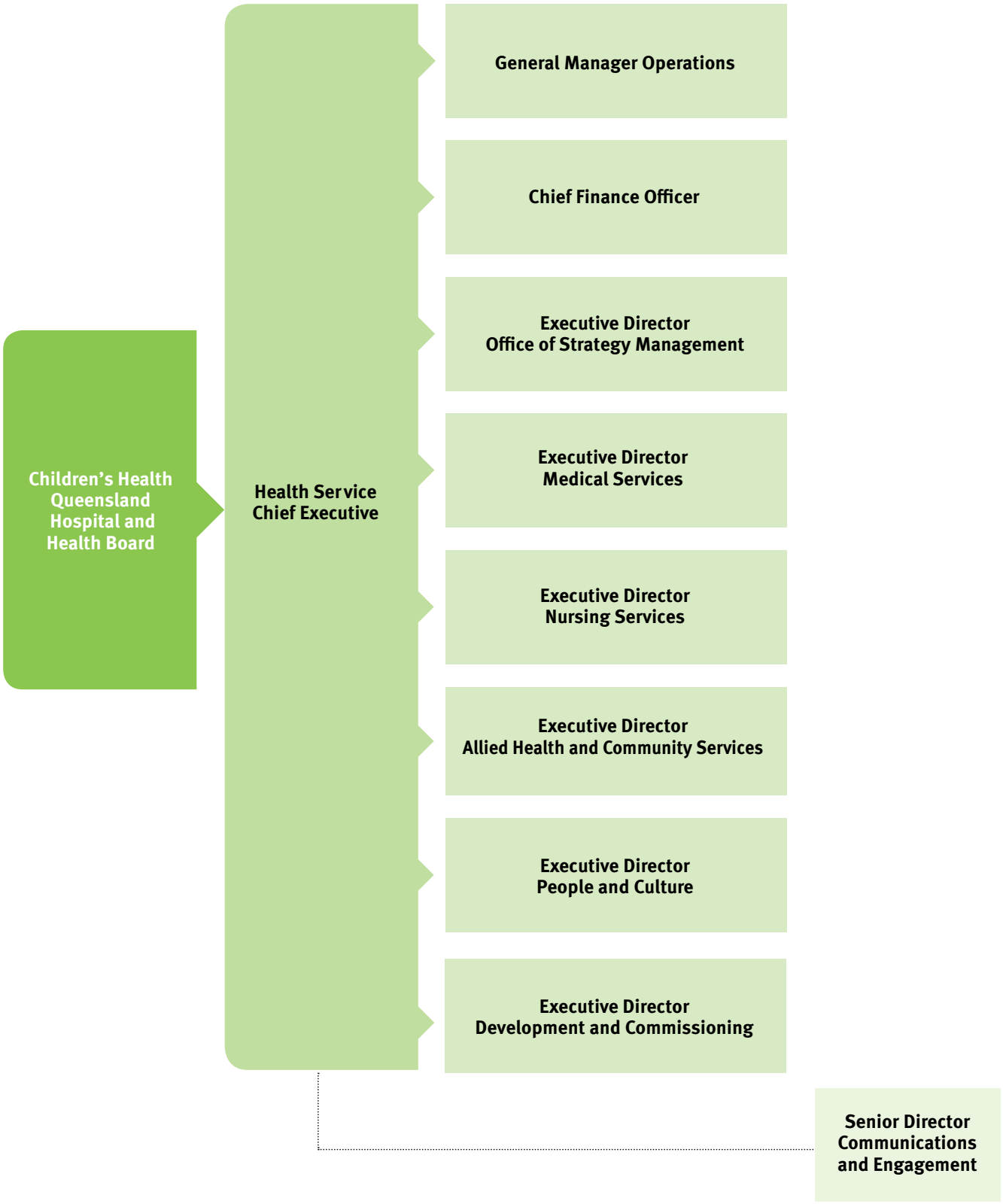

Children's Health Queensland Hospital and Health Board
Health Service Chief Executive
General Manager Operations
Chief Finance Officer
Executive Director Office of Strategy Management
Executive Director Medical Services
Executive Director Nursing Services
Executive Director Allied Health and Community 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.

