Annual Report 2013–2014

Great state. Great opportunity.

Queensland Government

Feedback

Feedback is important for improving the value of our future annual reports. We welcome your comments which can be made by contacting us at:

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Open data
Additional information on consultancies and overseas travel has been published on the Queensland Government Open Data website (qld.gov.au/data).

Interpreter service statement
The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding this report, you can contact us on 07 3636 5584 and we will arrange an interpreter to effectively communicate the report to you.

Photography

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Page 8.
Artist's impression courtesy of Lady Cilento Children's Hospital Project, Queensland Government.

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28 August 2014

The Honourable Lawrence Springborg MP
Minister for Health
Member for Southern Downs
Level 19, 147–163 Charlotte Street
Brisbane QLD 4000

Dear Minister Springborg,

I am pleased to present the *2013–14 Annual Report* and financial statements for Children's Health Queensland Hospital and Health Service.

I certify that this annual report complies with:

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

A checklist outlining the annual reporting requirements can be found on page 60 of this annual report or accessed at http://www.health.qld.gov.au/childrenshealth/html/publications.asp

Yours sincerely

Susan Johnston
Chair
Children's Health Queensland Hospital and Health Board

88%

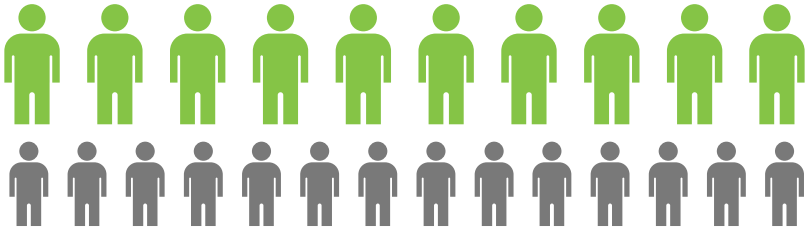
of parents/guardians rated their child's care at the Royal Children's Hospital as 'excellent' or very good in the *Queensland Emergency Department Experience Survey 2013*.

Waiting list for ENT outpatients almost halved

June 2014

1228

only 3% long-wait



2221 **September 2012** (75% being long-wait)

0

long-wait patients waiting for elective surgery at the RCH (June 2014) — down from 64 in January.

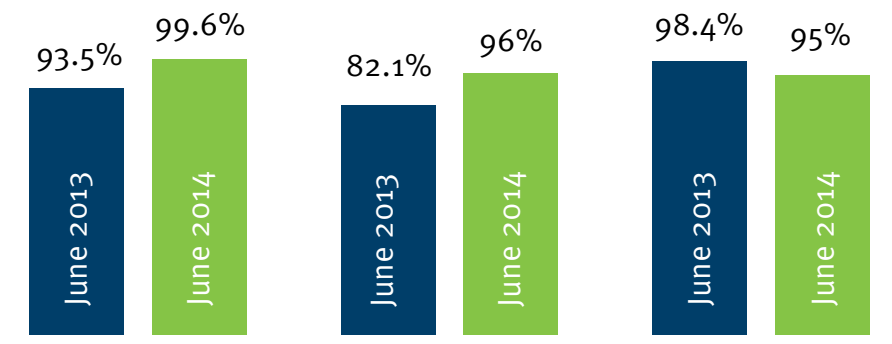
87%

of emergency patients seen within the required four hours (the 2014 national target is 83%).

12 minutes

median wait time in emergency department.

Surgery patients seen on time



Urgent seen on time, within 30 days.

Semi-urgent seen on time, within 90 days.

Non-urgent seen on time, within 365 days.

Overview

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Welcome

This year, as a service, Children's Health Queensland (CHQ) has enjoyed many significant successes and responded positively to many challenges and changes. Our achievements are a credit to our staff—a truly remarkable, inspiring, and caring group of individuals.

Over the course of the year, there were significant gains in meeting the National Emergency Access Target (NEAT) which requires patients to be admitted, discharged or transferred within four hours. The Royal Children's Hospital is now at 87 per cent compared with the national target of 83 per cent. We still have work to do given the national target of 90 per cent for 2015.

It was also very pleasing to see that 88 per cent of parents and caregivers rate our emergency department as 'excellent' or 'very good', with the Royal Children's Hospital having the top-rated hospital emergency department in the State.

In elective surgery, we saw significant improvement with the percentage of category 2 patients treated within 90 days rising from 82 per cent in 2012–13 to 96 per cent this year.

Our wait times for specialist outpatient services also continued to improve across all categories. Our most significant improvement was related to category 3 patients, that is, those with less urgent clinical needs, with 89 per cent of patients waiting less than 12 months for their first appointment. We will build on this during the forthcoming year. We have made a commitment to Queensland families that by December 2015, all children attending CHQ will be able to access a new case specialist outpatient appointment within the clinically recommended timeframe.

During the year we also launched the Connected Care Program which will eventually provide care coordination services for around 4700 children with complex and chronic health care needs across Queensland. This program streamlines the patient and family journey through the healthcare system, reducing unnecessary travel to metropolitan and regional centres to access care, and provides each child with a comprehensive care plan.

We have also made exciting progress on our commitment to enhance paediatric knowledge and capability across Queensland with the launch of the Simulation Training on Resuscitation for Kids (SToRK) initiative. During the course of the year 4400 clinicians across the state completed this training.

At the same time, we remain absolutely focused on our commitment to delivering the safest and highest quality care to our patients. This year we finalised and began to implement the *Patient Quality and Safety Improvement Strategy*, and the *Children's Health Queensland Research Strategy*. These strategies will drive the organisation's aim to achieve 'best of class' outcomes built on an organisational culture that truly embodies innovative, safe and reliable service.

Our ability to improve on our financial performance, and reinvest savings into provision of high quality care, is also a testament to the efforts of our clinical and our support staff.

During the year we began preparations for our move to the Lady Cilento Children's Hospital in November 2014. Given that we will be bringing together expertise from the Royal Children's Hospital, the Mater Children's Hospital and facilities management provider Medirest, we have recognised the importance of ensuring that we have clear integration and transition plans in place so that we can continue to provide exemplary care to our patients from the day the new hospital opens and beyond.

The Lady Cilento Children's Hospital will provide us with a platform to achieve our overall ambition to be the highest performing children's health care provider in Australasia.

If the focus, dedication and excellence of the past year is anything to go by, we are well on our way to reaching our goal.

Susan Johnston
Chair, Children's Health Queensland Hospital and Health Board

The past 12 months has again seen considerable change across Children's Health Queensland to build our workforce, improve our service delivery and prepare for the opening of the Lady Cilento Children's Hospital in late 2014.

We've also continued to drive forward the Queensland Government's strategic agenda of public service renewal and health service reform. I am particularly proud that against this dynamic backdrop, our staff have continued to deliver the exceptional care for which we are renowned.

The Royal Children's Hospital has continued to exceed national performance targets in emergency department and elective surgery waiting times, and we've reduced the time our patients and families are waiting for specialist outpatient appointments (and will continue to do so). We've also implemented new innovative models of service delivery, such as the remote telemapping service in audiology, to make access to treatment easier for families across the state.

Our Child and Youth Community Health Service continued to build on the integration of child health services across greater Brisbane. Enhanced models of care are helping our community-based staff better meet the needs of children and their families. Extending our reach outside of Brisbane, the Centre for Children's Health and Wellbeing expanded from a Logan-based service to a statewide initiative to improve the wellbeing of children, families and their communities. Similarly, the Deadly Ears program secured $4.1 million in funding to continue the great work it does to improve the ear health of children in rural and remote Indigenous communities.

In 2013–14, the Child and Youth Mental Health Service (CYMHS) made important progress on the new Adolescent Mental Health Extended Treatment Initiative. Following a comprehensive review of how the needs of this vulnerable population can best be met across Queensland, a range of new services have been introduced, with more to be rolled out over the next 12 months. CYMHS teams have also been busy reviewing and redesigning existing services to ensure we continue to provide a responsive, recovery-oriented mental healthcare service for children, young people and their carer networks. To support this goal, we have focused on building and strengthening relationships with our care partners.

The makeup of our Board changed somewhat during the year under the continued leadership of Board Chair Susan Johnston. I would like to personally thank Susan and the outgoing, incoming and continuing Board members for their support and contribution to the Executive and broader organisation throughout 2013–14.

We were faced with some difficult decisions this year around outsourcing some of our facilities management services in the new hospital, but as a result we will be able to direct $4 million annually back into front-line health services.

We are fortunate to work with a group of dedicated parents and community members who form our Family Advisory Committee (FAC). Our FAC members have again made a valuable contribution in a number of areas including patient safety and quality improvement, and ensuring that the Lady Cilento Children's Hospital meets the needs of our patients and their families from opening day and beyond.

Significant work has been undertaken in 2013–14 to recruit and unite the workforce that will be created when the people and expertise of the Royal Children's and Mater Children's hospitals come together to create a single state-of-the-art paediatric facility for Queensland. While this has meant some challenging and uncertain times for staff, I have been consistently impressed by their resilience and professionalism in ensuring continuity of quality healthcare provision for our patients.

To support staff during the transition, we will continue to strengthen our organisational culture and ensure staff have a clear understanding of where we are heading, how we will get there, and how their day-to-day role supports the achievement of our strategic goals.

It's our people that make Children's Health Queensland the truly great organisation it is and I would like to thank all of you for your extraordinary and unwavering commitment to providing the best possible family-centred care.

I also thank our donors, supporters, the Children's Hospital Foundation and all our volunteers for their tireless support. Most importantly, thank you to our patients and families for putting your faith in us and for the important contribution you make to our healthcare team.

Dr Peter Steer
Chief Executive, Children's Health Queensland Hospital and Health Service

Delivering the best care for our kids

Children's Health Queensland (CHQ) is a specialist statewide hospital and health service committed to providing the best-possible healthcare for every child and young person in Queensland.

Our hospital and health service comprises the Royal Children's Hospital (RCH), the Child and Youth Community Health Service (CYCHS) and the Child and Youth Mental Health Service (CYMHS), as well as specialist paediatric outreach and telehealth services across the state.

The RCH is Queensland's primary centre for tertiary paediatric care. This role is demonstrated through leadership in clinical service delivery, education, outreach, advocacy, research and coordination and delivery of statewide services.

The CYCHS brings together a variety of specialist community services to help children and their families lead healthier lives. While predominantly providing front-line healthcare to communities throughout the Greater Brisbane metropolitan area, the CYCHS also delivers specialist statewide services, such as the Ellen Barron Family Centre and Deadly Ears initiative.

The integrated CYMHS offers specialised, high-level mental health services for children and young people (birth to 18 years) who are, or are at-risk of, experiencing moderate to severe mental health problems. Specialist services include acute inpatient and consultation liaison, peri-natal and infant mental health, forensic mental health and acute response extended hours services. The coming year will see the implementation of the statewide Adolescent Mental Health Extended Treatment Initiative for adolescent and young people with severe and complex mental health issues.

The opening of the Lady Cilento Children's Hospital (LCCH) at the end of 2014 will be a defining milestone for CHQ, bringing us closer to realising our vision of the best possible health for every child and young person in Queensland. Bringing together the staff, services and expertise of the RCH and Mater Children's Hospital (MCH), the new facility in South Brisbane will build on the existing reputations of these two institutions as leaders in paediatric healthcare, research and education. This world-class facility is a vital step toward our ambition of being the highest performing children's health service provider in Australasia.

We play a key role in paediatric research and education, with strong links to the Queensland Children's Medical Research Institute (QCMRI), The University of Queensland, Queensland University of Technology, the Translational Research Institute and other academic institutions.

Our pioneering role in paediatric research will continue in 2015 with the opening of the new Centre for Children's Health Research co-located with the LCCH.

Our long-standing partnership with the Children's Hospital Foundation continues to make an invaluable difference to the care we provide. As well as raising funds for vital research, services and new equipment, the foundation's 500-strong army of hospital volunteers are an important part of our team.

Our approach

To help us provide children and young people with the best possible care, Children's Health Queensland has adopted five 'pillars of excellence' to drive our shared goals throughout the organisation. These are:

People

We will build an empowered and engaged workforce through teamwork, leadership development, recognition of achievement and meaningful communication.

Service

We will transform the way paediatric healthcare is provided by practising patient- and family-centred care at every level of our service.

Safety and quality

We will lead the way in patient safety, best-practice care models, quality systems and clinical outcomes.

Value

We embrace redesign and innovation to deliver superior operating systems and continually improve the value of our service.

Research and education

We strive to be at the forefront of discovery, education and the application of evidence-based practice in care processes and systems to deliver improved health outcomes for children and young people.

Aligning everything we do to one or more of these five pillars, and setting measurable goals and targets under each one, allows every single team member to see how their role supports the achievement of our strategic goals and directions—and ultimately our vision.

Queensland Public Service Values

Children's Health Queensland subscribes to the five Queensland Public Service values:
1. Customers first; 2. Ideas into action; 3. Unleash potential; 4. Be courageous; and 5. Empower people.

Our **Vision**
Our **Purpose**
Our **Values**

VISION

Best possible health for every child and young person, in every family, in every community in Queensland.

PURPOSE

Provide children and young people with the best possible family-centred health care.

VALUES

Integrity
We are honest, open and act impartially, treating all people with dignity and respect.

Service
We listen to our patients and families, respond to their needs, and work to improve their wellbeing.

Courage
We seize opportunities and welcome the inherent responsibility.

Innovation
We are passionate about discovery and embrace creative solutions.

Accountability
We are transparent, providing accurate and timely reports and accept responsibility for our decisions.

CHQ is driven by the core value of **patient- and family-centred care**. We are committed to partnering with families to deliver the best possible health outcomes for children and young people. Patient- and family-centred care acknowledges that families provide an important perspective for health professionals and should be involved as partners in their child's care. By working with parents and carers, our staff can better understand a patient's individual needs and issues and make more informed care decisions. Likewise, parents make better decisions for their children when they have the information they need.

LADY CILENTO CHILDREN'S HOSPITAL

FAST FACTS

- 359 beds across 12 levels
- 48 emergency department treatment bays
- 14 operating theatres
- Child and youth mental health unit
- Sleep medicine service
- Overnight emergency accommodation for parents/carers
- 11 rooftop terraces and gardens
- A family resource centre
- Radio Lollipop studio and Starlight Express Room
- Close to public transport facilities

A new children's hospital for Queensland

Two proud histories, one outstanding future.

When the LCCH opens in South Brisbane in late 2014, it will be Australia's largest and most advanced tertiary paediatric facility.

It will bring together the existing teams and talent of the Royal Children's and Mater Children's hospitals, who together share more than 200 years of excellence in paediatric care.

All specialist services currently provided by the Royal Children's and Mater Children's hospitals will be offered at the LCCH, enabling families to access the care, advice and support they need in the one place.

Enhancing CHQ's statewide remit, the LCCH will support regional and rural hospitals through telemedicine technology and outreach services. This means children and young people can access the services they need as close to home as possible.

Our vision is to provide a healthy space both inside and out to help children recover as quickly as possible and to ensure a modern and sustainable workplace for staff.

Children, young people and their families were consulted during early planning for the hospital to ensure a comfortable and supportive facility that is not only therapeutic and practical, but also fun and engaging. Rooftop gardens, performance areas and a vibrant art collection will help deliver a hospital experience second to none.

The new hospital is just one part of a $1.5 billion program of works, including the co-located $134 million Centre for Children's Health Research (opening in 2015), which represents the largest capital investment in children's health services in Queensland's history.

www.health.qld.gov.au/childrenshospital

July 2013

- Children's Health Queensland Hospital and Health Service completes its first year as an independent statutory body.
- Royal Children's Hospital celebrates 20 years of providing music therapy for patients.
- Conrad Gargett Riddel and Lyons Architects, the architects of the Lady Cilento Children's Hospital (LCCH), receive the prestigious International Future Health Project Award in the 2013 Design and Health International Academy Awards for the hospital's innovative design.

August

- Construction of the new academic and research facility co-located with the LCCH in South Brisbane starts to rise above street level.
- The Early Years Initiative is renamed the Centre for Children's Health and Wellbeing to reflect its new statewide remit.
- The new hospital's arts program is launched — the aim is to create an enriching environment for patients and families.

September

- CHQ hosts its inaugural 'Celebrating our People Awards' recognising outstanding achievement of individuals and teams in our workforce.
- The RCH continues to exceed the national target for discharging, admitting or transferring patients within four hours of arrival in the emergency department.

October

- Royal Children's Hospital School is named a finalist in the 'Showcase Awards for Excellence in Schools' for its Early Education Program for young survivors of abuse, trauma and neglect.
- The CHQ Facebook page is launched at the start of National Children's Week, providing a new means of engaging with consumers.
- CHQ celebrates National Children's Week at the RCH with a week of events and activities for patients and families.

November

- CHQ becomes the first hospital and health service in Queensland to launch 'Ryan's Rule', giving parents a new tool for escalating any concerns they have about their child's care.
- The Productive Ward clinical redesign project begins in the Child and Family Therapy Unit at the RCH.
- 'Betty the Beast', the last of six cranes (all named by children across Queensland) to have worked on the LCCH site is removed. Focus of construction activity turns to internal fit-out and decoration.

December

- The *Queensland Emergency Department Experience Survey 2013* finds RCH to be the top-rated hospital in the overall satisfaction category, with 88 per cent of parents/guardians rating their child's care as 'excellent' or 'very good'.
- December 15—Premier Campbell Newman announces that Queensland's new children's hospital will be named the Lady Cilento Children's Hospital.
- *Children's Health Queensland Research Strategy 2013–2016* is approved and published.

January 2014

- The RCH has zero patients waiting longer than the clinically recommended time for ear, nose and throat (ENT) surgery—down from 64 in January 2012.
- Four individuals and teams within CHQ recognised in Queensland Health's 2014 Australia Day Achievement Awards.
- CHQ secures Health Workforce Australia funding to deliver the Simulated Learning In Paediatric Allied Health training program.

February

- First meeting of the 25-member Queensland Children's Critical Incident Panel, which will mentor and support clinicians across the state.
- The new academic and research facility co-located with the LCCH is named the Centre for Children's Health Research.
- Ellen Barron Family Centre launches a new two-day program to help new parents understand sleep and settling issues.
- A four-bed residential rehabilitation unit opens in South Brisbane as part of CHQ's Adolescent Mental Health Extended Treatment Initiative.

March

- A dedicated Patient Experience Improvement Officer is appointed to CHQ to ensure a timely and meaningful response to all complaints, compliments and feedback.
- The Simulation Training on Resuscitation for Kids (SToRK) program is launched at Logan Hospital, starting with the new paediatric course: Recognition and Management of the Deteriorating Paediatric Patient.

April

- CHQ announces that facilities management services for the LCCH will be delivered in partnership with Medirest and its subcontractor Honeywell, resulting in financial savings for CHQ with no negative impact on service standards.
- The Adaptive Responsive Care clinical redesign project is launched to improve the experiences of children and young people requiring acute mental health services.
- The first helicopter test landing takes place at the LCCH.

May

- Health Minister Lawrence Springborg welcomes the newly recruited care coordinators who make up the statewide Connected Care Program team.
- CHQ hosts its annual Volunteers Appreciation Ceremony as part of National Volunteer Week.
- CHQ, in partnership with our Family Advisory Council, hosts its annual National Families Week Picnic at the RCH.
- Professor Ross Pinkerton is appointed to the position of Director of Research for CHQ.

June

- CHQ achieves zero long-wait patients waiting for elective surgery—down from 62 in March 2012.
- Waiting lists for ENT outpatients reduces from 2221 patients in September 2012 to 1228 in June 2014.
- The Deadly Ears program secures $4.1million in recurrent state funding to continue its work in rural and remote indigenous communities.
- A Cairns boy becomes the first child in Queensland with a cochlear implant to benefit from the new remote tele-mapping service provided by the Royal Children's Hospital.

Health reform

Children's Health Queensland continued to implement the Queensland Government's program of health reform and transformation during 2013–14.

Our People and Culture Unit planned and implemented a program to enable CHQ to become a prescribed employer on 1 July 2014. Many human resource tasks were undertaken in advance of the change to enable a smooth changeover for our staff. This significant milestone now means greater autonomy in decision-making for Children's Health Queensland and symbolises our independence from the broader Department of Health.

As the number of Medicare Locals reduce and they transition into primary health care organisations, CHQ's role in facilitating children's healthcare services across the state will be strengthened and streamlined. This is likely to be finished toward the end of 2014 in line with Federal Government planning timelines.

Board

- Georgie Somerset and Andrea O'Shea were appointed as Board members on 23 August 2013.
- Ms Somerset, Dr David Wood and David Gow were reappointed in May 2014 for three years.
- Associate Professor Susan Young and Ross Willims were appointed to the Board for one year in May 2014.
- Andrea O'Shea and inaugural Board member Eileen Jones stepped down in May 2014.

Executive Management Team

- Noelle Cridland was appointed as Executive Director of Development and Commissioning on 28 April 2014 to lead the transition to the LCCH.
- Deborah Miller was appointed as Acting Executive Director for the Office of Strategy Management, covering the maternity leave of Taresa Rosten from April 2013 to June 2014.
- Craig Brown was appointed to the role of Acting Senior Director Communications and Engagement on a temporary basis following the resignation of David Rose in April 2014.

Our strategic plan

The *Children's Health Queensland Strategic Plan 2013–17* is informed by the following Queensland Government's health priorities, principles and key outcomes.

The Queensland Government's commitment to the state's future prosperity is being achieved through the delivery of five pledges[1] to:

1. grow a four-pillar economy
2. lower the cost of living
3. invest in better infrastructure and use better planning
4. revitalise front-line services for families
5. restore accountability in government.

Health System Priorities for Queensland 2013–14, issued in May 2013, identified the following state and Department of Health priorities:

The *Blueprint for better healthcare in Queensland 2013* contains four principal themes:

- Health services focused on patients and people
- Empowering the community and our health workforce
- Providing Queenslanders with value in health services
- Investing, innovating and planning for the future.

In line with the above themes, the *Department of Health Strategic Plan 2012–2016* (2013 update) outlines four key outcomes:

1. Queenslanders live longer, healthier and more independent lives
2. Health equity is improving
3. Queenslanders have confidence that their health system responds well to their needs
4. The health system is affordable, sustainable and continually improving.

View the *Children's Health Queensland Strategic Plan 2013–2017* (2014 update) at:

www.health.qld.gov.au/childrenshealth/docs/strat-plan.pdf

Strategic goals

The Children's Health Queensland Strategic Plan 2013–17 sets out six strategic goals for the organisation:

1. Lead the provision of quality healthcare for children and young people

We will be a national leader in best-practice care models, patient safety, quality systems and clinical outcomes. We will take a collaborative approach based on mutual respect, timely and open communication, and partnership with families and communities to provide the best possible care for children and young people across Queensland.

2. Build strong partnerships and engagement for improved health outcomes

We are committed to building strong partnerships and networks as well as engaging with health providers, the community, consumers, families and clinicians to deliver improved care and health outcomes for children and young people.

3. Build an empowered and engaged workforce

We are committed to building an empowered and engaged workforce. Through staff communication and engagement we will attract and nurture a committed, talented staff and be an employer of choice for paediatric staff nationally.

4. Define and implement CHQ's statewide role

We will drive improvements in the delivery of quality healthcare to children and young people across the state.

5. Enhance financial management

We are committed to fiscal sustainability and responsiveness and managing costs to ensure we can fund opportunities for future investment in key initiatives.

6. Enhance research and learning

We strive for excellence in paediatric healthcare, through innovation, research, education and whole-of-organisation learning.

1. Getting Queensland back on track Statement of objectives for the community, Department of Premier and Cabinet, 2012

Children's Health Queensland is operating in a financially challenging environment which is likely to continue for the foreseeable future. As a result, it is the responsibility of everyone within the organisation to work towards ensuring the hospital and health service remains efficient and sustainable.

Fiscal impacts

The 2013 *Blueprint for better healthcare in Queensland* announced a decision to expose public sector health services to contestability, which means testing some services in an open market to ensure value for money.

Following a rigorous evaluation, the Minister for Health announced on 24 July 2013 that a combined team of Royal and Mater children's hospital staff would provide the majority of clinical and clinical support services in the LCCH.

On 1 April 2014, CHQ announced that Medirest had been awarded the contract to provide the following facilities management services at the LCCH: porterage and patient support, cleaning, patient food, linen and laundry, materials distribution, building and engineering maintenance, grounds and gardens maintenance, security, pest control, central energy plant maintenance and a facilities management helpdesk. By partnering with Medirest to deliver these services, CHQ can focus on its core business of providing the best possible health care for children and young people.

The National Partnership Agreement on Hospital and Health Workforce Reform was established to improve the efficiency and capacity of public hospitals. Under the agreement, hospitals will move towards a funding model aligned with national activity-based criteria.

Burden of disease

As the population of Queensland and therefore its children and young people continues to grow, demand for our services will increase.

Health challenges for many Queensland children include obesity, respiratory diseases, mental health conditions, sexually transmittable diseases, infant mortality, dental health, premature and low birth weight, immunisation, physical harm and neglect, and childhood injuries.

Statistics from the *Snapshot 2013: Children and Young People in Queensland*, authored by the Commission for Children and Young People and the Child Guardian, indicates an estimated 22,150 children and young people (birth to 17 years) in Queensland require assistance in one or more core activity areas as a result of either disability or a long-term health condition. This translates to a rate of 21 out of every 1000 children and young people.

Workforce challenges

To prepare for the opening of the LCCH, CHQ has commenced a major and complex recruitment process to build a talented and motivated workforce that continues to deliver safe, high-quality and sustainable healthcare.

The *Lady Cilento Children's Hospital Workforce Establishment Strategy*, approved by the Director-General on 17 January 2014, is consistent with the organisation's goal to see the expertise and experience of staff at the RCH and MCH transferred to the new hospital. The strategy provides a phased approach to recruitment with two levels of eligibility for CHQ and Mater Health Services staff and then open merit advertising to the public for any positions not filled through this targeted advertising process. It is anticipated that the recruitment process will be complete by the end of September 2014.

The appointment of Medirest as the provider of facilities management services for the LCCH has impacted CHQ staff who currently provide some of these services at the RCH. CHQ is working with these staff members regarding their options, which includes the opportunity for re-training for other positions in the LCCH. Throughout this process CHQ is working closely with Medirest and an outplacement and career services provider to support staff.

CHQ will continue to undergo rapid growth and transformation over the next five years. To help the organisation navigate this period a cultural enhancement strategy has been developed. This strategy provides an overarching framework for building capacity and capability, with a focus on developing and retaining a motivated and high-quality professional workforce equipped to meet future challenges.

Transition and integration: Lady Cilento Children's Hospital

Children's Health Queensland has an opportunity to be a national leader providing quality health care to children and young people. The opening of the LCCH will allow CHQ to improve the provision of paediatric services by:

- harnessing the expertise of former RCH and MCH staff
- providing world class facilities
- creating new partnerships
- implementing best practice models of care
- improving efficiencies through design, environment and service co-location
- being a sought after place of employment, education and research
- harnessing staff, patient and community enthusiasm.

This transition however does not come without risk. CHQ and the MCH are working collaboratively to ensure that all staff are well prepared for the move and that patient safety is at the core of this transition.

Improving care across the state

Children's Health Queensland has an exciting opportunity as part of its statewide role to work with other hospital and health services and healthcare providers to improve the health of children across the state. CHQ plays a leading role in improving complex care coordination, paediatric education and training, access to paediatric advice and learnings from adverse clinical events. This will require the development of new and innovative service models, as well as the maintenance and development of close and effective working relationships with other HHSs.

Funding availability

The ongoing devolution of responsibility from Queensland Health combined with increasing competition for funding, has necessitated a focus on ensuring HHS expectations and funding are matched appropriately. Increased cost modelling and effective communication between CHQ, the Department of Health and other HHSs will be instrumental in mitigating this risk.

Fiscal sustainability and responsiveness

Children's Health Queensland has an obligation to ensure its services are provided as cost effectively as possible. The delivery of services within a nationally efficient price requires the organisation to monitor performance, manage costs and actively explore own-source-revenue initiatives. In the past year CHQ has seen improvement in our ability to deliver on all key performance indicators and remains in a strong financial position.

Quality healthcare for all Queensland families

The best possible family-centred care as close to home as possible

As the only hospital and health service with a statewide paediatric remit, Children's Health Queensland is working hard to deliver a strengthened network of services and support to ensure we provide quality health services for children, young people and their families, regardless of where they live.

Following the 2013 launch of a $3.2 million package of initiatives to improve the delivery and coordination of care, we have continued to address important needs of families and healthcare providers across the state.

These initiatives have provided an opportunity to partner with all hospital and health services to continue delivering important services and improve health outcomes for all Queensland children.

