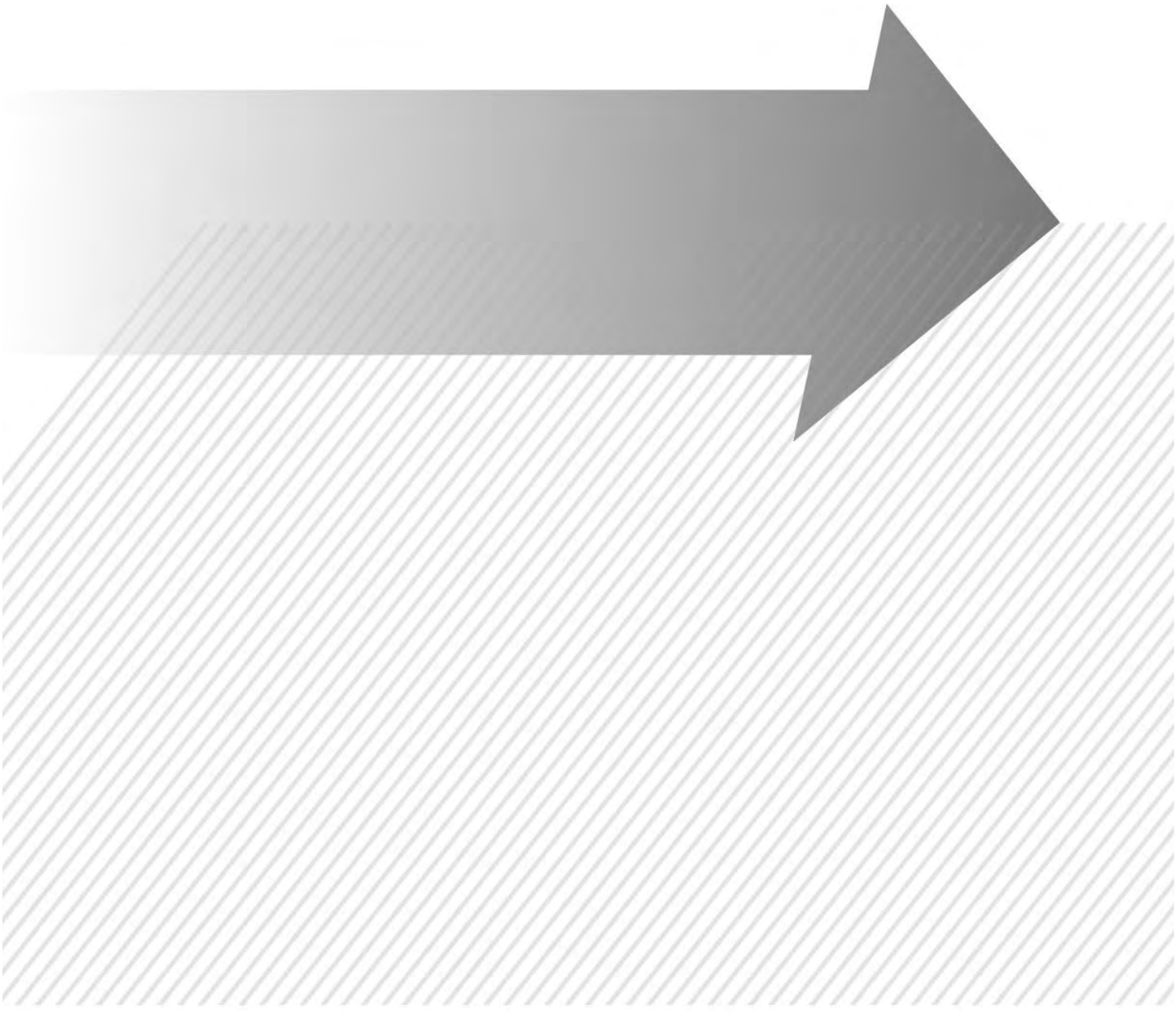
Children's Health Queensland Hospital and Health Service

Annual Report

2025-2026



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Feedback
Feedback is important for improving the value of our future reports. Send your feedback to: Children's Health Queensland Executive Office, PO Box 3474, South Brisbane QLD 4101 or via email: CHQ_Comms@health.qld.gov.au

Public availability statement
This publication can be viewed at www.childrens.health.qld.gov.au. Hard copies are available by phoning Communications on 07 3068 5698. Alternatively, you can request a copy by emailing CHQ_Comms@health.qld.gov.au

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

Interpreter service statement
Children's Health Queensland is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. To talk to someone about this annual report in your preferred language call 07 3068 3365 and ask to speak with an interpreter.

Acknowledgment to Traditional Custodians

Children's Health Queensland pays respect to the Traditional Custodians of the lands on which we walk, talk, work and live. We acknowledge and pay our respects to Aboriginal and Torres Strait Islander Elders past, present and emerging.

Recognition of Australian South Sea Islanders

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

Letter of compliance

1 September 2026

The Honourable Tim Nicholls MP
Minister for Health and Ambulance Services
GPO Box 48
Brisbane QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2025–2026 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 2019,* and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements is provided at page 104 of this annual report.

Yours sincerely

Heather Watson
Chair
Children's Health Queensland Hospital and Health Board

Contents

Statement on Queensland Government objectives for the community

Section 10 of the *Financial Accountability Act 2009 (Qld)* requires that the Government prepares and tables in the Legislative Assembly a statement of the government's broad objectives for the community.

The objectives for the community reflect the Government's vision for Queensland. They are:

- Safety where you live
- Health services when you need them
- A better lifestyle through a stronger economy
- A plan for Queensland's future

Children's Health Queensland contributes to the Queensland Government's objectives for the community, in particular:

Health services when you need them

- **Backing our frontline services** through building our capacity and capability to deliver world-class paediatric care, research, advocacy and leadership.
- Working with our statewide partners to ensure all Queensland children and young people can access world-class healthcare no matter where they live.

