of business rules to provide more clarity and promote responsibility over the follow up of audit issue process
- deeper collaboration with our co-source partner to improve efficiency and develop in-house knowledge
- continual refinement of auditing techniques including use of data analytics.

### External scrutiny, information systems and recordkeeping

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

#### QAO Audit

As a public sector entity, Metro South Health is subject to annual audit by the Queensland Audit Office. The QAO issued the following Auditor-General Reports to Parliament that contained recommendations of high relevance to Metro South Health:

- *Monitoring and managing ICT projects* (Report 1: 2018–19)
- *Delivery of shared services in Queensland* (Report 3: 2018–19)
- *Digitising public hospitals* (Report 10: 2018–19)
- *Health: 2017–2018 results of financial audits* (Report 13: 2018–19).

The recommendations contained within these reports are considered and action is taken to implement the recommendations or address the issues raised, where considered appropriate.

#### Risk management

Metro South Health is committed to managing risk in a proactive, integrated and accountable manner. Risk is an inherent part of the health service's operating environment. Risk management activities are incorporated into strategic planning, governance reporting and operational processes.

Metro South Health has a risk management policy and integrated risk management framework based on the *Australian/New Zealand ISO Standard 31000:2018* for risk management. The policy and framework outline the health service's intent, roles and responsibilities and implementation requirements. All accountability areas are responsible for implementing the policy and framework and developing and maintaining risk registers.

The risk management framework defines the processes for risk identification, recording, rating, key controls identification, determination of risk treatment required and regular monitoring and reporting of risks.

Key accountability bodies within the risk framework are:

- The Board retains ultimate responsibility for monitoring key risks and ensuring there are systems and processes in place to identify, manage and monitor these risks. The Board has delegated responsibility for overseeing risk management activities to the Audit and Risk Committee.
- The Audit and Risk Committee oversees the assurance of the health service's risk management framework, and the internal control structure and systems' effectiveness for monitoring compliance with relevant laws, regulations and government policies.

The executive management team, known as the Metro South Health Senior Leadership Team, has active risk management responsibilities both collectively and individually as Executive Directors in charge of separate service delivery streams.

Risks are controlled within the financial and management accountabilities of each position. The HSCE is supported by the Executive Director of each stream and facility. The HSCE and Executive Directors manage risks with support from management structures within their areas of responsibility. Significant risks are reported to the Board, Senior Leadership Team and the Audit and Risk Committee on a regular basis.

### Queensland Public Service ethics

The *Public Sector Ethics Act 1994* defines Metro South Health as a public service agency. Therefore, the *Code of Conduct for the Queensland Public Service* is applicable to employees of the health service.

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

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

Each principle is strengthened by a set of values and standards of conduct describing the behaviour that will demonstrate that principle. The principles and associated values are equally important. Metro South Health is committed to upholding the intention and spirit of the principles and values contained in the *Code of Conduct for the Queensland Public Service*.

All Metro South Health employees are required to undertake training in the *Code of Conduct for the Queensland Public Service* during their induction and following any change to the document. They are also required to undertake training to help them be aware of, and tackle, bullying, harassment and discrimination along with training on ethics, fraud and conflicts of interest.

Employees are able to readily access the following training throughout the year on the code of conduct:

- orientation sessions
- intranet-based modules (LEAPOnline)
- digital training modules accessed by computer.

### Corrupt Conduct

The Ethical Standards Unit is the central point within Metro South Health to receive, assess and refer allegations of suspected corrupt conduct to the Crime and Corruption Commission (CCC). The Ethical Standards Unit is also responsible for coordinating, managing, reviewing and investigating major, complex and sensitive matters assessed as suspected corrupt conduct and misconduct matters, which includes Public Interest Disclosures. The unit enables the HSCE to fulfil the legislated obligations under the *Crime and Corruption Act 2001*.

Metro South Health is committed to preventing fraud, misconduct and corruption and has a zero-tolerance approach to such behaviour.

Metro South Health encourages employees to be aware of information about corrupt conduct, public interest disclosures, bullying, harassment or sexual harassment and processes for reporting or making a complaint of suspected corrupt conduct, including fraud.

Metro South Health has current policy and procedures relating to:

- reporting corrupt conduct
- public interest disclosures
- employee complaints
- investigations
- workplace conduct—ethics, integrity and accountability
- workplace harassment, sexual harassment and bullying
- anti-discrimination and vilification
- management of conflicts of interest
- gifts and benefits
- access to patient information in electronic systems.

### Prevention

Fraud is deception that is wrong or unlawful and intended to result in personal or financial gain. It is one aspect of corrupt conduct. Metro South Health actively monitors transactions and workforce activity for suspected fraud, including timesheet fraud, procurement processes, corporate credit card transactions and overtime/travel payments.

During 2018–19, the Crime and Corruption Commission released a series of ‘Prevention in Focus’ documents relating to ‘Improper access to public sector databases’ and ‘Corruption in the public sector – prosecution and disciplinary action in the public interest’. These documents explain that the improper access to sensitive private information represents serious interference with the privacy of citizens and creates reputational risks for departments and agencies. The gravity of such issues is compounded when sensitive private information is passed onto others; a loss of control of the information.

The Ethical Standards Unit also presented ‘Committed to Ethical Leadership Executive Forum’ with special guest speaker, Mr Alan MacSporran QC, Chairperson of the CCC, to provide information on the obligations relating to Hospital and Health Services.

Metro South Health is responsible for the management and monitoring of appropriate access to electronic systems used throughout the health service that record and store patient information. In reducing the risk of unauthorised access to patient information, Metro South Health conducts routine audits to proactively identify instances of alleged inappropriate access to patient databases, which are reported to the Ethical Standards Unit for assessment.

The Ethical Standards Unit promoted Fraud Awareness Month in February 2019 with a focus on ‘If you see something, say something’ as an opportunity to raise awareness to all Metro South Health employees and highlight the contribution all staff can make in preventing, detecting and reporting fraud.



### Assessment and investigation

On 1 July 2014, Metro South Health was provided the authority by the CCC to assess and deal with certain categories of suspected corrupt conduct matters. As such, the assessment of suspected corrupt conduct matters is undertaken by the Ethical Standards Unit. In recommending a course of action, the Ethical Standards Unit may seek assistance from specialist stakeholders relevant to the allegations, such as:

- human resources
- facility managers
- the respective Metro South Executive
- Chief Financial Officer
- Director, Audit and Risk Management.

If an allegation of suspected corrupt conduct is made about the Health Service Chief Executive, then the complaint is to be referred to the Chair of the MSHHB. The Chair will then determine whether there is a reasonable suspicion of corrupt conduct, and how the matter is to be dealt with.

### Confidential information

In accordance with section 160 of the *Hospital and Health Boards Act 2011*, Metro South Health is required to include a statement in its annual report detailing the disclosure of confidential information in the public interest.

There were no disclosures under this provision during 2018–19.

### 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, available at: [www.data.qld.gov.au](http://www.data.qld.gov.au).



# Performance

At a glance: Metro South Health performance 2018–19



**283,418**

people attended our emergency departments,  
5,875 more than last year



**1,159,437**

outpatient appointments were provided,  
56,771 more than last year



**25,501**

elective surgeries were performed,  
1,379 more than last year



**798,875**

dental appointments were provided,  
56,877 more than last year



**5,689**

babies were born in our hospitals,  
340 more than last year



**6,008**

telehealth appointments were provided,  
1,727 more than last year



**1,827**

Hospital in the Home admissions,  
453 more than last year

## Demand on services

Metro South Health is one of the busiest and most highly accessed health services in Australia. Our community is growing in size, which means the demand for healthcare services continues to grow.

The health service is the major provider of public health services on the southside—we serve a population of more than one million people—a quarter of Queensland’s population.

Metro South Health continues to experience rising demand across its region. Addressing Emergency Department wait times continues to be a key priority for Metro South Health, with strategies in place to improve capacity and manage the demand. How we integrate and collaborate across the whole health service to achieve quality outcomes for our patients and the community is a key priority, particularly as the health service is under increasing pressure. Meeting the demands of the community now, while we plan for the future needs of our community, is pivotal for Metro South Health.

Every day our staff are treating more and more patients and putting them at the centre of all we do.

Making our health service fit for the future requires strategies and planning now to meet the needs for our growing community over the next 15 years and beyond. Like all health services, we are under pressure, so connecting with partners, primary care and community service providers to deliver care closer to home for our patients is vital.

Emergency presentations and demand for elective surgery continue to rise at Metro South hospitals. More patients than ever before who require urgent or life-saving care, have been treated in Metro South Health Emergency Departments this year.

Metro South Health has implemented a number of strategies and initiatives to increase capacity as a result of increasing emergency presentations:

### Logan Expansion Project

Logan Hospital is in one of the State’s largest growth areas with an increasing demand for health services. Metro South Health is in the process of planning and designing this major expansion of the hospital. This expansion will deliver 206 additional beds. The work will also include expanding the Intensive Care Unit, Mental Health Unit, Palliative Care Unit, Rehabilitation and Coronary Care units, as well as providing a new chemotherapy service. All this means more people living in the Logan community can receive treatment closer to their homes and to their families.

## Mental Health Co-Responders program (CORE)

The Mental Health Co-Responders program (CORE) is delivered in collaboration with the Queensland Police Service to deliver better care to people who are experiencing mental illness in Metro South, particularly out of hours. The CORE program sees ‘first-responder’ teams like police and ambulance officers accompanied by an experienced mental health nurse to respond to call-outs where mental health might be a factor. The CORE team provides expert assessment at the scene.

The program prevents vulnerable patients from having to go to a busy emergency department unnecessarily; and may also prevent a health issue escalating into a police matter. In the first month of operating, the CORE program teams attended 87 incidents and more than three quarters of these matters were de-escalated, which removed the need for a presentation to busy Emergency Departments, with the person in crisis receiving more appropriate care to help them on their road to recovery.

## Maternity services

A total of 5,689 babies were born in Metro South Health in 2018–19. This is 340 more births than last year. A number of plans are in place to address this increase in demand for birthing services, including:

### Logan Maternity

Since the Maternity Unit first opened 25 years ago, more than twice the number of babies are now being born at Logan Hospital. To meet demand, Logan Maternity needs to grow, and plans to refurbish and expand Logan Hospital’s maternity service are underway. This expansion will include an additional six maternity inpatient beds in a mix of single and double ensuite rooms.

The plans also include five additional birth suites. This will bring Logan Hospital’s total number of birth suites to 14. The suites will be larger and more comfortable and eight will contain birthing pools, providing greater choice for women. The Special Care Nursery will also undergo improvements including the addition of 10 cots, and will enable parents to stay with their baby whilst they receive the specialised care they need.

Metro South Health is also continuing to invest in and provide vital maternity care for at-risk women across Logan through Maternity and Child Health Hubs. The hubs build on the existing Midwifery Group Practice offered at Logan Hospital and ensure continuity of care in the community throughout pregnancy, after pregnancy, and while birthing at Logan Hospital.

Below is an overview of Metro South Health's effectiveness delivering more care within clinically recommended timeframes for the 2018–19 financial year:

Table 3: Delivering more care

	2018-19	Change since last year
Babies born <sup>a</sup>	* 5,689	* 340
Oral health treatments <sup>b 1</sup>	798,875	56,877
Emergency Department presentations <sup>c</sup>	283,418	5,875
Emergency Department 'Seen in time' <sup>c</sup>	178,727	13,350
Patient admissions (from ED) <sup>c</sup>	125,165	10,576
Emergency surgeries <sup>d 2</sup>	12,287	-14
Outpatient occasions of service (specialist and non-specialist) <sup>d 3</sup>	1,159,437	56,771
Specialist outpatient first appointments delivered in time <sup>e 4</sup>	93,486	18,225
Gastrointestinal endoscopies delivered <sup>f</sup>	19,652	1,870
Gastrointestinal endoscopies delivered in time <sup>f</sup>	15,172	4,022
Elective surgeries, from a waiting list, delivered <sup>g</sup>	25,501	1,379
Elective surgeries, from a waiting list, delivered in time <sup>g</sup>	24,463	2,598
Number of telehealth services <sup>h</sup>	6,008	1,727
Hospital in the Home admissions <sup>d 5</sup>	1,827	453

<sup>1</sup> Oral Health treatments are identified as Weighted Occasions of Service.

<sup>2</sup> Emergency surgeries data is preliminary.

<sup>3</sup> Only includes Activity Based Funding (ABF) facilities.

<sup>4</sup> Specialist outpatient services are a subset of outpatient services, where the clinic is led by a specialist health practitioner.

<sup>5</sup> Hospital in the Home admissions data is preliminary.

\* Perinatal data collection is based on calendar year 2018.

**Source:** <sup>a</sup> Perinatal Data Collection, <sup>b</sup> Oral Health Service, <sup>c</sup> Emergency Data Collection, <sup>d</sup> GenWAU, <sup>e</sup> Specialist Outpatient Data Collection, <sup>f</sup> Gastrointestinal Endoscopy Data Collection, <sup>g</sup> Elective Surgery Data Collection, <sup>h</sup> Monthly Activity Collection.

## Service standards

Metro South Health is responsible for providing public hospital and other health services, including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatients, mental health, critical care and clinical support services.

### Emergency departments

In 2018–19, Metro South Health’s Emergency Departments have seen more than 283,400 patients—this is almost 5,900 more patients than during 2017–18, reflecting the overall growth in demand across our region.



### Improving emergency department access

During 2018–19, Metro South Health continued to implement models of care, education campaigns and redesign programs aimed at reducing or managing the demand on our Emergency Departments. These included:

#### Patient Access Coordination Hub (PACH)

This state-of-the-art command centre, run in partnership with Queensland Ambulance Service (QAS), continues to help Metro South Health manage efficient patient flow across the health service to ensure patients receive the right care at the right time. This process includes identifying and responding to delays in treatment at the Emergency Department to ensure optimal treatment times.



### Logan Clinical Decision Unit

Logan Hospital will receive a new \$1.5 million Clinical Decision Unit for mental health patients attending the Emergency Department. This new unit will provide a dedicated space where staff can ensure that anyone coming to the emergency department experiencing a mental health issue will receive appropriate treatment in a safe space. This unit will also ease the pressure on the emergency department.

### New medical ward at Logan Hospital

To help build the capacity of the emergency department, a high-tech temporary ‘rapid expansion ward’ will be constructed at Logan Hospital. The additional 28 beds in this ward will enable earlier treatment for patients.

