

ANNUAL REPORT 2023–2024

**Cairns and Hinterland
Hospital and Health
Service**



Accessibility

Open data

Information about consultancies, overseas travel and the Queensland language services policy is available at the Queensland Government Open Data website (<https://www.data.qld.gov.au>). Cairns and Hinterland Hospital and Health Service has Open Data to report on consultancies, overseas travel and Queensland Language Services, and the data can be found on the Queensland Government Open Data Portal: <https://www.data.qld.gov.au>

Public availability statement

An electronic copy of this report is available at <https://www.cairns-hinterland.health.qld.gov.au/about-us/corporate-publications-and-reporting/annual-reports>
Hard copies of the annual report are available by phoning the Communications Team via (07) 4226 0000 (Cairns Hospital switch). Alternatively, you can request a copy by emailing CHHHS_Board@health.qld.gov.au.

Interpreter service statement

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on telephone (07) 4226 0000 and we will arrange an interpreter to effectively communicate the report to you.



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

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

Acknowledgement

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

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

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

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

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

Terminology

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

Letter of compliance

29 August 2024

The Honourable Shannon Fentiman MP
Minister for Health, Mental Health and Ambulance Services and Minister for Women
GPO Box 48
Brisbane QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2023-2024 and financial statements for Cairns and Hinterland Hospital and Health Service.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be found in Appendix C of this Annual Report.

Yours sincerely



Chris Boland
Chair
Cairns and Hinterland Hospital and Health Board

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Queensland Government’s objectives for the community

Cairns and Hinterland Hospital and Health Service (HHS) is committed to the objectives laid out in the statement of the Queensland Government’s objectives for the community — Good jobs, Better services and Great lifestyle. In particular, our policies, strategies and services align with the outcomes of ‘Backing our frontline services’, ‘Keeping our Queenslanders safe’ and ‘Growing our regions’.

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

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

Cairns and Hinterland Hospital and Health Service priorities	Alignment with the Statement of the Queensland Government’s objectives for the community
<p>Our care</p> <p>We work to enable safe and equitable healthcare delivered closer to home through our partnerships and together with communities.</p>	<ul style="list-style-type: none"> • Backing our frontline services • Keeping Queenslanders safe (by ensuring access to healthcare no matter where people live)
<p>Our people</p> <p>We nurture positive workplaces where our people feel safe, empowered and supported to collaborate in delivering excellence in healthcare.</p>	<ul style="list-style-type: none"> • Growing our regions (by attracting people, talent and investment as well as collaborating with partners in our communities)
<p>First Peoples health</p> <p>We recognise the valuable cultural knowledge of our First Peoples and through our partnerships, we will strive to improve health and wellbeing outcomes for First Peoples communities.</p>	<ul style="list-style-type: none"> • Honouring and embracing our rich and ancient cultural history (by actively working towards health equity and improved health outcomes for First Peoples)
<p>Our sustainability</p> <p>With our people, our places and our technology, we will deliver efficient and sustainable healthcare and services.</p>	<ul style="list-style-type: none"> • Keeping Queenslanders safe (by ensuring access to healthcare no matter where people live) • Protecting the environment (by reducing our waste and carbon footprint) • Building Queensland (by delivering new health infrastructure to meet community needs)

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

Message from the Board Chair and Chief Executive

Cairns and Hinterland HHS continues to deliver high-quality healthcare and services to the residents of Far North Queensland, and we are doing this much more than ever.

In the 2023-2024 financial year, there were 180,407 presentations to emergency departments across Cairns and Hinterland HHS.

Staff also performed a record 8,423 emergency and 10,415 elective surgeries across Cairns and Hinterland Hospital and Health Service.

During the year, we invested \$1.429 billion in healthcare, averaging \$3.9 million per day providing public health services, and delivered a balanced year-end result.

This is a record level of patient activity for our health service and despite challenges, including bed capacity, constrained sites for physical growth, and specialist workforce attraction to regional Queensland, we have maintained good fiscal responsibility and balanced our budget in 2023-2024, which is a remarkable improvement on prior years. We pay tribute to all of our staff, clinical and non-clinical, for their commitment to our community in ensuring the best possible care of everyone who has entered our health service.

Our vision for meeting this unprecedented demand, looking forward to the next 20 years, is overlaid in several stages.

Firstly, this includes the establishment of the health and innovation precinct in Cairns. This will encompass additional university, private sector and health investment into research, development, clinical trials and education.

These sectors will attract clinicians across all specialties and be a retention incentive for clinicians to stay in the region whilst continuing to develop their skills and contribute to clinical enhancements via research.

This is also the pathway for the health service to take Cairns Hospital to a tertiary level.

Local consideration around increasing our bed footprint and modernising our infrastructure includes a view that we need to establish an Acute Services Building which would accommodate a new intensive care unit, emergency theatres, emergency department, imaging and cardiology which would be complemented with a rooftop helipad. This however, will be subject to Government support and funding.

This would mean the existing clinical floors within the hospital would be repurposed to expand outpatients, increase medical and surgical beds and create a bespoke paediatric in-patient and outpatient section.

While this is a longer-term plan for our health service, in the more immediate future, we have been getting on with the business of building.

During 2023-2024, we officially opened our new \$86.4 million Atherton Hospital Clinical Services Building, delivering a new emergency department, x-ray, operating theatres, and medical and maternity wards.

Construction began on the new \$14.8 million Cow Bay Primary Health Centre, including a new helipad; and work began on Mossman Hospital's \$5.5 million roof upgrade.

We completed the business case for the Cairns Health and Innovation Centre and have progressed to the master-planning phase for this project; additionally construction is due to start shortly on the Cairns Surgical Centre, which is part of the \$250 million Cairns Hospital Expansion Project.

Planning work began on a \$19.3 million Cairns Youth Residential Rehabilitation and Treatment Service at Edmonton.

Construction is nearing completion on the new \$70 million Mental Health Unit at Cairns Hospital; and the finishing touches were completed on the \$26.4 million Cairns Hospital emergency department expansion. We have received approval to proceed with the planning and development of a much needed 8-bed adolescent mental health inpatient ward which will allow us to treat and care for our young people in a purpose-built facility conducive to great family-centred care.

As the largest single employer in the region, with 7442 full-time, part-time and casual employees¹ (6091 full time equivalent), our staff are our greatest asset.

We thank them for all they do to provide such compassionate and exceptional care to our patients and community.



Chris Boland
Chair
Cairns and Hinterland Hospital and Health Board



Leena Singh
Chief Executive
Cairns and Hinterland Hospital and Health Service

¹ MOHRI Occupied Headcount as at 30 June 2024

About us

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

Cairns and Hinterland HHS covers a large geographic area with a diverse and growing population, and relatively high health needs compared with Queensland and national averages.

The health service's facilities include nine hospitals, 11 primary health sites and 10 community health centres, as well as mental health facilities and specialist services.

The Cairns Hospital is the primary referral hospital for Far North Queensland with a catchment population of about 289,823 (including Torres and Cape HHS population) and our Cairns and Hinterland HHS population is 261,522. Referrals come from as far north as Cape York Peninsula and Torres Strait Islands, west to Croydon and south to Tully.

The health service provides a wide range of primary care, acute and specialist services. It is 95 per cent self-sufficient, meaning only five per cent of patients need to be referred to Townsville or Brisbane for highly specialised acute services.

Strategic direction

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

Vision, Purpose, Values

Vision

Excellent and sustainable healthcare for all in Far North Queensland.

Purpose

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

Values

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

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

- Compassion
- Accountability
- Integrity
- Respect.

Priorities

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

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

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

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

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

First Peoples health

The Cairns and Hinterland HHS footprint covers an area of 142,900km² and extends north to Kuku Yalanji (Cow Bay), Tagalaka in the west (Croydon) and Girramay in the south (Jumbun) and to all other tribes and clans therein, including the diaspora of Torres Strait Islanders and other First Peoples who have made this region their home.

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

First Peoples population

The Cairns and Hinterland HHS region is home to the second largest population of First Peoples residents in comparison with other hospital and health service regions.

There is an estimated 12 per cent Aboriginal and/or Torres Strait Islander people (28,223 people) in the Cairns and Hinterland HHS region. Nearly one third (32.8 per cent) of patients accessing our admitted services are First Nations people (from both Torres and Cape HHS region and Cairns and Hinterland HHS region).

The Cairns Hospital is the only major referral hospital in Far North Queensland that provides care for people from Cape York Peninsula and the Torres Strait. There are at least 60 Aboriginal and Torres Strait Islander traditional owner groups within and across Cape York and in the Torres Strait. During 2023-2024, more than 33,510 First Peoples were discharged from our network of hospitals, 13 per cent of whom reside in Cape York or the Torres Strait.

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

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

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

First Peoples health planning

The implementation plan associated with the *Cairns and Hinterland Hospital and Health Service First Peoples Health Equity Strategy 2022-2025* operationalises the Health Equity Strategy and outlines the performance reporting requirements to demonstrate the advancement to achieving Health Equity for First Peoples in the Cairns and surrounding region.

Extensive use of existing systems and data, and the introduction of monthly health equity reporting has strengthened effective service performance analysis that informs service planning and delivery, as well as measuring progress towards health equity key priority outcome areas.

Cairns and Hinterland HHS is the only regional site selected to trial the First Peoples Cancer Clinical Nurse Consultant. The role is part of a state-wide project that aims to improve cancer outcomes by assisting First Peoples cancer patients and their caregivers to navigate the complexities of the health system, improving engagement in cancer care services, and removing barriers to accessing care.

Partnerships in health

In partnership with Aboriginal and Torres Strait Islander Community Controlled Health Organisations, the First Peoples Community Liaison Service has been co-designed to provide cultural and social supports for First Peoples patients who do not meet the eligibility criteria of existing patient support services. It aims to increase engagement with healthcare services.

Utilising a place-based approach, the First Peoples Community Liaison Service provides a community-based liaison service to support outpatients and long-term patients, for example Renal Dialysis patients in supported accommodation, or patients engaged with hospital avoidance services, who require more expansive community support than existing programs can provide.

Aboriginal and Torres Strait Islander engagement

Empowering First Peoples is key to closing the gap. For First Peoples, the concept of good health emphasises the connectedness between the absence of disease or illness, physical, social, emotional, cultural, spiritual, and ecological wellbeing, for both the individual and the community, and recognises the impact that social and cultural determinants have on health.

The Cairns and Hinterland HHS Aboriginal and Torres Strait Islander health community consultation committee, comprising of patients, consumers, carers, and community members actively participate in and contribute to service planning and design. The committee led the development and design of a First Peoples resource for advanced care planning, which is being distributed throughout the region's health facilities.

Our community and hospital-based services

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

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

Our hospitals:

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

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

Our primary and community health centres:

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

Additional services include:

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

Car parking concessions

During 2023-2024, the Cairns and Hinterland HHS issued 92 patient car parking concession passes valued at \$7,595.

Targets and challenges

Cairns and Hinterland HHS continues to be challenged by the increasing demand for health services outstripping population growth as well as the need to improve health equity for First Peoples.

We service the unique, complex health needs of the largest and most diverse Aboriginal and Torres Strait Islander population in the state, and we continue to work towards improving equity of access, particularly for those who are at risk of poorer health outcomes.

Whilst an estimated 12 per cent of the Cairns and Hinterland HHS population identify as First Peoples, nearly one third (32.8 per cent) of patients accessing our admitted services are First Nations people (from both Torres and Cape region and Cairns and Hinterland region).

In previous and current reporting periods we have experienced significant demand for higher intensity inpatient services, due to the chronic and complex health conditions of the community, combined with increasing pressures on the primary care sector.

This will continue to be a challenge into the future and the Cairns and Hinterland HHS has short, medium, and long-term plans in place to help address this, including infrastructure, models of care and workforce plans.

For our First Peoples clients, we implemented the Care Coordination Service Centre and priority patient dashboard, in a three-way collaboration with Torres and Cape HHS, and the Queensland Aboriginal and Islander Health Council (QAIHC).

We have also commenced our First Peoples culturally and clinically safe models of care project.

To help alleviate some of the pressure at our hospitals, the Hospital in the Home service has been rolled out to Residential Aged Care Facilities.

Smart referrals have been progressively implemented within primary care to streamline specialist referrals, as well as the commencement of a specialist written advice function, allowing general practitioners to seek specialist advice directly for some sub-specialties, limiting the need for specialist outpatient referral and accelerating access to the right care for patients.

With the near completion of the new Mental Health Unit at Cairns Hospital, we have expanded and improved our mental health services. The Central Intake Service for mental health and additional services commenced with Torres and Cape HHS, with our HHS providing support, educational and outreach services.

For our mental health consumers in crisis, we embedded the Queensland Ambulance Service and Queensland Police Service co-responder model into our business as usual.

We also launched a Distress Brief Intervention partnership with Northern Queensland Primary Health Network, to provide a short-term immediate support service for suicide and psychological distress support.

As we look to the future, our challenges include population health need and rising costs of living; geographical barriers to equitable service access; gaps in primary care, aged care, disability care and community care; mental health and addiction services access; and workforce sustainability, capacity and capability.

We have opportunities to strengthen our partnerships, to look at new ways and technology to provide care, and to drive change and innovation to continue to provide excellent and sustainable healthcare services into the future.

Governance

Our people

Board membership

Chris Boland

B.E.(Hons), GAICD

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

Appointed: 16 May 2017

Current term: 1 April 2024 – 31 March 2026

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

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

Jodi Peters

B Bus (USQ), GAICD, FIML, MAHRI

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

Appointed: 16 May 2017

Current term: 1 April 2022 – 31 March 2026

Jodi is a founder and Managing Director of The 20/20 Group. In this role, she advises on strategic planning, governance, and undertakes major tendering projects. Jodi is also the Business Manager of Peters Bosel Lawyers.

In addition to having previously worked in senior executive roles, Jodi has chaired and sat on several not-for-profit boards. She regularly consults to private sector boards on governance issues and acts as an independent chair. This experience has given her a strong knowledge of governance, executive reporting, financial and performance management.

Jodi is currently:

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

Greg Nucifora

B Com, FCA, FAICD

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

Appointed: 18 May 2020

Current term: 1 April 2024 – 31 March 2026

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

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

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

Fiona Jose

Member, Executive Committee

Appointed: 1 April 2022

Current term: 1 April 2022 – 31 March 2026

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

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

Dr Aileen Traves

MBBS, DCH, MPHTM, FRACGP, JP (Qual), GAICD

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

Appointed: 1 April 2024

Current term: 1 April 2024 – 31 March 2028

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

Aileen works as a GP in Cairns and is a Senior Lecturer at James Cook University College of Medicine and Dentistry.

She is currently the Deputy Chair of the RACGP Queensland Faculty Council.

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

Louise Prychidczuk

LLB Hons, B Com

Chair, Audit and Risk Committee

Appointed: 1 April 2024

Current term: 1 April - 31 March 2028

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

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

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

Bevan Ah Kee

Member, Safety and Quality Committee

Appointed: 1 April 2024

Current term: 1 April 2024 – 31 March 2028

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

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

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

He has experience working across urban, rural and remote settings.

Julia Leu

MBA, BA, GradDipEd, GradDipComm, MAICD

Member Executive Committee

Appointed: 1 April 2024

Current term: 1 April 2024 – 31 March 2028

Julia is a local council veteran with more than 25 years' experience. She was Mayor of the Douglas Shire Council from 2014 until March 2020, following 6 years as an independent Councillor with Cairns Regional Council.

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

Currently, she is a Director of the Far North Queensland Corporation (Ports North) and President of the Port Douglas Neighbourhood Centre. Julia is also involved in a number of local not-for-profit community organisations.

Board attendance and fees

The Board meets monthly with 11 meetings typically scheduled each financial year and an extraordinary board meeting in August to approve the Cairns and Hinterland HHS's annual financial statements. Due to the number of board members departing on 31 March 2024, the board meeting scheduled for 3 April 2024 was cancelled and an extraordinary board meeting was held on 27 March 2024. Attendance and fees for the 2023-2024 Board are outlined in the tables below.

