

ANNUAL REPORT 2021–2022



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

This report can be viewed on Metro South Health's website at www.metrosouth.health.qld.gov.au/about-us/publications/annual-report.

Hard copies of the Annual Report are available by phoning the Office of the Chief Executive, Metro South Health, on 07 3176 8057. Alternatively, you can request a copy by emailing metrosouthcorro@health.qld.gov.au.



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 07 3176 8074 and we will arrange an interpreter to communicate the report to you.

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Acknowledgement of the Traditional Owners

Metro South Health recognises the traditional custodians of the land and waters where we provide health services. We pay our respects to the traditional peoples—the Yugambeh, Quandamooka, Jaggera, Ugarapul and Turrbal peoples—and to Elders, past, present and emerging.

Recognition of Australian South Sea Islanders

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

Letter of compliance



2 September 2022

The Honourable Yvette D'Ath MP
Minister for Health and Ambulance Services
GPO Box 48
Brisbane QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2021–2022 and financial statements for Metro South Hospital and Health Service.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements is provided on page 91 of this Annual Report.

Yours sincerely

A handwritten signature in black ink that reads "Janine Walker".

Janine Walker AM

Chair

Metro South Hospital and Health Board

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Statement on Queensland Government objectives for the community

Metro South Health activities are aligned to the government's objectives for the community, built around *Unite and Recover – Queensland's Economic Recovery Plan*.

The long-term objectives are:

Safeguarding our health: Safeguard people's health and jobs by keeping Queensland pandemic-ready

Supporting jobs: Support increased jobs in more industries to diversify the Queensland economy and build on existing strengths in agriculture, resources and tourism

Backing small business: Help small business, the backbone of the state's economy, thrive in a changing environment

Making it for Queensland: Grow manufacturing across traditional and new industries, making new products in new ways and creating new jobs

Building Queensland: Drive investment in the infrastructure that supports our recovery, resilience and future prosperity

Growing our regions: Help Queensland's regions grow by attracting people, talent and investment, and driving sustainable economic prosperity

Investing in skills: Ensure Queenslanders have the skills they need to find meaningful jobs and set up pathways for the future

Backing our frontline services: Deliver world-class frontline services in key areas such as health, education and community safety

Protecting the environment: Protect and enhance our natural environment and heritage for future generations and achieve a 50 per cent renewable energy target by 2030.

The Metro South Health Strategic Plan 2021-2025 specifically focuses on the Government's objective for the community of:

- Safeguarding our health
- Backing our frontline services
- Building Queensland

Metro South Health's four strategic pillars of providing equitable access to excellent care; delivering great value; leading by innovating and collaborating; and maintaining and developing an exceptional workforce are aligned to the Government's objectives.

From the Chair and Chief Executive

In a year of extraordinary challenges, clinicians, other frontline staff and people serving in a multitude of roles from across our health service went above and beyond to provide safe, quality services to Metro South Health patients.

We began the new year in the same way the previous year ended: focused on management of the COVID-19 pandemic to save lives and protect the health of our community.

Metro South Health employees demonstrated our ICARE² values of integrity, compassion, accountability, respect, engagement and excellence by their actions and behaviours. We thank them for their hard work and dedication—they are truly health heroes.

Our health service played a leading role in implementing a highly successful vaccination program. Together with many health partners, more than two million vaccinations were administered in our region, including 960,000 by Metro South Health, protecting our health service and community from COVID-19.

The work that the pandemic absorbed was multi-faceted: our teams managed extensive contact tracing, standing up vaccination clinics at more than 200 venues, and managing the impacts of COVID-19 outbreaks in the community as we fought to prevent the spread of the virus in the months before the easing of public health restrictions.

Throughout, we remain focused on keeping our patients and staff safe as we co-ordinated our response through Health Emergency Operation Centres. We ran screening clinics and concierge services at each of our hospitals and implemented fit testing for face masks.

While COVID-19 may have dominated public attention, we also delivered services and planned for the future in our fast-growing region. To this end, the Metro South Health Board endorsed our new Strategic Plan 2021-2025.

This Annual Report provides a summary of key achievements against our Strategic Plan's objectives which included significant progress on the major expansion of Logan Hospital. The Redland Hospital carpark also progressed, and

Janine Walker AM

Chair - Metro South Hospital and Health Board

Dr Peter Bristow

Chief Executive - Metro South Hospital and Health Service

we were delighted to welcome Her Excellency, the Governor of Queensland, Dr Jeanette Young AM PSM, who opened a new 26-bed ward at the QEII Hospital in June 2022.

The pandemic impacted our staff who were furloughed in significant numbers in the second half of 2021-2022. At the same time, Metro South Health experienced very high demand for care. During demand surges we focused our efforts on critical emergency and urgent care. There were times of great pressure on our Emergency Departments and bed capacity. We thank all staff for their dedication.

Despite these challenges, we delivered 312,982 occasions of service in our Emergency Departments, 125,311 patients received their first specialist outpatient appointment, and 22,394 patients received their elective surgeries across the Princess Alexandra, QEII, Logan, Redland and Beaudesert hospitals, as well as through our Addiction and Mental Health Services and Community and Oral Health Services. We ended the financial year with a small surplus.

The Metro South Health purpose is to provide quality healthcare every day. This commitment applies equally to every person in our health service. We recognise that Aboriginal and Torres Strait Islander communities continue to suffer greater health and social inequities. To ensure we continue to focus on closing the gap, the Board endorsed a Health Equity Strategy specific to First Nations people.

The work to support vulnerable patients extended to many in our community, including the elderly, people from multicultural and non-English speaking communities, and people with a disability. Undoubtedly, COVID-19 had the potential to have an adverse impact on these communities, and we are gratified that our health service was able to reach out and provide them with care, screening and vaccinations.

We never lose sight of how privileged we are to care and support the most vulnerable people in our community. We could not be prouder of the Metro South Health team.

About us

Strategic Direction

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

Under the *Hospital and Health Boards Act 2011*, it is the principal provider of public health services for the community within its geographical area. The Queensland Department of Health is responsible for the overall management of the public health system including statewide planning and monitoring the performance of Hospital and Health Services. A Service Agreement between the Department of Health and Metro South Health identifies the health services Metro South Health will provide, funding arrangements for those services, and targets and performance indicators to ensure outputs and outcomes are achieved. The Service Agreement is negotiated annually with the Department of Health and is publicly available at <https://www.publications.qld.gov.au/dataset/metro-south-hhs-service-agreements>.

Metro South Health is one of 16 Hospital and Health Services in Queensland and serves an estimated resident population of almost 1.2 million people, 23 per cent of Queensland's population. It employs more than 14,000 full-time equivalent (FTE) employees and has an annual operating revenue of \$2.968 billion. The health service's catchment spans 3,856 square kilometres and covers the area from the Brisbane River in the north to Redland City in the east, south to Logan City and the eastern portion of the Scenic Rim to the border of New South Wales.

Strategic Plan 2021-2025

The Metro South Health Strategic Plan 2021-2025 outlines how we are aligned with the Government's objective for the community of safeguarding our health, by providing equitable access to excellent care through healthcare innovation and collaboration. The plan identifies how we are backing our frontline services, through maintaining and developing our exceptional workforce as key to delivering great value care in collaboration with others.

In delivering care for the future, Metro South Health values the significant efforts of our staff as researchers and innovators.

Vision, Purpose, Values

Vision and Purpose

Our vision is to be Australia's exemplar public healthcare service and our purpose is to ensure quality healthcare every day to the community we serve.

Values

Metro South Health launched its ICARE² values in 2020 after wide consultation with staff. We embrace:

- Integrity
- Compassion
- Accountability
- Respect
- Engagement
- Excellence

These six values guide our decision making. Metro South Health staff have the privilege to care for others when they are at their most vulnerable, and the empathy and excellence our staff bring to their work shows a determination to live our values every day. The challenges we continue to overcome in this pandemic demonstrate the dedication of an extraordinary workforce.

Priorities

The Metro South Health Strategic Plan 2021-2025 four strategic objectives are aligned in particular to the Government objectives of safeguarding our health, backing our frontline services and building Queensland.

Metro South Health objective: Provide equitable access to excellent care

Aligns with Government objective:
Safeguarding our health

In 2021-2022, we worked to provide equitable access to excellent care with a focus on:

- ensuring our care was safe, timely and of the highest quality
- acting as a leader for change in health outcomes
- partnering with patients and families to improve the delivery and experience of healthcare
- focusing on preventative health and responding to emerging public health challenges
- improving equity in health outcomes by closing the gap for Aboriginal and Torres Strait Islander people.

Metro South Health objective: Deliver great value

Aligns with Government objective:
*Backing our frontline services /
Building Queensland*

In the past year, we worked to deliver great value by:

- being responsible in the allocation of our resources
- maximising revenue to support sustainability
- minimising the provision of low-value care
- building our future healthcare facilities to meet the community's needs
- maintaining and improving our facilities and equipment to ensure they remain fit for purpose.

We acknowledge the fast-tracked Satellite Hospital program which will develop facilities,

including in Redland and Eight Mile Plains, and the Budget announcement for expansions at PA Hospital, Logan Hospital and QEII Hospital to meet the increasing population growth in these areas. There will also be additional beds at Redland and QEII hospitals as part of the Accelerated Capital Delivery Program. Metro South Health also used Queensland Government funding from the Care for Queensland program to maximise the available care we provide.

Metro South Health objective: Lead by innovating and collaborating

Aligns with Government objective:
*Safeguarding our health /
Backing our frontline services*

We continued to focus on innovation and collaboration by:

- using research and evidence to inform our care
- actively partnering and working with others to ensure joined up care
- exploring and implementing different ways to deliver care through co-design and partnering for new solutions
- minimising our impact on the environment
- streamlining our processes.

Metro South Health objective: Maintaining and developing an exceptional workforce

Aligns with Government objective:
Backing our frontline services

We worked to maintain and develop our workforce for the future by:

- ensuring the safety, health and wellbeing of our workforce
- embedding our ICARE² values
- ensuring our workforce has opportunities and pathways to develop and be leaders in their fields
- educating and training the future health team
- developing a workforce that reflects the diversity of our community.

Aboriginal and Torres Strait Islander Health

As one of the largest public health services in Queensland, with a significant Aboriginal and Torres Strait Islander population, Metro South Health has a responsibility for acknowledging and sustaining one of the world's oldest living cultures. We believe that when Aboriginal and Torres Strait Islander people have a genuine say in the design and delivery of policies, programs and services that affect them, better life outcomes are achieved. This needs to be accomplished in culturally safe ways and in partnership with the community as well as community-controlled organisations and peak bodies, primary care, universities and other stakeholders who impact the lives and futures of First Nations peoples.

The Metro South Hospital and Health Board has First Nations representation and to ensure First Nations leadership is recognised and voices are heard, a Metro South Health Aboriginal and Torres Strait Islanders Elders and Community Advisory Council has been formed. In addition, First Nations community members and consumers regularly share their experience and needs with our network of hospital liaison officers and cultural capability officers, deadly nurses' network, and yarning circles.

Metro South Health First Nations Health Equity Strategy

Our Health Equity Strategy is aligned with Queensland Health's 'Making Tracks together: Aboriginal and Torres Strait Islander Health Equity Framework' and the South East Queensland collaboration to develop a regional strategy. Our strategy places First Nations people's voices at the centre of healthcare service design and delivery.

By redesigning a health service that sees more First Nations peoples employed across the system, listens to First Nations voices in the system, and supports a better integrated and coordinated system for First Nations peoples Metro South will ensure its services are equitable for all people and help close the gap in health outcomes. Our strategy outlines our vision for health equity, our health equity values and our plan.

Over 12 months we employed both informal and formal engagement activities to identify the needs of our consumers and to hear the voices of our stakeholders. Despite the difficulties created by the COVID-19 pandemic, from July 2021 to March 2022 there were more than 120 recorded consultation events. These events covered a variety of health equity topics to gauge the needs and opinions of stakeholder groups. To position Metro South to achieve this strategy, leadership and governance arrangements were put in place to provide inclusive mechanisms for First Nations people at all levels of decision making.

Statement of Commitment

Across the South East Queensland region there is a commitment to work together to achieve better health outcomes. The signing of the Statement of Commitment highlights a partnership between hospital and health services of South East Queensland, the Mater Misericordiae Ltd and Children's Health Queensland, as well as Aboriginal and Torres Strait Islander Community Controlled Health Organisations to develop and implement a regional First Nations Health Equity Strategy and sub-regional plans.

Our community-based and hospital-based services

Metro South Health is the major provider of public healthcare in the Brisbane south side, Logan, Redlands and Scenic Rim regions including teaching, research and other services as outlined in the Service Agreement. It provides these services through five hospitals, community health centres and oral health facilities.

Our hospitals

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

Major community health centres

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

Speciality services

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

Car parking concessions

Metro South issued 22,049 passes in 2021-2022 to patients and their families and carers valued at \$167,490.18 under the Hospital Car Parking – Patient and Carer Car Parking Concessions standard.

Targets and challenges

Targets

We have an opportunity to improve health literacy and engagement with the community who are potentially more attuned to health issues because of the COVID-19 pandemic. Following the challenge of the pandemic, we aim to work more closely with consumers to prevent disease and promote wellness.

The Government is investing significant amounts into upgrading and expanding our hospitals. This will increase our ability to provide great healthcare and we are actively working with the Department of Health to meet this future need.

Metro South Health has extensive digital healthcare systems. These enable us to deliver better connected care, more care in non-hospital settings and ultimately, improved patient outcomes. Virtual care models are showing great promise to improve how we deliver care.

Our skilled, experienced staff have a commitment to care, training and research. Thank to staff excellence, Metro South Health is well equipped to achieve our vision, to be Australia's exemplar healthcare provider.

Challenges

Healthcare is challenged by factors including an ageing population and population growth, increasing numbers of people living with chronic disease and declining private health insurance. Metro South Health has significantly high numbers of people at social disadvantage, including Aboriginal and Torres Strait Islander people and people from diverse backgrounds, and this increases demand on our services.

Public healthcare funding requires a growing proportion of State and Commonwealth budgets.

Metro South Health needs to be innovative and responsive in adapting to meet the changing healthcare environment and the community's needs, especially given the diverse makeup of the population we serve.

Protecting the health and wellbeing of our health workforce who have been on the frontline of the COVID-19 pandemic is a challenge and has been a major focus throughout the past year.

During 2021-2022, health services across Queensland had routine services impacted by the COVID-19 pandemic.

In response to managing the peak of the Omicron surge, in January 2022 the Queensland Government recommended that all non-urgent and routine elective service be postponed, to support the prioritisation of resources to urgent care. This had significant impacts on the delivery of care during 2022.

Governance

Our people

Board membership

The Metro South Hospital and Health Board has 10 members appointed by the Governor in Council on the recommendation of the Minister for Health and Ambulance Services pursuant to the Hospital and Health Boards Act 2011 (the Act). The Board is responsible for the governance activities of the organisation and derives its authority from the Act. Each member brings a broad range of skills, expertise and experience to the Board.

Board and committee membership and attendance for 2021-2022

Metro South Hospital and Health Service	
Act or instrument	<i>Hospital and Health Boards Act 2011</i>
Functions	<p>The Board is responsible for setting strategic direction, establishing goals and objectives for executive management, monitoring the performance of the organisation in line with current government health policies and directives, and where necessary taking actions to improve performance. The Board reports to the Minister. Its functions are:</p> <ul style="list-style-type: none"> • to control the Metro South Hospital and Health Service • to ensure that the services provided by the health service comply with the requirements of the Act and Metro South Health’s objectives. <p>The key responsibilities of the Board include:</p> <ul style="list-style-type: none"> • review and approve strategies, goals, annual budgets, and financial plans of Metro South Health in response to community and stakeholder input • monitor financial performance on a regular basis • monitor operational performance on a regular basis including compliance with clinical standards • ensure that risk management systems are in place to cover all the health service’s key risk areas including operational, financial, environmental and asset related risks • ensure that Metro South Health has policies and procedures to satisfy its legal and ethical responsibilities • report to and communicate with government on the financial and operational performance of the organisation.
Achievements	<p>The Board and Committee activities and major achievements in 2021-2022 include the development, monitoring and advising on the:</p> <ul style="list-style-type: none"> • endorsement of the updated Metro South Health Strategic Plan 2021-2025 • endorsement of the Health Equity Strategy to improve Aboriginal and Torres Strait Islander health • Logan Hospital Expansion Project

	<ul style="list-style-type: none"> • Redland Hospital Expansion Project • advocacy for other major infrastructure projects at Redland, Logan, QEII and PA hospitals • continuing oversight of the Metro South Health COVID-19 response and vaccination rollout. • consideration and endorsement of the Annual Financial Statement • oversight of the Internal Audit and Compliance Program • oversight of Capital Works and Assets Infrastructure. 				
Financial reporting	Financial reporting complies with the prescribed requirements of the <i>Financial Accountability Act 2009</i> and the <i>Financial and Performance Management Standard 2019</i> .				
Remuneration:					
Position	Name	Meetings/ sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Ms Janine Walker AM	11 board meetings 12 sub-committee meetings	\$85,714	\$4,000 (Chair) \$3,000 Member	\$105,354.31
Deputy Chair	Dr Marion Tower	10 board meetings 9 sub-committee meetings	\$44,503	\$4,000 (Chair) \$3,000 Member	\$56,690.49
Member	Mr Matthew Ames (From 1 April 2022)	3 board meetings 1 sub-committee meeting	\$44,503	\$4,000 (Chair) \$3,000 Member	\$12,958.96
Member	Assoc Prof Helen Benham	10 board meetings 6 sub-committee meetings	\$44,503	\$4,000 (Chair) \$3,000 Member	\$55,589.83
Member	Mr Brett Bundock	11 board meetings 6 sub-committee meetings	\$44,503	\$4,000 (Chair) \$3,000 Member	\$59,957.17
Member	Mr Colin Cassidy PSM	11 board meetings 13 sub-committee meetings	\$44,503	\$4,000 (Chair) \$3,000 Member	\$61,093.46
Member	Ms Helen Darch OAM	11 board meetings 6 sub-committee meetings	\$44,503	\$4,000 (Chair) \$3,000 Member	\$55,589.85
Member	Adjunct Assoc Prof Donisha Duff (resigned 4 April 2022)	9 board meetings 3 sub-committee meetings	\$44,503	\$4,000 (Chair) \$3,000 Member	\$46,419.81
Member	Adjunct Prof Iyla Davies OAM	11 board meetings 14 sub-committee meetings	\$44,503	\$4,000 (Chair) \$3,000 Member	\$62,194.22
Member	Mr Michael Goss	10 board meetings 15 sub-committee meetings	\$44,503	\$4,000 (Chair) \$3,000 Member	\$62,194.22

Member	Prof Eleanor Milligan (until 31 March 2022)	7 board meetings 4 sub-committee meetings	\$44,503	\$4,000 (Chair) \$3,000 Member	\$44,235.17
No. scheduled meetings	11 board meetings 20 sub-committee meetings				
Total out of pocket expenses	Total Board expenses, including allowance and employer superannuation expenses incurred by Metro South Health, are disclosed in the Financial Statements section at the end of this Annual Report. There was a total cost of \$1112.88 in out-of-pocket expenses for Board members during 2021-2022.				

Role of the Board Chair

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

The Chair of the Board's responsibilities are:

- maintaining a regular dialogue with the Health Service Chief Executive (HSCE)
- monitoring the performance of the board and individual members and promote its ongoing effectiveness
- development of the Board
- managing the evaluation and performance of the HSCE
- informing the minister about significant issues and events.

Board members

Ms Janine Walker AM – Chair

Appointed 18 May 2016

Current Term: 18 May 2021 – 31 March 2024

Janine Walker is a human resources expert with a background in health, academia and broadcasting. Janine previously held senior management positions including Human Resources Director for Griffith University and Princess Alexandra Hospital, Director of Industrial Relations for the Department of Health, and Industrial Director and General Secretary of the Queensland Public Sector Union.