Connected Care Program

The Connected Care Program aims to improve access to specialist paediatric services and support for families of children with complex and chronic health conditions, particularly those living in regional and rural areas. By improving communication between health care providers, the program will ensure a child's care is managed seamlessly across acute, community and primary healthcare sectors.

A key component of the program is the appointment of local 'care coordinators', who serve as a central point of contact for families and facilitate integrated care that empowers clinicians and families within their local community. In 2013–14, 13 care coordinators were appointed across the state and by the end of June 2014, 92 children were enrolled in the program.

A single comprehensive care plan is prepared for each child to streamline their journey through the healthcare system. The care plan also helps reduce the risk of issues being missed and ensures that treatment for multiple conditions is integrated whenever possible.

The program also coordinates specialist clinics for children with complex and chronic conditions into one day where possible to make attending appointments easier for families. Fortnightly allocated clinic times mean we can bring specialists together based on the needs of children at that time rather than on the availability of the specialist.

For many regional and rural families, the need to see multiple specialists can be difficult to manage. This has typically resulted in unnecessary travel to metropolitan and regional centres. To improve this situation, clinics offering multiple specialities and disciplines have been

established at the RCH (and will transition to the LCCH) to ease some of the travel pressures faced by families and reducing the need for multiple hospital visits. This approach to managing complex care allows us to better meet international standards of care.

Following evaluation of the Connected Care Program pilot, full implementation of the program across Queensland will take place in 2014, enabling us to provide care coordination services for around 4700 children.

A 24/7 hotline for clinicians

Clinicians across the state will have access to a 24-hour, seven-day-a-week clinical advice service using telehealth video and teleconferencing technology.

In 2013–14 a partnership was established with Retrieval Services Queensland to collaborate on developing and implementing an improved paediatric advice service. This will occur throughout the next 12 months and ensure regional clinicians, often faced with uncommon paediatric conditions, can access the right information, from the right person, at the right time with one phone call.

This advice service will enable clinicians across Queensland to make the best decisions about how to treat, or whether to transfer a child to another centre. The service will be supported by connecting expert general paediatricians and specialists, who will provide clinical advice.

Ensuring regional clinicians can access the right information, from the right person, at the right time.

The Simulation Training on Resuscitation for Kids (SToRK) program

The SToRK program provides regional and rural clinicians with greater access to tailored paediatric training to ensure they are appropriately equipped to provide quality care in their local area.

Last year nearly 400 clinicians were trained in their local hospital and health service while a further 4000 clinicians statewide completed online training modules. The development of tailored in-service placements at the LCCH will further enhance the paediatric skills of clinicians across the state, ensuring every child who presents at a hospital can be assured the best possible response.

Queensland Children's Critical Incident panel

CHQ is now providing the enhanced support of the Queensland Children's Critical Incident Panel. This statewide panel of 25 clinicians provides support to local clinical teams to review critical incidents, implement coronial recommendations and support local teams to prevent similar events reoccurring. As of 30 June 2014, the panel had reviewed four incidents across the state.

Setting the standard for safe and effective paediatric healthcare

Children's Health Queensland's commitment to excellence in patient safety and quality is underlined by a strategic framework to make our vision of best possible health for every child and young person in Queensland a reality.

Launched in 2013, our *Patient Safety & Quality Improvement Strategy 2013–2015* outlines our vision, goals and performance measures for safety and quality by 2015, and identifies and addresses existing gaps in patient safety.

Developed by CHQ's Patient Safety and Quality Service, with input from all clinicians, the strategy is informed by a quality framework[1], which defines healthcare under the domains of safety, efficiency, effectiveness, appropriateness, patient centricity and equity.

The strategy's four objectives, addressing the principles of safe, appropriate, timely and effective care, contribute to the central objective of providing care consistently focused on the needs of our patients and families. Achievements under each of these objectives are outlined below.

Safe

- In 2013, CHQ achieved full accreditation status demonstrating that our care meets National Safety and Quality Health Services Standards.
- A new patient safety management system was implemented to prevent harm and improve the support available to staff and families who have been involved in situations where care has not gone as planned or where their child has been harmed.

Appropriate

- Development of a series of clinical care pathways is under way to support medical and nursing staff in standardising care for children with a series of specific conditions. The use of care pathways reduces risk through streamlining of care. Our goal is to have 20 pathways in use by December 2015.
- The statewide Connected Care Program ensures children with complex or chronic health needs have access to the services they require as close to home as possible. We currently have 13 care coordinators looking after 92 children and families.

Timely

- The national emergency access target initiative aims to ensure patients are discharged home, admitted to a ward, or transferred to another facility within four hours of arriving in emergency. The RCH is consistently exceeding the current national target of 83 per cent, averaging around 87 per cent. We are continually striving to improve this. Similarly our performance against the national elective surgery target is on track. (See page 44.)
- A discharge communication redesign initiative aims to ensure families and care providers such as GPs receive written communication at discharge. This project resulted in a significant improvement in the percentage of discharge summaries completed within 48 hours, from 30 per cent to more than 90 per cent.

Effective

- Each clinical service in CHQ engages in national and international collaborations and benchmarking to ensure that children are receiving the best care possible. Enrolment in international collaborative trials in areas such as childhood cancer has resulted in a 90 per cent cure rate for children with acute lymphoblastic leukaemia, consistent with world's best practice.

Child- and family-centred

- A Patient Experience Improvement Officer has been appointed to work directly with staff, children and families to develop strategies to improve the overall healthcare experience.
- CHQ was the first hospital and health service in Queensland to implement 'Ryan's Rule', a tool for families to escalate concerns about their child's care via a three-step process. In the first instance families are encouraged to speak with their child's nurse or doctor. If they feel the matter is not resolved, they can then speak to the nurse in charge or call 13 Health to request a Ryan's Rule clinical review. A Ryan's Rule call will alert our Medical Emergency Response Team to visit the ward and assess the situation.

1. Institute of Medicine (IOM). *Crossing the Quality Chasm: A New Health System for the 21st Century*. Washington DC: National Academy Press; 2001.

Working with our consumers is vital for continuous service improvement

Patients, families and carers play an invaluable role in health care planning

The *Children's Health Queensland Consumer and Community Engagement Strategy 2012–15*, provides the overall direction for engagement activities, particularly in relation to service improvements and organisational priorities.

A number of activities under the strategy have commenced. This includes the successful launch of the Patient Story Program, where families are invited to present their stories directly to the CHQ Hospital and Health Board. Through sharing their experiences, families can identify opportunities for service improvement, as well as highlight examples of excellence in care.

Partnering with families

The Family Advisory Council (FAC) is CHQ's key consumer advisory group. The FAC meets monthly to provide input in response to key priorities and issues, as well as proactively identifying opportunities for improvements to CHQ services. In 2013–14 the FAC refreshed its membership and welcomed two new co-chairs to oversee the FAC for the next 12 months during the transition to the LCCH and the expansion of CHQ's statewide role.

FAC members regularly attend inductions for new medical and nursing staff to highlight our goal of providing a truly patient- and family-centred service. The FAC's presentation is a powerful way of providing staff with an understanding of CHQ's services through the eyes of families. It also helps build an appreciation of the impact CHQ can have on the lives of children and their families.

In 2013–14, FAC members also sat on more than 20 selection panels for senior medical, nursing, allied health and administrative staff to ensure the consumer perspective is considered during recruitment processes. The FAC also provided input into models of care and other clinical initiatives in preparation for the LCCH.

In 2014–15 the FAC will work on enhancing its capacity to represent families across the state. Priorities will include the development of a broad consumer network and key portfolio areas, together with tools and resources to support consumer participation across the organisation.

Working together to give children a good start in life

The Good Start program works with families and communities to create local initiatives focused on improving the health and wellbeing of Pacific Islander and Maori children.

The program aims to build skills, knowledge and confidence about healthy eating and lifestyles among the seven targeted communities—Cook Islander, Fijian, Fijian-Indian, Maori, Papua New Guinean, Samoan and Tongan.

By teaching children about the importance of lifestyle choices, the program aims to prevent chronic diseases such as diabetes, heart disease and obesity.

In 2013–14, the Good Start team built on the relationships developed in the first years of the program. Working with the resources and materials developed, the program is now supporting these communities to address health issues and concerns for themselves.

In the past 12 months, the Good Start team collaborated with 26 schools in Queensland to deliver more than 720 nutrition education and physical activity sessions to over 16,700 kids. Within the community, they delivered more than 700 chronic disease prevention sessions to more than 4400 participants.

This year the program also expanded with new offices opening in Cairns and the Gold Coast. This saw the team increase to 16 multicultural health workers with Maori and Pacific Island backgrounds, including a Samoan medical scientist and a Tongan dietitian.

The University of Queensland's School of Population Health has also come on board to evaluate outcomes of the projects. Initial results show a significant impact on knowledge, attitudes and practices for children in the program around consuming vegetables, reducing sugary drinks and increasing physical activity.

This initiative is an important element of Children's Health Queensland's contribution towards the National Partnership Agreement on Preventative Health.

Calendar shares stories of hope

CYMHS clients are using photography to share their personal journeys in a calendar that helps promote awareness of youth mental health issues.

The *Images of a Hero* calendar aims to present mental health information and services in an accessible way, enhance connection with others, and reduce the stigma associated with mental health.

To produce the calendar, young people and peer mentors from the Beautiful Minds youth advisory council work with a professional photographer to develop their creative skills and understand aspects of their personal strength and resilience.

The project has received extremely positive feedback from young people, parents, carers and service providers.

The 2015 *Images of a Hero* calendar will be launched during Mental Health Week in October 2014.

Celebrating children and families

National Families Week in May and National Children's Week in October are a highlight of the Children's Health Queensland events calendar.

Special celebrations are held each year at the Royal Children's Hospital to recognise the important role that children and their families play in the health of the greater community.

With family being central to the care we provide at CHQ, the week also provides an opportunity to highlight our commitment to partnering with families to deliver the best possible health outcomes for children and young people.

A program of activities, arts and crafts, live entertainment and special guests is developed for each week to engage patients and families and offer them a temporary distraction from their health issues.

Information stands and displays also increase awareness of child health services.

Health service strategic objective	Government's objectives for the community	CHQ strategies	Outcomes
1. Leading the provision of quality healthcare for children and young people	Revitalise front-line services Invest in better infrastructure and better planning	Optimise quality health care and health outcomes	• CHQ's *Patient Safety and Improvement Strategy 2013–2015* was developed, providing a road map of CHQ's vision and goals for safety and quality performance by 2015. • The RCH is meeting the national emergency access target as mandated by the national partnership agreement. The RCH is achieving 87 per cent (target is 83 per cent for 2014) of patients discharged home, admitted to a ward or transferred to another facility within four hours of arrival in the Emergency Department. • The RCH continues to deliver considerable improvements against the national elective surgery target, including long wait patients. The RCH met its overarching long wait goals as at end of June. These include key elective surgery targets, zero long wait patients exceeding the clinically recommended time frame for surgery, and key performance targets for 'treating-in-time' for category 2 and 3 patients. • Clinical care pathways are being developed to support medical and nursing staff to standardise care for children who have a series of conditions. Seven clinical pathways are almost complete, with a further three in early stages of development. The aim is to have established an agreed clinical pathway for the top 20 conditions by 2015. • The *Queensland Emergency Department Experience Survey 2013* found the RCH to be the top-rated hospital in the overall satisfaction category, with 88 per cent of parents/guardians rating their child's care as 'excellent' or 'very good'. • CHQ achieved full accreditation status against the National Safety and Quality Health Services Standards. • CHQ's safety events are monitored on a monthly basis, and multiple strategies are in place to achieve the target of zero serious safety events by 2015.
		Effective commissioning of the Lady Cilento Children's Hospital	• The LCCH is scheduled to open at the end of November 2014. CHQ is on track to meet time frames for the operation of the LCCH, with appropriate mitigation and patient safety plans in place.
2. Building strong partnerships and engagement for improved health outcomes	Revitalise front-line services	Collaborate with Medicare Locals and other primary health care providers	• CHQ has established formal agreements with a number of Medicare Locals to streamline referral pathways and increase access to health care services for families. Each agreement prioritises key health care priorities for the local area. To date CHQ has signed protocols with Metro North Brisbane, Greater Metro South Brisbane, West Moreton-Oxley, and Darling Downs South West Medicare Locals. Draft protocols and engagement with other Medicare Locals are in progress.
		Optimise engagement with consumers and the community	• CHQ has implemented the Patient Story Program, with families presenting their stories directly to the CHQ Board. This has helped identify opportunities for service improvement, as well as highlight examples of excellence in care. • FAC members regularly attended induction for medical and nursing staff. • FAC members participated in over 20 selection panels for senior medical, nursing, allied health and administrative staff, ensuring that the consumer perspective is considered during the recruitment process.

Health service strategic objective	Government's objectives for the community	CHQ strategies	Outcomes
2. Building strong partnerships and engagement for improved health outcomes		Optimise engagement with clinicians	• A key component of the Clinical Engagement Strategy, the clinician engagement panel was implemented, bringing together clinicians from CHQ and the Mater Health Services Paediatric Services. The panel consulted on various CHQ strategy documents, including the *CHQ Research Strategy 2013–2016*, and the *CHQ Patient Safety and Quality Improvement Strategy*. • The Board held monthly sessions on patient safety and quality with clinical teams under the banner of 'quality in focus'. The Board also regularly toured clinical areas.
		Build a strategic partnership with the Children's Hospital Foundation	• The Children's Hospital Foundation's objectives have been linked to the broader CHQ statewide remit. The foundation has adopted the *CHQ Research Strategy 2013–2016* as the basis for decision making on funding research. • The foundation also implemented a major gifts campaign, with the involvement of CHQ's Board Chair and Chief Executive, which targets major gift and bequest opportunities associated with the LCCH.
3. Define and implement Children's Health Queensland's statewide role	Revitalise front-line services	Enhance the coordination of care for children with chronic and complex conditions	• The Connected Care Program has been implemented and will provide care coordination services for around 4700 children with complex and chronic health care needs across Queensland. This program streamlines the patient and family journey through the healthcare system, reducing unnecessary travel to metropolitan and regional centres to access care, and provides each child with a comprehensive care plan. There were 92 children enrolled in the program as at 30 June 2014.
		Improve the provision of timely and accessible advice to regional and rural practitioners	• Clinicians across Queensland are now benefiting from a 24/7 support service which facilitates and formalises timely clinical specialist and sub-specialist advice, addressing the need for the right information from the right person at the right time. • CHQ has partnered with Retrieval Services Queensland to improve expert paediatric advice services, ensuring timely and accessible clinical advice is available to regional and rural practitioners. The service will be developed with the aim of full integration of the paediatric nursing components of retrieval coordination, clinical advice and telehealth coordination.
		Enhance knowledge and confidence through paediatric training and education	• To meet HHS demand, CHQ HHS has provided targeted online, face-to-face and in-house placements for Queensland Health clinicians through a tailored and responsive learning and development plan. • The Simulation Training on Resuscitation for Kids (SToRK) program has provided online, face-to-face and in-service training packages for clinicians across the state on paediatric emergencies and basic life support. As at 30 June 2014, 5150 clinicians across Queensland had enrolled in the online training with 4000 of these having completed the modules. A further 400 have completed face-to-face training.
		Formation of a capable paediatric root cause analysis facility to be deployed across Queensland	• The Queensland Children's Critical Incident Panel has been established to provide all Queensland hospital and health services with access to expert support and mentorship from a panel of 25 critical incident experts located throughout Queensland. To date, the panel has supported four complex and critical incidents across the state.

Health service strategic objective	Government's objectives for the community	CHQ strategies	Outcomes
4. Enhance financial management	Restore accountability in government	Enhance financial stewardship and accountability	• The monthly divisional performance reports now include risk-rated major factor analysis for informing management of key issues and strategies. • Four management capability training sessions have been provided for cost centre managers this year with 87 staff attending these sessions.
		Continue to improve Activity Based Funding (including understanding of and capability)	• Continued efficiencies implemented during the year have resulted in the average cost per weighted average unit reducing from $5142 in 2012–13 to $4889 for 2013–14.
		Maximise Revenue and Investment Opportunities	• The initiatives outlined in the own-source-revenue strategy have been implemented during this year. • The benefit of these initiatives has not yet been fully realised. The PHI conversion rate as at 30 July 2014 was 77.5 per cent against the target of 85 per cent. • The difference between the actual and target conversion rate is due to senior medical contract negotiations being underway during the later months of the 2013–14 financial year and some issues with BUPA around accommodation charges for patients and parents with private health insurance admitted at the Ellen Barron Family Centre. Work is underway to address these matters.
5. Build an empowered and engaged workforce	Revitalise front-line services	Assist staff to maximise their health and wellbeing by encouraging a productive and harmonious workplace environment	• CHQ continued to implement the Work Health and Safety Strategic Plan. • CHQ supports and implements Queensland Health's work-life balance policy by enabling staff to work according to flexible arrangements. These include opportunities to work part-time and to purchase leave in addition to standard recreational leave entitlements. This year, 25 staff participated in purchased leave arrangements. More than 400 staff (23 per cent of the CHQ permanent workforce) are employed on a permanent part-time basis. • Work has also commenced on the development of a wellbeing program. This will focus on emotional, cultural, financial, spiritual, social and physical wellbeing outcomes for CHQ staff.
		Support capability and leadership development by building the capability of middle managers	• CHQ delivered extensive staff training programs, both face-to-face and online, including orientation programs, mandatory training, non-clinical training and government training. • An executive and senior manager framework has been developed and will be fully implemented during the 2014–15 financial year. • The CHQ Management Capability Program continued this year. Designed specifically for CHQ's line managers, it builds and enhances a leadership culture at all levels that is accountable, safety-conscious and capable. Strengthening management capability in the areas of human resources, finance, project management and process improvement, 32 sessions were held throughout 2013–14. Eighty per cent of line manager participants said they felt competent to practically apply the knowledge and skills gained through the sessions. The program for 2014–15 has been updated to incorporate additional topics specifically for new managers and will continue to focus and build commitment for the new hospital environment and future capability.

Health service strategic objective	Government's objectives for the community	CHQ strategies	Outcomes
5. Build an empowered and engaged workforce		Develop a positive culture and identity which encourages and recognises high performance	• Best Practice Australia facilitated a staff survey encouraging staff to outline the behaviours and attitudes that would support CHQ's agreed values. Fifty-six per cent of staff completed the survey. Results will be used to facilitate and integrate existing and new staff into the LCCH, and develop a culture that is understood and widely communicated.
		Provide meaningful opportunities for clinicians to engage in key issues across CHQ	• Through a clinician engagement strategy, CHQ committed to engage with clinicians in a way that is purpose-driven and changes the way CHQ works to improve care for children. During 2013–14, CHQ utilised the clinician engagement panel to enable improved consultative methods with clinicians on key strategic documents. Clinicians have also been provided with the opportunity to engage in monthly sessions with the CHQ Board.
6. Develop and translate new knowledge into improved outcomes	Revitalise front-line services	Encourage and promote innovation and new ideas across all areas of the service	• The Board Chair's Innovation Excellence Award, established in 2013, recognises people who have demonstrated innovation in service delivery, with a strong focus on enhancing the safety and quality of the care we provide our patients and families. This award is a component of the Celebrating Our People Awards, part of the *CHQ Reward and Recognition Plan 2012–2015*. • In 2013, 46 nominations were received, with the General Paediatrics Allied Health Model of Care Project winning the inaugural Innovation Excellence Award. • The plan also provides a framework for encouraging and rewarding staff for achievement at a local and national level.
		Implement a contemporary clinical education framework which improves clinical care	• The nursing education unit is collaborating with medical and allied health colleagues to identify opportunities where inter-professional learning can take place. A number of multidisciplinary education sessions and programs took place in 2013–14, with continued focus on increasing this collaboration. • The inter-professional Recognition and Management of the Deteriorating Paediatric Patient Program, incorporates clinical cases utilising the Children's Early Warning Tool (CEWT) and simulated scenarios.
		Actively promote research awareness and enhance a clinical research culture	• CHQ developed and implemented the *CHQ Research Strategy 2013–2016* in late 2013, with five key themes aimed at improving the health of Queensland children and reducing the burden of disease. The strategy outlines CHQ's support to develop inter-disciplinary research and develop collaborative partnerships with universities including joint appointments in medicine, nursing and allied health disciplines. Multidisciplinary teams have been involved in the planning and execution of many studies in 2013–14, including research programmes in the areas of infections, indigenous health, cerebral palsy, respiratory disease, burns, and oncology. • A new Director of Research commenced to lead the transition to the Centre for Children's Health Research alongside the LCCH, and to work with key stakeholders to develop and promote research in every division and service. • The Director of Research is working with the Queensland Children's Medical Research Institute (QCMRI) director to develop governance structures that encourage closer collaboration between CHQ and QCMRI. New academic appointments are also planned involving university partners. An expanded research support unit will be developed to facilitate design, approval and execution of research across the organisation.

Health service strategic objective	Government's objectives for the community	CHQ strategies	Outcomes
6. Develop and translate new knowledge into improved outcomes		Maximise research partnerships and their value to enhance care and health outcomes for children	• A key theme of the *CHQ Research Strategy 2013–2016* is to translate research findings into practice, by working with our partners to grow research investment and output. • Published research that has influenced current or future clinical practice includes: » two randomised trials of azithromycin » a dose ranging study of safety and immunogenicity of a new vaccine against neisseria meningitidis in children and adolescents » a study published in the *New England Journal of Medicine*, demonstrating that neutrophil elastase was a significant factor in cystic fibrosis lung disease. This provides a basis for future trials of novel agents directed against activated neutrophils in this complex disease. • CHQ clinical researchers played a leading role in research activity of QCMRI, with QCMRI researchers attracting more than $10 million in externally funded research in 2013. A number of fellowships, grants and PhD scholarships were also awarded. • The Children's Health and Environment Program, delivered by QCMRI, was recognised as a World Health Organisation Collaborating Centre in 2013.

Royal Children's Hospital

Caring for Queensland children and their families since 1878

The Royal Children's Hospital (RCH) has cared for the children of Queensland since it was founded in 1878. From humble beginnings as a 15-bed hospital, it has grown to the 135-bed tertiary paediatric facility that stands in Herston today.

Providing all clinical services except cardiac surgery and renal transplant, the RCH is internationally recognised as a leading centre for paediatric treatment, advocacy, teaching and research.

The hospital is responsible for the provision of general paediatric health services to children and young people in the greater Brisbane demographic area, as well as tertiary paediatric services to the entire state and northern New South Wales.

It also offers a range of outreach clinics and is increasing the use of telemedicine to improve access to quality care for all patients, regardless of where they live.

The RCH delivers a growing number of statewide paediatric specialty services, including rehabilitation medicine, cerebral palsy, cystic fibrosis, indigenous ear health, gastroenterology, oncology and haemophilia.

As part of its commitment to sharing knowledge, the hospital offers a broad range of clinical specialities and provides undergraduate, postgraduate and practitioner training in paediatrics. The RCH also plays a significant role in medical research, undertaking research programs with affiliated universities including The University of Queensland and Queensland University of Technology.

The hospital employs more than 1600 people from a range of disciplines. It admits more than 20,000 inpatients and sees just over 100,000 additional children and young people as outpatients each year.

Table 1: RCH operational activity

Activity	2012–13	2013–14
Total separations	20,146	21,509
Average length of stay (days)	2.5	2.3
Day-only cases	11,572	12,667
Occupied bed days	50,452	49,396
Emergency presentations	24,632	24,923
Admissions from emergency	6,641	6,935
Outpatients	104,354	106,533
Outpatients (exc allied health)	84,389	84,610

Shorter waiting times for emergency, surgery and specialist outpatients

Timely access to treatment is a fundamental of Children's Health Queensland's commitment to providing the best possible patient- and family-centred care.

In 2013–14, the RCH met the national emergency access target (NEAT) as required by the National Partnership Agreement on Improving Public Hospital Services. In 2013–2014, 87 per cent of patients were discharged home, admitted to a ward or transferred to another facility within four hours of arrival in the Emergency Department (the national target is 83 per cent). For further detail, see the performance statement on page 44.

The RCH also continues to deliver considerable improvements against the national elective surgery target (NEST), including long-wait patients. By June 2014, the RCH had met its overarching long-wait goals, including key elective surgery targets, zero long-wait patients exceeding the clinically recommended time frame for surgery, and key performance targets for 'treating-in-time' for category 2 and 3 patients.

Families are also waiting less for specialist outpatient appointments. In 2013–14, 89 per cent of category 3 patients had waited less than the clinically recommended 12 months—up from 72 per cent the previous year. The national target is 90 per cent. Waiting times for category 1 and category 2 patients have also improved (see table 2).

Table 2: RCH waiting times for specialist outpatient appointments

Patients waiting within recommended time frames	2012–13	2013–14
	%	
Category 1 (waiting less than one month)	61.12	69.81
Category 2 (waiting less than three months)	42.33	54.51
Category 3 (waiting less than 12 months)	72.08	89.19

Children's Health Queensland is committed to further improving access to specialist outpatient services for our patients and families. Work commenced in 2014 on a specialist outpatient service redesign project which aims to guarantee all children requiring a specialist consultation are seen within the clinically recommended time frames by the end of 2015. Implementation of the reforms required to deliver on this guarantee will be a focus of 2014–15.

Redesign improves access for planned procedures

The RCH introduced the 23-Hour Ward and Medical Day Unit (MDU) in 2013 to improve access and flow for patients undergoing planned procedures.

The 23-Hour Ward has extended the hours of the former Day Procedure Unit to accommodate patients who require a single overnight stay after surgery. This facilitates improved planning to enable efficient patient flow and discharge processes.

The MDU (formerly Surfside Ward) provides eight patients and their families with access to beds and chairs when requiring infusions and short-stay medical procedures. Opening this ward has increased the number of appointments available to families and enabled greater flexibility to provide family-centred care while also meeting the requirements of clinical specialities.

The MDU also provides renal dialysis, which was previously only available in the High Dependency Unit (HDU). This enables the safe provision of dialysis in a less-intimidating and more relaxed, family-friendly environment. Additionally, the relocation of the dialysis service has improved access to HDU beds.

RCH in 2013–14

8,879 operations performed

20,538 hospital admissions

2.3 days average inpatient stay

The right patient information, at the right time, at the right place

In 2014, the Royal Children's Hospital was one of the first hospitals in the state to implement Queensland Health's integrated electronic medical record (ieMR) program.

The program, also implemented at Children's Health Queensland's Ellen Barron Family Centre (EBFC), will give clinicians and supporting staff fast access to a single record of a patient's information and health history.

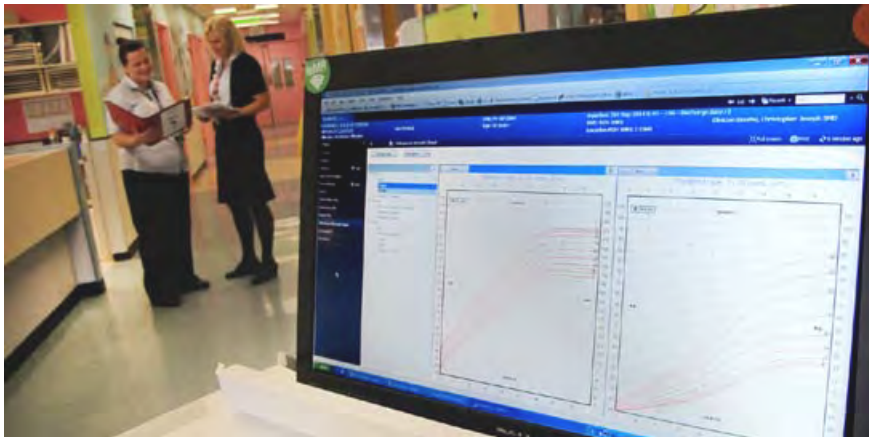
By centralising patient data across the state, the ieMR program aims to ensure professional access to the right information at the right time at the right place.

This will deliver improved care coordination for patients through increased quality and safety, and provide enhanced productivity for a more sustainable health system. The ieMR solution is being deployed incrementally in four releases. The RCH and EBFC successfully implemented Release 1 on 19 March 2014. Since that date more than 17,500 patient records have been scanned into the ieMR system. Release 1 also included the creation of advanced growth charts, which clinicians complete to assess patient's growth data (height, weight, BMI and head circumference).

There are now more than 320,000 pages of clinical information available electronically at the RCH and other hospitals where the ieMR has been introduced.

The RCH and EBFC are scheduled to go live with Release 2 in July 2014. This will include functions such as problems and diagnosis, direct entry progress notes, alerts and allergies as well as risk assessments.

Future releases with additional functionality will be implemented at the LCCH from 2015.



Patient flow trends tracked to improve patient experience

In line with CHQ's commitment to continuous service improvement, the RCH has introduced the web-based Patient Flow Manager system. The application combines information from various sources to manage inpatient flow and care processes and improve the hospital experience for patients and families. It tracks ward occupancy, patient details, referrals to allied health professionals and indicates the expected date of discharge for patients. The system can be viewed across the hospital and help identify patient flow trends, improve discharge planning and potentially reduce patient length of stay.