Cairns and Hinterland Hospital and Health Board					
Act or instrument	<i>Hospital and Health Boards Act 2011</i>				
Functions	Members of the Cairns and Hinterland Hospital and Health Board (HHB) are appointed by the Governor in Council on recommendation of the Minister for Health, Mental Health and Ambulance Services and Minister for Women. The HHB is responsible for the governance and control of the HHS, appointing the Health Service Chief Executive, setting the HHS's strategic direction and monitoring the HHS's financial and operational performance.				
Achievements	Refer to section non-financial performance, page 36 of Annual Report				
Financial reporting	Refer to section Financial Summary, page 39 of Annual Report				
Remuneration					
Position	Name	Meetings/ sessions attendance	Approved annual, sessional or daily fee	Approved sub- committee fees if applicable	Actual fees received
Chair (term ended 31 March 2024)	Clive Skarott	9 (board) 13 (committees)	\$75,000 pa	\$12,000 (Finance and Performance; Safety and Quality; Audit; Executive)	\$67,000
Deputy Chair (term ended 31 March 2024)	Luckbir Singh	8 (board) 4 (committees)	\$40,000 pa	\$7000 (Executive; Safety and Quality)	\$36,000
Member (term ended 31 March 2024)	Nancy Long	9 (board) 12 (committees)	\$40,000 pa	\$6000 (Safety and Quality; Finance and Performance)	\$35,000
Member (term ended 31 March 2024)	Amanda Roberts	8 (board) 6 (committees)	\$40,000 pa	\$6000 (Executive; Safety and Quality)	\$35,000
Member (April 2023 - March 2024) Chair (April 2024 - present)	Christopher Boland	9 (board) 15 (committee)	\$40,000 pa pro rata \$75,000 pa pro rata	\$7000 (Audit and Risk; Finance and Performance) pro rata \$13,000 (Audit and Risk; Finance and Performance; Safety and Quality; Executive pro rata)	\$54,000
Member	Jodi Peters	11 (board) 19 (committee)	\$40,000 pa	\$10,000 (Safety and Quality; Finance and Performance; Audit and Risk) pro rata \$7000 (Safety and Quality; Finance and Performance) pro rata	\$49,000

Member (term ended October 2023)	Tracey Wilson	2 (board) 0 (committee)	\$40,000 pa	\$6000 (Executive; Audit and Risk)	\$17,000
Member	Gregory Nucifora	9 (board) 13 (committee)	\$40,000 pa	\$7000 (Finance and Performance; Audit and Risk)	\$47,000
Member	Fiona Jose	8 (board) 3 (committee)	\$40,000 pa	\$3000 (Executive)	\$43,000
Member	Aileen Traves	2 (board) 3 (committee)	\$40,000 pa	\$6000 (Safety and Quality; Executive)	\$10,000
Member	Bevan Ah Kee	2 (board) 1 (committee)	\$40,000 pa	\$3000 (Safety and Quality)	\$10,000
Member	Louise Prychidczuk	2 (board) 1 (committee)	\$40,000 pa	\$4000 (Audit and Risk)	\$10,000
Member	Julia Leu	2 (board) 1 (committee)	\$40,000 pa	\$3000 (Executive)	\$10,000
No. scheduled meetings/sessions	11				
Total out of pocket expenses	\$1552				

Table 2 – Board meeting attendance and fees

Name	Board Meeting	Audit and Risk	Finance and Performance	Safety and Quality	Executive
Clive Skarott	9/9	2/3	6/8	2/4	3/3
Luckbir Singh	8/9			2/4	2/3
Nancy Long	9/9		8/8	4/4	
Amanda Roberts	8/9			4/4	2/3
Christopher Boland	9/11	4/4	8/11	2/2	1/1
Jodi Peters	11/11	2/3	11/11	6/6	
Tracey Wilson	2/4	0/1			0/1
Gregory Nucifora	9/11	3/4	10/11		
Fiona Jose	8/11				3/4
Aileen Traves	2/2			2/2	1/1
Bevan Ah Kee	2/2			1/2	
Louise Prychidczuk	2/2				1/1
Julia Leu	2/2				1/1

Table 3 – Board meeting and Board sub-committee meeting attendance

Our committees

Committees of the Board

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

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

Executive Committee

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

During the 2023-2024 year, the Executive Committee considered a number of matters, including:

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

Safety and Quality Committee

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

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

During the 2023-2024 year, the Safety and Quality Committee considered a number of matters, including:

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

Audit and Risk Committee

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

The Audit and Risk Committee performs the functions as so described under part 7, section 34 of the *Hospital and Health Boards Regulation 2012*.

The purpose of the Audit and Risk Committee is to advise the board on the adequacy of the health service's financial statements, internal control structure, internal audit function and legislative compliance systems. The committee also oversees the health service's liaison with the Queensland Audit Office (QAO). The Audit and Risk Committee monitors audit recommendations on a quarterly basis – including external audit recommendations and QAO performance audit recommendations (where relevant). Risk management is another matter that this committee oversees.

Finance and Performance Committee

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

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

During 2023-2024, the Finance and Performance Committee considered a number of matters, including:

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

Executive team

Health Service Chief Executive

Ms Leena Singh *CA, BMS*

As Chief Executive of Cairns and Hinterland HHS, Leena is responsible for the operational management of Far North Queensland's largest health service, also the largest single employer in the region. Leena commenced in the Chief Executive role in February 2023.

She has more than 20 years' experience in senior executive roles in health systems in New South Wales, Queensland and New Zealand, with particular skills in strategic development, governance, and health systems improvement. Her wealth of experience includes holding Chief Executive, Chief Operating Officer and Chief Financial Officer roles in a range of health services and other organisations.

Acting Executive Director Cairns Services

Ms Susan Henderson *CCN, RN, BN, MBA, MAICD*

Susan commenced as Acting Executive Director of Cairns Services in February 2023. Susan has more than 30 years' experience in critical care nursing and senior leadership roles across Queensland, New South Wales and the United Kingdom. She commenced with Cairns and Hinterland HHS in 2017 as the Director of Intensive Care, Women's and Perioperative and has been instrumental in strengthening corporate and clinical governance, implementing alternative models of care and local outsourcing to the private sector on a large scale. She was involved with the commissioning of the Multidisciplinary Preadmission Clinic, hybrid theatre and the twelfth theatre at Cairns Hospital.

Acting Executive Director Rural and Remote Services

Ms Linda Bailey *BAppSci (OT), MBA, MPH, Grad Cert (Health Economics & Policy)*

As acting Executive Director Rural and Remote Services, Linda Bailey is responsible for the operational management of all rural health facilities in the health service.

Linda commenced in the acting role in June 2023 and has more than 30 years' experience working in health.

Linda has held many senior leadership roles over the last fifteen years, including Director of Allied Health and other service Director roles across the health service.

She has a particular interest in clinical governance and provision of quality and equitable health services.

Executive Director Medical Services

Adjunct Clinical Professor Dr Donald Mackie *MB ChB, FANZCA, FRACMA, MInstD*

Don Mackie was appointed in June 2019 and has over 20 years of experience in clinical leadership roles in Australia and New Zealand.

He originally specialised in anaesthesia and has worked in the United Kingdom and the United States. A Fellow of the Royal Australasian College of Medical Administrators he also holds an adjunct clinical professor appointment with James Cook University.

Before moving to Cairns, Don held the role of Executive Director of Medical Services and Clinical Governance with the Central Adelaide Local Health Network.

Previously, he was New Zealand Ministry of Health Chief Medical Officer and Deputy Director General: Clinical Leadership, Protection and Regulation.

Executive Director Nursing and Midwifery

Mr Cameron Duffy *BN, GradDip (Health Admin & Information Systems), MDem*

Cameron Duffy was permanently appointed as Executive Director of Nursing and Midwifery Services in December 2022 after acting in the role since August 2022. Cameron has over 30 years' experience in healthcare services. He began as a registered nurse in 1994 and has worked across Queensland with the last 17 years in senior leadership positions. Possessing a Masters Degree in Dementia, Cameron has collaborated with university partners on several research projects in dementia. He has contributed to initiatives to progress workforce leadership capability and address long-term recruitment and retention challenges.

Executive Director People and Culture

Ms Cheryl Winstanley *LLB (Master of Law), GAICD*

Cheryl Winstanley was appointed as Executive Director of People and Culture in October 2023.

She has extensive senior level human resource management experience in the public and private sector. This includes working most recently as a Darwin-based workplace relations consultant, an Executive Director in the Office of the Commissioner for Public Employment for the Northern Territory Government, and HR director with the NT Government.

Cheryl is a member of the Australian Institute of Company Directors and holds a Master of Law and Mediation qualifications from QUT.

Chief Finance Officer

Mr Vijay Bala *BAcc, FCCA, FCPA*

Vijay Bala was appointed as Chief Finance Officer in October 2023.

Vijay is an experienced finance, commercial and operations professional with over 20 years in various organisations across a number of industry sectors. He has also recently launched fintech and healthtech start-ups where his strategic thinking and commercial acumen were critical in building successful businesses.

Commencing his career with Deloitte and PwC, Vijay has worked across APAC and has held national, regional and global roles. Vijay graduated with a Bachelor of Accountancy and is a Fellow of the CPA as well as ACCA and holds post graduate qualifications in Statistics in Public Health.

Vijay has delivered exceptional customer experiences and is committed to helping improve the health outcomes of the local community.

Executive Director Allied Health, Strategy, Planning and Infrastructure

Ms Tania Cavanagh *B. Physiotherapy, GAICD*

Tania was appointed to the role of Executive Director Allied Health in 2022, with professional governance responsibility for allied health within the HHS, as well as operational management of pharmacy, medical imaging, sexual health and oral health services.

Prior to Tania's appointment as Executive Director of Allied Health, she worked as a physiotherapist in clinical and clinical leadership roles for more than 20 years in public and private sector health settings across Australia and in the United Kingdom. Tania became the Cairns and Hinterland HHS Director of Physiotherapy in 2004 and acted for long periods as Director Allied Health and Executive Director Allied Health.

Executive Director Aboriginal and Torres Strait Islander Health

Ms Simone Lukies

Simone Lukies was appointed as Executive Director of Aboriginal and Torres Strait Islander Health in January 2024.

Simone has 17 years' experience in the health industry working towards improving the health and wellbeing of Aboriginal and Torres Strait Islander patients.

She has done this by working to improve systems, strategies, and services, across a variety of disciplines including pharmacy, sexual health, rheumatic heart disease and eHealth projects.

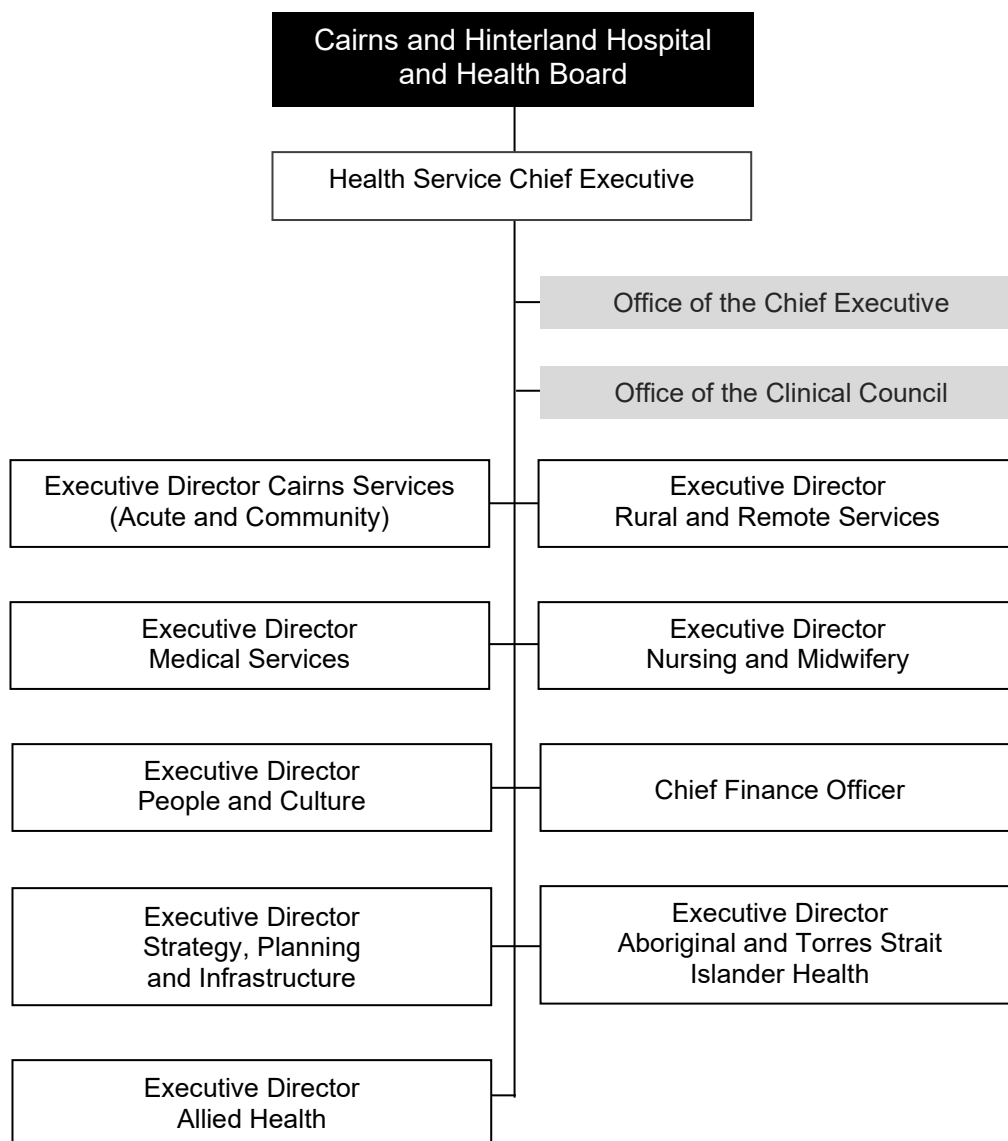
Executive Director Strategy, Planning and Infrastructure

Mr Dean Davidson *BComm, MBA*

Dean Davidson was appointed as Executive Director Strategy, Planning and Infrastructure in January 2024.

He previously worked for Torres and Cape HHS and commenced as the Director Contracts and Procurement in 2016. From 2017 he held several executive roles at Torres and Cape HHS including acting Executive Director Corporate Services, Executive Director Asset Management, Executive Director Strategy and Investment, and Chief Executive.

Organisational structure and workforce profile



Workforce profile

Cairns and Hinterland HHS continues to be the largest employer in Far North Queensland. As at 30 June 2024, 6,093 full-time equivalent employees² delivered or supported safe and quality healthcare services across nine executive-led portfolios within the health service.

Total Staffing	Number
Headcount (MOHRI)	7,442
MOHRI FTE	6,091
Occupation Types	%
Corporate	4.18%
Frontline and frontline support	95.82%
Appointment Type by FTE	%
Permanent	77.12%
Temporary	17.73%
Casual	4.97%
Contract	0.18%
Employment Status by Headcount	%
Full-time	46.63%
Part-time	44.80%
Casual	8.57%

Table 4 - Staffing

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

Gender	Headcount	Percentage of total workforce (calculated on headcount)
Woman	5,719	76.85%
Man	1,713	23.02%
Non-Binary	10	0.13%

Table 5 - Gender

² MOHRI FTE data for fortnight ending 30 June 2024

Diversity Groups	Headcount	Percentage of total workforce (calculated on headcount)
Women	5,719	76.85%
Aboriginal Peoples and Torres Strait Islander Peoples	271	3.64%
People with disability	154	2.07%
Culturally and Linguistically Diverse – Speak a language at home other than English**	945	12.70%

Table 6 - Diversity target group data

Data is based on employees who have chosen to identify as part of a Diversity Group

**This includes Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages spoken at home

Women in leadership roles (headcount)	Headcount	Women percentage as total leadership cohort (calculated on MOHRI headcount)
District Senior Officers (Classified, s122 and s155 combined)	7	53.85%
Senior Executive Service and Health Service Executive (Classified, s122 and s155 combined)	8	72.73%

Table 7 - Target group data for Women in Leadership Roles

Strategic workforce planning and performance

The board endorsed the *Cairns and Hinterland Hospital and Health Service Workforce Strategy 2024-2032* on 6 March 2024. The workforce goals are focused on sourcing, attracting, developing, and retaining high-calibre staff with the knowledge, skills and experience needed to successfully deliver the goals and directions within the *Cairns and Hinterland Hospital and Health Service Strategic Plan 2018-2023* and the *Cairns and Hinterland Hospital and Health Service Clinical Services Plan 2022-2027*.