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

Janine is an Adjunct Professor in the Griffith Business School, providing guest lectures and supporting research. She is a Fellow of the

Australian Human Resource Institute and Australian Institute of Management and a Member of the Australian Institute of Company Directors.

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

In November 2021, Janine was appointed as a Director of QSuper and continues as a director and Trustee of the Australian Retirement Trust.

Dr Marion Tower – Deputy chair

Appointed 29 June 2012 – Board Member

Appointed 21 October 2021 – Deputy Chair

Current Term: 18 May 2021 – 31 March 2024

Dr Marion Tower is a registered nurse and an academic. She is currently the Head of nursing at the University of Queensland's School of Nursing, Midwifery and Social Work. Marion is also a Senior Fellow of the Higher Education Academy and a Fellow of the Institute of Teaching and Learning Innovation at UQ. She has a PhD from Griffith University which focused on the health and healthcare needs of women

affected by domestic violence and a Master of Nursing (Women's Health) from QUT. Her nursing Honours degree focused on quality of care in residential aged care for people with dementia.

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

Marion has a long history of service to the Metro South community. From 2003-2011 she was a member of the QEII Health Community Council and was a member of the QEII Health Service District Safety and Quality Committee. Marion has been a member of Metro South Hospital and Health Board and the Metro South Safety and Quality committee since their inception.

Mr Matthew Ames

Appointed 1 April 2022

Current Term: 1 April 2022 – 31 March 2026

Matthew has demonstrated a passion for providing a voice for health consumers to help Queenslanders. He is an experienced executive with a background in Environmental, Health and Safety (EH&S) and Risk Management. He currently serves on the boards of Hear and Say (supporting the needs of children and adults impacted by hearing loss), Centacare Brisbane, Xavier Children's Support Network, and Bionics Queensland as well as serving as a consumer advocate for various committees managed by Queensland Health.

Associate Professor Helen Benham

Appointed 18 May 2019

Current Term: 1 April 2022 – 31 March 2026

Associate Professor Helen Benham is an experienced Rheumatologist who divides her time between clinical practice at Princess Alexandra Hospital and clinical and research translation at the Translational Research Institute (TRI).

Helen is currently on the board of and chair of Arthritis Queensland and previously a board director on the PA Research Foundation. She holds a Bachelor of Medicine and Surgery (Hons), Bachelor of Applied Science (Podiatry), a PhD from the University of Queensland, is a fellow of the Royal Australasian College of Physicians and a graduate of the Australian Institute of Company Directors.

Mr Brett Bundock

Appointed 18 May 2018

Current Term: 18 May 2021 – 31 March 2024

As the Group Managing Director for the Boustead Geospatial Group, Brett is one of the most influential contributors to the APAC region's rapidly growing spatial technology industry. He is an experienced company director, having served on both boards and board subcommittees - for the spatial industry and Boustead Singapore. His career within the spatial technology sector has spanned more than three decades and four continents. As the head of the Boustead Geospatial Group, Brett oversees the strategic endeavours of Esri Australia, Esri Singapore, Esri Malaysia, Esri Indonesia, Esri South Asia and Boustead Geospatial Technologies.

Mr Colin Cassidy PSM

Appointed 18 May 2021

Current Term: 18 May 2021 – 31 March 2024

Colin is a former public sector senior executive with almost 40 years of leadership experience across a diverse range of disciplines at state, regional and local government levels.

In January 2020, Colin was recognised in the Australian Honours System and was awarded the Public Service Medal for his outstanding public service to economic development, corporate services and town planning in Queensland.

Ms Helen Darch OAM

Appointed 18 May 2017

Current Term: 18 May 2020 – 31 March 2024

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

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

She is currently an Ordinary Commissioner of the Crime and Corruption Commission, a Director on the Multicap Board, and the Metro

South HHS representative on the PA Research Foundation Board. Prior to 2022 she was the Inaugural Chair of the Dominos Give for Good charity; Chair of the Cerebral Palsy League Board, Deputy Chair of the Children's Hospital Foundation, and interim Chair of the Children's Health Research Alliance.

Adjunct Professor Iyla Davies OAM

Appointed 18 May 2017

Current Term: 18 May 2020 – 31 March 2024

Adjunct Professor Iyla Davies was admitted as a lawyer and worked in family law and personal injuries before becoming a law academic for more than 20 years, specialising in mediation and dispute resolution. Iyla is currently the Chair elect of Edmund Rice Education Australia, a Director of UQ Residences Ltd and an Adjunct Professor in the School of Law, University of Queensland.

Iyla has previously held several community leadership roles as National and Queensland President of Relationships Australia, Director of Legal Aid Queensland, National President of University Colleges Australia, Member of the Specialist Accreditation Board Queensland Law Society, Director of Mercy Community Services and Chair of All Hallows' School Ltd. In addition, she has held senior university positions as Assistant Dean, International, Commercial and Community Engagement in the Faculty of Law, QUT and as Head of College and CEO of the Women's College within UQ.

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

Adjunct Associate Professor Donisha Duff

Appointed 18 May 2017

Current Term: 18 May 2021 – 31 March 2024
(Resigned 4 April 2022)

Donisha Duff has a background in health policy, planning and management with a particular focus on Aboriginal and Torres Strait Islander Health. She has over 20 years' experience in health and Indigenous affairs working in the Federal government, Queensland Health, Australian Indigenous Doctors' Association, the National Aboriginal Community Controlled Health Organisation (NACCHO), Kidney Health Australia and as Advisor (Indigenous Health) to

the former Minister for Indigenous Health, Warren Snowdon MP. She is currently the Chief Operations Officer at The Institute for Urban Indigenous Health (IUIH). She is Adjunct Associate Professor with Kurungkurl Katitjin, Centre for Indigenous Australian Education and Research at Edith Cowan University.

Her other board/ committee appointments include Chair of the Stars Foundation Limited, and Member of the RAP Advisory Committee for TAFE QLD.

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

Mr Michael Goss

Appointed 18 May 2020

Current Term: 18 May 2020 – 31 March 2024

Michael Goss has over 30 years' experience as a lawyer in large and mid-tier Australian firms, now practicing in his own legal consultancy. Michael has practiced primarily in commercial law, agribusiness, banking and residential aged care. He has worked with finance clients such as Rabobank, NAB and ANZ and is currently a board member for aged care provider Beaumont Care.

With more than three decades of professional practice, Michael brings to the Board his legal skills in strategic thinking and problem solving, and business sustainability through strong governance controls.

Professor Eleanor Milligan

Appointed 18 May 2019

Current Term: 19 May 2019 – 31 March 2022

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

Eleanor has more than 25 years' experience across a range of sectors including healthcare ethics, education and professional regulation, and a strong academic background with studies in Philosophy, Education and Science.

Our committees

In 2021-2022, the following committees assisted the Board in carrying out its functions and responsibilities:

- Executive Committee
- Finance Committee
- Audit and Risk Committee
- Safety and Quality Committee
- Capital Works and Assets Committee.

The Committees are chaired by Board members, supported by the HSCE or other members of the Metro South Health Executive team.

Membership of the committees

Executive Committee

Chair: Ms Janine Walker AM

The Executive Committee is an advisory committee to the Board. The Executive Committee functions under the authority of the Board in accordance with s32B of the Act. The Executive Committee is established to support the Board by:

- working with the HSCE to progress strategic issues identified by the Board
- strengthening the relationship between the Board and the HSCE to ensure accountability in the delivery of services by the health service
- developing strategic Service Plans for the Health Service and monitoring their implementation
- developing key engagement strategies and protocols and monitoring their implementation
- performing any other functions required by the Board or prescribed by regulation.

Finance Committee

Chair: Mr Colin Cassidy PSM

The Finance Committee is a prescribed committee under Part 7, s31, of the Hospital and Health Boards Regulation 2012 (the Regulation). The Finance Committee has the following functions:

- assessing Metro South Health's budget and ensuring the budgets are:
 - consistent with the organisational objectives of Metro South Health

- appropriate having regard to Metro South Health funding

- monitoring Metro South Health cash flow, having regard to the revenue and expenditure of Metro South Health
- monitoring the financial and operating performance of Metro South Health
- monitoring the adequacy of Metro South Health's financial systems, having regard to its operational requirements and obligations under the Financial Accountability Act 2019 (FAA2019)
- assessing financial risks or concerns that impact, or may impact, on the financial performance and reporting obligations of Metro South Health, and how Metro South Health is managing the risks or concerns
- assessing the health service's complex or unusual financial transactions
- assessing any material deviation from the budget
- any other function given to the committee by the Board
- identifying risks and mitigating strategies associated with all decisions made
- implementing processes to enable the committee to identify, monitor and manage critical risks as they relate to the functions of the committee.

Audit and Risk Committee

Chair: Mr Colin Cassidy PSM

The Audit and Risk Committee is a prescribed committee under s31, of the Regulation. The purpose of the Audit and Risk Committee is to provide advice and assistance to the Board on:

- the health service's risk, control and compliance frameworks
- external accountability responsibilities as prescribed in the FAA 2019, Auditor-General Act 2019, Financial Accountability Regulation 2019 and Financial and Performance Management Standard 2019.

The Audit and Risk Committee also advises the Board on the following matters:

- assessing the adequacy of Metro South Health financial statements, having regard to the following:
 - the appropriateness of the accounting practices used
 - compliance with prescribed accounting standards under the FAA 2019
 - external audits of Metro South Health financial statements
 - information provided by Metro South Health about the accuracy and completeness of the financial statements
- monitoring Metro South Health compliance with its obligation to establish and maintain an internal control structure and systems of risk management under the FAA 2019, including:
 - whether there are appropriate policies and procedures in place and
 - whether Metro South Health is complying with the policies and procedures.
- monitoring and advising the Board about Metro South Health's internal audit function
- overseeing liaison with the Queensland Audit Office in relation to proposed audit strategies and plans

- assessing external audit reports and assessing the adequacy of action taken by management arising from the reports
- monitoring the adequacy of Metro South Health's management of legal and compliance risks and internal compliance systems, including the effectiveness of the systems in monitoring compliance with relevant laws and government policies
- evaluation and approval of the Internal Audit Charter, Internal Audit Strategic and Annual Audit Plans through Internal Audit
- reviewing the risk management framework for identifying, monitoring and managing significant business risks, including fraud
- liaising with management to ensure there is a common understanding of the key risks to the agency
- assessing and contributing to the audit planning process relating to risks and threats to Metro South Health
- reviewing effectiveness of processes for identifying and escalating risks, particularly strategic risks.

Safety and Quality Committee

Chair: Dr Marion Tower

The Safety and Quality Committee is a prescribed committee under s31 of the Regulation. The committee advises the Board on matters relating to the safety and quality of services provided by the health service, including strategies for the following:

- minimising preventable patient harm
- reducing unjustified variation in clinical care
- improving the experience of patients and carers in receiving health services
- complying with national and state strategies, policies, agreements and standards relevant to promoting consultation with health consumers and members of the community about the provision of health services
- monitoring Metro South Health governance arrangements relating to the safety and quality of health services,

including by monitoring compliance with quality and safety policies and plans

- promoting improvements in the safety and quality of health services provided by Metro South Health
- monitoring the safety and quality of health services using appropriate indicators
- any other function given to the committee by the Board
- identifying risks and mitigating strategies associated with all decisions made
- implementing processes to enable the committee to identify, monitor and manage critical risks as they relate to the functions of the committee
- improved reporting and monitoring of identified key performance indicators.

Capital Works and Assets Committee

Chair: Mr Brett Bundock

The Capital Works and Assets Committee assists the Board on matters relating to the strategic direction and leadership of Metro South Health on infrastructure and asset management. It advises and makes recommendations to the Board on matters relating to the capital works and assets.

In 2021-2022, the Committee monitored the planning and development of significant infrastructure projects, including Logan, Redland and QEII hospitals.

Executive management

Role of the Health Service Chief Executive

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

The HSCE responsibilities are:

- management, performance, and activity outcomes of Metro South Health
- providing strategic leadership and direction for the delivery of public sector health services in Metro South Health
- promoting the effective and efficient use of available resources in the delivery of public sector health services
- developing service plans, workforce plans and capital works plans
- managing the reporting processes for performance review by the Board
- liaising with the Executive team and receiving committee reports as they apply to established development objectives.

Dr Peter Bristow

Health Service Chief Executive

Dr Peter Bristow oversees the day-to-day management of the health service. He also provides strategic advice to the Board. Dr Bristow has performed similar roles in regional Queensland, including Darling Downs and Townsville. In his time at Metro South Health, Dr Bristow has reformed clinical governance with a focus on patient safety and championed the expansion of Metro South Health hospitals. He has led transformation of the health service's culture by leading implementation of the Metro South Health ICARE² values of integrity, compassion, accountability, respect, excellence and engagement.

Nicole Dymond

Chief Operating Officer
(to November 2021)

Nicola Dymond is a senior health executive with extensive international experience. Nicola has a strong focus on service development and quality improvement and supporting large scale change initiatives through partnership engagement. She holds memberships to the Institute of Healthcare Improvement and the International Society for Quality in Healthcare. She has a Master of Business Administration in both improvement science and service excellence, with a focus on organisational culture.

Dr Michael Cleary PSM

Acting Chief Operating Officer
(from November 2021)

Dr Michael Cleary commenced working with Queensland Health 38 years ago and was appointed as Executive Director, Princess Alexandra Hospital in October 2017. During 2021 and 2022 Dr Cleary led Metro South Health's response to the COVID-19 pandemic as the Incident Controller.

Dr Cleary has an extensive background with emergency and trauma medicine and has held senior positions on the boards of the Australian College for Emergency Medicine and the Australian Council on Healthcare Standards.

He represented Queensland on the Australian Health Ministers' Advisory Council and the Hospitals' Principal Committee. He has held the role of Deputy Director-General and Chief Operating Officer within the Queensland Department of Health, President of the Royal Australian College of Medical Administrators and Vice-President of the Australian Medical Association Queensland.

Mr Robert Mackway-Jones

Chief Finance Officer

Robert has more than 25 years of health sector experience and more than 16 years of senior leadership experience within Australia and New Zealand. He joined Metro South Health as Chief Finance Officer (CFO) in June 2013.

Robert's New Zealand health experience included senior financial roles and sector

leadership roles. From 2010 to 2013 he led the health needs assessment, strategic planning, funding and contracting for health services activities for the Southern District Health Board while concurrently filling the Chief Finance Officer role.

Dr Susan O'Dwyer

Executive Director, Medical Services

Dr Susan O'Dwyer has worked in medical administration roles at facilities across Queensland since 2001. Her experience includes a seven-year term (2005-2012) in the Department of Health, Queensland, with responsibilities for medical workforce, education and training.

Dr O'Dwyer is a Practitioner Member of the Medical Board of Australia, a past Chair of the Queensland Board of the Medical Board of Australia and a Censor for the Royal Australasian College of Medical Administrators. She was awarded Distinguished Fellow of the Royal Australasian College of Medical Administrators.

Prior to taking up her appointment with the Medical Board of Australia, Dr O'Dwyer was appointed to the Australian Medical Council expert IMG committee and prevocational accreditation committee. Susan's current research interest is in doctors' health and wellbeing, and advancing women in healthcare leadership.

Ms Veronica Casey AM

Executive Director, Nursing and Midwifery Services

Veronica has held nursing executive leadership positions in Queensland Health since 1998. She worked in nursing director roles at The Prince Charles Hospital, the Royal Brisbane Hospital and the Royal Women's Hospital prior to her appointment as Executive Director, Nursing Services at Princess Alexandra Hospital. During her time at PAH, she was instrumental in helping the hospital achieve re-designation under the Magnet® credentialing program, and led the introduction of the Nurse Sensitive Indicator performance monitoring system. In 2010, she was appointed as one of three inaugural international commissioners for the American Nurses Credentialing Centre. Veronica was appointed as a Member on the Nursing and Midwifery Board of Australia in May 2014.

Ms Rachel Phillips

Acting Executive Director, Allied Health

Rachel Phillips has been working in Queensland Health since 2001 and has worked as a clinician, professional leader and executive director in acute and ambulatory care settings, primary care, and mental health.

She is a Clinical Psychologist by training and currently the Chair of the Psychology Board of Australia. Rachel has a strong interest and experience in health practitioner regulation, clinical education, implementation science, and clinical and professional ethics.

Ms Kay Toshach

Chief Infrastructure and Assets Officer

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

She has been responsible for critical planning and partnership development activities to support the design and delivery of major new service and infrastructure programs. She led the Infrastructure and Assets portfolio for Metro South Health in 2021-2022.

Mr Dave Waters

Executive Director, Human Resources

Dave Waters is a senior human resources executive, having worked in a number of Queensland Government agencies, most recently as Chief Human Resources Officer at the Department of Transport and Main Roads. Prior to this, he was Chief Human Resources Officer at the Department of Health. In both of these roles he led the design of workforce strategies and frameworks to build capacity, capability and culture to meet current and future organisational needs.

Dave has led workforce components of the COVID-19 pandemic response for the health service and contributed to significant system-wide projects during 2021-2022.

Ms Chris Thorburn

Executive Director, Governance

Chris Thorburn's career in senior and executive health management spans more than 25 years. She has managed large, diverse, acute and community health services, mental health services and health facilities.

Chris has held various senior leadership positions including District Manager; Local Health Network Chief Operating Officer; Executive Director of Mental Health and Executive Director of Corporate Governance and Strategy. While in these positions, she led significant system and service redesign processes, as well as components of national reform projects. She has extensive experience in initiating, planning and implementing projects and reviews in complex environments across a range of inpatient and community service functions.

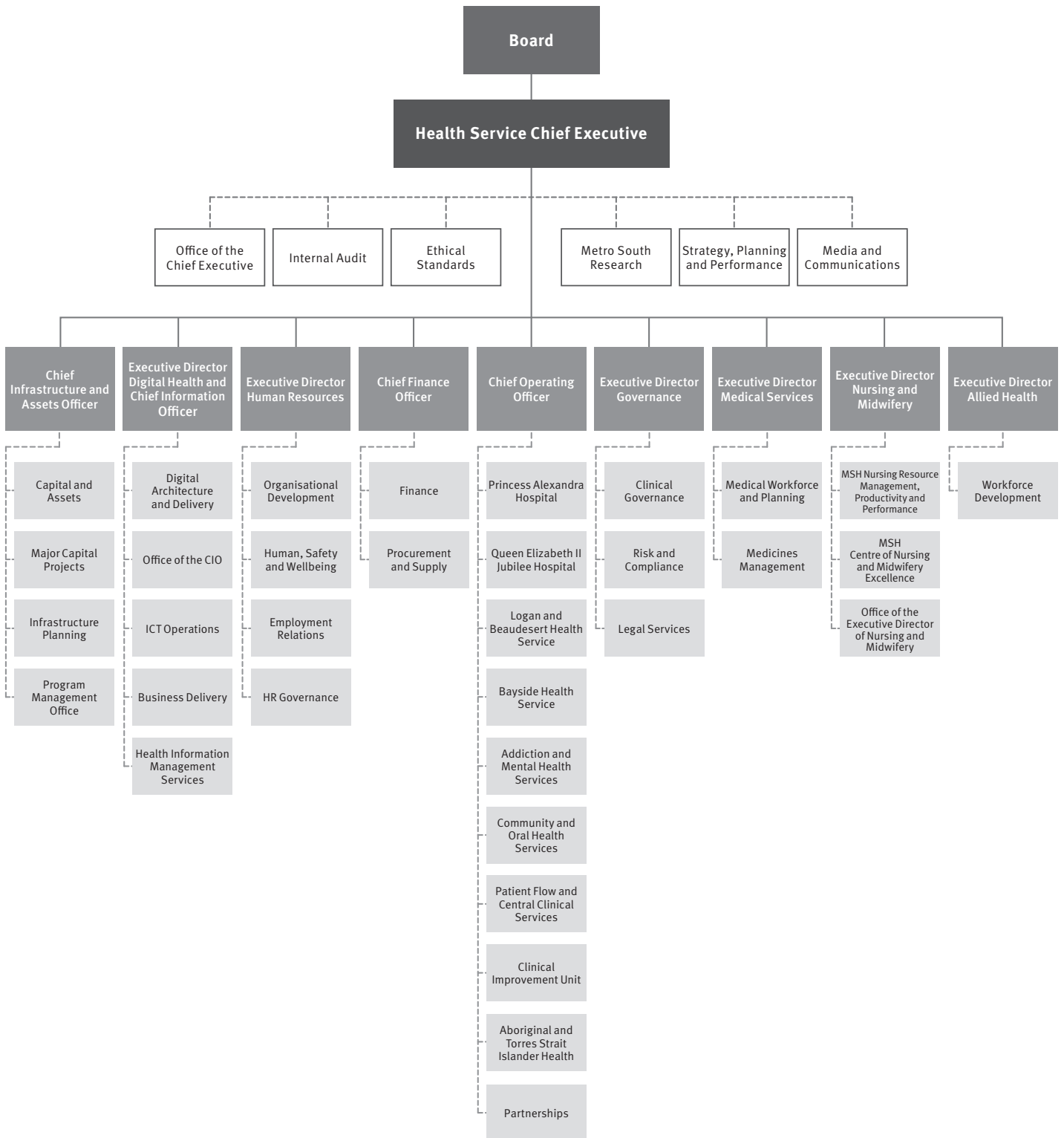
Mr Cameron Ballantine

Executive Director, Digital Health and Chief Information Officer

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

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

Organisational structure and workforce profile



Workforce profile

Our staff is made up of 14,356 full time equivalent employees, made up of a headcount of 17,434 people (as at 26 June 2022). Metro South Health supports flexible working arrangements for staff, with 47.43 per cent of our employees working part time.