A plan for Queensland's future

- **Building Queensland** by developing integrated family and community hubs that will deliver health services differently and closer to home.
- Honouring and embracing our rich and ancient cultural history by co-designing our care for the next generations of Aboriginal and Torres Strait Islander children and providing culturally safe and appropriate healthcare environments.
- **Protecting the environment** through our commitment to becoming a leader in sustainable practices by delivering economic, environmental and social benefits for a healthier tomorrow.

Children's Health Queensland has an ethical, social and economic responsibility to ensure children receive the best possible start in life and flourish as part of a healthy, vibrant society. We are committed to improving the health and wellbeing of children and young people, particularly those from vulnerable communities and families, by delivering quality front-line services and building safe, caring and connected communities.

Message from the Board Chair and Chief Executive

In 2025–2026, Children's Health Queensland continued to deliver on its promise to put children and young people first. Through exceptional care, innovation, research, and partnership, we have advanced health equity, enhanced access to services, and created healthier futures for Queensland families.

Guided by our *Strategic Plan 2024-2028*, we continued to progress our priorities to foster an **engaged workforce**, support **sustainable futures**, enhance access through **networked care**, and build **strong communities**.

Engaged workforce

Our people are our greatest asset, and we remain committed to fostering a culture where every staff member feels valued, engaged and empowered to deliver exceptional outcomes for children, young people and their families.

By investing in professional development and leadership capability, we are supporting our people to grow their careers while fostering a leadership mindset. Our *Growing Great Leaders* program empowers leaders to perform at their best and provide critical support to teams, services, patients and families. The program strengthens the skills and capabilities outlined in the *2026 Children's Health Queensland Leadership Excellence Framework*.

Thanks to our people, Children's Health Queensland achieved a 50 per cent participation rate in the 2025 Working for Queensland survey—up from 19 per cent in 2024—and an employee engagement rate of 73 per cent. This engagement rate was up from 68 per cent in 2024, and 13 percentage points higher than the Queensland Public Sector overall.

In 2025-2026, we continued our focus on building a workforce that reflects the diverse communities we serve. Eleven Aboriginal and Torres Strait Islander cadets across allied health, nursing and legal disciplines were supported through our Footprints program. A further 12 people secured positions through our Aboriginal and Torres Strait Islander talent pool. These initiatives are strengthening career pathways, supporting talent development, and helping grow and retain our Aboriginal and Torres Strait Islander workforce.

We took a definitive step towards becoming a more inclusive and equitable health service with the launch of Children's Health Queensland's first *Disability Inclusion Action Plan 2025–2029*. This plan, developed in consultation with people with lived experience of disability, outlines our roadmap for improving accessibility across our services and creating healthcare and working environments that better meet the needs of all patients, families, carers and employees.

Sustainable futures

Accelerating sustainable high-value care through integration, innovation and transformation remains a steadfast focus.

In 2025-2026, the Queensland Children's Hospital became the first paediatric hospital in Australia to embed a new non-invasive technology to assess the stomach function of children with severe neuromuscular bowel disorders or disabling gastrointestinal symptoms. This technology reduces time to diagnosis and diagnostic uncertainty, while minimising the need for more invasive tests that may require anaesthesia or radiation.

The quality of medical imaging for diagnosis and treatment planning has also been enhanced with a $6.8 million technology upgrade. This investment included the installation Australia's first MINITOM Kids, a child-sized MRI simulator, which allows children to become familiar with the scan process through play

Our commitment to delivering environmentally responsible, high-value, low-carbon healthcare has been galvanised with the launch of our *Climate Risk and Environmental Sustainability Targets Plan 2025–2029*. The plan outlines the actions we will take over the next four years to reduce emissions, minimise waste, strengthen

climate resilience and embed sustainable practices across our organisation.

Networked care

Children's Health Queensland continued to strengthen Queensland's statewide paediatric and adolescent health system by building and supporting networked models of care.

We improved access to the Ellen Barron Family Centre's free, 24/7 virtual support service for child feeding, sleep, behaviour or developmental challenges by implementing a new referral pathway to the Ellen Barron Family Centre via the 13HEALTH phone service. The Virtual Residential Parenting Program connects parents and carers across Queensland, northern New South Wales and the Northern Territory with expert, tailored support within their home.

Guided by our second *Aboriginal and Torres Strait Islander Health Equity Strategy 2025–2028*, we deepened our partnerships to improve care coordination and health outcomes for Aboriginal and Torres Strait Islander children and young people. In collaboration with the Institute for Urban Indigenous Health, we launched a Queensland-first information sharing partnership, enabling healthcare professionals to securely access key clinical information in real time. This innovative approach supports stronger collaboration with families and health providers, helping to ensure children are well prepared for treatment and receive coordinated follow-up care in their communities.

Children's Health Queensland has established a 24/7 statewide clinical advisory service and a statewide training program as the first deliverables of the new Queensland Health Child Sexual Abuse Service. This statewide reform, being led by Children's Health Queensland expertise, aims to deliver trauma-informed, streamlined, and timely responses for children under 14 years affected by sexual abuse.

Strong communities

We know that health outcomes are shaped long before a child enters a hospital. By investing in prevention, health promotion, early intervention, and community partnerships, we are helping children and young people stay healthy and well within their own communities.

As part of Children's Health Queensland's contribution to the delivery of the Putting Queensland Kids First program, we trained eight hospital and health services in Sustained Health Home Visiting delivery in 2025-2026. Sustained health home visiting supports parents in their own wellbeing and builds capacity to provide safe, healthy home environments for their child's development. By 30 June 2026, we had also implemented community hearing screening services in Darling Downs, Gold Coast, Metro North and Townsville hospital and health services to increase access to screening and diagnostic audiology services for children and young people.

Our Connecting2u team expanded the reach of the free text messaging service with culturally tailored parenting advice and health reminders for Māori and Pacific Island families. Developed in partnership with Māori and Pasifika communities, the new message suite incorporates cultural knowledge, values, and language to support families with timely information on child development, nutrition, bonding, health checks and vaccinations. More than 27,000 Queensland parents and caregivers have now signed up for the Connecting2u service.