Staff wellbeing

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

The Cairns Hospital Wellbeing Expo held in October 2023, during Queensland Mental Health Week, provided staff with activities based on the eight dimensions of wellness. The Wellbeing Expo was supported by face-to-face and online wellbeing and resilience training, reaching our remote, rural and regional staff members.

A staff survey 'Tell Us Like It Is' was conducted in February and March 2024. A total of 2,894 responses were received representing 39 per cent of staff. The survey measured staff engagement and the overall health of our workplace culture. An analysis of the results indicates a 'culture of striving' which is characterised as striving to make things better in the workplace and a need to focus on the root cause of problems and resolving systematic issues rather than creating temporary work arounds. A priority program is being developed to address the overall results of the survey to support the vision of being recognised as a centre of excellence for working in healthcare.

Planning for the future of work

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

The Heroes in Health two-day program, a collaboration between Cairns Hospital and James Cook University, received nearly 500 applications from students expressing an interest in a career in health. Fifty students from local high schools were selected to experience what it is like to work in medical imaging, occupational therapy, physiotherapy, nursing, midwifery, ultrasound, speech pathology, oral health, pharmacy, medicine, pathology and the Royal Flying Doctor Service.

The Deadly Start Education 2 Employment program commenced in 2023 with 11 First Nation's school students who expressed interest in a career in the health sector. The program involved placements in allied health and nursing whilst students undertook a Certificate III in Health Service Assistance. Nine students successfully completed the Certificate III in July 2024 and it is hoped they continue in work or further study in the health sector.

Flexible working arrangements

Cairns and Hinterland HHS recognises the importance of flexible working arrangements in attracting and retaining employees, building an engaging workplace culture, creating a diverse and inclusive workplace, and assisting all staff in achieving a better work/life balance. The high percentage of part-time appointments reflects the strong support for flexible work arrangements in the workplace.

Recognising our staff

Excellence and recognition month took place in March 2024 where staff were recognised with length of service and values certificates at local ceremonies. The month culminated with the Excellence Awards gala dinner which recognises outstanding achievements and values-driven behaviours. New awards for 2024 were 'Volunteer of the Year' and 'Chief Executive – Excellence in Performance'.

Additionally, enhancements have been made to the 'Cheers for Peers' online staff recognition portal which is available year-round.

Leadership programs

Leadership and management development programs were implemented to build capability and effectiveness. The Transition to Leadership program develops aspiring leaders and individuals who are new to leadership. The Management Development Program was well attended during 2023-2024. The program provides insights into the essential and contemporary skills required to be an effective leader. Training modules are delivered by subject matter specialists and participants develop and deliver a quality improvement project that can be implemented across our hospitals. The Centre of Leadership Excellence has also delivered various programs across the year which develops the skills of employees.

Our senior leaders were supported through Executive Teaming programs with a specific focus on building team accountability and capability to support the key projects underway across the organisation. One-on-one coaching was also provided to develop specific leadership or management skills and to help ensure learnings are embedded in practice.

Industrial relations framework

The health service holds Local Consultative Forums (LCFs) that support a collaborative approach to consultation and the timely resolution of industrial issues. The overarching Health Service Consultative Forum (HSCF) is aimed at HHS-wide initiatives or issues of a more tactical/strategic nature. An escalation path between LCFs, the HSCF and Department of Health peak industrial forums exists to ensure disputes are managed in the spirit of collegial engagement as far as possible.

Early retirement, redundancy and retrenchment

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

Risk management

Cairns and Hinterland HHS is committed to better practice risk management through alignment with ISO 31000:2018 Risk management – Principles and Guidelines, in accordance with the risk appetite endorsed by the Board of Cairns and Hinterland HHS.

The health service has an established Risk Management Framework, and the organisation is passionate about improvement through the proactive identification of risks and opportunities, and identifying, establishing, and maintaining appropriate controls. The framework has been developed in accordance with ISO 31000 and consists of a policy, procedure, risk appetite statement, risk register, governance structure and reporting tools.

In 2023-2024, a range of improvements to increase the maturity of risk management operations across the organisation was continued, with a focus on updating and reviewing the policies, procedures and risk artifacts, refreshing the risk appetite statement and the strategic and operational risks.

Risks are reported to the Cairns and Hinterland HHS Executive Leadership Committee, Board Audit and Risk Committee and Board on a quarterly basis or escalated as required. The risk management framework, risk appetite statement and risk analysis matrix are reviewed on an annual basis. Accountable executives and leaders are responsible for managing risks within the Board's appetite.

The *Hospital and Health Boards Act 2011* requires annual reports to state each direction given by the Minister to the health service during the financial year and the action taken by the health service as a result of the direction. During the 2023-2024 period, one direction was given to Cairns and Hinterland HHS in relation to a crisis care process. As a result, Cairns Hospital Emergency Department has taken the following actions to meet the direction: triaging processes, implementing a crisis care process within 10 minutes of sexual assault disclosure or presentation, and training of additional staff as sexual assault nurse examiners.

Internal audit

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

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

All internal audit reports are presented to the relevant operational manager for management responses and then submitted to the HHS Executive Leadership Committee and Audit and Risk Committee. The Internal Audit team follows up implementation of recommendations and presents a monthly update on implementation to the relevant executive and managers accountable for recommendations. An Internal Audit progress report is prepared quarterly and reported to the Executive Leadership Committee and the Audit and Risk Committee. The Internal Audit Team is resourced through a co-source arrangement with an in-house Director of Internal Audit and Risk and a Senior Internal Auditor.

External scrutiny, information systems and recordkeeping

External scrutiny

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

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

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

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

During the 2023-2024 financial year, the Cairns and Hinterland HHS has an informed opinion that information security risks were actively managed and assessed against the Cairns and Hinterland HHS's risk appetite with appropriate assurance activities undertaken in line with the requirements of the *Queensland Government Enterprise Architecture (QGEA) Information security policy (IS18:2018)*.

Medical records

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

This allows for information to be available to multiple providers at the one time and assists in the co-ordinated care of patients. All access to the system is controlled and logged, and audit trails are regularly monitored. Health Information Services within the health service manage the paper records across the facilities and, where required, scan information from paper records into the electronic medical records. Health Information Services is currently accredited against the National Safety and Quality Health Service Standards. Systems are in place to ensure paper records are appropriately stored, easily located and accessible when required, secured from unauthorised access, and protected from environmental threats. Health Information Services also has procedures and work instructions in place that ensure compliance with the Health Sector (Clinical Records) Retention and Disposal Schedule, Queensland Disposal Authority Number (QDAN) 683 and General Retention and Disposal Schedule issued 3 December 2020.

Information systems and recordkeeping

Cairns and Hinterland HHS is responsible for the management and safe custody of administrative records in accordance with the Records Governance Policy and *Public Records Act 2002*.

Administrative records are created, stored, and maintained for only some of the business activities undertaken. The health service adheres to Queensland State Archives retention and disposal guidelines.

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

Queensland Public Service ethics

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

All staff employed are required to undertake training in the *Code of Conduct for the Queensland Public Service* (the Code) during their orientation and to re-familiarise themselves with the Code at regular intervals.

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

Human rights

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

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

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

Cairns and Hinterland HHS received 48 human rights complaints, which included 4 complaints from Queensland Human Rights Commission (QHRC), and were identified as engaging the following human rights:

- Section 15 – Recognition and equality before the law;
- Section 16 – Life;
- Section 17 – Protection from torture and cruel, inhuman or degrading treatment;
- Section 21 – Freedom of expression;
- Section 25 – Privacy and reputation;
- Section 26 – Protection of families and children;
- Section 27 – Cultural rights – generally;
- Section 28 – Cultural rights – Aboriginal peoples and Torres Strait Islander peoples;
- Section 29 – Liberty and security of person;
- Section 30 – Humane treatment when deprived of liberty;
- Section 33 – Rights of children in the criminal process;
- Section 37 – Health Services.

A total of 46 complaints have been reviewed and assessed as being compatible with human rights and resolved by way of explanation, apology, information provided or concern registered. Two complaints remain ongoing.

Confidential information

The *Hospital and Health Boards Act 2011* requires annual reports to state the nature and purpose of any confidential information disclosed in the public interest during the financial year. The Chief Executive did not authorise the disclosure of confidential information during the reporting period.

Performance

Service standards

During the year, Cairns and Hinterland HHS continued to deliver high-quality services to residents and visitors of Far North Queensland. This was achieved in an environment of a shortage of general practitioners (GPs) in our region, increasing demand for health services, and workforce challenges.

Emergency Department performance across Cairns and Hinterland HHS facilities was impacted by increased presentations and acuity of presentations during 2023-2024 which at times impacted our performance and ability to deliver planned care services.

The median wait time for treatment in emergency departments in 2023-2024 was 16 minutes, which remained consistent with the 2022-2023 period and the median wait time for elective surgery was 38 days.

Challenges recruiting to key clinical positions within the mental health service impacted the number of mental health contact hours with clients.

Cairns and Hinterland Hospital and Health Service	2023–2024 Target	2023–2024 Actual
Effectiveness measures		
Percentage of emergency department patients seen within recommended timeframes		
<ul style="list-style-type: none"> Category 1 (within 2 minutes) Category 2 (within 10 minutes) Category 3 (within 30 minutes) Category 4 (within 60 minutes) Category 5 (within 120 minutes) 	<p>100%</p> <p>80%</p> <p>75%</p> <p>70%</p> <p>70%</p>	<p>100%</p> <p>76%</p> <p>74%</p> <p>77%</p> <p>90%</p>
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	>80%	67%
Percentage of elective surgery patients treated within the clinically recommended times		
<ul style="list-style-type: none"> Category 1 (30 days) Category 2 (90 days)¹ Category 3 (365 days)¹ 	<p>>98%</p> <p>..</p> <p>..</p>	<p>84%</p> <p>63%</p> <p>69%</p>
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days ²	≤1.0	0.8
Rate of community mental health follow up within 1–7 days following discharge from an acute mental health inpatient unit ^{3,4}	>65%	61.9%
Proportion of re-admissions to acute psychiatric care within 28 days of discharge ⁴	<12%	11.1%
Percentage of specialist outpatients waiting within clinically recommended times ⁵		
<ul style="list-style-type: none"> Category 1 (30 days) Category 2 (90 days)⁶ Category 3 (365 days)⁶ 	<p>83%</p> <p>..</p> <p>..</p>	<p>49%</p> <p>31%</p> <p>66%</p>

Cairns and Hinterland Hospital and Health Service	2023–2024 Target	2023–2024 Actual
Percentage of specialist outpatients seen within clinically recommended times		
• Category 1 (30 days)	77%	73%
• Category 2 (90 days) ⁶	..	49%
• Category 3 (365 days) ⁶	..	61%
Median wait time for treatment in emergency departments (minutes) ⁷	..	16
Median wait time for elective surgery treatment (days)	..	38
Efficiency measure		
Average cost per weighted activity unit for Activity Based Funding facilities ⁸	\$5,279	\$5,925
Other measures		
Number of elective surgery patients treated within clinically recommended times		
• Category 1 (30 days)	3,742	3,322
• Category 2 (90 days) ¹	..	1,499
• Category 3 (365 days) ¹	..	791
Number of Telehealth outpatients service events ⁹	11,640	10,481
Total weighted activity units (WAU) ¹⁰		
• Acute Inpatients	103,636	101,275
• Outpatients	29,298	30,322
• Sub-acute	15,369	13,135
• Emergency Department	24,799	24,411
• Mental Health	8,953	9,931
• Prevention and Primary Care	2,963	2,930
Ambulatory mental health service contact duration (hours) ⁴	>72,247	50,210
Staffing ¹¹	5,598	6,091

Table 8: Service Standards – Performance 2023-2024

- 1 Treated in time performance Targets for category 2 and 3 patients are not applicable for 2023–2024 due to the System's focus on reducing the volume of patients waiting longer than clinically recommended for elective surgery. The targets have been reinstated for 2024–2025.
- 2 Staphylococcus aureus (including MRSA) bloodstream (SAB) infections 2023–2024 Actual rate is based on data from 1 July 2023 to 31 March 2024 as at 14 May 2024.
- 3 Previous analysis has shown similar rates of follow up for both Indigenous and non-Indigenous Queenslanders are evident, but trends are impacted by a smaller number of separations for Indigenous Queenslanders.
- 4 Mental Health data is as at 19 August 2024.
- 5 Waiting within clinically recommended time is a point in time performance measure. 2023–2024 Actual is as at 1 July 2024.
- 6 Given the System's focus on reducing the volume of patients waiting longer than clinically recommended for specialist outpatients, it is expected that higher proportions of patients seen from the waitlist will be long wait patients and the seen within clinically recommended time percentage will be lower. To maintain the focus on long wait reduction, the targets for category 2 and 3 patients are not applicable.
- 7 There is no nationally agreed target for this measure, and the median wait time varies depending on the proportion of patients in each urgency category.
- 8 Cost per WAU is reported in QWAU Phase Q26 and is based on data available on 19 August 2024. 2023–2024 Actual includes in-year funding, e.g. Cost of Living Allowance (COLA), Enterprise Bargaining uplift, Special Pandemic Leave payment, and additional funding for new initiatives.
- 9 Telehealth 2023–2024 Actual is as at 20 August 2024.
- 10 All measures are reported in QWAU Phase Q26. The 2023–2024 Actual is based on data available on 19 August 2024. As the Hospital and Health Services have operational discretion to respond to service demands and deliver activity across services streams to meet the needs of the community, variation to the Target can occur.
- 11 Corporate FTEs are allocated across the service to which they relate. The department participates in a partnership arrangement in the delivery of its services, whereby corporate FTEs are hosted by the department to work across multiple departments. 2023–2024 Actual is for pay period ending 23 June 2024.

Non-financial performance

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

Priority	Performance indicator	Achievements 2023-2024
<p>Our care</p> <p><i>We work to enable safe and equitable healthcare delivered closer to home through our partnerships and together with communities.</i></p>	<ul style="list-style-type: none"> • Accreditation and clinical care standards met. • Improvement in service agreement access targets. • Achievement of Cairns and Hinterland HHS Clinical Service Plan service directions. • Increased participatory engagement of community and partners. 	<ul style="list-style-type: none"> • Maintained accreditation against the National Safety and Quality Health Service Standards in Healthcare (second edition). • The achievement of our service agreement access targets presented a significant challenge in the current operating environment, with COVID-19 now transitioned to business as usual, impacting on emergency and planned care targets. Construction of the Cairns Hospital Emergency Department expansion also impacted performance. The HHS has worked closely with the Department of Health and identified strategies to recover performance and maximise service delivery within its constrained physical environment (at Cairns Hospital). Whilst access targets have not improved in 2023-2024, fewer people are waiting longer than clinically recommended to be seen for gastrointestinal endoscopy, elective surgery and specialist outpatient appointments. • First Peoples culturally and clinically safe models of care project commenced for northern Queensland via Care Coordination Service Centre (tripartite agreement between Cairns and Hinterland HHS, Torres and Cape HHS and QAIHC). • Increased partnerships for clinical care including a rapid response falls model and high-risk foot model. • Increased engagement with GPs via use of 'request for advice' function of Smart Referrals to increase specialist/GP interaction. • Co-responder mental health model embedded with Queensland Ambulance Service. • Central intake model for mental health commenced with Torres and Cape HHS. • Distress Brief Intervention model with Northern Queensland Primary Health Network commenced to support suicide prevention and psychological distress support.