Self check-in kiosks reduce lengthy outpatient queues

The RCH introduced the 'Queue Manager' patient management system to the outpatients department in May 2014 to improve patient throughput and service delivery.

Queue Manager enables outpatients to self check-in at touch-screen kiosks located at key entry points throughout the hospital. After scanning a barcode on their appointment letter, patients and parents/carers are directed to the relevant waiting area. This helps reduce lengthy queues at reception desks.

Administration staff can see which patients have arrived and prepare charts, while clinicians can see which patients are due in their clinics and whether or not they are available for their appointment.

Patients can also be directed straight to services such as the plaster room, X-ray, audiology and the respiratory function lab.

The Queue Manager system will transition to the Lady Cilento Children's Hospital.

Child and Youth Community Health Service

Front-line healthcare in the community, for the community

The Child and Youth Community Health Service (CYCHS) brings together a variety of specialist community services to help children, young people and their families lead healthier lives.

The CYCHS predominantly provides front-line healthcare to communities throughout South East Queensland. In fact, the service provides access to community care to around 470,000 children or 42 per cent of Queensland's children. A range of services are provided across the continuum of care as well as health promotion.

Almost 450 (full-time equivalent) staff work in and from more than 50 community health centres, including clinics, hospitals, schools, shops and offices. Services are delivered across the Greater Brisbane metropolitan area from Kilcoy and Bribie Island in the north, south to Beaudesert and east to include the Moreton Bay islands.

A number of CYCHS programs, including Deadly Ears, Good Start and the Ellen Barron Family Centre reach communities throughout Queensland.

Now in its sixth year, the Deadly Ears program aims to reduce the high rates of otitis media (or middle ear disease) in Aboriginal and Torres Strait Islander children in remote communities. In the past four years, the number of children presenting at the program's ENT clinics with chronic ear disease (also known as chronic suppurative otitis media) has declined from 21 per cent to five per cent.

Table 3: CYCHS operational activity

Activity	2012–13	2013–14
CYCHS occasions of service	158,138	168,652
Health home visit programs	17,147	16,156
Deadly Ears patients seen	2,557	2,078
Deadly Ears surgical procedures	467	368
Ellen Barron admissions	2,496	2,615
Good Start nutrition sessions	831	1,255

The Good Start program aims to reduce the high incidence of chronic disease and obesity in Maori and Pacific Islander children by working with families to build skills, knowledge and confidence in healthy eating, exercise and lifestyle practices.

The Ellen Barron Family Centre provides a specialist child health service to families who require support with building practical skills and confidence in parenting.

Helping Indigenous children to hear, talk, learn and play

The award-winning Deadly Ears program has secured current and ongoing state-government funding to continue delivering its vital child ear health services in Aboriginal and Torres Strait Islander communities throughout Queensland.

Hearing loss caused by middle ear disease (otitis media) affects up to eight out of 10 Aboriginal and Torres Strait Islander children in remote communities. If not treated, it can have a significant impact on health, child development and educational outcomes of children, their families and communities.

Deadly Ears works closely with communities to manage and reduce the high rates of conductive hearing loss attributable to otitis media and deliver long-term improvement in ear health outcomes for children.
Since 2008, the program has:

- delivered more than 1800 ENT surgical procedures and 9700 clinic sessions.
- delivered training to more than 500 staff from more than 70 health facilities and providers in Queensland, including staff from over 20 Indigenous communities
- developed a suite of resources to support the training of health practitioners
- developed a range of innovative tools and resources to support children's health and education, including those with a hearing loss as a result of ear disease. This includes the *Deadly Kids can Listen and Learn* online teacher training course, and the *One Channel Sound Classrooms* training on classroom acoustics.

In 2013–14, the program also implemented a revised model of care for ear and hearing services which provides better hearing health, health promotion, allied health services and workforce training.

Deadly Ears also launched a new website in 2013 to improve access to information and resources for health practitioners, educators, families and carers, and communities in remote areas.
www.health.qld.gov.au/deadly_ears/

CYCHS in 2013–14

168,652 community health appointments

16,156 home visits

368 Deadly Ears surgical procedures

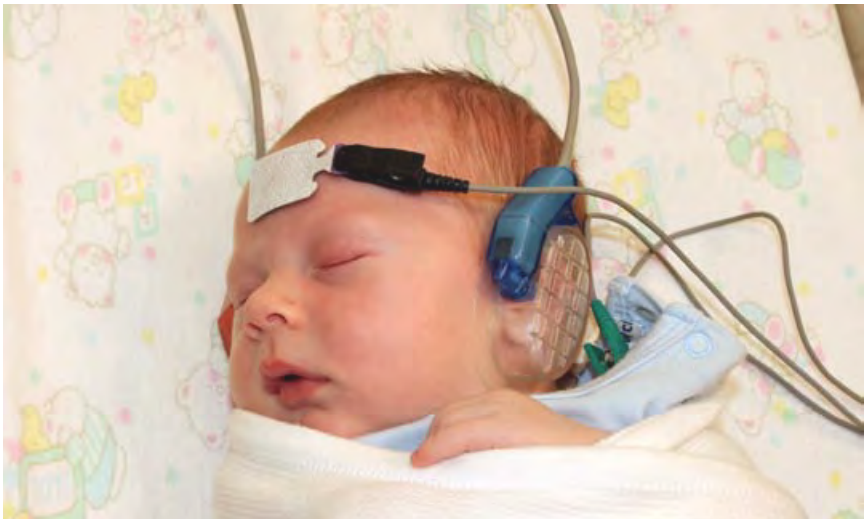
2,615 Ellen Barron Family Centre admissions

1,255 Good Start nutrition sessions

Safe, effective and sustainable care for communities

Child health, child development and school-based youth nursing services have been reviewed to ensure families receive safe, effective and sustainable community health services. The changes include:

- A new model of care for child health provides the framework for a universal, integrated and tiered system of targeted and extended care services. The model will be phased in throughout 2014 and 2015.
- The Child Development Program has started implementing an integrated tiered system of targeted secondary and specialist tertiary services, provided in partnership with identified primary health care services. This project will enable the implementation of a consistent model of care for child development services across LCCH and CHQ, which includes an appropriately aligned workforce and structure. This will in turn enable the provision of timely, responsive, evidence-based and equitable care for children and families.
- A new clinical governance structure for the school-based youth health nursing service will support a revised model of care designed to help young people make a safe and healthy transition into adulthood.



Improved pathways to treatment for children with hearing difficulties

The Healthy Hearing program joined the Children's Health Queensland family of child health services in August 2013, paving the way for faster access to support and treatment for children born with hearing problems.

When hearing problems are detected early, and treatment begins before babies are six months old, they have a stronger chance of heading off future communication, health and learning issues. Healthy Hearing's new direct connection with CHQ will facilitate this with improved pathways to treatment.

The state-government-funded program screens more than 99 per cent of all infants born in Queensland, with newborn hearing screening offered in 64 birthing hospitals (public and private).

About one per cent of screened babies are referred for further testing to help detect the 1 in 1000 children born with a permanent bilateral hearing loss of moderate degree or greater.

Since the service began in 2004, more than 500,000 infants have been screened and more than 1000 children have been identified with a permanent hearing impairment.

The Health Hearing team is committed to pioneering innovative approaches to hearing screening, including the tele-audiology project (hearing testing conducted via telehealth services).

In August 2014, the team will launch an Australian-first pilot study into targeting newborn screening for congenital cytomegalovirus (CMV)—the leading cause of treatable, non-genetic hearing loss in children.

www.health.qld.gov.au/healthyhearing

Collaborating for child health and wellbeing

The Early Years Initiative, established in 2007 by the Logan Beaudesert Health Coalition, transitioned from a Logan-based service to a statewide program in August 2013. Now known as the Centre for Children's Health and Wellbeing, the service is dedicated to improving the health and wellbeing of children, their families and communities through integrated and collaborative service delivery. The program recognises that children exist within the context of relationships, families, settings, communities and societies, and focuses on each of these elements to ensure optimal health and wellbeing. Current projects include the Connecting2U project, which sends infant health information to new families via text message, and the antenatal 'Love, Talk, Sing, Read, Grow' flipchart resource which aims to enhance parenting practices.

Better reporting for better service planning

Performance reporting and client data records across the CYCHS are being aligned to improve benchmarking and planning for community health services across the Greater Brisbane metropolitan area.

The lack of a dedicated health information management process was identified following the integration of Brisbane's three child and youth health services in 2012–13.

In the absence of any national or state-driven community health mandatory data collections, a new reporting process, which aligns as closely as possible with the mandatory monthly activity collections of the RCH, was introduced in April 2014.

This move will ultimately enable the use of CHQ's Performance Management and Activity Based Funding framework to benchmark and compare across the hospital and health service.

Parenting programs delivered statewide

From mid-2013, CHQ has hosted the Statewide Child Health Unit which supports the statewide implementation of Family Partnership training, Triple P (Positive Parenting Program) training and the publication of the Personal Health Record.

In 2013–14, the unit facilitated Triple P training for 39 Department of Health staff and provided a number of Family Partnership training courses.

Funding has also been supplied for resources to support ongoing delivery of Triple P programs across the state.

Child and Youth Mental Health Service

A focus on collaborative care for children and their care networks

The Child and Youth Mental Health Service (CYMHS) offers specialised, high-level mental health services for families with children and young people (birth to 18 years) who are at risk of experiencing severe and complex mental health problems.

It provides a comprehensive, recovery-orientated mental healthcare service that aims to improve the mental health and wellbeing of children and young people and their carer networks.

The service covers the local area of Brisbane North and surrounds with a population of approximately 750,000, and has a number of specialist statewide teams.

In alignment with the national and state clinical reform priorities for mental health, CYMHS provides a range of acute and tertiary specialities including:

- paediatric inpatient and family assessment unit
- forensic drug and alcohol and mental health
- infant mental health and early years specialist teams
- access, extended hours and community treatment teams
- tele-psychiatry (e-CYMHS)
- consultation liaison
- evolve therapeutic services
- a range of specialist early intervention and statewide hosted services.

Table 4: CYMHS operational activity

Activity	2012–13	2013–14
Client count	3,233	3,236
Occasions of service (OOS)	34,097	50,460
New referral count	3,745	2,745*
Inpatient avg length of stay	18 days	13 days
Local CFTU# discharges	69%	55%
Statewide CFTU# discharges	31%	45%
Forensic drug and alcohol OOS	3,664	4,690
Statewide e-CYMHS OOS	2,018	1,447^

** Change to secondary referral process | # Child and Family Therapy Unit*
^ Two sites only part-covered for the year

The service has a defined target population and has a responsive intake mechanism to promote timely assessment and intervention, placing a high priority on collaborative care planning and working in partnership with the young person, their family/carers and their community stakeholder network.

Enhanced extended treatment and rehabilitation care for adolescents

Children's Health Queensland CYMHS is leading the implementation of the statewide Adolescent Mental Health Extended Treatment Initiative.

The initiative follows a comprehensive review of the way extended mental health treatment and rehabilitation care is provided for young people.

CYMHS consulted with mental health experts and care providers throughout Australia to learn about and explore alternative, progressive approaches to adolescent extended treatment and rehabilitation care.

The model of care has been developed in accordance with the principles and services outlined in the National Mental Health Services Planning Framework.

The initiative aims to ensure young people and their families across Queensland have access to safe and high-quality mental health extended treatment and rehabilitation service options as close to their home or community as possible.

There are five service elements to the model of care:

- Assertive Mobile Youth Outreach Services delivered by multidisciplinary mental health clinicians, who provide recovery-oriented assessment and assertive treatment and care for young people with complex mental health needs in the family home or community.
- Adolescent day program units providing a range of intensive therapy and extended treatment options.
- Step up / step down units offering short-term residential treatment in purpose-built facilities. These units enable early discharge from adolescent acute inpatient units or prevent admission through intense, short-term treatment.
- Residential rehabilitation units for adolescents with severe or complex mental health needs, requiring long-term accommodation and recovery-oriented care, and who may benefit from rehabilitation in a community setting. This service is delivered by a non-government organisation in partnership with mental health specialists. A residential unit opened in South Brisbane in February 2014.
- Subacute beds for adolescents who require medium-term treatment and rehabilitation services in a secure, safe, structured, hospital-based environment. These beds are available in the Mater Children's Hospital until the opening of the Lady Cilento Children's Hospital in late 2014.

www.health.qld.gov.au/rch/families/cymhs-extendedtreat.asp

Programs and partnerships team keeps focus on continuum of care

Research, policy and practice is increasingly demonstrating the value of mental health promotion, early intervention and integrated treatment to enhance the lives of people experiencing, or at risk of experiencing, mental health problems.

The programs and partnerships team was formed to bring this focus across the continuum of care to the consumers, carers and communities supported by CYMHS. Current programs include:

Ed-LinQ
Supports the education sector to intervene early for students experiencing mental health difficulties, including delivery of the Youth Mental Health First Aid program.

Multicultural mental health
A multicultural mental health coordinator and multicultural working group provide culturally sensitive care to consumers and carers from a culturally and linguistically diverse background.

Dual diagnosis
Improved, integrated care to children and young people with co-existing substance use and mental health problems, including liaison with local youth services.

Children of parents with a mental illness (COPMI)
Helps to identify these children and their families, providing holistic education and care, and advocating on behalf of affected families.

Service integration
Improving care to children and young people with complex care needs through effective collaboration within and between service sectors.

Redesigning our care for a better patient experience

Two major service redesign projects are under way to improve access to and quality of mental health services for children, young people and their families.

Adaptive Responsive Care

The Adaptive Responsive Care service redesign project aims to improve the experience of children, young people and their families who seek mental health treatment in public emergency departments.

The primary goal is to ensure all acute mental health presentations are managed in a timely, consistent and developmentally appropriate manner.

The model seeks to ensure children and young people receive early clinical assessment and treatment and are cared for by the right people, in the right place, at the right time.

The project will also develop and implement a consistent acute response model of care for children and young people in preparation for the opening of the LCCH.

Choice and Partnerships Approach

The Choice and Partnerships Approach has been adopted to provide a consistent model of service for community-based CYMHS teams covering large areas of north and south metropolitan Brisbane.

This service model will see a move from an expert-based model to one of partnership. The aim is to offer clients and families more choice, more empowerment, easier access to services, and greater satisfaction with care overall.

Service efficiencies will be increased by optimising current resources, reducing duplication and length of service episodes, increasing client engagement, and improving workload management for staff.

Clear CYMHS referral guidelines will be developed that will establish strong links with primary care providers and reduce waiting periods for service.

This is a multi-site project involving Children's Health Queensland CYMHS and Mater CYMHS. Post-amalgamation at the end of 2014, it will be operational across all seven community CYMHS clinics.

CYMHS in 2013–14

3,236 mental health clients

new referrals **2,745**

13 days average inpatient stay

More time for more meaningful care

Children, young people and their families are receiving a better integrated care experience, thanks to a service improvement project undertaken by the Child and Family Therapy Unit (CFTU) at the RCH.

The Productive Mental Health Ward, a workplace enhancement program developed by the NHS Institute for Innovation and Improvement, empowers staff to identify ways of working more efficiently, safely and reliably.

Launched in the CFTU in November 2013, the program aims to free up time for staff to deliver more meaningful care and increase the level of therapeutic engagement and communication with patients.

As part of the program, the CFTU team has developed a series of visual boards to help guide the daily work of the service. These include a 'measures board' outlining the ward's measures achievements and the 'well organised board' which visualises goals for managing administrative tasks relating to patient care.

A third board features photographs of each of the unit's team members. It has provided some fun for the children to find their primary nurse, doctor and allied health team member on the board.

Turning research findings into clinical practice for better health outcomes

Striving to be at the forefront of discovery in children's health

Pioneering world-class research into child health and wellbeing goes hand in hand with Children's Health Queensland's vision of the best possible health care for children and young people.

In 2013–14, our researchers continued to play a leading role in the research activity of the Queensland Children's Medical Research Institute (QCMRI).

QCMRI researchers attracted more than $10 million in externally-funded research in the past 12 months, including major grants from the Australian Research Council (ARC) and National Health and Medical Research Council (NHMRC). More than 200 papers were published in peer-reviewed journals.

- Fellowships awarded to:
  - » Professor Anne Chang, Department of Respiratory Medicine, awarded NHMRC Practitioner Fellowship from the Menzies School of Health Research
  - » Associate Professor Philip Stevenson, Sir Albert Sakzewski Virus Research Centre (SASVRC), awarded ARC Future Fellowship.
- QCMRI students received three NHMRC PhD scholarships.
- SASVRC researchers obtained four NHMRC grants, three as first-named Chief Investigator.
- Associate Professor Anthony Smith and the Centre of Online Health, received NHMRC's prestigious Centre of Research Excellence in Telehealth status, including funding support to pursue collaborative research and develop capacity in health services research.
- The Children's Health and Environment Program delivered by QCMRI, under the direction of Professor Peter Sly, was appointed as a World Health Organisation Collaborating Centre. This acknowledges QCMRI staff who have been building collaborations and delivering training courses in children's environmental health.
- The Human Research Ethics Committee and CHQ Research Governance Office processed 102 ethics applications and 122 site-specific assessment reviews in 2013—including timely site-specific assessment and contractual agreements.

Strategy provides roadmap for future of CHQ research

The *Children's Health Queensland Research Strategy 2013–2016* reinforces our ongoing commitment to be at the forefront of research to deliver improved health outcomes for children and young people.

Developed in consultation with researchers and clinicians, the strategy works toward healthier Queensland children and reduced disease burden with a five-point plan to:

- grow Children's Health Queensland-led research
- build research capability
- translate research findings into practice
- improve research governance and support
- make research core business for CHQ

The strategy will guide the organisation's research activity in the lead-up and transition to the Lady Cilento Children's Hospital in late 2014 and the co-located Centre for Children's Health Research, opening in 2015.

Research strategy

› MAKING RESEARCH CORE BUSINESS
We will expect all clinical services to contribute to the development of new knowledge through research

› BUILDING RESEARCH CAPACITY
We will attract and retain the best clinical researchers and grow our own research talent

› IMPROVING GOVERNANCE AND SUPPORT
We will maximise accountability, transparency and value for money

› GROW CHQ-LED RESEARCH
We will work with our partners to grow research investment and output

› TRANSLATING RESEARCH INTO PRACTICE
We will invest in research to reliably implement evidence into practice across Queensland

Multidisciplinary teams collaborate for key studies

A number of common themes carry through the research being conducted at the QCMRI and CHQ, including viral infection, indigenous health, cerebral palsy and respiratory disease.

Multidisciplinary teams are involved in the planning and execution of many studies. Following are some examples of peer-reviewed papers published in 2013.

Cerebral palsy

These studies are important in understanding the mechanisms of under-nutrition in children with cerebral palsy and intervening to improve quality of life.

- An evaluation of the association of reported eating ability with gross motor function.
- The relationship of oropharyngeal dysplasia and gross motor skills.
- The use of bioelectrical impedance analysis to estimate total body water in young children with cerebral palsy.

Indigenous health

The specific health care needs of indigenous children, remains an important research focus. Such clinical studies, which may pose particular logistical challenges, are key to understanding better the nature and treatment of potentially debilitating respiratory disease in this patient population.

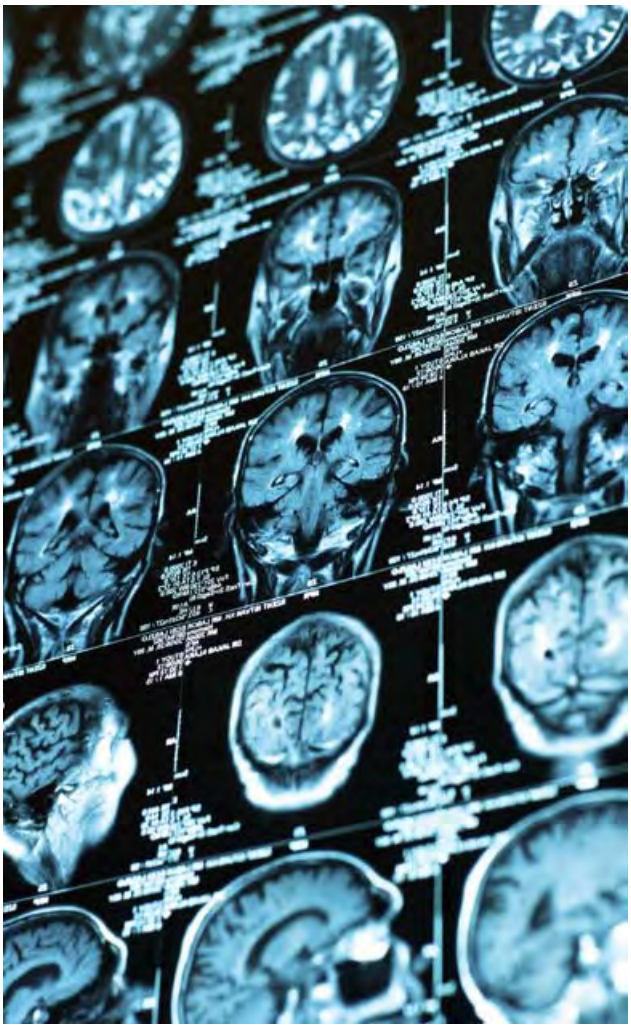
- A randomised trial of long-term azithromycin in indigenous children with non-cystic fibrosis brochiectasis or chronic suppurative lung disease.
- An overview of brochiectasis and chronic suppurative lung disease in indigenous children from three different countries.
- Confirmation that quantitative Polymerase Chain Reaction (PCR) was the most reliable way to detect lower airway infection by non-typeable H influenzae in Australian indigenous children with bronchiectasis.

Viral infection in children

These studies inform the diagnosis and management of both common and uncommon viruses in children.

- Respiratory viral detection using nasopharyngeal aspirate was compared with brochoalveolar lavage to determine the influence of virus type on the most appropriate way to collect samples.
- A retrospective case control study based in a number of emergency departments determining factors that predicted the severity of H1N1 infection in children.
- The influence of respiratory syncytial virus on the load of bacterial infection in the upper respiratory tract of children.
- Detection of novel polyoma viruses in a range of patient tissues samples.

Head injuries study to guide international practice



The Paediatric Emergency Research Unit at the Royal Children's Hospital has completed a large multicentre research project to improve the way hospitals around the world manage children presenting with head injuries in emergency.

The Australasian Paediatric Head Injury Rules Study was conducted in 12 paediatric and large mixed emergency departments across Australia and New Zealand, to evaluate three internationally-derived clinical decision rules for computerised tomography (CT) imaging children with head injuries. Clinical decision rules for neuroimaging of head injuries aim to detect all significant injuries while minimising unnecessary radiation exposure.

Results of the study, conducted in association with the Paediatric Research in Emergency Departments International Collaborative Research Network, will inform the emergency management of children presenting with head injuries globally, and allow the development of robust national evidence-based guidelines.

With the support of the Queensland Emergency Medicine Research Foundation and the NHMRC, the RCH recruited more than 1900 children into the study in 2013–14.

More than 98 per cent of eligible RCH participants were recruited, the highest rate of any Australian site. These outstanding results are a testament to the efforts of the Paediatric Emergency Research Unit team and the research commitment of the multidisciplinary team in the RCH Emergency Department.

Group therapy tames distressed minds

The Taming Adolescent Mind (TAM) group therapy was developed as an intervention for adolescents with mixed clinical mental disorders.

It aims to prevent and reduce treatment for mental disorders through enhancing emotional self-regulation via mindfulness practices that move the young person from problematic thoughts and emotions.

The results from the first random control trial with a group of CYMHS clients suggested the majority of adolescents who completed the five-week group intervention found themselves able to practice mindfulness more frequently and easily than before they participated in the program.

On the basis of these positive results, the TAM group therapy program has been rolled out across CYMHS clinics as an additional option for enhancing psychological health for distressed adolescents.

The five-week program, conducted with CYMHS clients and their parents, aims to show improved mental health outcomes with shorter treatment times for participant adolescents.

Looking ahead

The next 12 months will see even closer interaction between Children's Health Queensland, the QCMRI and our university partners as detailed planning for the new Centre for Children's Health Research takes place.

New facilities in both the Lady Cilento Children's Hospital and the research centre and the addition of clinical research teams from Mater Children's Hospital will provide many new opportunities for research.

Transferring skills and knowledge today to build tomorrow's workforce

Committed to quality education and training for all learners in our organisation

Educating and training healthcare professionals is core business for Children's Health Queensland. Contemporary, collaborative and integrated medical, nursing and allied health training programs ensure clinical staff have access to the knowledge and support they need to deliver outstanding patient care.

Medical education

A number of programs support a sustainable workforce of medical practitioners who possess effective clinical and non-clinical skills and knowledge. Medical education has well-established partnerships with professional colleges, tertiary education institutions and other educational agencies to enable continued learning across the continuum from medical student to expert practitioner.

Medical Education Committee

The Medical Education Committee provides leadership and innovation to support quality education and training. Committee membership includes junior and senior medical officers, education personnel from partner facilities and university clinical school representatives.

Medical Education Unit

The Medical Education Unit supports junior doctor education and training through leadership, advice and coordination of 'fit for purpose' educational initiatives.

The unit works closely with stakeholders to support capacity and capability and address the barriers to responsive, targeted, flexible and quality training.

A robust performance-assessment and remediation system is maintained along with compliance with the Royal Australasian College of Physicians and Postgraduate Medical Education Council of Queensland accreditation accountabilities. In 2013 the RCH was awarded a full three-year accreditation for Intern education and training by the Postgraduate Medical Education Council of Queensland.

Paediatric Grand Rounds

Weekly Paediatric Grand Rounds presentations attract a high calibre of local and international speakers. Sessions are widely attended by local and regional audiences via videoconference or accessed via the online learning portal.

In 2013 invitations for participation in the Paediatric Grand Rounds were extended to a number of south east Queensland Medicare Local networks, further supporting best practices in the delivery of primary health care to children and young people.

Royal Australasian College of Physicians basic and advanced training

Education of college trainees to meet standards remains a core component of medical education. CHQ has strenghtened partnerships with the Statewide Paediatric Basic Training Network and recruited trainees for this pathway. A formal statewide lecture series run by the Medical Education Unit addresses core components of the basic training curriculum using a blended learning approach congruent to contemporary adult learning principles.

In addition, trainee development is further enhanced with real time training during morning handover and ongoing supervisor support provided by clinical units.

In the paediatric basic training examination, CHQ trainees achieved a pass rate of 80 per cent, well above the national average. Establishing an ethos that integrates rather than separates a service and educational pre-requisites has been a priority.

Junior Medical Officer education and training

Formal targeted education and training programs for Junior Medical Officers are complemented with unit based education and training opportunities. These programs are flexible and responsive to the needs of the junior doctor workforce and develops both clinical and professional skills.

The use of web based technologies means that a number of these programs are now available to clinicians across the state. Simulation training and clinical skills sessions are embedded into these programs providing Junior Medical Officers the opportunity to develop a variety of practical and procedural skills.

Medical student education and training

CHQ maintains a strong partnership with the University of Queensland's Academic Discipline of Paediatric and Child Health supporting placement of fourth year medical students and first year elective, interstate and international students.

The discipline has developed a responsive curriculum to produce work-ready interns, through clinical opportunities complemented by case-based learning. In 2013–14, 195 medical students undertook a rotation.

Nursing education

A number of new initiatives were implemented in nursing education in 2013–14. These included the introduction of the nursing showcase and the leadership development program.

Nursing showcase

CHQ launched its quarterly nursing showcase program in November 2013. The showcases, offered as a statewide videoconference, provide an opportunity to highlight the excellent work that has been achieved and share new knowledge, practices and information related to paediatric nursing. Presentations from national and international conferences are also included.

Leadership development Program

This program aims to provide current and aspiring nurse leaders with the strategies and resources to engage the workforce and promote innovation and strive for excellence. Currently 31 CHQ nursing staff are undertaking the program. Each participant leads a project within their clinical or service area in a 12-month time frame. Projects are related to enhancing the patient and family experience, improvement and efficiency, enhancing staff experience and ongoing development.

Nursing scholarships

Nursing professional development has been encouraged through the provision of 20 scholarships of $1500. These will be paid on completion of nursing post-graduate qualifications for staff who are currently working in, or are willing to work in emergency, perioperative and intensive care areas in the future. Funding for the scholarships is provided by the RCH Private Practice Trust Fund.

Enrolled nurse education

CHQ conducted its first enrolled nurse graduate program in 2013–14. Participants completed development modules and activities to support transition to the paediatric environment. Increasing clinical placement hours for training enrolled nurses, combined with an upskilling program in partnership with Metropolitan South Institute of TAFE means enrolled nurses are now able to administer intravenous medications. This supports each member of the nursing team to work to the full extent of their skills and training.