While all the achievements over the past year are significant, they represent only a small part of the difference our people and services make every day in the lives of children, young people and their families across Queensland. It is the unwavering pursuit of excellence by our people, the strength of our partnerships, and the trust placed in us by the communities we serve that continue to drive our success.

Together, we are strengthening our position as a world-class paediatric health service—delivering exceptional care today while shaping a healthier future for Queensland's children and the generations that follow.

Heather Watson
Board Chair

Frank Tracey
Health Service Chief Executive

SECTION 1: ABOUT US

1.1 Strategic direction

The *Children's Health Queensland Strategic Plan 2024-2028* describes our objectives, strategies and key performance indicators. It helps children, young people, families, staff, our community, partners and all other stakeholders understand our future direction.

Our four overarching strategic objectives are:

1. Engaged workforce

Deliver an inclusive environment where our people are valued, safe and empowered to make change.

2. Sustainable futures

Accelerate sustainable high-value care through integration, innovation and transformation.

3. Networked care

Advance the statewide paediatric and adolescent health system through partnership.

4. Strong communities

Support prevention, promotion and early intervention that helps keep children and young people healthy in their communities.

Our Health Service Chief Executive reports to the Board regularly against the organisation's achievements towards these strategic goals. Reporting includes the progress of principal activities and reporting risks, challenges and opportunities.

View the full strategic plan at:
www.childrens.health.qld.gov.au/about-us/strategies-and-reports/strategic-plan-2024-2028

Agency role and functions

Children's Health Queensland Hospital and Health Service (HHS) is an independent statutory body, governed by the Children's Health Queensland Hospital and Health Board, which is accountable to the community and the Queensland Minister for Health and Ambulance Services.

Established on 1 July 2012 under the *Queensland Government's Hospital and Health Boards Act 2011*, Children's Health Queensland is Queensland's only statewide specialist hospital and health service, responsible for the provision of public paediatric health services.

Under the *Hospital and Health Boards Act 2011,* the Queensland Department of Health is responsible for the overall management of the public health system including statewide planning and monitoring the performance of hospital and health services.

A formal service agreement is in place between the Department of Health and Children's Health Queensland that identifies the healthcare, teaching, research and other services that Children's Health Queensland will provide, funding arrangements for those services, and targets and performance indicators to ensure outputs and outcomes are achieved.

This service agreement is negotiated annually and available publicly at
www.publications.qld.gov.au/dataset/children-s-health-queensland-hhs-service-agreements

1.2 Vision, purpose and values

Everything we do at Children's Health Queensland is guided by our vision, our purpose and our values.

Our vision

Children and young people first.

Our purpose

Empowering generations through trusted healthcare.

Our values

Respect
We listen to others.

Integrity
We do the right thing.

Care
We look after each other.

Imagination
We dream big.

Queensland Public Service values

Children's Health Queensland's core values of Respect, Integrity, Care and Imagination work in parallel with the five Queensland Public Service values:

Customers first

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

Ideas into action

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

Unleash potential

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

Be courageous

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

Empower people

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

1.3 Priorities

In 2025-2026, we continued to maintain a strong focus on establishing, strengthening, integrating and evolving our healthcare services in line with the four strategic priorities of the *Children's Health Queensland Strategic Plan 2024-2028*. These priorities are:

Engaged workforce

- Proactively provide an environment where physical health, psychological, and cultural safety are paramount.
- Invest in learning for leadership, digital capability and experience design through people, processes, and systems.
- Build a diverse and inclusive workforce which includes lived experience and peer workforces.
- Grow and retain the Aboriginal and Torres Strait Islander workforce.
- Develop and celebrate workforce talent.

Sustainable futures

- Leverage technology to streamline and simplify healthcare services.
- Advance clinical excellence through initiatives that drive transformative health outcomes.
- Actively eliminate racial discrimination and institutional racism.
- Lead internationally recognised research and knowledge translation.
- Deliver healthcare that promotes sustainable development of the planet.
- Integrate governance, operational processes, and systems to improve efficiency.

Networked care

- Evolve and deliver statewide models that transform continuity of care.
- Scale and spread statewide paediatric and adolescent capability through innovative workforce models, registered training pathways, and virtual opportunities.
- Generate opportunities for networked paediatric and adolescent services using population-based health service insights.
- Utilise Aboriginal and Torres Strait Islander specific population-based and social determinants data to drive equitable healthcare.
- Build services that enable the capability of children, adolescents, and young adults to transition beyond Children's Health Queensland's care.

Strong communities

- Increase equitable access to person-centred and inclusive healthcare for diverse communities.
- Develop and enhance partnerships with Aboriginal and Torres Strait Islander organisations.
- Enable healthcare decision-making and navigation through health literacy initiatives.
- Work in partnership with community to co-design and deliver integrated community-based services.
- Promote the social, emotional, and cultural wellbeing of all infants, children and young people who use Children's Health Queensland hospital, community and mental health services.

We continue to progress the operationalisation of the *Children's Health Queensland Children's Health and Wellbeing Services Plan 2018-2028.* The document outlines our five key health service directions for optimising the health and wellbeing of children and young people:

- Promote wellbeing and health equity
- Improve health service design and integration
- Evolve service models
- Deliver services closer to home
- Pursue innovation.

1.4 Aboriginal and Torres Strait Islander health

Children's Health Queensland is dedicated to delivering culturally safe care for Aboriginal and Torres Strait Islander children and young people. Our continued commitment involves co-designing services with Aboriginal and Torres Strait Islander communities to better meet the needs of the community.

By embedding culture and empowering the voices of Aboriginal and Torres Strait Islander consumers, workforce and communities, we ensure that the care we offer is culturally safe, respectful and upholds the cultural values of Aboriginal and Torres Strait Islander peoples.

Children's Health Queensland understands that culture must be embedded in the services we provide, not merely celebrated in the spaces where we provide it. By enhancing the quality of care, we contribute to the wellbeing and cultural continuity of the whole community.

Our efforts are not only focused on improving health outcomes but also having positive impacts on the social determinants of health by enabling young people to be healthy in education, supporting healthy and vibrant families, and empowering young people to live free and safe lives.