Priority	Performance indicator	Achievements 2023-2024
		<ul style="list-style-type: none"> • Maternity Assessment Centre commenced at Cairns Hospital. • Planning for Cairns Hospital Expansion Project (inclusive of new surgical centre) progressed. • Increased number of consumers represented on our committees. • New partnership with Australian College of Nursing to provide education opportunities for nursing leadership development. • Met all obligations (5/5) under <i>Human Rights Act 2019</i>.
<p>Our people</p> <p><i>We nurture positive workplaces where our people feel safe, empowered and supported to collaborate in delivering excellence in healthcare.</i></p>	<ul style="list-style-type: none"> • Improved workforce capacity and capability indicators. • Improved workplace culture indicators. • Improved employee wellbeing and safety indicators. 	<ul style="list-style-type: none"> • More medical interns in 2024 compared to 2023 (59 compared with 51) and similar medical student numbers in 2024 as 2023. • Trainee positions increased including Deadly Start First Peoples school-based Certificate III trainees and two First Peoples cadets (compared to nil in 2023). • Less staff separations for permanent staff (7.7 per cent for December 2023 compared to 9.4 per cent December 2022). • Implementation of Queensland Health fatigue management system. • Increased focus on occupational violence risk management.
<p>First Peoples health</p> <p><i>We recognise the valuable cultural knowledge of our First Peoples and through our partnerships, we will strive to improve health and wellbeing outcomes for First Peoples communities.</i></p>	<ul style="list-style-type: none"> • Improved access to care and health outcomes for First Peoples. • Improved achievement of First Peoples accreditation standards for organisational cultural responsiveness. • Increased use and integration of cultural and community knowledge across services. 	<ul style="list-style-type: none"> • Shorter ED stays within four hours for all First Peoples. • Memorandum of understandings (MoU) in development between the HHS and Apunipima Cape York Health Council and Mookai Rosie Bi-Bayan, to better integrate health care services and shared care arrangements to deliver accessible, high quality and culturally capable health care across the care continuum. • New service models developed with First Peoples health organisations (such as skin health with Mulungu Aboriginal Corporation as well as First Peoples liaison officers with six First Peoples organisations) and enhancement of existing models. • Deadly Start traineeship program commenced with 10 school-based certificate III trainees in allied health assistants and assistants in nursing.

Priority	Performance indicator	Achievements 2023-2024
<p>Our sustainability</p> <p><i>With our people, our places and our technology, we will deliver efficient and sustainable healthcare and services.</i></p>	<ul style="list-style-type: none"> • Deliver a balanced budget. • Improved organisational research and education. • Reduced environmental impact (e.g. waste reduction and sustainable purchasing) • Delivery of capital infrastructure within allocated timeframes. • Improved digital health capability. 	<ul style="list-style-type: none"> • Increased research applications, approvals and publications during 2023-2024 • More clinical trials and more participants compared to 2022-2023 • Organisational support for research via annual Research and Innovation Symposium. • Increased medical, nursing and midwifery intern/graduate position. • Cairns Mental Health Unit on track to open early 2025. • Youth Alcohol and Other Drugs residential facility planning progressed and remained on track to open in 2025 • Cairns Health and Innovation Centre detailed business case completed. • Cairns Hospital Emergency Department expansion completed in July 2024. • Atherton Hospital redevelopment officially opened August 2023 • Cow Bay Primary Health Centre planning and construction progressed and on track to open in 2025. • Increased recyclable waste diverted from general waste. • Digital Health Strategy completed • Pharmacy medication dispensing robot installed at Cairns Hospital • Integrated electronic medical records (ieMR) Hub and Spoke project commenced

Table 9: Strategic Plan achievements for 2023-2024

Financial summary

Cairns and Hinterland HHS achieved a balanced year-end result with a small \$0.5million deficit compared to a deficit of \$9.9 million last year.

Financial highlights

The deficit position of \$0.5 million is against revenue of \$1.428 billion for the year ended 30 June 2024.

Where the funds came from

The health service's income from all funding sources for 2023-2024 was \$1.428 billion and was principally derived from the ABF (Activity Based Funding) and block-funded models with Queensland Health.

Where funding was spent

Total expenses were \$1.429 billion, averaging \$3.9 million per day to provide public health services. Expenditure has increased by \$135 million on 2022-2023 levels (\$1.294 billion).

Expenditure increased primarily due to expanded maternity services because Cairns Private Hospital closed its maternity services. Additionally, the health service entered into a sub-acute bed partnership with Cairns Private Hospital. The redevelopment of Atherton Hospital has resulted in an uplift in expenditure for the current year and going forward. Furthermore, the health service has spent more on Connected Community Pathways, Putting Patients First and Planned Care initiatives.

Cash and investments

At balance date, the health service had \$31.9 million in cash and cash equivalents.

Asset revaluation

The revaluation program for 2023-2024 of land and building assets led to a revaluation increment of \$191.6 million for the year, bringing the accumulated asset revaluation surplus balance to \$779.4 million.

Deferred maintenance

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

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

As of 30 June 2024, Cairns and Hinterland HHS had reported anticipated maintenance of \$80.9 million.

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

- Seek assistance from Sustaining Capital Program
- Allocate operational maintenance budget in line with service agreement offer
- Routine risk assessment of listed maintenance items
- Bring forward the planned and preventative maintenance as necessary to support deteriorating assets and extend life expectancy
- Detailed review of asset life cycle and life expectancy
- Application for assistance for specific items from Priority Capital Programs, emergent works and/or as part of wider redevelopment projects.

Appendix A – Financial statements and Independent Auditor’s Report

Cairns and Hinterland Hospital and Health Service

Financial Statements - 30 June 2024

Cairns and Hinterland Hospital and Health Service

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Cairns and Hinterland Hospital and Health Service
Statement of Comprehensive Income

For the year ended 30 June 2024

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2024 \$'000	2023 \$'000
Income			
User charges and fees	B1-1	115,998	108,842
Funding for public health services	B1-2	1,281,751	1,148,834
Grants and other contributions	B1-3	15,946	14,128
Interest		107	60
Other revenue	B1-4	14,548	12,098
Total income		1,428,350	1,283,962
Expenses			
Employee expenses	B2-1	(150,316)	(147,412)
Health service employee expenses	B2-2	(854,608)	(773,029)
Supplies and services	B2-3	(326,738)	(286,898)
Depreciation and amortisation	C4-2, C5, C6	(75,365)	(66,100)
Impairment losses	B2-4	(1,702)	(2,409)
Other expenses	B2-5	(20,098)	(18,038)
Total expenses		(1,428,827)	(1,293,886)
Operating result for the year		(477)	(9,924)
Other comprehensive income			
Items that will not be reclassified subsequently to operating result			
(Decrease)/increase in asset revaluation surplus	C9-1	191,561	147,414
Total other comprehensive income		191,561	147,414
Total comprehensive income for the year		191,084	137,490

Cairns and Hinterland Hospital and Health Service
Statement of Financial Position

As at 30 June 2024

STATEMENT OF FINANCIAL POSITION

	Notes	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	C1-1	31,853	31,555
Receivables	C2-1	39,901	36,465
Inventories	C3-1	3,352	4,671
Prepayments		2,471	3,606
Total current assets		77,577	76,297
Non-current assets			
Property, plant and equipment	C4-1	1,286,678	1,135,820
Right-of-use assets	C6-1	5,058	682
Intangible assets		-	5
Total non-current assets		1,291,736	1,136,507
Total assets		1,369,313	1,212,804
Current liabilities			
Payables	C7-1	112,932	100,707
Lease liabilities	C6-1	891	286
Accrued employees benefits	C8-1	2,688	19,708
Contract liabilities		861	897
Total current liabilities		117,372	121,598
Non-Current liabilities			
Lease liabilities	C6-1	4,217	402
Total non-current liabilities		4,217	402
Total liabilities		121,589	122,000
Net assets		1,247,724	1,090,804
EQUITY			
Contributed equity		546,371	580,535
Accumulated surplus/(deficit)		(77,997)	(77,520)
Asset revaluation surplus	C9-1	779,350	587,789
Total equity		1,247,724	1,090,804

The accompanying notes form part of these statements.

Cairns and Hinterland Hospital and Health Service
Statement of Changes in Equity

For the year ended 30 June 2024

STATEMENT OF CHANGES IN EQUITY

	Contributed equity \$'000	Accumulated surplus/(deficit) \$'000	Asset revaluation surplus (Note C10-1) \$'000	Total equity \$'000
Balance at 1 July 2022	541,483	(67,596)	440,375	914,262
Operating result for the year	-	(9,924)	-	(9,924)
Other comprehensive income				
Increase in asset revaluation surplus	-	-	147,414	147,414
Total comprehensive income for the year	-	(9,924)	147,414	137,490
Transactions with owners as owners				
Non appropriated equity asset transfers	59,829	-	-	59,829
Non appropriated equity injections	45,323	-	-	45,323
Non appropriated equity withdrawals (depreciation funding)	(66,100)	-	-	(66,100)
Net transactions with owners as owners	39,052	-	-	39,052
Balance at 30 June 2023	580,535	(77,520)	587,789	1,090,804
Balance at 1 July 2023	580,535	(77,520)	587,789	1,090,804
Operating result for the year	-	(477)	-	(477)
Other comprehensive income				
Increase in asset revaluation surplus	-	-	191,561	191,561
Total comprehensive income for the year	-	(477)	191,561	191,084
Transactions with owners as owners				
Non appropriated equity asset transfers	2,954	-	-	2,954
Non appropriated equity injections	38,247	-	-	38,247
Non appropriated equity withdrawals(depreciation funding)	(75,365)	-	-	(75,365)
Net transactions with owners as owners	(34,164)	-	-	(34,164)
Balance at 30 June 2024	546,371	(77,997)	779,350	1,247,724

Cairns and Hinterland Hospital and Health Service
Statement of Cash Flows
For the year ended 30 June 2024

STATEMENT OF CASH FLOWS

	Notes	2024 \$'000	2023 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
User charges and fees		1,322,791	1,183,490
Grants and other contributions		9,691	14,128
Interest received		107	60
GST input tax credits from Australian Tax Office		27,739	22,254
GST collected from customers		1,530	1,100
Other revenue		14,884	12,223
<i>Outflows:</i>			
Employee expenses		(177,126)	(136,831)
Health service employee expenses		(853,680)	(743,328)
Supplies and services		(303,954)	(284,554)
GST paid to suppliers		(26,837)	(23,237)
GST remitted to Australian Tax Office		(1,518)	(1,063)
Interest payments on lease liabilities		(145)	(8)
Other expenses		(19,443)	(17,536)
Net cash provided by (used in) operating activities	CF-1	(5,961)	26,698
Cash flows from investing activities			
<i>Outflows:</i>			
Payments for property, plant and equipment	C4-2	(31,324)	(53,082)
Net cash provided by (used in) investing activities		(31,324)	(53,082)
Cash flows from financing activities			
<i>Inflows:</i>			
Equity injections		38,247	45,323
<i>Outflows:</i>			
Lease payments	CF-2	(664)	(494)
Net cash provided by (used in) financing activities		37,583	44,829
Net increase / (decrease) in cash and cash equivalents		298	18,445
Cash and cash equivalents at the beginning of the financial year		31,555	13,110
Cash and cash equivalents at the end of the financial year	C1-1	31,853	31,555

Cairns and Hinterland Hospital and Health Service
Statement of Cash Flows
For the year ended 30 June 2024

NOTES TO THE STATEMENT OF CASH FLOWS

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

	2024	2023
	\$'000	\$'000
Operating result for the year	(477)	(9,924)
Non-cash items included in operating result:		
Depreciation and amortisation expense	75,365	66,100
Equity funding for depreciation and amortisation	(75,365)	(66,100)
Net loss on disposal of non-current assets	332	331
Asset stocktake write on	(3)	(10)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(4,350)	(4,444)
(Increase)/decrease in GST receivables	914	(946)
(Increase)/decrease in inventories	1,319	(227)
(Increase)/decrease in prepayments	1,135	777
Increase/(decrease) in payables	12,225	22,757
Increase/(decrease) in accrued employee benefits	(17,020)	19,313
Increase/(decrease) in contract liabilities and unearned revenue	(36)	(929)
Net cash from operating activities	(5,961)	26,698

CF-2 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Non-cash changes				Cash flows		
	Opening balance 2024	Transfers to/(from) other Queensland Government entities	New leases acquired	Other	Cash received	Cash repayments	Closing balance 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities	688	-	5,084	-	-	(664)	5,108
Total	688	-	5,084	-	-	(664)	5,108
	Opening balance 2023	Transfers to/(from) other Queensland Government entities	New leases acquired	*Other	Cash received	Cash repayments	Closing balance 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities	1,249	-	138	(205)	-	(494)	688
Total	1,249	-	138	(205)	-	(494)	688

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

*Other non-cash changes in 2022-23 relate to the remeasurement of the lease liability following a change in lease term.

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

PREPARATION INFORMATION

GENERAL INFORMATION

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

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

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

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

Cairns Hospital
165 – 171 The Esplanade
Cairns QLD 4870

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

COMPLIANCE WITH PRESCRIBED REQUIREMENTS

CHHHS has prepared these financial statements in compliance with section 62 (1) of the *Financial Accountability Act 2009* and section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the period beginning on or after 1 July 2023.

CHHHS is a not-for-profit statutory body and these financial statements are general purpose financial statements which have been prepared on an accrual basis (except for the statement of cash flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

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

PRESENTATION

Currency and Rounding

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

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

AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

BASIS OF MEASUREMENT

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

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

Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair Value

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

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

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

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

BASIS OF MEASUREMENT (continued)

Present Value

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

Net Realisable Value

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

SECTION A

HOW WE OPERATE – OUR OBJECTIVES AND ACTIVITIES

A1 OBJECTIVES OF CHHHS

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

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

A2 CONTROLLED ENTITIES

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

A3 INVESTMENT IN PRIMARY HEALTH NETWORK

North Queensland Primary Health Network Limited (NQPHNL) was established as a public company limited by guarantee on 21 May 2015. Cairns and Hinterland Hospital and Health Service is one of fourteen members along with Mackay Hospital and Health Service, Townsville Hospital and Health Service, Torres and Cape Hospital and Health Service, the Pharmacy Guild of Australia, the Australian College of Rural and Remote Medicine, the Royal Australian College of General Practitioners, the Northern Aboriginal and Torres Strait Islander Health Alliance, the Australian Primary Healthcare Nurses Association, Health Workforce Queensland, CheckUp, Queensland Alliance for Mental Health, Selectability and the Townsville Aboriginal and Islander Health Service, with each member holding one voting right in the company.

The principal place of business of NQPHNL is Cairns, Queensland. The company's principal purpose is to work with general practitioners, other primary health care providers, community health services, pharmacists and hospitals in the north of Queensland to improve and coordinate primary health care across the local health system for patients requiring care from multiple providers.

As each member has the same voting entitlement, it is considered that none of the individual members has power over NQPHNL (as defined by AASB 10 Consolidated Financial Statements) and therefore none of the members individually control NQPHNL. CHHHS currently has 7.14% of the voting power of the NQPHNL – below the 20% at which it is presumed to have significant influence (in accordance with AASB 128 Investments in Associates and Joint Ventures). This is supported by the fact that each other member also has 7.14% voting power, limiting the extent of any influence that CHHHS may have over NQPHNL.

Each member's liability to NQPHNL is limited to \$10. NQPHNL is legally prevented from paying dividends to its members and its constitution also prevents any income or property of the NQPHNL being transferred directly or indirectly to or amongst the members. As NQPHNL is not controlled by CHHHS and is not considered a joint operation or an associate of CHHHS, financial results of NQPHNL are not required to be disclosed in these statements.