Undergraduate numbers

CHQ continues to support the learning and development of nursing students. Requests for placement come from up to 15 different universities and vocational institutions. Since 2009 there has been an upward trend in placement allocation with a peak in 2011. This tapered over the following two years reflecting a decrease in demand from universities. From 2012 student placements have been offered to include training enrolled nurses, who had not previously been placed. This supported the future direction of workforce configuration. Graph 1 shows student placement numbers over the past six years.

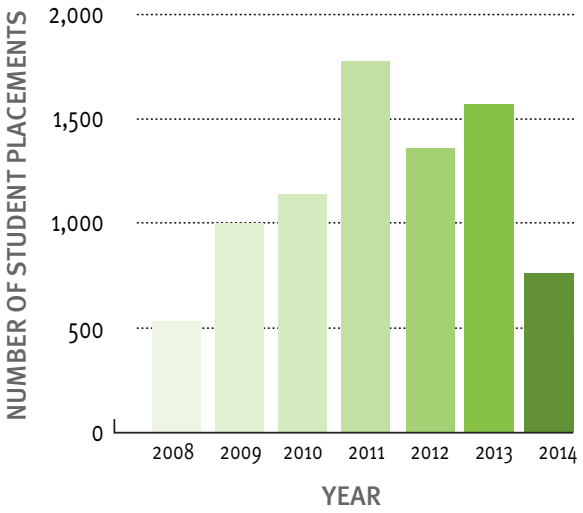
New graduates

New graduate nurses undertake a full year of supported practice through the graduate program. These staff are employed on a temporary basis, with continued employment offered at the end of the year to those who meet key skill requirements. Numbers significantly dropped in 2011- 2012 due to workforce reform measures. Table 4 shows new graduate numbers for the past six years. Rosters now include graduate nurse lines for both registered and enrolled nurses. This supports succession planning and development of the future nursing workforce.

New nursing graduates	
2009–10	45
2010–11	32
2011–12	1
2012–13	25
2013–14	13
2014	18

Table 4: Number of new nursing graduates 2009–2014

Graph 1: Nursing undergraduate placements offered



Note: calendar year is represented hence 2014 data is incomplete

Streamlining nurse orientation

Processes for new nursing starters have been reviewed in 2014. This has resulted in implementation of a pre-boarding online learning approach. Feedback on this approach has been positive.

Interprofessional education

This year we have increased interprofessional education through the Recognition and Management of the Deteriorating Paediatric Patient program. A multidisciplinary facilitation team ran the half-day course 44 times in 2013–14, with up to 24 clinicians attending each session.

Paediatric haematology oncology network

Inter-disciplinary education is provided as part of a shared care model to staff across the state who are responsible for managing children with haematology and oncology conditions and their families. Education is provided through face-to-face workshops, online tutorials, simulated clinical assessment, video-conferencing, clinical placements, and education courses. In 2013, 775 staff were involved in the network.

Outreach opportunities

In 2014, paediatric nursing staff from across Queensland have once again taken up the opportunity of a clinical placement at CHQ. Staff from Mount Isa, Cairns, Mackay, Rockhampton, Hervey Bay, Ipswich and Redlands, travel to the hospital for three to five days to enhance their paediatric knowledge and skills. This is made possible by the support of the Children's Hospital Foundation.

Allied health education

Social work

Social work, welfare, indigenous liaison and administration staff have access to regular internal and external education opportunities as both recipients and educators. Monthly professional development sessions provide service updates and the integration of theory into practice.

Social work staff participate in mandatory training sessions on culturally safe and respectful practice, and are trained to work in emergency after-hours social work, which includes trauma and crisis intervention, child protection, working with families through the death of a child, and self-care.

The student unit program provides placements where students have multiple opportunities to attend wards and outpatient clinics to observe social workers undertaking clinical practice. Students learn through role-plays and direct clinical work under the supervision of clinical social workers.

All new graduate social work staff participate in the new graduate support program, which ensures the developmental needs of new graduates are met within the context of their work areas. New graduates participate in the clinical rotation model, allowing them the development of clinical skills and competence in multiple clinical areas and practice contexts.

Simulated learning for paediatric imaging

Medical imaging students and graduates have access to simulated education in the paediatric clinical environment. The simulated learning initiative was developed across CHQ and Greater Brisbane Metropolitan Area Paediatric Network, in partnership with Queensland University of Technology. Modules developed at clinical sites cover image quality, patient dose and imaging technique. These are all strongly interlinked and delivered via e-learning and practical testing using the SPoRT™ paediatric anthropomorphic training phantom. The initiative was introduced in 2012 and initially funded by Health Workforce Australia with support from medical imaging directors. The program continues to be recognised and supported by medical imaging sites. Recent achievements include accreditation by Health Workforce Australia as a 'Pocket SIM'.

Better organised physio placements

Physiotherapy student placements will be progressively enhanced with the introduction and rollout of a quality framework aimed at providing a systematic and evidence-based approach to development and delivery of physiotherapy student placements. The framework was developed to address student placements being developed in an ad hoc way, with little reference to learning objectives for paediatrics.

The Quality Framework for Paediatric Physiotherapy Clinical Education Placements was developed by CHQ, with funding provided by the pre-entry placement agreement with six universities across Queensland.

The framework is underpinned by four elements:

- principles of paediatric physiotherapy
- quality indicators for paediatric physiotherapy student placements
- common learning objectives of paediatric physiotherapy
- education resource repository to support paediatric physiotherapy placements.

Piloted in 2013 within CHQ facilities, the initiative will be progressively rolled out to those Department of Health facilities across the state undertaking paediatric student placements. One of the aims of the rollout is also to increase student placement offers from sites not currently confident or resourced to do so.

Nutrition and dietetics education

A number of resources have been developed to assist dietitians, both new graduates and those in the multidisciplinary workforce wishing to upskill in a variety of areas within paediatric dietetics. These include online self-study modules delivered in a variety of platforms at a state and national level in basic paediatric dietetics, the management of food allergies and intolerances, malnutrition, obesity and nutrition assessment. These paediatric-specific modules were designed for use across all paediatric services throughout Queensland and in collaboration with Monash University for use nationally.

Training sessions continue to be delivered via the nutrition and dietetics paediatric special interest group led by the RCH and offered via videoconference, state-wide and nationally. A clinical education framework for paediatric dietetics, based on the Clinical Services Capability Framework, is currently being developed by the Royal Children's Hospital and Mater Health Services and will be aligned with the CHQ Clinical Education Strategy for Allied Health.

Your say

Consumer feedback is invaluable in helping us continually improve our service for patients and families

Children's Health Queensland strives to provide outstanding patient and family-centred care at every level of the organisation through welcoming and encouraging feedback from children and their families. CHQ is committed to maintaining an effective and fair complaints system and supports a culture of openness and willingness to learn from incidents, complaints, and suggestions with the aim of enhancing the safety and quality of care provided. During 2013–14 CHQ received 208 compliments and 184 complaints compared to 224 complaints the previous year.

Access, communication, and environment and facility management were the main themes of the complaints received. A redesign project focusing on improving access through enhanced patient flow in the outpatients department has commenced. This work will enhance access at RCH but will also inform processes and patient flow planning for LCCH. Further improvements in access and environment are anticipated at LCCH, where there will be improved facilities and increased capacity to support and accommodate patients and their families.

A key strategy aimed at improving communication across the organisation has been the introduction of a Patient Experience Improvement Officer position. The focus of this role is to work directly with staff, children, families and CHQ's Family Advisory Council to develop strategies to improve the overall healthcare experience for children and their families through advocacy, collaboration and partnerships between children, families and staff.

Examples of mechanisms to capture feedback from children and families include *Tell us how we're doing forms*, parent surveys, focus groups, feedback gained through portable electronic devices known as 'patient experience trackers' and discovery interviews where families are invited to share personal stories. This feedback is used in staff education programs and fed back to individual departments to improve care and inform organisational service planning and delivery.

My experience at the Keperra Infant Feeding Program was very positive and the child health nurse, was extremely professional, caring and supportive. She created a very safe and encouraging environment. Her advice was extremely helpful and completely changed my time as a new mum. Thank you to the whole team at Keperra. As a new mum, the adjustment to life with a baby has been huge and I am very grateful for these services. I don't think I would be in the positive place I am now if it weren't for their guidance and encouragement.

– Amy, mother of Rachel

Extremely kind, welcoming, courteous and respectful. To a parent that is worried about their child this is wonderful. Thank you!

– Mary-Lou, mother of Charles

How to provide feedback?

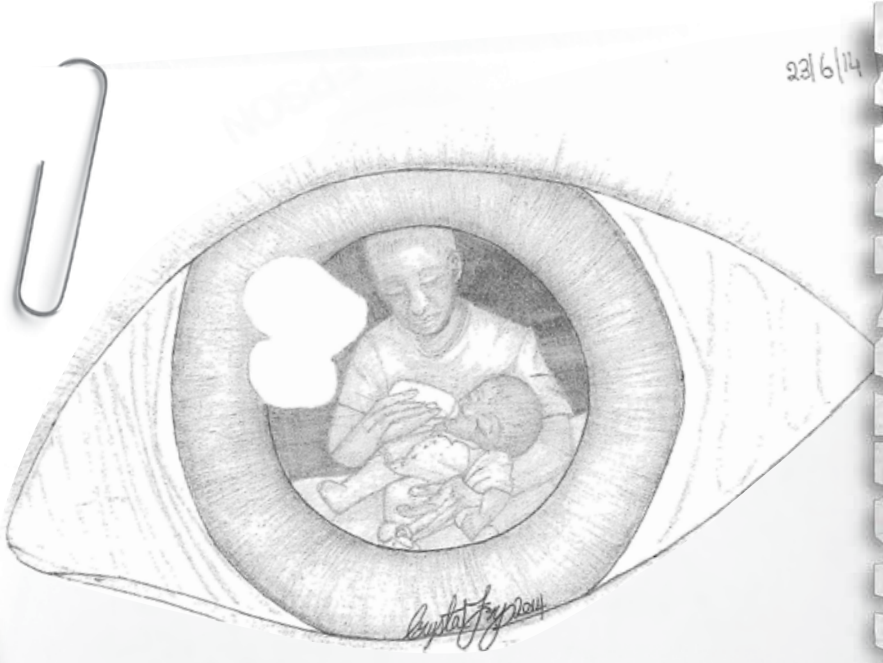
We encourage patients and families to talk to the staff in the area at the time of their complaint or compliment to allow staff an immediate opportunity to address any issues. Patients and families may also discuss concerns with a social worker or the Patient Experience Improvement Officer.

Tell us how we're doing forms are available online at www.health.qld.gov.au/rch/families/have-yr-say.asp

Patients and families are also welcome to speak with the Patient Experience Improvement Officer on 07 3636 5071 or CHQ_patientexperience@health.qld.gov.au

I LOVE THE COLOURFUL SCRUBS AND THE WONDERFUL CUSTOMER SERVICE. STAFF WERE FRIENDLY AND VERY HELPFUL! THANK YOU VERY MUCH.

– TRISTAN, FATHER OF INDIANA, 22MTHS



To all the wonderful staff at the Royal Children's Hospital Brisbane
I did a picture for you all to say thank you to all the amazing staff that watched over my family in our time of need.
I know the hands look a little strange but they are done like that to represent the many hands that helped my daughter, Destiny, get better. :)
You all do such an amazing job. Again, thank you all.

- Crystal, mother of Destiny.

I feel lucky to have everybody involved in our life at Future Families. They pulled us out of a scary isolated place. She [Meg] is trained and has experience, but it wasn't just that which helped us. It was who she was and how she went about things. I never felt judged and that allowed a lot of opening up and that allowed a lot of growth (slow at times) but strong growth. I'm not sure where we would be as a family without Meg's ways. Everybody helped. Rose, Karen, Bev, Elizabeth. We were never judged and because of the commitment and consistency from everyone we could trust what we came to understand about ourselves and parenting. I will always be grateful. I will always use the circle of security as we continue on our path, always. I am grateful - I have many "if only Meg could see me now" moments. Thank You Meg. Thank you everybody at Future Families. :-)

- Anonymous

I would like to thank everyone involved in Nikki's operation - the admin, 23 hour ward and theatre staff. Thank you for making me feel at ease as it is never easy to have your loved one in hospital. A big thank you to the doctor who took the time to phone me and confirm all I do for Nikki is good as she has gained weight and muscle tone. Thank you to doctors and nurses for allowing me to go with Nikki as she went to sleep. It made me feel better knowing I comforted her.

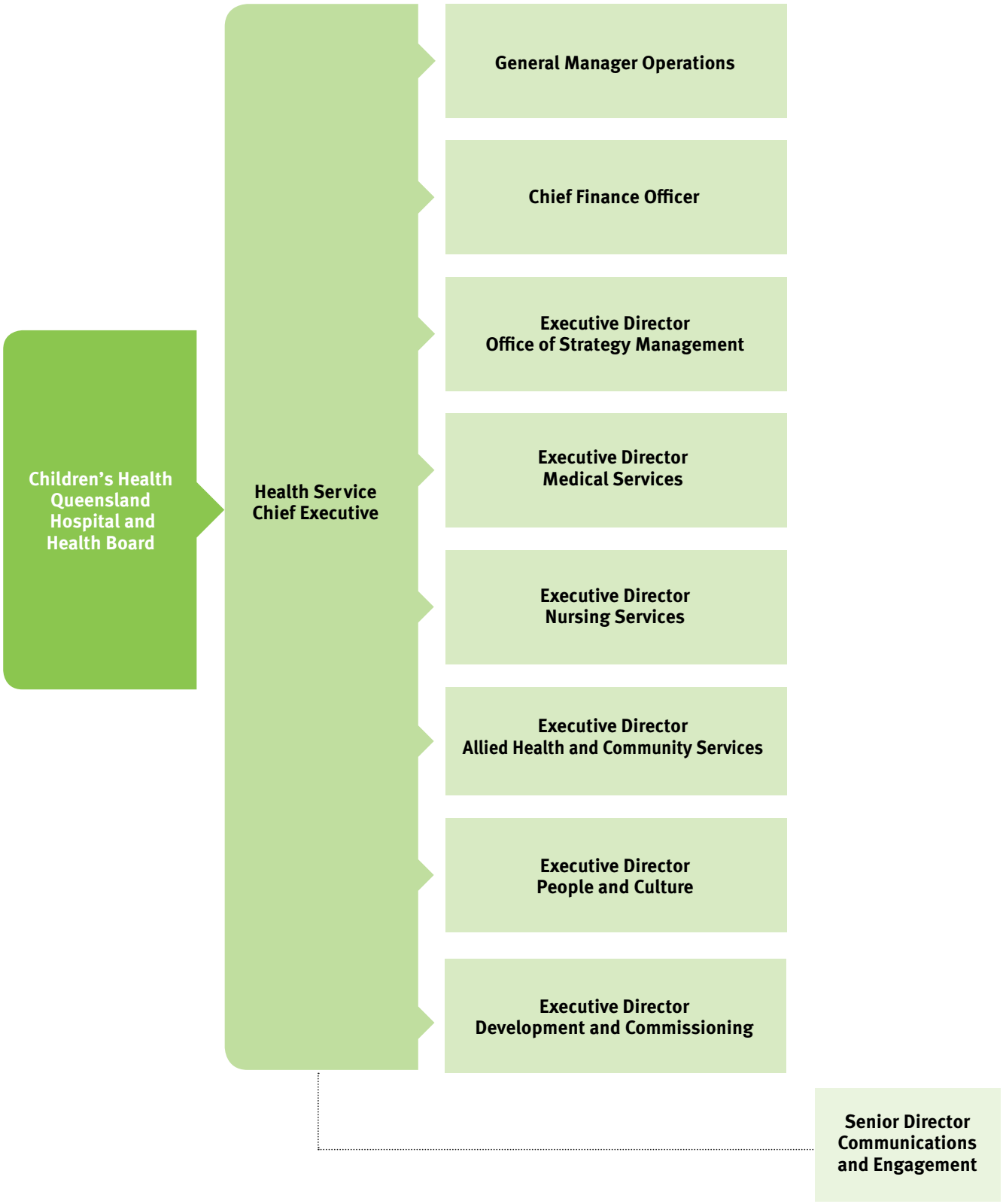
- Glenda, mother of Nikki, 1

From the moment we walked in to the Emergency Department, your team was absolutely fantastic. They took really good care of Leanie, making sure she was safe and comfortable at all times. Doctors were amazing in taking their time with Leanie and thoroughly explaining everything that was happening. A really big thank you!

- Astrid and Michael, parents of Leanie

PERFORMANCE STATEMENT 2013–14

Performance measure	2013–14 target/estimate	2013–14 estimated actual	2013–14 actual
Percentage of patients attending emergency departments seen within recommended timeframes:			
- Category 1 (within 2 minutes)	100%	100%	100%
- Category 2 (within 10 minutes)	80%	96%	97%
- Category 3 (within 30 minutes)	75%	87%	86%
- Category 4 (within 60 minutes)	70%	92%	92%
- Category 5 (within 120 minutes)	70%	99%	99%
Percentage of emergency department attendances who depart within four hours of their arrival in the department	80%	88%	87%
Median wait time for treatment in emergency department (minutes)	20	12	12
Median wait time for elective surgery (days)—all categories	25	37	40
Percentage of elective surgery patients treated within clinically recommended times:			
- Category 1 (30 days)	100%	99.0%	99.6%
- Category 2 (90 days)	91%	99%	96%
- Category 3 (365 days)	96%	100%	95%
Other measures			
Total weighted activity units (Phase 16):			
- Acute inpatients	20,696	N/A	21,886
- Outpatients	6,330	N/A	6,151
- Sub acute	867	N/A	754
- Emergency department	3,256	N/A	2,935
- Mental health	820	N/A	1,078
- Interventions and procedures	1,878	N/A	2,294
Total weighted activity units (Revised Phase 17):			
- Acute inpatients	22,672	24,617	23,112
- Outpatients	7,889	7,604	7,525
- Sub acute	800	827	713
- Emergency department	3,603	3,197	3,261
- Mental health	1,098	1,124	1,022
- Interventions and procedures	1,732	2,097	1,693
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	>60%	44.60%	44.60%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	<12%	5.40%	5.40%
Number of ambulatory service contacts (mental health)	42,535–51,042	22,964	22,964


Children's Health Queensland Hospital and Health Board
Health Service Chief Executive
General Manager Operations
Chief Finance Officer
Executive Director Office of Strategy Management
Executive Director Medical Services
Executive Director Nursing Services
Executive Director Allied Health and Community Services
Executive Director People and Culture
Executive Director Development and Commissioning
Senior Director Communications and Engagement

Susan Johnston | Chair

Ms Johnston is a lawyer with more than 20 years' experience in senior management and policy advisory roles and more than 10 years experience as a company director and member of various industry advisory and funding bodies. Ms Johnston served as the inaugural Assistant Commissioner (Patient Safety) on the Queensland Health Quality and Complaints Commission. She has extensive experience in governance and is currently a director of Seymour Whyte Limited, an ASX-listed civil construction company.

Jane Yacopetti | Deputy Chair

Ms Yacopetti has extensive executive management experience in the health sector, including her current role as Managing Director of Carramar Consulting. Ms Yacopetti has held a number of senior positions in health management including policy, strategic planning, health service administration and infrastructure planning. A former executive at the Royal Children's Hospital, Ms Yacopetti went on to be Deputy Chief Executive Officer of Mater Health Services from 1998–2000 and the Executive Director of the Queensland Children's Hospital Project from 2009–2011.

Dr Leanne Johnston

Dr Leanne Johnston is a paediatric physiotherapist with 20 years' experience across clinical, research, management and education roles. She has worked for 11 years within the Mater Children's, Mater Mother's and Royal Children's hospitals. She has a Doctor of Philosophy and an extensive career in paediatric research, receiving several awards and grants and directing a multidisciplinary research program at the Cerebral Palsy League. She now leads the paediatric physiotherapy and multi-disciplinary Healthy Start to Life and undergraduate therapy research programs at The University of Queensland.

David Gow

Mr Gow brings more than 30 years' experience in law, banking and finance, having held senior leadership roles with a multinational bank in Australia and internationally. Since returning to Australia in 2008, Mr Gow has held a number of non-executive board roles in government and private sector companies, specialising in governance, financial management, and audit and risk management. He also gained extensive knowledge of research commercialisation during his time as a director of University of Queensland Holdings.

Dr David Wood *AM*

Dr Wood has more than 20 years' experience in child protection in Queensland. He is a board member and former Chair of ACT for Kids (previously known as Abused Child Trust) and until recently, Director of Paediatric Health Services at Mater Children's Hospital. Dr Wood is a well-respected paediatrician who brings significant experience working in Queensland hospitals. As a founding member of the Abused Child Trust he has been instrumental in breaking the cycle of abuse and neglect in Australia through therapy for abused children and their families.

Georgie Somerset *Appointed 23 August 2013*

A company director, Ms Somerset brings extensive experience in consumer and community advocacy for children, young people and families living in rural and regional areas as well as strong Board and strategic governance experience. She is the President of the Queensland Rural, Regional and Remote Women's Network, a board member of Queensland Rural Adjustment Authority (QRAA), and a Fellow of the Australian Rural Leadership Foundation and the Australian Institute of Company Directors.

Paul Cooper

Mr Cooper has more than 25 years' experience as an accountant in private practice. He is also a Director of West Moreton-Oxley Medicare Local. Mr Cooper has broad experience in a number of industries with current and former board positions in manufacturing, accounting, education and industrial electronics. He is a previous director and chairman of the Finance Committee of CPA Australia and former Queensland President of CPA Australia. Mr Cooper is also a Director of the Export Council of Australia and the Rinstrum Group.

Ross Willims *Appointed 18 May 2014*

Mr Willims has held a number of senior executive positions within both the public and private sectors such as Vice President External Affairs BHP Billiton Metallurgical Coal, and Director General of the Queensland Department of Mines and Energy. He has also worked in a range of Commonwealth Government departments. On his retirement from BHP Billiton, Ross was appointed Chairman of the Australian Coal Association and Australian Coal Association Low Emissions Technologies Limited. Mr Willims was awarded life membership of the Queensland Resources Council in 2011.

Associate Professor Susan Young *Appointed 18 May 2014*

Assoc. Prof. Young has fulfilled a long and distinguished career gaining experience in nursing, education and management in a diverse range of fields in the public and private health care sectors. She has held executive positions in major tertiary and secondary private and public hospitals in Queensland. Since July 2009, Assoc. Prof. Young has worked within the tertiary sector most recently as an Associate Professor in the School of Nursing and Midwifery at the University of Queensland. Susan is the current Chair of the Queensland Board of the Medical Board of Australia and a former Chair of the Queensland Nursing Council.

Eileen Jones *18 May 2013 to 17 May 2014*

Ms Jones is a former member of the statewide Child and Youth Clinical Network steering committee. She was formerly the Chair of the Royal Children's Hospital Health Community Council and Board member of the Royal Children's Hospital Foundation. Ms Jones has held a variety of positions in health including research officer to the Thomson Committee of Inquiry into Medical Education. Ms Jones' contribution to the community was formally recognised when she was awarded a Centenary Medal for services to people in care of the State and to the Forde Foundation.

Andrea O'Shea *23 August 2013 to 17 May 2014*

Ms O'Shea has more than 30 years' experience in a range of senior clinical nursing roles, as well as extensive regional and child health experience. She is the Director of Nursing and Midwifery Services at Cairns Base Hospital with a special interest in patient safety and reliability of care.

The Board's role

The Children's Health Queensland (CHQ) Hospital and Health Board governs the CHQ Hospital and Health Service. The breadth and depth of experience of Board members provides a rich base for their guidance of the organisation now and into the future. The Board's responsibilities are to:

- oversee CHQ, as necessary, including its control and accountability systems
- provide input into and final approval of management's development of organisational strategy and performance objectives, including agreeing the terms of the CHQ Service Agreement with the Chief Executive (Director-General) of the Department of Health
- review, ratify and monitor systems of risk management and internal control and legal compliance
- monitor Health Service Chief Executive's and senior executives' performance (including appointment and termination decisions) and implementation of strategy
- ensure appropriate resources are available to senior executives
- approve and monitor the progress of minor capital expenditure, capital management, and acquisitions and divestitures
- approve and monitor the annual budget and financial and other reporting.

2013–14 Board meeting dates

25 July 2013	29 August 20134	26 September 2013
31 October 2013	28 November 2013	
30 January 2014	27 February 2014	27 March 2014
24 April 2014	29 May 2014	26 June 2014

Committee membership

Audit and Risk Committee
Paul Cooper (Chair), David Gow, Dr David Wood, Dr Leanne Johnston.

Health Service Executive Committee
Jane Yacopetti (Chair), Eileen Jones, Georgie Somerset, Ross Willims, Assoc. Prof. Susan Young, Dr Leanne Johnston.

Finance and Performance Committee
David Gow (Chair), Dr Leanne Johnston, Paul Cooper, Ross Willims.

Quality and Safety Committee
Dr David Wood (Chair), Susan Johnston, Eileen Jones, Georgie Somerset, Andrea O'Shea, Assoc. Prof. Susan Young.

Note: Committees met at least quarterly in 2013–14 and more frequently when required.

Key achievements

- Oversaw a continued reduction in clinical incidents and performance improvement against quality and safety indicators in the balanced scorecard and *Patient Safety and Quality Improvement Strategy*.
- Advocated for, supported and approved programs to enable high-quality and efficient service delivery for our patients, resulting in the following outcomes:
  - 87 per cent of patients left the RCH Emergency Department within four hours of arrival—the 2014 national target is 83 per cent (*Hospital and Health Services Performance Report*)
  - Achieved overarching long-wait goals for 2013–2014, including meeting the key elective surgery targets of zero long wait patients exceeding the clinically recommended time frame for surgery and key performance targets for 'treating-in-time' for category 2 and 3 patients (*Hospital and Health Services Performance Report*).
- Awarded the contract to an external provider for facilities management services at the LCCH.
- Endorsed the CHQ *Patient Safety and Quality Improvement Strategy 2013–15*.
- Approved the CHQ Research Strategy and the establishment of a Director of Research position.
- Endorsed the implementation of the new CHQ patient safety management system.
- Endorsed the *Children's Health Queensland Strategic Plan 2013–2017* (2014 update).
- Approved the successful application for CHQ HHS to become a prescribed employer.
- Provided strong support for and ongoing oversight of the new Connected Care Program.
- Established the Simulation, Education and Research Unit.
- Established the Queensland Children's Critical Incident Panel.
- Advocated for the establishment of the Clinical Advice and Transport Coordination Headquarters program—a 24/7 clinical advice service—and approved its implementation.
- Launched the inaugural Patient's Story Program, giving Board members an opportunity to hear directly from a family that has been involved in an adverse event within the health care system.
- Approved an initiative to expand and enhance adolescent mental health treatment and rehabilitation services across the state through the Adolescent Mental Health Extended Treatment Initiative.

Dr Peter Steer | Health Service Chief Executive
A medical graduate of The University of Queensland, Peter undertook his training in paediatrics in Brisbane and sub-specialty training in neonatology in New Zealand. He has held clinical neonatology appointments and leadership positions in Australia, including Executive Director of the Mater Children's Hospital. He also completed a two-year fellowship in Canada, where he held positions as the Chief of Paediatrics at McMaster Children's Hospital and St. Joseph's Healthcare in Hamilton, and Professor and Chair of the Academic Department of Paediatrics at McMaster University.

Sue McKee | General Manager Operations
Sue has worked in the health care industry for more than 30 years, holding nursing and leadership positions in both the public and private sector. A slight deviation from nursing early in her career led Sue to complete an Applied Science Degree in Human Movement studies, culminating in several years working as a nurse and exercise physiologist. She furthered her studies in leadership with a Masters of Business Administration and a post-graduate Certificate in Leadership and Catholic Culture.

Loretta Seamer | Chief Finance Officer
Loretta has more than 28 years' experience in financial management, auditing, reporting and governance across various industries and organisations. This has included implementing and re-engineering business processes and financial systems, health service planning in the private and public sector and health funding. Loretta holds a Bachelor of Business degree and a Masters of Business Administration, and is a Fellow of CPA Australia and a graduate of the Australian Institute of Company Directors.

Taresa Rosten | Executive Director, Office of Strategy Management *(maternity leave from April 2013)*
Taresa joined Children's Health Queensland in 2012, having previously served as an Executive Director within the Wide Bay Health Service District, a role which included leading the transition to a hospital and health service. Prior to this, Taresa worked in human resources for Queensland Health, NSW Health and the Public Service Commission, before returning to Queensland Health in 2008 to take up the role of Director of Workplace Relations in corporate office. Taresa has a Bachelor of Commerce with honours in human resources and a Bachelor of Laws.