Health equity strategy

Children's Health Queensland released its second Aboriginal and Torres Strait Islander Health Equity Strategy in July 2025 and associated implementation plan in May 2026. The strategy is being implemented from 2025 to 2028. An impact report was released in September 2025, which provided a snapshot of the work completed under the first *Health Equity Strategy (2022-2025).*

Strategic partnerships

Children's Health Queensland continued to strengthen its partnership with IUIH in 2025-2026 as a part of our ongoing commitment to support culturally safe models of care, reduce system barriers, and encourage shared care and collaboration of services for Aboriginal and Torres Strait Islander children and young people in South East Queensland.

Together, we continued to deliver the Open Doors Program, providing specialist care to 277 Aboriginal and Torres Strait Islander children and young people across 14 specialty areas. The program saw a significant growth in total attendance in 2025-2026 compared to previous years', with some of this growth attributed to the introduction of text messaging services to support engagement and remind families about upcoming clinics. These clinics continue to provide a culturally safe environment with support from Aboriginal and Torres Strait Islander health workers. Practical barriers, such as transport and appointment scheduling, are continually addressed.

Children's Health Queensland strengthened its partnership with Metro North Hospital and Health Service in 2025-2026, holding two joint community-based events on Brisbane's northside:

- **Connecting the Journey: Growing Strong Kids Health Equity**

  Almost 200 people attended this community consultation event in March 2026 to share their experiences and ideas to help shape change needed to better support and meet community need. Six yarning circles identified the following key themes:

  - Safer, stronger care pathways are needed that are easy to understand and culturally led.
  - Earlier support is needed as social and emotional wellbeing and mental health needs are increasing.
  - Recognising culture, identity and Country are protective factors for children's health.

- Everyday pressures affect health and families' ability to access care
- Kindness, respect and compassion matter– families want to be listened to and respected.
- Racism harms families and children and continues to be a serious barrier to achieving health equity.

- **Connecting the Journey: Growing Strong Kids Health Equity Community Showcase**

  This event in May 2026, attended by about 177 people, provided an opportunity for community to listen and learn about the range of services and programs available to them. Children Health Queensland showcased services to the community, including MobED and the School-Based Youth Health Nurse program.

Workforce diversity

In 2025-2026, 2.15 per cent of employees identified as Aboriginal and/or Torres Strait Islander, representing an increase from the previous year of 0.16 per cent.

Workforce diversity achievements in the reporting period included:

- Twelve placements from the Aboriginal and Torres Strait Islander talent pool.
- Eleven cadets were supported across allied health, nursing and legal through the Children's Health Queensland's Footprints program.
- The Deadly Ears team facilitated 185 hours of cultural capability training to 74 staff across eight communities, supporting the ongoing development of a culturally capable workforce.

Service delivery

In 2025-2026, Children's Health Queensland continued to strengthen and expand its service delivery programs for Aboriginal and Torres Strait Island children and young people.

- The Deadly Ears program delivered specialist ENT clinical and surgical services to Aboriginal and Torres Strait Islander children in 13 regional and remote communities across Queensland. This included the expansion of services into two new communities – Charleville and St George. The program also strengthened integrated care by increasing access to specialist nurses, Aboriginal and Torres Strait Island health workers, audiologists, speech pathologists and occupational therapists.

  Deadly Ears ENT specialists saw 749 children, with 78 receiving surgery, and 172 surgical procedures performed through outreach services. A total of 989 clinical assessments were performed by a nurse or Aboriginal or Torres Strait Islander health practitioner. Additionally, 1,014 audiological assessments, 438 occupational therapy consultations and 388 speech pathology consultations were conducted. Care was coordinated for 340 children via referrals to local and tertiary services, while 187 telehealth sessions supported continuity of care between community visits.

  Additionally, the program completed 188 community engagement activities with local services, schools, early childhood centres, councils and community organisations. A further 32 education and upskilling sessions were delivered to strengthen local ear and hearing health knowledge and referral pathways.
- The Child and Youth Mental Health Service received 1,285 referrals for Aboriginal and Torres Strait Islander children and young people, which resulted in 288 new service episodes commencing and 691 referrals to other services.
- The Forensic Child Youth Mental Health Service (CYMHS) provided critical mental health and wellbeing support to more than 188 vulnerable children and young people.
- The Indigenous Respiratory Outreach Care (IROC) service delivered 17 clinics in 16

communities across Queensland, providing face-to-face care for 560 children and young people. There were strong attendance rates, averaging 75-80 per cent across all sites and 100 per cent attendance at Doomadgee and Aurukun clinics in November 2025. Telehealth services were also provided between outreach clinics, which supports ongoing clinical monitoring and follow up.

- The Children's Health Queensland Paediatric Palliative Care Service supported 30 families from across Queensland and northern New South Wales who identified as Aboriginal and or Torres Strait Islander. Support through the First Nations Project Officer and Aboriginal Health Worker ensured care was culturally safe, responsive, and aligned with each family's values, beliefs and preferences. Through participation in statewide palliative care forums, site visits to regional and remote areas, and strengthening networks of care with other HHSs and community partners (including engagement with elders), the team continued to raise awareness of paediatric palliative care of Aboriginal and Torre Strait Islander children, young people and their families.
- The MOB ED team in the Queensland Children's Hospital supported 3,076 patients seeking treatment in the emergency department. This included 1,827 children, young people and their families who were seen by an Aboriginal and Torres Strait Islander health worker and a total of 1,249 follow-up clinical and cultural telephone conversations with an Aboriginal and Torres Strait Islander clinical nurse.
- The Transport to Treatment service began operations in January 2026, providing a dedicated airport-to-hospital transfer service. This service supports regional and remote families travelling to the Queensland Children's Hospital for medical care, ensuring a seamless journey from arrival in Brisbane to hospital, accommodation and transfers to local services and essential amenities. Since January 2026, the service has supported 39 families (98 family members), providing culturally supportive transport from areas including Mount Isa, Cairns, Rockhampton, Palm Island, Townsville, Badu Island, Hope Vale, Normanton and Darwin. This program continues to provide a critical role in ensuring families feel welcomed, supported and connected, removing one of the most common barries to accessing services at the Queensland Children's Hospital.