A4 INVESTMENT IN TROPICAL AUSTRALIA ACADEMIC HEALTH CENTRE

Tropical Australia Academic Health Centre (TAAHCL) registered as a public company limited by guarantee on 3 June 2019. Cairns and Hinterland Hospital and Health Service is one of eight members along with Mackay Hospital and Health Service, North West Hospital and Health Service, Torres and Cape Hospital and Health Service, Townsville Hospital and Health Service, North Queensland Primary Health Network, Queensland Aboriginal and Islander Health Council and James Cook University. Each member holds two voting rights in the Company and is entitled to appoint two directors.

The principal place of business of TAAHCL is Townsville, Queensland. The company's principal purpose is the advancement of health through the promotion of the study and research topics of special importance to people living in the tropics.

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

As TAAHCL is not controlled by Cairns and Hinterland Hospital and Health Service and is not considered a joint operation or an associate of Cairns and Hinterland Hospital and Health Service, financial results of TAAHCL are not required to be disclosed in these statements.

A5 ECONOMIC DEPENDENCY

CHHHS's primary source of income is from the DoH for the provision of public hospital, health and other services in accordance with a service agreement with the DoH, (refer to Note B1-2). The current service agreement covers the period 1 July 2022 to 30 June 2025. CHHHS'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. CHHHS will achieve a balanced operating position for 2023-24 financial year, as agreed with DoH.

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

SECTION B

NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

B1-1 USER CHARGES AND FEES

	2024	2023
	\$'000	\$'000
Revenue from contracts with customers		
Pharmaceutical Benefits Scheme subsidy	59,512	57,571
Hospital fees	45,260	41,279
Other user charges and fees		
Rental income	47	51
Other	11,179	9,941
Total	115,998	108,842

B1-2 FUNDING FOR PUBLIC HEALTH SERVICES

	Share of Funding 2024		2024	2023
	State	Australian Government		
	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers				
Activity based funding	531,615	380,043	911,658	815,629
Other funding for public health services				
Block funding	104,727	42,907	147,634	129,253
Teacher training funding	21,427	6,303	27,730	25,854
General purpose funding	194,729	-	194,729	178,098
Total			1,281,751	1,148,834

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

Funding is provided predominantly from the DoH for specific public health services purchased by the Department in accordance with a service agreement. The Australian Government pays its share of National Health funding directly to the DoH, for on forwarding to the Hospital and Health Service. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by CHHHS. Cash funding from the DoH is received fortnightly for State payments and monthly for Australian Government payments and is recognised as revenue as the performance obligations under the service level agreement are discharged. Australian Government funding to CHHHS in 2024 was \$429M (2023: \$396M).

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

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

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

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

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

B1-2 FUNDING FOR PUBLIC HEALTH SERVICES (continued)

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

Hospital fees mainly consist of private patient hospital fees, interstate patient revenue and Department of Veterans' Affairs revenue.

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

B1-3 GRANTS AND OTHER CONTRIBUTIONS

	2024	2023
	\$'000	\$'000
Revenue from contracts with customers		
Australian Government - Specific purpose payments	6,003	5,684
Other grants	523	490
Other grants and contributions		
Australian Government - Nursing home grants	3,283	2,882
Australian Government - Specific purpose - capital grants	600	388
Australian Government - Specific purpose payments	3,705	2,975
Donations other	714	1,085
Other grants	1,118	624
Total	15,946	14,128

Accounting Policy – Grants and other contributions

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

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

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

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

CHHHS receives corporate services support from the DoH at no cost. Corporate services received include payroll services, accounts payable services, finance transactional services, taxation services, procurement services and information technology services. The value associated with these services for the financial year amounted to \$9.8M (2023: \$9.08M) which, has not been accounted for in these financial statements as it is not considered material by CHHHS and as such has not been disclosed as revenue and an associated expense.

B1-4 OTHER REVENUE

	2024	2023
	\$'000	\$'000
Sale proceeds for assets	107	213
Licences and registration charges	56	61
Recoveries from other agencies and other hospital and health services	12,421	10,197
Other revenue	1,964	1,627
Total	14,548	12,098

Accounting Policy – Other revenue

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

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

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

B2 EXPENSES

B2-1 EMPLOYEE EXPENSES

	2024 \$'000	2023 \$'000
Employee benefits		
Wages and salaries	115,174	112,163
Annual leave levy	14,599	21,339
Employer superannuation contributions	17,015	10,581
Long service leave levy	3,056	3,057
Employee related expenses		
Workers compensation premium	472	272
Total	150,316	147,412

Full-time equivalent

	As at 30 June 2024	As at 30 June 2023
Number of employees*	291	251
Number of health service employees*	5,800	5,579
Total full-time equivalent	6,091	5,830

* The number of employees and health service employees as at 30 June includes full-time and part-time employees measured on a full-time equivalent (FTE) basis reflecting Minimum Obligatory Human Resource Information (MOHRI). In the 2022-23 financial year the FTE was reported using the QHFTE measurement. The number of employees does not include the Chair or the Deputy Chair of the Board or the Board members.

Accounting Policy – Employee expenses

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

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

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

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

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

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

Wages, salaries and sick leave

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

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

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

Annual and long service leave

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

Superannuation

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

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

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

B2-1 EMPLOYEE EXPENSES (continued)

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

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

Key management personnel and remuneration

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

B2-2 HEALTH SERVICE EMPLOYEE EXPENSES

	2024 \$'000	2023 \$'000
Health service employee expenses	835,616	758,814
Health service employee related expenses*	9,401	5,810
Other health service employee related expenses	9,591	8,405
Total	854,608	773,029

*The health service employee related expenses include a part allocation of the HHS's compensation insurance premium total of \$9.9M (2023: \$6.05M). The remaining \$0.5M is included in employee expenses, please refer to note B2-1.

Accounting Policy – Health service employee expenses

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

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

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

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

B2-3 SUPPLIES AND SERVICES

	2024 \$'000	2023 \$'000
Clinical supplies and services	80,050	71,602
Drugs	71,489	68,612
Pathology, blood and parts	30,178	27,048
Other	28,147	20,220
Repairs and maintenance	22,610	16,966
Catering and domestic supplies	18,940	16,630
Communications	18,652	14,157
Patient travel	12,325	13,215
Computer services	11,749	10,586
Electricity and other energy	8,874	8,829
Rental expenses*	8,601	7,461
Other travel	5,192	4,148
Minor works including plant and equipment	4,509	2,960
Agency fees	2,135	1,014
Building services	1,963	1,823
Motor vehicles	970	761
Consultancies	354	866
Total	326,738	286,898

*Rental Expenses for 2023-24 includes the access license costs for Oregon Street Sub-Acute Care facility. A right of use asset and lease liability is expected to be recognised once a lease agreement has been fully executed. Refer to Note C6-1 for the breakdown of expenses and other lease disclosures.

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

B2-4 IMPAIRMENT LOSSES

	2024	2023
	\$'000	\$'000
Impairment losses on receivables	581	(160)
Bad debts written off	1,121	2,569
Total	1,702	2,409

B2-5 OTHER EXPENSES

	2024	2023
	\$'000	\$'000
External audit fees*	224	209
Insurance premiums - QGIF	11,619	10,606
Insurance premiums - Other	298	117
Net losses from the disposal of non-current assets	332	331
Special payments - ex-gratia payments	67	2
Legal costs	176	456
Advertising	532	455
Interpreter fees	302	303
Interest expense on lease liabilities	145	8
Other	6,403	5,551
Total	20,098	18,038

*Total audit fees paid to the Queensland Audit Office relating to the 2023-24 financial year are estimated to be \$0.2M (2023: \$0.2M) including out of pocket expenses. There are no non-audit services included in this amount.

Accounting Policy – Insurance

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

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

Accounting Policy – Special payments – Ex-gratia payments

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

- the HHS made an ex-gratia payment to a car owner whose property was affected by an accident that occurred at a facility owned by the HHS.
- as a result of a QCAT decision the HHS paid a patient for personal losses and expenses.
- as a result of a QCAT decision the HHS paid a person for personal distress.

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

SECTION C

NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

C1-1 CASH AND CASH EQUIVALENTS

	2024	2023
	\$'000	\$'000
Cash at bank and on hand	30,649	30,501
Call deposits	1,204	1,054
Cash and cash equivalents	31,853	31,555
Cash and cash equivalents in the Statement of Cash Flows	31,853	31,555

Cash deposited at call with Queensland Treasury Corporation earns interest, calculated on a daily basis reflecting market movements in cash funds. Rates achieved throughout the year range between 4.40% to 5.14%.

Accounting Policy – Cash and cash equivalents

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked as at 30 June 2024 as well as deposits at call with financial institutions.

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

C2 RECEIVABLES

C2-1 RECEIVABLES

	2024	2023
	\$'000	\$'000
Current		
Trade debtors*	39,612	34,609
Less: Loss allowance	(1,959)	(1,378)
	37,653	33,231
GST input tax credits receivables	1,951	2,853
GST payable	(131)	(119)
	1,820	2,734
Payroll receivables	4	3
Sundry debtors	424	497
Total	39,901	36,465

Accounting Policy – Receivables

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

*Trade debtor balance includes invoices to DoH and other hospital and health services of \$23.2M.

The closing balance of receivables arising from debtors, excluding DoH and other hospital and health services, as at 30 June 2024 is \$11.2M (30 June 2023: \$8.4M).

Accounting Policy – Impairment of Receivables

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

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

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

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

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

C2-1 RECEIVABLES (continued)

Disclosure – Credit risk exposure of receivables

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

CHHHS uses a provision matrix to measure the expected credit losses on trade debtors which include patient accounts and other billable services. CHHHS has used a historical impairment calculation based on type of revenue, type of customer and debt collection protocol. CHHHS's current credit risk ratio of 18.36% has been determined based on the assessment period of 1 November 2021 to 31 October 2022.

CHHHS has undertaken a subsequent assessment covering the period 1 November 2022 to 31 October 2023 returning a credit risk ratio of 20.19%, however due to the improved debt management practices listed below, the decision has been made to retain the prior years' credit risk ratio of 18.36% as at the reporting date of 30 June 2024:

- implementation of weekly debt huddles to identify problem or potential problem accounts sooner;
- appointment of an additional 0.5 FTE to the debt management role to assist in more timely processing of follow ups to either recover or write off debts;
- a collaborative approach in assisting rural and remote teams with actioning write-offs in a timely manner; and
- engagement of a new overseas external debt collection agency and setting new benchmarks for existing debt collection agencies.

A further credit risk assessment will be conducted throughout the 2024-25 financial year.

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

Ageing	2024			2023		
	Trade Debtors \$'000	Loss Rate %	Expected Credit Losses \$'000	Trade Debtors \$'000	Loss Rate %	Expected Credit Losses \$'000
Current	3,280	0.26%	29	2,620	0.26%	20
30 to 60 Days	2,181	0.83%	90	1,411	0.83%	64
61 to 90 Days	1,381	1.08%	119	771	1.08%	84
91 to 120 Days	813	0.12%	13	654	0.12%	9
Greater than 121 Days	3,320	16.07%	1,708	2,366	16.07%	1,201
Total	10,975		1,959	7,822		1,378

Accounting Policy - Taxation

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

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

C3 INVENTORIES

C3-1 INVENTORIES

	2024 \$'000	2023 \$'000
Inventories held for distribution		
Drugs	3,347	4,646
Clinical supplies and services	3	19
Catering and domestic supplies	2	6
Total	3,352	4,671

Accounting Policy – Inventories

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

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

C4 PROPERTY, PLANT AND EQUIPMENT AND RELATED DEPRECIATION

C4-1 PROPERTY, PLANT AND EQUIPMENT

	2024 \$'000	2023 \$'000
Land: at fair value		
Gross	51,890	50,628
Buildings: at fair value		
Gross	1,744,348	1,603,004
Less: Accumulated depreciation	<u>(611,075)</u>	<u>(613,237)</u>
	1,133,273	989,767
Plant and equipment: at cost		
Gross	155,037	154,181
Less: Accumulated depreciation	<u>(79,635)</u>	<u>(82,346)</u>
	75,402	71,835
Heritage and cultural: at cost		
Gross	14	14
	14	14
Capital works in progress		
At cost	26,099	23,576
Total	<u>1,286,678</u>	<u>1,135,820</u>

Accounting Policy - Property, plant and equipment

Recognition thresholds

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

<u>Class</u>	<u>Threshold</u>
Buildings (including land improvements)	\$10,000
Land	\$1
Plant and equipment	\$5,000
Other (including heritage and cultural)	\$5,000

Revaluations of non-current physical assets

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

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

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

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

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

Fair value measurement

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

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

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

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

Cairns and Hinterland Hospital and Health Service
Notes to the financial statements
For the year ended 30 June 2024

C4-1 PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

None of CHHHS valuations of assets are eligible for categorisation into level 1 of the fair value hierarchy. CHHHS has one land asset categorised into level 3 of the fair value hierarchy, due to the lack of comparable sales evidence. All other land assets are categorised into level 2 of the fair value hierarchy. All of CHHHS's building assets are categorised into level 3 of the fair value hierarchy.

Land

The fair value of land is determined using market based evidence taking into account trends and sales information for each land use category, the land's best use and zoning under the relevant planning scheme, and the physical attributes and constraints on use of the land. In respect to 165 Esplanade, Cairns, a high-level hypothetical development model has been utilised as a secondary valuation approach due to the lack of comparable sales evidence.

In 2023-24 CHHHS engaged McGee Property, to undertake the indexation valuations on land as at 30 June 2024.

The revaluation program for 2023-24 resulted in a net increment of \$1.3M to the carrying value of land.

Buildings

In 2023-24 CHHHS engaged GRC Quantity Surveyors, to conduct comprehensive valuations on CHHHS's building assets as at 30 June 2024.

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

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

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

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

The revaluation program for 2023-24 resulted in a net increment of \$190.3M to the carrying amount of buildings.

Accounting Policy – Depreciation of property, plant and equipment

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

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to CHHHS

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

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.

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

C4-1 PROPERTY, PLANT AND EQUIPMENT (continued)

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

Class	Rate
Buildings	2.5% - 20.0%
Plant and equipment	5.0% - 33.3%

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

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

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

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

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

C4-2 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

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

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

	Land		Buildings	Plant and equipment	Heritage and cultural assets	Work in progress	Total
	Level 2	Level 3	Level 3				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2022	30,810	17,200	832,035	48,820	14	12,536	941,415
Acquisitions	-	-	983	34,630	-	17,469	53,082
Transfers in / (out) from other Queensland Government entities**	-	-	59,512	317	-	-	59,829
Asset stocktake write on	-	-	-	10	-	-	10
Disposals	-	-	-	(331)	-	-	(331)
Transfers between asset classes	-	-	6,429	-	-	(6,429)	-
Net revaluation increments	1,643	975	144,796	-	-	-	147,414
Depreciation	-	-	(53,988)	(11,611)	-	-	(65,599)
Carrying amount at 30 June 2023	32,453	18,175	989,767	71,835	14	23,576	1,135,820

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

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

** Net assets transferred pursuant to the *Hospital and Health Boards Act 2011* to CHHHS from the DoH and other Hospital and Health Services. In 2022-23, CHHHS accepted \$59.5M against the building asset class from the DoH related to the practical completion of the Atherton Hospital Redevelopment Stage 2.