### QEII Short Stay Unit expansion

QEII Hospital expanded the Short Stay Unit within the emergency department by four treatment areas, increasing the unit capacity to 12 (eight beds and four chairs). The Short Stay Unit expansion is significantly improving treatment times at QEII Hospital and helping to distribute the load across Metro South Health.

### Elective surgery

In 2018–19, Metro South Health surgeons treated more than 25,500 patients from the waiting list, an increase of more than 1,379 from the previous year.

### Specialist outpatients

In 2015–16, Queensland Health launched the *Specialist Outpatient Strategy – Improving the patient journey by 2020*. This was designed to tackle wait lists and improve access to specialist services by 2020.

Since the launch of the Specialist Outpatient Strategy, Metro South Health has seen a reduction in the number of patients waiting longer than clinically recommended for a specialist outpatient appointment.

In 2018–19, more than 93,400 first appointments were delivered in time, an increase of more than 18,200 since 2017–18.

## Specialist outpatient wait list reduction programs

Metro South Health invests considerable resources to reduce specialist outpatient wait lists. In 2018–19 we continued the most effective wait list reduction initiatives and implemented innovative new programs. These included:

### Allied health-led outpatient clinics

Metro South Health continued to use allied health-led clinics to fast track treatment for patients on the specialist outpatient wait list. Many patients on the wait list do not need surgery for their condition and can benefit from non-surgical management from an allied health practitioner.

The clinics include:

- Orthopaedic Conservative Management Clinics (physiotherapy, occupational therapy, podiatry)
- Integrated Specialist ENT Clinic
- Dietitian First Gastroenterology Clinics
- Back Assessment Clinic
- Integrated Allied Health Paediatric Service
- Pelvic Health Clinics
- Vestibular Physiotherapy and Audiology Clinics (ENT and Neurology).

The range of conditions which are streamed to Allied Health for conservative management continues to expand in these clinics with consultation from medical consultants. Allied Health conservative management clinics are also due to commence for osteoporosis patients (endocrinology) in 2019.



### Mater Health Services partnership

Metro South Health continued its partnership with Mater Health Services, which allows our patients to access additional public specialist outpatient services at no cost. Under a long-term agreement, Metro South Health patients referred to the most in-demand specialties are offered the opportunity to receive care at Mater's South Brisbane or Springfield campuses.

Under the agreement with Mater Health Services, patients transferred to a Mater facility must be seen and treated within the clinically recommended timeframes.

### Canossa Private Hospital

Residents in Metro South also have access to extra palliative care, with a number of public funded beds at Canossa Private Hospital, Oxley.

## Value for money

Activity Based Funding (ABF) is the primary financing mechanism for public hospitals. Under this model, Weighted Activity Units (WAU) provide a common unit of comparison for all clinical activities, so that hospital activity can be measured and costed consistently.

Metro South Health provided 389,468 WAU of activity in 2018–19. At 30 June 2019, the cost per WAU for Activity Based Funding facilities in Metro South Health was \$4,858, which is \$68 lower than the Department of Health target of \$4,926.

## Car parking concessions

Princess Alexandra Hospital provides a number of car parking concessions for patients, carers and visitors. Updated concession arrangements for those experiencing financial hardship, or who are required to attend the hospital frequently are available.

During 2018–19, Metro South Health provided a total of 32,798 car parking concessions, to the value of \$159,249.18. The total value of concessions discount incurred by the facility was \$79,624.59.

The information below outlines Metro South Health’s performance against the other key service standards defined in the *Service Delivery Statement* and *Service Agreement* with the Department of Health.

Table 4: Service Standards – Performance 2018-19

Service Standards	Target	Actual
<b>Effectiveness measures</b>		
Percentage of patients attending emergency departments seen within recommended timeframes: <sup>a</sup>		
Category 1 (within 2 minutes)	100%	99.2%
Category 2 (within 10 minutes)	80%	65.6%
Category 3 (within 30 minutes)	75%	58.5%
Category 4 (within 60 minutes)	70%	73.3%
Category 5 (within 120 minutes)	70%	91.9%
Percentage of emergency department attendances who depart within four hours of their arrival in the department <sup>a</sup>	>80%	67.8%
Percentage of elective surgery patients treated within clinically recommended times: <sup>b</sup>		
Category 1 (30 days)	>98%	98.7%
Category 2 (90 days)	>95%	93.3%
Category 3 (365 days)	>95%	96.7%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days <sup>c</sup>	<2	0.9 <sup>6</sup>
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit <sup>d</sup>	>65%	53.7%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge <sup>d</sup>	<12%	13.6% <sup>7</sup>
Percentage of specialist outpatients waiting within clinically recommended times: <sup>e</sup>		
Category 1 (30 days)	45%	44.9%
Category 2 (90 days)	47%	53.8%
Category 3 (365 days)	86%	89.0%
Percentage of specialist outpatients seen within clinically recommended times: <sup>e</sup>		
Category 1 (30 days)	75%	69.2%
Category 2 (90 days)	70%	58.1%
Category 3 (365 days)	85%	85.7%
Median wait time for treatment in emergency departments (minutes) <sup>a</sup>	..	19
Median wait time for elective surgery (days) <sup>b</sup>	..	33
<b>Efficiency Measure</b>		
Average cost per weighted activity unit for Activity Based Funding facilities <sup>f,g</sup>	\$4,926	\$4,858 <sup>8</sup>
<b>Other Measures</b>		
Number of elective surgery patients treated within clinically recommended times: <sup>b</sup>		
Category 1 (30 days)	8,926	8,805
Category 2 (90 days)	8,921	10,278
Category 3 (365 days)	4,250	5,380
Number of Telehealth outpatient occasions of service events <sup>h</sup>	4,627	6,008
Total weighted activity units (WAU's) <sup>g</sup>		
Acute Inpatient	212,201	209,892 <sup>9</sup>
Outpatients	68,932	78,171
Sub-acute	27,615	23,788
Emergency Department	43,696	43,421
Mental Health	27,615	23,869
Prevention and Primary Care	9,425	10,327
Ambulatory mental health service contact duration (hours) <sup>d</sup>	>174,933	160,090
Staffing <sup>i</sup>	12,882	13,407

<sup>6</sup> SAB data presented is preliminary.

<sup>7</sup> Readmission to acute Mental Health inpatient unit data presented as May-19 FYTD.

<sup>8</sup> Cost per WAU data presented as Mar-19 FYTD.

<sup>9</sup> As extracted on 19 August 2019.

**Source:** <sup>a</sup> Emergency Data Collection, <sup>b</sup> Elective Surgery Data Collection, <sup>c</sup> Communicable Diseases Unit, <sup>d</sup> Mental Health Branch, <sup>e</sup> Specialist Outpatient Data Collection, <sup>f</sup> DSS Finance, <sup>g</sup> GenWAU, <sup>h</sup> Monthly Activity Collection, <sup>i</sup> DSS Employee Analysis.

Table 5: Additional measures

	2018-19	Change since last year
Childhood Immunisation <sup>a</sup>		
All children 1 year	94.5%	0.0 p.p.
All children 2 years	91.9%	0.7 p.p.
All children 5 years	94.8%	1.1 p.p.
Discharge against medical advice <sup>b</sup>	1.4%	0.3 p.p.
Non-Aboriginal and Torres Strait Islander	1.3%	0.2 p.p.
Aboriginal and Torres Strait Islander	3.9%	0.6 p.p.
Women who gave birth and attended 5 or more antenatal visits <sup>b 10</sup>	95.7%	0.7 p.p.
Non-Aboriginal and Torres Strait Islander	96.0%	0.7 p.p.
Aboriginal and Torres Strait Islander	88.9%	1.2 p.p.
Completed general courses of oral health care <sup>c</sup>	51,435	1,415
Non-Aboriginal and Torres Strait Islander	49,701	1,096
Aboriginal and Torres Strait Islander	1,734	319
Mothers who had > 5 antenatal visits, with first visit in the 1 <sup>st</sup> trimester <sup>d 11</sup>	70.3%	N/A
Non-Aboriginal and Torres Strait Islander	70.4%	N/A
Aboriginal and Torres Strait Islander	69.4%	N/A

<sup>10</sup> Data presented as Mar-19 FYTD.

<sup>11</sup> New data collection commenced in Dec-18. Preliminary data is available for the period Dec-18 to May-19. Lag of data due to trimester reporting. Data is only collected after the birth of the baby and is available for reporting two to three months after this event. It is a prerequisite that HHSs must also maintain their performance with respect to the performance standards under this QIP in terms of non-Indigenous mothers.

**Source:** <sup>a</sup> Communicable Diseases Unit, <sup>b</sup> Health Statistical Branch, <sup>c</sup> Oral Health Service, <sup>d</sup> Healthcare Purchasing Strategy Unit

## Financial summary

Metro South Health’s operational result is a deficit of \$15.041 million for the year ending 30 June 2019. This represents a 0.59 per cent variance against its expenditure of \$2.544 billion.

In 2018–19 Metro South Health has continued to deliver increased services and provide safe and quality services to its population base. The 2018–19 year required Metro South Health to deliver a productivity dividend of 11,973 weighted activity units (nominal value of \$57 million), which was achieved.

In addition to its productivity target, Metro South Health has delivered a further \$32 million of activity (6,700 weighted activity units). In delivering the additional activity, Metro South Health was able to absorb \$17 million of the expenditure associated with this into its budget, with the residual impact resulting in the \$15 million deficit. The deficit in 2018–19 is not likely to reoccur in 2019–20.

Future fiscal challenges are likely to continue from increasing service demand, increasing costs from technology improvements, population aging, and increasing prevalence of chronic disease conditions, along with ongoing efficiency and productivity improvements required.

### Revenue and expenditure

Metro South Health’s income is sourced from two major areas:

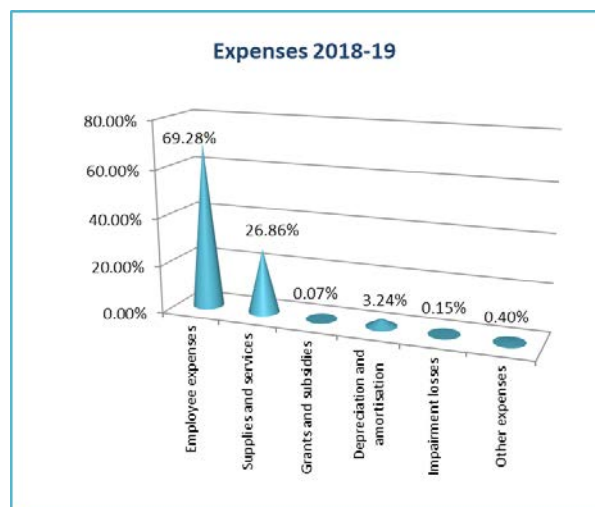
- Department of Health funding for public health services (including Commonwealth contributions)
- own source revenue.

Metro South Health’s total income was \$2.529 billion, which is an increase of \$111.217 million (4.6 per cent) from 2017–18:

- the activity based funding for hospital services was 78.42 per cent or \$1.983 billion
- block and other Department of Health funding was 9.95 per cent or \$251.47 million
- Commonwealth grants and other grants funding was 2.36 per cent or \$59.66 million for health services
- own source revenue was 9.15 per cent or \$231.25 million
- other revenue was 0.12 per cent or \$3 million.

The total expenses were \$2.544 billion, averaging at \$6.9 million a day for providing public health services. Total expenditure increased by \$112.31 million (4.62 per cent) from last financial year.

Major areas of expenditure are shown in the following graph:



### Assets and liabilities

Metro South Health’s asset base amounts to \$1.358 billion. 90.5 per cent or \$1.229 billion of this is invested in property, plant and equipment. The remaining balance of \$128.44 million is held in cash, receivables and inventory.

Metro South Health’s liabilities total \$132.889 million and consist of payables and employee benefits, leaving an equity base of \$1.224 billion.

### Anticipated maintenance

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

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

As at 30 June 2019, Metro South Hospital and Health Service had a reported total anticipated maintenance of \$168.451 million.

Metro South Health has the following strategies in place to mitigate any risks associated with these anticipated maintenance items:

- seeking priority capital funding assistance
- ongoing risk assessment and condition assessment reviews
- target available maintenance funding based on the risk assessment.



# Financial statements

The following financial reports for Metro South Health for 2018–19 have been prepared in accordance with the relevant financial acts and standards, and have been audited by the Queensland Audit Office.

## General information

The Metro South Hospital and Health Service is a not-for-profit Queensland Government statutory body under the *Hospital and Health Boards Act 2011*. The Metro South Hospital and Health Service operates under its registered trading name of Metro South Health.

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

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

Princess Alexandra Hospital, Building 15, Level 3  
199 Ipswich Road  
Woolloongabba QLD 4102

For information relating to Metro South Health's financial statements visit the Metro South Health website at: [www.metrosouth.health.qld.gov.au](http://www.metrosouth.health.qld.gov.au) or email: [MD05-MetroSouthHSD@health.qld.gov.au](mailto:MD05-MetroSouthHSD@health.qld.gov.au).

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Metro South Health  
**Statement of Comprehensive Income**  
 For the year ended 30 June 2019

	Notes	2019 Actual \$'000	2019 Original Budget \$'000	Budget Variance* \$'000	2018 Actual \$'000
<b>Income from continuing operations</b>					
User charges and fees	A1-1	2,465,620	2,374,724	90,896	2,347,974
Grants and other contributions	A1-2	59,660	29,415	30,245	62,676
Other revenue	A1-3	3,006	4,067	(1,061)	6,446
<b>Total revenue</b>		<b>2,528,286</b>	<b>2,408,206</b>	<b>120,080</b>	<b>2,417,096</b>
Gain on disposal or re-measurement of assets		253	-	253	226
<b>Total income from continuing operations</b>		<b>2,528,539</b>	<b>2,408,206</b>	<b>120,333</b>	<b>2,417,322</b>
<b>Expenses from continuing operations</b>					
Employee expenses	A2-1	1,762,156	1,644,811	117,345	1,650,998
Supplies and services	A2-2	683,324	666,195	17,129	682,935
Grants and subsidies	A2-3	1,751	70	1,681	1,109
Depreciation and amortisation	B6	82,386	85,700	(3,314)	82,437
Impairment losses		3,782	1,960	1,822	4,350
Other expenses	A2-4	10,181	9,470	711	9,439
<b>Total expenses from continuing operations</b>		<b>2,543,580</b>	<b>2,408,206</b>	<b>135,374</b>	<b>2,431,268</b>
<b>Operating result for the year</b>		<b>(15,041)</b>	<b>-</b>	<b>(15,041)</b>	<b>(13,946)</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently to operating result</i>					
Increase in asset revaluation surplus	B9	29,621	35,231	(5,610)	19,792
<b>Total other comprehensive income</b>		<b>29,621</b>	<b>35,231</b>	<b>(5,610)</b>	<b>19,792</b>
<b>Total comprehensive income</b>		<b>14,580</b>	<b>35,231</b>	<b>(20,651)</b>	<b>5,846</b>

\*An explanation of major variances is included at Note D1.