Deb Miller | A/Executive Director, Office of Strategy Management *(April 2013–May 2014)*
Deb Miller has more than 28 years' experience in public and private sector leadership roles within the health system. Deb has completed a Bachelor of Nursing degree and a Masters of Business Administration. Her experience includes organisational redesign, financial improvement, representation on national health-related committees, short-term consultancies in general practice and advising on health reform in eastern Europe. Deb currently lectures in the Public Health master's program at Griffith University.

Dr John Wakefield | Executive Director, Medical Services
A United Kingdom medical graduate, John has worked in private and public health in Queensland since 1989. With experience in clinical and management roles in rural, regional and tertiary public sectors, he has a broad understanding in the challenges of delivering healthcare in a large decentralised state. Before starting with CHQ, John was Executive Director of the Queensland Health Patient Safety and Quality Improvement Service. He is also an Adjunct Professor of Public Health at the Queensland University of Technology.

EXECUTIVE MANAGEMENT TEAM

Shelley Nowlan | Executive Director, Nursing Services
After training as a nurse in Toowoomba and gaining comprehensive clinical experience, Shelley spent 10 years in senior executive roles in regional centres across the state. In this time, she has led several workforce and clinical care redesign projects and earned a 2008 Australia Day Award. Shelley has also completed a Bachelor of Nursing, Masters of Health Management and Diploma of Project Management and is a graduate of the Australian Institute of Company Directors.

Dianne Woolley | Executive Director, People and Culture
Dianne is a highly skilled human resources leader with experience in organisational change and growth, core human resources operations, organisational learning and the improvement of processes and systems. Dianne has worked internally and as a consultant to Queensland Government and the private sector to lead the development, implementation and evaluation of human resource policies and operations relevant to change initiatives for organisations.

Carmel Perrett | Executive Director, Allied Health and Community Services
Carmel's previous positions within Queensland Health include Allied Health Director at the Queen Elizabeth II Jubilee Hospital, Team Leader of Children's Allied Health for Brisbane South and Executive Director of CHQ's Child and Youth Community Health Service. She has also held senior allied heath roles with the Cerebral Palsy League Queensland and as an Occupational Therapist for Education Queensland and the National Health Service in the UK.

Noelle Cridland | Executive Director of Commissioning and Development
Noelle joined the CHQ in May 2014 to oversee the transition to the LCCH. Noelle has a clinical background in both women's and newborn services, having worked as a neonatal nurse educator at the Royal Women's Hospital and the RBWH. At the RBWH, she went on to be the Nursing and Midwifery Director for Women's and Newborn Services and then Executive Director for Medical Imaging Reform.

David Rose | Senior Director, Communications and Engagement *(exited organisation in May 2014)*
David trained as a journalist in the UK, working as a reporter with daily newspapers and BBC radio. He moved to Australia in 1995, and has since lived and worked in Sydney, Hobart, Cairns, Canberra and Brisbane. His previous communications roles have included the Head of Communications for the British High Commission in Canberra and General Manager of Communications and Stakeholder Management with the Federal Department of Infrastructure and Transport.

Craig Brown | Acting Senior Director, Communications and Engagement *(May 2014–present)*
Craig was appointed to the role of Acting Senior Director Communications and Engagement on a temporary basis following the resignation of David Rose in April 2014. As a Statewide Media Manager at Queensland Health, Craig provided strategic media advice to all 16 hospital and health services and the offices of the Minister and Director-General of Health. He has also managed media, communications and engagement for the Medial Board of Queensland, the proposed Traveston Dam on the Mary River and the Australian Taxation Office.

Risk management

Children's Health Queensland has implemented an integrated risk management framework to ensure a structured and integrated approach to managing risk across all areas. The framework is consistent with the requirements of the Australian and New Zealand Risk Management Standard (AS/NZS ISO 31000:2009).

Improvements to CHQ's risk appetite statement, arising from an annual review, were endorsed by the Board in January 2014.

During 2014, CHQ implemented a clearly defined process to report top line risks from the risk register to the Board and appropriate sub-committees of the Board, to ensure the Board is continually informed of changes to CHQ's risk profile. CHQ also completed a major review of the accuracy and comprehensiveness of the strategic risk register.

The organisation's increasing maturity in integrated risk management has resulted in further refinements to the framework including a review of the risk matrix, improvements to risk reporting tools and processes, and an increased focus on identifying risk during decision and planning processes at all levels in the organisation. These enhancements to the framework have focused on integration of risk management into business activities and ensured risk is taken into account during decision making, consistent with CHQ's risk appetite statement. This process has provided assurance on the delivery of the *Children's Health Queensland Strategic Plan 2012–2017*.

The Audit and Risk team conducted more than 15 briefings for the CHQ Executive and leadership teams on topics related to implementing the framework and the revised risk appetite statement.

Audit and Risk Committee

The CHQ Audit and Risk Committee provides independent assurance and assistance to the Chief Executive and the Board on risk, control and compliance frameworks, and external accountability responsibilities as prescribed in the *Financial Accountability Act 2009*, *Auditor-General Act 2009*, *Financial Accountability Regulation 2009* and *Financial and Performance Management Standard 2009*. See table 5 for membership details.

Table 5: Audit and Risk Committee membership

Name	Membership	Dates
Paul Cooper	Chair (external member)	Jul 2013–Jun 2014
Dr David Wood	External member	Jul 2013–Jun 2014
Mr David Gow	External member	Jul 2013–Jun 2014

The committee's core areas of responsibility include:

In relation to audit:

- Appropriateness of accounting practices
- Compliance with prescribed accounting standards
- Accuracy and completeness of financial statements
- Compliance and effectiveness of controls over systems and processes
- Establishment of and progress against the annual internal audit plan
- Progress of the implementation of recommendations from internal and external audits
- Liaison with Queensland Audit Office in relation to their internal audit strategies and plans
- Assessment of complex or unusual transactions, trends or material deviation from the CHQ budget
- Assessment of performance of co-sourced internal audit provider

In relation to risk:

- Assessment of all high and very high risks identified in the risk registers and internal and external audit reports
- Monitor internal compliance, control systems and procedures to manage risk
- Provide oversight of the effectiveness and operation of the integrated risk management framework
- Assessment of the adequacy of processes for the identification, elimination and control of top line risks

The committee met five times during 2013–14. External members of the committee are members of the CHQ Board, therefore remuneration for their duties is included in their Board remuneration (outlined in the remuneration disclosures section of the CHQ Financial Statements).

A self-assessment was conducted for the committee and Internal Audit, utilising the Queensland Treasury's audit committee guidelines. Self-assessments will continue to be reviewed every six months.

Key documents, including the *Terms of Reference–Board Audit and Risk Committee and Internal Audit Charter* and *Internal Audit Policy*, have been reviewed and updated to ensure they continue to meet the requirements of the organisation and Department of Health audit protocols.

Internal audit

Internal Audit provides an independent, objective assurance to the Audit and Risk Board Committee on the state of internal controls and risks and recommends enhanced controls for the achievement of CHQ objectives.

The secondary objective of Internal Audit is to assist the Health Service Chief Executive and Executive Management Team in the discharge of their responsibilities to the Board in the areas of risk management and internal control. This is

provided through independent appraisals of the adequacy and effectiveness of the risk management and internal control systems.

In March 2013, Ernst and Young were engaged to provide a co-sourced internal audit service. The co-sourced team conducted audits from the approved annual internal audit plan, having due regard to international auditing standards and Treasury's audit committee guidelines and working within the provisions of the endorsed internal audit charter. The team reports to the Executive Director of the Office of Strategy Management.

The committee approved a revised three-year strategic internal audit plan for 2014–17, including the annual audit plan. The audit projects were selected by identifying organisational priorities, key operational and financial risks, projects and challenges for the next year (including the move to the LCCH).

Findings from audit reports were presented to the committee and Board throughout the year, with status updates provided on the implementation of recommendations from previous audits. Implementation of recommendations provided in the audit reports strengthened controls and efficiencies in processes and procedures throughout CHQ.

The Senior Audit and Risk Management Officer attends the collaborative Department of Health and Hospital and Health Service Internal Audit forums. This group meets twice a year to discuss similar risks, share ideas and improve professional development.

External scrutiny

In 2013–14, Children's Health Queensland was subject to the following external reviews:

- The Queensland Audit Office conducted a statewide audit on the Right of Private Practice in Queensland Public Hospitals. A total of 14 recommendations were made to Queensland HHSs. CHQ management is implementing the relevant recommendations.
- The Queensland Audit Office produced a report on the results of the 2012–13 financial audits of the 17 HHSs established on 1 July 2012.

Information systems and recordkeeping

Children's Health Queensland is committed to improving recordkeeping and records management.

Online training for administrative staff in recordkeeping and records management was introduced this year and will continue to be part of the mandatory on-boarding program for administration officers across the organisation in 2014–15. The training aims to develop knowledge in the identification and capture of records and the storage, maintenance and disposal of records.

The review of records management resources is part of the transition program for the LCCH and will determine what expertise and resources are required for records management for CHQ. We are continuing to develop our recordkeeping capability through policies, procedures and work instructions for staff around record management, disaster management, archiving and disposal of records in line with *Public Records Act 2002*. Before our services move to a new facility, archived records are boxed, logged and sent to a purpose-built facility in accordance with the *General Retention and Disposal Schedule*.

The RCH continues to use RecFind for electronic recordkeeping. The LCCH Transition Project continues to work with Health Service Agency on the implementation of the HP TRIM electronic records management system for health service agencies. This project will review the transition of paper-based records to digitalisation.

The RCH and the Ellen Barron Family Centre are participating in the statewide formal integrated electronic medical record project, established in 2012. The project aims to implement electronic records in a phased approach. The first phase (electronic scanning) commenced in March 2014.

Our people are our greatest asset

A focus on building an empowered, engaged and talented workforce

Children's Health Queensland values the skill, talent and dedication that employees bring to the organisation and recognises the central part they play in realising our vision of providing the best possible health for every child and young person in Queensland. Our aim is to deliver an inspirational and supportive employment experience to ensure our workforce can best meet the health service challenges of today and tomorrow.

Workforce overview

CHQ employed 2006 full-time equivalent (FTE) staff in 2013–14. Graph 2 (below) shows the number of MOHRI-occupied FTE staff by employment stream. Of those, 74 per cent were nursing, medical (including visiting medical officers), professional and technical employees.

The retention rate for permanent staff was 91 per cent in 2013–14. The retention rate is the number of permanent staff employed by CHQ at the start of the financial year (1799) who remain employed at the end of the financial year (1636), expressed as a per cent of total staff employed.

CHQ's separation rate in 2013–14 was nine per cent and describes the number of permanent staff who left during the year (163) against the number of permanent staff in CHQ at the start of the year (1799).

A program of redundancies was implemented during 2013–14. Twenty staff received redundancy packages at a cost of $1,424,569.74.

Workforce planning, attraction and retention

The CHQ workforce planning and management framework for 2012–15 outlines the approach for developing and retaining a high-quality, professional workforce for the future.

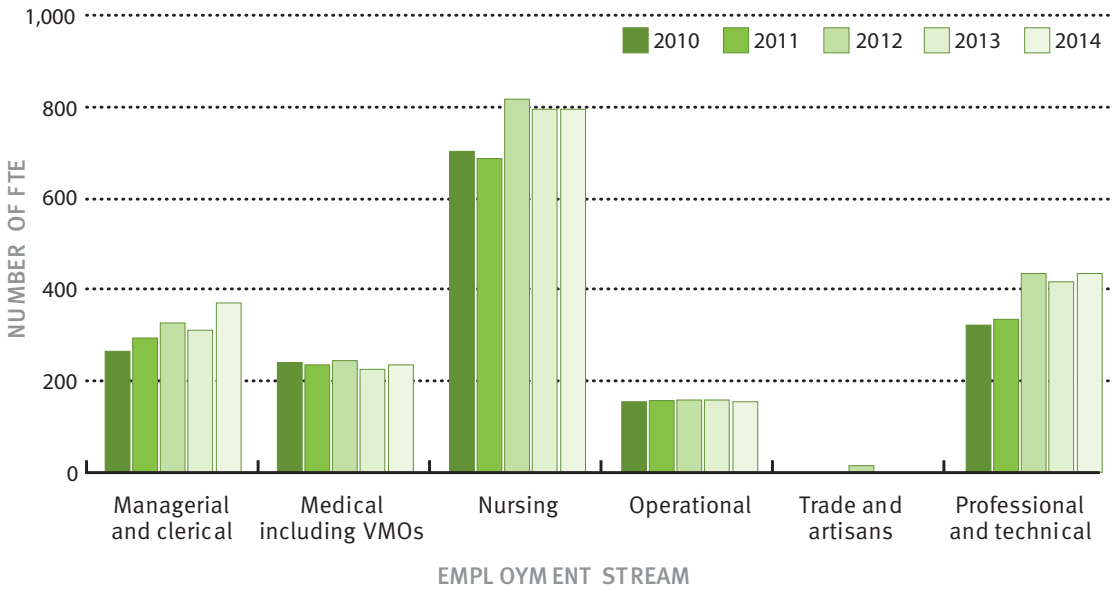
CHQ's approach to workforce planning and management focuses on:

- attracting and retaining skilled professionals
- developing the leadership and performance culture
- building a safe working environment
- looking after and valuing our people.

The importance of workforce planning and management was highlighted throughout the year with major workforce reforms within the Queensland public service and the state government's contestability review of the Lady Cilento Children's Hospital.

Future challenges include the workforce establishment for the Lady Cilento Children's Hospital opening late 2014, and the predicted population growth in south east Queensland.

Graph 2: MOHRI - occupied full-time equivalent by employment stream undergraduate placements offered



Employee performance

The *CHQ Organisational Development Framework 2012–15* plans for business success in a changing environment by aiming to have the 'right people in the right jobs at the right time'. It establishes clear initiatives and activities to support and develop CHQ staff.

Extensive staff training programs are offered face-to-face and online and include orientation programs, mandatory training, non-clinical training and government training.

The performance appraisal and development process is designed to support staff in achieving professional outcomes. It is also an opportunity for staff to be recognised for achievements, to receive feedback and undertake care planning as well as professional development. In 2013–14 only 34 per cent of staff developed and completed a performance appraisal and development plan with their direct line manager. CHQ endeavours to continually improve on compliance throughout the service.

Leadership development

An Executive and Senior Manager Framework has been developed and will be fully implemented during the 2014–15 financial year. Adopting the Public Service Commission's executive leadership competencies as the leadership capability matrix, the framework has an integrated approach to talent acquisition, management and separation, with a core set of leadership capabilities that underpin recruitment, on-boarding, succession management, performance management and development.

Each of these functions has strategic objectives and operating principles defined, along with practical tools to support implementation. The underpinning talent management framework will manage the employment life-cycle of our executives and senior managers.

The strategic objectives for the Executive and Senior Management Framework are to:

- Contribute to building an empowered and engaged workforce, through developing employee capability and capacity to meet current and future business challenges.
- Develop a talent pipeline of employees who have been identified as having the potential, with development, to fill one or more senior roles.
- Implement a practical business process that:
  - » has the visible support of the Chief Executive and Executive Management Team
  - » is owned by managers and supported by all employees
  - » emphasises accountability and follow-up
  - » is simple and aligned to the needs of CHQ
  - » is flexible with clear links to the strategic plan
  - » is able to evolve to meet changing needs.

Succession management

The capacity of CHQ to perform and deliver services while dealing with issues such as workforce transition management, an ageing workforce and contestability outcomes requires new approaches to ensure the organisation has the capability and capacity to sustain our performance and responsiveness in the future. Succession management is an important risk management strategy to ensure the continuation of effective service provision to the community, regardless of organisational change. It is a strategic process to ensure CHQ has a consistent supply of skilled employees to fill critical or key roles and to facilitate the preservation of corporate skills and knowledge.

Rather than simply adopting the traditional method of filling vacancies as they occur, succession management for CHQ is focused on a commitment by management to a longer term, strategic view of how to meet our workforce needs during recruitment and staff development processes. A succession management plan has been developed to provide a practical approach to developing our leadership talent and managing succession within CHQ. It will be an integral component of the CHQ Strategic Workforce Plan that will be revised and implemented during 2014–2015.

Management capability program

The CHQ Management Capability Program is designed specifically for our line managers, to strengthen leadership and management capability in the areas of human resources, finance, project management and process improvement. The program consists of nine, three-hour workshops, with 32 sessions being held throughout 2013–14.

As part of the evaluation process, 80 per cent of the line manager participants identified they felt competent to practically apply the knowledge and skills gained through the sessions.

The program for 2014–15 has been updated to incorporate additional topics specifically for new managers and will continue to focus and build commitment for the new hospital environment and our future capability.

Work–life balance

Children's Health Queensland supports and implements Queensland Health's work–life balance policy by enabling staff to work according to flexible arrangements. Work–life balance opportunities are promoted on CHQ's People and Culture intranet site.

In 2013–14, more than 700 staff (41 per cent of the CHQ permanent workforce) were employed on a permanent part-time basis. Of the permanent part-time staff, 93 per cent were female and 7 per cent, male.

This year 26 staff participated in purchased leave arrangements in 2013–14. The purchased leave allowance of one to six weeks contributes to work–life balance by enabling staff to purchase leave in addition to their standard recreational leave entitlements.

An established breastfeeding room at the Royal Children's Hospital campus enables staff returning to work from maternity leave to continue breastfeeding.

Industrial and employee relations

Children's Health Queensland's consultative framework consists of the District Consultative Forum and the Nursing Consultative Forum. In addition, there is a Queensland Children's Hospital Union Consultative Forum to engage with and inform unions of project progress and any potential issues in the planning and implementation processes that may impact on the future workforce.

Public Sector Ethics Act

Children's Health Queensland is committed to upholding the values and standards of conduct outlined in the *Code of Conduct for the Queensland Public Service*.

The code reflects the principles of integrity and impartiality, promoting the public good, and commitment to the system of government, accountability and transparency.

All CHQ employees are required to undertake training in the code during orientation to the service and to sign an acceptance of the appointment form, which states they will abide by the code.

Children's Health Queensland identifies the code as one of six mandatory training requirements for all employees. Annual refresher training in the code is also a mandatory requirement. The code is available to all staff on the CHQ intranet site along with an online learning program.

A quarterly management capability learning program for line managers includes a learning module on ethical decision making and the code.

During 2013–14, a fraud risk management report has been developed and provided on a regular basis to CHQ's Audit and Risk Committee. Fraud awareness training and a risk workshop was held with cross organisational representation to develop CHQ's fraud risk register and to review the adequacy of current internal controls. A fraud and corruption control procedure is currently in development and will be finalised in 2014.

Summary of performance

Children's Health Queensland (CHQ) has an obligation to ensure that all of its services are provided as cost effectively as possible. The delivery of services within a nationally efficient price requires the organisation to continually monitor performance, manage costs and actively explore own source revenue initiatives.

How the money was spent

Children's Health Queensland's major services and their relative share are shown in *Chart 1*. The majority of expenses relate to the operation of the Royal Children's Hospital, Child and Youth Community Health Service, Child and Youth Mental Health Service, and hosted and statewide child health services. CHQ achieved an operating surplus of $6.7 million in 2013–14 while still delivering on all agreed major services. The surplus is mainly attributable to improved efficiency of service provision across all areas and savings achieved in the community-based services. The financial results also include an asset revaluation surplus of $5.0 million, resulting in a total comprehensive income of $11.7 million for 2013–14. HHSs are able to reinvest surpluses they achieve in areas of their choice. CHQ's surplus funds from 2013–14 are being reinvested into our service in 2014–15 to support:

- transition to the LCCH
- additional surgery to ensure CHQ continues to manage waiting lists while transitioning to LCCH
- process improvement initiatives for outpatient services
- additional IT investment to support ieMR and other improvements in patient information systems.

Income

The majority of funding for CHQ is from user charges and fees (95.3 per cent). CHQ's total income for 2013–14 was $333.4 million. Of this, service revenue from the Department of Health was $296.4 million, other user charges and fees $21.5 million, grants $7.4 million, recoveries $7.6 million and $0.5 million was earned from other sources. *Chart 2* displays CHQ's income.

Expenses

CHQ's total expenses for 2013–14 were $326.6 million. The majority of expenses incurred related to:

- health services employee costs, which represented 72.5 per cent of total expenses
- supplies and services representing 23.7 per cent of total expenses.
- Depreciation and amortisation represent 2.2 per cent of total expenses.

Graph 3 displays the 2013–14 expenses by category.

Chart 1: Expense by major services

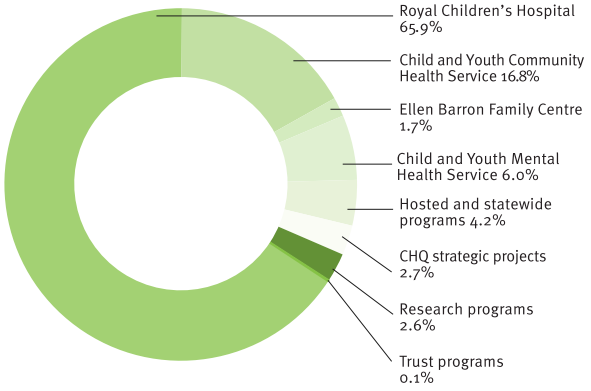
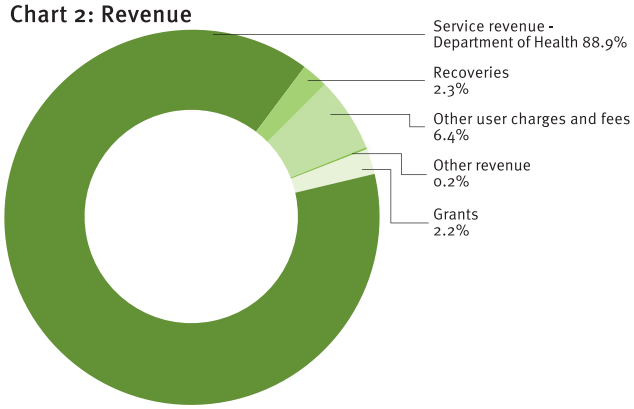
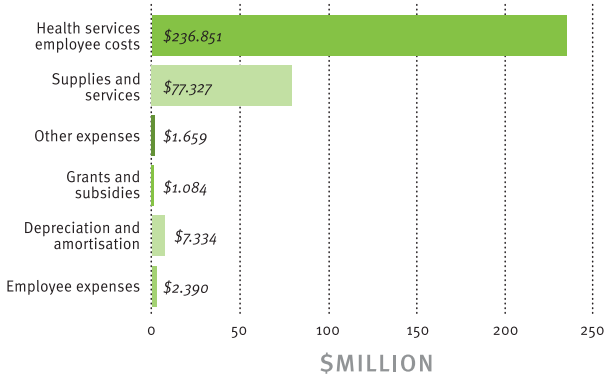


Chart 2: Revenue



Graph 3: Expenses



Statement of financial performance

The following audited statement of financial performance is compared to the 2013–14 budget initially allocated to CHQ in the 2013–14 Queensland Government state budget papers. The CHQ contract is amended throughout the year for changes in additional funding from the Queensland Department of Health. The following notes provide commentary on the key variances of the final 2013–14 financial position and the budget published in the state budget papers.

Table 6: Financial performance report 2013–14

	Notes	2013–14 actual $'000	2013–14 budget $'000
Income from continuing operations			
User charges and fees	1	317,890	297,391
Grants and other contributions	2	7,350	5,057
Other revenue	3	8,020	1,339
		333,260	303,787
Gains on disposal/re-measurement of assets		105	0
Total income from continuing operations		**333,365**	**303,787**
Expenses from continuing operations			
Employee expenses	4	2,390	1,928
Health services employee costs	5	236,851	223,287
Supplies and services	6	77,327	67,229
Grants and subsidies	7	1,084	63
Depreciation and amortisation		7,334	9,354
Other expenses		1,659	1,926
Total expenses from continuing operations		**326,645**	**303,787**
Operating result from continuing operations		6,720	0
Other comprehensive income			
Increase in asset revaluation surplus	8	4,974	0
Total other comprehensive income		**4,974**	**0**
Total comprehensive income		**11,694**	**0**

Notes

1. Increase in user charges and fees due to additional funding provided by the Department of Health during the 2013–14 financial year following amendments to the service agreement including two new statewide programs, growth in activity and other new initiatives.
2. Increase in grants and other contributions are due to the home visiting program being converted to a locally receipted grant.
3. Increase in other revenue is related to salary recoveries and insurance recoveries.
4. Increase in employee expenses reflects increase in staff directly employed by CHQ. This includes full year effect of a number of HHS positions that commenced part year during 2012–13.
5. Increase in health services employee costs reflects growth in services, LCCH transition employee costs in preparation for the transition to the LCCH and staff expenses subject to salary recovery.
6. Increase in supplies and services due to growth in activity, new initiatives, inflation and non-recurrent costs for the transition to the LCCH.
7. Increase in grants and subsidies mainly relates to an increase in non-government-organisation grants, and the part-year allocation of the Golden Casket grant to the Children's Hospital Foundation (previously managed by the Department of Health) as well as other dedicated programs.
8. Reflects increase in valuation of CHQ's land and buildings that were revalued as at 30 June 2014.

Chief Finance Officer's statement

Section 77 (2)(b) of the *Financial Accountability Act 2009* requires the chief finance officer (CFO) of departments to provide the accountable officer with a statement as to whether the department's financial internal controls are operating efficiently, effectively, and economically.

Whilst not legislated as mandatory for CHQ, as best practice, for the financial year ended 30 June 2014, a statement assessing CHQ's financial internal controls has been provided by the CFO to the Health Service Chief Executive and the Board.

The statement was prepared in conformance with Section 57 of the *Financial and Performance Management Standard 2009*. The statement was also provided to the CHQ Audit and Risk Committee.

Hospital and health service statutory authority

The Children's Health Queensland Hospital and Health Service commenced operation from 1 July 2012 operating as a statutory authority under an independent board. The authority operates under the *Hospital and Health Boards Act 2011* and is responsible for the delivery of health services.

Purchasing and performance

From 1 July 2012, the provision of public health services has been delivered under a purchaser–provider model whereby the organisation operates in accordance with a service level agreement with the Department of Health to deliver an agreed level of services.

The *Hospital and Health Services Performance and Management Framework* provides an integrated process for the review, assessment and reporting of performance for CHQ and forms part of the service level agreement.

The CHQ finance department monitors the performance against this service level agreement framework on a monthly basis and provides reports to the Board and Finance and Performance Committee. The framework uses key performance indicators as the basis for monitoring and driving performance and the targets, where possible, are also linked to national agreements such as the National Health Reform Agreement, national partnership agreements and the National Performance and Accountability Framework.

Future outlook

Increased funding and transition to LCCH

The commissioning of the LCCH will occur during the 2014–15 financial year. The new hospital will bring together the existing specialist paediatric services delivered at the Royal Children's Hospital and Mater Children's Hospital. The consolidation of acute clinical services, along with the integration of Child and Youth Community Health Services and Child and Youth Mental Health Services will provide an improved quality of care and health outcomes for children across the state.

The move to the new hospital will significantly increase the workforce and funding profile for CHQ. The service agreement funding for 2014–15 will increase, reflecting seven months of additional activity, and will increase in 2015–16 to reflect 12 months of operation of the new hospital. Total income is estimated to increase to $480.8 million in 2014–15 (based on final service agreement). Estimated staffing numbers are expected to increase to 3073 full-time equivalents (FTEs) as at 30 June 2015.

Additional services to be provided

Additional services to be provided in 2014–15 include:

- the Statewide Adolescent Mental Health Extended Treatment Initiative for adolescent and young people with mental health issues. The Department of Health has approved a $3.9 million transfer from West Moreton HHS and a further $2 million allocated from the department.
- the Connected Care Program to support the development of personal care plans for children with complex care needs to better coordinate and streamline specialist appointments, provide access to psychosocial and welfare support and meet travel and accommodation requirements. It is estimated this program will help 4700 children and their families across the state. The Department of Health has allocated $3.7 million.

Prescribed employer status

During 2013–14, the majority of staff (except the Health Service Chief Executive, health executive service employees and other applicable senior staff working in an HHS) were employed by the Director-General, Department of Health.

In June 2012, amendments were made to the *Hospital and Health Boards Act 2011*, giving HHS boards more autonomy by allowing them to become the employer of staff working for their HHS. CHQ demonstrated its readiness to become an employer and was prescribed as an employer on 1 July 2014.