1.5 Our hospital and community-based services

Children's Health Queensland is dedicated to caring for children and young people from across Queensland and northern New South Wales.

We deliver responsive, integrated, high-quality, person-centred care through a network of professionals, services and facilities, incorporating:

- the Queensland Children's Hospital
- Jacaranda Place
- Ellen Barron Family Centre
- Child and Youth Community Health Service
- Child and Youth Mental Health Service
- Yarrabilba Family and Community Place
- Dakabin Youth Hub
- statewide services and programs, including specialist outreach and telehealth services.

A recognised leader in paediatric healthcare, education and research, we deliver a full range of clinical services, tertiary and quaternary care, and health promotion programs.

Our services are provided at the Queensland Children's Hospital and from community sites in the Brisbane metropolitan area. We also partner with the 15 other hospital and health services in Queensland, as well as non-government agencies, charities and other healthcare providers, to ensure every child and young person, regardless of where they live, has access to the best-possible care, coordinated services and support.

Our proven commitment to people, partnerships, equity and innovation to provide the best care for Queensland children and young people is internationally recognised through our Gold Certification for Excellence in Person-Centred Care by Planetree International. We are the only paediatric healthcare provider in the world to currently hold Gold Certification and the only Planetree-certified organisation in Australia.

Our person-centred care approach considers children, young people and their families as true partners in their care, and places individual social, emotional, cultural, mental and physical care needs at the heart of their healthcare journey.

Queensland Children's Hospital

The Queensland Children's Hospital in South Brisbane is the major specialist paediatric hospital for Queensland and northern New South Wales and is a centre for teaching and research. Categorised as a level six service under the *Clinical Services Capability Framework for Public and Licensed Private Health Facilities v3.2, 2014*, the Queensland Children's Hospital is responsible for providing general paediatric health services to children and young people in the greater Brisbane metropolitan area, as well as tertiary-level care for the state's sickest and most seriously injured children.

As part of our model of service delivery, we work with Queensland and interstate partners to coordinate, when safe and appropriate to do so, the provision of care as close to home as possible for a child and their family.

The Queensland Children's Hospital also delivers statewide paediatric speciality services, covering areas including burns, rehabilitation, cardiology and cardiac surgery, cerebral palsy, cystic fibrosis, gastroenterology, oncology, neurology and haemophilia care.

As part of our commitment to sharing knowledge, Children's Health Queensland offers training in a broad range of clinical specialities and provides undergraduate, postgraduate and practitioner-level training in paediatrics.

The Queensland Children's Hospital also plays a significant role in clinical research, undertaking research programs with universities, industry and other academic partners.

Concessional parking

To help families with the cost of parking in the hospital precinct, we continue to exercise the *Queensland Children's Hospital Concessional Parking Policy* developed in alignment with the Queensland Health Patient and Carer Car Parking Concessions Standard. The policy offers discounted parking of $12 per day or $100 for a monthly pass (where applicable) to families who either:

- are experiencing financial hardship
- attend the hospital two or more days per week, or
- hold a Health Care Card and visit the hospital for an inpatient admission or outpatient appointment.

During the 2025-2026 period, 63,511 concessional parking tickets at a value of $12 each were issued to families rather than having to pay the casual parking rate of $35. An average of 5,292 concessional parking tickets were issued to families per month, which represents a 17 per cent increase on the average of 4,407 from 2024-2025.

Child and Youth Community Health Service

Our Child and Youth Community Health Service unites a variety of primary health services and specialist statewide programs dedicated to helping children and their families lead healthier lives.

Multidisciplinary teams of doctors, child and youth health nurses, early intervention clinicians, allied health professionals, Aboriginal and Torres Strait Islander health workers, multicultural health workers and other health professionals deliver a comprehensive range of health promotion, assessment, intervention and treatment services across the continuum of care.

We provide access to community care for almost 500,000 children across the Greater Brisbane area from more than 80 sites, including community health centres, hubs and schools. The Child and Youth Community Health Service also supports communities across the state via outreach and statewide services such as the Deadly Ears program, Pacifikai, the Healthy Hearing program, and the Ellen Barron Family Centre.

Child and Youth Mental Health Service

Our Child and Youth Mental Health Service provides comprehensive, collaborative, consumer and family-centred care for infants, children, young people and families in need of specialised mental health treatment.

We aim to improve the mental health and wellbeing of children and young people, and their carer networks using a recovery-focused model.

A high priority is placed on collaborative care, consultation, consumer choices and partnering with families and stakeholders to achieve optimal outcomes.

We provide acute and tertiary-level mental health services across the continuum for children and young people at a range of locations. Our services include acute inpatient care at the Queensland Children's Hospital, sub-acute inpatient care for young people at Jacaranda Place, day programs, community-based care and treatment at clinics across the greater Brisbane metropolitan area. In addition, we deliver a range of specialist statewide services such as forensic, eating disorders, perinatal and infant mental health, and telepsychiatry services.

1.6 Strategic risks, opportunities and challenges

Operating environment

Children's Health Queensland's complex operating environment requires continuous response and adaptation while balancing our core delivery requirements. Our integrated approach to planning and performance is critical to supporting organisational effort that delivers safe, equitable and person-centred care within the fiscal environment. Each year, Children's Health Queensland undertakes a comprehensive strategic review to understand and surface risks and opportunities that direct operational planning focus and action for the next financial year. In 2025-2026, the following key external trends and priorities have been synthesized to maximise strategic impact.

Workforce resilience and capability

Sustaining workforce wellbeing and preventing and managing compassion fatigue, burnout and emotional exhaustion, remain central challenges in healthcare systems globally. The increasing presence of young healthcare professionals is reshaping workforce expectations, with greater emphasis on work-life balance, flexibility and openness around mental health. This shift represents an important step toward building a more sustainable workforce from within our services.