The accompanying notes form part of these statements.

Metro South Health  
**Statement of Financial Position**  
As at 30 June 2019

	Notes	2019 Actual \$'000	2019 Original Budget \$'000	Budget Variance* \$'000	2018 Actual \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	B1	49,810	68,913	(19,103)	41,918
Receivables	B2	51,143	53,991	(2,848)	62,304
Inventories	B3	16,639	15,502	1,137	15,734
Other assets	B4	4,222	3,825	397	7,367
Non-current assets held for sale	B5	6,623	-	6,623	10,000
<b>Total current assets</b>		<b>128,437</b>	<b>142,231</b>	<b>(13,794)</b>	<b>137,323</b>
<b>Non-current assets</b>					
Intangibles		997	882	115	1,291
Property, plant and equipment	B6	1,228,211	1,286,772	(58,561)	1,267,748
<b>Total non-current assets</b>		<b>1,229,208</b>	<b>1,287,654</b>	<b>(58,446)</b>	<b>1,269,039</b>
<b>Total assets</b>		<b>1,357,645</b>	<b>1,429,885</b>	<b>(72,240)</b>	<b>1,406,362</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Payables	B7	57,517	75,323	(17,806)	71,580
Accrued employee benefits	B8	74,303	73,224	1,079	65,775
Unearned revenue		1,069	-	1,069	1,423
<b>Total current liabilities</b>		<b>132,889</b>	<b>148,547</b>	<b>(15,658)</b>	<b>138,778</b>
<b>Total liabilities</b>		<b>132,889</b>	<b>148,547</b>	<b>(15,658)</b>	<b>138,778</b>
<b>Net assets</b>		<b>1,224,756</b>	<b>1,281,338</b>	<b>(56,582)</b>	<b>1,267,584</b>
<b>Equity</b>					
Contributed equity	B10	1,018,194	1,039,658	(21,464)	1,075,331
Accumulated surplus/(deficit)		(5,955)	9,303	(15,258)	9,357
Asset revaluation surplus	B9	212,517	232,377	(19,860)	182,896
<b>Total equity</b>		<b>1,224,756</b>	<b>1,281,338</b>	<b>(56,582)</b>	<b>1,267,584</b>

\*An explanation of major variances is included at Note D2.

The accompanying notes form part of these statements.

Metro South Health  
**Statement of Changes in Equity**  
 For the year ended 30 June 2019

	Notes	Accumulated surplus/(deficit) \$'000	Asset revaluation surplus \$'000	Contributed equity \$'000	Total equity \$'000
<b>Balance at 1 July 2017</b>		23,303	163,104	1,127,992	1,314,399
Operating result from continuing operations		(13,946)	-	-	(13,946)
<i>Other comprehensive income for the year</i>					
Increase in asset revaluation surplus	B9	-	19,792	-	19,792
<b>Total comprehensive income for the year</b>		(13,946)	19,792	-	5,846
<i>Transactions with owners as owners:</i>					
Equity asset transfers	B10	-	-	(8,890)	(8,890)
Equity injections	B10	-	-	38,666	38,666
Equity withdrawals	B10	-	-	(82,437)	(82,437)
<b>Net transactions with owners as owners</b>		-	-	(52,661)	(52,661)
<b>Balance at 30 June 2018</b>		9,357	182,896	1,075,331	1,267,584

	Notes	Accumulated surplus/(deficit) \$'000	Asset revaluation surplus \$'000	Contributed equity \$'000	Total equity \$'000
<b>Balance at 1 July 2018</b>		9,357	182,896	1,075,331	1,267,584
Net adjustment due to change in accounting policy		(271)	-	-	(271)
Operating result from continuing operations		(15,041)	-	-	(15,041)
<i>Other comprehensive income for the year</i>					
Increase in asset revaluation surplus	B9	-	29,621	-	29,621
<b>Total comprehensive income for the year</b>		(15,312)	29,621	-	14,309
<i>Transactions with owners as owners:</i>					
Equity asset transfers	B10	-	-	(9,871)	(9,871)
Equity injections	B10	-	-	35,120	35,120
Equity withdrawals	B10	-	-	(82,386)	(82,386)
<b>Net transactions with owners as owners</b>		-	-	(57,137)	(57,137)
<b>Balance at 30 June 2019</b>		(5,955)	212,517	1,018,194	1,224,756

The accompanying notes form part of these statements.

Metro South Health  
**Statement of Cash Flows**  
For the year ended 30 June 2019

	2019 Actual \$'000	2019 Original Budget \$'000	Budget Variance* \$'000	2018 Actual \$'000
<b>Cash flows from operating activities</b>				
<i>Inflows:</i>				
User charges and fees	2,389,060	2,290,534	98,526	2,246,655
Grants and other contributions	39,699	29,415	10,284	42,266
Interest received	696	798	(102)	648
GST input tax credits from ATO	35,599	29,814	5,785	37,783
GST collected from customers	6,909	4,689	2,220	5,735
Other receipts	2,129	3,269	(1,140)	3,268
<i>Outflows:</i>				
Employee expenses	(1,753,628)	(1,637,999)	(115,629)	(1,645,161)
Supplies and services	(679,243)	(666,758)	(12,485)	(667,572)
Grants and subsidies	(1,751)	(70)	(1,681)	(1,108)
GST paid to suppliers	(34,122)	(29,836)	(4,286)	(37,765)
GST remitted to ATO	(7,155)	(4,696)	(2,459)	(5,816)
Other	(9,517)	(9,470)	(47)	(8,765)
<b>Net cash provided by operating activities</b>	<b>(11,324)</b>	<b>9,690</b>	<b>(21,014)</b>	<b>(29,832)</b>
<b>Cash flows from investing activities</b>				
<i>Inflows:</i>				
Sale of property, plant and equipment	493	-	493	414
Sale of assets held for sale	10,000	-	10,000	-
<i>Outflows:</i>				
Payments for property, plant and equipment	(26,397)	(13,305)	(13,092)	(60,229)
Payments for intangibles	-	-	-	(411)
<b>Net cash provided by investing activities</b>	<b>(15,904)</b>	<b>(13,305)</b>	<b>(2,599)</b>	<b>(60,226)</b>
<b>Cash flows from financing activities</b>				
<i>Inflows:</i>				
Equity injections	B10 35,120	17,089	18,031	38,666
<b>Net cash provided by financing activities</b>	<b>35,120</b>	<b>17,089</b>	<b>18,031</b>	<b>38,666</b>
Net increase/(decrease) in cash and cash equivalents	7,892	13,474	(5,582)	(51,392)
Cash and cash equivalents at the beginning of the financial year	41,918	55,439	(13,521)	93,310
<b>Cash and cash equivalents at the end of the financial year</b>	<b>B1 49,810</b>	<b>68,913</b>	<b>(19,103)</b>	<b>41,918</b>

\*An explanation of major variances is included at Note D3.  
The accompanying notes form part of these statements.

Metro South Health  
**Statement of Cash Flows**  
 For the year ended 30 June 2019

**NOTES TO THE STATEMENT OF CASH FLOWS**

The following table reconciles the operating result to net cash provided by operating activities:

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating result from continuing operations</b>	<b>(15,041)</b>	<b>(13,946)</b>
<i>Non-cash items:</i>		
Net adjustment due to change in accounting policy	<b>(271)</b>	-
Depreciation/amortisation expense	<b>82,386</b>	82,437
Depreciation and amortisation funding	<b>(82,386)</b>	(82,437)
Assets written (on)/off	<b>(316)</b>	(2,594)
Net loss on sale of property, plant and equipment	<b>237</b>	251
Services below fair value	<b>19,523</b>	19,596
Donations services below fair value	<b>(19,523)</b>	(19,596)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	<b>10,483</b>	(11,678)
Increase/(decrease) in loss allowance on trade receivables	<b>678</b>	1,531
(Increase)/decrease in inventories	<b>(905)</b>	(521)
(Increase)/decrease in prepayments	<b>(299)</b>	(379)
Increase/(decrease) in unearned revenue	<b>(354)</b>	(5,197)
Increase/(decrease) in accrued employees expenses	<b>8,528</b>	5,836
Increase/(decrease) in payables	<b>(14,064)</b>	(3,135)
<b>Net cash provided by (used in) operating activities</b>	<b>(11,324)</b>	<b>(29,832)</b>

Metro South Health  
**Notes to the Financial Statements**  
For the year ended 30 June 2019

## BASIS OF FINANCIAL STATEMENT PREPARATION

### Statement of compliance

Metro South Health has prepared these financial statements in compliance with section 62(1) of the *Financial Accountability Act 2009* and section 43 of the *Financial and Performance Management Standard 2009*. These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities as Metro South Health is a not-for-profit entity. The financial statements also comply with Queensland Treasury's reporting requirements and authoritative pronouncements. Amounts are recorded at their historical cost, except where stated otherwise.

These financial statements have been prepared on the basis that the entity is a going concern and will continue in operation for the foreseeable future. Metro South Health's primary source of income is from the Department of Health for the provision of public health services and the Hospital and Health Service's ability to continue viable operations is dependent on this funding. At the date of this report, management has no reason to believe that this financial support will not continue.

### The reporting entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of Metro South Health.

Metro South Health does not have any controlled entities.

### Taxation

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

Both Metro South Health and the Department of Health satisfy section 149-25(e) of the *A New Tax System (Goods and Services) Act 1999 (Cth)* (the GST Act) and were able, with other hospital and health services, to form a "group" for GST purposes under Division 149 of the GST Act. This means that any transactions between the members of the "group" do not attract GST.

### Authorisation of financial statements for issue

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

### Accounting estimates and judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis and outlined in the relevant notes to the financial statements.

Key judgements and estimates are disclosed in the relevant notes to which they apply.

### Rounding and comparatives

Amounts included in the financial statements are in Australian dollars and have been 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.

The comparative information has been restated where necessary to be consistent with disclosures in the current reporting period and to improve transparency across the years.

### Current and 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 South Health does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

## Metro South Health

**Notes to the Financial Statements**

For the year ended 30 June 2019

**Non-current assets held for sale**

Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next twelve months.

In accordance with AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*, when an asset is classified as held for sale, its value is measured at the lower of the asset's carrying amount and fair value less costs to sell. Any restatement of the asset's value to fair value less costs to sell is a non-recurring valuation. Such assets are no longer amortised or depreciated upon being classified as held for sale.

**Accounting standards early adopted in 2018-19**

No Australian Accounting Standards have been early adopted for 2018-19.

**Accounting standards applied for the first time and change in accounting policy**

- *AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*

Metro South Health applied this standard for the first time in 2018-19. Comparative information for 2017-18 has not been restated and continue to be reported under AASB 139 *Financial Instruments: Recognition and measurement*. Metro South Health did not require to change the categorisation and valuation of financial instruments. Refer to Note B2 and C1.

On adoption of AASB 9, the new requirement for Metro South Health to measure loss allowance using the revised methodology under the new standard has resulted in the recognition of an additional impairment loss of \$0.271 million on its trade receivables with a corresponding decrease in opening accumulated surplus. Refer to Changes in Equity and Note B2.

**Future impact of Accounting Standards not yet effective**

At the date of authorisation of the financial report, the expected impact of new or amended Australian Accounting Standards issued but with future commencement dates are as follows:

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

The transition date for both AASB 15 and AASB 1058 is 1 July 2019. Consequently, these standards will first apply to Metro South Health when preparing the financial statements for 2019-20 financial year. Metro South Health has reviewed the impact of AASB 15 and AASB 1058 and does not currently have any revenue contracts with a material impact for the period after 1 July 2019. Metro South Health will continue to monitor the impact of any material contracts subsequently entered before and after the new standard takes effect. The following summarises the assessment of the current revenue contracts under the new accounting standards:

*Grant Revenue*

Metro South Health has reviewed its Australian Government grants for funding for health initiatives and programs. There are seven grant arrangements that have been identified as enforceable agreements that do not contain sufficiently specific performance obligations. These agreements do not meet the criteria for deferral of revenue under AASB 15. The total of these grants in the 2018-19 year were \$22.022 million.

Metro South Health has also reviewed the Other Grants agreements which are predominantly research grants of \$4.925 million. Under these agreements there is no transfer of goods or services to a customer instead, these are transfers of research findings or intellectual property to the customer. In addition, Metro South Health has a number of low value agreements for a total value of \$12.663 million, however they do not contain sufficiently specific performance obligations that will meet the criteria for deferral of revenue under AASB 15. The total of grants in the 2018-19 year were \$39.610 million and are expected to continue being recognised as revenue upfront in 2019-20 and beyond assuming no change to the current grant arrangements.

*Sale of goods and services*

Metro South Health has reviewed its existing arrangements and expects no change to revenue recognition from the sale of services and goods. The following categories of revenue from contracts were assessed:

*Funding for the provision of public health services*

Metro South Health receives revenue for specific public health services purchased by the Department of Health in accordance with a Service Level Agreement. This revenue from the Department of Health representing 88.37% of its total revenue for user charges and fees. Metro South Health assessed that there will be no material impact of the new accounting standard on revenue recognition arising from this contract as it is aligned with Metro South Health meeting its performance obligations under the agreement. Where there is an activity shortfall or Metro South Health has not met its specific funding commitments this would result in the return of funds to the Department of Health.



Metro South Health  
**Notes to the Financial Statements**  
For the year ended 30 June 2019

**Future impact of Accounting Standards not yet effective (continued)**

*Sale of goods and services -other*

Metro South Health revenue from sale of other goods and services such as hospital fees, pharmaceuticals and other goods and services is provided to customers progressively throughout the year and the benefit from these services and goods consumed simultaneously as provide by Metro South Health. Metro South Health invoice for these services as the services rendered and under AASB 15, Metro South Health expects no change to revenue recognition for revenue arising from the sale of goods and services.