The Metro South region is the most culturally diverse area in Queensland, and our employees proudly reflect the community in which they work. At Metro South Health 19.82 per cent of staff identify as coming from non-English speaking backgrounds.

In our health service, 225 employees identify as Aboriginal and Torres Strait Islander, representing 1.57 per cent of our workforce as at

26 June 2022. This year, Metro South Health introduced several initiatives to increase the number of employees who identify as Aboriginal and Torres Strait Islander. These initiatives include developing agreements with healthcare, university and community partners to develop a holistic approach to the Aboriginal and Torres Strait Islander health labour market and designing and implementing workforce inclusion initiatives to improve the diversity of our workforce. We worked to increase opportunities through a systemic approach to career pathways including training linkages, school-based training, cadetships and paid internships, and early career support.

Table 1: More doctors and nurses and allied health practitioners*

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Medical staff	1,714	1,773	1,865	1,882	1,913
Nursing staff	5,776	5,870	6,176	6,071	6,235
Allied Health staff	1,917	1,917	2,030	2,344**	2,392

Table 2: Greater diversity in our workforce*

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Persons identifying as being First Nations	149	179	224	216	225

Note: * Workforce is measured in MOHRI Full-Time Equivalent (FTE). Data presented reflects the most recent pay cycle at year's end. Data presented is to June 2022.

** Includes allied health assistants formerly classified elsewhere.

Source: ^a DSS Employee Analysis, ^b Queensland Health MOHRI, DSS Employee Analysis

Strategic workforce planning and performance

Leadership, capability and culture

With significant pressure on healthcare services this past year, we acknowledge the extraordinary contribution made by our staff in caring for our community.

Agile, future focused

The COVID-19 pandemic has required increased levels of agility and responsiveness across our workforce, with teams adapting to increased work demands, changing priorities and higher

than usual staff absence due to COVID-19 isolation and quarantine periods.

To support our workforce in preparing for these changing circumstances, work was undertaken to ensure accurate establishment management.

Additionally, this year we updated the Metro South Health Delegations Manual to reflect the HR functions/activities of the Director-General Queensland Health, and Metro South Health, to clarify decision making.

Education and research

Research and researchers continued to have a significant impact on the delivery of high-quality healthcare services for our community. The Metro South Health Research Strategy 2019-2024 sets the direction, goals and priorities which guide Metro South Health research activities.

Research focus areas involve building research capability, including skilled researchers supported by a system that aligns research development with health service requirements, and research excellence.

A Metro South Health Research Capability and Excellence Framework has been implemented to support education, skills and development of all staff involved in research at the health service.

Workplace culture

Work continued this year to embed the ICARE² values in our organisation, including developing a suite of promotional materials, updating training courses and implementing values-based recruitment practices. The 2021 Working for Queensland Survey showed 67 per cent of staff were aware of our values.

The public sector-wide Working for Queensland Survey was completed by 6426 (37 per cent) of Metro South Health employees in 2021, an increase of 10 per cent on 2020's survey. Results showed greatest improvements in managers treating staff with dignity and respect; having greater clarity and understanding of roles and responsibilities; improving performance through access to learning and development activities, having ease of access to information to support people to do their job well; and understanding what is expected of them.

Areas where improvement is required include our staff wellbeing; concern to ensure appropriate management of poor performance; and perceptions of lengthy approval processes. Following the survey, action plans were developed across Metro South Health to support teams to improve workplace culture.

Leadership skills

This year, Metro South Health introduced the Emerging Executive Leaders Program (EELP) in partnership with the University of Queensland. EELP offers 29 high performing employees an

opportunity to participate in a year-long program, focused on developing the next generation of leaders. The program covers the healthcare ecosystem, leadership styles and practice, innovation leadership, project management, change management, digital health foundations and reimagining healthcare, and culminates in an inter-professional, collaborative business improvement project.

In addition to the EELP program, the Management Development Program and the Sailing into Supervision Programs provide a pipeline for leadership and management development at Metro South Health. The programs aim to build essential business acumen and enhance leadership capability in new and emerging leaders.

Training was made more accessible and user-friendly through the launch of our new Learning Management System, MSHLearn, in September 2021. MSHLearn allows for improved navigation and functionality, interactive dashboards, an ability to incorporate external learning and access through remote and mobile devices. As part of the implementation of MSHLearn, our mandatory training programs were also reviewed, ensuring staff were receiving up-to-date corporate training. This was promoted extensively throughout our facilities via newsletters, posters, staff forums and the intranet.

Workforce planning

With increased demand on the healthcare system, workforce planning remains a critical element in running our health service. This year we delivered a contemporary workforce informatics platform and a standardised HR dashboard to help teams understand workforce trends and develop workforce plans.

In 2022, Allied Health in partnership with Human Resources, introduced an Indigenous Cadetship Program onboarding three Aboriginal and Torres Strait Islander cadets into the health service. The cadets are university students who are studying an allied health degree. The cadetship aims to improve the representation of Aboriginal and Torres Strait Islander people in the allied health workforce and assists in working towards making tracks together to health equity. The cadetship also allows for stronger connections and relationships with universities to support their students to gain employment at the completion of their degree.

Health, safety and wellness

There was a strong focus on staff wellbeing throughout the COVID-19 pandemic. In January 2022, the Staff Support Centre was established to support employees during the COVID-19 peak. The centre provided staff with easy access to practical information. This included where to find the latest resources, and information on leave, return to work, fit testing, screening and vaccinations. It also provided psychosocial support and directed employees to relevant resources, support, and referral pathways for people in need of wellbeing support. As of 30 June 2022, the Staff Support Centre had responded to 901 calls and 102 emails and received a 4.8/5 satisfaction rating from employees using the centre.

This year, further work was undertaken to maintain and improve our safety management system and culture, with key focus on work-related violence and aggression, musculoskeletal disorders, infection control and fatigue.

Early retirement, redundancy and retrenchment

No redundancy, early retirement or retrenchment packages were paid during the 2021–2022.

Our risk management

Internal audit

Internal Audit reports during 2021–2022 included:

- telehealth
- remote working
- clinical incident analysis
- non-clinical record keeping
- automated medication dispensing.

There were ongoing improvements in the follow-up of outstanding Internal Audit recommendations, including expansion to QAO Performance Audit recommendations.

Internal Audit also continued to collaborate with a co-source partner to improve efficiency and develop in-house knowledge and skills, to support staff to improve their auditing techniques.

External scrutiny, information systems and record keeping

Metro South Health's operations are subject to regular scrutiny from external oversight bodies. These include Queensland Audit Office (QAO), Australian Council on Healthcare Standards, Office of the Health Ombudsman, medical intern accreditation processes, medical colleges, and others.

QAO Audit

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

- Measuring emergency department patient wait time - 14 September 2021
- 2021 Status of Auditor-General's recommendations - 17 November 2021
- Improving access to specialist outpatient services - 6 December 2021
- Health 2021 - 16 December 2021
- State entities 2021 - 11 April 2022
- Contract management for new infrastructure - 17 May 2022

- Appointing and renewing government boards - 19 May 2022
- Enhancing government procurement - 14 June 2022.

Risk management

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

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

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

Our risk management function is monitored and supported by the Metro South Health Risk and Compliance Unit.

Governance of the risk framework is managed by:

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

Risks are controlled within the financial and management accountabilities of each position. The Health Service Chief Executive (HSCE) is supported by the Executive Director of each

stream and facility. The HSCE and Executive Directors manage risks with support from management structures within their areas of responsibility. Significant risks are reported to the Board, Audit and Risk Committee and the Executive Risk and Compliance Committee on a regular basis.

Queensland public service ethics

The *Public Sector Ethics Act 1994* defines Metro South Health as a public service agency. The Code of Conduct for the Queensland Public Service applies to all employees of Metro South Health; and the health service is committed to upholding the values and standards of conduct developed under the *Public Sector Ethics Act 1994*, which consists of four principles:

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

All Metro South Health employees are required to undertake training in the Code of Conduct for the Queensland Public Service as part of their mandatory induction training. They are also required to undertake training to raise awareness and a positive workplace culture regarding inappropriate workplace behaviours such as bullying, harassment and discrimination along with training on ethics, fraud, and conflicts of interest.

In 2021-2022, there were also regular communications to remind staff of their obligations to always protect the privacy and confidentiality of patients.

Staff had access to the following training throughout the year on the Code of Conduct:

- orientation sessions
- intranet-based modules through MSHLearn.

Corrupt conduct

The Ethical Standards Unit (ESU) is the central point within Metro South Health to receive, assess and refer allegations that raise a reasonable suspicion of corrupt conduct under section 15 of the *Crime and Corruption Act 2001* to the Crime and Corruption Commission (CCC) as required under the Directions issued to Metro South Health by the CCC.

The ESU is also responsible for coordinating, managing, reviewing, and investigating major, complex, and sensitive matters assessed as raising a reasonable suspicion of corrupt conduct which may include public interest disclosures. The unit enables the HSCE to fulfil the legislated obligations under the *Crime and Corruption Act 2001*.

Metro South Health is committed to preventing fraud, misconduct and corruption and has a zero-tolerance approach to such behaviour, which can take away vital resources from our health service and undermine public confidence in our work.

The health service encourages staff to be aware of information about corrupt conduct, public interest disclosures, bullying, harassment or sexual harassment and processes for reporting or making a complaint of suspected corrupt conduct, including fraud.

Metro South Health has current policies and procedures relating to:

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

Human Rights

Actions taken to further the objects of the Human Rights Act

The *Human Rights Act 2019* came into force on 1 January 2020. Since the introduction of the Act, Metro South Health has made and continues to make a concerted effort to develop a culture that respects, protects, and promotes the human rights of staff, volunteers, people who access Metro South Health services and all who reside in the catchment.

Many resources were made available to staff including information about the purpose of the Act, guides and checklists for policy reviews

and decision making, factsheets, links to videos and other resources which have been developed by the Queensland Human Rights Commission.

Training is available to all staff, including the Executive, and this continues to be a focus in the directorates across Metro South Health. Promoting Human Rights Week was also a focus this past financial year, with information promoted to all staff across all facilities in newsletters, and the intranet.

An evaluation process of the effectiveness of the implementation of the Act across Metro South Health has begun, and initial data indicates that more than 80 per cent of staff are aware of their obligations under the Act.

Human Rights complaints and outcomes

In the 2021-2022 financial year, Metro South Health received 1663 customer complaints relevant to the Act. Although most of the complainants did not specifically identify the Act as having been breached, staff at Metro South Health identified the relevance of certain human rights because of the training they had received.

Some of the rights alleged to have been infringed by Metro South Health in the relevant reporting period were in relation to the following rights contained in the Act:

- recognition and equality before the law
- right to life
- freedom of movement
- privacy and reputation
- protection of families and children
- right to health services.

Most complaints made in this reporting period were resolved at a local level, with only seven complaints escalated to the Queensland Human Rights Commission (QHRC). Of these seven complaints which were escalated to the QHRC, three were discontinued whilst four remain ongoing. Not all of the 1663 complaints received were found to be substantiated. Out of the 1663 complaints received (except for those which were referred to the QHRC) all were resolved by way of either:

- further explanation of the reasoning behind the decision; or
- issuing an apology; or

- business improvement (i.e. – the review of a procedure, staff training or education, service improvement etc).

Metro South Health is committed to, and values, consumers from diverse backgrounds and abilities as essential partners in the planning, design, delivery, measurement, evaluation and governance of person-centred health care.

In 2021-2022, Metro South Health continued to partner with consumers including multicultural and disability advocates to co-design the consumer feedback procedure to be compliant with the Act. Consumer Liaison Officers participated in training to assist them in recognising the rights of others.

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.

Open data

Metro South Health has Open Data to report on consultancy, overseas travel and the implementation of the Queensland Language Services Policy. Data is published on the Queensland Government's open data website, available at: www.data.qld.gov.au

Performance

Progress against strategic objectives

Metro South Health's new Strategic plan 2021-2025 came into effect on 1 July 2021. Through the 2021-2022 financial year, we monitored progress towards the achievement of the strategic objectives in this plan.

Performance highlights: Princess Alexandra Hospital

The Princess Alexandra Hospital hosts the Queensland Spinal Cord Injuries Service, which provides world-class care to people with spinal cord injury. In 2021, a \$1.85 million upgrade for PA Hospital Spinal Injuries Unit was completed to continue to ensure individuals who have suffered spinal cord injury can reach their maximum potential. In addition, the Acquired Brain Injury Transitional Rehabilitation Service (ABITRS) received recurrent funding to continue the specialist transitional rehabilitation service for adults with Acquired Brain Injury (ABI) and their families. Permanent funding was achieved for the ABI TRS, following a five-year research pilot project examining implementation of a model of care for specialist ABI transitional rehabilitation in Queensland.

In February 2022, a 3T MRI was installed in Radiation Oncology Princess Alexandra Hospital (ROPAIR) dedicated to providing imaging for simulation and planning of complex radiation therapy treatments. A dedicated MRI within ROPAIR will decrease demand on the diagnostic MRI service and also provide an overall increase in PAH MRI services for both clinical and research activities.

The PA Hospital Acute Pain Service was redeveloped into the Metro South Health Pain Rehabilitation Service, developing a hotline to assist GPs to rationalise medications, particularly opioids, without the necessity for patients to be referred. This service makes managing pain a much more efficient process for our primary care partners and our shared patients.

Performance highlights: QEII Hospital

The \$12.1 million QEII Expansion Program delivered a 26-bed medical inpatient facility in the 2021-2022 financial year, enabling the

hospital to deliver additional capacity in time for the winter season. The new inpatient facility is a state-of-the-art general medical ward with dedicated bariatric and isolation beds.

QEII also commissioned its first day procedure suite in March 2022. This helped meet the increased demand for elective surgery due to both the growing population and the decreased activity related to COVID-19. The suite has improved utilisation in the main theatre complex, ensuring this more costly theatre environment is being utilised for those that cannot be treated elsewhere.

The pre-admission redesign project has been a large quality improvement initiative spanning the entire 2021-2022 financial year. The objective was to improve patient care while waiting for elective surgery, ensuring conditions such as anaemia were investigated and optimised. This led to decreased cancellations in the lead up to surgery and provided a more patient-centred approach. QEII is beginning to see the benefits of this initiative, with more patients ready for surgery and a very low day-of-surgery cancellation rate due to medical conditions.

Performance highlights: Logan Hospital

The Logan Hospital Expansion is one of the largest ever infrastructure projects on a brownfield site, with several key milestones reached in the 2021-2022 financial year. The hospital's multi-level car park opened in February 2022, significantly boosting secure parking for patients, visitors and staff with more than 1500 spaces available. End-of-trip facilities in the new car park encourage staff to cycle to work and incorporate a healthy, active lifestyle into their workday. The car park also offers several sustainability features, with more than 300 solar panels, rainwater collection and charging stations for electric vehicles.

Work began on four new floors that will be constructed on top of the existing Building 3. With the open-air bottom level also being built in, the \$460 million project will provide 206 additional beds and treatment spaces, including five new medical wards. This equates to a 48 per cent increase in bed capacity to meet the needs of the rapidly growing community. The expansion projects have also offered opportunities for the local community, with students invited on site behind-the-scenes to inspire future engineers, architects and tradespeople. Residents have also had their say on the designs for the car park's building façade and consumers were engaged on new wayfinding signage.

The first phase of the \$18.875 million Logan Maternity upgrade opened in January 2022 with a new maternity ward providing updated, comfortable spaces for more than a thousand mothers and babies already, with a support person now able to stay overnight with new mums for the first time. Construction is in progress on a new direct access road to the maternity unit which will improve access for women in labour as well as new families going home. Work continued on expanded and refurbished Birthing Suites and a Special Care Nursery.

The hospital continues to be at the forefront of medical innovation, including the use of virtual reality goggles for children undergoing minor procedures and enabling specialists from other regions to consult with paediatric inpatients and their families using digital technology.

Performance highlights: Bayside Health Service

Redland Hospital is expanding to meet the growth in demand for local healthcare services in the Redlands Coast region. In 2021-2022, planning work continued on the \$62 million Stage 1 expansion of Redland Hospital with the release of a tender for construction.

This year, construction of the \$50.5 million Redland Hospital multi-level car park progressed, which will deliver more than 1000 secure parking spaces for patients, visitors and staff attending the hospital.

In addition to infrastructure projects, Bayside Health Service continued to improve its services through innovation and key partnerships. Continuing Metro South Health's leadership as a digital health service, the Wynnum-Manly

Primary Care Centre registered and documented its first patient in the integrated electronic medical record (ieMR) in May 2022. In addition, Bayside families enjoyed the new Jajum Bajara Birthing in our Community program, providing culturally safe continuity of care to expectant Aboriginal and Torres Strait Islander mothers. This model of maternity care is a partnership between Yulu Burri-Ba Aboriginal Corporation for Community Health (YBB), the Institute for Urban Indigenous Health (UIIH) and Metro South Health's Redland Hospital.

Performance highlights: Beaudesert Hospital

Beaudesert Hospital continued to provide health services to the rural community of the Scenic Rim. Over the 2021-2022 financial year, staffing in the Beaudesert Hospital ED grew, with a nursing clinical facilitator introducing new knowledge and skills. Surgical sessions also increased this year while the General Ward graduate nursing program was also re-established.

As a birthing hospital, Beaudesert is achieving goals, with a vaginal birth rate consistently above the state average. Aboriginal and Torres Strait Islander women are choosing to birth at Beaudesert with 70 per cent of women having access to continuity-of-care via the midwifery group practice model. The hospital was recognised with a HESTA nursing and midwifery award for its commitment to improving the health and wellbeing of women and babies in rural Queensland with high-quality maternity services.