C5 INTANGIBLES

C5-1 INTANGIBLE ASSETS

	2024	2023
	\$'000	\$'000
Software purchased: at cost		
Gross	1,963	1,963
Less: Accumulated depreciation	(1,963)	(1,958)
Total	-	5

C5-2 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	Software purchased	Total
	\$'000	\$'000
Carrying amount at 1 July 2023	5	5
Amortisation	(5)	(5)
Carrying amount at 30 June 2024	-	-
	Software purchased	Total
	\$'000	\$'000
Carrying amount at 1 July 2022	16	16
Amortisation	(11)	(11)
Carrying amount at 30 June 2023	5	5

Accounting Policy - Intangible assets

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

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

C6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

C6-1 LEASES AS A LESSEE

Right-of-use assets

	Property, Plant and Equipment	Total
	\$'000	\$'000
Carrying amount at 1 July 2023	682	682
Additions	5,084	5,084
Depreciation	(708)	(708)
Carrying amount at 30 June 2024	5,058	5,058

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

C6-1 LEASES AS A LESSEE (continued)

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

	Property, Plant and Equipment \$'000	Total \$'000
Carrying amount at 1 July 2022	1,239	1,239
Additions	138	138
Depreciation	(490)	(490)
Other (change in lease term)	(205)	(205)
Carrying amount at 30 June 2023	682	682
	2024	2023
	\$'000	\$'000
Current		
Lease liabilities	891	286
Total current	891	286
Non-Current		
Lease liabilities	4,217	402
Total non-current	4,217	402
Total	5,108	688

Accounting policies – Leases as lessee

Right-of-use assets

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

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

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

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

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

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

Lease liabilities

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

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

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

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

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

C6-1 LEASES AS A LESSEE (continued)

Disclosures – Leases as a lessee

(i) Details of leasing arrangements as lessee

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

(ii) Office accommodation, employee housing and motor vehicles

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

(iii) Amounts recognised in profit or loss

	2024	2023
	\$'000	\$'000
Interest expense on lease liabilities	145	8
Expenses relating to short-term and low value leases	8,377	7,118
Expenses relating to other leases	224	343
Total cash outflow for leases	8,746	7,469

Rental Expenses for 2023-24 includes the access license costs for Oregon Street Sub-Acute Care facility. A right of use asset and lease liability is expected to be recognised once a lease agreement has been fully executed.

C7 PAYABLES

C7-1 PAYABLES

	2024	2023
	\$'000	\$'000
Current		
Trade creditors	9,367	2,527
Accrued expenses	33,038	19,131
Department of Health payables*	70,527	79,049
Total	112,932	100,707

* Department of Health payables consists of outstanding payments relating to payroll of \$42.7M (2023: \$61.7M), paid in July 2024, and funding payable back to the DoH of \$27.8M (2023: \$17.3M), in 2024-25.

Accounting Policy – Payables

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

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

C8 ACCRUED EMPLOYEE BENEFITS

C8-1 ACCRUED EMPLOYEE BENEFITS

	2024	2023
	\$'000	\$'000
Salaries and wages accrued	2,596	19,630
Other employee entitlements payable	92	78
Total	2,688	19,708

Accounting Policy – Accrued Employee Benefits

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

C9 EQUITY

C9-1 ASSET REVALUATION SURPLUS BY CLASS

	2024	2023
	\$'000	\$'000
Land		
Balance at the beginning of the financial year	20,429	17,811
Revaluation (decrement)/increment	1,263	2,618
Balance at the end of the financial year	21,692	20,429
Buildings		
Balance at the beginning of the financial year	567,360	422,564
Revaluation (decrement)/increment	190,298	144,796
Balance at the end of the financial year	757,658	567,360
Total	779,350	587,789

Accounting Policy - Asset revaluation surplus

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

Accounting Policy – Contributed Equity

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

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

C9-2 ACCUMULATED SURPLUS/(DEFICIT)

CHHHS is reporting an accumulated deficit carried forward from prior financial years of \$77.5M.

Set out below are CHHHS's operating profit and losses from previous financial years attributing to the carried forward accumulated deficit.

Financial year	Operating profit / (loss) \$'000	Contributed Equity \$'000	Accumulated surplus / (deficit) \$'000
2015-16	(20,000)	-	(5,908)
2016-17	(32,069)	-	(37,977)
2017-18	(19,634)	-	(57,611)
2018-19	(9,058)	-	(66,669)
2019-20	55	(55)	(66,669)
2020-21	28	-	(66,641)
2021-22	(1,010)	55	(67,596)
2022-23	(9,924)		(77,520)
2023-24	(477)		(77,997)

In June 2017, the then Director-General, the then Minister for Health and Ambulance Services and CHHHS agreed upon a three year financial recovery plan, committing CHHHS to returning to an operating surplus in 2019-20 following a sustained ongoing deficit reduction, for the DoH to underwrite deficits in order to maintain liquidity, and that there would be no requirement for historic retained deficits to be repaid, \$66.7M.

Following a return to an operating surplus in 2019-20, CHHHS would then be in a position to deploy and maintain future retained surpluses and deficits, in accordance with internal governance processes. At 30 June 2020 the historic retained deficits totalled \$66.7M.

For the year ended 30 June 2024, CHHHS has reported an operating deficit of \$0.5M, bringing the retained deficit since 1 July 2021 to \$11.3M and a total accumulated deficit of \$78.0M to be carried forward to future financial years.

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

SECTION D

NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

D1 FINANCIAL RISK MANAGEMENT

CHHHS holds the following financial instruments by category:

Category	Note	2024 \$'000	2023 \$'000
Financial assets			
Cash and cash equivalents	C1-1	31,853	31,555
Financial assets at amortised cost:			
Receivables	C2-1	39,901	36,465
Total		71,754	68,020
Financial liabilities			
Payables	C7-1	112,932	100,707
Lease liabilities	C6-1	5,108	688
Total		118,040	101,395

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

D1-1 LIQUIDITY RISK

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

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

Under the whole-of-government banking arrangements, CHHHS has an approved working debt facility of \$13.5M to manage any short term-cash shortfalls, and can seek assistance from the DoH for short term cash advances on funding, usually less than twelve months to repay. The HHS has not utilised the debt facility in the 2023-24 financial year.

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

D1-2 MARKET RISK

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

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

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

D1-3 CREDIT RISK

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

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

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

There are no significant concentrations of credit risk.

Overall credit risk for CHHHS is considered minimal.

	2024 \$'000	2023 \$'000
Movements in the allowance for impairment loss		
Balance at 1 July	1,378	1,538
Amounts written off during the year	(1,121)	(2,569)
Increase in allowance recognised in operating result	1,702	2,409
Total	1,959	1,378

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

D2 CONTINGENCIES

D2-1 LITIGATION IN PROGRESS

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

	2024	2023
	Number of cases	Number of cases
Supreme Court	6	8
District Court	2	1
Tribunals, commissions and boards	-	1
Total	8	10

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

As of 30 June 2024, there were 70 claims (2023: 56 claims) managed by QGIF, some of which may never be litigated or result in payments to claims. Tribunals, commissions and board figures represent the matters that have been referred to QGIF for management. The maximum exposure to CHHHS under this policy is up to \$20,000 for each insurable event.

D3 COMMITMENTS

D3-1 EXPENDITURE COMMITMENTS

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

	2024	2023
	\$'000	\$'000
Buildings		
Not later than 1 year	20,944	11,401
Later than 1 year but not later than 5 years	885	-
Total	21,829	11,401
Plant and Equipment		
Not later than 1 year	4,320	8,091
Total	4,320	8,091

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

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SECTION E

NOTES ON OUR PERFORMANCE COMPARED TO BUDGET

E1 BUDGETARY REPORTING DISCLOSURES

E1-1 BUDGETARY REPORTING DISCLOSURES

This section contains explanations of major variances between CHHHS's actual 2023-24 financial results and the original budget presented to Parliament.

E2 BUDGET TO ACTUAL COMPARISON – STATEMENT OF COMPREHENSIVE INCOME

	Original Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance % of Budget
Income				
User charges and fees	93,125	115,998	22,873	25%
Funding for public health services	1,185,096	1,281,751	96,655	8%
Grants and other contributions	12,080	15,946	3,866	32%
Interest	9	107	98	1089%
Other revenue	8,645	14,548	5,903	68%
Total income	1,298,955	1,428,350	129,395	
Expenses				
Employee expenses	(118,448)	(150,316)	(31,868)	27%
Health service employee expenses	(728,222)	(854,608)	(126,386)	17%
Supplies and services	(349,908)	(326,738)	23,170	(7%)
Depreciation and amortisation	(75,644)	(75,365)	279	(0%)
Impairment losses	(1,845)	(1,702)	143	(8%)
Other expenses	(24,888)	(20,098)	4,790	(19%)
Total expenses	(1,298,955)	(1,428,827)	(129,872)	
Operating result for the year	-	(477)	(477)	

EXPLANATION OF MAJOR VARIANCES - STATEMENT OF COMPREHENSIVE INCOME

Major variations between the 2023-2024 budget and 2023-2024 actual include

<i>User charges and fees</i>	The increase in user charges and fees relates to increased patient activity directly affecting revenue from the pharmaceutical benefit scheme. Other increases relate to outsourced service delivery revenue, specifically the DoH capital reimbursement scheme which occurred due to several significant capital projects being undertaken by CHHHS.
<i>Funding for public health services:</i>	The increase in funding for public health services relates to additional funding provided through amendments to the Service Agreement with DoH for the delivery of increased public hospital and health services such as Better Care Together; Connected Community Pathways; Planned Care Recovery; Private Hospital Bed Partnership and Enterprise Bargaining Agreements (EBA). These activities were not included in the first Window Amendment to the Service Agreement Offer for 2023-24, which formed the budget for 2023-24.
<i>Grants and other contributions:</i>	The increase in grants and other contributions can be attributed to funding related to Specialist Outreach Services, along with an increase in donations which were not accounted for in the budget.
<i>Other revenue:</i>	The increase in other revenue relates to an increase in external staff recoveries and work-cover, along with higher-than-expected nursing clinical placements, which attracts additional revenue from Universities across the region.
<i>Employee expenses and health service employee expenses:</i>	The increase relates to additional frontline staff required to service the growth in demand for healthcare services. One major impact was the closure of Cairns Private Maternity Services which resulted in the services being provided by CHHHS. Additionally, there was significant investment in Better Care Together and Planned Care Recovery initiatives across CHHHS. The overall increase in staff from 2023-24 was 255 MOHRI, with clinical staff accounting for 79% of the increase. Also contributing to this expense was the EBA increases across all pay streams, the Cost-of-Living Adjustment (CoLA) eligible to all streams, excluding Medical and the Workforce Incentive Payment which was a new initiative introduced in 2023-24 to attract and retain staff within the CHHHS catchment.

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

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

<i>Supplies and services:</i>	The increase is attributable to the continuation of surgical outsourcing to address elective surgery waitlists, particularly around endoscopy services, in which funding has been provided through amendments to the Service Agreement with the DoH and was not known at the time of preparing the 2023-24 budget. Additional drivers include the increase in drug and pathology expenses, which aligns to the increased activity experienced throughout 2023-24, at 6.5% higher than the prior year.
<i>Other expenses:</i>	The variance in other expenses is mainly due to the CHHS's organisation sustainability program, which focused on cost savings; however, increases in QGIF insurance and other insurance premiums were not known at the time of preparing the 2023-24 budget.

Cairns and Hinterland Hospital and Health Service

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For the year ended 30 June 2024

E3 BUDGET TO ACTUAL COMPARISON – STATEMENT OF FINANCIAL POSITION

	Original Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance % of Budget
Assets				
Current assets				
Cash and cash equivalents	15,248	31,853	16,605	109%
Receivables	32,560	39,901	7,341	23%
Inventories	4,258	3,352	(906)	(21%)
Other assets	4,451	2,471	(1,980)	(44%)
Total current assets	56,517	77,577	21,060	
Non-current assets				
Property, plant and equipment	1,148,259	1,286,678	138,419	12%
Right-of-use assets	15,212	5,058	(10,154)	(67%)
Total non-current assets	1,163,471	1,291,736	128,265	
Total assets	1,219,988	1,369,313	149,325	
Current liabilities				
Payables	80,296	112,932	32,636	41%
Lease liabilities	2,047	891	(1,156)	(56%)
Accrued employees benefits	493	2,688	2,195	445%
Other liabilities	1,834	861	(973)	(53%)
Total current liabilities	84,670	117,372	32,702	
Non-Current liabilities				
Lease liabilities	12,492	4,217	(8,275)	(66%)
Total non-current liabilities	12,492	4,217	(8,275)	
Total liabilities	97,162	121,589	24,427	
Net assets	1,122,826	1,247,724	124,898	
EQUITY				
Contributed equity	613,988	546,371	(67,617)	(11%)
Accumulated deficit	(67,597)	(77,997)	(10,400)	15%
Asset revaluation surplus	576,435	779,350	202,915	35%
Total equity	1,122,826	1,247,724	124,898	

EXPLANATION OF MAJOR VARIANCES - STATEMENT OF FINANCIAL POSITION

Major variations between the 2023-2024 budget and 2023-2024 actual include

Cash and cash equivalents The increase in cash and cash equivalents is the result of additional funding, provided through amendments to the Service Agreement with DoH for the delivery of increased public hospital and health services and expenses related to Enterprise Bargaining Agreements.

Receivables: The increase in receivables is due to the increase in funding provided by the DoH, identified as part of the end-of-year technical adjustments, in respect to additional costs associated with the uplift in public hospital and health services activity, the workforce attraction incentive scheme, Enterprise Bargaining Agreements, and warehouse and logistics services, in addition to incentives provided for own source revenue growth.

Cairns and Hinterland Hospital and Health Service

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

<i>Property, plant and equipment</i>	<p>The increase in property, plant and equipment is largely attributable to the result of the 2023-24 land and building revaluation program.</p> <p>A movement of 6.57% in the building price index (BPI) from 2022-23 (396) to 2023-24 (422) and a 1.5% increase on average in the locality index has resulted in an increase in the current replacement cost of buildings and is a reflection of the current construction market trends. The lower, however stable Australian dollar, the continued appetite to shift from foreign manufactured products and materials to domestic equivalents, the increase in energy costs, the intensity and volume of new capital projects, ongoing rapid population growth and changes to community demographics and the cessation of a number of head contractors are noted as the key indicators driving the increase in BPI and LI.</p> <p>Additionally, CHHHS's building assets were assessed to overall be in better condition than previously reflected in the asset ledger due to ongoing maintenance programs and refurbishments, resulting in an overall reduction to accumulated depreciation for the asset class.</p>
<i>Right-of-use assets and lease liabilities</i>	<p>The decrease in right-of-use assets and lease liabilities is the result of a fully executed lease agreement not yet in place for the Oregon Street Sub-Acute Care facility.</p>
<i>Payables:</i>	<p>The increase in payables primarily relates to the retraction of funding, identified as part of the end-of-year technical adjustments, in respect to the dental weighted occasions of services, Connected Community Pathways, Better Care Together, Planned Care, Long Stay Beds and other minor deferrals not supported by the DoH and Queensland Treasury.</p>
<i>Accrued employee benefits</i>	<p>The increase in accrued employee benefits relates to end of month payroll accruals for June 2024 and Enterprise Bargaining Agreements which could not be determined at the time the 2023-24 budget was finalised.</p>
<i>Contributed equity:</i>	<p>The decrease in contributed equity relates to the expected asset transfers facilitated by the DoH at the time the 2023-24 budget was prepared, in particular the delay in practical completion of the capital works associated with the construction of the new Cairns Hospital Mental Health Unit.</p>
<i>Asset revaluation surplus</i>	<p>The increase in the asset evaluation surplus is due to the result of the 2023-24 land and building revaluation program.</p>

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

E4 BUDGET TO ACTUAL COMPARISON – STATEMENT OF CASH FLOWS

	Original Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance % of Budget
Cash flows from operating activities				
<i>Inflows:</i>				
User charges and fees	1,275,800	1,322,791	46,991	4%
Grants and other contributions	12,080	9,691	(2,389)	(20%)
Interest receipts	9	107	98	1089%
GST input tax credits from Australian Tax Office	15,770	27,739	11,969	76%
GST collected from customers	-	1,530	1,530	100%
Other receipts	8,645	14,884	6,239	72%
<i>Outflows:</i>				
Employee expenses	(118,399)	(177,126)	(58,727)	50%
Health service employee expenses	(728,222)	(853,680)	(125,458)	17%
Supplies and services	(348,861)	(303,954)	44,907	(13%)
GST paid to suppliers	(15,782)	(26,837)	(11,055)	70%
GST remitted to Australian Tax Office	-	(1,518)	(1,518)	100%
Interest payments on lease liabilities	-	(145)	(145)	100%
Other expenses	(24,348)	(19,443)	4,905	(20%)
Net cash provided by (used in) operating activities	76,692	(5,961)	(82,653)	
Cash flows from investing activities				
<i>Outflows:</i>				
Payments for property, plant and equipment	-	(31,324)	(31,324)	100%
Net cash provided by (used in) investing activities	-	(31,324)	(31,324)	
Cash flows from financing activities				
<i>Inflows:</i>				
Equity injections	1,687	38,247	36,560	2167%
Equity withdrawals	(75,644)	-	75,644	(100%)
<i>Outflows:</i>				
Lease payments	(1,687)	(664)	1,023	(61%)
Net cash provided by (used in) financing activities	(75,644)	37,583	113,227	
Net increase / (decrease) in cash and cash equivalents	1,048	298	(750)	(72%)
Cash and cash equivalents at the beginning of the financial year	14,200	31,555	17,355	122%
Cash and cash equivalents at the end of the financial year	15,248	31,853	16,605	

EXPLANATION OF MAJOR VARIANCES - STATEMENT OF CASH FLOWS

Major variations between the 2023-2024 budget and 2023-2024 actual include

Payments for property, plant and equipment: The increase relates to payment of capital projects such as Cairns Hospital Emergency expansion, Priority capital projects, Health Technology Equipment replacement and Capital Maintenance and Asset replacement.