- *AASB 16 Leases*

This standard will first apply to the Metro South Health from its financial statements for 2019-20. When applied, the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an arrangement contains a lease*, AASB Interpretation 115 *Operating Leases – Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

*Impact for lessees*

Under AASB 16, several operating leases, as defined by the current AASB 117 and shown at Note C2 will be reported on the statement of financial position as right-of-use assets and lease liabilities.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the statement of comprehensive income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 allows a modified retrospective approach in paragraph C5(b) rather than full retrospective application to recognising existing operating leases. In accordance with Queensland Treasury's policy, Metro South Health will apply the modified retrospective approach, and will not need to restate comparative values in the 2019-20 financial statements.

AASB 16 allows lessees to choose on a lease-by-lease basis the measurement of the right-to-use asset. Metro South Health will apply the option to measure the right-of-use asset at an amount equal to the lease liability in accordance with paragraph C8(b)(ii) as whilst its results in a higher initial asset values at the date of transition and a higher depreciation expenses in future years the difference to the full retrospective approach for Metro South Health assets is negligible. The benefit of applying the modified retrospective approach is a much less complicated calculation.

*Lease incentives*

Metro South Health recognised lease incentive liabilities and on transition to AASB 16 will be derecognised against the right-of-use asset under option C8(b)(ii).

*Outcome of review as lessee*

Metro South Health has completed its review of the impact of adoption of AASB 16 on the statement of financial position and statement of comprehensive income and has identified the following major impacts which are outlined below.

During the 2018-19 financial year, Metro South Health held operating leases under AASB 117 from the Department of Housing and Public Works (DHPW) for non-specialised, commercial office accommodation through the Queensland Government Accommodation Office (QGAO) and residential accommodation through the Government Employee Housing (GEH) program. Lease payments under these arrangements totalled \$10.451 million p.a. Metro South Health has been advised by Queensland Treasury and DHPW that, effective 1 July 2019, amendments to the framework agreements that govern QGAO and GEH will result in the above arrangements being exempt from lease accounting under AASB 16. This is due to DHPW having substantive substitution rights over the non-specialised, commercial office accommodation and residential premises assets used within these arrangements. From 2019-20 onwards, costs for these services will continue to be expensed as supplies and services expense when incurred.

Metro South Health has also been advised by Queensland Treasury and DHPW that, effective 1 July 2019, motor vehicles provided under DHPW's QFleet program will be exempt from lease accounting under AASB 16. This is due to DHPW holding substantive substitution rights for vehicles provided under the scheme. From 2019-20 onwards, costs for these services will continue to be expensed as supplies and services expense when incurred. Existing QFleet leases were not previously included as part of non-cancellable operating lease commitments.

Metro South Health has a number of peppercorn or concessionary leases. Queensland Treasury advised that measurement of these right-of-use assets will be at cost on initial recognition. As the cost of these leases are a \$1 these are low value assets and will not meet the recognition criteria.

Metro South Health

**Notes to the Financial Statements**

For the year ended 30 June 2019

**Future impact of Accounting Standards not yet effective (continued)**

Metro South Health has quantified the estimated transitional impact on the statement of financial position and statement of comprehensive income of all qualifying lease arrangements that will be recognised on-balance sheet under AASB 16, as follows.

*Statement of financial position impact on 1 July 2019:*

- \$9.476 million increase in lease liabilities
- \$9.476 million increase in right-of-use assets

*Statement of comprehensive income impact expected for the 2019-20 financial year, as compared to 2018-19:*

- \$1.765 million increase in depreciation and amortisation expense
- \$0.239 million increase in interest expense
- \$1.834 million decrease in supplies and services expense

This results in a net increase of \$0.170 million in total expenses in 2019-20, the year of adoption. There is no operating impact over the life of the leases and the application of AASB 16 will only result in reclassification of expenditure.

*Impact for Lessors*

Lessor accounting under AASB 16 remains largely unchanged from AASB 117. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

- *AASB 1059 Service Concession Arrangements: Grantors*

AASB 1059 will first apply to the Metro South Health's financial statements in 2020-21. This standard defines service concession arrangements and applies a new control concept to the recognition of service concession assets and related liabilities.

Metro South Health has reviewed the contractual arrangements with International Parking Group Pty Ltd for the construction and operation of the car park facility, see Note E5 for details about this arrangement.

Upon transitioning to AASB 1059 on 1 July 2019, Metro South Health will recognise the car parking facility as a service concession asset. Consequently, the asset and liability will be first recognised in Metro South Health's 2020-21 financial statements as an adjustment to opening comparative balances at 1 July 2019. For this purpose, Metro South Health has obtained an updated valuation of the carpark facility and determined that its current replacement cost at 1 July 2019 is \$29.065 million.

On recognition of the service concession asset a corresponding liability will also be recognised, measured at the fair value of the concession asset adjusted for the remaining period of 14 years of the services concession arrangement divided by the remaining economic life of 26 years of the asset. The net difference between assets and liabilities on initial recognition will be recorded in opening accumulated surplus.

Other than the contract with International Parking Group Pty Ltd, Metro South Health does not currently have any other arrangements that would fall within the scope of AASB 1059.

Metro South Health  
**Notes to the Financial Statements**  
For the year ended 30 June 2019

**A NOTES ABOUT FINANCIAL PERFORMANCE**

**NOTE A1-1: USER CHARGES AND FEES**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Funding for the provision of public health services</b>		
Activity based funding	<b>1,982,908</b>	1,854,004
Block funding	<b>169,079</b>	187,473
Other funding	<b>82,386</b>	82,437
	<b>2,234,373</b>	2,123,914
Hospital fees	<b>99,619</b>	96,729
Sale of goods and services	<b>51,105</b>	57,136
Pharmaceutical benefit scheme reimbursements	<b>78,055</b>	67,805
Rental income	<b>2,468</b>	2,390
	<b>2,465,620</b>	2,347,974

User charges and fees controlled by Metro South Health primarily comprises Department of Health funding, hospital fees (private patients), reimbursement of pharmaceutical benefits, sales of goods and services and rental income.

The funding from the Department of Health is provided predominantly for specific public health services purchased by the Department of Health from Metro South Health in accordance with a service agreement between them. The Department of Health receives its revenue for funding from the Queensland Government (majority of funding) and the Commonwealth Government. Activity based funding is based on agreed number of activities as per the service agreement and a statewide price by which relevant activities are funded. Block funding is not based on levels of public health care activity. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by Metro South Health. The funding from the Department of Health is received fortnightly in advance. At the end of the financial year, a financial adjustment may be required where the level of services provided is above or below the agreed level.

The service agreement includes a funding arrangement of non-cash revenue funding for depreciation and amortisation expense under the category other funding. The Department of Health retains the corresponding cash to fund future major capital replacement. This transaction is shown in the Statement of Changes in Equity as a non-appropriated equity withdrawal.

Revenue recognition for hospital fees and sale of goods and services is based on either invoicing for related services or goods provided and/or the recognition of accrued revenue based on estimated volumes of goods or services delivered.

Under the Pharmaceutical Benefit Scheme (PBS), the Australian Government subsidises the cost of a wide range of necessary prescription medicines for most medical conditions. In 2002, Queensland Health entered into an agreement with the Australian Government to allow hospital patients (who are being discharged, attending outpatient clinics or are day-admitted to receive chemotherapy treatment) access to medicines listed on the PBS at subsidised prices. Certain high-cost drugs for the treatment of Hepatitis C and HIV are also included in the PBS value. Patients are invoiced at the reduced PBS rate and Metro South Health pharmacies lodge monthly claims for co-payments through the PBS arrangement at which time the revenue is recognised.

Metro South Health

**Notes to the Financial Statements**

For the year ended 30 June 2019

**NOTE A1-2: GRANTS AND OTHER CONTRIBUTIONS**

	2019 \$'000	2018 \$'000
<b>Australian Government grants</b>		
Nursing home grant*	5,796	5,995
Home and community care grant*	1,257	1,238
Transition care program grant*	9,321	8,831
Organ and tissue donation for transplant	2,883	3,169
Other specific purpose grants	2,765	3,168
	<u>22,022</u>	<u>22,401</u>
Other grants	17,588	20,000
Donations services below fair value**	19,523	19,596
Donations assets	136	65
Donations other	391	614
	<u>59,660</u>	<u>62,676</u>

\* Nursing home grant is provided under the Aged Care Financial Instrument to the Redland Residential Care Services based on the appraisal of each resident's care needs. The Home and Community Care and Transition Care Program grants fund community-based or residential setting patient care supporting basic maintenance, personal care and domestic assistance and care packages including low intensity or nursing support to patients. The organ and tissue donation for transplant grant is provided to implement the 'World's Best Practice National Reform Programme on Organ and Tissue Donation for Transplantation' with the objectives and outcomes to increase Australian's access to organ and tissue transplants.

\*\* Metro South Health receives corporate services support from the Department of Health for no direct cost. Corporate services received would have been purchased if they were not provided by the Department of Health and include payroll services, accounts payable and banking services. The fair value of corporate services received in 2018-19 are estimated by the Department of Health were \$18.558 million (2018: 18.547 million) for payroll services and \$0.965 million (2018: \$1.049 million) for accounts payable and banking services. An equal amount of expense is recognised as services below fair value, refer Note A2-2.

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which Metro South Health obtains control over them. This includes \$0.756 million (2018: \$0.460 million) unspent funds for grants received from the Australian and State Government for programs that have not been fully completed at the end of the financial year. Contributed assets are recognised at their fair value.

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

**NOTE A1-3: OTHER REVENUE**

	2019 \$'000	2018 \$'000
Interest	696	648
General recoveries	1,399	2,515
Other	911	3,283
	<u>3,006</u>	<u>6,446</u>

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

Metro South Health  
**Notes to the Financial Statements**  
For the year ended 30 June 2019

**NOTE A2-1: EMPLOYEE EXPENSES**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Employee benefits</b>		
Wages and salaries	<b>1,402,816</b>	1,321,516
Employer superannuation contributions	<b>144,473</b>	135,590
Annual leave levy/expense	<b>169,050</b>	151,993
Long service leave levy/expense	<b>29,322</b>	27,660
Termination benefits	<b>891</b>	1,305
	<b><u>1,746,552</u></b>	<u>1,638,064</u>
<b>Employee related expenses</b>		
Workers compensation premium	<b>10,829</b>	8,914
Other employee related expenses	<b>4,775</b>	4,020
	<b><u>1,762,156</u></b>	<u>1,650,998</u>
	<b>30 June 2019</b>	<b>30 June 2018</b>
Number of Employees*	<b>13,407</b>	13,265

\*The number of employees as at 30 June includes full-time and part-time employees measured on a full-time equivalent (FTE) basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)). The number of employees does not include the chair, deputy chair or members of the board.

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

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

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. The QSuper scheme has defined benefit and defined contribution categories. Contributions are expensed in the period in which they are payable and Metro South Health's obligation is limited to its contribution to QSuper. The liability for defined benefit is held on a whole-of-government basis and reported in those financial statements pursuant to *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

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

Key management personnel and remuneration expenses disclosures are detailed in Note E1.

Metro South Health  
**Notes to the Financial Statements**  
 For the year ended 30 June 2019

**NOTE A2-2: SUPPLIES AND SERVICES**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Consultants and contractors	27,236	25,735
Electricity and other energy	14,698	18,493
Patient travel	1,549	1,554
Other travel	2,002	2,180
Water	4,104	3,418
Building services	874	1,277
Computer services	16,815	19,423
Motor vehicles	1,000	935
Communications	27,671	25,117
Repairs and maintenance	44,524	45,966
Minor works including plant and equipment	6,069	5,441
Operating lease rentals	15,566	15,675
Drugs	108,449	96,722
Clinical supplies and services	308,322	314,316
Catering and domestic supplies	32,899	33,226
Insurance payment to the Department of Health*	16,548	16,430
Inter entity hospital and health service supplies and services**	14,682	16,325
Services below fair value***	19,523	19,596
Other	20,793	21,106
	<u>683,324</u>	<u>682,935</u>

\*Metro South Health 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.

\*\*Inter entity hospital and health services supplies and services include payments for cost recovery arrangements between Queensland Health entities in a once a month invoicing process. This is recorded as other supplies and services and no further breakdown recorded in the accounts.

\*\*\* Metro South Health receives corporate services support from the Department of Health for no direct cost. Corporate services received would have been purchased if they were not provided by the Department of Health and include payroll services, accounts payable and banking services. The fair value of corporate services received in 2018-19 are estimated by the Department of Health were \$18.558 million (2018: 18.547 million) for payroll services and \$0.965 million (2018: \$1.049 million) for accounts payable and banking services. An equal amount of revenue is recognised as donations services below fair value, refer Note A1-2.

**NOTE A2-3: GRANTS AND SUBSIDIES**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Home and community health services	140	129
Medical research and education programs	1,611	980
	<u>1,751</u>	<u>1,109</u>

Metro South Health  
**Notes to the Financial Statements**  
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**NOTE A2-4: OTHER EXPENSES**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
External audit fees*	<b>288</b>	275
Other audit fees	<b>387</b>	250
Insurance	<b>108</b>	156
Inventory written off	<b>118</b>	194
Losses from the disposal of non-current assets	<b>490</b>	477
Special payments - ex-gratia payments**	<b>42</b>	114
Other legal costs	<b>1,304</b>	1,301
Journals and subscriptions	<b>374</b>	320
Advertising	<b>384</b>	331
Interpreter fees	<b>5,872</b>	5,312
Grants returned	<b>534</b>	495
Other	<b>280</b>	214
	<b>10,181</b>	9,439

\*Total audit fees relating to Queensland Audit Office for the 2018-19 financial year are quoted to be \$0.288 million (2018: \$0.275 million). There are no non-audit services included in this amount.

\*\* Metro South Health made 27 (2018: 42) special-ex-gratia payments for less than \$5,000 to patients for their lost property and other compensations whilst in hospital care. In 2018-19 there were 1 payment for and in excess of \$5,000 to a patient for adverse clinical incident (\$8,000). In 2017-18 there were 5 payments for and in excess of \$5,000: 1 to a staff member for settlement of complaints (\$15,000); 1 to a patient for adverse clinical incident (\$8,946) and 3 to patients for settlement of clinical complaints (\$41,357). In compliance with *Financial and Performance Management Standard 2009*, Metro South Health maintains a register setting out details of all special payments greater than \$5,000.