Performance highlights: Addiction and Mental Health Services

Addiction and Mental Health Services established a new service in Logan in October 2021 to aid young people with mental health problems who are disengaged from school. The Logan Adolescent Day Program allows consumers to access specialised healthcare and education services in a community setting. The success of Child Youth Mental Health Service (CYMHS) Acute Response Teams within Emergency Department settings has gained recurrent funding and the model will now be rolled out statewide. The service has led to a reduction in aggressive behaviours within ED, reduced duration of stay and reduced referrals

to community CYMHS, as immediate crisis support and interventions are provided.

The Brisbane South Recovery College initiative transitioned out of its trial phase and into implementation, offering free mental health courses in the community. Through collaboration with non-government organisation Brook Red, AMHS developed a dedicated safe space in the PAH Emergency Department for patients experiencing a mental health crisis. A partnership was established between MSH and Brisbane South Primary Health Network (PHN) to support the delivery of Head to Health, a national mental health referral line. The partnership is unique in its integration of primary and tertiary systems in a co-located space.

Way Forward, the AMHS Aboriginal and Torres Strait Islander team, increased involvement in the delivery of services for First Nations consumers presenting to Metro South Health facilities. This included direct consultations at inpatient and community settings with consumers, family members, and external services to provide cultural advice to colleagues, coordination of shared care, and discharge support in transition to community.

Performance highlights: Community and Oral Health Services

In late 2021, Community and Oral Health Services' (COHS) Refugee Health, Health Equity and Access Unit (HEAU) received referrals for 253 Afghan evacuees who fled their country following the Taliban takeover. Refugee Health supported the humanitarian arrivals through a coordinated care pathway, linkage to health services, health literacy education, advocacy for translated information in Dari, and, contributing to delivering COVID-19 education and vaccinations. To date in 2022, Metro South Refugee Health Service has also received referrals for 25 Ukrainians.

Metro South Health's Rehab@Home, led by COHS, has continued to go from strength to strength. The multidisciplinary team provided rehabilitation-focused services enabling people to discharge early from the hospital or emergency departments and optimise their recovery after injury or illness.

Acute Care at Home (AC@H) has provided acute, sub-acute and post-acute clinical care for patients in the most appropriate community setting, relieving access block for Metro South

Health facilities. Throughout the year, the AC@H team have successfully delivered new models of care for patients including paediatrics, those with Geriatric Evaluation and Rehabilitative multidisciplinary care needs, and complex care. Our Community-Hospital Interface Program (CHIP) team have facilitated early discharges from hospital and connected patients with services they require.

The Dementia Outreach Service (DEMOS) based at Redland campus, have seen their highest ever referral numbers in the past year. DEMOS is a Nurse Practitioner-led multidisciplinary team that enables clients to access services within their own home and collaborates with multiple internal and external service providers to transition care from hospital to within the community or a residential aged care facility.

This year Metro South Oral Health provided dental care to mariners experiencing urgent dental concerns at the Port of Brisbane. Mariners spend months at sea, and COVID-19 border restrictions meant their ability to access dental care at port was limited. Our service provided triage, followed by telehealth consults, and when needed, brought patients onshore to receive treatment at the Woolloongabba Oral Health Centre.

COVID-19 response

During the 2021-2022 period, the COVID-19 pandemic continued to significantly impact Metro South Health services and our communities. Metro South Health focused on rapidly reskilling and redeploying staff across the region to deliver testing and vaccination services. The health service continued to be adaptable as several waves of COVID-19 impacted staff numbers, with high demand on our services.

The Metro South Health COVID-19 Vaccination Program team played a major role in Queensland's successful response to meeting the challenge that the COVID-19 pandemic posed to public health. Metro South Health, working with other hospital and health services and partners, successfully delivered more than two million vaccinations against COVID-19, one of the largest public health vaccination programs ever delivered in Australia.

The Metro South Health vaccination program was stood up in May 2021 and by late-May 2022, more than 960,000 vaccinations had been delivered by the Metro South Health team

to health workers, vulnerable populations and the wider community.

The COVID-19 Vaccination Outreach Program delivered 46,586 vital COVID-19 vaccinations across 245 outreach clinics for members of the community who experience healthcare and vaccination access barriers. Clinics were delivered in familiar community settings and were tailored for the unique needs of diverse members. The program engaged with 112 multicultural, religious, aged care, mental health, disability, workplace and community organisations including Autism Queensland and Children's Health Queensland.

Key achievements and outcomes include:

- more than 960,000 vaccines delivered by Metro South Health staff
- 93 per cent full dose coverage achieved in Queensland, and Metro South Health team contributed approximately 24 per cent of this total
- 200 outreach locations established to reach vulnerable and diverse communities throughout the Metro South footprint
- approximately 75 per cent of the dedicated COVID-19 vaccine workforce at Metro South have now been employed in other positions across the health service, representing a gain in skills as we continue to provide safe care to the community.

Performance indicators

Metro South Health is committed to a balanced scorecard approach to performance measurement, encompassing innovative quantitative and qualitative indicators of success.

Disruptions to services caused by management of the COVID-19 pandemic had a significant impact on Metro South Health's ability to deliver on all measures in the Strategic Plan during 2021-2022.

As of 30 June 2022, Metro South Health reported the following progress against its strategic objectives:

Objectives	Measures	Target	2021-2022
Provide equitable access to excellent care	Patient wait times	See Table 3: Service Standards	See Table 3: Service Standards
	Reduce sentinel events	Zero events	Zero events
	Improve patient reported experience	TBC	Under development
	Vaccination rates for COVID-19	Community Dose 2: ≥80% Staff Dose 2: 100%	Community Dose 2: ≥95.3% Staff Dose 2: 97.9%
	Rate of possibly preventable hospitalisations for diabetes in First Nations' people compared to non-indigenous	≤ 2.3%	2.09%
Deliver great value	Financial Operating Position Surplus/(Deficit)	Balanced or Surplus FYTD	\$13.6M
	Maximise own source revenue	Balanced or Surplus FYTD	-0.59%
	Reduce admissions classified as low value care	TBC	Under development
	Increase capital project investment	Increase on last FYTD	+42%
	Increase planned maintenance as % of total maintenance spend	≥60%	51%
Lead by innovating and collaborating	Increase % of pregnant women seen in community maternity hubs	Increase on last FYTD	+1%
	Increase in attendance of MSH staff at residential aged care facilities	Increase on last FYTD	+38%
	Increase Hospital in the Home as % of all admissions (inpatient)	Increase on last FYTD	-0.08%
	Increase research funded spend	Increase on last FYTD	+7%
	Decrease growth in waste production	TBC	Under development
Maintain and develop an exceptional workforce	Decrease Workcover % of time lost	Decrease on last FYTD	-0.05%
	Increase staff mandatory training % of completion	86.7% completed	80.3% completed
	Increase participation rate of First Nations People in our workforce	≥2.63%	1.52%
	Increase participation rate of people with disability in our workforce	≥3%	2.05%
	Increase in completion rates of Performance and Development Plans in line with ICARE ² values	50% completed	47.3% completed

Service standards

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

Emergency Departments

In 2021-2022, 100 per cent of all Category 1 patients were seen within recommended timeframes. The percentage of Category 4 and 5 patients seen within recommended timeframes met the targets. However, the percentage of Category 2 presentations seen with the recommended time remained below the 80 per cent target at 54 per cent, and Category 3 was below the 75 per cent target at 60 per cent.

There were 312,982 presentations, of which 105,076 arrived by ambulance. There was an overall increase of 9,676 (3.2 per cent) more presentations to Emergency Departments.

There was an increase in higher acuity patients presenting to Emergency Departments – 77,675 Category 1 and 2 presentations, which is 7,357 (10.5 per cent) more compared to the previous year.

The impact of COVID-19 on Emergency Department processes also contributed to length of stay.

Elective surgery

In 2021-2022, 22,394 patients received their elective surgery, 19.5 per cent fewer patients compared to 2020-21.

A total of 18,673 patients received their care within the clinically recommended timeframe with 93 per cent of Category 1 patients treated in time, below the target of 98 per cent.

A total of 74 per cent of Category 2 patients were treated in time while 78 per cent of Category 3 patients were treated in time.

The median wait time for elective surgery was 29 days.

In response to managing the peak of the Omicron surge, in January the Queensland Government recommended that all non-urgent and routine elective surgery be postponed to prioritise resources to urgent care. This had significant impacts on the delivery of care in 2022.

Specialist outpatients

Metro South Health saw 75 per cent of Category 1 specialist outpatients within clinically recommended timeframes.

A total of 125,311 patients received their first specialist outpatient appointment, of which 84,294 received their appointment within the clinically recommended time. This is 12,217 (8.9% per cent) fewer patients than last year.

During 2021-2022, Metro South Health had routine services impacted by the COVID-19 pandemic. This was the result of increased requirements on staff to deliver public health duties, additional infection control measures increasing the amount of space and time to deliver care, as well as prioritisation of services to urgent care and treating COVID-19 patients.

Metro South Health ensured there were inpatient and intensive care beds available to treat COVID-19 positive patients across the health service from January to June 2022.

The health service was also impacted by furloughed staff impacted by COVID-19 or isolating as close contacts.

Safety and quality

Metro South Health has a Patient Safety and Quality Strategy 2021-2024 which has been endorsed by the Board. Many of the initiatives within this Strategy have been implemented to improve the safety and quality of care provided. Quarterly progress updates were provided to the Metro South Health Executive and the Board Safety and Quality Committee.

Our Clinical Governance Framework supports the Board, Executive, clinicians and all staff to understand their responsibilities for the delivery of safe and high-quality health care. The Framework outlines the systems that are in place and resources available to support the delivery of services that are safe, effective, integrated, high-quality and continuously improving.

The Patient Safety and Quality Strategy 2021-2025 describes the opportunities to optimise collaboration, increase reliability of care and improve clinical outcomes. There is a focus on:

- establishing mechanisms to collaborate across the organisation to leverage innovation, increase efficiency and streamline initiatives that aim to improve the safety and quality of care
- enhancing data literacy to guide service planning, quality improvement and evaluation
- building on our commitment to improve the safety and quality of care
- collaborating with consumers to identify opportunities for improvement.

In December 2021, Metro South Health launched a new 'Have Your Say' program, including a new website enabling consumers to provide feedback in their own language or by uploading a video or audio recording. This makes it easier for consumers to provide feedback and for our staff to respond appropriately.

In 2022, Metro South Health launched a new Clinical Incident Quality Assurance Reporting process to monitor trends and themes of clinical incidents, and the quality, timeliness and outcomes of the recommendations of reviews. It provides oversight to ensure we are learning from clinical incidents and making changes to improve the safety of care we provide.

Value for money

Activity Based Funding (ABF) is the primary financing mechanism for public hospitals. Under this model, Weighted Activity Units (WAU) provide a common unit of comparison for all clinical activities so that hospital activity can be measured and costed consistently. The cost per WAU for Activity Based Funding facilities in Metro South Health in 2021-2022 was \$5,545, which was higher than the previous year, and higher than the Department of Health target of \$5,218.

The 2021-2022 cost per WAU has risen significantly due to lower activity levels caused by the disruption of services due to the COVID-19 response.

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

Overall Metro South Health reported a slight surplus in 2021-2022.

Table 3: Service Standards – Performance 2021-2022

Metro South Hospital and Health Service	2021-2022 Target	2021-2022 Actual
Effectiveness measures		
Percentage of emergency department patients seen within recommended timeframes ¹		
Category 1 (within 2 minutes)	100%	100%
Category 2 (within 10 minutes)	80%	54%
Category 3 (within 30 minutes)	75%	60%
Category 4 (within 60 minutes)	70%	76%
Category 5 (within 120 minutes)	70%	94%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department ¹	>80%	57%
Percentage of elective surgery patients treated within the clinically recommended times ²		
Category 1 (30 days)	>98%	93%
Category 2 (90 days) ³	..	74%
Category 3 (365 days) ³	..	78%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days ⁴	<2	0.8
Rate of community mental health follow up within 1-7 days following discharge from an acute mental health inpatient unit ⁵	>65%	58.9%
Proportion of re-admissions to acute psychiatric care within 28 days of discharge ⁶	<12%	11.9%
Percentage of specialist outpatients waiting within clinically recommended times ⁷		
Category 1 (30 days)	45%	56%
Category 2 (90 days) ⁸	..	39%
Category 3 (365 days) ⁸	..	62%
Percentage of specialist outpatients seen within clinically recommended times ⁷		
Category 1 (30 days)	75%	75%
Category 2 (90 days) ⁸	..	44%
Category 3 (365 days) ⁸	..	78%
Median wait time for treatment in emergency departments (minutes) ¹	..	17
Median wait time for elective surgery treatment (days) ²	..	29
Efficiency measure		
Average cost per weighted activity unit for Activity Based Funding facilities ⁹	\$5,218	\$5,545
Other measures		
Number of elective surgery patients treated within clinically recommended times ²		
Category 1 (30 days)	9,105	9,728
Category 2 (90 days) ³	..	6,281
Category 3 (365 days) ³	..	2,664
Number of Telehealth outpatients service events ¹⁰	24,000	31,963
Total weighted activity units (WAU) ¹¹		
Acute Inpatients	239,160	219,629
Outpatients	72,795	66,463
Sub-acute	30,944	31,900
Emergency Department	47,529	44,858
Mental Health	30,210	25,076
Prevention and Primary Care	9,331	8,665
Ambulatory mental health service contact duration (hours) ¹²	>174,933	140,318
Staffing ¹³	14,373	14,357

1	During the COVID-19 pandemic Emergency Departments across Queensland were presented with demand from both COVID-19 and regular patients. In response many public Emergency Departments established fever clinics to assess and treat suspected COVID-19 cases in a safe and effective manner. As fever clinic services represent an extension of regular operational services and as a result, the 2021-2022 Actual includes some fever clinic activity. Emergency Department performance (including POST) has been impacted by the increased patient treatment time and resources required to manage COVID-19 precautions.
2	In response to the COVID-19 pandemic the delivery of planned care services has been impacted. This has resulted from occasions of temporary suspension of routine planned care services to manage priority demand, increased cancellations resulting from patient illness and staff furloughing as a result of illness or Health Service Directives.
3	As the system focuses to manage the backlog of deferred care patients, treated in time performance will continue to be impacted. As a result, the continuation of treat in time performance targets for category 2 and 3 patients applicable for 2021-2022 will be carried forward into 2022-2023.
4	Staphylococcus aureus (including MRSA) bloodstream (SAB) infections 2021-2022 Estimated Actual rate is based on data reported between 1 July 2021 and 31 March 2022.
5	Mental Health rate of community follow up 2021-2022 Actuals are as of 16 August 2022.
6	Mental Health readmissions 2021-2022 Actuals are for the period 1 July 2021 to 31 May 2022, as of 16 August 2022.
7	In response to the COVID-19 pandemic the delivery of planned care services has been impacted. This has resulted from occasions of temporary suspension of routine planned care services to manage priority demand, increased cancellations resulting from patient illness and staff furloughing as a result illness or Health Service Directives.
8	As the system focuses to manage the backlog of deferred care patients, treated in time performance will continue to be impacted. As a result, the continuation of treat in time performance targets for category 2 and 3 patients applicable for 2021-2022 will be carried forward into 2022-2023.
9	The 2021-2022 Target varies from the published 2021-2022 Service Delivery Statement due to a change in the WAU phase. All measures are reported in QWAU Phase Q24. The variation in difference of Cost per WAU to target is a result of the additional costs of the COVID-19 pandemic. 2021-2022 Actuals are as of 22 August 2022.
10	Telehealth 2021-2022 Actual is as of 18 August 2022.
11	The 2021-2022 Actual is below target due to a decrease in routine care services resulting from occasions of temporary suspension of routine planned care services to manage priority demand, increased cancellations resulting from patient illness and staff furloughing as a result of illness or Health Service Directives. The 2021-2022 Target varies from the published 2021-2022 Service Delivery Statement due to a change in the WAU phase. All measures are reported in QWAU Phase Q24. The 2021-2022 Actual figures are as of 22 August 2022. 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.
12	Due to a range of factors, including the stretch nature of the target and the impact of the COVID-19 pandemic on service access and capacity, the 2021-2022 Target has not been met. Figures are as of 16 August 2022.
13	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. 2021-2022 Actual is for pay period ending 26 June 2022.

Financial summary

Metro South Health’s operational result is a surplus of \$13.594 million for the year ending 30 June 2022. This represents a 0.46 per cent variance against its revenue of \$2.968 billion.

The 2021-22 financial year continued to be significantly impacted by the global COVID-19 pandemic. This severely disrupted normal service provision and impacted many in the health workforce who were furloughed because of COVID-19. This resulted in a large shortfall against the Activity Based Funding (ABF) targets, however funding guarantees were provided by both the Commonwealth and Queensland governments which recognised these impacts. This funding, along with specific COVID-19 response funding, enabled Metro South Health to achieve a small surplus for the financial year.

Revenue and expenditure

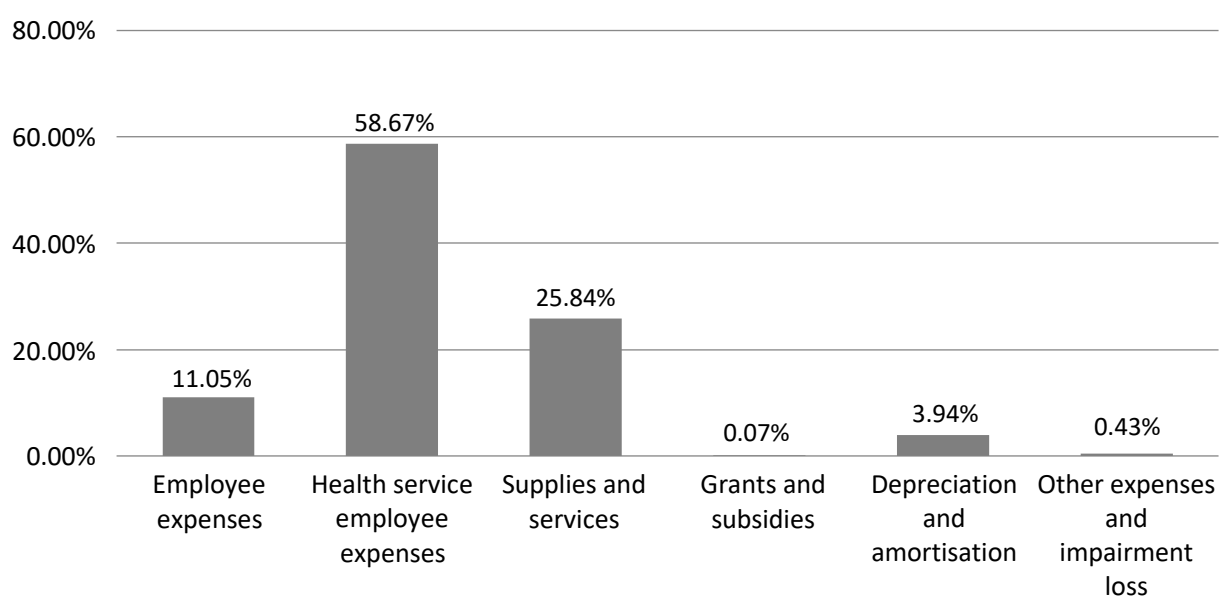
Metro South Health’s income is sourced from two major areas:

1. Department of Health funding for public health services (including Commonwealth contributions)
2. Own source revenue.

Metro South Health’s total income was \$2.968 billion, which is an increase of \$195.442 million (7.05 per cent) from 2020–2021:

- The ABF for hospital services was 75.01 per cent or \$2.226 billion
- COVID-19 funding was 3.45 per cent or \$102.349 million
- Block and other Department of Health funding was 10.822 per cent or \$321.251 million
- Commonwealth grants and other grants funding was 1.82 per cent or \$54.075 million for health services
- Own source revenue was 8.41 per cent or \$249.719 million
- Other revenue and gain was 0.48 per cent or \$13.979 million.