Despite this progress, rising service demand, staff absenteeism and resource shortages continue to strain healthcare systems. Health professionals often face the dual challenge of engaging meaningfully with consumers while responding to urgent care needs. These pressures are especially pronounced in regional and remote communities, where longstanding workforce gaps can increase reliance on acute and tertiary services. Together, these factors impact both the retention of experienced staff and the attraction of new talent, perpetuating workforce shortages and deepening inequities in access to care.

At the same time, rapid advancements in technology and healthcare innovation are transforming the skills required across the workforce. Ongoing capability development in the areas of digital health, artificial intelligence, data management, ethics, and regulation is critical to maintaining patient safety and the delivery of high-quality care. Building capability across all roles will be more essential in fostering a resilient, adaptable workforce equipped for the future.

Children's Health Queensland will continue to prioritise health workers' wellbeing and engagement at work. *Our Employee Experience Plan 2024-2027, Staff Wellbeing and Mental Health Strategy*, and *Aboriginal and Torres Strait Islander Health Workforce Plan* collectively provide a clear roadmap to support and respond to their evolving needs.

Responding to rising complexity, access pressures and climate impacts

Children's Health Queensland continues to serve increasing numbers of children and young people with complex and specialised needs in the context of constrained budgets and rising cost-of-living pressures, which are creating additional barriers to care, particularly for families in regional and remote communities.

At the same time, climate change is continuing to have a significant and compounding impact upon our health systems. While Australia has established strong policy commitments and decarbonisation goals, gaps remain in translating these into climate-resilient and equitable health outcomes. Vulnerabilities are particularly evident in remote communities where environmental pressures intersect with existing health and social inequities. Health systems and workforces must continue to build capability to respond to climate-related risks, including through improved infrastructure,

community education, and more coordinated adaptation efforts.

These intersecting challenges – rising demand, financial constraints, workforce pressures and climate impacts underscore the need for continued transformation across the health system. They also present an opportunity to accelerate the shift towards more preventive, value-based and sustainable models of care. Children's Health Queensland remains committed to leading sustainable change to ensure we deliver high-quality, equitable and future-focused care for children, young people and families.

Through our Sustainable Care Program, we continue to progress targeted initiatives to ensure we remain a high performing, responsive and future-ready health service.

Transformation in digital health, research and genomics

The convergence of artificial intelligence (AI), genomics, research, and digital health is reshaping Australia's healthcare system, enabling a shift towards more predictive, personalised and consumer-centred care. Advances in virtual care, wearable technologies and data-driven decision-making are improving connectivity, supporting care closer to home, and creating opportunities for more culturally safe and equitable service delivery.

Realising these benefits, however, depends on strong system enablers. Interoperability, cybersecurity, clinical accountability and robust governance, particularly in relation to ethical AI use and the prevention of algorithmic bias which are essential to ensure innovation translates into safe, inclusive and sustainable outcomes. Building workforce capability, including digital and AI literacy, will be critical to support informed adoption and mitigate risks such as misinformation and privacy breaches.

Australia's research and innovation agenda is reinforcing this transformation, with a growing focus on consumer-led research, stronger infrastructure and workforce capability, and faster translation of evidence into practice. National priorities emphasise improving outcomes for priority populations, including First Nations peoples, while advancing emerging areas such as global health security, environmental health, and AI-enabled digital health. Continued investment in areas such as predictive analytics, supercomputing and precision medicine is positioning the health system to respond to future challenges and opportunities.

Genomics is increasingly becoming embedded in mainstream care, particularly in areas such as precision oncology, rare disease diagnostics and pharmacogenomics. This shift is supported by expanding clinical and bioinformatics capability, alongside reforms to strengthen secure, interoperable and culturally safe data systems. Ensuring equitable access and responsible use of genomic insights will require ongoing investment in workforce capability, public and clinician literacy, and robust ethical and regulatory frameworks.

Children's Health Queensland is actively progressing this transformation through its Digital and Data Strategy and implementation plan, ensuring a coordinated approach to innovation that maximises opportunity while managing risk. This work will support a more connected, responsive and future-ready health service, delivering better outcomes for children, young people and families.

Diversity and inclusion in care

Despite progress in areas such as antenatal care, child health checks and culturally safe models of care, significant inequities persist across Australia's paediatric system. These disparities are most pronounced in rural, remote and diverse communities, and are further compounded by gaps in mental health access and workforce capacity. Addressing these challenges will require sustained investment in community-led, culturally safe and place-based models of care, alongside integrated system reforms to improve access, equity and outcomes for all children and young people.

In rural and remote communities, the expansion of hybrid and virtual care is improving access; however, workforce shortages, funding constraints and infrastructure gaps continue to constrain service delivery compared to larger metropolitan areas. Strengthening networked models of care, investing in rural training and workforce retention, improving digital connectivity, and expanding mobile and locally delivered diagnostics will be critical to rebuilding sustainable local capability.

For First Nations children and families, community-led and culturally safe models are delivering improved access and better alignment with cultural and environmental determinants of health. Sustaining and scaling this impact will require strong place-based governance, digital inclusion, and ongoing investment in a culturally capable workforce.

For LGBTQIA+ young people, evolving policy settings, including Queensland's independent review of gender services and the National Health and Medical Research Council's ongoing work on clinical practice guidelines, are strengthening access to inclusive, evidence-based care. Continued focus is needed on youth mental health supports, culturally safe service delivery, workforce training, and partnerships with community-controlled organisations.

For children and young people with disability, the NDIS reform agenda presents a significant shift in the landscape which will impact the interface between disability and healthcare services. Mental health remains a critical priority, with around one in seven children experiencing a mental health disorder, most commonly attention-deficit/hyperactivity disorder or anxiety. Reducing wait times and improving outcomes will require a stronger focus on early intervention and expanded workforce capacity.

Together, these priorities underscore the need for a more inclusive, equitable and coordinated system of care – one that recognises the diverse needs of children and young people and ensures all families can access safe, high-quality and culturally appropriate services.

Children's Health Queensland is prioritising an intersectional approach to addressing health inequities and is committed to improving equity in health outcomes and remove systemic discrimination and barriers to access care from paediatric priority populations.