Metro South Health  
**Notes to the Financial Statements**  
 For the year ended 30 June 2019

**B NOTES ABOUT FINANCIAL POSITION**

**B1 CASH AND CASH EQUIVALENTS**

	2019 \$'000	2018 \$'000
Cash at bank and on hand	29,077	18,264
24 hour call deposits	20,733	23,654
	<u>49,810</u>	<u>41,918</u>

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

Metro South Health's General Trust funds are operating from Commonwealth Bank of Australia bank accounts. Cash held in these accounts earns interest at a rate of 1.6% (2018: 2%). In addition, General Trust funds in excess of monthly operational requirements are deposited at call with Queensland Treasury Corporation and earn interest at a rate of 2.38% (2018: 2.4%).

Refer to Notes C1 and E3.

Cash assets include all cash received but not banked as at 30 June as well as deposits at call with financial institutions.

**B2 RECEIVABLES**

	2019 \$'000	2018 \$'000
Trade debtors	40,795	30,616
Queensland Health debtors	10,437	29,868
Less: Loss allowance	<u>(3,376)</u>	<u>(2,698)</u>
	47,856	57,786
GST receivable	3,790	5,267
GST payable	<u>(503)</u>	<u>(749)</u>
<b>Net receivable</b>	<u>51,143</u>	<u>62,304</u>

*Key estimate and judgement:*

Trade debtors are recognised at the amounts due at the time of sale or service delivery and are generally settled within 30-120 days.

Metro South Health reviewed the new requirements under the simplified approach in applying AASB 9 measuring lifetime expected credit losses on receivables. Metro South Health determined that trade debtors are the only material group for measuring expected credit losses and there is no loss allowance provided for government debtors as they represent high credit rating and in turn, a low risk of default.

Metro South Health uses a provision matrix to calculate the historical loss rates based on incurred losses of the last four financial years. The loss allowance for trade debtors reflects the credit risk associated with the receivable balances, taking into account the lifetime expected credit losses. Metro South Health has also considered reasonable and supportable future-looking information for expected changes in macro economic indicators that may affect the future recovery of its receivables and determined that there was no correlation between those indicators and debtors default rate. Based on these factors, on adoption of AASB 9, Metro South Health recognised an additional impairment loss of \$0.271 million on its trade receivables with a corresponding decrease in opening accumulated surplus.

AASB 139 measurement category	AASB 9 measurement category \$'000	Impairment allowance 30 June 2018 \$'000	Re-measurement \$'000	Loss allowance 1 July 2018 \$'000
<b>Receivables</b>				
Trade debtors	Amortised cost	2,698	271	2,969
		<u>2,698</u>	<u>271</u>	<u>2,969</u>



Metro South Health  
**Notes to the Financial Statements**  
For the year ended 30 June 2019

**B2 RECEIVABLES (CONTINUED)**

Where Metro South Health has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when the debt is over 60 days past due and Metro South Health has ceased enforcement activity. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

	2019 \$'000	2018 \$'000
<b>Movements in loss allowance</b>		
Balance at 1 July	2,698	1,166
Loss allowance 1 July re-measurement adjustment*	271	-
Increase/(decrease) in allowance recognised in operating result	2,073	2,650
Amounts written off during the year	<u>(1,666)</u>	<u>(1,118)</u>
<b>Balance as at 30 June</b>	<u><b>3,376</b></u>	<u><b>2,698</b></u>

\*Metro South Health recognised additional impairment loss on its trade receivables on adoption of AASB 9 from AASB 139.

**Financial assets**

No collateral is held as security and no credit enhancements relate to financial assets held by Metro South Health. No financial assets and financial liabilities have been offset and presented in the Statement of Financial Position.

Ageing of past due but not impaired as well as impaired financial assets are disclosed in the following tables. Under AASB 9, effective from 1 July 2018, a loss allowance is assessed for all receivables. The comparative disclosure for 2018 is made under AASB 139 impairment rules, where receivables are assessed individually for impairment.

Impairment of receivables	2019				2018		
	Gross receivables	Loss rate	Expected credit loss	Carrying amount	Gross receivables	Impairment allowance	Carrying amount
	\$'000	%	\$'000	\$'000	\$'000	\$'000	\$'000
Trade debtors	22,804	14.80	(3,376)	19,428	19,498	(2,698)	16,800
Adjustment to trade debtors*	3,169	-	-	3,169	-	-	-
State Government debtors	51	-	-	51	115	-	115
Commonwealth Government debtors	1,781	-	-	1,781	1,478	-	1,478
Accrued revenue	12,990	-	-	12,990	9,525	-	9,525
<b>Total Trade Debtors</b>	<b>40,795</b>	<b>N/A</b>	<b>(3,376)</b>	<b>37,419</b>	30,616	(2,698)	27,918
Queensland Health debtors	10,437	-	-	10,437	29,868	-	29,868
<b>Total Debtors</b>	<b>51,232</b>	<b>N/A</b>	<b>(3,376)</b>	<b>47,856</b>	60,484	(2,698)	57,786

\*The adjustment to trade debtors is for receivables where no impairment loss is applicable. These receivables raised at 30 June 2019 for billing to Medicare for delayed invoices as a result of the introduction of MediRecords for private practice billing and a backlog in clinical coding delaying inpatient billing.

**Financial assets past due but not impaired 2017-18**

This disclosure relates only to comparative balances at 30 June 2018. Under AASB 9, effective from 1 July 2018, a loss allowance is assessed for all receivables.

	Overdue \$'000				Total
	Less than 30 days	30-60 days	61-90 days	More than 90 days	
Receivables	704	325	177	842	2,048

Metro South Health  
**Notes to the Financial Statements**  
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**B3 INVENTORIES**

	2019 \$'000	2018 \$'000
<b>Inventories held for distribution</b>		
Medical supplies	10,212	10,078
Pharmaceutical Supplies	5,201	4,639
Catering and domestic	569	381
Engineering	657	636
	<u>16,639</u>	<u>15,734</u>

Inventories consist mainly of pharmaceutical and medical supplies held for distribution in Metro South Health hospitals. Inventories are measured at weighted average cost adjusted for obsolescence. Material imprest holdings are recognised as inventory at balance date through the annual stocktake process at weighted average cost.

**B4 OTHER ASSETS**

	2019 \$'000	2018 \$'000
Prepayment for plant and equipment	-	3,443
Prepayments	4,222	3,924
	<u>4,222</u>	<u>7,367</u>

**B5 NON-CURRENT ASSETS HELD FOR SALE**

	2019 \$'000	2018 \$'000
<b>Land and land improvements</b>	<u>6,623</u>	<u>10,000</u>

**B6 PROPERTY, PLANT AND EQUIPMENT**

	2019 \$'000	2018 \$'000
<b>Land</b>		
At fair value	<u>239,418</u>	<u>245,151</u>
<b>Buildings</b>		
At fair value	1,902,746	1,855,189
Less: Accumulated depreciation	(1,072,996)	(996,816)
	<u>829,750</u>	<u>858,373</u>
<b>Plant and equipment</b>		
At cost	335,974	339,133
Less: Accumulated depreciation	(194,620)	(190,625)
	<u>141,354</u>	<u>148,508</u>
<b>Capital works in progress</b>		
At cost	<u>17,689</u>	<u>15,716</u>
<b>Total property, plant and equipment</b>	<u>1,228,211</u>	<u>1,267,748</u>

Metro South Health  
**Notes to the Financial Statements**  
For the year ended 30 June 2019

**B6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**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 at acquisition. Items below these values are expensed.

Class	Threshold
Buildings (including land improvements)	\$10,000
Land	\$1
Plant and Equipment	\$5,000

**Acquisition**

Actual cost is used for the initial recording of all non-current asset acquisitions. Cost is determined as consideration plus any costs directly incurred in getting the asset ready for use. Any training costs are expensed as incurred. The cost of items acquired during the financial year has been judged by management to materially represent the fair value at the end of the reporting period.

Assets under construction are at cost until they are ready for use. These assets are assessed at fair value upon practical completion by an independent valuer.

Where assets are received from Queensland Government agencies free of charge, 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 are initially recognised at their fair value at the date of acquisition.

**Measurement**

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

Land and buildings are measured at fair value as required by Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. These assets are reported by their revalued amount, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

**Depreciation**

Key estimate and judgement: The depreciation rate is determined by application of appropriate useful life to relevant non-current asset classes.

**Non-current asset useful lives**

Class	Useful life (years)
Buildings (including land improvements)	16-82
Plant and Equipment	3-47

The useful lives could change significantly as a result of change in use of the asset, technical obsolescence or some other economic event. The impact on depreciation can be significant and could also result in a write-off of the asset.

Buildings and plant and equipment are depreciated on a straight-line basis. Land is not depreciated. Assets under construction or work-in-progress are not depreciated until they reach service delivery capacity.

Any expenditure that increases the originally assessed service potential of an asset is capitalised and depreciated over the remaining useful life of the asset. The depreciable amount of improvements to leasehold property is allocated progressively over the shorter of the estimated useful lives of the improvements or the unexpired period of the lease, which is inclusive of any option period where exercise of the option is probable.

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

Metro South Health's complex assets are its buildings. Complex assets comprise separately identifiable components (or groups of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the complex asset. Components are separately recognised and valued on the same basis as the asset class to which they relate.

Metro South Health  
**Notes to the Financial Statements**  
 For the year ended 30 June 2019

**B6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**Impairment**

All non-current assets are assessed annually for indicators of impairment. If an indicator of impairment exists, Metro South Health determines the asset's recoverable amount and if this amount is less than the asset's carrying amount it is considered as an impairment loss. An impairment loss is recognised in accordance with AASB 136 *Impairment of Assets* accounting standard.

<b>Property, Plant &amp; Equipment reconciliation</b>	<b>Land*</b> <b>\$'000</b> <b>Level 2</b>	<b>Land**</b> <b>\$'000</b> <b>Level 3</b>	<b>Buildings***</b> <b>\$'000</b> <b>Level 3</b>	<b>Plant and equipment</b> <b>\$'000</b>	<b>Work in progress</b> <b>\$'000</b>	<b>Total</b> <b>\$'000</b>
Balance at 1 July 2017	147,301	115,950	865,987	141,886	18,623	1,289,747
Acquisitions	-	-	9,913	32,913	14,673	57,499
Donations received	-	-	-	65	-	65
Disposals	-	-	-	(649)	-	(649)
Transfers in/(out) from other Queensland Government	(9,000)	-	(425)	535	-	(8,890)
Assets reclassified as held for sale	(10,000)	-	-	-	-	(10,000)
Transfers between asset classes	-	-	17,049	531	(17,580)	-
Transfer recognised in operating surplus	-	-	-	2,513	-	2,513
Revaluation increments to asset revaluation surplus****	900	-	18,892	-	-	19,792
Depreciation charge	-	-	(53,043)	(29,286)	-	(82,329)
<b>Balance at 1 July 2018</b>	<b>129,201</b>	<b>115,950</b>	<b>858,373</b>	<b>148,508</b>	<b>15,716</b>	<b>1,267,748</b>
Acquisitions	-	-	463	20,315	9,062	29,840
Donations received	-	-	-	136	-	136
Disposals	-	-	-	(677)	-	(677)
Donations made	-	-	-	(22)	-	(22)
Transfers in/(out) from other Queensland Government	(6,830)	-	(2,891)	(150)	-	(9,871)
Assets reclassified as held for sale*****	(4,600)	-	-	(2,023)	-	(6,623)
Transfers between asset classes	-	-	1,876	5,213	(7,089)	-
Transfer recognised in operating surplus/(deficit)	-	-	-	150	-	150
Revaluation increments to asset revaluation surplus****	5,897	(200)	23,924	-	-	29,621
Depreciation charge	-	-	(51,995)	(30,096)	-	(82,091)
<b>Balance at 30 June 2019</b>	<b>123,668</b>	<b>115,750</b>	<b>829,750</b>	<b>141,354</b>	<b>17,689</b>	<b>1,228,211</b>

\* Land level 2 assets are land with active market.

\*\* Land transferred from level 2 to level 3 due to lack of observable inputs.

\*\*\* Buildings level 3 assets are special purpose built buildings with a lack of observable inputs.

\*\*\*\* Refer Note B9

\*\*\*\*\* Refer Note B5

Metro South Health  
**Notes to the Financial Statements**  
For the year ended 30 June 2019

**B6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**Fair value measurement and valuation**

Key estimate and judgement: Property, plant and equipment valuation in respect of fair value measurement can be sensitive to the various valuation inputs selected. Considerable judgement is required to determine what input is significant to fair value and therefore which category within the fair value hierarchy the asset is placed. Valuation standards are used to guide any required judgements.

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

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

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets being valued. Unobservable inputs are used to the extent that sufficient, relevant and reliable observable inputs are not available for similar assets.

Significant unobservable inputs used by Metro South Health include, but are not limited to:

- subjective adjustments made to observable data to take account of the specialised nature of health service buildings including historical and current construction contracts (and/or estimates of such costs); and
- assessments of physical condition and remaining useful life.

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

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

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

Land and building asset classes are measured at fair value and are assessed on an annual basis by an independent professional valuer or by the use of appropriate and relevant indices. Metro South Health has an Asset Valuation Steering Committee that oversees the revaluation processes managed by Metro South Finance. That committee undertakes an annual review of the revaluation practices and reports to Metro South Health's Audit and Risk Committee regarding the outcomes of the valuation, indices and recommendations arising from the valuation process.

Revaluations using independent professional valuers are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

The valuation methodology for the independent valuation uses historical and current construction contracts. The replacement cost of each building at date of valuation is determined by taking into account Brisbane location factors and comparing against current construction contracts. The valuation is provided for a replacement building of the same size, shape and functionality that meets current design standards, and is based on estimates of gross floor area, number of floors, building girth and height and existing lifts and staircases.

This method makes an adjustment to the replacement cost of the modern day equivalent building for any utility embodied in the modern substitute that is not present in the existing asset (e.g. mobility support) to give a gross replacement cost that is of comparable utility (the modern equivalent asset). The methodology makes further adjustment to total estimated life taking into consideration physical obsolescence impacting on the remaining useful life to arrive to the current replacement cost via straight line depreciation.

Where assets have not been specifically valued in the reporting period, their fair values are updated (if material) via the application of relevant indices.

Revaluation increments increase the asset revaluation surplus of the appropriate class, except to the extent that 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 South Health

**Notes to the Financial Statements**

For the year ended 30 June 2019

**B6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**Land**

Land is measured at fair value each year using independent market valuations or indexation by the State Valuation Service (SVS) within the Department of Natural Resources and Mines.

In 2018-19, Metro South Health's land was valued by SVS using independent market valuation or market indices. The effective date of the valuation was 30 June 2019. Management, through the Asset Valuation Steering Committee, has assessed the valuation provided by SVS as appropriate for Metro South Health and endorsed the result of the independent valuation.