The total expenses were \$2.955 billion, averaging at \$8.096 million a day for providing public health services. Total expenditure increased by \$182.9 million (6.6 per cent) from last financial year.



Graph 1. Expenses 2021-22

Assets and liabilities

Metro South Health's asset base amounts to \$1.594 billion. Some 87.2 per cent or \$1.390 billion of this is invested in property, plant and equipment, service concession building, intangible and right-of-use assets. The remaining balance of \$203.794 million is held in cash, receivables, inventory, contract assets and other assets.

Metro South Health's liabilities total \$264.539 million and consist of payables, employee benefits, contract liabilities, other liabilities and lease liabilities, leaving an equity base of \$1.330 billion.

Anticipated maintenance

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

Anticipated maintenance is 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 2022, Metro South Health had reported anticipated maintenance of \$124.62 million which was a decrease of \$1.38 million compared to the prior year. This consists of \$39.27 million in funded backlog and \$85.35 million in unfunded backlog.

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

- Seeking priority capital funding assistance
- Ongoing risk assessment and condition assessment reviews
- Target available maintenance funding based on the risk assessment.

Financial statements

Metro South Health

For the year ended 30 June 2022

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General Information

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

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

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

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

For information in relation to Metro South Health's financial statements visit the Metro South Health website: www.metrosouth.health.qld.gov.au or email: MetroSouthCorro@health.qld.gov.au

Metro South Health
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2022

	Notes	2022 Actual \$'000	2022 Original Budget \$'000	Budget Variance* \$'000	2021 Actual \$'000
Income from continuing operations					
Funding for public health services	A1-1	2,650,340	2,480,949	169,391	2,455,750
User charges and fees	A1-2	249,719	232,714	17,005	247,643
Grants and other contributions	A1-3	54,075	53,877	198	54,550
Other revenue	A1-4	13,979	8,674	5,305	14,152
Total revenue		<u>2,968,113</u>	<u>2,776,214</u>	<u>191,899</u>	<u>2,772,095</u>
Gain on disposal or re-measurement of assets		434	44	390	1,010
Total income from continuing operations		<u>2,968,547</u>	<u>2,776,258</u>	<u>192,289</u>	<u>2,773,105</u>
Expenses from continuing operations					
Employee expenses	A2-1	326,530	313,760	12,770	305,460
Health service employee expenses	A2-2	1,733,580	1,688,754	44,826	1,656,816
Supplies and services	A2-3	763,275	614,347	148,928	695,341
Grants and subsidies	A2-4	2,014	728	1,286	1,507
Interest on lease liabilities	B12	300	217	83	419
Depreciation and amortisation	B6,B7,B12	116,562	97,667	18,895	96,924
Impairment losses		2,692	1,712	980	5,275
Other expenses	A2-5	10,000	59,073	(49,073)	10,311
Total expenses from continuing operations		<u>2,954,953</u>	<u>2,776,258</u>	<u>178,695</u>	<u>2,772,053</u>
Operating result for the year		<u>13,594</u>	<u>-</u>	<u>13,594</u>	<u>1,052</u>
Other comprehensive income					
<i>Items that will not be reclassified subsequently to operating result</i>					
Increase in asset revaluation surplus	B13	64,456	-	64,456	(3,085)
Total other comprehensive income		<u>64,456</u>	<u>-</u>	<u>64,456</u>	<u>(3,085)</u>
Total comprehensive income		<u>78,050</u>	<u>-</u>	<u>78,050</u>	<u>(2,033)</u>

*An explanation of major variances between budget and actuals is included at Note D1.

The accompanying notes form part of these financial statements.

Metro South Health
STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

		2022	2022		2021
	Notes	Actual \$'000	Original Budget \$'000	Budget Variance* \$'000	Actual \$'000
Assets					
Current assets					
Cash and cash equivalents	B1	109,735	61,673	48,062	86,437
Receivables	B2	36,878	53,936	(17,058)	38,470
Contract assets	B3	27,545	-	27,545	26,885
Inventories	B4	21,862	20,985	877	22,695
Other assets	B5	7,774	3,753	4,021	9,960
Total current assets		203,794	140,347	63,447	184,447
Non-current assets					
Intangibles		241	190	51	482
Property, plant and equipment	B6	1,353,048	1,295,354	57,694	1,247,140
Service concession assets	B7	27,383	27,947	(564)	26,829
Right-of-use assets	B12	9,744	9,651	93	12,506
Total non-current assets		1,390,416	1,333,142	57,274	1,286,957
Total assets		1,594,210	1,473,489	120,721	1,471,404
Liabilities					
Current liabilities					
Payables	B8	229,691	160,144	69,547	171,764
Accrued employee benefits	B9	4,730	17,362	(12,632)	3,455
Contract liabilities	B10	6,523	-	6,523	35,993
Lease liabilities	B12	2,311	2,195	116	2,417
Other liabilities	B11	1,678	1,163	515	1,352
Total current liabilities		244,933	180,864	64,069	214,981
Non-current liabilities					
Lease liabilities	B12	8,364	8,875	(511)	11,020
Other liabilities	B11	11,242	13,567	(2,325)	12,405
Total non-current liabilities		19,606	22,442	(2,836)	23,425
Total liabilities		264,539	203,306	61,233	238,406
Net assets		1,329,671	1,270,183	59,488	1,232,998
Equity					
Contributed equity	B14	1,018,748	963,005	55,743	1,000,125
Accumulated surplus/(deficit)		13,079	(1,567)	14,646	(515)
Asset revaluation surplus	B13	297,844	308,745	(10,901)	233,388
Total equity		1,329,671	1,270,183	59,488	1,232,998

*An explanation of major variances between budget and actuals is included at Note D2.

The accompanying notes form part of these financial statements.

Metro South Health
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2022

	Notes	Accumulated surplus/(deficit) \$'000	Asset revaluation surplus \$'000	Contributed equity \$'000	Total equity \$'000
Balance at 1 July 2020		(1,567)	236,473	981,707	1,216,613
Operating result					
Operating result from continuing operations		1,052	-	-	1,052
Other comprehensive income					
Increase in asset revaluation surplus	B13	-	(3,085)	-	(3,085)
Total comprehensive income for the year		1,052	(3,085)	-	(2,033)
Transactions with owners as owners:					
Equity asset transfers	B14	-	-	16,466	16,466
Equity injections	B14	-	-	97,758	97,758
Equity withdrawals	B14	-	-	(95,806)	(95,806)
Net transactions with owners as owners		-	-	18,418	18,418
Balance at 30 June 2021		(515)	233,388	1,000,125	1,232,998
	Notes	Accumulated surplus/(deficit) \$'000	Asset revaluation surplus \$'000	Contributed equity \$'000	Total equity \$'000
Balance at 1 July 2021		(515)	233,388	1,000,125	1,232,998
Operating result					
Operating result from continuing operations		13,594	-	-	13,594
Other comprehensive income					
Increase in asset revaluation surplus	B13	-	64,456	-	64,456
Total comprehensive income for the year		13,594	64,456	-	78,050
Transactions with owners as owners:					
Equity asset transfers	B14	-	-	2,187	2,187
Equity injections	B14	-	-	131,880	131,880
Equity withdrawals	B14	-	-	(115,444)	(115,444)
Net transactions with owners as owners		-	-	18,623	18,623
Balance at 30 June 2022		13,079	297,844	1,018,748	1,329,671

The accompanying notes form part of these financial statements.

Metro South Health
STATEMENT OF CASH FLOWS
For the year ended 30 June 2022

	2022	2022	2021	
	Actual	Original Budget	Budget Variance*	Actual
Notes	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
<i>Inflows:</i>				
Funding for public health services	2,505,033	2,383,282	121,751	2,383,804
User charges and fees	249,356	230,781	18,575	240,069
Grants and other contributions	30,330	32,228	(1,898)	31,436
Interest received	151	309	(158)	193
GST input tax credits from ATO	49,560	29,814	19,746	40,823
GST collected from customers	6,545	4,689	1,856	6,808
Other receipts	12,600	8,365	4,235	12,463
<i>Outflows:</i>				
Employee expenses	(325,255)	(311,860)	(13,395)	(315,567)
Health service employee expenses	(1,734,457)	(1,688,754)	(45,703)	(1,709,969)
Supplies and services	(677,673)	(604,309)	(73,364)	(594,695)
Grants and subsidies	(2,036)	(728)	(1,308)	(1,507)
GST paid to suppliers	(50,447)	(29,836)	(20,611)	(41,623)
GST remitted to ATO	(6,477)	(4,696)	(1,781)	(6,716)
Other	(9,753)	(37,641)	27,888	(9,890)
Net cash provided by operating activities	<u>47,477</u>	<u>11,644</u>	<u>35,833</u>	<u>35,629</u>
Cash flows from investing activities				
<i>Inflows:</i>				
Sale of property, plant and equipment	701	44	657	1,216
<i>Outflows:</i>				
Payments for property, plant and equipment	(154,095)	(4,555)	(149,540)	(99,220)
Net cash used in investing activities	<u>(153,394)</u>	<u>(4,511)</u>	<u>(148,883)</u>	<u>(98,004)</u>
Cash flows from financing activities				
<i>Inflows:</i>				
Equity injections	B14 131,880	-	131,880	97,758
<i>Outflows:</i>				
Lease payments	(2,665)	(1,813)	(852)	(2,524)
Net cash provided by financing activities	<u>129,215</u>	<u>(1,813)</u>	<u>131,028</u>	<u>95,234</u>
Net increase/(decrease) in cash and cash equivalents	23,298	5,320	17,978	32,859
Cash and cash equivalents at the beginning of the financial year	86,437	56,353	30,084	53,578
Cash and cash equivalents at the end of the financial year	B1 <u>109,735</u>	<u>61,673</u>	<u>48,062</u>	<u>86,437</u>

*An explanation of major variances between budget and actuals is included at Note D3.

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

NOTES TO THE STATEMENT OF CASH FLOWS

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

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

	2022	2021
	\$'000	\$'000
Operating result from continuing operations	13,594	1,052
<i>Non-cash items:</i>		
Depreciation/amortisation expense	116,562	96,924
Depreciation and amortisation funding	(115,445)	(95,806)
Service concession arrangements revenue	(1,163)	(1,163)
Assets written (on)/off	(116)	(74)
Impairment loss on property, plant and equipment	13	-
Lease interest	300	419
Net (gain)/loss on sale of property, plant and equipment	(277)	(795)
Services below fair value	23,844	23,335
Donations services below fair value	(23,844)	(23,335)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	1,013	(2,201)
Increase/(decrease) in loss allowance in trade receivables	579	(282)
(Increase)/decrease in inventories	832	(2,000)
(Increase)/decrease in contract assets	(660)	(11,224)
(Increase)/decrease in prepayments	2,186	(6,487)
Increase/(decrease) in contract liabilities and unearned revenue	(29,145)	34,809
Increase/(decrease) in accrued employees expenses	1,275	(10,107)
Increase/(decrease) in accrued health service employees expenses	1,855	(47,830)
Increase/(decrease) in payables	56,074	80,394
Net cash provided by (used in) operating activities	<u>47,477</u>	<u>35,629</u>

Notes to the Financial Statements

For the year ended 30 June 2022

BASIS OF FINANCIAL STATEMENT PREPARATION

Compliance with prescribed requirements

Metro South Health 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*. These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities as Metro South Health is a not-for-profit entity. The financial statements also comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2021 and other authoritative pronouncements. Amounts are recorded at their historical cost, except where stated otherwise.

Metro South Health has prepared these financial statements on a going concern basis, which assumes that Metro South Health will be able to meet the payment terms of its financial obligations as and when they fall due. Metro South Health's primary source of income is from the Department of Health for the provision of public health services and Metro South Health'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.

In addition to Metro South Health's funding arrangements under the Service Agreement Framework, Metro South Health has no intention to liquidate or to cease operations and under section 18 of the *Hospital and Health Boards Act 2011* Metro South Health represents the State of Queensland and has all the privileges and immunity of the State.

The reporting entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of Metro South Health. Metro South Health does not have any controlled entities.

Taxation

Metro South Health is a State body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only Commonwealth taxes recognised by Metro South Health. GST credits receivable from and GST payable to the Australian Tax Office (ATO) are recognised in note B2.

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

Authorisation of financial statements for issue

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

Accounting estimates and judgements

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

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

Currency, rounding and comparatives

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

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

Metro South Health

Notes to the Financial Statements

For the year ended 30 June 2022

BASIS OF FINANCIAL STATEMENT PREPARATION (CONTINUED)

Current and non-current classification

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

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

Notes to the Financial Statements

For the year ended 30 June 2022

A NOTES ABOUT FINANCIAL PERFORMANCE**A1 INCOME****NOTE A1-1: FUNDING FOR PUBLIC HEALTH SERVICES**

	2022	2021
	\$'000	\$'000
Activity based funding	2,226,740	2,089,921
COVID19 funding	102,349	78,870
Block funding	205,805	191,153
Other funding	115,446	95,806
	<u>2,650,340</u>	<u>2,455,750</u>

Metro South Health's funding is provided predominantly by the Department of Health for specific public health services purchased in accordance with a service agreement. The Australian Government pays its share of the National Health Funding directly to the Department of Health, for on forwarding to the Hospital and Health Services. The Service Agreement is reviewed periodically and updated for changes in activities and prices of services delivered by Metro South Health. Cash funding from the Department of Health is received fortnightly for State payments and monthly for Commonwealth payments and is recognised as revenue as the performance obligations under the service agreement are discharged. Commonwealth funding to Metro South Health in 2022 was \$1,008.008 million (2021: \$928.115 million).

At the end of the financial year, an agreed technical adjustment between the Department of Health and Metro South Health may be required for the level of services performed above or below 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 agreement and ensures that the revenue is recognised in each financial year correctly reflects Metro South Health's delivery of public health services.

Ordinarily, activity based funding is recognised as public health services are delivered, however due to the impacts of the COVID19 pandemic, the Commonwealth Government agreed to provide a guaranteed Activity Based Funding (ABF) envelope for the 2021-22 financial year under the National Health Reform Agreement, commonly known as a Minimum Funding Guarantee (MFG). This applied for the full financial year and had the effect of protecting 45% of the value of ABF activity. The State Government provided a partial funding guarantee for the residual 55% of the activity value from January 2022 to June 2022. Therefore, financial adjustment for activity shortfalls were only made to the extent of 55% of the price across the July to December periods.

NOTE A1-2: USER CHARGES AND FEES

	2022	2021
	\$'000	\$'000
Revenue from contracts with customers		
Hospital fees	91,399	106,251
Sale of goods and services	60,269	49,454
Pharmaceutical benefit scheme reimbursements	94,748	88,531
Other user charges and fees		
Rental income	3,303	3,407
	<u>249,719</u>	<u>247,643</u>

Revenue from contracts with customers is recognised at a point in time when Metro South Health transfers control over a good or service to the customer, when performance obligations are satisfied and measured at the amount of the transaction price allocated to the performance obligation.

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE A1-2: USER CHARGES AND FEES (CONTINUED)

Where consideration is received for performance obligations to be satisfied in the following year, revenue is deferred with a contract liability being recognised.

Hospital fees include inpatient and outpatient fees, medical ineligible patient fees, compensable patient fees. Revenue is recognised at a point in time when the performance obligations are met.

The sale of goods and services includes drugs, medical supplies, pathology, conducting research programs and other medical services provided to other hospital and health services, to the Department of Health and other organisations. Revenue is recognised at a point in time when these goods and services are delivered and service obligations are met.

Under the Pharmaceutical Benefit Scheme (PBS), the Australian Government subsidises the cost of a wide range of necessary prescription medicines for most medical conditions. Revenue is recognised at a point in time when service obligations are met and drugs are provided to patients at the reduced PBS rate and claims lodged for co-payments through the PBS arrangement. Where Metro South Health has satisfied the performance obligations for drugs provided but not yet claimed through the PBS arrangement a contract asset is raised.

Rental income is recognised under AASB16 Leases accounting standard over the lease term in accordance with the operating lease agreement.

NOTE A1-3: GRANTS AND OTHER CONTRIBUTIONS

	2022	2021
	\$'000	\$'000
Revenue from contracts with customers		
Nursing home grant	5,850	6,051
Home and community care grant	1,317	1,295
Transition care program grant	11,020	11,017
Organ and tissue donation for transplant	2,872	2,911
Other grants - contracts with customers	2,268	3,933
	23,327	25,207
Other grants and contributions		
Other specific purpose grants	2,866	2,200
Other grants	3,685	3,245
Donations services below fair value*	23,844	23,335
Donations assets**	88	30
Donations other	265	533
	54,075	54,550

*Metro South Health receives corporate services support from the Department of Health for no direct cost. Corporate services received would have been purchased if they were not provided by the Department of Health and include payroll services, accounts payable and banking services. The fair value of corporate services received in 2021-22 are estimated by the Department of Health were \$23.844 million (2021: \$23.335 million) for payroll, accounts payable and banking services. An equal amount of expense is recognised as services below fair value, refer Note A2-2.

**Contributed assets recognised at their fair value, refer Note B6.

Grants and contributions are transactions where Metro South Health receives funds to further its objectives. Where an agreement is enforceable and contains sufficiently specific performance obligations for Metro South Health 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. A contract asset representing Metro South Health's right to consideration for services delivered but not yet billed will be raised where applicable.

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 Metro South Health.

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE A1-3: GRANTS AND OTHER CONTRIBUTIONS (CONTINUED)

Special purpose capital grants are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as Metro South Health satisfies its obligations under the grant through construction of the asset. Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. When this is the case, an equal amount is recognised as revenue and an expense.

The following provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms, and revenue recognition for Metro South Health's grants and contributions. Under these agreements revenue is recognised in accordance with AASB 15 over time as goods and services provided to patients.

- Nursing home grant is an agreement to provide personal care to approved patients based on agreed level of care.
- Commonwealth Home and Community Care program is an agreement to provide consumables, equipment or assistive technology to enable clients to perform tasks that they would otherwise be unable to do in accordance with an activity workplan.
- Transition Care Program provides patients with care packages in accordance with an approved care plan after hospital stay.
- Organ and Tissue Donation and Transplantation program is to deliver goods and services to improve the availability of the organs and tissues under the Donate Life National Program. Metro South Health also manages the overall DonateLife program of Queensland Health. As at 30 June 2022, a contract asset of \$0.114 million was recorded as service obligations exceeded funding provided.

Other grants include:

- Specialist Training Programs (STP) to provide eligible trainees appropriate training placement within the specific area of speciality.
- Motor Accident Insurance Commission (MAIC) agreement to facilitate early community integration of people with an acquired brain injury and to provide home based interdisciplinary rehabilitation program.
- The Caring for Aboriginal and Torres Strait Islander program is to support Indigenous Australians to improve the quality of service delivery of palliative care.
- Advanced Care Planning with Residential Aged Care Facilities agreement is to improve capacity and capability to provide quality aged care planning with residents and their families.

As at 30 June 2022, for other grants \$0.462 million contract liabilities has been recorded for services not yet provided.

Metro South Health's other grant agreements are assessed as either not containing sufficiently specific performance obligations or not enforceable agreements and accounted for under AASB 1058 Income of Not-for-Profit Entities.

These grants are recognised upon receipt of the grant funding and include the following:

- Other specific purpose grants are Commonwealth funded to support the asset replacement of radiation oncology over time within the discretion of the health service and the Indigenous Australians' Health program. Revenue is recognised on receipt of the funds.
- Other grants predominantly fund research, clinical drug trials and clinical education. These grants are not sufficiently specific allowing funds to be used for broad objectives as a result revenue is recognised on receipt of the funds.

Metro South Health received grants from the Commonwealth and State Government for programs that have not been fully completed at the end of the financial year resulting in \$2.379 million unspent funds as at 30 June 2022. Use of these funds is restricted to delivering the programs agreed under the grant agreements, \$0.210 million will be returned and the remainder of \$2.169 million has been budgeted to spend on these programs in the 2022-23 financial year.