Strategic opportunities and challenges

The opportunities and challenges outlined below reflect the trends Children's Health Queensland has identified for the medium to long term. Our ability to leverage future opportunities and mitigate risks is vital to achieving our strategic objectives.

Our opportunities

- Empowering our people and equipping them for the future
- Transforming healthcare through digital, research and personalised medicine
- Funding models that incentivise high value and sustainable care
- Investing in child safe, culturally safe, community co-designed care
- Investing in capacity, infrastructure and advocacy for paediatric planning statewide

Our challenges

- Nurturing a sustainable and distributed workforce which strengthens paediatric capability
- Keeping up with the pace of emerging technology
- Rising demand, complexity and budget constraints
- Prevalence of cyber security disruption
- Equitable access to paediatric healthcare in rural, remote and diverse communities
- Co-creating reliable specialist paediatric care for Queenslanders.

SECTION 2: GOVERNANCE

2.1 Our people

Board members

Heather Watson Chair

Commenced: 18/05/2018
Appointed Chair: 01/04/2024
Current term: 01/04/2024 to 31/03/2028

Heather brings more than 30 years' legal and governance experience with specialist expertise in the charitable and non-profit sectors. She has been a partner in legal practices in both regional and metropolitan contexts in Queensland. Heather's non-executive director and industry experience includes aged care, health and community services, infrastructure in transport and housing, and Indigenous communities.

William Fellowes Deputy Chair

Commenced: 18/05/2021
Appointed Deputy Chair: 26/09/2024
Reappointed: 01/04/2026
Current term: 01/04/2026 to 31/03/2030

Will is an experienced non-executive director with a finance, consulting and assurance background. After working in finance and commercial leadership roles globally and around Australia, Will is now based in Western Queensland with his young family and sits on numerous Boards and advisory committees with for-purpose organisations including RACQ, Opera Queensland, and Royal Flying Doctor Service (Queensland). Will is a Chartered Accountant and a graduate of the Australian Institute of Company Directors.

Cheryl Herbert

Commenced: 26/06/2015
Current term: 01/04/2024 to 31/03/2028

Cheryl has more than 20 years' experience as a chief executive officer and leader within not-for-profit and government health and regulatory organisations. A trained midwife and nurse, she is a fellow of the Australian College of Nursing and the Australian Institute of Company Directors, a board member of Lives Lived Well Pty Ltd and a Director of Australian Regional and Remote Community Services Pty Ltd and UnitingCare Qld. Cheryl was the founding Chief Executive Officer of the Health Quality and Complaints Commission from 2006 and served as the Chief Executive Officer of Anglicare (formerly St Luke's Nursing Service) for 10 years. Cheryl represents Children's Health Queensland on the Children's Hospital Foundation Queensland Board.

Inmaculada Beaumont

Commenced: 01/04/2024
Current term: 01/04/2024 to 31/03/2028

Inma is an experienced company director, qualified accountant and stakeholder engagement professional. She has senior executive experience in the health, research, education, energy and banking sectors. Inma is also involved with various not-for-profit organisations focusing on disability, gender equality and health.

Associate Professor Martin Byrne

Commenced: 10/06/2021
Current term: 01/04/2024 to 31/03/2028

Martin is a well-respected general practitioner, rural generalist and medical administrator with more than 20 years' experience working in rural and remote health settings in both the public and private sector. Martin is currently working as a rural GP in Nanango and as a rural generalist for Queensland Country Practice. He is an Associate Professor with Griffith University where he serves as Medical Educator and Examiner and holds senior roles with The University of Queensland and University of Southern Queensland. Martin has previously served in executive roles for South West and Darling Downs Hospital and Health Services.

Suzanne Cadigan

Commenced: 18/05/2019
Reappointed: 1/04/2026
Current term: 01/04/2026 to 31/03/2030

Suzanne has vast experience as a registered nurse in both the public and private health sectors, working in a range of clinical, education and leadership roles in critical care, surgical, paediatric and emergency nursing. Suzanne currently serves on the Clinical Advisory Committee, Australian Commission on Safety and Quality in Health Care. She is also a member of The Queensland Plan Ambassadors Council which fosters community engagement and shared responsibility for achieving the long-term vision of The Queensland Plan.

Professor Simon Denny

Commenced: 10/06/2021
Current term: 01/04/2024 to 31/03/2028

Simon is a paediatrician, and adolescent and young adult physician currently working as Director of the Mater Young Adult Health Centre in South Brisbane. Prior to this, he served as an Associate Professor in the Department of Paediatrics, Child and Youth Health at the University of Auckland. Simon has worked with adolescents and young adults for more than 20 years in Australia, New Zealand and the United States, gaining expertise in a range of health conditions affecting adolescents and young adults including complex medical concerns, and drug, alcohol and mental health concerns. He is widely published internationally in the field of adolescent health and wellbeing.

Meredith Staib

Commenced: 18/05/2020
Reappointed: 01/04/2026
Current term: 1/04/2026 to 31/03/2030

Meredith has more than 20 years' clinical and commercial experience in the public, private and community sectors. With a background in hospital and healthcare management, and global medical assistance, she is currently Chief Executive Officer of the Royal Flying Doctor Service (Queensland Section), one of the largest and most comprehensive aeromedical operations in the world. Meredith is a member of the Australian Institute of Company Directors and has previously held international director and board positions. She holds a master's degree in health management and is an Adjunct Professor at the QUT School of Nursing and Allied Health.

Brian Wyborn

Commenced: 01/04/2026
Current term: 01/04/2026 to 31/03/2030

Brian is a proud Torres Strait Islander and Papua New Guinean man committed to improving outcomes for Aboriginal and Torres Strait Islander peoples. He brings more than 15 years' experience in investments, governance, and strategic leadership, with a career spanning both public and private sector. He currently serves as the Chief Investment Officer at Aboriginal Investment NT, a corporate Commonwealth entity dedicated to driving economic self-determination and building long-term, intergenerational wealth for Aboriginal communities.