The fair value of land was based on physical inspection and publicly available data on sales of similar land in nearby localities. For the land that is categorised into level 2 of the fair value hierarchy, SVS used observable inputs from market transactions data. In determining the values, adjustments were made to the sales data to take into account the location of Metro South Health's land, its size, street/road frontage and access and any significant restrictions. The land assets that are categorised into level 3 of the fair value hierarchy have significant, unobservable inputs, due to adjustments made to the observable inputs which would have been used to determine their value.

The revaluation of land for 2018-19 resulted in \$2.097 million increment (2018: \$0.900 million) to the carrying amount of land.

**Buildings**

In 2018-19 Metro South Health engaged independent experts, AECOM quantity surveyors, to undertake building indexation assessment in accordance with the fair value methodology. AECOM determined an index relevant to Metro South Health's building portfolio in order to maintain fair value. These indices are either publicly available, or are derived from market information available, and AECOM provides assurance of their robustness, validity and appropriateness for application. The effective date of the valuation was 30 June 2019.

The index for buildings based on the movement in construction cost was 3% and resulted in a \$24.176 million increase to the fair value of buildings. This was offset by a decrement of \$0.331 million to Princess Alexandra Hospital buildings adjusting fair value due to the complete removal of non-conforming building products (aluminium composite panelling).

**B7 PAYABLES**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade creditors	<b>21,344</b>	22,700
Accrued expenses	<b>30,347</b>	31,468
Department of Health payables	<b>5,826</b>	17,412
	<b>57,517</b>	71,580

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

**B8 ACCRUED EMPLOYEE BENEFITS**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages accrued	<b>67,625</b>	59,825
Other employee entitlements payable	<b>6,678</b>	5,950
	<b>74,303</b>	65,775

No provision for annual leave and long service leave is recognised by Metro South Health as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049.

Metro South Health  
**Notes to the Financial Statements**  
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**B9 ASSET REVALUATION SURPLUS**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land</b>		
Balance at the beginning of the financial year	40,580	39,680
Revaluation increment/(decrement)	5,697	900
<b>Balance at the end of the financial year</b>	<b>46,277</b>	<b>40,580</b>
<b>Buildings</b>		
Balance at the beginning of the financial year	142,316	123,424
Revaluation increment/(decrement)	23,924	18,892
<b>Balance at the end of the financial year</b>	<b>166,240</b>	<b>142,316</b>
<b>Balance at the end of the financial year</b>	<b>212,517</b>	<b>182,896</b>

**B10 EQUITY INJECTIONS AND EQUITY WITHDRAWALS**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at the beginning of the financial year</b>	<b>1,075,331</b>	1,127,992
Cash injection for asset acquisitions	35,120	38,666
Equity asset transfers in/(out) from other Queensland Government entities*	(9,871)	(8,890)
Non-cash withdrawal for depreciation**	(82,386)	(82,437)
<b>Balance at the end of the financial year</b>	<b>1,018,194</b>	<b>1,075,331</b>

\*These transfers are in accordance with the Designation of Transfer Notice.

\*\*The non-cash equity withdrawal is for offsetting non-cash revenue funding for depreciation expense.

Metro South Health  
**Notes to the Financial Statements**  
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**C NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES**

**C1 FINANCIAL INSTRUMENTS**

**Categorisation of financial instruments**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when Metro South Health becomes party to the contractual provisions of the financial instrument. Metro South Health has the following categories of financial assets and financial liabilities:

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>		
Cash and cash equivalents	<b>49,810</b>	41,918
<b>Financial assets at amortised cost</b>		
Receivables	<b>51,143</b>	62,304
	<b>100,953</b>	104,222
<b>Financial liabilities at amortised cost</b>		
Payables	<b>57,517</b>	71,580

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

**Financial risk management**

Metro South Health is exposed to a variety of financial risks – credit risk, liquidity risk, interest rate risk and market risk. Financial risk is managed in accordance with Queensland Government and Metro South Health’s policies. Metro South Health’s policies provide written principles for overall risk management and aim to minimise potential adverse effects of risk events on the financial performance of Metro South Health.

**Credit risk**

Credit risk is the potential for financial loss arising from Metro South Health's debtors defaulting on their obligations. The maximum exposure to credit risk at balance date is the gross carrying amount of receivables. Metro South Health measures the loss allowance of trade receivables at lifetime expected credit losses with the exception of receivables from Queensland Government and Australian Government agencies which are considered immaterial credit risk. Refer Note B2. Credit risk is considered minimal for Metro South Health.

**Liquidity risk**

Liquidity risk refers to the situation when Metro South Health may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk is measured through monitoring of cash flows by active management of accrual accounts. Metro South Health liquidity risk is minimal due to an approved (and unused) overdraft facility of \$18 million under the whole-of-government banking arrangements to manage any short-term cash shortfalls.

**Interest rate risk**

Metro South Health has interest rate exposure on the Queensland Treasury Corporation deposits and there is no interest rate exposure on its cash and fixed rate deposits. Metro South Health does not undertake any hedging in relation to interest rate risk. Changes in interest rate have a minimal effect on the operating result of Metro South Health and sensitivity analysis is not required.

**Fair value measurement**

Cash and cash equivalents are measured at fair value. All other financial assets or liabilities are measured at cost less any loss allowance, which, given the short-term nature of these assets, is assumed to represent fair value.



Metro South Health  
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For the year ended 30 June 2019

**C2 COMMITMENTS**

**Non-cancellable operating leases\***

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

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	<b>12,284</b>	9,773
Later than one year and not later than five years	<b>32,757</b>	27,373
Later than five years	<b>3,184</b>	6,170
	<b><u>48,225</u></b>	<b><u>43,316</u></b>

\* Metro South Health's non-cancellable operating leases predominantly relate to office, car park and clinical services accommodation.

**Capital expenditure commitments**

Commitments for capital expenditure at reporting date are exclusive of anticipated GST and are payable as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	<b>8,074</b>	3,539
Later than one year and not later than five years	<b>6,958</b>	-
	<b><u>15,032</u></b>	<b><u>3,539</u></b>

**C3 CONTINGENCIES**

**Litigation in progress**

All Metro South Health indemnified medical indemnity and general liability claims have been managed by the Queensland Government Insurance Fund (QGIF). At 30 June 2019, Metro South Health has 11 litigation cases before the courts (2018: 11 cases). There are 121 claims (2018: 93 claims) managed by QGIF, some of which may never be litigated or result in payment of claims. The maximum exposure to Metro South Health under this policy is \$20,000 for each insurable event. Metro South Health's legal advisors, management advisors and management believe it would be misleading to estimate the final amount payable (if any) in respect of litigation before the courts at this time.

Metro South Health

**Notes to the Financial Statements**

For the year ended 30 June 2019

**D BUDGET VS ACTUAL COMPARISON**

**D1 BUDGET VS ACTUAL COMPARISON – STATEMENT OF COMPREHENSIVE INCOME**

The following provides explanations of major variances between Metro South Health’s actual 2018-19 financial results and the original budget published in the 2018-19 *Queensland State Budget Service Delivery Statements of Queensland Health* and presented to Parliament in July 2018.

**Explanation of major variances – Statement of Comprehensive Income**

**D1-1 User charges and fees**

The variance of \$91 million is mainly attributed to funding provided from the Department of Health through the service level agreement (SLA). \$34 million of growth funding was added to the SLA after the budget was set and a further \$57 million of funding was provided during the current financial year (\$10 million PBS drug funding, \$12 million employee bargaining, \$7 million NDIS transition, \$6 million outpatient activity, \$10 million general growth, \$5 million mental health programs, \$2 million transplant services, \$2 million retrieval services and \$3 million across a range of minor service lines).

**D1-2 Grants and other contributions**

The variance of \$30 million in grants and other contributions is due to the recognition of the donation of services provided below fair value from the Department of Health \$19.5 million and additional revenue of \$10.5 million from the Department of Community Services (DCS) for the Community Aids, Equipment and Assistive Technologies Initiative (CAEATI) and Vehicle Options Subsidy Scheme (VOSS) after the 2018-19 budget was prepared.

**D1-3 Employee expenses**

The increase of \$117 million is due to labour costs of additional frontline staff required to service the growth in demand for healthcare services aligned to the additional funding received and in delivering an additional \$32 million of activity.

**D1-4 Supplies and Services**

The increase of \$17 million in supplies and services is predominantly due to the recognition of services provided below fair value from the Department of Health.

**D1-5 Impairment Losses**

The increase of \$1.8 million is due to higher than budgeted bad debts expense in 2018-19.

**D1-6 Operating result for the year**

The 2018-2019 year required MSHHS to deliver a productivity dividend of 11,973 weighted activity units (nominal value of \$57 million), which was achieved. In addition to its productivity target, Metro South has delivered a further \$32 million of activity (6,700 weighted activity units). In delivering the additional activity, Metro South was able to absorb \$17m of the expenditure associated with this into its budget, with the residual impact resulting in the \$15 million deficit.

**D2 BUDGET VS ACTUAL COMPARISON – STATEMENT OF FINANCIAL POSITION**

**Explanation of major variances – Statement of Financial Position**

**D2-1 Cash and cash equivalents**

The reduction of \$19 million in cash from budget is due to higher than budgeted net payments for operating expenses of \$21 million, payments for capital purchases of \$13 million, a less than budgeted opening cash position of \$13 million, offset by \$10 million of sale proceeds from the South Brisbane Dental Hospital site and an increase in equity injections of \$18 million.

**D2-2 Receivables**

The lower than budgeted receivables of \$2.8 million is due to higher than budgeted impairment allowance opening balance of \$1.5 million, \$0.271 million opening balance adjustment and higher than budgeted increase of \$1.1 million in 2018-19 due to the impact of the application of AASB 9 *Financial Instruments* new accounting standard.

**D2-3 Non-current assets held for sale**

The \$6.6 million increase is due to land and land improvement held for sale to the Department of Transport & Main Roads (TMR) for Eastern Busway \$4.6 million and to Dept of Employment, Small Business & Training (DESBT) for Logan Hospital/TAFE Carpark \$2.023 million which was not finalised at the time of the budget process.

**D2-4 Property, plant and equipment**

The \$58.6 million decrease to budget is due to less than budgeted opening balance of \$45.7 million and less than budgeted 2018-19 property revaluation of \$5.6 million, higher than budgeted transfer of assets for held for sale of \$6.6 million, to other Government entities of \$9.7 million and less than budgeted commissioning of buildings of \$11 million offset by lower than budgeted depreciation expense of \$3.5 million and a higher than budgeted asset acquisition under the Capital Acquisition Program of \$16.5 million.

**D2-5 Payables**

The \$17.8 million decrease from budget is due to less than budgeted opening balance of \$3.1 million and more than budgeted decrease in payables in the current year of \$14.1 million due to decrease in the Department of Health payables.

Metro South Health  
**Notes to the Financial Statements**  
For the year ended 30 June 2019

**D2 BUDGET VS ACTUAL COMPARISON – STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**D2-6 Contributed equity**

The decrease of \$21.5 million is due to less than budgeted opening balance of \$18.5 million and asset transfers of \$ 20.9 million offset by a higher than budgeted equity injection of \$18 million for additional asset acquisition under the health technology and priority capital programs.

**D2-7 Accumulated surplus/(deficit)**

The decrease of \$15.258 million is due to the impact of the operating result of \$15.041 million, lower than budgeted opening balance of \$0.054 million and current year opening balance adjustment of \$0.271 million due to AASB 9 new accounting standard applied the first time.

**D2-8 Asset revaluation surplus**

The decrease of \$19.9 million is due to less than budget asset revaluation opening balance of \$14.2 million and less than budgeted current year result of \$5.6 million.

**D3 BUDGET VS ACTUAL COMPARISON – STATEMENT OF CASH FLOWS**

**Explanation of major variances – Statement of Cash Flows**

**D3-1 User charges and fees**

The increase of \$98.5 million is the cash impact of the funding adjustments outlined in note D1-1.

**D3-2 Grants and contributions**

The increase of \$10.3 million is the cash impact of the actual grants received outlines in note D1-2.

**D3-3 Employee expenses**

The increase of \$115.6 million is the cash impact of actual employee expenses as outlined in note D1-3.

**D3-4 Supplies and services**

The increase of \$12.5 million is the cash impact of the actual supplies and services as outlined in note D1-4.

**D3-5 Sale of assets held for sale**

The increase of \$10 million is due to the sale of the South Brisbane Hospital site to the Cross River Rail Delivery Authority (CRRDA).

**D3-6 Payments for property, plant and equipment**

The increase of \$13 million is due to higher than budgeted capital acquisitions under the Priority Capital and Health Technology Replacement programs.

**D3-7 Equity injections**

The increase of \$18 million is additional funding for the capital acquisitions under the Priority Capital and Health Technology Replacement programs.

Metro South Health

**Notes to the Financial Statements**

For the year ended 30 June 2019

**E OTHER INFORMATION**

**E1 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES**

**Details of key management personnel**

Metro South Health's responsible Minister is identified as part of Metro South Health's key management personnel, consistent with additional guidance included in *AASB 124 Related Parties Disclosures*. The responsible Minister is Hon Dr Steven Miles, Minister for Health and Minister for Ambulance Services.

**Key management personnel remuneration policies**

*Key management personnel remuneration – Minister*

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

*Key management personnel remuneration – Board*

Metro South Health is independently and locally controlled by the Hospital and Health Board (The Board). The Board appoints the Health Service Chief Executive and exercises significant responsibilities at a local level, including controlling the financial management of Metro South Health and the management of Metro South Health land and buildings (section 7 *Hospital and Health Board Act 2011*).

Remuneration arrangements for the Metro South Health Board are approved by the Governor in Council and the chair, deputy chair and members are paid an annual fee consistent with the government procedures titled *Remuneration procedures for part-time chairs and members of Queensland Government bodies*.

*Key management personnel remuneration - Executive Leadership Team (ELT)*

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

Remuneration policy for Metro South Health key executive management personnel is set by direct engagement common law employment contracts and various award agreements. The remuneration and other terms of employment for the key executive management personnel are also addressed by these common law employment contracts and awards. The remuneration packages provide for the provision of some benefits including motor vehicles. The remuneration packages of Metro South Health key management personnel do not provide for any performance or bonus payments.