Equity injections: The increase is due to the funding arrangement of reimbursement of capital projects such as Cairns Hospital Emergency expansion, Priority capital projects, Health Technology Equipment replacement and Capital Maintenance and Asset replacement. The capital budget is included in the DoH budget.

Equity withdrawals: The decrease reflects the change in treatment of depreciation from cash withdrawal to non-cash withdrawal offsetting depreciation funding (non-cash) under user charges and fees.

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

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

SECTION F

WHAT WE LOOK AFTER ON BEHALF OF THIRD PARTIES

F1 TRUST TRANSACTIONS AND BALANCES

F1-1 PATIENT TRUST RECEIPTS AND PAYMENTS

	2024	2023
	\$'000	\$'000
Trust receipts and payments		
Receipts	231	410
Payments	(240)	(451)
Decrease in patient funds	(9)	(41)
 Trust assets and liabilities		
<i>Current assets</i>		
Cash held and bank deposits*	88	97
Total current assets	88	97

* Represents patient trust funds and refundable deposits

Accounting Policy – Patient fiduciary fund transactions

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

F1-2 GRANTED PRIVATE PRACTICE RECEIPTS AND PAYMENTS

	2024	2023
	\$'000	\$'000
Receipts		
Private practice receipts	14,308	13,406
Total receipts	14,308	13,406
 Payments		
Payments to doctors	3,408	3,616
Payments to HHS for recoverable costs	11,040	9,789
Total payments	14,448	13,405
 Increase/(decrease) in net right of private practice assets	(140)	1
 Right of private practice assets		
<i>Current assets</i>		
Cash	802	1,068
Total current assets	802	1,068

Accounting Policy – Granted Private Practice arrangement

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

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

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

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

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

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

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

The only asset of the arrangement is cash, the balance of which is held in the Private Practice bank account. This account does not form part of the cash and cash equivalents of CHHHS but the activities are included in the annual audit performed by the Auditor-General of Queensland. As at 30 June 2024 the balance was \$0.8M (2023: \$1.1M).

Cairns and Hinterland Hospital and Health Service

Management Certificate

For the year ended 30 June 2024

SECTION G

OTHER INFORMATION

G1 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES

G1-1 KEY MANAGEMENT PERSONNEL

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

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of CHHHS during 2023-24. Further information on these positions can be found in the body of the annual report under the section Governance -Board membership and Executive Management.

Position	Responsibilities	Contract classification and appointment authority	Date appointed to position (Date resigned from position, if applicable)
Cairns and Hinterland Hospital and Health Board			
Chair Chris Boland	CHHHS is independently and locally controlled by the Cairns and Hinterland Hospital and Health Service Board. The Board appoints the Health Service Chief Executive and exercises significant responsibilities at a local level, including controlling the financial management of CHHHS and the management of CHHHS land and buildings (section 7 <i>Hospital and Health Board Act 2011</i>).	Appointments are under the provisions of the <i>Hospital and Health Board Act 2011</i> by Governor in Council. Notice is published in the Queensland Government Gazette.	16/05/2017 Appointed as Chair 01/04/2024
Clive Skarott AM			16/05/2017 (31/03/2024)
Deputy Chair** Luckbir Singh			16/05/2017 (31/03/2024)
Jodi Peters			16/05/2017
Gregory Nucifora			18/05/2020
Dr Amanda Roberts			18/05/2020 (31/03/2024)
Fiona Jose			01/04/2022
Aileen Traves			01/04/2024
Bevan Ah Kee			01/04/2024
Julia Leu			01/04/2024
Louise Prychidczuk			01/04/2024
Tracey Wilson			16/05/2017 (31/03/2024)
Nancy Long			16/05/2017 (31/03/2024)
Chief Executive* Leena Singh	Responsible to the Board for the efficient overall operational management of CHHHS and the achievement of its strategic objectives, as determined by the Board. Acts as principal advisor to the Board and provides the leadership of and guidance to the Executive Management Team of CHHHS.	s24 & s70 appointed by Board under <i>Hospital and Health Board Act 2011</i> (Section 7 (3)).	27/02/2023
Chief Finance Officer* Vijayan Balasubramaniam	Responsible to the Chief Executive to ensure the financial and fiscal responsibility of CHHHS are met. Provides governance arrangements to meet financial performance targets and imperatives. Provides strategic financial advice in all aspects of finance management and performance.	HES3.1 01 appointed by Chief Executive under <i>Hospital and Health Board Act 2011</i> .	02/10/2023

Cairns and Hinterland Hospital and Health Service

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For the year ended 30 June 2024

Position	Responsibilities	Contract classification and appointment authority	Date appointed to position (Date resigned from position, if applicable)
A/Chief Finance Officer* Tiaan Grobbelaar	Responsible to the Chief Executive to ensure the financial and fiscal responsibility of CHHHS are met. Provides governance arrangements to meet financial performance targets and imperatives. Provides strategic financial advice in all aspects of finance management and performance.	HES3.1 01 appointed by Chief Executive under <i>Hospital and Health Board Act 2011</i> .	Acting in role from 30/1/2023 – 31/07/2023
Executive Director Medical Services* Donald Mackie	Responsible to the Chief Executive as the single point of accountability for clinical governance and professional leadership and direction of medical services across CHHHS. Provides medical executive leadership, strategic focus, managerial direction, authoritative counsel and expert advice on a wide range of professional and policy issues that meet safe professional practice standards.	L18 to L27 appointed by Chief Executive under <i>Medical Officers (Queensland Health) Certified Agreement (No. 5) 2018</i>	17/06/2019
A/Executive Director Cairns Services* Susan Henderson	Accountable to the Chief Executive, the Executive Director Cairns Services has the primary responsibility for delivering effective and efficient services of all clinical and non-clinical services and resources within the portfolio.	HES3.1 01 appointed by Chief Executive under <i>Hospital and Health Board Act 2011</i> .	First acting role commenced 17/10/2022 and currently acting in role from 03/03/2023
Executive Director Allied Health* Tania Cavanagh	Responsible to the Chief Executive as the single point of accountability for clinical governance and professional leadership and direction of allied health services across CHHHS. Provides allied health executive leadership, strategic focus and authoritative counsel on professional and policy issues that meet safe professional practice standards.	HP8.4 01 appointed by Chief Executive under <i>Hospital and Health Board Act 2011</i> .	01/07/2022
Executive Director Rural and Remote* Tracey Morgan	Accountable to the Health Service Chief Executive (HSCE), the Executive Director Rural and Remote Services has the primary responsibility for delivering effective and efficient services of all clinical and non-clinical services and resources within the portfolio.	HES2.3 01 appointed by Chief Executive under PSC 2008 Directive 03/14 Senior Executive Service – Employment Conditions (SES)	07/02/2022 (30/06/2024)
A/Executive Director Rural and Remote Services* Linda Bailey	Accountable to the Health Service Chief Executive (HSCE), the Executive Director Rural and Remote Services has the primary responsibility for delivering effective and efficient services of all clinical and non-clinical services and resources within the portfolio.	HES2.3 01 appointed by Chief Executive under PSC 2008 Directive 03/14 Senior Executive Service – Employment Conditions (SES)	Acting in role from 05/06/2023
Executive Director People & Culture* Cheryl Winstanley	Responsible to the Chief Executive for the management and resolution of people and cultural issues within CHHHS. Provides strategic development and strategies to achieve maximum employee engagement, safety and productivity and to ensure CHHHS's capacity to attract and retain the skilled resources required.	HES2.3 01 appointed by Chief Executive under <i>Hospital and Health Board Act 2011</i>	02/10/2023

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

Position	Responsibilities	Contract classification and appointment authority	Date appointed to position (Date resigned from position, if applicable)
A/Executive Director People & Culture* Raelene Burke	Responsible to the Chief Executive for the management and resolution of people and cultural issues within CHHHS . Provides strategic development and strategies to achieve maximum employee engagement, safety and productivity and to ensure CHHHS's capacity to attract and retain the skilled resources required.	HES2.3 01 appointed by Chief Executive under <i>Hospital and Health Board Act 2011</i> .	Acting in role from 19/06/2023 – 24/09/2023
Executive Director Nursing and Midwifery* Cameron Duffy	Responsible to the Chief Executive as the single point of accountability for clinical governance and professional leadership and direction of nursing and midwifery services across CHHHS . Provides nursing and midwifery executive leadership, strategic focus, managerial direction, authoritative counsel and expert advice on a wide range of professional and policy issues that meet safe professional practice standards.	Nurse Grade 13 (2) Nurses and Midwives (Queensland Health) Award – State 2015 in conjunction with Nurses and Midwives (Queensland Health and Department of Education and Training) Certified agreement (EB9) 2016	15/08/2022
Executive Director of Strategy, Planning and Infrastructure* Dean Davidson	Responsible to the Chief Executive for the design, implementation and continuous improvement of the integrated planning, strategy communications framework and systems. Also responsible for providing leadership, strategic focus and managerial direction for CHHHS Infrastructure.	HES2.3 01 appointed by Chief Executive under <i>Hospital and Health Board Act 2011</i> .	15/01/2024
Executive Director Aboriginal and Torres Strait Islander Health* Simone Lukies	The Executive Director Aboriginal and Torres Strait Islander Health reports to the Chief Executive and will contribute to better outcomes for Aboriginal and Torres Strait Islander healthcare by developing and implementing strategies aimed at effectively managing the health and wellbeing of the Aboriginal and Torres Strait Islander Community.	HES2.3 01 appointed by Chief Executive under <i>Hospital and Health Board Act 2011</i> .	First acting in role commenced 09/01/2023 and permanently appointed on the 08/01/2024
Executive Director Aboriginal and Torres Strait Islander Health* Maria Dorante	The Executive Director Aboriginal and Torres Strait Islander Health reports to the Chief Executive and will contribute to better outcomes for Aboriginal and Torres Strait Islander healthcare by developing and implementing strategies aimed at effectively managing the health and wellbeing of the Aboriginal and Torres Strait Islander Community.	HES2.3 01 appointed by Chief Executive under <i>Hospital and Health Board Act 2011</i> .	First acting in role from 28/04/2022, appointed 31/10/2022 (22/09/2023)

*Denotes directly employed by CHHHS.

** The CHHHS Board Deputy Chair new appointment is not expected to be announced until September 2024.

G1-2 REMUNERATION EXPENSES

Key management personnel – Executive management

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

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

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

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

G1-2 REMUNERATION EXPENSES (Continued)

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

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

Remuneration expenses for key management personnel comprise the following components:

- Short-term employee benefits include:
 - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position.
 - non-monetary benefits – consisting of provision of vehicle and other expenses together with fringe benefits tax applicable to the benefit.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu on termination, regardless of the reason for termination.

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

Key management personnel – Minister

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

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

Key management personnel – Board

Members of the Cairns and Hinterland Hospital and Health Board are appointed by the Governor in Council on recommendation of the Minister for Health, Mental Health and Ambulance Services and Minister for Women. The Board is responsible for the governance and control of CHHHS, appointing the Health Service Chief Executive, setting CHHHS's strategic direction and monitoring CHHHS's financial and operational performance. Remuneration arrangements of the Board are approved by the Governor in Council and the Board members are paid annual fees consistent with the government titled "Remuneration procedures for part-time chairs and members of Queensland Government bodies".

G1-3 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES

1 July 2023 - 30 June 2024						
Position	Short Term Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Monetary Expenses	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chair Christopher Boland	54	-	-	8	-	62
Chair Clive Skarott AM	67	-	-	6	-	73
Deputy Chair Luckbir Singh	36	-	-	6	-	42
Board Member Jodi Peters	49	-	-	7	-	56
Board Member Gregory Nucifora	47	-	-	7	-	54
Board Member Dr Amanda Roberts	35	-	-	6	-	41

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

1 July 2023 - 30 June 2024						
Position	Short Term Benefits		Long Term Employee Benefits \$'000	Post Employment Benefits \$'000	Termination Benefits \$'000	Total Remuneration \$'000
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000				
Board Member Fiona Jose	43	-	-	6	-	49
Board Member Aileen Traves	10	-	-	1	-	11
Board Member Bevan Ah Kee	10	-	-	1	-	11
Board Member Julia Leu	10	-	-	1	-	11
Board Member Louise Prychidczuk	10	-	-	1	-	11
Board Member Tracey Wilson	17	-	-	3	-	20
Board Member Nancy Long	35	-	-	4	-	39
Chief Executive Leena Singh	457	28	12	56	-	553
Chief Finance Officer Vijayan Balasubramaniam	181	4	4	22	-	211
A/Chief Finance Officer Tiaan Grobbelaar	25	17	1	8	-	51
Executive Director Medical Services Donald Mackie	525	17	13	74	-	629
A/Executive Director Cairns Services Susan Henderson	245	17	6	33	-	301
Executive Director Allied Health Tania Cavanagh	253	17	6	30	-	306
Executive Director Rural and Remote Services Tracey Morgan	22	9	-	4	-	35
A/Executive Director Rural & Remote Services Linda Bailey	198	17	5	25	-	245
Executive Director People & Culture Cheryl Winstanley	187	-	4	22	-	213
A/Executive Director People & Culture Raelene Burke	72	-	2	8	-	82
Executive Director Nursing & Midwifery Cameron Duffy	291	17	7	39	-	354

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

1 July 2023 - 30 June 2024						
Position	Short Term Benefits		Long Term Employee Benefits \$'000	Post Employment Benefits \$'000	Termination Benefits \$'000	Total Remuneration \$'000
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000				
Executive Director of Strategy, Planning and Infrastructure Dean Davidson	103	17	2	13	-	135
Executive Director Aboriginal and Torres Strait Islander Health Simone Lukies	209	-	4	21	-	234
Executive Director Aboriginal and Torres Strait Islander Health Maria Dorante	47	9	1	11	2	70

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

1 July 2022 - 30 June 2023						
Position	Short Term Benefits		Long Term Employee Benefits \$'000	Post Employment Benefits \$'000	Termination Benefits \$'000	Total Remuneration \$'000
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000				
Chair Clive Skarott AM	87	-	-	8	-	95
Deputy Chair Luckbir Singh	47	-	-	4	-	51
Board Member Christopher Boland	47	-	-	4	-	51
Board Member Tracey Wilson	46	-	-	4	-	50
Board Member Jodi Peters	50	-	-	4	-	54
Board Member Nancy Long	46	-	-	4	-	50
Board Member Gregory Nucifora	47	-	-	4	-	51
Board Member Dr Amanda Roberts	46	-	-	4	-	50
Board Member Fiona Jose	43	-	-	4	-	47
Chief Executive Leena Singh	149	-	4	16	-	169
A/Chief Executive Jeremy Wellwood	397	31	8	27	-	463
Chief Executive Tina Chinery	9	8	-	(3)	-	14
Chief Finance Officer Stephen Thacker	138	17	4	11	-	170
A/Chief Finance Officer Tiaan Grobbelaar	148	17	2	11	-	178
Executive Director Medical Services Donald Mackie	485	17	11	41	-	554
Executive Director Cairns Services Marie Kelly	150	17	3	12	2	184
A/Executive Director Cairns Services Susan Henderson	105	17	2	10	-	134
Executive Director Allied Health Donna Goodman	71	17	1	7	-	96
Executive Director Allied Health Tania Cavanagh	234	17	5	33	-	289
A/Executive Director Allied Health, & A/Executive Director Rural & Remote Services Linda Bailey	37	17	1	4	-	59

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

1 July 2022 - 30 June 2023						
Position	Short Term Benefits		Long Term Employee Benefits \$'000	Post Employment Benefits \$'000	Termination Benefits \$'000	Total Remuneration \$'000
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000				
Executive Director Rural and Remote Services Tracey Morgan	204	17	5	21	-	247
A/Executive Director Rural & Remote Services Ruth Heather	22	17	-	1	-	40
A/Executive Director Rural and Remote Services Kerryann Grigg	32	8	1	2	-	43
Executive Director People & Culture Allan Parsons	225	17	4	17	-	263
A/Executive Director People & Culture Raelene Burke	5	-	-	1	-	6
Executive Director Nursing, Midwifery Debra Cutler	84	10	-	6	4	104
Executive Director Nursing & Midwifery Cameron Duffy	270	17	5	24	-	316
Executive Director Aboriginal and Torres Strait Islander Health Maria Dorante	199	17	4	17	-	237
A/Executive Director Aboriginal and Torres Strait Islander Health Simone Lukies	61	-	1	2	-	64

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

G2 RELATED PARTY TRANSACTIONS

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

G2-1 PARENT ENTITY AND OTHER HHSs

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

Department of Health

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

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

As outlined in Note B2-2, CHHHS is not a prescribed employer and CHHHS health service employees are employed by the DoH and contracted to work for CHHHS. The cost of contracted wages for 2023-24 is \$854.6M (2023: \$773.0M).