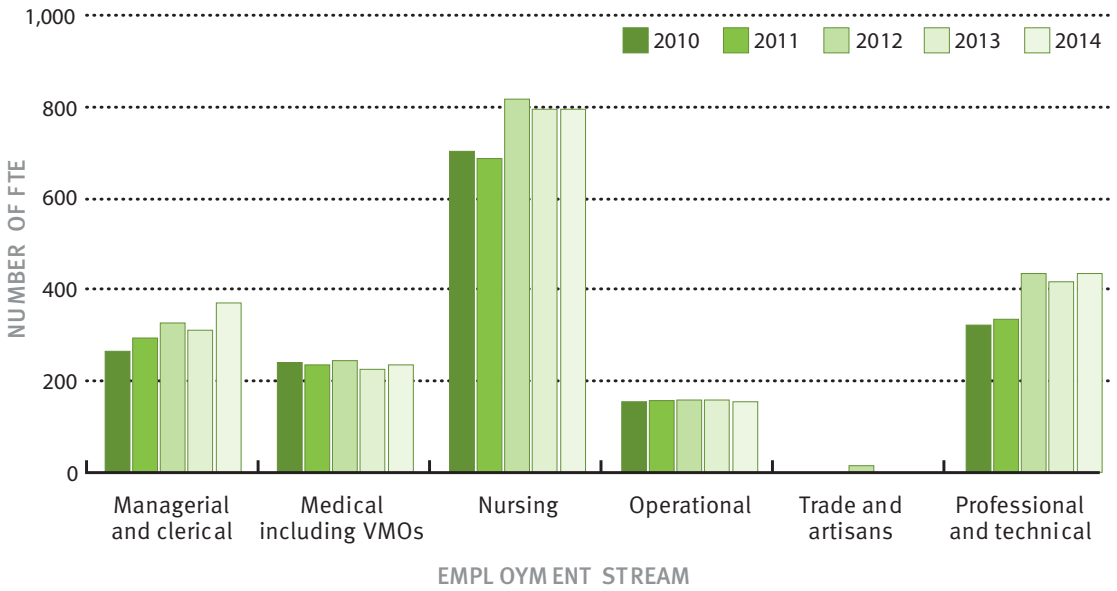
CHQ's approach to workforce planning and management focuses on:

- 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

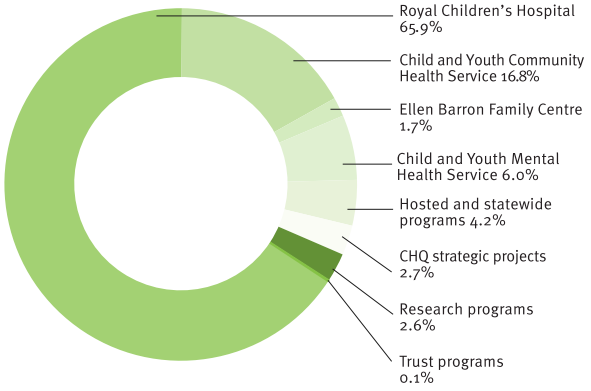
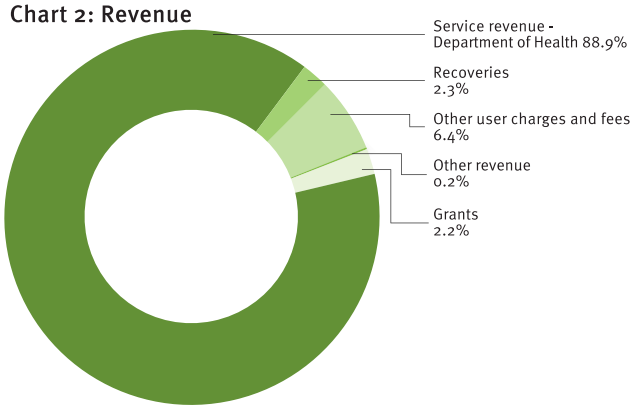
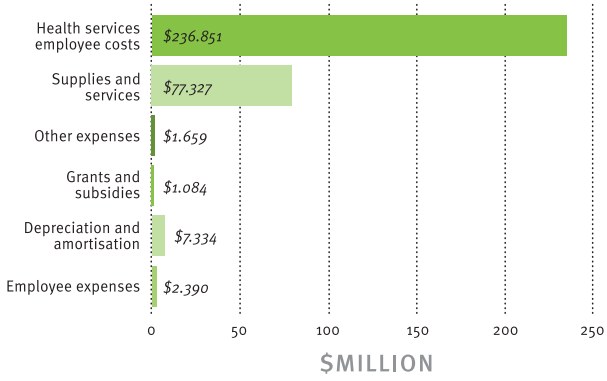


Chart 2: Revenue



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