Remuneration expenses for key management personnel comprise the following components:

- Short-term employee expenses which include:
  - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year which the employee was a key management person
  - non-monetary benefits consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long-term employee expenses which include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses including amounts expensed in respect of employer superannuation obligations.

Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

Metro South Health  
**Notes to the Financial Statements**  
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**E1 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES (CONTINUED)**

**Remuneration expenses**

The following details for non-Ministerial key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of Metro South Health in 2018-19. During 2018-19, Metro South Health Strategic Executive Team has been re-assessed against the Key Management Personnel criteria in AASB 124 due to administrative realignment. As a result, from 8 May 2019, the non-Ministerial key management personnel include the positions of the Chief Executive, Chief Finance Officer and the new Chief Operating Officer to oversee the delivery of clinical care and performance of the Health Service. The Chief Operating Officer role is currently filled on a temporary contract basis until the position is established in accordance with the Section 74 of the *Hospital and Health Board Act 2011*. Further information on key management personnel positions can be found in the body of the Annual Report under the section relating to Executive Management. Further information on key management personnel positions can be found in the body of the Annual Report under the section relating to Executive Management. The following tables contain the expenses incurred by Metro South Health attributable to non-Ministerial KMP during the respective reporting periods. For board positions, the expenses are specific to the individual board member. For executive positions, all expenses incurred by Metro South Health that are attributable to that position are included for the respective reporting period, regardless of the number of personnel filling the position in either substantive or acting capacity. For reporting period 2018-19, the former Metro South Hospital and Health Service Executive's remuneration expenses are reported up to 8 May 2019. The amounts disclosed are recognised on the same basis as expenses recognised in the Statement of Comprehensive Income.

**Metro South Hospital and Health Board**

The Board decides the objectives, strategies and policies to be followed by Metro South and ensure it performs its functions in a proper, effective and efficient way. Appointments are under the provisions of the Hospital and Health Board Act 2011 by Governor in Council. Notice published in the Queensland Government Gazette.

Position title Position holder	Short-term employee expenses		Other employee expenses		Total Expenses	
	Monetary expenses \$'000		Post-employment expenses \$'000		\$'000	
	2019	2018	2019	2018	2019	2018
<b>Chair</b>						
Adjunct Professor Janine Walker (13 October 2017)	94	66	9	6	103	72
<b>Deputy Chair*</b>						
Dr Marion Tower (16 November 2018 to 17 May 2019)**	26	-	2	-	28	-
Professor John Prins (22 February 2018 to 7 May 2018)***	-	11	-	1	-	12
Adjunct Professor Janine Walker (18 May 2016 to 12 October 2017)	-	17	-	2	-	19
<b>Board Members (Current)</b>						
Ms Helen Darch (18 May 2017)	56	50	5	5	61	55
Adjunct Professor Iyla Davies (18 May 2017)	51	50	5	5	56	55
Mr Peter Dowling AM (29 June 2012)	55	56	5	5	60	61
Ms Donisha Duff (18 May 2016)	50	50	5	5	55	55
Mr Paul Venus (18 May 2017)	53	54	5	5	58	59
Mr Brett Bundock (18 May 2018)	50	6	5	1	55	7
Dr Helen Benham (18 May 2019)	8	-	1	-	9	-
Professor Eleanor Milligan (18 May 2019)	6	-	1	-	7	-
Dr Marion Tower (29 June 2012 to 15 November 2018)**	26	50	2	5	28	55
<b>Board Members (Former)</b>						
Professor John Prins (29 June 2012 to 17 May 2019) ***	27	34	3	3	30	37
Dr John Kastrissios (29 June 2012 to 17 May 2019)****	45	50	4	5	49	55

\* Deputy Chair position is vacant from 18 May 2019.

\*\* Dr Marion Tower was a Board Member from 29 June 2012 to 15 November 2018, then appointed to Deputy Chair from 16 November 2018 to 17 May 2019.

\*\*\*Professor John Prins was on leave without pay for the period from 7 May 2018 to 5 November 2018, then stepped down from the Deputy Chair position upon his return to Metro South Health. Effective 17 May 2019, Professor John Prins is no longer a Board Member at Metro South Health.

\*\*\*\*Effective from 17 May 2019, Dr John Kastrissios is no longer a Board Member at Metro South Health.

Metro South Health  
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For the year ended 30 June 2019

E1 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES (CONTINUED)

Position title Position responsibility	Short-term employee expenses						Other employee expenses						Total Expenses \$'000	
	Monetary expenses \$'000		Non-monetary expenses \$'000		Long term employee expenses \$'000		Post-employment expenses \$'000		Termination expenses \$'000					
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Health Service Chief Executive</b> Delegated the operational responsibility to fulfil the Board's objectives and strategies. The Health Service Chief Executive then sub-delegates certain functions to the Executive team and other employees as specified under the various instruments of delegation.	571	579	6	3	12	10	58	53	266	-	-	-	913	645
<b>Chief Finance Officer</b> This position is responsible and accountable for the operation of the financial management system and control environment for Metro South Health. It provides strategic advice and leadership of the financial management functions for the Hospital and Health Service.	234	220	-	-	4	4	24	21	-	-	-	-	262	245
<b>Metro South Hospital and Health Service Executives (Former)</b> <b>Executive Director, Addiction and Mental Health Services*</b> Executive leadership and operational responsibility for addiction and mental health services.	267	392	-	-	5	8	14	33	-	-	-	-	286	433
<b>Executive Director, Planning, Engagement and Reform*</b> This position provides strategic leadership and innovation in the development and delivery of health service planning, engagement, government relations, health reform and media and communication for the Hospital and Health Service.	165	216	-	-	3	4	17	21	-	-	-	-	185	241
<b>Executive Director, Clinical Governance*</b> This position provides leadership for Clinical Governance and Patient Safety in Metro South Health and ensures the appropriate performance and outcomes of the clinical governance systems across Metro South Health across the domains of compliance, performance and support.	400	463	-	1	8	9	30	34	-	-	-	-	438	507
<b>Chief Information Officer*</b> This position provides strategic leadership, direction and management across Metro South Health for Clinical Informatics and Technology Services and is responsible for a diverse range of Communication Technology (ICT) services.	165	198	-	-	2	4	9	19	5	-	-	-	181	221
<b>Executive Director, Workforce Services*</b> This position is the executive lead for human resources strategy, planning and service provision for the Hospital and Health Service.	175	169	-	-	3	3	18	15	-	-	-	-	196	187

\*From 8 May 2019, position no longer identified as a non-Ministerial key management personnel.

Metro South Health  
Notes to the Financial Statements  
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E1 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES (CONTINUED)

Metro South Hospital and Health Service Executives remuneration expenses	Short-term employee expenses						Other employee expenses						Total Expenses \$'000	
	Monetary expenses \$'000		Non-monetary expenses \$'000		Long term employee expenses \$'000		Post-employment expenses \$'000		Termination expenses \$'000					
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Position responsibility														
<b>Metro South Hospital and Health Service Executives (Former)</b>														
<b>Executive Director, Corporate Services*</b> This position is the executive lead for asset management, capital planning and development, procurement management, contracts management, operational support services, building engineering and maintenance services and other ancillary corporate support functions.		205	-	-	-	-	4	-	17	-	-	-	-	226
<b>Executive Director, Medical Services**</b> This position is the principal medical officer for Metro South Health and is responsible for supporting the Health Service Chief Executive in the planning and management of the health service's clinical services. This position provides professional leadership to all medical officers within Metro South Health.	382	465	-	-	8	9	28	36	-	-	-	-	418	510
<b>Executive Director, Nursing and Midwifery Services**</b> This position provides strategic leadership in the areas of nursing and midwifery practice, standards and education, and workforce of Metro South Health.	217	270	-	-	4	5	22	25	-	-	-	-	243	300
<b>Executive Director, Allied Health Services**</b> This position provides strategic leadership to the allied health services and workforce of Metro South Health.	91	193	-	-	2	3	10	20	-	-	-	-	103	216
<b>Executive Director, PAH-QEII Health Network**</b> Executive leadership and operational responsibility for the health network.	411	487	-	-	8	10	30	38	-	-	-	-	449	535
<b>Executive Director, Logan-Bayside Health Network**</b> Executive leadership and operational responsibility for the health network. *As of 1 July 2018, Executive Director, Corporate Services no longer exists due to organisational changes. **From 8 May 2019, position no longer identified as a non-Ministerial key management personnel.	409	331	-	1	8	6	31	28	-	-	-	-	448	366

Metro South Health

### Notes to the Financial Statements

For the year ended 30 June 2019

#### E2 RELATED PARTY TRANSACTIONS

##### Transactions with Queensland Government Controlled Entities

Metro South Health 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*.

##### *Department of Health*

Metro South Health receives funding from the Department of Health. The Department of Health receives a majority of its revenue from the Queensland Government, and the remainder from the Commonwealth.

The funding provided to Metro South Health is predominantly for specific public health services purchased by the Department in accordance with a service agreement between the Department and Metro South Health. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by Metro South Health. Refer to Note A1-1.

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

In addition to the provision of corporate services support (refer to notes A1-2 and A2-2), the Department of Health manages, on behalf of Metro South Health, a range of services including pathology testing, pharmaceutical drugs, clinical supplies, patient transport, technology services and telecommunications. These are provided on a cost recovery basis. In 2018-19, these services totalled \$210.253 million (2018: \$205.221 million).

Refer to note B2 for information on receivables from the Department of Health and other Queensland Health entities. Refer to note B7 for information on payables to the Department of Health.

##### *Other Hospital and Health Services*

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

##### *Queensland Treasury Corporation*

Metro South Health have investment bank accounts with the Queensland Treasury Corporation for general trust monies.

Refer Note B1.

##### *Department of Housing and Public Works*

Metro South Health pays rent to the Department of Housing and Public Works for a number of properties. In addition, Metro South Health pays the Department of Housing and Public Works for vehicle fleet management services (QFleet).

##### *Transactions with people/entities related to KMP*

All transactions in the year ended 30 June 2019 between Metro South Hospital and Health Service and key management personnel, including their related parties, were examined. Transactions were identified with three related entities, which were all on normal commercial terms and conditions and were immaterial in nature.

#### E3 RESTRICTED ASSETS

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

At 30 June 2019, amounts of \$20.993 million (2018: \$24.665 million) in general trust and \$7.165 million (2018: \$5.415 million) for research projects are set aside for the specified purposes underlying the contribution.



Metro South Health  
**Notes to the Financial Statements**  
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**E4 AGENCY AND FIDUCIARY TRUST TRANSACTIONS AND BALANCES**

**Fiduciary trust transactions**

Metro South Health acts in a fiduciary trust capacity in relation to patient trust accounts. These funds are received and held on behalf of patients with Metro South Health having no discretion over these funds. Consequently, these transactions and balances are not recognised in the financial statements but are disclosed below for information purposes. Although patient funds are not controlled by Metro South Health, trust activities are included in the audit performed annually by the Auditor-General of Queensland.

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Fiduciary trust receipts and payments</b>		
Receipts	<b>2,585</b>	2,610
Payments	<b>(2,551)</b>	(2,639)
<b>Increase/(decrease) in net patient trust assets</b>	<b>34</b>	(29)
<b>Fiduciary trust assets</b>		
<b>Current Assets</b>		
<b>Cash</b>		
Patient trust funds	<b>290</b>	256
Other refundable deposits	<b>8</b>	8
<b>Total current assets</b>	<b>298</b>	264

**Agency granted private practice transactions and balances**

Metro South Health has a Granted Private Practice arrangement in place as follows:

*Assignment model* - all revenue generated by the clinician is paid to and recognised as revenue by Metro South Health. Doctors under this arrangement are employees of Metro South Health.

*Retention model* - the revenue generated is initially payable to the private practice doctors directly. Under this arrangement, doctors receive the generated revenue up to an established annual cap. Amounts over the cap are split one third to the doctor and two thirds to Metro South Health. The portion due to Metro South Health is receipted into a general trust account for a study, education and research fund for all staff, which is referred to as SERTA funds. Recoverable costs (e.g. administration costs, etc.) in respect of this arrangement, which Metro South Health is entitled to, are recorded as revenue in Metro South Health's Statement of Comprehensive Income.

Metro South Health acts as an agent in respect of the transactions and balances of the private practice bank accounts. The private practice funds are not controlled by Metro South Health, but the activities are included in the annual audit performed by the Auditor-General of Queensland.

Metro South Health  
**Notes to the Financial Statements**  
 For the year ended 30 June 2019

**E4 AGENCY AND FIDUCIARY TRUST TRANSACTIONS AND BALANCES (CONTINUED)**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Granted private practice receipts and payments</b>		
<b>Receipts</b>		
Private practice receipts	52,510	53,775
Interest	68	85
Other receipts*	6,589	8,261
<b>Total receipts</b>	<b>59,167</b>	<b>62,121</b>
<b>Payments</b>		
Payments to doctors	12,061	11,772
Payments to Metro South Health for recoverable costs	32,206	35,502
Payments to Metro South Health general trust for SERTA	4,028	5,853
Other payments**	6,871	8,348
<b>Total payments</b>	<b>55,166</b>	<b>61,475</b>
<b>Increase/(decrease) in net granted private practice assets</b>	<b>4,001</b>	<b>646</b>

\* Other receipts relating to allied health, oral health, children's health, medical imaging and outstanding deposits not yet receipted and receipts not yet deposited. In April 2019, Metro South Health consolidated the granted private practice bank accounts resulting in realignment of some receipting to controlled revenue bank accounts. From April 2019, other receipts relating to allied health and outstanding deposits and receipting only.

\*\* Payments relating to the receipts on behalf of other Queensland Health entities such as pathology services, medical imaging, children's services, refund to Medicare and/or private insurance. From April 2019, other payments relating to allied health and refunds only.

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Granted private practice assets</b>		
Current assets		
Cash*	5,844	1,843
<b>Total current assets</b>	<b>5,844</b>	<b>1,843</b>

\*Cash balance predominantly includes doctor payments and payments to other entities outstanding at balance date and other payments due to Metro South Health that have been accrued as revenue in Metro South Health's accounts.

**E5 ARRANGEMENTS FOR THE PROVISION OF PUBLIC INFRASTRUCTURE BY OTHER ENTITIES**

The Department of Health, prior to the establishment of Metro South Health, entered into a contractual arrangement with a private sector entity for the construction and operation of a public infrastructure facility for a period of time on land now controlled by Metro South Health. After an agreed period of time, ownership of the facility will pass to Metro South Health. Arrangements of this type are known as Public Private Partnerships (PPP). The PPP is a Build-Own-Operate-Transfer (BOOT) arrangement.