I. Compliance checklist

Summary of requirement		Basis for requirement	Annual report ref
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister	ARRs—section 8	1 (letter of compliance)
Accessibility	Table of contents, glossary	ARRs—section 10.1	3 (contents) 61, 64 (appendices)
	Public availability	ARRs—section 10.2	imprint page
	Interpreter service statement	Queensland Government Language Services Policy ARRs—section 10.3	
	Copyright notice	Copyright Act 1968 ARRs—section 10.4	
	Information licensing	Queensland Government Enterprise Architecture—Information licensing ARRs—section 10.5	
General information	Introductory information	ARRs—section 11.1	6 (about us)
	Agency role and main functions	ARRs—section 11.2	6 (about us) 58 (CFO's statement)
	Operating environment	ARRs—section 11.3	12 (organisational changes) 14 (operating environment) 15 (strategic risks & opps) 58 (CFO's statement) 4 (board chair's welcome) 48 (our board)
	Machinery of Government changes	ARRs—section 11.4	N/A
Non-financial performance	Government objectives for the community	ARRs—section 12.1	13 (strategic plan) 21 (outcomes)
	Other whole-of-government plans / specific initiatives	ARRs—section 12.2	6, 11, 33, 47 (AMHETI) 12 (health reform) 13 (strategic plan) 27 (NEST & NEAT targets) 28 (ieMR) 33 (programs & partnerships) 34 (redesigning our care) 39 (statewide paediatric training)
	Agency objectives and performance indicators	ARRs—section 12.3	13 (strategic objectives) 16 (statewide role) 18 (patient safety & quality) 21 (outcomes) 26 (activity levels) 44 (performance statement)
	Agency service areas, service standards and other measures	ARRs—section 12.4	26 (activity levels & performance) 44 (performance statement)

Summary of requirement		Basis for requirement	Annual report ref
Financial performance	Summary of financial performance	ARRs—section 13.1	56 (summary of performance)
	Chief Finance Officer statement	ARRs—section 13.2	58 (CFO's statement)
Governance management and structure	Organisational structure	ARRs—section 14.1	45 (organisational chart) 46 (board profiles)
	Executive management	ARRs—section 14.2	49 (our EMT)
	Related entities	ARRs—section 14.3	N/A
	Government bodies (including subcommittees)	ARRs—section 14.4	48 (our board)
	Public Sector Ethics Act 1994	*Public Sector Ethics Act 1994* (section 23 and schedule) ARRs—section 14.5	55 (*Public Sector Ethics Act 1994*)
	Queensland Public Service values	ARRs—section 14.6	7 (about us)
Governance—risk management & accountability	Risk management	ARRs—section 15.1	51 (risk management)
	External scrutiny	ARRs—section 15.2	52 (external scrutiny)
	Audit committee	ARRs—section 15.3	51 (audit & risk committee)
	Internal audit	ARRs—section 15.4	51 (internal audit)
	Public sector renewal program	ARRs—section 15.5	5 (chief executive's message)
	Information systems and recordkeeping	ARRs—section 15.7	51 (information systems and recordkeeping)
Governance—human resources	Workforce planning, attraction and retention and performance	ARRs—section 16.1	53 (human resources)
	Early retirement, redundancy and retrenchment	Directive No.11/12 Early Retirement, Redundancy and Retrenchment ARRs—section 16.2	53 (human resources)
Financial statements	Certification of financial statements	FAA—section 62 FPMS—sections 42, 43 and 50 ARRs—section 18.1	1 (letter of compliance)
	Independent auditor's report	FAA—section 62 FPMS—section 50 ARRs—section 18.2	65 (financial statements, p53)
	Remuneration disclosures	Financial reporting requirements for Queensland Government agencies ARRs—section 18.3	65 (financial statements, p28)

II. Glossary of terms

Term	
Accessible	Accessible healthcare is characterised by the ability of people to obtain appropriate healthcare at the right place and right time, irrespective of income, cultural background or geography.
Activity based funding	A management tool with the potential to enhance public accountability and drive technical efficiency in the delivery of health services by: • capturing consistent and detailed information on hospital sector activity and accurately measuring the costs of delivery • creating an explicit relationship between funds allocated and services provided • strengthening management's focus on outputs, outcomes and quality encouraging clinicians and managers to identify variations in costs and practices so they can be managed at a local level in the context of improving efficiency and effectiveness • Providing mechanisms to reward good practice and support quality initiatives.
Acute	Having a short and relatively severe course.
Acute care	Care in which the clinical intent or treatment goal is to: • cure illness or provide definitive treatment of injury • perform surgery • relieve symptoms of illness or injury (excluding palliative care) • reduce severity of an illness or injury • protect against exacerbation and/or complication of an illness and/or injury that could threaten life or normal function • perform diagnostic or therapeutic procedures.
Acute hospital	Generally a recognised hospital that provides acute care and excludes dental and psychiatric hospitals.
Admission	The process whereby a hospital accepts responsibility for a patient's care and/or treatment. It follows a clinical decision, based on specified criteria, that a patient requires same-day or overnight care or treatment, which can occur in hospital and/or in the patient's home (for hospital-in-the-home patients).
Admitted patient	A patient who undergoes a hospital's formal admission process as an overnight-stay patient or a same-day patient.
Allied health staff	Professional staff who meet mandatory qualifications and regulatory requirements in the following areas: audiology, clinical measurement sciences, dietetics and nutrition, exercise physiology, leisure therapy, medical imaging, music therapy, nuclear medicine technology, occupational therapy, orthoptics, pharmacy, physiotherapy, podiatry, prosthetics and orthotics, psychology, radiation therapy, sonography, speech pathology and social work.
Benchmarking	Involves collecting performance information to undertake comparisons of performance with similar organisations.
Best practice	Cooperative way in which organisations and their employees undertake business activities in all key processes, and use benchmarking that can be expected to lead to sustainable positive outcomes.
Category	Urgency of a patient's need for medical and nursing care.
Clinical governance	A framework by which health organisations are accountable for continuously improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish.
Clinical practice	Professional activity undertaken by health professionals to investigate patient symptoms and prevent and/or manage illness, together with associated professional activities for patient care.

Clinical staff	Staff who are or who support health professionals working in clinical practice, have healthcare specific knowledge/experience, and provide clinical services to health consumers, either directly and/or indirectly, through services that have a direct impact on clinical outcomes.
Emergency department waiting time	Time elapsed for each patient from presentation to the emergency department to start of services by the treating clinician. It is calculated by deducting the date and time the patient presents from the date and time of the service event.
Full-time equivalent (FTE)	Refers to full-time equivalent staff currently working in a position.
Health outcome	Change in the health of an individual, group of people or population attributable to an intervention or series of interventions.
Hospital	Healthcare facility established under Commonwealth, state or territory legislation as a hospital or a free-standing day-procedure unit and authorised to provide treatment and/or care to patients.
Hospital and health boards	The hospital and health boards are made up of a mix of members with expert skills and knowledge relevant to managing a complex healthcare organisation, charged with authority under the Hospital and *Health Boards Act 2011*.
Hospital and health service	A hospital and health service (HHS) is a separate legal entity established by Queensland Government to deliver public hospital services. The first HHSs commenced on 1 July 2012. Queensland's 17 HHSs will replace existing health service districts.
Hospital-in-the-home	Provision of care to hospital-admitted patients in their place of residence, as a substitute for hospital accommodation.
Immunisation	Process of inducing immunity to an infectious agency by administering a vaccine.
Incidence	Number of new cases of a condition occurring within a given population over a certain period of time.
Long wait	A 'long wait' elective surgery patient is one who has waited longer than the clinically recommended time for their surgery, according to the clinical urgency category assigned. That is, more than 30 days for a category 1 patient, more than 90 days for a category 2 patient and more than 365 days for a category 3 patient.
Medicare Locals	Established by the Commonwealth to coordinate primary healthcare services across all providers in a geographic area. Medicare Locals work closely with HHSs to identify and address local health needs. They are selected and funded by the Commonwealth and are being rolled out progressively from 1 July 2011.
Medical practitioner	A person who is registered with the Medical Board of Australia to practice medicine in Australia, including general and specialist practitioners.
Non-admitted patient	A patient who does not undergo a hospital's formal admission process.
Non-admitted patient services	An examination, consultation, treatment or other service provided to a non-admitted patient in a functional unit of a health service facility.
Outpatient	An individual who accesses non-admitted health service at a hospital or health facility
Outpatient service	Examination, consultation, treatment or other service provided to non-admitted non-emergency patients in a specialty unit or under an organisational arrangement administered by a hospital.

Overnight-stay	When a patient who is admitted to, and separated from, the hospital on different dates (not same-day patients).
Patient flow	Optimal patient flow means the patient's journey through the hospital system, be it planned or unplanned, happens in the safest, most streamlined and timely way to deliver good patient care.
Performance indicator	A measure that provides an 'indication' of progress towards achieving the organisation's objectives and usually has targets that define the level of performance expected against the performance indicator.
Population health	Promotion of healthy lifestyles, prevention or early detection of illness or disease, prevention of injury and protection of health through organised population-based programs and strategies.
Private hospital	A private hospital or freestanding day hospital, and either a hospital owned by a for-profit company or a non-profit organisation and privately funded through payment for medical services by patients or insurers. Patients admitted to private hospitals are treated by a doctor of their choice.
Public patient	A public patient is one who elects to be treated as a public patient, so cannot choose the doctor who treats them, or is receiving treatment in a private hospital under a contract arrangement with a public hospital or health authority.
Public hospital	Public hospitals offer free diagnostic services, treatment, care and accommodation to eligible patients.
Registered nurse	An individual registered under national law to practice in the nursing profession as a nurse, other than as a student.
Statutory body	A non-departmental government body, established under an Act of Parliament. Statutory bodies can include corporations, regulatory authorities and advisory committees or councils.
Sustainable	A health system that provides infrastructure, such as workforce, facilities and equipment, and is innovative and responsive to emerging needs, for example, research and monitoring within available resources.
Telehealth	Delivery of health-related services and information via telecommunication, including: • live, audio and/or video interactive links for clinical consultations and educational purposes • store-and-forward telehealth, including digital images, video, audio and clinical (stored) data on a client computer, then transmitted securely (forwarded) to a clinic at another location where they are studied by relevant specialists • teleradiology for remote reporting and clinical advice for diagnostic images • Telehealth services and equipment to monitor people's health in their home.

III. Glossary of acronyms

Acronym		Acronym	
AMHETI	Adolescent Mental Health Extended Treatment Initiative	**FTE**	Full-time equivalent
ARC	Australian Research Council	**HHB**	Hospital and health board
ARRs	Annual report requirements for Queensland Government agencies	**HHS**	Hospital and health service
CCHR	Centre for Children's Health Research	**ieMR**	Integrated electronic medical record
CFO	Chief Finance Officer	**LCCH**	Lady Cilento Children's Hospital
CFTU	Child and Family Therapy Unit	**MCH**	Mater Children's Hospital
CHQ	Children's Health Queensland	**MDU**	Medical Day Unit
CYCHS	Child and Youth Community Health Service	**MOHRI**	Minimum obligatory human resource indicators
CYMHS	Child and Youth Mental Health Service	**NEAT**	National emergency access target
DoH	Department of Health	**NEST**	National elective surgery target
EBFC	Ellen Barron Family Centre	**NHMRC**	National Health and Medical Research Council
EMT	Executive Management Team	**NHS**	The United Kingdom's National Health Service
ENT	Ear, nose and throat	**PHI**	Private Health Insurance
GP	General Practitioner	**QAO**	Queensland Audit Office
HDU	High Dependency Unit	**QCMRI**	Queensland Children's Medical Research Institute
FAA	*Financial Accountability Act 2009*	**SASVRC**	Sir Albert Sakzewski Virus Research Centre
FAC	Family Advisory Council	**SToRK**	Simulation Training on Resuscitation for Kids
FPMS	*Financial and Performance Management Standard 2009*	**RCH**	Royal Children's Hospital

IV. Financial statements

Children's Health Queensland Hospital and Health Service

Financial Statements 2013–14

Children's Health Queensland Hospital and Health Service

Financial Statements 2013-14

Contents

General information

Children's Health Queensland Hospital and Health Service (Children's Health Queensland) is a statutory body established on 1 July 2012 under the *Hospital and Health Board Act 2011*.

Children's Health Queensland is controlled by the State of Queensland which is the ultimate parent.

The principal address of Children's Health Queensland is:

Level 1, North Tower
Royal Children's Hospital
Herston QLD 4029

A description of the nature of the Hospital and Health Service's (HHS) operations and its principal activities is included in the notes to the financial statements.

For information in relation to Children's Health Queensland's financial statements, email CHQ_Comms@health.qld.gov.au or visit the website at: http://www.health.qld.gov.au/childrenshealth

Amounts shown in these financial statements may not add to the correct subtotals or totals due to rounding.

Statement of Comprehensive Income

For the year ended 30 June 2014

	Notes	2014 $'000	2013 $'000
Income from continuing operations			
User charges and fees	3	317,890	316,305
Grants and other contributions	4	7,350	4,149
Other revenue	5	8,020	6,866
Total revenue		**333,260**	**327,320**
Gains on disposal/re-measurement of assets	6	105	25
Total income from continuing operations		**333,365**	**327,345**
Expenses from continuing operations			
Employee expenses	7	2,390	1,660
Health services employee costs	8	236,851	231,408
Supplies and services	11	77,327	75,268
Grants and subsidies	12	1,084	75
Depreciation and amortisation	13	7,334	7,005
Impairment losses	14	(44)	678
Revaluation decrement	15	-	104
Other expenses	16	1,703	884
Total expenses from continuing operations		**326,645**	**317,082**
Operating result from continuing operations		**6,720**	**10,263**
Other comprehensive income			
Items that will not be reclassified subsequently to operating result:			
- Increase in asset revaluation surplus	27	4,974	3,157
Total other comprehensive income		**4,974**	**3,157**
Total comprehensive income		**11,694**	**13,420**

The accompanying notes form part of these statements.

Statement of Financial Position

As at 30 June 2014

	Notes	2014 $'000	2013 $'000
Current assets			
Cash and cash equivalents	17	38,968	26,669
Receivables	18	8,121	11,770
Inventories	19	2,603	2,985
Other current assets	20	136	142
		49,828	**41,566**
Non-current assets classified as held for sale	21	-	7,104
Total current assets		**49,828**	**48,670**
Non-current assets			
Intangible assets	22	1,240	2
Property, plant and equipment	23	98,952	94,547
Total non-current assets		**100,192**	**94,549**
Total assets		**150,020**	**143,219**
Current liabilities			
Payables	24	27,047	23,971
Employee benefits	25	232	113
Other current liabilities	26	289	361
Total current liabilities		**27,568**	**24,445**
Total liabilities		**27,568**	**24,445**
Net assets		**122,452**	**118,774**
Equity			
Contributed equity		97,338	105,354
Accumulated surplus		16,983	10,263
Asset revaluation surplus	27	8,131	3,157
Total equity		**122,452**	**118,774**

The accompanying notes form part of these statements.

Statement of Changes in Equity

For the year ended 30 June 2014

	Accumulated Surplus	Asset Revaluation Surplus (Note 27)	Contributed Equity	TOTAL
	$'000	$'000	$'000	$'000
Balance as at 1 July 2012	-	-	-	-
Operating result from continuing operations	10,263	-	-	10,263
Other Comprehensive Income:				
- Increase in asset revaluation surplus	-	3,157	-	3,157
Total Comprehensive Income for the Year	10,263	3,157	-	13,420
Transactions with Owners as Owners:				
- Equity injections	-	-	1,860	1,860
- Assets received from restructure	-	-	119,478	119,478
- Liabilities received from restructure	-	-	(9,024)	(9,024)
- Equity withdrawals	-	-	(6,960)	(6,960)
Net Transactions with Owners as Owners	-	-	105,354	105,354
Balance as at 30 June 2013	**10,263**	**3,157**	**105,354**	**118,774**
Balance as at 1 July 2013	10,263	3,157	105,354	118,774
Operating result from continuing operations	6,720	-	-	6,720
Other Comprehensive Income:				
- Increase in asset revaluation surplus	-	4,974	-	4,974
Total Comprehensive Income	6,720	4,974	-	11,694
Transactions with Owners as Owners:				
- Equity injections*	-	-	6,751	6,751
- Equity withdrawals**	-	-	(14,767)	(14,767)
Net Transactions with Owners as Owners	-	-	(8,016)	(8,016)
Balance as at 30 June 2014	**16,983**	**8,131**	**97,338**	**122,452**

* Reimbursement from the Department of Health for assets purchased and minor capital works projects ($2.728 million) and equity movements for the transfer of property plant and equipment from other HHS's ($4.023 million).

** Represents equity movements for the transfer of non-current assets classified as held for sale to the Department of Health ($7.104 million), a building transferred to the Department of Health ($0.350 million), depreciation funding from the Department of Health ($7.278 million) and the transfer of equipment to other HHS's ($0.035 million).

The accompanying notes form part of these statements.

Statement of Cash Flows

For the year ended 30 June 2014

	Notes	2014 $'000	2013 $'000
Cash flows from operating activities			
Inflows:			
User charges and fees		313,807	302,423
Grants and other contributions		7,268	4,510
Interest received		263	265
GST collected from customers		1,107	1,182
GST input tax credits from ATO		3,621	2,025
Other inflows		8,137	6,601
Outflows:			
Employee expenses		(2,271)	(1,500)
Health service employee costs		(233,755)	(231,408)
Supplies and services		(77,950)	(59,775)
Grants and subsidies		(48)	(75)
GST paid to suppliers		(3,941)	(2,517)
GST remitted to ATO		(1,002)	(691)
Other outflows		(1,312)	(950)
Net cash provided by (used in) operating activities	28	**13,924**	**20,090**
Cash flows from investing activities			
Outflows:			
Payments for property, plant and equipment		(4,353)	(1,958)
Net cash provided by (used in) investing activities		**(4,353)**	**(1,958)**
Cash flows from financing activities			
Inflows:			
Cash and cash equivalents transferred from restructure		-	6,677
Equity injections		2,728	1,860
Net cash provided by (used in) financing activities		**2,728**	**8,537**
Net increase/(decrease) in cash and cash equivalents		**12,299**	**26,669**
Cash and cash equivalents at beginning of financial year		26,669	**-**
Cash and cash equivalents at end of financial year	17	**38,968**	**26,669**

The accompanying notes form part of these statements.

1 Objectives and strategic priorities of Children's Health Queensland

Children's Health Queensland's vision is the best possible health for every child and young person, in every family, in every community in Queensland. To achieve the provision of the best possible care for children and young people, the entity strives to align its activities with the following strategic directions:

- Leading the provision of quality health care for children and young people
- Building strong partnerships for outcomes
- Defining and implementing Children's Health Queensland's state-wide role
- Enhancing financial management
- Building an empowered and engaged workforce
- Developing and translating new knowledge into improved outcomes

Further to this, Children's Health Queensland has adopted five „pillars' to deploy the strategic directions throughout the organisation. These pillars are:

- People: Committed to engaging an empowered and engaged workforce
- Service: Driving improvements in the delivery of paediatric health care across the state with a core focus on child and family centred care
- Quality and Safety: Leading the way in best practice care models, patient safety, quality systems and clinical outcomes
- Value: Focusing on fiscal sustainability and enhancing revenue generation for future investment in key initiatives
- Research: Excellence in Children's Health Queensland care through discovery, education and translation of research into improved health outcomes.

2 Summary of significant accounting policies

(a) Statement of compliance

These general purpose financial statements have been prepared pursuant to Section 62(1) of the *Financial Accountability Act 2009*, the relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. 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 Children's Health Queensland is a not-for-profit entity. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ended 30 June 2014, and other authoritative pronouncements. Except where stated, the historical cost convention is used.

(b) The reporting entity

As a consequence of the National Health Reform Agreement, Children's Health was established as an independent statutory body on 1 July 2012 under the *Hospital and Health Board Act 2011*. Children's Health Queensland delivers specialist state-wide care to children from across Queensland and beyond – including northern New South Wales and overseas, in particular providing paediatric services to the Brisbane metropolitan community (and particularly the community north of the Brisbane River) and tertiary paediatric services to all Queensland children and beyond.

(c) Third party monies

Children's Health Queensland acts in a fiduciary trust capacity in relation to patient trust accounts. Consequently, these transactions and balances are not recognised in the financial statements. Although patient funds are not controlled by Children's Health Queensland, trust activities are included in the audit performed annually by the Auditor-General of Queensland.

In addition, Children's Health Queensland acts as a billing agency for medical practitioners who use Children's Health Queensland facilities for the purpose of seeing patients under a Right of Private

(c) Third party monies (continued)

Practice agreement (ROPP). Under this agreement, Children's Health Queensland acts as a billing agent for the medical practitioner, and deducts from the private patient fees received, an administration fee and a facility fee (where applicable) to cover the use of the facility by the medical officer for private practice.

Note 33 provides additional information on these balances.

(d) User charges and fees

User charges and fees primarily comprise Department of Health funding, hospital fees, reimbursement of pharmaceutical benefits and sales of goods and services. There has been a change in the recognition of Department of Health funding from grants and other contributions in 2012-13 to user charges and fees this year, refer Note 3 for details.

User charges and fees controlled by Children's Health Queensland are recognised as revenues when the revenue has been earned and can be measured reliably with sufficient degree of certainty. User charges and fees are controlled by the HHS where they can be deployed for the achievement of Children's Health Queensland's objectives.

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

The funding from Department of Health is received fortnightly in advance. At the end of the financial year, a financial adjustment may be required where the level of services provided is above or below the agreed level.

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

(e) Grants and other contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which Children's Health Queensland obtains control over them (control is generally obtained at the time of receipt). Where grants are received that are reciprocal in nature, revenue is progressively recognised as it is earned, according to the terms of the funding agreements.

Contributed assets are recognised at their fair value. The accounting treatment for contributions of services is explained in Note 2(v).

(f) Interest income

Interest income is recognised as it accrues, using the effective interest rate method.

(g) Special payments

Special payments includes ex gratia expenditure and other expenditure that is not under a contract. In compliance with the *Financial and Performance Management Standard 2009*, Children's Health Queensland maintains a register setting out details of all special payments greater than $5,000. Information about such payments that have been made is disclosed separately within other expenses (refer to Note 16).

(h) Cash and cash equivalents

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash assets includes all cash on hand and in banks, cheques receipted but not banked at the reporting date, call deposits and cash debit facility.

(h) Cash and cash equivalents (continued)

Children's Health Queensland has an approved debt facility of $3 million under whole-of-Government banking arrangements to manage any short term cash shortfalls. This facility has not been drawn down as at 30 June 2014.

(i) Receivables

Trade receivables are recognised at their carrying value, less any impairment. The recoverability of trade receivables is reviewed on a monthly basis at an operating unit level. Trade receivables are generally settled within 30 day payment terms. Any allowance for impairment is disclosed in Note 18. All known bad debts are written off when identified.

(j) Inventories

Inventories consist mainly of pharmaceuticals and medical supplies held for distribution to and consumption by the hospital and other facilities. Inventories are measured at weighted average cost, adjusted for obsolescence. Unless material, inventories do not include supplies held for ready use in the wards throughout the hospital facilities and are expensed on issue from Children's Health Queensland's main storage facilities.

(k) Non-current assets classified as held for sale

Non-current assets held for sale consist of those assets that the government has determined are available for immediate sale in their present condition, for which their sale is highly probable in the next 12 months.

In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, these assets are measured at the lower of their carrying amounts and fair values less costs to sell (in compliance with AASB 5) which is a non-recurring valuation. These assets are no longer depreciated upon being classified as held for sale.

(l) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are initially recorded at consideration plus any other costs directly incurred in bringing the asset ready for use. Items or components that form an integral part of an asset are recognised as a single (functional) asset. 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.

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 on acquisition.

Land	$1
Buildings	$10,000
Plant and equipment	$5,000

Land improvements undertaken by Children's Health Queensland are included within the buildings asset class.

Where assets are acquired for no consideration from another Queensland Government entity (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation. Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are initially recognised at their fair value at the date of acquisition in accordance with AASB 116 *Property, Plant and Equipment.*

(l) Property, plant and equipment (continued)

The majority of Children's Health Queensland's assets were acquired under this arrangement, with the initial value of the assets based on the fair value at 30 June 2012 in the Department of Health's financial statements.

On 1 July 2012, the Minister for Health approved the transfer of land and buildings via a three year concurrent lease (representing its right to use the assets) to Children's Health Queensland from the Department of Health. Under the terms of the lease, no consideration in the form of a lease or residual payment by Children's Health Queensland is required.

While the Department of Health retains legal ownership, effective control of these assets was transferred to Children's Health Queensland. Under the terms of the lease, Children's Health Queensland has full exposure to the risks and rewards of asset ownership.

Children's Health Queensland has the full right of use and managerial control of land and building assets and is responsible for their maintenance. The Department of Health generates no economic benefits from these assets. In accordance with the definition of control under Australian Accounting Standards, Children's Health Queensland must recognise the value of these assets in the Statement of Financial Position.

Land and buildings are measured at fair value (refer to valuation section below). Plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Valuation

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment,* AASB 13 *Fair Value Measurement* and Queensland Treasury and Trade's *Non-Current Asset Policies* for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable. The cost of items acquired during the financial year has been judged by management to materially represent their fair value at the end of the reporting period.

Land and buildings are revalued on an annual basis by an independent professional valuer or by the use of appropriate and relevant indices. Revaluations using an independent professional valuer are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed by 20% or more since the previous reporting period), that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. Children's Health Queensland ensures that the application of such indices results in a valid estimation of the assets' fair value at reporting date. The valuer supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to the valuer. The valuer provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by a valuer, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by the valuer based on the entities own particular circumstances.

In 2013-14, Children's Health Queensland reviewed all fair value methodologies in light of the new principles in AASB13 and they did not result in a material impact on the values for the affected land and buildings classes.

Land is valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value. The valuation of land is determined by analysing

(l) Property, plant and equipment (continued)

comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre is applied to the subject asset.

Reflecting the specialised nature of health service buildings, fair value is determined using depreciated replacement cost methodology, due to there not being an active market for such facilities. Depreciated replacement cost is determined as the replacement cost less the cost to bring an asset to current standards.

The methodology applied by the valuer is a financial simulation in lieu of a market based measurement as these assets cannot be bought and sold on the open market. A replacement cost is estimated by creating a cost plan (cost estimate) of the asset through the measurement of key quantities such as:

- Gross Floor Area
- Number of floors
- Girth of the building
- Height of the building
- Number of lifts and staircases

The model developed by the valuer creates an elemental cost plan using these quantities, includes multiple building types, and is based on the valuer's experience of cost managing construction contracts.

The cost model is updated each year and tests are done to compare the model outputs on actual recent projects to ensure it produces a true representation of the cost of replacement. The costs are at Brisbane prices and published location indices are used to adjust the pricing to suit local market conditions. Live project costs from across the state are also assessed to inform current market changes that may influence the published factors.

The key assumption on the replacement cost is that the estimate is based on replacing the current function of the building with a building of the same form (size and shape). This assumption has a significant impact if an asset's function changes.

The „cost to bring to current standards' is the estimated cost of refurbishing the asset to bring it to current standards and a new condition. This is a component for establishing the likely „exit price' of any transaction in the principal market for an asset of this type. For each of the five condition ratings, the estimate is based on professional opinion as well as having regard to historical project costs.

In assessing the cost to bring to current standard, a condition rating is applied based upon the following information:

- Visual inspection of the asset
- Asset condition data provided by the Department of Health
- Verbal guidance from the asset manager
- Previous reports and inspection photographs if available (to show the change in condition over time).

(l) Property, plant and equipment (continued)

The following condition ratings are linked to the cost to bring to current standards:

Category	Condition	Comments
1	Very good condition	Only normal maintenance required
2	Minor defects only	Minor maintenance required
3	Maintenance required to return to accepted level of service	Significant maintenance required (up to 50% of capital replacement cost)
4	Requires renewal	Complete renewal of the internal fit out and engineering services required (up to 70% of capital replacement cost)
5	Asset unserviceable	Complete asset replacement required

Estimates of remaining life are based on the assumption that the asset remains in its current function and will be maintained. No allowance has been provided for significant refurbishment works in the estimate of remaining life as any refurbishment should extend the life of the asset.

Buildings have been valued on the basis that there is no residual value.

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

Children's Health Queensland has adopted the gross method of reporting comprehensively revalued assets. This method restates separately the gross amount and related accumulated depreciation of the assets comprising the class of revalued assets. Accumulated depreciation is restated proportionally in accordance with the independent advice of the valuers. The proportionate method has been applied to those assets that have been revalued by way of indexation.

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

Subsequent additional costs

Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits, in excess of the originally assessed performance of the asset, will flow to the entity in future years. Costs that do not meet the criteria for capitalisation are expensed as incurred.

Depreciation

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

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset over the estimated useful life. Assets under construction (work-in-progress) are not depreciated until they are ready for use. For each class of depreciable assets, the following depreciation rates were used:

Buildings	1.3% - 5.6%
Plant and equipment	4.5% - 20.0%

The depreciable amount of improvements to or on leasehold land is allocated progressively over the shorter of the estimated useful lives of the improvements or the unexpired period of the lease. The unexpired period of leases includes any option period where exercise of the option is probable.