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE A1-4: OTHER REVENUE

	2022	2021
	\$'000	\$'000
Interest	151	193
Health service employee expense recoveries*	10,821	10,610
General recoveries	582	471
Service concession arrangements revenue**	1,163	1,163
Other revenue	1,262	1,715
	<u>13,979</u>	<u>14,152</u>

*Health service employee expense recoveries is for salaries and wages for health service employees working for other agencies. Refer Note A2-2.

**For service concession arrangement information refer to Notes B7.

Other revenue is recognised when it is received or when the right to receive payment has been established.

A2 EXPENSES**NOTE A2-1: EMPLOYEE EXPENSES**

	2022	2021
	\$'000	\$'000
Employee benefits		
Wages and salaries*	272,717	257,972
Employer superannuation contributions	22,234	20,074
Annual leave levy/expense	22,207	19,111
Long service leave levy/expense	6,890	6,188
Termination benefits	115	136
	<u>324,163</u>	<u>303,481</u>
Employee related expenses		
Workers compensation premium	2,365	1,976
Other employee related expenses	2	3
	<u>326,530</u>	<u>305,460</u>

* Wages and salaries in 2021-22 financial year includes \$0.21 million (2021: \$0.533 million) COVID19 pandemic leave expense taken in the financial year. On 14 September 2020, the Queensland Government awarded health workers two days of special COVID19 pandemic leave based on set eligibility criteria as recognition of the effects of the COVID19 pandemic on staff wellbeing. This leave must be taken within 2 years or eligibility is lost. Refer Note B9.

*Wages and salaries offset by recoveries of wages and salaries expense for employees working for other agencies.

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

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

Post-employment benefits for superannuation are provided through defined contribution or accumulation plans or the Queensland Government's defined benefit plan as determined by the employee's condition of employment. The former Qsuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust. Under the defined contribution plans contributions are made to eligible superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE A2-1: EMPLOYEE EXPENSES (CONTINUED)

Under the 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 obligations are based upon the rates determined on the advice of the State Actuary. Contributions are paid at the specified rate following completion of the employee's service each pay period. Metro South Health's obligations are limited to those contributions paid.

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

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

NOTE A2-2: HEALTH SERVICE EMPLOYEE EXPENSES

	2022	2021
	\$'000	\$'000
Health service employee expenses*	1,717,136	1,642,796
Health service employee related workers compensation premium	12,065	10,483
Other health service employee related expenses	4,379	3,537
	<u>1,733,580</u>	<u>1,656,816</u>

FULL TIME EQUIVALENT EMPLOYEES

	30 June 2022	30 June 2021
Number of employees**	704	692
Number of health service employees**	13,653	13,377
	<u>14,357</u>	<u>14,069</u>

* Health service employee expenses in 2021 include \$7.881 million one-off, pro-rata payments for 6,304 full-time equivalent employees as announced by State Government in September 2019. There is no payment made in 2022.

*Health service employee expenses in 2021-22 include the expense of \$2.591 million (2021: \$5.097 million) for COVID19 pandemic leave. On 14 September 2020, the Queensland Government awarded health workers two days of special COVID19 pandemic leave based on set eligibility criteria as recognition of the effects of the COVID19 pandemic on staff wellbeing. This leave must be taken within 2 years or eligibility is lost. Metro South Health paid the entire value of the leave of \$10.4 million to the Department of Health in advance. The leave is expensed in the period in which was taken and the remaining balance recognised as a pre-payment of \$2.731 (2021: \$5.323 million) to the Department of Health. Refer Note B5.

*Recoveries of salaries and wages for health service employees working for other agencies are recorded as revenue. Refer Note A1-4.

** The number of employees and health service employees as at 30 June includes full-time and part-time employees measured on a full-time equivalent (FTE) basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)). The number of employees does not include the chair, deputy chair or members of the board. The number of employees represent the employees of Metro South Health and health service employees are the non-executive health service employees. See notes below.

Health service employee expenses

All non-executive health service employees in Hospital and Health Services have been employed by the Director-General as system manager of Queensland Health.

A non-executive health service employee is any employee who is not a Senior Health Service Employee (including Senior Medical Officers and Visiting Medical Officers) or a member of the Health Executive Service. Employment is under the *Hospital and Health Boards Act 2011* and employees are employed under their relevant Award or EB Agreement of Queensland Health.

As established under the *Hospital and Health Boards Act 2011*, the Department of Health is the employer for all health service employees (excluding persons appointed as a Health Executive) and recovers all employee expenses and associated on-costs from hospital and health services. Health service employee expenses represent the cost of the Department of Health employees and other contracted staff to the hospital and health services, paid via invoice, to provide public health services. In accordance with the *Hospital and Health Boards Act 2011*, the employees of the Department of Health are referred to as health service employees.

Metro South Health

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE A2-2: HEALTH SERVICE EMPLOYEE EXPENSES (CONTINUED)

Under this arrangement:

- The Department of Health provides employees to perform work for the hospital and health service and acknowledges and accepts its obligations as the employer of these employees;
- The hospital and health service is responsible for the day to day management of these Department of Health employees; and
- The hospital and health service reimburses the Department of Health for the salaries and on-costs of these employees.

Metro South Health discloses the reimbursement of these costs as health service employee expenses.

NOTE A2-3: SUPPLIES AND SERVICES

	2022	2021
	\$'000	\$'000
Consultants and contractors*	35,524	13,006
Electricity and other energy	13,899	13,356
Patient travel	1,263	1,128
Other travel	2,069	1,561
Building services	11,384	9,555
Computer services	23,281	22,084
Motor vehicles	1,002	872
Communications	33,999	32,925
Repairs and maintenance	47,413	45,476
Minor works including plant and equipment	4,962	3,461
Rent expenses**	13,957	14,157
Lease expenses**	6,597	352
Drugs	126,557	122,544
Clinical supplies and services	338,157	324,800
Catering and domestic supplies	36,425	31,295
Insurance payment to the Department of Health**	21,177	20,746
Inter entity hospital and health service supplies and services***	5,823	3,460
Services below fair value****	23,844	23,335
Other	15,942	11,228
	<u>763,275</u>	<u>695,341</u>

*Contractors expense increased due to COVID19 testing and vaccination emergency response.

**Rent expenses include office accommodation, employee housing and motor vehicles with the Department of Energy and Public Works (DEPW) under government-wide frameworks. These arrangements are classified as procurement services rather than as leases because DEPW has substantive rights over the assets. Lease expenses include lease payments for short-term leases or leases of low-value assets. The lease expense increase is due to short-term leases for COVID19 vaccination clinics. Refer Note B12.

**Metro South Health is covered by the Department of Health's insurance policy with the Queensland Government Insurance Fund (QGIF) and pays a fee to the Department of Health as a fee for service arrangement. QGIF covers property and general losses above a \$10,000 threshold and health litigation payments above a \$20,000 threshold and associated legal fees. Premiums are calculated by QGIF on a risk assessment basis.

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

**** Metro South Health receives corporate services support from the Department of Health for no direct cost. Corporate services received would have been purchased if they were not provided by the Department of Health and include payroll services, accounts payable and banking services. The fair value of corporate services received in 2021-22 are estimated by the Department of Health were \$23.844 million (2021: \$23.335 million) for payroll, accounts payable and banking services. An equal amount of revenue is recognised as donations services below fair value, refer Note A1-3.

For a transaction to be classified as supplies and services, the value of goods or services received by Metro South Health must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant in note A2-4.

Metro South Health
Notes to the Financial Statements
For the year ended 30 June 2022

NOTE A2-4: GRANTS AND SUBSIDIES

	2022	2021
	\$'000	\$'000
Home and community health services	468	151
Medical research and education programs	1,546	1,356
	2,014	1,507

NOTE A2-5: OTHER EXPENSES

	2022	2021
	\$'000	\$'000
External audit fees*	294	289
Other audit fees	170	99
Insurance	186	172
Inventory written off	181	283
Losses from the disposal of non-current assets	160	212
Special payments - ex-gratia payments**	65	60
Other legal costs	1,193	803
Journals and subscriptions	221	172
Advertising	920	749
Interpreter fees	6,018	6,351
Grants returned	204	616
Other	388	505
	10,000	10,311

*Total audit fees relating to Queensland Audit Office for the 2021-22 financial year are quoted to be \$0.294 million (2021: \$0.294 million). There are no non-audit services included in this amount.

** Metro South Health in 2021-22 financial year made 25 (2021: 17) special-ex-gratia payments for less than \$5,000 to staff for other compensations and patients for their lost property, settlement for adverse clinical events and other compensations whilst in hospital care. In 2021-22 there were 4 payments for and in excess of \$5,000 to patients for settlement for adverse clinical events (\$20,000), other compensations (\$6,170) and reimbursement for their lost property (\$22,420). In 2020-21 there were 6 payments for and in excess of \$5,000 to 3 staff as a settlement payment (\$22,000) and 3 payments to patients for settlement of clinical complaints (\$26,600) and reimbursement of expenditure (\$5,000). In compliance with Financial and Performance Management Standard 2019, Metro South Health maintains a register setting out details of all special payments greater than \$5,000.

B NOTES ABOUT FINANCIAL POSITION

B1 CASH AND CASH EQUIVALENTS

	2022	2021
	\$'000	\$'000
Cash at bank and on hand	90,432	63,800
24 hour call deposits	19,303	22,637
	109,735	86,437

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

Metro South Health's General Trust funds are operating from Commonwealth Bank of Australia bank accounts. Cash held in these accounts earns interest at a rate of 0.77% (2021: 0.70%). In addition, General Trust funds in excess of monthly operational requirements are deposited at call with QTC and earn interest at a rate of 0.77% (2021: 0.51%). Cash assets include all cash received but not banked as at 30 June as well as deposits at call with financial institutions. Refer to Notes C1 and E3.

Metro South Health
Notes to the Financial Statements
For the year ended 30 June 2022

B2 RECEIVABLES

	2022	2021
	\$'000	\$'000
Trade debtors	35,122	36,664
Queensland Health debtors	1,700	1,990
Less: Loss allowance	(4,718)	(4,138)
	32,104	34,516
GST receivable	5,488	4,601
GST payable	(714)	(647)
Net receivable	36,878	38,470

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

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

Metro South Health uses a provision matrix to calculate the historical loss rates based on incurred losses of the last four financial years. The loss allowance for trade debtors reflects the credit risk associated with the receivable balances, taking into account the lifetime expected credit losses. Metro South Health has also considered reasonable and supportable future-looking information for expected changes in macro-economic indicators that may affect the future recovery of its receivables and determined that there was no correlation between those indicators and debtors default rate.

The closing balance of receivables that are arising from contracts with customers at 30 June 2022 is \$35.923 million (2021: \$37.995 million).

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

	2022	2021
	\$'000	\$'000
Movements in loss allowance		
Balance at 1 July	4,138	4,420
Increase/(decrease) in allowance recognised in operating result	1,593	1,741
Amounts written off during the year	(1,013)	(2,023)
Balance as at 30 June	4,718	4,138

Financial assets

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

Notes to the Financial Statements

For the year ended 30 June 2022

B2 RECEIVABLES (CONTINUED)

Ageing of past due but not impaired as well as impaired financial assets are disclosed in the following tables. Under AASB 9, a loss allowance is assessed for all receivables.

Impairment of receivables

	2022			2021		
	Gross receivables	Loss rate	Expected credit loss	Gross receivables	Loss rate	Expected credit loss
	\$'000	%	\$'000	\$'000	%	\$'000
Trade debtors	27,161	17.37	(4,718)	26,856	15.41	(4,138)
Adjustment to trade debtors*	7,961	-	-	9,808	-	-
Total Trade Debtors	35,122	n/a	(4,718)	36,664	n/a	(4,138)
Queensland Health debtors	1,700	-	-	1,990	-	-
Total Debtors	36,822	n/a	(4,718)	38,654	n/a	(4,138)

* These receivables raised at 30 June for billing to Medicare for invoices of MediRecords for private practice billing and these invoices are not subject to impairment.

B3 CONTRACT ASSETS

	2022 \$'000	2021 \$'000
Current		
Contract assets	<u>27,545</u>	<u>26,885</u>

Contract assets arise from contracts with customers and are transferred to receivables when Metro South Health's right to payment becomes unconditional, this usually occurs when the invoice is issued to the customer.

Accrued revenue that do not arise from contracts with customers are reported as part of other assets. Refer note B5.

Contract assets have been assessed for impairment under AASB9. The loss rate has been assessed as nil and no provision for expected credit loss has been raised.

Changes in contract assets balances during the 2021-22 financial year was an increase of \$0.660 million mainly relates to services provided in accordance with the Service Agreement including COVID19 funding not yet received from the Department of Health.

B4 INVENTORIES

	2022 \$'000	2021 \$'000
Inventories held for distribution		
Medical supplies	15,302	16,184
Pharmaceutical supplies	5,407	5,496
Catering and domestic	363	238
Engineering	790	777
	<u>21,862</u>	<u>22,695</u>

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

Metro South Health
Notes to the Financial Statements
For the year ended 30 June 2022

B5 OTHER ASSETS

	2022	2021
	\$'000	\$'000
Current		
Prepayments for health service employee expenses*	2,731	5,323
Prepayments	<u>5,043</u>	<u>4,637</u>
	<u>7,774</u>	<u>9,960</u>

*On 14 September 2020, the Queensland Government awarded health workers two days of special COVID19 pandemic leave based on set eligibility criteria as recognition of the effects of the COVID19 pandemic on staff wellbeing. This leave must be taken within 2 years or eligibility is lost. The leave is expensed in the period in which was taken and the remaining balance recognised as a pre-payment to the Department of Health. Refer Note A2-2.

B6 PROPERTY, PLANT AND EQUIPMENT

	2022	2021
	\$'000	\$'000
Land		
At fair value	<u>250,448</u>	<u>234,195</u>
Buildings		
At fair value	2,363,987	2,221,096
Less: Accumulated depreciation	<u>(1,581,730)</u>	<u>(1,408,858)</u>
	<u>782,257</u>	<u>812,238</u>
Plant and equipment		
At cost	377,570	358,806
Less: Accumulated depreciation	<u>(243,658)</u>	<u>(224,765)</u>
	<u>133,912</u>	<u>134,041</u>
Capital works in progress		
At cost	<u>186,431</u>	<u>66,666</u>
Total property, plant and equipment	<u>1,353,048</u>	<u>1,247,140</u>

Recognition thresholds

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

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

Acquisition

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

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

Notes to the Financial Statements

For the year ended 30 June 2022

B6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Where assets are received from Queensland Government agencies free of charge, the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation. Assets acquired at no cost or for nominal consideration are initially recognised at their fair value at the date of acquisition.

Measurement

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

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

Depreciation

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

Non-current asset useful lives

Class	Useful life (years)
Buildings (including land improvements)	Between 15 to 88
Plant and equipment	Between 2 to 47

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

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

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

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

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

Impairment

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

Notes to the Financial Statements

For the year ended 30 June 2022

B6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment reconciliation	Land* \$'000 Level 2	Land** \$'000 Level 3	Buildings*** \$'000 Level 3	Plant and equipment \$'000	Work in progress \$'000	Total \$'000
Balance at 1 July 2020	124,856	115,450	836,862	131,246	19,362	1,227,776
Acquisitions	-	-	10,846	30,607	57,737	99,190
Donations received	-	-	-	30	-	30
Disposals	-	-	-	(383)	-	(383)
Donations made	-	-	-	(6)	-	(6)
Transfers in/(out) from other Queensland Government	-	-	14,876	1,589	-	16,465
Transfers between asset classes	-	-	10,273	160	(10,433)	-
Transfer recognised in operating surplus/(deficit)	-	-	-	45	-	45
Revaluation increments/(decrements) to asset revaluation surplus****	(6,111)	-	3,026	-	-	(3,085)
Depreciation charge	-	-	(63,645)	(29,247)	-	(92,892)
Balance at 1 July 2021	118,745	115,450	812,238	134,041	66,666	1,247,140
Acquisitions	-	-	2,885	28,387	122,824	154,096
Donations received	-	-	-	88	-	88
Disposals	-	-	-	(454)	-	(454)
Transfers in/(out) from other Queensland Government	-	-	-	2,187	-	2,187
Transfers between asset classes	-	-	3,046	-	(3,046)	-
Transfer recognised in operating surplus/(deficit)	-	-	-	31	-	31
Revaluation increments/(decrements) to asset revaluation surplus****	5,003	11,250	46,531	-	-	62,784
Impairment losses recognised in operating surplus/(deficit)	-	-	-	-	(13)	(13)
Depreciation charge	-	-	(82,443)	(30,368)	-	(112,811)
Balance at 30 June 2022	123,748	126,700	782,257	133,912	186,431	1,353,048

* Land level 2 assets are land with active market.

** Land level 3 due to lack of observable inputs.

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

****Refer Note B13

B6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Fair value measurement and valuation

Key estimate and judgement:

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

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

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

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

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

- subjective adjustments made to observable data to take account of the specialised nature of health service buildings including historical and current construction contracts (and/or estimates of such costs);
- assessments of physical condition and remaining useful life; and
- large scale inner city land zoned as community facilities (major health care) with high level of valuer input to observable data.

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

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

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

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

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

The valuation methodology for the independent valuation uses historical and current construction contracts. The replacement cost of each building at date of valuation is determined by taking into account Brisbane location factors and comparing against current construction contracts.

Notes to the Financial Statements

For the year ended 30 June 2022

B6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The valuation is provided for a replacement building of the same size, shape and functionality that meets current design standards, and is based on estimates of gross floor area, number of floors, building girth and height and existing lifts and staircases.

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

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

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

Land

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

In 2021-22, Metro South Health's land was valued by SVS using independent market valuation. The effective date of the valuation was 30 June 2022. Management, through the Asset Valuation Steering Committee, has assessed the valuation provided by SVS as appropriate for Metro South Health and endorsed the result of the independent valuation.

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

The revaluation of land for 2021-22 resulted in \$16.253 million decrement (2021: \$6.11 million decrement) to the carrying amount of land.

Buildings

Metro South Health engaged independent experts, Jacobs Group (Australia) Pty Limited (Jacobs), to undertake building revaluation in accordance with the fair value methodology. In 2021-22 financial year, in the second year of the revaluation program, Jacobs performed comprehensive valuation of 11% (2021: 87%) of the value of Metro South Health's building portfolio of 58 buildings (2021: 71 buildings) and provided an index relevant to the remaining 89% (2021: 13%) of the building portfolio of 79 buildings (2021: 58 buildings) in order to maintain fair value. These indices are either publicly available, or are derived from market information available, and Jacobs provides assurance of their robustness, validity and appropriateness for application. The effective date of the valuation was 30 June 2022.

The revaluation of buildings for 2021-22 resulted in \$46.531 million increment (2021: \$3.026 million increment) to the fair value of buildings. The main drivers for the increase were significant uncertainty within the construction industry in terms of labour and materials in relation to availability and cost.

Notes to the Financial Statements

For the year ended 30 June 2022

B7 PUBLIC PRIVATE PARTNERSHIPS SERVICE CONCESSION ASSETS

	2022	2021
	\$'000	\$'000
Service concession assets		
Buildings - Fair value	44,051	41,362
Buildings - Accumulated depreciation	(16,668)	(14,533)
	<u>27,383</u>	<u>26,829</u>

Accounting policies and disclosures – Service concession arrangements

Service concession assets are measured at current replacement cost on initial recognition and are subsequently measured at fair value (determined using current replacement cost) using the same valuation methodology applicable to the building asset class as outlined in Note B6. The assets are depreciated on a straight-line basis over their useful lives.

Service concession asset

The grantor recognises a service concession asset provided by the grantor upon gaining control of the asset. The asset is initially measured at current replacement cost and subsequently depreciated over the asset's useful life.