Metro South Health has not recognised any rights or obligations relating to these facilities other than those associated with land rental and the provision of services under the agreements. Metro South Health has the right to retain the rent in accordance with the Deed of Lease in the Transfer Notice.

Although the land on which the facility has been constructed remains an asset of Metro South Health, Metro South Health does not control the facility associated with the arrangement. Therefore, this facility is not recorded as an asset. Metro South Health may receive rights under the arrangement, including:

- rights to receive the facility at the end of the contractual terms; and
- rights to receive cash flows in accordance with the respective contractual arrangements.

The arrangement was structured to minimise risk exposure for the public health system.

Metro South Health  
**Notes to the Financial Statements**  
For the year ended 30 June 2019

**E5 ARRANGEMENTS FOR THE PROVISION OF PUBLIC INFRASTRUCTURE BY OTHER ENTITIES (CONTINUED)**

Public Private Partnership (PPP) arrangements operating for all or part of the financial year are as follows:

Facility	Counterparty	Term of Agreement	Commencement Date
The Princess Alexandra Hospital Multi-Storey Car Park	International Parking Group Pty Limited	25 years	February 2008

*The Princess Alexandra Hospital Multi-Storey Car Park*

The developer has constructed a 1,403 space multi-storey car park on site at the hospital. Rental of \$0.295 million per annum escalated for CPI annually will be received from the car park operator up to February 2033. The developer operates and maintains the facility at its sole cost and risk. Metro South Health staff are entitled to concessional rates when using the car park.

*Assets*

As at 30 June 2019, Metro South Health does not have legal title to the property, nor does it control the facility, therefore it is not recognised as an asset of the agency. The land where the facility has been constructed is recognised as Metro South Health's land. The recognised value of the relevant land parcel at Princess Alexandra Hospital (PAH) is \$22.1 million. The portion dedicated to the PAH multi-storey car park is 33.4% with an estimated value of \$7.4 million.

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenues</b>		
<b>Revenues recognised in relation to these arrangements:</b>		
User charges and fees*	<u>377</u>	<u>370</u>

\*This represents the actual rental payments for the multi-storey car park.

**PPP arrangements of Metro South Health cash flows (indicative)**

<b>The Princess Alexandra Hospital multi-storey car park</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Up to 1 year	385	379
More than 1 year but less than 5 years	1,658	1,633
More than 5 years but less than 10 years	2,368	2,332
Later than 10 years	<u>1,927</u>	<u>2,465</u>
<b>Net indicative cash flow</b>	<u><b>6,338</b></u>	<u><b>6,809</b></u>

Metro South Health  
**Notes to the Financial Statements**  
 For the year ended 30 June 2019

**E6 CO-LOCATION ARRANGEMENTS**

Co-location arrangements operating for all or part of the financial year are as follows:

Facility	Counterparty	Term of Agreement	Commencement Date
Mater Private Hospital Redland	Sisters of Mercy in Queensland	25 years + 30 years	August 1999
Translational Research Institute (TRI) Building	Translational Research Institute Pty Ltd	30 years + 20 years	May 2013
University of Queensland Training Facility – Redland Hospital	University of Queensland	20 years	August 2015
University of Queensland Training Facility – Queen Elizabeth II Jubilee Hospital	University of Queensland	20 years	September 2015

There are contractual arrangements with private sector entities for the operation of a private health facility for a period of time on land controlled by Metro South Health. Metro South Health may receive rights to receive cash flows or rights to receive the facility at the end of the contractual term in accordance with the respective contractual arrangements. As a concession contract, Metro South Health does not recognise the facility as an asset.

*Co-location agreement with Mater Private Hospital Redland*

In accordance with the Co-location Agreement, in 2018-19 Metro South Health recognised \$0.222 million (2018: \$0.222 million) revenue. Metro South Health has not recognised any rights or obligations relating to these facilities other than those associated with land rental and the provision of services under the agreements. Metro South Health has the right to retain the rent in accordance with the Deed of Lease in the Transfer Notice.

Metro South Health does not control the facilities and therefore they are not recognised as assets of the agency. The land where the Mater Private Hospital Redland was constructed is approximately 9% of the Redland Hospital land recognised at a total value of \$12 million.

*Co-location agreement with Translational Research Institute Pty Ltd*

Metro South Health does not control the facility and therefore it is not recognised as an asset of the agency. The land where the Translational Research Institute was constructed is approximately 12% of the relevant parcels of the Princess Alexandra Hospital land recognised at a total value of \$13.484 million. The lease for the building is between the Department of Health and TRI Pty Ltd and Metro South Health has a sublease for building areas, but no revenue is recorded from this arrangement.

*Co-location agreement with University of Queensland – Redland Hospital*

Metro South Health does not control the facility and therefore it is not recognised as an asset of the agency. The land where the University of Queensland Training Facility was constructed is approximately 0.3% of the relevant parcels of the Redland Hospital land recognised at a total value of \$0.04 million. The lease for the building is between the Department of Health and the University of Queensland but no revenue is recorded from this arrangement.

*Co-location agreement with University of Queensland – Queen Elizabeth II Jubilee Hospital*

Metro South Health does not control the facility and therefore it is not recognised as an asset of the agency. The land where the University of Queensland Training Facility was constructed is approximately 0.3% of the relevant parcels of the Queen Elizabeth II Jubilee Hospital land recognised at a total value of \$0.05 million. The lease for the building is between the Department of Health and the University of Queensland but no revenue is recorded from this arrangement.

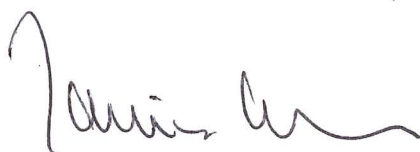
## CERTIFICATE OF METRO SOUTH HEALTH

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 requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) The financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Metro South Health for the financial year ended 30 June 2019 and of the financial position of Metro South Health at the end of that year; and

We acknowledge responsibilities under section 8 and section 15 of the *Financial and Performance Management Standard 2009* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



**Janine Walker AM**  
Adjunct Professor, BAEd, GradDip Business,  
FAHRI, FAIM, MAICD  
Chair  
Metro South Hospital and Health Board  
20 August 2019



**Shaun Drummond**  
Health Service Chief Executive  
Metro South Health  
20 August 2019



**Robert Mackway-Jones**  
BCom MBA CA  
Chief Finance Officer  
Metro South Health  
20 August 2019



## INDEPENDENT AUDITOR'S REPORT

To the Board of Metro South Hospital and Health Service

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Metro South 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 2019, 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 2019, 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 building valuation (\$829.75 m)

Refer to Note B6: Property, plant and equipment in the financial report.

Key audit matter	How my audit procedures addressed this key audit matter
<p><b>Building Valuation</b></p> <p>Buildings were material to Metro South Hospital and Health Service at balance date, and were measured at fair value using the current replacement cost method. A comprehensive valuation of buildings was undertaken by an independent valuation specialist in 2016, in 2017 and 2018 a combination of comprehensive and desktop valuations of these buildings was undertaken by an independent valuation specialist. For 2019 Metro South Hospital and Health Service performed a revaluation of its buildings using relevant indices.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> <li>• Gross replacement cost, less</li> <li>• Accumulated depreciation</li> </ul> <p>Metro South Hospital and Health Service derived the gross replacement cost of its buildings at balance date by applying indexation factors to the gross replacement costs determined at the previous balance date. Using indexation required:</p> <ul style="list-style-type: none"> <li>• Significant judgment in determining indexation factors that reflect the estimated change, since the previous balance date, in the cost inputs used in developing the gross replacement.</li> <li>• Reviewing previous assumptions and judgements used in the determination of fair value in intervening years between the comprehensive valuation to ensure ongoing validity of assumptions and judgements used.</li> </ul> <p>The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of building components.</p>	<p>My procedures included, but were not limited:</p> <ul style="list-style-type: none"> <li>• Assessing the adequacy of management's review of the valuation process.</li> <li>• Reviewing the scope and instructions provided to the valuer.</li> <li>• Assessing the competence, capabilities and objectivity of the valuation specialist used to develop the models.</li> <li>• Obtaining an understanding of the methodology used and assessing its appropriateness with reference to common industry practices.</li> <li>• Evaluating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices.</li> <li>• Recalculating the application of the indices to asset balances; and</li> <li>• Evaluation useful life estimates for reasonableness by: <ul style="list-style-type: none"> <li>○ Reviewing management's annual assessment of useful lives;</li> <li>○ Testing that no asset still in use has reached or exceeded its useful life;</li> <li>○ Enquiring of management about their plans for assets that are nearing the end of their useful life; and</li> <li>○ Reviewing assets with an inconsistent relationship between condition and remaining useful life.</li> </ul> </li> <li>• Where changes in useful lives were identified, evaluating whether they were supported by appropriate evidence.</li> </ul>



### **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.

#### **Report on other legal and regulatory requirements**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

- 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.

A handwritten signature in blue ink that reads "C.G. Strickland".

22 August 2019

C G Strickland  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

# Glossary

## Acronyms

AM	Member of the Order of Australia
Board	Metro South Hospital and Health Board
Brisbane South PHN (BSPHN)	Brisbane South Primary Health Network
FTE	Full time equivalent
GP	General practitioner
HHS	Hospital and Health Service
HSCE	Health Service Chief Executive
ICT	Information and communications technology
ieMR	integrated electronic Medical Record
ISO	International Organization for Standardisation
MOHRI	Minimum Obligatory Human Resource Information
MRSA	Methicillin Resistant <i>Staphylococcus aureus</i>
MSH	Metro South Hospital and Health Service
MSHHB	Metro South Hospital and Health Board
NEST	National Elective Surgery Target
OAM	Medal of the Order of Australia
PAH	Princess Alexandra Hospital
PHN	Primary Health Network
QAO	Queensland Audit Office
QEII	Queen Elizabeth II Jubilee Hospital or QEII Jubilee Hospital
SAB	<i>Staphylococcus aureus</i> bloodstream
SMS	Short message service
TAFE	Technical and Further Education
TRI	Translational Research Institute
WAU	Weighted Activity Unit

## Terms

<b>Activity Based Funding</b>	The funding framework used to fund public health care services delivered across Queensland
<b>Apps</b>	A small specialised software program, designed for a specific purpose or application, usually downloaded to a mobile device
<b>Burden of disease</b>	The impact of a health problem as measured by financial cost, mortality, morbidity and other indicators
<b>Clinical Streams</b>	Health specialty areas
<b>Closing the Gap</b>	A government strategy that aims to reduce disadvantage among Aboriginal and Torres Strait Islander people with respect to life expectancy, child mortality, access to early childhood education, educational achievement, and employment outcomes
<b>Digital Hospital</b>	A hospital where all patient medical information is electronically recorded and accessed through computers instead of paper files
<b>Futures Lab</b>	Metro South Health's Futures Lab brings people together to look at things differently and accelerate great ideas into solutions to health service challenges
<b>LEAPOnline</b>	A Learning Management System that brings together training, education and professional development opportunities for Metro South Health staff
<b>Magnet®</b>	An international program providing recognition for excellence in nursing care
<b>Metro South Health</b>	Metro South Hospital and Health Service
<b>Nurse Navigator</b>	A role in Queensland's public health sector in which highly experienced nurses provide support to patients with complex health conditions
<b>Pathway to Excellence®</b>	An international nursing excellence credential
<b>Planetree</b>	A person-centred and holistic approach to health care, which means caring for each person as an individual; and recognising their mental, social, emotional, spiritual and physical care needs
<b>SpotOnHealth HealthPathways</b>	A web-based information platform outlining the assessment, management and referral of over 550 conditions designed to be used as a point of care by general practitioners and other health professionals
<b>Telehealth</b>	The delivery of health services and information using telecommunication technology such as live video and audio links, tele-radiology, storing of clinical data and images on a computer for forwarding to another location
<b>Translational research</b>	Translates findings in fundamental research into medical practice and meaningful health outcomes

# Checklist

Summary of requirement	Basis for requirement	Annual report page reference
Letter of compliance	<ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</li> </ul>	ARRs – section 7 p3
Accessibility	<ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> </ul>	ARRs – section 9.1 p5 p98–99
	<ul style="list-style-type: none"> <li>Public availability</li> </ul>	ARRs – section 9.2 p2
	<ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3 p2
	<ul style="list-style-type: none"> <li>Copyright notice</li> </ul>	<i>Copyright Act 1968</i> ARRs section 9.4 p2
	<ul style="list-style-type: none"> <li>Information licensing</li> </ul>	<i>QGEA – Information Licensing</i> ARRs – section 9.5 p2
General information	<ul style="list-style-type: none"> <li>Introductory information</li> </ul>	ARRs – section 10.1 p12
	<ul style="list-style-type: none"> <li>Machinery of Government changes</li> </ul>	ARRs – section 10.2, 31 and 32 Not applicable
	<ul style="list-style-type: none"> <li>Agency role and main functions</li> </ul>	ARRs – section 10.2 p12, 18, 20
	<ul style="list-style-type: none"> <li>Operating environment</li> </ul>	ARRs – section 10.3 p21
Non-financial performance	Government's objectives for the community	ARRs – section 11.1 p6
	Other whole-of-government plans/ specific initiatives	ARRs – section 11.2 p7
	Agency objectives and performance indicators	ARRs – section 11.3 p14–17
	Agency service areas and service standards	ARRs – section 11.4 p49–55
Financial performance	Summary of financial performance	ARRs – section 12.1 p56
Governance – management and structure	Organisational structure	ARRs – section 13.1 p22–23
	Executive management	ARRs – section 13.2 p33–38
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3 Not applicable
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4 p47
	Queensland public service values	ARRs – section 13.5 p14
Governance – risk management and accountability	Risk management	ARRs – section 14.1 p46
	Audit committee	ARRs – section 14.2 p44
	Internal audit	ARRs – section 14.3 p46
	External scrutiny	ARRs – section 14.4 p46
	Information systems and recordkeeping	ARRs – section 14.5 p46

Summary of requirement		Basis for requirement	Annual report page reference
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	p40–41
	Early retirement, redundancy and retrenchment	Directive No. 04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	p41
Open Data	Statement advising publication of information	ARRs – section 16	p48
	Consultancies	ARRs – section 33.1	data.gld.gov.au
	Overseas travel	ARRs – section 33.2	data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 33.3	data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	p93
	Independent Auditor’s Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	p94–97

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*

ARRs *Annual report requirements for Queensland Government agencies*