(l) Property, plant and equipment (continued)

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

The assets' useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition

Property, plant, and equipment assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Derecognition of property, plant, and equipment includes writing back accumulated depreciation and any accumulated impairment losses against the cost of acquisition. Any resulting gain or loss is represented by the difference between the proceeds, if any, and the carrying amount of the assets are recognised in the consolidated Statement of Comprehensive Income.

(m) Intangible assets

Recognition and measurement

Children's Health Queensland has two classes of intangible assets, being purchased computer software and internally generated computer software. Both software types have an asset recognition threshold of $100,000. Software with a lesser cost is expensed.

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

Subsequent additional costs

Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits, in excess of the originally assessed performance of the asset, will flow to the entity in future years. Costs that do not meet the criteria for capitalisation are expensed as incurred.

Amortisation

Software is amortised on a straight-line basis over the period in which the related benefits are expected to be realised. Current amortisation rate for software is 20.0 per cent.

The assets' useful lives and amortisation methods are reviewed and adjusted if appropriate, at each financial year end.

Derecognition

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Derecognition of intangible assets includes writing back accumulated amortisation and any accumulated impairment losses against the cost of acquisition. Any resulting gain or loss is represented by the difference between the proceeds, if any, and the carrying amount of the intangible asset and is recognised in the Statement of Comprehensive Income.

(n) Fair value measurement

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

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

(n) Fair value measurement (continued)

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

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

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

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

None of Children's Health Queensland's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. As 2013-14 is the first year of application of AASB 13 by the Children's Health Queensland, there were no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about the entities property, plant and equipment is outlined further in Note 23.

(o) Leased property, plant and equipment

Operating lease payments, being representative of benefits derived from the leased assets, are recognised as an expense of the period in which they are incurred.

AASB 117 *Leased Assets* is not applicable to land and buildings, currently under a Deed of Lease with the Department of Health, as no consideration in the form of lease payments are required under the agreement. Children's Health Queensland has no assets subject to finance leases.

(p) Impairment of non-current assets

All non-current and intangible assets are assessed for indicators of impairment on an annual basis in accordance with AASB 136 *Impairment of Assets*. If an indicator of impairment exists, Children's Health Queensland determines the asset's recoverable amount (higher of value in use and fair value less costs to sell). Any amount by which the asset's carrying amount exceeds the recoverable amount is considered an impairment loss.

The assets recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount in which case the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

(p) Impairment of non-current assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(q) Payables

Payables are recognised for amounts to be paid in the future for goods and services received. Trade payables are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. The amounts are unsecured and normally settled within 30 days.

(r) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Children's Health Queensland holds financial instruments in the form of cash, call deposits, receivables and payables. Children's Health Queensland accounts for its financial instruments in accordance with AASB 139 *Financial Instruments: Recognition and Measurement* and reports instruments under AASB 7 *Financial Instruments: Disclosures*. Children's Health Queensland does not enter into transactions for speculative purposes, or for hedging. Financial assets and financial liabilities are recognised in the Statement of Financial Position when Children's Health Queensland becomes a party to the contractual provisions of the financial instrument.

Financial instruments are classified and measured as follows: cash and cash equivalents – held at fair value through profit or loss; receivables – held at amortised cost; payables – held at amortised cost.

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are additionally assessed for impairment on a collective basis. For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Financial assets (excluding cash) and liabilities held by Children's Health Queensland are classified as level three in the fair value hierarchy. Fair values are derived from data not observable in a market. Other disclosures relating to the measurement and financial risk management of other financial instruments are included in Note 34.

(s) Employee benefits

Health service employees

In accordance with the *Hospital and Health Boards Act 2011* section 67, the employees of the Department of Health, referred to as Health Service Employees, remain employees of the Department of Health and are contracted to Children's Health Queensland for the provision of health service delivery.

As a result of this arrangement, Children's Health Queensland reimburses the Department of Health on a fortnightly basis for the salaries, on-costs and other employee related expenses of these contracted Health Service Employees. These payments are disclosed separately under Note 8 and are shown as a separate item under the expenses from continuing operations category of the Statement of Comprehensive Income.

(s) Employee benefits (continued)

Health service executives

In addition to the Health Service Employees contracted from the Department of Health, Children's Health Queensland in accordance with section 67(2) of the *Hospital and Health Boards Act 2011* directly engage the majority of the Health Service Executives and Board members. The information detailed below relates specifically to these directly engaged employees and board members only.

Employer superannuation contributions, annual and long service leave levies are regarded as employee benefits in accordance with AASB 119 *Employee Benefits* (refer to Note 7).

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses

Wages, salaries and sick leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at current salary rates.

Unpaid entitlements are expected to be paid within 12 months and as such any liabilities are recognised at their undiscounted values.

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

Annual and long service leaves

Under the Queensland Government's Annual Leave Central Scheme (established on 30 June 2008) and Long Service Leave Central Scheme (established on 1 July 1999), levies are payable by Children's Health Queensland 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.

No provisions for long service leave or annual leave are recognised in Children's Health Queensland's financial statements as the provisions for these schemes are reported on a Whole-of-Government basis pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

These levies are expensed in the period in which they are paid or payable. Amounts paid to employees for annual leave and long service leave are claimed from the schemes quarterly in arrears

Superannuation

Employer superannuation contributions are paid to QSuper for Children's Health Queensland executives and to other nominated superannuation funds for Board members. QSuper is the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable and Children's Health Queensland's obligation is limited to its contribution to QSuper and the other funds. The QSuper scheme has defined benefit and defined contribution categories. 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*.

Key executive management personnel and remuneration

Key executive management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to Note 9 for the disclosures on key executive management personnel and remuneration.

(t) Insurance

Property and general losses above a $10,000 threshold are insured through the Queensland Government Insurance Fund (QGIF) under the Department of Health's insurance policy. Health litigation payments above a $20,000 threshold and associated legal fees are also insured through QGIF. Premiums are calculated by QGIF on a risk assessed basis. Children's Health Queensland is covered in respect of its obligations for employee compensation through the Department of Health's cover with WorkCover Queensland.

Children's Health Queensland pays fees for these insurances to the Department of Health as part of a fee for service arrangement. This is included in supplies and services (refer to Note 11).

(u) Services received/provided free of charge or for a nominal value

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

Children's Health Queensland receives corporate services support from the Department of Health for no cost. Corporate services received include payroll services, accounts payable services, accounts, finance transactional services, taxation services, supply services and information technology services. As the fair value of these services is unable to be estimated reliably, no associated revenue and expense is recognised in the Statement of Comprehensive Income.

Children's Health Queensland provides office accommodation to a small number of not-for-profit organisations for nominal consideration. These include Children's Hospital Foundation, Kid's Safe House and Leonard Lodge.

(v) Contributed equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government changes are adjusted to Contributed Equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

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

(w) Taxation

Children's Health Queensland 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 Children's Health Queensland.

Children's Health Queensland and the Department of Health satisfy section 149-25(e) of the *A New Tax System (Goods and Services) Act 1999* (the Act) and were able, with other Hospital and Health Services, to form a "group" for GST purposes under the Division 149 of the Act. This means that any transactions between the members of the group do not attract GST. However, all entities are responsible for the payment or receipt of any GST for their own transactions. As such, GST credits receivable from and payable to the Australian Taxation Office (ATO) are recognised and accrued (refer to Note 18). The GST transactions with the Australian Taxation Office are lodged and managed via the Department of Health.

Revenues and expenses are recognised net of GST except for where GST incurred on a purchase of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

(w) Taxation (continued)

Cash flows are included in the statement of cash flows on a gross basis and GST component of the cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(x) Issuance of financial statements

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

(y) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, and are reviewed on an ongoing basis. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates and assumptions with the most significant effect on the financial statements relate to and are outlined in the following notes:

- Depreciation and Amortisation: Notes 2(l), 2(m) and 13
- Receivables: Note 18
- Valuation of Property, Plant and Equipment and Intangible Assets : Notes 2(l), 2(m), 22 and 23
- Contingencies: Note 31

The former Australian Government passed the Clean Energy Act in November 2011 which resulted in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012. However, with effect from the 1st July 2014, the current Australian Government has now abolished the carbon tax. The withdrawal of the carbon pricing mechanism is not expected to have a significant impact on the Children's Health Queensland's critical accounting estimates, assumptions and management judgements.

(z) Economic dependence

Children's Health Queensland's primary source of income is from the State government. Children's Health Queensland's ability to continue viable operations is dependent on this funding in accordance with the Service Agreement with the Department of Health (refer to Note 2(d)). At the date of this report management has no reason to believe that this financial support will not continue.

(aa) Rounding and comparatives

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

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. In particular, payments made by the Department of Health to Children's Health Queensland, under Service Level Agreements, are now classified as service revenue within user charges and fees. Accordingly, the comparatives have been restated to be consistent with disclosures in the current reporting period and to improve transparency across reporting periods.

(ab) Voluntary change in accounting policy

Queensland Treasury and Trade released the guideline *Distinction between Grants and Service Procurement Payments* which has resulted in payments made by the Department of Health to Hospital and Health Services, under Service Level Agreements, being re-classified from grants and other contributions to service revenue.

Children's Health Queensland has made a voluntary change in accounting policy for the recognition of funding provided by the Department of Health under a service agreement between the Department and Children's Health Queensland. The service agreement specifies those public health services purchased by the Department from Children's Health Queensland.

In 2012-13 the Department of Health provided this funding as grant payments but for 2013-14 has determined that the payment is not of a grants nature but rather is procurement of public health services. Specific public health services are received by the department under a service agreement and the department has determined that it receives approximately equal value for the payment provided, and directly receives an intended benefit.

To align with this basis of funding provided by the Department of Health under a service agreement, Children's Health Queensland now recognises the 2013-14 funding of $296.390 million as user charges and fees revenue for 2013-14 rather than as grants revenue which occurred in 2012-13. The main affect is that the revenue is now recognised under the criteria detailed in AASB 118 Revenue for 2013-14, rather than under AASB 1004 Contributions in 2012-13. The revenue recognition criteria is described in Note 3 user charges and fees and Note 4 grants and other contributions.

This change in accounting policy has been applied retrospectively with the affect that grants and other contributions revenue for 2012-13 has reduced by $296.201 million and user charges and fees revenue has increased by the same amount.

(ac) New and revised accounting standards

Children's Health Queensland is not permitted to early adopt an accounting standard unless approved by Queensland Treasury and Trade.

The only Australian Accounting Standard changes applicable for the first time as from 2013-14 that have had a significant impact on the financial statements are those arising from AASB 13 *Fair Value Measurement*, as explained as follows:

- AASB 13 *Fair Value Measurement* became effective from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements apply to all of Children's Health Queensland's assets and liabilities that are measured and/or disclosed at fair value or another measurement based on fair value. The impacts of AASB 13 relate to the fair value measurement methodologies used and financial statement disclosures made in respect of such assets and liabilities.
- Children's Health Queensland reviewed its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to assess whether those methodologies comply with AASB 13, and applied necessary changes to the valuations. None of the changes to valuation methodologies resulted in material differences from the previous methodologies.
- AASB 13 has required an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. For those fair value measurements of assets or liabilities that substantially are based on data that is not 'observable' (i.e. accessible outside of Children's Health Queensland), the amount of information disclosed has significantly increased. Note 2(n) explains some of the principles underpinning the additional fair value information disclosed. Most of this additional information is set out in Note 23 Property Plant and Equipment.

(ac) New and revised accounting standards (continued)

The following Accounting Standards issued but not yet effective may impact Children's Health Queensland in future periods. The potential effect of the revised Standards and Interpretations on Children's Health Queensland financial statements has not yet been determined.

Standards effective for annual periods beginning on or after 1 July 2014:

- AASB 10 *Consolidated Financial Statements* redefines and clarifies the concept of control of another entity, and is the basis for determining which entities should be consolidated into an entity's financial statements. AASB 2013-8 applies the various principles in AASB 10 for determining whether a not-for-profit entity controls another entity.
- AASB 11 *Joint Arrangements* deals with the concept of joint control and sets out new principles for determining the type of joint arrangement that exists, which in turn dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.
- AASB 1055 *Budgetary Reporting* specifies the nature of budgetary disclosures and the circumstances in which they are to be included in the financial statements, as well as whole of government reporting.

All other Australian Accounting Standards and Interpretations with future commencement dates have been initially assessed as either not being applicable to Children's Health Queensland or have no material impact on the financial statements of Children's Health Queensland.

3 User charges and fees

	2014 $'000	2013 $'000
Hospital fees	12,955	13,658
Sale of goods and services	8,495	6,446
Service revenue:*		
– State	251,750	219,474
– Federal	44,640	76,727
Rental income	50	-
Total	**317,890**	**316,305**

* Funding from the Department of Health has been reclassified from grants and other contributions to user charges and fees representing service procurement funding. Refer Note 2(d).

4 Grants and other contributions

Grants	7,286	4,096
Donations other	11	34
Donations non-current physical assets	53	19
Total	**7,350**	**4,149**

5 Other revenue

Health service employee cost recoveries*	4,970	4,712
Insurance recoveries	998	606
Other recoveries	1,644	1,112
Interest	282	265
Other	126	171
Total	**8,020**	**6,866**

* Health service employee cost recoveries are for services provided to external parties not including the Department of Health or other Hospital and Health Services.

6 Gains on disposal/re-measurement of assets

Land revaluation increment*	104	-
Gain on sale of property, plant and equipment	1	25
Total	**105**	**25**

* The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value. The increment, being a reversal of a previous revaluation decrement in respect of the same class of assets, has been recognised as income in the Statement of Comprehensive Income.

7 Employee expenses

	2014 $'000	2013 $'000
Employee expenses*		
Wages and salaries	1,605	1,115
Board member fees	352	240
Employer superannuation contributions	201	135
Annual leave levy	159	100
Long service leave levy	34	22
Employee related expenses*		
Workers' compensation premium	5	1
Payroll tax	34	47
Total	**2,390**	**1,660**
Number of employees**:	11	6

* Employee expenses represent members of the Board and executive management staff that are employed by Children's Health Queensland. Refer to Note 2(s).

** The number of employees (rounded to the nearest whole number) represents full-time or part-time executive management staff, measured on a full-time equivalent basis reflecting Minimum Obligatory Human Resource Information (MOHRI) as at 30 June. Members of the Board are not included in this total.

8 Health service employee costs

Health service employee costs *	236,851	231,408
Total	**236,851**	**231,408**
Number of employees**:	1,996	1,901

* Health service employee costs represent the cost of Department of Health employees contracted to Children's Health Queensland. Refer Note 2(s).

** The number of employees (rounded to the nearest whole number) represents full-time, part-time and casual employees, measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) as at 30 June.

9 Key management personnel and remuneration expenses

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of Children's Health Queensland during 2013-14. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

(a) Board

Position of current incumbents	Responsibilities	Appointment authority	Date appointed (resigned)
Board Chair - Ms Susan Johnston	Perform duties of Chair as prescribed in the *Hospital and Health Boards Act 2011* Member - Quality and Safety Committee	Governor-in-Council Appointment	18/05/2012
Deputy Chair - Ms Jane Yacopetti	Perform duties of Deputy Chair as prescribed in the *Hospital and Health Boards Act 2011* Chair - Health Service Executive Committee	Governor-in-Council Appointment	18/05/2013
Board Member - Dr David Wood	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011* Chair - Quality and Safety Committee Member - Audit and Risk Committee	Governor-in-Council Appointment	29/06/2012
Board Member - Dr Leanne Johnston	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011* Member - Finance and Performance Committee Member - Audit and Risk Committee (29 May 2014 to present) Member - Health Service Executive Committee (ceased 29 May 2014)	Governor-in-Council Appointment	29/06/2012

(a) Board (continued)

Position of current incumbents	Responsibilities	Appointment authority	Date appointed (resigned)
Board Member Mr Paul Cooper	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011* Chair - Audit and Risk Committee Member - Finance and Performance Committee	Governor-in-Council Appointment	29/06/2012
Board Member Ms Eileen Jones	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011* Member - Quality and Safety Committee Member - Health Service Executive Committee	Governor-in-Council Appointment	Appointed 29/06/2012 Ceased 17/05/2014
Board Member Mr David Gow	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011* Chair - Finance and Performance Committee Member - Audit and Risk Committee	Governor-in-Council Appointment	18/05/2013
Board Member Ms Georgina Somerset	Perform duties of Board Member as prescribed in the Hospital and Health Boards Act 2011 Member - Health Service Executive Committee Member - Quality and Safety Committee (29 May 2014 to present)	Governor-in-Council Appointment	23/08/2013
Board Member Ms Andrea O'Shea	Perform duties of Board Member as prescribed in the Hospital and Health Boards Act 2011 Member - Quality and Safety Committee	Governor-in-Council Appointment	Appointed 23/08/2013 Ceased 17/05/2014
Board Member Mr Ross Willims	Perform duties of Board Member as prescribed in the Hospital and Health Boards Act 2011 Member - Finance and Performance Committee (29 May 2014 to present) Member - Health Service Executive Committee (29 May 2014 to present)	Governor-in-Council Appointment	18/05/2014
Board Member Associate Professor Susan Young	Perform duties of Board Member as prescribed in the Hospital and Health Boards Act 2011 Member - Quality and Safety Committee (29 May 2014 to present) Member - Health Service Executive Committee (29 May 2014 to present)	Governor-in-Council Appointment	18/05/2014

(b) Executive management

Position of current incumbents	Responsibilities	Contract classification and appointment authority	Date appointed (resigned)
Health Service Chief Executive	The single point of accountability for ensuring patient safety through the effective executive leadership and management of Children's Health Queensland, as well as associated support functions. Accountable for ensuring that Children's Health Queensland achieves a balance between efficient service delivery and high quality health outcomes.	Individual contract *Hospital and Health Boards Act 2011*	01/07/2012
Executive Director, People and Culture	Develop and implement strategies relating to people and culture so that Children's Health Queensland has the necessary skills, capabilities and enabling human resource and industrial relations frameworks to meet current and future health service needs in a rapidly evolving environment. To lead the People and Culture team in ensuring the organisational culture and the management and development of people and performance contribute to optimal employee engagement and productivity and that Children's Health Queensland complies with all statutory requirements relating to people issues. Lead the development of the workforce for the Lady Cilento Children's Hospital which is due to open in November 2014. Help build a partnership approach with staff, stakeholders and representative groups in the creation of Children's Health Queensland and the new Lady Cilento Children's Hospital.	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	01/07/2012
Chief Finance Officer	To provide strategic advice and leadership of the financial management function for Children's Health Queensland and work with the executive team to ensure that financial stewardship and governance arrangements are in place to meet financial performance targets and imperatives. To lead Children's Health Queensland's Financial Services Unit in providing expert support and advice to Children's Health Queensland's executive team and Children's Health Queensland's divisional and operational service line managers on the management of financial resources and the matching of those resources to achieve organisational objectives. To also lead the Facilities Management, Procurement and Supply Services Functions for Children's Health Queensland. Accountability and reporting to Children's Health Queensland's Board Committees on performance against workforce, asset management and financial plans.	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	07/01/2013
Executive Director, Office of Strategy Management	To provide leadership in the design, implementation and continuous improvement of the integrated planning, strategy management, performance monitoring and strategy communications frameworks and systems for the organisation. Develop effective systems and processes that select, collect, align, integrate and communicate data and information to support organisational decision making, innovation and performance monitoring. Provide secretariat functions and support for the Children's Health Queensland Board.	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	Acting from 28/08/2012 to 19/02/2013 Appointed 20/02/2013

(b) Executive management (continued)

Position of current incumbents	Responsibilities	Contract classification and appointment authority	Date appointed (resigned)
General Manager Operations	Responsible for the effective and efficient delivery of all clinical and non-clinical services and resources at the Royal Children's Hospital, Child and Youth Mental Health Services, Community Services and non-clinical support for Children's Health Queensland. Critically analyse service delivery and strategically lead the development of strategies to address key service gaps, high level risks, performance gaps and performance targets. Leading an executive team that must be future focussed to contribute actively and innovatively to the reform processes required to drive contemporary practice in a tertiary setting and leading to the transition to the Lady Cilento Children's Hospital.	Health Executive Service (HES 3) *Hospital and Health Boards Act 2011*	03/12/2012
Executive Director, Medical Services	Single point of accountability for the effective executive leadership of medical services across Children's Health Queensland. Develop and create an environment and culture that draws the best medical talent and enhances the attraction and retention of high quality child and family focused doctors. Develop, implement and continuously monitor Children's Health Queensland policy and specialist support to line managers in relation to the recruitment, credentialing, employment, development and performance management of doctors. Shape and lead strategic thinking and strategy development of an integrated medical service delivery model within both Children's Health Queensland and the Lady Cilento Children's Hospital. Lead the development, implementation and evaluation of the health service Patient Safety and Quality Improvement Strategy Lead the development and implementation of the health service research strategy.	Senior Medical Officers' and Resident Medical Officers' Award (Level 29)	05/11/2012
Executive Director, Nursing Services	Provide nursing executive leadership, strategic focus, managerial direction, authoritative and expert advice on a wide range of professional and policy issues. Shape and lead strategic thinking and strategy development of an integrated nursing service delivery model within both Children's Health Queensland and the Lady Cilento Children's Hospital. Provide professional leadership and accountability for Children's Health Queensland's Nursing Services. Lead the Commission of Nursing Workforce for Lady Cilento Children's Hospital and participation in the clinical commissioning of the facility.	Queensland Health Nurses and Midwives Award (Nurse Grade 12)	26/11/2012

(b) Executive management (continued)

Position of current incumbents	Responsibilities	Contract classification and appointment authority	Date appointed (resigned)
Executive Director, Allied Health and Community Services	Provide allied health and community services executive leadership, strategic focus, managerial direction and authoritative and expert advice on a wide range of professional and policy issues. Shape and lead strategic thinking and strategy development of an integrated allied health service delivery model within both Children's Health Queensland and the Lady Cilento Children's Hospital. Provide professional leadership and accountability for Children's Health Queensland's Allied Health and Community Services. Responsible for establishing a service delivery system within Child and Youth Community Health that reflects the needs of the many communities, and for ensuring that the full range of services provided are safe, effective, and efficient, of high quality and are evidence-based.	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	03/12/2012
Executive Director, Development and Commissioning	Commissioning lead who coordinates Children's Health Queensland activities and facilities communication with the Lady Cilento Children's Hospital Project Team, providing direction, advice and decision where necessary. Ensure Children's Health Queensland has a clearly established, articulated and functional governance framework that incorporates the commissioning of, and transition to fully operational facilities, including the Lady Cilento Children's Hospital, Centre for Children's Health Research and the Central Energy Plant. Accountable for the outcomes through directing, driving and supporting the work of the Children's Health Queensland commissioners and executives at a high level and from an organisational perspective to achieve effective and timely outcomes.	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	28/4/2014

(c) Remuneration expenses

Remuneration Policy

The remuneration policy for the entity's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*.

Board

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

Executive Management

In accordance with section 67 of the *Hospital and Health Boards Act 2011,* the Director-General of the Department of Health determines the remuneration for Children's Health Queensland key executive management personnel. The remuneration and other terms of employment are specified in employment contracts. For the 2013-14 financial year, the remuneration of key executive management personnel increased by 2.2 per cent in accordance with government policy.

(c) Remuneration expenses (continued)

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

- Short-term employee expenses which include:
  - Monetary expenses: salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position.
  - Non-monetary benefits: benefits provided through salary sacrificing arrangements (excluding superannuation) or directly paid on behalf of the executive by Children's Health Queensland including fringe benefits tax where applicable.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

Performance bonuses are not paid to executive management.

(i) Board

Position		Short term employee expenses		Long term employee expenses	Post-employment expenses	Termination benefits	Total expenses
		Monetary expenses $'000	Non-monetary benefits $'000	$'000	$'000	$'000	$'000
Board Chair Ms Susan Johnston	2014	71	-	-	6	-	77
	2013	80	-	-	7	-	87
Deputy Chair Ms Jane Yacopetti (from 18/05/2013 to present)	2014	37	-	-	3	-	40
	2013	-	-	-	-	-	-
Deputy Chair Mr Andrew Taylor (ceased 06/03/2013)	2014	-	-	-	-	-	-
	2013	24	-	-	2	-	26
Board Member Dr David Wood	2014	36	*	*	3	*	39
	2013	33	-	-	3	-	36
Board Member Dr Leanne Johnston	2014	36	-	-	3	-	39
	2013	33	-	-	3	-	36
Board Member Mr Paul Cooper	2014	36	-	-	3	-	39
	2013	33	-	-	3	-	36

(i) Board (continued)

Position		Short term employee expenses		Long term employee expenses	Post-employment expenses	Termination benefits	Total expenses
		Monetary expenses $'000	Non-monetary benefits $'000	$'000	$'000	$'000	$'000
Board Member Ms Eileen Jones (ceased 17/05/2014)	2014	29	-	-	3	-	32
	2013	35	-	-	3	-	38
Board Member Mr David Gow (from 18/05/2013 to present)	2014	36	-	-	3	-	39
	2013	2	-	-	-	-	2
Board Member Ms Georgina Somerset (23/08/2013 to present)	2014	35	-	-	2	-	37
	2013	-	-	-	-	-	-
Board Member Ms Andrea O'Shea (ceased 17/05/2014)	2014	24	-	-	2	-	26
	2013	-	-	-	-	-	-
Board Member Mr Ross Willims (from 18/05/2014 to present)	2014	6	-	-	-	-	6
	2013	-	-	-	-	-	-
Board Member Associate Professor Susan Young (from 18/05/2014 to present)	2014	6	-	-	-	-	6
	2013	-	-	-	-	-	-
Total Remuneration: Board	**2014**	**352**	**-**	**-**	**28**	**-**	**380**
	2013	**240**	**-**	**-**	**21**	**-**	**261**

(ii) Executive Management

Position		Short term employee expenses		Long term employee expenses	Post-employment expenses	Termination benefits	Total expenses
		Monetary expenses $'000	Non-monetary benefits $'000	$'000	$'000	$'000	$'000
Health Service Chief Executive	2014	448	29	9	47	-	533
	2013	459	29	9	48	-	545
Executive Director, People and Culture	2014	162	9	3	17	-	191
	2013	151	9	3	15	-	178

(ii) Executive Management (continued)

Position		Short term employee expenses		Long term employee expenses	Post-employment expenses	Termination benefits	Total expenses
		Monetary expenses $'000	Non-monetary benefits $'000	$'000	$'000	$'000	$'000
Chief Finance Officer (from 07/01/2013 to present)	2014	190	9	4	20	-	223
	2013	98	-	2	10	-	110
Acting Chief Finance Officer (from 20/08/2012 to 06/01/2013)	2014	-	-	-	-	-	-
	2013	69	3	1	6	-	79
Acting Executive Director, Office of Strategy Management (from 02/04/2013 to present) [1]	2014	165	10	3	18	-	196
	2013	36	-	1	4	-	41
Executive Director, Office of Strategy Management (from 28/08/2012 to present) [1]	2014	60	-	1	4	-	65
	2013	131	-	2	13	-	146
General Manager Operations (from 03/12/2012 to present)	2014	195	9	4	16	-	224
	2013	110	-	2	9	-	121
Executive Director, Medical Services (from 05/11/2012 to present)	2014	462	10	5	37	-	514
	2013	292	6	3	23	-	324
Executive Director, Nursing Services (from 26/11/2012 to present)	2014	214	6	4	23	-	247
	2013	136	3	3	11	-	153
Executive Director, Allied Health and Community Services (from 03/12/2012 to present)	2014	164	9	3	18	-	194
	2013	89	6	2	10	-	107
Executive Director of Commissioning and Development (from 28/04/2014 to present)	2014	36	1	1	4	-	42
	2013	-	-	-	-	-	-
Total Remuneration: Executive Management	**2014**	**2,096**	**92**	**37**	**204**	**-**	**2,429**
	2013	**1,571**	**56**	**28**	**149**	**-**	**1,804**

[1] There are two Executive Director, Office of Strategy Management positions disclosed due to the incumbent being on maternity leave as well as returning to work in a part time capacity during the reporting periods.

10 Related Parties

Mr David Gow (member of the Board) is the Children's Health Queensland nominated member on the Queensland Children's Medical Research Institute Board (QCMRI). A number of Children's Health Queensland research activities are facilitated through this organisation. Membership of the Board is in line with the QCMRI Constitution and the governance terms of such arrangement.

The terms and conditions of other transactions with members of the Board, key executive management, and their related entities were no more favourable than those available or which might reasonably be expected to be available, in similar transactions with non-Board member or key executive management related entities on an arm's length basis.