Liabilities

The nature of the liability recognised is aligned to how the operator is compensated for the asset. Metro South Health, as the grantor grants the operator a right to earn revenue from users of the asset and the grantor recognises an unearned revenue liability.

Unearned revenue is recognised as revenue over the concession period reflecting the economic substance of the arrangement.

Metro South Health's accounting policies on fair value measurement and impairment for property, plant and equipment disclosed in Note B6 also apply to service concession assets.

Metro South Health
Notes to the Financial Statements
For the year ended 30 June 2022

B7 PUBLIC PRIVATE PARTNERSHIPS SERVICE CONCESSION ASSETS (CONTINUED)

Service concession assets and liabilities movement reconciliation

	Buildings
	\$'000
Service concession assets	
Opening balance at 1 July 2020	27,947
Depreciation charge	(1,118)
Balance at 30 June 2021	<u>26,829</u>
Liabilities	
Opening balance at 1 July 2020 on transition to AASB 1059	(14,730)
Amortisation of unearned revenue	1,163
Balance at 30 June 2021	<u>(13,567)</u>
Service concession assets	
Opening balance at 1 July 2021	26,829
Net revaluation increments/(decrements) to asset revaluation surplus*	1,672
Depreciation charge	(1,118)
Balance at 30 June 2022	<u>27,383</u>
Liabilities	
Opening balance at 1 July 2021	(13,567)
Amortisation of unearned revenue	(1,066)
Balance at 30 June 2022	<u>(14,633)</u>

* The service concession asset was revalued by the same index of 6.5% applied to the building portfolio resulting in an increment of \$1.672 million. Refer Note B6 and B13.

Details of Metro South Health's service concession arrangement is provided below.

The Princess Alexandra Hospital Multi-Storey Car Park

In February 2008, the Department of Health, prior to the establishment of Metro South Health in 2012, entered into a contractual arrangement with a private sector entity for the construction and operation of a public infrastructure facility for a period of time on land now controlled by Metro South Health. After a period of 25 years in 2033, ownership of the facility will pass to Metro South Health. Arrangements of this type are known as Public Private Partnerships (PPP).

The developer has constructed a 1,403 space multi-storey car park on site at the hospital. The land where the facility has been constructed is recognised as Metro South Health's land. The recognised value of the relevant land parcel at Princess Alexandra Hospital (PAH) is \$29.7 million. The portion dedicated to the PAH multi-storey car park is 33.4% with an estimated value of \$9.9 million.

Metro South Health requires the operator of the carpark, International Parking Group Pty Limited (IPG), to provide 82% of the car park services to Princess Alexandra Hospital (PAH) staff and set the rates in the agreement per a fee schedule. Metro South Health staff are entitled to concessional rates when using the car park. The car park is also available to hospital patrons and the general public. However, given the location of the carpark and available commercial car park in the hospital vicinity the use of the car park by general public or commercial use is minimal and predominantly used to support and provide public services.

Notes to the Financial Statements

For the year ended 30 June 2022

B7 PUBLIC PRIVATE PARTNERSHIPS SERVICE CONCESSION ASSETS (CONTINUED)

An unearned revenue liability was recognised representing the unearned portion of any revenue arising from the receipt of a service concession asset under the grant of a right to the operator model at the fair value (current replacement cost) of the related service concession asset at the date of initial application, adjusted to reflect the remaining period of the service concession arrangement relative to the remaining economic life of the asset.

This liability is amortised as revenue on a straight-line basis over the 25 year concession period, with 11 years remaining at 30 June 2022. Rental of \$0.295 million per annum undiscounted and escalated for CPI annually will be received from the car park operator up to February 2033.

The impact of the service concession asset on the Statement of Comprehensive Income is as follows

	Note	2022 \$'000	2021 \$'000
Revenue			
Rental income*		398	390
Amortisation of unearned revenue	A1-4	1,163	1,163
Expenses			
Depreciation expenses		1,118	1,118
Net impact on operating result		<u>443</u>	<u>435</u>

*In the 2020-21 financial year, the rental income was offset by debt waiver of 0.097 million granted to the private provider due to COVID19. There was no debt waiver in 2021-22.

Estimated future cash flows of the service concession asset

The Princess Alexandra Hospital multi-storey car park	2022 \$'000	2021 \$'000
Cash inflows		
Not later than 1 year	410	396
Later than 1 year but no later than 5 years	1,768	1,709
Later than 5 years but no later than 10 years	2,525	2,411
Later than 10 years	322	820
	<u>5,025</u>	<u>5,336</u>

B8 PAYABLES

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount, at agreed purchase/contract price, gross of applicable trade and other discounts. The amounts are unsecured and are settled generally in accordance with the vendors' terms and conditions.

	2022 \$'000	2021 \$'000
Trade creditors	4,930	8,047
Accrued expenses	52,265	40,073
Department of Health payables	172,496	123,644
	<u>229,691</u>	<u>171,764</u>

Metro South Health
Notes to the Financial Statements
For the year ended 30 June 2022

B9 ACCRUED EMPLOYEE BENEFITS

	2022	2021
	\$'000	\$'000
Salaries and wages accrued	4,422	3,237
Other employee entitlements payable	308	218
	<u>4,730</u>	<u>3,455</u>

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

B10 CONTRACT LIABILITIES

	2022	2021
	\$'000	\$'000
Current		
Contract liabilities	<u>6,523</u>	<u>35,993</u>

Contract liabilities arise from contracts with customers while other unearned revenue arise from transactions that are not contracts with customers.

During the 2021-22 financial year, from the contract liabilities balance of 1 July 2021 \$3.896 million has been recognised as revenue.

The decrease in contract liabilities of \$29.470 million is largely attributable to Planned Care Services funding being returned to the Department of Health in accordance with the 2021-2022 Service Agreement due to reduction in non-urgent surgery and outpatient care as a result of COVID19.

Contract liabilities at 30 June 2022 include \$6.523 million which mainly relates to the following revenue in the Service Agreement with the Department of Health where deliverables have not yet been achieved:

- \$3.378 million COVID19 Response Leave Frontline Backfill revenue will be recognised over the next financial year;
- \$2.524 million several health service programs revenue will be recognised over the next financial year.

B11 OTHER LIABILITIES

	2022	2021
	\$'000	\$'000
Current		
Unearned revenue	515	189
Unearned revenue - service concession arrangements*	1,163	1,163
	<u>1,678</u>	<u>1,352</u>
Non-current		
Unearned revenue - service concession arrangements*	11,242	12,405
	<u>11,242</u>	<u>12,405</u>

*Additional information for service concession arrangements refer Notes B7.

Metro South Health
Notes to the Financial Statements
For the year ended 30 June 2022

B12 LEASES

Leases as lessee

Right-of-use assets	2022	2021
	\$'000	\$'000
Buildings - fair value	16,492	17,233
Buildings - accumulated depreciation	(6,748)	(4,727)
	<u>9,744</u>	<u>12,506</u>

Buildings at fair value
\$'000

Right-of-use assets movement	
Balance 1 July 2020	14,276
Depreciation charge for the year	(2,665)
Other adjustments	895
Balance at 30 June 2021	<u>12,506</u>
Additions	114
Depreciation charge for the year	(2,392)
Other adjustments - remeasurement	(484)
Balance at 30 June 2022	<u>9,744</u>

Lease liability	2022	2021
	\$'000	\$'000
Current		
Lease liabilities	2,311	2,417
Non-current		
Lease liabilities	8,364	11,020
	<u>10,675</u>	<u>13,437</u>

Metro South Health
Notes to the Financial Statements
For the year ended 30 June 2022

B12 LEASES (CONTINUED)

Notes to the Statement of Cash Flows

Changes in liabilities arising from financing activities

	Lease liabilities \$'000
Balance at 1 July 2020	14,645
Non-cash movements:	
Lease interest	419
Lease - other non-cash adjustments	897
Cashflows:	
Lease repayments	(2,524)
Balance at 30 June 2021	<u>13,437</u>
Non-cash movements:	
New leases acquired during the year	114
Lease interest	300
Lease - other non-cash adjustments	(511)
Cashflows:	
Lease repayments	<u>(2,665)</u>
Balance at 30 June 2022	<u><u>10,675</u></u>

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 be 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.

Metro South Health 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.

Metro South Health 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.

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 Metro South Health is reasonably certain to exercise.

Notes to the Financial Statements

For the year ended 30 June 2022

B12 LEASES (CONTINUED)

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 Metro South Health under residual value guarantees;
- the exercise price of a purchase option that Metro South Health is reasonably certain to exercise; and
- payments for termination penalties, if the lease term reflects the early termination.

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

When measuring the lease liability, Metro South Health 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 Metro South Health's leases. To determine the incremental borrowing rate, Metro South Health 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.

Metro South Health leases properties for office, clinical services and residential accommodation in addition to the rental contracts with the Department of Energy and Public Works (DEPW). Metro South Health entered into concessional lease contracts or peppercorn leases for research, clinical services accommodation and car parking. These leases have been assessed as short term or low value leases.

Metro South Health has entered into 3 licence agreements with the Transitional Research Institute (TRI) to meet the accommodation needs of Princess Alexandra Hospital. Two licence agreements are expensed over the term of the agreement and the third agreement is at a peppercorn rate.

Metro South Health has identified a number of contracts that contain a lease for equipment including medical equipment and office equipment. Some of these leases are short-term or low value assets. There are a number of contracts meeting the recognition criteria for right-of-use asset where there is a minimum purchase of consumables in lieu of receiving the equipment free of charge. These contracts have been assessed for materiality at their net present value and deemed not material for right-of-use asset recognition. There are also a number of contracts with variable payment based on the usage of consumables. These contracts are recognised as expenses in clinical supplies when incurred.

Office accommodation, employee housing and motor vehicles

The Department of Energy and Public Works (DEPW) provides Metro South Health with access to office accommodation, employee housing and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because DEPW has substantive substitution rights over the assets. The related service expenses are included in Note A2-3.

Amounts recognised in profit or loss for lease expenses

	2022	2021
	\$'000	\$'000
Interest expense on lease liabilities	300	419
Expenses relating to short-term leases (Note A2-3)	6,596	352
	6,896	771

Leases as lessor

Metro South Health recognises lease payments from operating leases as income on a straight-line basis over the lease term.

Notes to the Financial Statements

For the year ended 30 June 2022

B12 LEASES (CONTINUED)

Metro South Health has operating leases providing clinical services, medical research and education facilities. Some of these leases are peppercorn or concessional leases and some operate under a colocation agreement. Refer note E5.

Metro South Health also has lease income from leasing retail stores in hospital buildings and a child care centre. There are a number of mobile towers housed on hospital sites providing income to the health service.

Lease income from operating leases is reported as rental income in note A1-2. No amounts were recognised in respect of variable lease payments other than CPI-based or market rent reviews.

Metro South Health also has a finance lease with the Translational Research Institute (TRI) transferred from the Department of Health as at 1 July 2014. Under this transfer Metro South Health became the registered owner of the properties on the land transferred from the Department of Health in accordance with a Transfer Notice and as a result Metro South Health became the lessor under which TRI is the lessee with respect to the head building lease to TRI. The finance lease, prior to the transfer was already prepaid to the Department of Health for the full term of the lease resulting in nil value of the lease at the time of transfer. Under AASB 16 the finance lease would be recognised for the value of the outstanding payments which is also nil. The finance lease is until 2043 with another 20 years option. Refer Note E5.

Maturity analysis

The following table sets out a maturity analysis of future undiscounted lease payments receivable under Metro South Health's operating leases.

	2022	2021
	\$'000	\$'000
Less than 1 year	79	99
1 to 2 years	1,841	1,979
2 to 3 years	1,806	2,045
3 to 4 years	1,300	1,937
4 to 5 years	1,067	1,450
More than 5 years	10,346	16,212
	<u>16,439</u>	<u>23,722</u>

B13 ASSET REVALUATION SURPLUS

	2022	2021
	\$'000	\$'000
Land		
Balance at the beginning of the financial year	39,866	45,977
Revaluation increment/(decrement)	16,253	(6,111)
Balance at the end of the financial year	<u>56,119</u>	<u>39,866</u>
Buildings		
Balance at the beginning of the financial year	193,522	190,496
Revaluation increment/(decrement)	46,531	3,026
Balance at the end of the financial year	<u>240,053</u>	<u>193,522</u>
Service concession asset		
Balance at the beginning of the financial year	-	-
Revaluation increment/(decrement)	1,672	-
Balance at the end of the financial year	<u>1,672</u>	<u>-</u>
Total balance at the end of the financial year	<u>297,844</u>	<u>233,388</u>

Notes to the Financial Statements

For the year ended 30 June 2022

B14 EQUITY INJECTIONS AND EQUITY WITHDRAWALS

	2022	2021
	\$'000	\$'000
Balance at the beginning of the financial year	1,000,125	981,707
Cash injection for asset acquisitions	131,880	97,758
Equity asset transfers in/(out) from other Queensland Government entities*	2,187	16,466
Non-cash withdrawal for depreciation**	(115,444)	(95,806)
Balance at the end of the financial year	1,018,748	1,000,125

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

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

C NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES**C1 FINANCIAL INSTRUMENTS****Categorisation of financial instruments**

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

	Note	2022	2021
		\$'000	\$'000
Financial assets			
Cash and cash equivalents	B1	109,735	86,437
Financial assets at amortised cost			
Receivables	B2	36,878	38,470
		146,613	124,907
Financial liabilities at amortised cost			
Payables	B8	229,691	171,764
Lease liabilities	B12	10,675	13,437
		240,366	185,201

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

Financial risk management

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

Credit risk

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

Notes to the Financial Statements

For the year ended 30 June 2022

C1 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk refers to the situation when Metro South Health may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk is measured through monitoring of cash flows by active management of accrual accounts. Metro South Health liquidity risk is minimal due to an approved (and unused) overdraft facility of \$34 million (2021: \$34 million) under the whole-of-government banking arrangements to manage any short-term cash shortfalls.

Liquidity risk contractual maturity of financial liabilities

The following table sets out the liquidity risk of financial liabilities held by Metro South Health. They represent the contractual maturity of financial liabilities calculated based on undiscounted cash flows relating to the liabilities at balance date.

Liquidity risk contractual maturity of financial liabilities

	Contractual maturity			2022	Contractual maturity			2021
	<1 Year	1-5 Years	>5 Years		<1 Year	1-5 Years	>5 Years	
	\$'000	\$'000	\$'000	Total \$'000	\$'000	\$'000	\$'000	Total \$'000
Payables	225,447	-	-	225,447	171,764	-	-	171,764
Lease liabilities	2,311	5,937	2,427	10,675	2,417	6,994	4,026	13,437
	227,758	5,937	2,427	236,122	174,181	6,994	4,026	185,201

Interest rate risk

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

Fair value measurement

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

C2 COMMITMENTS

Capital expenditure commitments

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

	2022 \$'000	2021 \$'000
Not later than one year	220,188	80,400
Later than one year and not later than five years	80,808	30,484
	300,996	110,884

Notes to the Financial Statements

For the year ended 30 June 2022

C3 CONTINGENCIES

Litigation in progress

All Metro South Health indemnified medical indemnity and general liability claims have been managed by the Queensland Government Insurance Fund (QGIF). At 30 June 2022, Metro South Health has 19 litigation cases before the courts (2021:18 cases). There are 133 claims (2021:115 claims) managed by QGIF, some of which may never be litigated or result in payment of claims. The maximum exposure to Metro South Health under this policy is \$20,000 for each insurable event. Metro South Health's legal advisors, management advisors and management believe it would be misleading to estimate the final amount payable (if any) in respect of litigation before the courts at this time.

D BUDGET VS ACTUAL COMPARISON

The following provides explanations of major variances between Metro South Health's actual 2021-22 financial results and the original budget published in the 2021-22 *Queensland State Budget Service Delivery Statements of Queensland Health* and presented to Parliament on 15 June 2021.

D1 BUDGET VS ACTUAL COMPARISON – STATEMENT OF COMPREHENSIVE INCOME

Explanation of major variances – Statement of Comprehensive Income

D1-1 Funding for public health services

The increase of \$169 million from budget includes an additional \$125 million of COVID-19 funding (including response, management, vaccine and special leave), \$30.9 million of Care4Qld funding predominately for Partnership with the private sector (inclusive of Winter Bed, Multidisciplinary Avoidance and Post-acute Service, Residential Aged Care Facility Acute Support Services, QEII Ward 5A, Transit Lounge, Mental Health Co-Responder). The residual net increase of \$13.1 million is due to \$14.8 million of transition funding and \$8.8 million of mix funding adjustments for services including Care in the Right Setting, Acquired Brain Injury Transitional Rehabilitation Service, Connecting Care to Recovery, Statewide Bariatric Surgery Initiative, Frail and Older Persons Program, offset by a decrease of \$10.5 million of under delivery in activity in the first half of the year.

D1-2 Other revenue

The increase of \$5.3 million is due to \$3.3 million increase in recoveries of contract staff of which is an offset to employee expenses. The remaining \$2 million is due to the reversion of \$1.16 million of the service concessional revenue recorded for AASB 1059 accounting standard and a mix of increases in claims for damages under the Queensland Government Insurance Fund and an increase in the proceeds and gains.

D1-3 Health service employee expenses

The increase of \$45 million is due to increased labour costs as part of the COVID19 response, general growth and increased capacity associated with funding adjustments noted in A1-1.

D1-4 Supplies and services

Of the \$149 million increase, \$23.8m relates to services below fair value and insurance premium expense of \$21.7 million where the budget is held in other expenses. The residual \$103.5 million of variance is attributable to increased expense in contractors of \$23.6 million and short term rentals of \$6.5 million due to COVID19 demands and increased costs of \$73.4 million across pathology (COVID related), communications and outsourced clinical services, where additional beds were contracted to assist hospital bed management.

D1-5 Grants and subsidies

The increase of \$1.3 million is due to increase in community health initiatives and research programs relating to medical education.

D1-6 Depreciation and amortisation expense

The increase of \$18.9 million is due to the impact of the 2020-21 revaluation and componentisation of assets not budgeted and the impact of capital acquisitions.

D1-7 Other expenses

The decrease of \$49 million is due to services below fair value of \$21.6 million and insurance premium expense of \$22 million included in the budget but for the actual expense included in the supplies and services category. The residual \$5.4 million is attributable to a decrease in interpreter and legal fees.

Notes to the Financial Statements

For the year ended 30 June 2022

D2 BUDGET VS ACTUAL COMPARISON – STATEMENT OF FINANCIAL POSITION

Explanation of major variances – Statement of Financial Position

D2-1 Cash and cash equivalents

The increase of \$48 million in cash position is due to higher than budgeted opening balance for \$30 million and higher than budgeted cash increase for the year in line with reported net increase in the Cash Flow Statement.

D2-2 Receivables

The decrease of \$17 million is due to lower patient fees due to decrease in service provision during the COVID19 response surges.

D2-3 Contract assets

The \$27.5 million increase is due to funding revenue for programs not yet received including June claims for COVID19, Vaccination Rollout, Mandatory Vaccination Backfill Reimbursements, Afghanistan Refugee Repatriation, final enterprise bargaining and Care4Qld payment for Non ABF component which were not included in the budget.

D2-4 Property, plant and equipment

The increase of \$57.7 million is due to the revaluation of the land and building portfolio.

D2-5 Payables

The increase of \$69 million includes return of funds for programs including Planned Care, Care4Qld Partnership with Private Sector, Underdelivery of General Activity and the delays in the opening of QEII 5A Ward.

D2-6 Accrued employee benefits

The decrease of \$12.6 million is due to less accrued days than budgeted.

D2-7 Contract liabilities

The increase of \$6.5 million is due to contract liabilities included in payables in the budget.

D2-8 Other non-current liabilities

The decrease of \$2.3 million is due to AASB 1059 concession contract liability not updated in the budget.