In addition to the provision of corporate services support (refer to Note B1-2), the DoH centrally manages, on behalf of CHHHS, a range of services including pathology testing, pharmaceutical drugs, clinical supplies, patient transport, telecommunications and technology services. These services are provided on a cost recovery basis. In 2023-24, these services totalled \$224.4M (2023: \$205.0M).

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

Refer to note C2-1 receivables for DoH debtor balance as at 30 June 2024.

Refer to note C7-1 payables for DoH creditor balance as at 30 June 2024.

Other Hospital and Health Services

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

Refer to note C2-1 receivables for other inter hospital and health services debtor balance as at 30 June 2024.

G2-2 KEY MANAGEMENT PERSONNEL

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

Far North Queensland Hospital Foundation

CHHHS has paid \$0.1M to the Far North Queensland Hospital Foundation (FNQHF), for other supplies and services provided by the FNQHF to CHHHS, for 2023-24.

The balance of trust funds transferred from CHHHS to the FNQHF in 2019-20 are being carried as a Sundry Debtor item on the Statement of Financial Position. A total of \$1.2M trust funds were transferred from CHHHS to FNQHF in 2019-20 for management and usage on behalf of CHHHS, as outlined in a Memorandum of Understanding between CHHHS and the FNQHF. The balance of the FNQHF Sundry Debtor totalled \$0.424M as at 30 June 2024.

These transactions were conducted on an arms-length basis.

Identified Close Family Members

CHHHS employs and contracts 7,442 (MOHRI head count) staff through an arms-length process, of which 8 staff members have been identified as having close family member. There was nil transactions identified as payments to these declared close family members.

G2-3 OTHER GOVERNMENT ENTITIES

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

The other government entities include:

Department of Housing, Local Government, Planning and Public Works

CHHHS pays rent to Department of Housing, Local Government, Planning, and Public Works for government employee housing and property leases. Vehicle leasing and strategic fleet management services are provided by the Department of Energy and Climate via QFleet.

Queensland Treasury Corporation

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

G3 RESTRICTED ASSETS

CHHHS receives cash contributions primarily from private practice clinicians and external entities to provide for education, study and research in clinical areas. Contributions are also received from benefactors in the form of gifts, donations and bequests for stipulated purposes. At 30 June 2024, amounts of \$1.2M (2023: \$1.1M) in General Trust and \$1.8M (2023: \$0.9M) for research projects are set aside for the specified purpose underlying the contribution.

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024

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

Accounting standards applied for the first time

No accounting standards or interpretations that apply to CHHHS for the first time in 2023-24 had any material impact on the financial statements.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2023-24.

G5 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

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

AASB 2022-10: Amendments to AASB 13 Fair Value Measurement

This Standard amends AASB 13, including adding authoritative implementation guidance and providing related illustrative examples, for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. Specifically, for such an asset, this Standard:

- a) specifies that the entity is required to consider whether the asset's highest best use differs from its current use only when, at the measurement date, it is:
 - i. classified as held for sale or held for distribution to owners; or
 - ii. highly probable that the asset will be used for an alternative purpose to its current use;
- b) clarifies that the asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capability of the asset to be used to provide needed goods or services to beneficiaries and the resulting cost of those goods or services;
- c) specifies that, if both the market selling price of a comparable asset and some market participant data required to measure the fair value of the asset are not observable, an entity uses its own assumptions as a starting point in developing unobservable inputs and adjusts those assumptions to the extent that reasonably available information indicates that other market participants would use different data; and
- d) provides guidance on how the cost approach is to be applied to measure the asset's fair value, including guidance on the nature of costs to include in the replacement cost of a reference asset and on the identification of economic obsolescence.

This standard applies to annual periods beginning on or after 1 January 2024. It is not expected that this amendment to the Standard will have a material impact to CHHHS.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to CHHHS's activities or have no material impact on CHHHS.

G6 CLIMATE RISK DISCLOSURE

Whole-of-Government climate-related reporting

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

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

CHHHS accounting estimates and judgements – climate-related risks

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

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

CHHHS continues to monitor the emergence of material climate-related risks that may impact the financial statements of CHHHS, including those arising under the Queensland Government's Queensland 2035 Clean Economy Pathway, and other Queensland Government climate-related policies or directives.

Cairns and Hinterland Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2024


These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with "in all material respects"; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Cairns and Hinterland Hospital and Health Service for the financial year ended 30 June 2024 and of the financial position of the Cairns and Hinterland Hospital and Health Service at the end of that year; and
- c) We acknowledge responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance "in all material respects" of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

Mr Christopher Boland
B.E.(Hons)
GAICD

Leena Singh
CA
BMS

Vijayan Balasubramaniam
B.Acc
FCCA
FCPA



Chair

Chief Executive

Chief Finance Officer

28/08/2024

28/08/2024

28/08/2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Cairns and Hinterland Hospital and Health Service

Report on the audit of the financial report

Opinion

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

The financial report comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2024, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

Basis for opinion

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

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

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

Key audit matters

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

Valuation of specialised buildings (\$1,133.3 million)

Refer to note C4 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>Buildings were material to Cairns and Hinterland Hospital and Health Service at balance date and were measured at fair value using the current replacement cost method.</p> <p>Cairns and Hinterland Hospital and Health Service performed a comprehensive revaluation of all buildings/site improvements this year as part of the revaluation program.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> • gross replacement cost, less • accumulated depreciation. <p>Cairns and Hinterland Hospital and Health Service derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> • identifying the components of buildings with separately identifiable replacement costs • developing a unit rate for each of these components, including: <ul style="list-style-type: none"> – estimating the current cost for a modern substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. \$/square metre) – identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference. <p>The measurement of accumulated depreciation involved significant judgements for determining condition and forecasting the remaining useful lives of building components.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant judgements for calculating annual depreciation expense.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • assessing the adequacy of management's review of the valuation process and results • reviewing the scope and instructions provided to the valuer • assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices • assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices • assessing the competence, capabilities and objectivity of the experts used to develop the models • for unit rates, on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the: <ul style="list-style-type: none"> – modern substitute (including locality factors and oncosts) – adjustment for excess quality or obsolescence. • evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> – reviewing management's annual assessment of useful lives – at an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets – testing that no building asset still in use has reached or exceeded its useful life – enquiring of management about their plans for assets that are nearing the end of their useful life – reviewing assets with an inconsistent relationship between condition and remaining useful life. • where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

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

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

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

I have nothing to report in this regard.

Responsibilities of the entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar6.pdf

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

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

Prescribed requirements scope

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



Michael Claydon
as delegate of the Auditor-General

29 August 2024

Queensland Audit Office
Brisbane

Appendix B – Glossary

<p>Activity based funding (ABF)</p>	<p>A management tool with the potential to enhance public accountability and drive technical efficiency in the delivery of health services by:</p> <ul style="list-style-type: none"> • capturing consistent and detailed information on hospital sector activity and accurately measuring the costs of delivery • creating an explicit relationship between funds allocated and services provided • strengthening management’s focus on outputs, outcomes and quality • encouraging clinicians and managers to identify variations in costs and practices so they can be managed at a local level in the context of improving efficiency and effectiveness • providing mechanisms to reward good practice and support quality initiatives.
<p>Acute</p>	<p>Having a short and relatively severe course of care in which the clinical intent or treatment goal is to:</p> <ul style="list-style-type: none"> • manage labour (obstetric) • cure illness or provide definitive treatment of injury • perform surgery • relieve symptoms of illness or injury (excluding palliative care) • reduce severity of an illness or injury • protect against exacerbation and/or complication of an illness and/or injury that could threaten life or normal function • perform diagnostic or therapeutic procedures.
<p>Admission</p>	<p>A patient who undergoes a hospital’s formal admission process as an overnight-stay patient or a same-day patient.</p>
<p>Allied health staff</p>	<p>Professional staff who meet mandatory qualifications and regulatory requirements in the following areas: audiology; clinical measurement sciences; dietetics and nutrition; exercise physiology; leisure therapy; medical imaging; music therapy; nuclear medicine technology; occupational therapy; orthopaedics; pharmacy; physiotherapy; podiatry; prosthetics and orthotics; psychology; radiation therapy; sonography; speech pathology and social work.</p>
<p>Clinical governance</p>	<p>A framework by which health organisations are accountable for continuously improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish.</p>
<p>Clinical workforce or staff</p>	<p>Employees who are, or who support, health professionals working in clinical practice, have healthcare specific knowledge/experience and provide clinical services to health consumers, either directly and/or indirectly, that have a direct impact on clinical outcomes.</p>
<p>Community Consultation Committee (CCC)</p>	<p>A group that provides feedback and advice to the Cairns and Hinterland HHS Board through the Community Advisory Group on local healthcare services from a consumer and community perspective.</p>
<p>Full-time equivalent (FTE)</p>	<p>Refers to full-time equivalent staff currently working in a position.</p>

Health Service Consultative Forum (HSCF)	Consults on local workplace matters, workloads, workplace health and safety, recruitment issues and policies. It is attended by Executive Directors and has strategic oversight of people management issues, and is the peak body for unresolved matters from the local consultative forums.
Hospital	Healthcare facility established under Commonwealth, state or territory legislation as a hospital or a free-standing day-procedure unit and authorised to provide treatment and/or care to patients.
Hospital and Health Boards	Made up of a mix of members with expert skills and knowledge relevant to governing a complex healthcare organisation.
Hospital and Health Service	Hospital and Health Services are separate legal entities established by the Queensland Government to deliver public hospital services. Hospital and Health Services commenced in Queensland on 1 July 2012, replacing existing health service districts.
Individual Development Plan (IDP)	Measures performance, identifies goals and development opportunities for employees. A conversation between managers and permanent employees or temporary employees on contracts longer than three months.
Local Consultative Forum (LCF)	A group of union representatives and management representatives that meet regularly to discuss work-related issues. The LCF is a consultative body for the purposes of informing staff about new initiatives, restructures or any changes including Workplace Reforms and then allows for feedback from staff, through their union representatives, about the proposals.
Long wait	A 'long wait' elective surgery patient is one who has waited longer than the clinically recommended time for surgery, according to the clinical urgency category assigned. That is, more than 30 days for a category 1 patient, more than 90 days for a category 2 patient and more than 365 days for a category 3 patient.
Non-admitted patient	A patient who does not undergo a hospital's formal admission process.
Outpatient	Non-admitted individual accessing health service provided at a hospital or health service facility.
Outpatient service	Examination, consultation, treatment or other service provided to non-admitted, non-emergency patients in a speciality unit or under an organisational arrangement administered by a hospital.
Overnight-stay patient (also known as inpatient)	A patient who is admitted to, and discharged from, the hospital on different dates (not same-day patients).
Patient flow	Optimal patient flow means the patient's journey through the hospital system, be it planned or unplanned, which happens in the safest, most streamlined and timely way to deliver good patient care.

Public patient	A public patient is one who elects to be treated as a public patient, so cannot choose the doctor who treats them, or is receiving treatment in a private hospital under a contract arrangement with a public hospital or health authority.
Queensland Audit Office	The Queensland Audit Office is the independent auditor of the public sector.
QDAN	Queensland Disposal Authority Number
Registered nurse	An individual registered under national law to practise in the nursing profession as a nurse, other than as a student.
Statutory bodies	A non-departmental government body established under an Act of Parliament. Statutory bodies can include corporations, regulatory authorities and advisory committees/councils.
Sub-acute care	Care for people who are not severely ill but need support to regain their ability to carry out activities of daily life after an episode of illness and/or changing health conditions.
Telehealth	<p>Delivery of health-related services and information via telecommunication technologies, including:</p> <ul style="list-style-type: none"> • live audio and or/video interactive links for clinical consultations and educational purposes • store and forward Telehealth, including digital images, video, audio and clinical notes (stored) on a client computer, then transmitted securely (forwarded) to a clinic at another location where they are studied by relevant specialists • tele-radiology for remote reporting and clinical advice for diagnostic images • Telehealth services and equipment to monitor patients' health in their homes.
Weighted Activity Unit	A standard unit used to measure all patient care activity consistently. The more resource intensive an activity is, the higher the weighted activity unit. This is multiplied by the standard unit cost to create the 'price' for the episode of care.

Appendix C – Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Page 4
Accessibility	Table of contents Glossary	ARRs – section 9.1	Page 5 Appendix B
	Public availability	ARRs – section 9.2	Page 2
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Page 2
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	Page 2
	Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Page 2
General information	Introductory Information	ARRs – section 10	Page 10
Non-financial performance	Government’s objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	Page 7
	Agency objectives and performance indicators	ARRs – section 11.2	Page 36
	Agency service areas and service standards	ARRs – section 11.3	Page 34
Financial performance	Summary of financial performance	ARRs – section 12.1	Page 39
Governance – management and structure	Organisational structure	ARRs – section 13.1	Page 26
	Executive management	ARRs – section 13.2	Page 23
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	Page 19
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 32
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 33
	Queensland public service values	ARRs – section 13.6	Page 10
Governance – risk management and accountability	Risk management	ARRs – section 14.1	Page 30
	Audit committee	ARRs – section 14.2	Page 21
	Internal audit	ARRs – section 14.3	Page 30
	External scrutiny	ARRs – section 14.4	Page 31
	Information systems and recordkeeping	ARRs – section 14.5	Page 32
	Information Security attestation	ARRs – section 14.6	Page 31

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	Page 28
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 30
Open Data	Statement advising publication of information	ARRs – section 16	Page 2
	Consultancies	ARRs – section 31.1	https://data.qld.gov.au
	Overseas travel	ARRs – section 31.2	https://data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Appendix A
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Appendix A

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2019

ARRs Annual report requirements for Queensland Government agencies