11 Supplies and services

	2014 $'000	2013 $'000
Clinical supplies and services	22,187	23,878
Consultants and contractors	14,135	11,387
Pharmaceuticals	13,291	12,548
Catering and domestic supplies	3,849	3,656
Communications	3,347	2,725
Insurance	3,291	4,228
Repairs and maintenance	2,679	4,221
Computer services	2,530	1,653
Building utilities	2,419	2,136
Operating lease rentals	2,162	2,197
Travel	1,400	1,416
Office supplies	1,318	1,165
Linen	1,192	1,132
Other inter-entity supplies	1,128	498
Other	2,399	2,428
Total	**77,327**	**75,268**

12 Grants and subsidies

Medical research programs	253	75
Non-government organisation grants	831	-
Total	**1,084**	**75**

13 Depreciation and amortisation

Depreciation and amortisation were incurred in respect of:		
- Buildings	4,337	4,189
- Plant and equipment	2,822	2,815
- Intangible assets	175	1
Total	**7,334**	**7,005**

14 Impairment losses

	Note	2014 $'000	2013 $'000
Transfer to/(from) allowance for impairment of receivables	18	(102)	240
Bad debts written off		58	438
Total		**(44)**	**678**

15 Revaluation decrement

Land	-	104
Total	**-**	**104**

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value. The decrement, not being a reversal of a previous revaluation increment in respect of the same class of assets, has been recognised as an expense in the Statement of Comprehensive Income

16 Other expenses

External audit fees*	145	149
Other audit fees	289	148
Inventory written off	49	171
Losses from the disposal of non-current assets	120	192
Other legal costs	941	107
Bank fees	25	20
Special payments		
- Donations/gifts	-	5
- Ex-gratia payments**	78	30
Other	56	62
Total	**1,703**	**884**

* External audit fees relating to payments made to the Queensland Audit Office (QAO) are estimated to be $0.145 million (2013: $0.149 million). There were no non-audit services provided by the QAO during the period.

**Ex-gratia payments (exceeding $5,000) were made for the following reasons:

- Financial hardship payments made to families whose children had a serious medical condition.
- Payment made to a temporary contracted medical officer in lieu of private practice earnings.
- Payment of legal fees on behalf of a health service employee following a workplace investigation.

17 Cash and cash equivalents

	2014 $'000	2013 $'000
Imprest accounts	18	18
Cash at bank and on hand*	31,443	19,144
Cash on deposit**	7,507	7,507
Total	**38,968**	**26,669**

* Children's Health Queensland's bank accounts are grouped within the whole-of-Government set-off arrangement with Queensland Treasury Corporation. As a result, Children's Health Queensland does not earn interest on surplus funds and is not charged interest or fees for accessing its approved cash debit facility. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

**Cash and cash equivalents include $7.507 million in relation to General Trust fund monies which are not grouped within the whole-of-Government set-off arrangement and are able to be invested and earn interest. Cash on deposit with the Queensland Treasury Corporation earned interest at an annual effective rate of 3.43 per cent during the 2013-14 financial year.

18 Receivables

Trade receivables	4,528	6,655
Less: allowance for impairment loss	(164)	(504)
	4,364	6,151
GST input tax credits receivable	320	492
GST payable	(105)	(491)
	215	1
Service revenue receivable	2,136	3,819
Accrued other revenue	1,406	1,799
Total	**8,121**	**11,770**
Movements in the allowance for impairment loss		
Balance at 1 July	504	-
Amount transferred from restructure	-	264
Amounts written off during the financial year	(238)	-
Increase/(decrease) in allowance recognised in operating result	(102)	240
Balance at 30 June	**164**	**504**

19 Inventories

	Note	2014 $'000	2013 $'000
Inventory held for distribution - at cost	2(j)	2,603	2,985
Total		**2,603**	**2,985**

20 Other current assets

Prepayments	136	142
Total	**136**	**142**

21 Non-current assets classified as held for sale

Land	-	6,680
Buildings	-	424
Total	**-**	**7,104**

In June 2013, the Minister for Health approved the disposal of the building and parcel of land at 169 Water Street, Spring Hill to the Department of Education, Training and Employment as an arm's length transaction. Settlement of the transaction was effected by the Department of Health on 30 June 2014. As the land and building was legally owned by the Department of Health at time of sale (under a Deed of Lease to Children's Health Queensland), the property was transferred to the Department of Health on 30 June 2014 being the effective date of the Surrender of the Deed of Lease and immediately prior to completion of the sale.

Derecognition of the property by Children's Health Queensland occurred through a reduction in contributed equity (owner's equity withdrawal) and the recognition of the asset by the Department of Health as an increase in contributed equity (owner's equity injection) in accordance with AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and Queensland Treasury and Trade Accounting Policy Guideline (APG) 9 *Accounting for Contributions by Owners and Distributions to Owners*. The property transferred to the Department of Health at a value of $7.104 million reflecting the net book value as at 30 June 2014.

22 Intangible assets

	2014	2013
	$'000	$'000
Purchased software - at cost	-	160
Less: accumulated amortisation	-	(158)
Total purchased software	-	2
Developed software - at cost	1,570	-
Less: accumulated amortisation	(330)	-
Total developed software	1,240	-
Total intangible assets	**1,240**	**2**

Intangibles reconciliation

	Purchased Software	Developed Software	Total
	$'000	$'000	$'000
Balance at 1 July 2013	2	-	2
Acquisitions	-	-	-
Cost transferred from DoH	-	1,570	1,570
Accumulated depreciation transferred from DoH	-	(157)	(157)
Amortisation charge for the year*	(2)	(173)	(175)
Balance at 30 June 2014	**-**	**1,240**	**1,240**

	Purchased Software	Developed Software	Total
	$'000	$'000	$'000
Balance at 1 July 2012	-	-	-
Acquisitions from restructure	160	-	160
Accumulated depreciation from restructure	(157)	-	(157)
Amortisation charge for the year*	(1)	-	(1)
Balance at 30 June 2013	**2**	**-**	**2**

*Amortisation of intangibles is included in the line item „Depreciation and Amortisation' in the Statement of Comprehensive Income.

23 Property, plant and equipment

	2014 $'000	2013 $'000
Land:		
At fair value	16,698	14,532
	16,698	14,532
Buildings:		
At fair value	204,548	169,183
Less: accumulated depreciation	(135,474)	(101,971)
	69,074	67,212
Plant and equipment:		
At cost	32,818	31,293
Less: accumulated depreciation	(19,638)	(19,402)
	13,180	11,891
Capital works in progress:		
At cost	-	912
	-	912
Total	**98,952**	**94,547**

Land

In 2013-14, land was independently valued using a combination of comprehensive valuations and indexed valuations using indices provided by the State Valuation Service (SVS). Fair value was determined by SVS through the use of the market based direct comparison method. Indices were based on actual market movements for the relevant location and asset category. Management has assessed the indices provided by SVS as appropriate and has endorsed the use of the indices. The programme resulted in a net increment of $0.159 million representing an increase of 1.1% from the value of land as at 30 June 2013.

Buildings

In 2013-14, all buildings were comprehensively valued as at 30 June 2014 by Davis Langdon. The building revaluations for 2013-14 resulted in a net increment of $4.919 million representing an increase of 7.3% from the value of buildings as at 30 June 2013.

Plant and Equipment

Children's Health Queensland has plant and equipment with an original cost of $0.804 million (or 2.4 per cent of total plant and equipment gross value) and a written down value of zero still being used in the provision of services.

Future developments

The new Lady Cilento Children's Hospital is expected to be completed and ready for service delivery capacity in November 2014. Buildings currently occupied at the Royal Children's Hospital site at Herston

Future developments (continued)

are expected to be vacated by 30 June 2015 in line with the current Deed of Lease with Metro North Hospital and Health Service. Refer Note 35 for further details.

Property, plant and equipment reconciliation

	Land (Level 2)	Buildings (Level 3)	Plant and equipment	Work in progress	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 July 2013	14,532	67,212	11,891	912	94,547
Acquisitions	-	473	3,881	-	4,354
Donation received	-	-	53	-	53
Transfers from other HHS's	2,006	604	-	-	2,610
Recognition/(Derecognition) of assets	-	-	30	(24)	6
Disposals	-	-	(150)	-	(150)
Transfer between classes	-	553	335	(888)	-
Transfer to DoH/other HHS's	-	(350)	(38)	-	(388)
Revaluation increments/(decrements)	160	4,919	-	-	5,079
Depreciation charge for the financial year	-	(4,337)	(2,822)	-	(7,159)
Balance at 30 June 2014	**16,698**	**69,074**	**13,180**	**-**	**98,952**

	Land (Level 2)	Buildings (Level 3)	Plant and equipment	Work in progress	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 July 2012	-	-	-	-	-
Acquisitions from restructure – cost	21,316	150,102	33,187	195	204,800
Acquisitions from restructure – accumulated depreciation	-	(81,693)	(19,315)	-	(101,008)
Acquisitions	-	-	1,115	976	2,091
Donation received	-	-	19	-	19
Disposals	-	-	(300)	-	(300)
Transfer between classes	-	259	-	(259)	-
Held for sale	(6,680)	(424)	-	-	(7,104)
Revaluation increments/(decrements)	(104)	3,157	-	-	3,053
Depreciation charge for the financial year	-	(4,189)	(2,815)	-	(7,004)
Balance at 30 June 2013	**14,532**	**67,212**	**11,891**	**912**	**94,547**

Level 3 significant valuation inputs and relationship to fair value

All Children's Health Queensland buildings are classified as health service site buildings and are determined to be level 3 within the fair value hierarchy (refer to Note 2(n). The fair value is calculated by quantity surveyors on behalf of Davis Langdon. The methodology is known as the Depreciated Replacement Cost valuation technique. The following table highlights the key unobservable (Level 3) inputs assessed during the valuation process and the relationship to the estimated fair value.

Description	Significant unobservable inputs	Unobservable inputs quantitative measures	Unobservable inputs – general effect on fair value measurement
Buildings – health service sites (fair value $69.074 million)	Replacement cost estimates	Hospitals: $23.332 million to $90.579 million Other buildings: $0.476 million to $8.847 million	Replacement cost is based on tender pricing and historical building cost data. An increase in the estimated replacement cost would increase the fair value of the assets. A decrease in the estimated replacement cost would reduce the fair value of the assets.
	Remaining lives estimates	5 years to 31 years	The remaining useful lives are based on industry benchmarks. An increase in the estimated remaining useful lives would increase the fair value of the assets. A decrease in the estimated remaining useful lives would reduce the fair value of the assets.
	Costs to bring to current standards	Hospitals: $7.304 million to $18.803 million Other buildings: $0.091 million to $3.535 million	Costs to bring to current standards are based on tender pricing and historical building cost data. An increase in the estimated costs to bring to current standards would reduce the fair value of the assets. A decrease in the estimated costs to bring to current standards would increase the fair value of the assets.
	Condition rating	1 to 4	The condition rating is based on the physical state of the assets. An improvement in the condition rating (possible high of 1) would increase the fair value of the assets. A decline in the condition rating (possible low of 5) would reduce the fair value of the assets.

For further information on condition ratings refer to Note 2(l).

The use of alternative, suitable measures for each unobservable input would not materially impact fair value.

The condition rating of an asset is used as a mechanism to determine the cost to bring to current standards and also to estimate the remaining useful life.

There are no other direct or significant relationships between the unobservable inputs which materially impact fair value.

24 Payables

	2014 $'000	2013 $'000
Trade payables*	18,373	15,626
Accrued expenses	8,674	8,344
Other	-	1
Total	**27,047**	**23,971**

* Trade payables include outstanding payables of $14.950 million of health service employee costs to the Department of Health.

25 Employee benefits

Accrued employee expenses	232	113
Total	**232**	**113**

26 Other current liabilities

Unearned service revenue	289	361
Total	**289**	**361**

27 Asset revaluation surplus by class

	Land (Level 2) $'000	Buildings (Level 3) $'000	Total $'000
Balance at 1 July 2013	-	3,157	3.157
Revaluation increment	55	4,919	4,974
Balance 30 June 2014	**55**	**8,076**	**8,131**
Balance at 1 July 2012	-	-	-
Revaluation increment	-	3,157	3,157
Balance at 30 June 2013	**-**	**3,157**	**3,157**

The asset revaluation surplus represents the net effect of revaluation movements in property, plant and equipment.

28 Reconciliation of operating surplus to net cash from operating activities

	2014 $'000	2013 $'000
Operating result from continuing operations	6,720	10,263
Non-cash items:		
Depreciation expense	7,159	7,004
Amortisation expense	175	1
Equity non cash withdrawals	(7,250)	(6,960)
Land revaluation decrement/(increment)	(104)	104
Increase/(decrease) in trade receivable impairment losses	(102)	240
Inventory written off	49	171
Donations non-current physical assets	(53)	(19)
Loss on sale of property, plant and equipment	120	172
Gain on sale of property, plant and equipment	(1)	(25)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	2,068	(2,650)
(Increase)/decrease service revenue receivables	1,682	(3,818)
(Increase)/decrease in inventories	333	168
(Increase)/decrease in prepayments	6	18
Increase/(decrease) in payables	3,075	14,947
Increase/(decrease) in unearned service revenue	(72)	361
Increase/(decrease) in employee benefits	119	113
Net cash generated by operating activities	**13,924**	**20,090**

29 Non-cash financing and investing activities

Assets and liabilities received or transferred by Children's Health Queensland are set out in the Statement of Changes in Equity.

30 Commitments for expenditure

	2014 $'000	2013 $'000

(a) Non-cancellable operating leases

All operating leases for properties occupied by Children's Health Queensland are contractually held in the name of the Department of Health and as such are not reported in this note.

(b) Capital expenditure commitments

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

Not later than one year	4,153	-
Total	**4,153**	**-**

(c) Grants and subsidies commitments

Grants and subsidies commitments inclusive of anticipated GST, committed to provide at reporting date but not recognised in the accounts, are payable as follows:

Not later than one year	792	-
Total	**792**	**-**

(d) Other expenditure commitments

Other expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts, are payable as follows:

Not later than one year	15,743	742
Later than one year and not later than five years	81,809	-
Total	**97,552**	**742**

The total increase in other expenditure commitments is primarily due to support services contracts relating to the Lady Cilento Children's Hospital.

31 Contingencies

Litigation in progress

The number of cases filed with the courts is as follows:

	2014 Number of cases	**2013** Number of cases
Supreme court	-	-
District court	-	-
Magistrates court	-	-
Tribunals, commissions and boards	-	1
Total	**-**	**1**

Health litigation is underwritten by the Queensland Government Insurance Fund (QGIF). Children's Health Queensland's liability in this area is limited to an excess per insurance event. Refer to Note 2(t).

The introduction of the *Personal Injuries Proceedings Act 2002* has resulted in fewer cases appearing before the courts. These matters are usually resolved at the pre-proceedings stage.

All Children's Health Queensland indemnified claims are managed by QGIF. As at 30 June 2014, there were 14 claims managed by QGIF, some of which may never be litigated or result in payments to claims. The maximum exposure to Children's Health Queensland under this policy is up to $20,000 for each insurable event.

32 Restricted assets

Children's Health Queensland holds a number of General Trust accounts which meet the definition of restricted assets. These accounts ensure that the associated income is only utilised for the purposes specified by the issuing body.

Children's Health Queensland receives cash contributions primarily from private practice clinicians 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 for stipulated purposes.

At 30 June 2014, an amount of $7.981 million in General Trust income is set aside for the specified purposes underlying the contribution.

	2014 $'000	2013 $'000
Balance at 1 July	7,486	6,855
Income	1,691	1,786
Expenditure	(1,196)	(1,155)
Balance at 30 June	**7,981**	**7,486**

The main General Trust accounts include, but are not limited to:

- Private Practice Option B: Study, Education and Research Trust	2,824	2,339
- Strategic Development Fund	1,414	1,894
- Cherish the Children Foundation for future development of the hospital	1,293	1,200
- Personal Health Record	690	-
- Children's Foundation for Liver Transplant fund	401	436

33 Third party monies

Children's Health Queensland acts as a billing agency for medical practitioners with a Right of Private Practice agreement. Refer to Note 2(c).

Children's Health Queensland acts in a custodial role in respect of these transactions. As such, they are not recognised in the financial statements, but are disclosed below for information purposes.

The Queensland Audit Office undertakes a review of such accounts as part of the audit of the Children's Health Queensland financial statements.

	2014	2013
	$'000	$'000
(a) Patient trust accounts		
Balance at 1 July	2	8
Cash receipts	1	2
Cash payments	(1)	(8)
Balance at 30 June	**2**	**2**
(b) Right of private practice accounts		
Trust account revenue and expense:		
Revenue		
Billings	3,906	3,709
Total revenue	**3,906**	**3,709**
Expense		
Payments to medical practitioners	2,170	2,279
Payments to Children's Health Queensland for recoverable costs	1,210	968
Payments to medical practitioners' Study, Education and Research Trust	526	462
Total expenditure	**3,906**	**3,709**
Third party assets and liabilities		
Current assets		
Cash at bank	776	783
Total assets	**776**	**783**
Current liabilities		
Payables to medical practitioners	196	170
Payables to Children's Health Queensland for recoverable costs	465	514
Payable to medical practitioners' Study, Education and Research Trust	115	99
Total liabilities	**776**	**783**

34 Financial instruments

	Note	2014 $'000	2013 $'000
(a) Categorisation of financial instruments			
Children's Health Queensland has the following categories of financial assets and financial liabilities:			
Financial assets			
Cash and cash equivalents	17	38,968	26,669
Receivables	18	8,121	11,770
Total		**47,089**	**38,439**
Financial liabilities			
Payables	24	27,047	23,971
Total		**27,047**	**23,971**

(b) Financial risk management

Children's Health Queensland is exposed to a variety of financial risks – interest rate risk, credit risk, liquidity risk and market risk.

Financial risk is managed in accordance with Queensland Government and agency policies. Children's Health Queensland's policies provide written principles for overall risk management and aim to minimise potential adverse effects of risk events on the financial performance of the agency.

Risk exposure	Measurement method
Credit risk	Ageing analysis, earnings at risk
Liquidity risk	Monitoring of cash flows by active management of accrual accounts
Market risk	Interest rate sensitivity analysis

(c) Credit risk exposure

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

Credit risk, excluding receivables, is considered minimal given all Children's Health Queensland deposits are held by the State through Queensland Treasury Corporation.

The carrying amount of receivables represents the maximum exposure to credit risk. As such, receivables are not included in the below disclosure.

Maximum exposure to credit risk

Category			
Financial assets			
Cash on deposit	17	7,507	7,507
Total		**7,507**	**7,507**

(c) Credit risk exposure (continued)

No collateral is held as security and no credit enhancements relate to financial assets held by Children's Health Queensland.

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

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

The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to Children's Health Queensland, according to the due date (terms of 30 days).

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt or group of debtors. If Children's Health Queensland determines that an amount owing by such a debtor does become uncollectible (after appropriate range of debt recovery actions), that amount is recognised as a bad debt expense and written-off directly against receivables. In other cases where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a bad debt expense and written-off directly against receivables.

Impairment loss expense for the current year in regard to Children's Health Queensland's receivables is $0.164 million. This is a decrease of $0.340 million from 2012-13 and is due to a reduced level of aged outstanding debt as at 30 June 2014.

Ageing of past due but not impaired as well as impaired trade receivables are disclosed in the following tables:

2014	Neither past due nor impaired $'000	Past due but not impaired $'000	Impaired $'000	Allowance for impairment $'000	Net receivables $'000
Trade receivables					
Not yet due	3,224	-	-	-	3,224
Less than 30 days	-	78	476	(12)	542
30 - 60 days	-	85	204	(12)	277
61 - 90 days	-	55	97	(12)	140
More than 90 days	-	31	278	(128)	181
Total	**3,224**	**249**	**1,055**	**(164)**	**4,364**

2013	Neither past due nor impaired $'000	Past due but not impaired $'000	Impaired $'000	Allowance for impairment $'000	Net receivables $'000
Trade receivables					
Not yet due	4,020	-	-	-	4,020
Less than 30 days	-	52	980	(35)	997
30 - 60 days	-	62	559	(50)	571
61 - 90 days	-	59	312	(9)	362
More than 90 days	-	47	564	(410)	201
Total	**4,020**	**220**	**2,415**	**(504)**	**6,151**

(d) Liquidity risk

Liquidity risk is the risk that Children's Health Queensland will not have the resources required at a particular time to meet its obligations to settle its financial liabilities. Children's Health Queensland is exposed to liquidity risk through its trading in the normal course of business. It aims to reduce the exposure to liquidity risk by ensuring sufficient funds are available to meet employee and supplier obligations at all times. Children's Health Queensland has an approved debt facility of $3 million under whole-of-Government banking arrangements to manage any short term cash shortfalls. This facility has not been drawn down as at 30 June 2014.

The following table sets out the liquidity risk of financial liabilities held by Children's Health Queensland. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to liabilities at reporting date.

	Note	< 1 year $'000	1-5 years $'000	> 5 years $'000	Total $'000
2014					
Payables	24	27,047	-	-	27,047
Total		**27,047**	**-**	**-**	**27,047**
2013					
Payables	24	23,971	-	-	23,971
Total		**23,971**	**-**	**-**	**23,971**

(e) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk. Children's Health Queensland has interest rate exposure on the 24 hour call deposits with Queensland Treasury Corporation. Children's Health Queensland does not undertake any hedging in relation to interest rate risk. Changes in interest rate have a minimal effect on the operating result of Children's Health Queensland.

(f) Interest rate sensitivity analysis

The following interest rate sensitivity analysis depicts the outcome on the operating result and equity position if interest rates were to change by +/- 1% from the year end rates applicable to Children Health Queensland's financial assets.

	Carrying	Interest rate risk			
Financial instruments	**amount**	**-1%**		**+1%**	
	$'000	**Operating result**	**Equity**	**Operating result**	**Equity**
2014					
Cash on deposit	7,507	(75)	(75)	75	75
Potential impact on operating result and equity		**(75)**	**(75)**	**75**	**75**
2013					
Cash on deposit	7,507	(59)	(59)	91	91
Potential impact on operating result and equity		**(59)**	**(59)**	**91**	**91**

(g) Fair value

Apart from cash and cash equivalents, Children's Health Queensland does not recognise any financial instruments at fair value in the Statement of Financial Position.

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

35 Events occurring after balance date

(a) Transition to the new Lady Cilento Children's Hospital

The commissioning of the new Lady Cilento Children's Hospital (LCCH) is expected to occur in November 2014. This will result in a number of changes for Children's Health Queensland including the following:

i. An increase in services, workforce and Department of Health service level funding

The impending move to the new hospital will include the integration of the Mater Children's Hospital's current services and contract funding. As a result, Children's Health Queensland's service agreement funding for 2014-15 as provided by the Department of Health, is expected to increase reflecting seven months of increased activity and will further increase in 2015-16 to reflect twelve months of operation under the new arrangement. Total income including funding from the Department of Health (based on round 3 provisional service agreement funding) is estimated to increase by an estimated $133.899 million in 2014-15. Estimated staffing numbers are expected to increase by approximately 1,040 full time equivalents (FTEs) to 3,073 FTEs as at 30 June 2015. This will have a material impact on the total income and expense balances reflected within the Statement of Comprehensive Income during the 2014-15 and later financial years.

ii. Transfer of buildings currently occupied at the Royal Children's Hospital site, Herston.

The transitioning of services to the new LCCH facility is expected to result in Children's Health Queensland vacating the Royal Children's Hospital and other associated buildings at the Herston site (referred to as "RCH buildings") on 30 June 2015 (current termination date of the Deed of Lease) or such time as the lease is surrendered.

Children's Health Queensland currently controls the RCH buildings under a Deed of Lease arrangement with Metro North Hospital and Health Service (Metro North). Metro North was prescribed as the legal owner of the RCH buildings effective from 1 July 2014. Under the terms of the Deed of Lease, Metro North is the lessor while Children's Health Queensland is the lessee of the RCH buildings. Children's Health Queensland is currently responsible for managing and maintaining the buildings during the Deed of Lease. At the time the lease is surrendered, control of the RCH buildings will transfer to Metro North. The current written down value as at 30 June 2014 of the RCH buildings that will transfer is $59.815 million.

iii. Valuation of buildings currently occupied at the Royal Children's Hospital site, Herston.

On 1 August 2014, the Qld Government announced that the Royal Children's Hospital site at Herston is set to become a world class health precinct, with registrations of interest for future development proposals being called. The registration of interest process, run by Projects Queensland, will ask industry to submit their preliminary ideas for the use of the site, with an expression of interest process to follow.

All RCH buildings to which Children's Health Queensland currently control and reflect in the Statement of Financial Position, have been revalued as at 30 June 2014 by an independent valuer. This has been undertaken on the basis of depreciated replacement cost methodology with a remaining useful life ascribed for the buildings.

As at the signing of this financial report, no decision has been made by the Government with respect to the development of the RCH site. As the future use of the site is unknown, the RCH buildings have been valued using a depreciated replacement cost methodology which assumes continued use of the buildings as part of the redeveloped site. The pending Government decision with respect to the future use of the site may result in material adjustments to the current net

(a) Transition to the new Lady Cilento Children's Hospital (continued)

book values of the RCH buildings. Any decision is unlikely to be confirmed prior to 30 June 2015. As the lease for the current buildings expires on the 30 June 2015 or earlier, it is expected the RCH buildings will transfer back to the lessor at the current fair value.

iv. Transfer of legal ownership of the LCCH hospital to Children's Health Queensland

Following expected transition to the new LCCH in November 2014, legal ownership of the facilities land and building assets will transfer to Children's Health Queensland from the Department of Health. As at the signing of this financial report, it has not yet been determined as to when such transfer will take place, however it is estimated to occur within the 2014-15 financial year. The respective land and buildings will be transferred at fair value, the value of which is yet to be determined.

(b) Transfer of legal ownership of health service land and buildings to HHSs

Commencing 1 July 2014, the legal title of health service land and buildings will progressively transfer from the Department of Health to HHSs. As HHSs currently control these assets, through Deed of Lease arrangements, there will be no material direct impact to the accounts of Children's Health Queensland upon such transfer from the Department of Health. Legal title transfer for Children's Health Queensland's land and building assets is expected to occur on 1 July 2015 with the exception of those building assets as mentioned in 1(ii) and 1(iv) above.

(c) Hospital and Health Services to be prescribed as employers

Prior to 1 July 2014, the majority of staff except the Health Service Chief Executive, health executive service (HES) employees and other applicable senior staff (working in a HHS), were employed by the Director-General, Department of Health.

In June 2012, amendments were made to the *Hospital and Health Boards Act 2011*, giving Hospital and Health Boards more autonomy by allowing them to become the employer of staff working for their HHS. As such, HHSs will become prescribed employers by regulation.

Children's Health Queensland demonstrated its readiness to become an employer and was prescribed as an employer on 1 July 2014. As a result, all existing and future staff working for the HHS became Children's Health Queensland employees. The HHS, not the department, will now recognise employee expenses in respect of these staff. The Director-General, Department of Health, will continue to be responsible for setting terms and conditions of employment, including remuneration and classification structures, and for negotiating enterprise agreements.

(d) Senior Medical Officer and Visiting Medical Officer Contracts

Effective 4 August 2014, Senior Medical Officers and Visiting Medical Officers will transition to individual employment contracts.

Individual contracts mean senior doctors will have a direct employment relationship with their HHS and employment terms and conditions tailored to individual or medical specialty circumstances (within a consistent state-wide framework).

(d) Senior Medical Officer and Visiting Medical Officer Contracts (continued)

As a direct employment relationship will be established between contracted medical officers and their HHS, employee-related costs for contracted Senior Medical Officers and Visiting Medical Officers will be recognised by the employing HHS (not the Department of Health) from the date the contracts are effective.

Non-contracted Senior Medical Officers and Visiting Medical Officers will remain employed under current award arrangements. Where their HHS is not a prescribed employer, they will continue to be employed by the Department of Health.

(e) Other matters

Other than the above, no matters or circumstances have arisen since 30 June 2014 that have significantly affected, or may significantly affect Children's Health Queensland's operations, the results of those operations, or the HHS's state of affairs in future financial years.

Management Certificate

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

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

(b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Children's Health Queensland for the financial year ended 30 June 2014 and of the financial position of Children's Health Queensland at the end of that year; and

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

Susan Johnston
Chair
Children's Health Queensland
Hospital and Health Board

28/08/2014

Dr Peter Steer
Health Service Chief Executive
Children's Health Queensland
Hospital and Health Service

28/08/2014

INDEPENDENT AUDITOR'S REPORT

To the Board of Children's Health Queensland Hospital and Health Service

Report on the Financial Report

I have audited the accompanying financial report of Children's Health Queensland Hospital and Health Service, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chair and Health Service Chief Executive.

The Board's Responsibility 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 prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

  (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

  (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Children's Health Queensland Hospital and Health Service for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

B R Steel CPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

Children's Health Queensland Hospital and Health Service
2013–2014 Annual Report
www.health.qld.gov.au/childrenshealth