D3 BUDGET VS ACTUAL COMPARISON – STATEMENT OF CASHFLOWS

Explanation of major variances – Statement of Cashflows

D3-1 Funding for public health services

The increase of \$121 million is the cash impact of the variances noted in D1-1.

D3-2 Health service employee expenses

The increase of \$45.7 million is the cash impact of variances in Note D1-3.

D3-3 Supplies and services

The increase of \$73 million is the cash impact of variances in Note D1-4.

D3-4 Grants and subsidies

The increase of \$1.3 million is the cash impact of variances in Note D1-5.

D3-5 Other expenses

The decrease of \$27.9 million is the cash impact of variances in Note D1-7.

D3-6 Payments for property, plant and equipment

The increase of \$149.6 million includes capital projects such as Logan extension, Priority capital projects, Minor capital asset acquisition and Health Technology replacement, see note D3-7 Equity injections.

D3-7 Equity injections

The increase of \$131.8 million is due to the funding arrangement being a reimbursement of capital projects such as Logan extension, Priority capital projects and Health Technology replacement. The capital budget is included in the Department of Health budget.

Notes to the Financial Statements

For the year ended 30 June 2022

E OTHER INFORMATION

E1 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES

Details of key management personnel

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

Key management personnel remuneration policies

Key management personnel remuneration – Minister

The ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. Metro South Health does not bear any costs of remuneration of the Minister for Health and Ambulance Services. The majority of Ministerial entitlements are paid by the Legislative Assembly, with remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet.

As all Ministers are reported as key management personnel of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

Key management personnel remuneration – Board

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

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

Key management personnel remuneration - Executive Leadership Team (ELT)

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

Remuneration policy for Metro South Health key executive management personnel is set by direct engagement common law employment contracts and various award agreements.

The remuneration and other terms of employment for the key executive management personnel are also addressed by these common law employment contracts and awards. Some of the remuneration packages provide for the provision of some benefits including motor vehicle allowance. The remuneration packages of Metro South Health key management personnel do not provide for any performance or bonus payments.

Remuneration expenses for key management personnel comprise the following components:

- Long-term employee expenses which include amounts expensed in respect of long service leave entitlements earned.
- Short-term employee expenses which include:
 - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year which the employee was a key management person;
 - non-monetary benefits consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Post-employment expenses including amounts expensed in respect of employer superannuation obligations.
- Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

Notes to the Financial Statements

For the year ended 30 June 2022

E1 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES (CONTINUED)

Remuneration expenses

The following details for non-Ministerial key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of Metro South Health in 2021-22. Further information on key management personnel positions can be found in the body of the Annual Report under the section relating to Executive Management. The following tables contain the expenses incurred by Metro South Health attributable to non-Ministerial KMP during the respective reporting periods. For board positions, the expenses are specific to the individual board member. For executive positions, all expenses incurred by Metro South Health that are attributable to that position are included for the respective reporting period, regardless of the number of personnel filling the position in either substantive or acting capacity. The amounts disclosed are recognised on the same basis as expenses recognised in the Statement of Comprehensive Income.

Metro South Hospital and Health Board

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

Position title Position holder	Short-term employee expenses		Other employee expenses		Total Expenses	
	Monetary expenses \$'000		Post-employment expenses \$'000		\$'000	
	2022	2021	2022	2021	2022	2021
Chair						
Adjunct Professor Janine Walker AM (13 October 2017)	96	96	9	9	105	105
Deputy Chair						
Dr Marion Tower (4 October 2019 to 17 May 2021, 21 October 2021)*	36	44	4	4	40	48
Board Members						
Dr Marion Tower (29 June 2012 to 3 October 2019; 18 May 2021 to 20 October 2021)*	16	6	1	1	17	7
Mr Peter Dowling AM (29 June 2012 to 17 May 2021)**	-	49	-	5	-	54
Ms Helen Darch (18 May 2017)	51	56	5	5	56	61
Adjunct Professor Iyla Davies OAM (18 May 2017)	56	60	6	6	62	66
Ms Donisha Duff (18 May 2017 to 4 April 2022)	42	64	4	6	46	70
Mr Brett Bundock (18 May 2018)	55	55	5	5	60	60
Dr Helen Benham (18 May 2019)	51	56	5	5	56	61
Professor Eleanor Milligan (18 May 2019 to 31 March 2022)	40	56	4	5	44	61
Mr Michael Goss (18 May 2020)	56	48	6	5	62	53
Mr Colin Cassidy PSM (18 May 2021)	55	6	6	1	61	7
Mr Matthew Ames (1 April 2022)	12	-	1	-	13	-

* Dr Marion Tower is a member of the Board since 29 June 2012. Dr Marion Tower was deputy chair between 16 November 2018 to 17 May 2019, from 4 October 2019 to 17 May 2021 and continuous from 21 October 2021.

**Mr Peter Dowling AM is no longer a Board member since 18 May 2021.

Notes to the Financial Statements

For the year ended 30 June 2022

E1 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES (CONTINUED)

Metro South Hospital and Health Service Executives remuneration expenses

Position title Position responsibility	Short-term employee expenses		Other employee expenses				Total Expenses \$'000	
	Monetary expenses \$'000		Long term employee expenses \$'000		Post-employment expenses \$'000			
	2022	2021	2022	2021	2022	2021	2022	2021
<p>Health Service Chief Executive Delegated the operational responsibility to fulfil the Board's objectives and strategies. The Health Service Chief Executive then sub-delegates certain functions to the Executive team and other employees as specified under the various instruments of delegation.</p>	602	512	13	11	61	52	676	575
<p>Chief Finance Officer This position is responsible and accountable for the operation of the financial management system and control environment for Metro South Health. It provides strategic advice and leadership of the financial management functions for the Hospital and Health Service.</p>	262	251	6	5	27	26	295	282
<p>Chief Operating Officer* This position is responsible for directing and managing the five acute hospitals, Addiction and Mental health Services along with Community and Oral health services.</p>	446	316	10	6	46	32	502	354

*This position was established in accordance with Section 74 of the *Hospital and Health Board Act 2011* in the 2019-20 financial year from 6 January 2020.

Notes to the Financial Statements

For the year ended 30 June 2022

E2 RELATED PARTY TRANSACTIONS

Transactions with Queensland Government Controlled Entities

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

Department of Health

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

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

The signed Service Agreements are published on the Queensland Government website and publicly available.

In addition to the provision of corporate services support (refer to notes A1-3 and A2-3), the Department of Health manages, on behalf of Metro South Health, a range of services including pathology testing, pharmaceutical drugs, clinical supplies, patient transport, technology services and telecommunications. These are provided on a cost recovery basis. In 2021-22, these services totalled \$232.563 million (2021: \$223.258 million).

Refer to note B2 for information on receivables from the Department of Health and other Queensland Health entities. Refer to Note B8 for information on payables to the Department of Health.

Other Hospital and Health Services

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

Queensland Treasury Corporation

Metro South Health have investment bank accounts with the Queensland Treasury Corporation for general trust monies. Refer Note B1.

Department of Energy and Public Works

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

Transactions with people/entities related to KMP

All transactions in the year ended 30 June 2022 between Metro South Hospital and Health Service and key management personnel, including their related parties, were examined. Transactions were identified with three related entities, which were all on normal commercial terms and conditions and were immaterial in nature.

E3 RESTRICTED ASSETS

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

At 30 June 2022, amounts of \$19.347 million (2021: \$22.672 million) in general trust and \$15.465 million (2021: \$12.382 million) for research projects are set aside for the specified purposes underlying the contribution.

Notes to the Financial Statements

For the year ended 30 June 2022

E4 AGENCY AND FIDUCIARY TRUST TRANSACTIONS AND BALANCES**Fiduciary trust transactions**

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

	2022	2021
	\$'000	\$'000
Fiduciary trust receipts and payments		
Receipts	2,646	2,800
Payments	(2,605)	(2,618)
Increase/(decrease) in net patient trust assets	41	182
Decrease in net refundable deposits	(1)	(7)
Fiduciary trust assets		
Current assets		
Cash		
Patient trust funds	516	474
Other refundable deposits	-	1
Total current assets	516	475

Agency granted private practice transactions and balances

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

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

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

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

Metro South Health
Notes to the Financial Statements
For the year ended 30 June 2022

E4 AGENCY AND FIDUCIARY TRUST TRANSACTIONS AND BALANCES (CONTINUED)

	2022	2021
	\$'000	\$'000
Granted private practice receipts and payments		
Receipts		
Private practice receipts*	52,409	60,449
Interest	19	25
Other receipts*	201	317
Total receipts	52,629	60,791
Payments		
Payments to doctors	11,538	13,619
Payments to Metro South Health for recoverable costs	35,831	38,708
Payments to Metro South Health general trust for SERTA	6,673	6,284
Other payments	371	568
Total payments	54,413	59,179
Increase/(decrease) in net granted private practice assets	(1,784)	1,612

* Private practice receipts and other receipts include outstanding deposits not yet received and receipts not yet deposited.

	2022	2021
	\$'000	\$'000
Granted private practice assets		
Current assets		
Cash*	4,540	6,324
Total current assets	4,540	6,324

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

E5 CO-LOCATION ARRANGEMENTS

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

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

Notes to the Financial Statements

For the year ended 30 June 2022

E5 CO-LOCATION ARRANGEMENTS (CONTINUED)

There are contractual arrangements with private sector entities for the operation of a private health facility for a period of time on land controlled by Metro South Health. Metro South Health may receive rights to receive cash flows or rights to receive the facility at the end of the contractual term in accordance with the respective contractual arrangements. As a concession contract, Metro South Health does not recognise the facility as an asset. These contracts are recognised as leases under AASB 16 where Metro South Health is the lessor. Refer Note B12.

Co-location agreement with Mater Private Hospital Redland

In accordance with the Co-location Agreement, in 2021-22 Metro South Health recognised \$0.257 million revenue (2021: \$0.185 million), this is due to misalignment in invoicing the annual revenue of \$0.222 million. Metro South Health has not recognised any rights or obligations relating to these facilities other than those associated with land rental and the provision of services under the agreements. Metro South Health has the right to retain the rent in accordance with the Deed of Lease in the Transfer Notice. The land where the Mater Private Hospital Redland was constructed is approximately 9% of the Redland Hospital land recognised at a total value of \$1.282 million. Refer Note B12.

Co-location agreement with Translational Research Institute Pty Ltd

The land where the Translational Research Institute (TRI) was constructed is approximately 11.9% of the relevant parcels of the Princess Alexandra Hospital land recognised at a total value of \$13.210 million. The land was transferred to Metro South Health as at 1 July 2014 from the Department of Health in accordance with a Transfer Notice. This included the transfer of the finance lease with TRI on the land which was already prepaid to the Department of Health for the full term of the lease prior to the transfer resulting in no value recorded for the finance lease in Metro South Health accounts. Metro South Health does not record revenue from this arrangement. Refer Note B12.

Co-location agreement with University of Queensland – Redland Hospital

The land where the University of Queensland Training Facility was constructed is approximately 0.3% of the relevant parcels of the Redland Hospital land recognised at a total value of \$0.048 million. The lease for the building is between Metro South Health and the University of Queensland and no revenue is recorded from this arrangement. Refer Note B12.

Co-location agreement with University of Queensland – Queen Elizabeth II Jubilee Hospital

The land where the University of Queensland Training Facility was constructed is approximately 0.4% of the relevant parcels of the Queen Elizabeth II Jubilee Hospital land recognised at a total value of \$0.079 million. The lease for the building is between Metro South Health and the University of Queensland and no revenue is recorded from this arrangement. Refer Note B12.

E6 CLIMATE RISK DISCLOSURE

Climate Risk Assessment

Metro South Health addresses the financial impacts of climate related risks by identifying and monitoring the accounting judgements and estimates that will potentially be affected, including asset useful lives, fair value of assets, provisions or contingent liabilities and changes to future expenses.

Metro South Health has not identified any material climate related risks relevant to the financial report at the reporting date. Metro South Health continues to monitor the emergence of such risks under the *Queensland Government's Climate Transition Strategy*. No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the financial year.

E7 IMPACT OF COVID₁₉ ON THE FINANCIAL STATEMENTS

The impact of the global COVID₁₉ pandemic is ongoing across the globe with far reaching consequences. Metro South like many health organisations was impacted by COVID₁₉ with significant disruption and reduction to normal service provision as a need to ensure its readiness and capacity to respond to the treatment of COVID₁₉ infected patients and to increase its prevention and public health capacity.

E7 IMPACT OF COVID19 ON THE FINANCIAL STATEMENTS (CONTINUED)

Funding for 2021-22 for COVID19 impacts of \$128.476 million (2021: \$78.87 million) was provided through the COVID19 National Partnership Agreement and for the COVID19 vaccination program rollout. Refer Note A1-1.

During 2021-22 financial year there were funding guarantees provided due to the impacts of the COVID19 pandemic by both the Commonwealth and State Governments. The Commonwealth Government funding guarantee applied for the full financial year and had the effect of protecting 45% of the value of the ABF activity. The State Government provided a partial funding guarantee for the residual 55% of the activity value from January 2022 to June 2022. Refer Note A1-1.

Metro South Health considered the COVID19 impact for its land and building valuation. State Valuation Services was consulted about the potential impact of COVID19 on Metro South Health's land valuations with advice that there is market uncertainty however, valuations are current at date of valuation based upon information available at the time. The value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the valuer could not reasonably have been aware of as at the date of valuation). Jacobs was consulted about the potential impact of COVID19 on Metro South Health's building valuations with advice that COVID19 is no longer a major factor in causing fair value material uncertainty. Direct impacts of COVID19 on the construction market have dissipated and there are now indirect impacts such as the shortage of labour and impacts to the supply chain which are contributing to higher prices and longer construction times. These indirect impacts have materially increased the cost of construction.

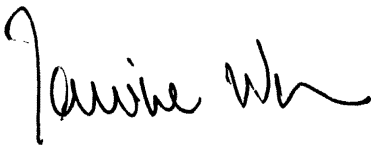
MANAGEMENT CERTIFICATE OF METRO SOUTH HEALTH

For the year ended 30 June 2022

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 Metro South Health for the financial year ended 30 June 2022 and of the financial position of Metro South Health at the end of that year; and

We acknowledge responsibilities 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.



Janine Walker AM
Adjunct Professor, BAEd, GradDip Business,
FAHRI, FAIM, MAICD
Chair
Metro South Hospital and Health Board
23 August 2022



Dr Peter Bristow
FRACP, FCICM, FRACMA,
GCM, GAICD
Health Service Chief Executive
Metro South Health
23 August 2022



Robert Mackway-Jones
BCom, MBA, CA
Chief Finance Officer
Metro South Health
23 August 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of Metro South Hospital and Health Service

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended, and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Key audit matters

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

Valuation of specialised buildings (\$782.257 million)

Refer to note B6 in the financial report

Key audit matter	How my audit addressed the key audit matter
<p>Buildings were material to Metro South Hospital and Health Service at balance date and were measured at fair value using the current replacement cost method.</p> <p>Metro South Hospital and Health Service performed a comprehensive revaluation of approximately 11 per cent of its building assets this year as part of the rolling revaluation program. All other buildings were assessed using relevant indices.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> • gross replacement cost, less • accumulated depreciation. <p>Metro South 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, and • 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>Using indexation required:</p> <ul style="list-style-type: none"> • significant judgement in determining changes in cost and design factors for each asset type since the previous revaluation, and • reviewing assumptions and judgements used in the last comprehensive valuation to ensure ongoing validity of assumptions and judgements used. 	<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), and ○ adjustment for excess quality or obsolescence. • valuating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices; • evaluating useful life estimates for reasonableness by: <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, and ○ reviewing assets with an inconsistent relationship between condition and remaining useful life. <p>We also reviewed management's annual assessment of useful lives and enquired with management about their plans for assets that are nearing the end of their useful life and confirmed the accuracy of revaluation postings to the general ledger and fixed asset register.</p>

Responsibilities of the entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- 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.



D J Toma
as delegate of the Auditor-General

30 August 2022

Queensland Audit Office
Brisbane

Glossary

Acronyms

ABF	Activity Based Funding
AM	Member of the Order of Australia
AO	Order of Australia
CCC	Crime and Corruption Commission
ED	Emergency Department
FAA	<i>Financial Accountability Act 2019</i>
FTE	Full time equivalent
HEAU	Health Equity and Access Unit
HHS	Hospital and Health Service
HRA	<i>Human Rights Act 2019</i>
HSCE	Health Service Chief Executive
ISO	International Organization for Standardization
MOHRI	Minimum Obligatory Human Resource Information
MRSA	Methicillin Resistant Staphylococcus aureus
MSH	Metro South Health
MSHHS	Metro South Hospital and Health Service
OAM	Medal of the Order of Australia
PSM	Public Service Medal
QAO	Queensland Audit Office
QHRC	Queensland Human Rights Commission
QWAU	Queensland Weighted Activity Unit
SAB	Staphylococcus aureus bloodstream
WAU	Weighted Activity Unit

Glossary

Terms

Activity Based Funding	Activity Based Funding (ABF) is the primary financing mechanism for public hospitals
Bariatric	A branch of medicine dealing with the study and treatment of obesity
Board	Metro South Hospital and Health Board
Closing the Gap	A government strategy that aims to reduce disadvantage among Aboriginal and Torres Strait Islander people with respect to life expectancy, child mortality, access to early childhood education, educational achievement, and employment outcomes
COVID-19	Coronavirus disease (COVID-19) is an infectious disease caused by the SARS-CoV-2 virus
ICARE ² values	A set of organisational values adopted by Metro South Health that provide the framework for how we deliver care
Nurse Navigator	A role in Queensland's public health sector in which highly experienced nurses provide support to patients with complex health conditions
Telehealth	The delivery of health services and information using telecommunication technology such as live video and audio links, teleradiology, storing of clinical data and images on a computer for forwarding to another location
Weighted Activity Units	Weighted Activity Units provide a common unit of comparison for all clinical activities so that hospital activity can be measured and costed consistently.

Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	Page 4
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	Page 5
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	Page 2
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3	Page 2
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs – section 9.4	Page 2
	<ul style="list-style-type: none"> Information Licensing 	QGEA – Information Licensing ARRs – section 9.5	Page 2
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	Page 8
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	Page 6
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	Page 9, 35
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	Page 11, 36
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	Page 40
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	Page 13
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	Page 21
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	Page 13
	<ul style="list-style-type: none"> Public Sector Ethics 	Public Sector Ethics Act 1994 ARRs – section 13.4	Page 29
	<ul style="list-style-type: none"> Human Rights 	Human Rights Act 2019 ARRs – section 13.5	Page 29

Summary of requirement		Basis for requirement	Annual report reference
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	Page 8
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	Page 28
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	Page 18
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	Page 28
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4	Page 28
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5	Page 28
	<ul style="list-style-type: none"> Information Security attestation 	ARRs – section 14.6	n/a
Governance – human resources	<ul style="list-style-type: none"> Strategic workforce planning and performance 	ARRs – section 15.1	Page 25
	<ul style="list-style-type: none"> Early retirement, redundancy and retrenchment 	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 27
Open Data	<ul style="list-style-type: none"> Statement advising publication of information 	ARRs – section 16	Page 2
	<ul style="list-style-type: none"> Consultancies 	ARRs – section 31.1	https://data.qld.gov.au
	<ul style="list-style-type: none"> Overseas travel 	ARRs – section 31.2	https://data.qld.gov.au
	<ul style="list-style-type: none"> Queensland Language Services Policy 	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	<ul style="list-style-type: none"> Certification of financial statements 	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Page 84
	<ul style="list-style-type: none"> Independent Auditor’s Report 	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Page 85

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

ANNUAL REPORT 2021–2022

Metro South Hospital and Health Service

www.metrosouth.health.qld.gov.au