Bronwyn Thompson

Commenced: 01/04/2026
Current term: 01/04/2026 to 31/03/2030

Bronwyn is the current Director of Physiotherapy at Children's Health Queensland and a senior lecturer at The University of Queensland. She is also a three-time Olympian in long jump having competed in Sydney 2000, Athens 2004 and Beijing 2008. Bronwyn draws on her experiences as an elite athlete and a paediatric physiotherapist to ensure children have the best chance of reaching their full potential.

Karina Hogan

Commenced: 18/05/2019
Ended: 31/03/2026

Karina is a proud Aboriginal and South Sea Islander woman, born in Mugandjin (Brisbane) with ancestral ties to Northern New South Wales. Raised in Logan, she grew up in a vibrant and diverse First Nations and multicultural community, shaping her lifelong commitment to social justice, culture and community-led change.

Our committees

Health Service Executive Committee

Membership: Will Fellowes (Chair), Suzanne Cadigan, Heather Watson, Inma Beaumont, Martin Byrne, Simon Denny, and Meredith Staib.

The Health Service Executive Committee supports the Board with its governance responsibilities and makes recommendations to the Board by overseeing select strategic issues, strategic planning and stakeholder engagement strategies of the Hospital and Health Service.

Additional responsibilities include supporting the Board with performance arrangements and succession planning for the Health Service Chief Executive and select workforce and culture strategies.

Safety and Quality Committee

Membership: Suzanne Cadigan (Chair), Cheryl Herbert, Martin Byrne, Simon Denny, Bronwyn Thompson (from 1 April 2026), and Karina Hogan (to 31 March 2026).

The Safety and Quality Committee makes recommendations to the Board by overseeing quality and safety, including compliance with state and national standards, provision of person-centred care, service accreditation preparedness, periodic industry review outcomes and critical incidents of concern/interest to the Board and workplace health, safety and wellbeing practices.

Audit and Risk Committee

Membership: Inma Beaumont (Chair), Will Fellowes, Meredith Staib, Suzanne Cadigan, Heather Watson (from 1 April 2026), and Brian Wyborn (from 1 April 2026).

The Audit and Risk Committee provides independent assurance and oversight to the Chief Executive and the Board on risk, internal control and compliance frameworks, and external accountability responsibilities as prescribed in the *Financial Accountability Act 2009*, *Auditor-General Act 2009*, *Financial Accountability Regulation 2019* and *Financial and Performance Management Standard 2019*.

Finance and Performance Committee

Membership: Martin Byrne (Chair), Meredith Staib, Will Fellowes, Inma Beaumont, Bronwyn Thompson (from 1 April 2026), and Karina Hogan (to 31 March 2026).

The Finance and Performance Committee supports and makes recommendations to the Board by overseeing the financial position, performance and resource planning strategies of the Hospital and Health Service in accordance with the *Financial Accountability Act 2009.*

Research and Education Committee

Membership: Simon Denny (Chair), Heather Watson, Cheryl Herbert, Brian Wyborn (from 1 April 2026), and Suzanne Cadigan (from 1 April 2026). External Members: Professor Craig Munns (to 4 December 2025) and Lyndsey Rice (to 4 December 2025).

The Research and Education Committee provides oversight and recommends strategies to the Board in relation to building long-term collaborations in research and enhanced clinical service delivery founded on sustainable and trusting partnerships. The remit of the committee also includes oversight of strategy development in clinical and health service education, training, and learning and development.

New appointments (effective 1 April 2026)

Brian Wyborn.

Bronwyn Thompson.

Appointments ending

Karina Hogan concluded her appointment on 31 March 2026.

Meetings

Board meetings were held on the following dates:

2025	2026
3 July 2025	5 February 2026
7 August 2025	5 March 2026
21 August 2025 (extraordinary)	27 March (extraordinary)
4 September 2025	7 May 2026
2 October 2025	4 June 2026
6 November 2025	
4 December 2025	

Table 1: Children's Health Queensland Hospital and Health Board					
Act or instrument	*Hospital and Health Boards Act 2011 and Hospital and Health Boards Regulation 2012.*				
Functions	• Oversee Children's Health Queensland Hospital and Health Service, including control and accountability systems. • Provide input and final approval of executive development of organisational strategy and performance objectives, including agreeing the terms of the Service Agreement with the Chief Executive (Director-General) of Queensland Health. • Review, ratify and monitor systems of risk management and internal control, and legal compliance. • Monitor the Health Service Chief Executive's performance (including appointment and termination decisions) and implementation of the strategic plan. • Approve and monitor the progress of minor capital expenditure, capital management, and acquisitions and divestitures. • Approve and monitor the annual budget, financial and other statutory reporting.				
Achievements	Children's Health Queensland's achievements are outlined in Section 3 of this annual report.				
Financial reporting	The general purpose financial statements of Children's Health Queensland are prepared pursuant to Section 62 (1) of the *Financial Accountability Act 2009*, relevant sections of the *Financial and Performance Management Standard 2019* and other prescribed requirements.				
*Remuneration: As approved by the Governor in Council, Board Member annual fees are $75,000 for Board Chair, and $40,000 for Deputy Chair and Members. Committee annual fees are $4,000 per Committee for Committee Chair and $3,000 per Committee for Committee Members. **Board total remuneration expenses are disclosed in Section G of the Notes to the Financial Statements.					
Position	**Name**	**Meetings/sessions attendance**	**Approved annual fee**	**Approved committee fees**	**Actual fees received****
Chair	Heather Watson	11 Board / 16 Committee	$75,000	$9,000	$81,413
Deputy Chair	William Fellowes	10 Board / 12 Committee	$40,000	$10,000	$49,829
Member	Cheryl Herbert	11 Board / 7 Committee	$40,000	$6,000	$45,843
Member	Inmaculada Beaumont	11 Board / 13 Committee	$40,000	$10,000	$49,829
Member	Associate Professor Martin Byrne	10 Board / 11 Committee	$40,000	$10,000	$50,021
Member	Suzanne Cadigan	11 Board / 13 Committee	$40,000	$13,000	$50,519
Member	Professor Simon Denny	10 Board / 10 Committee	$40,000	$10,000	$49,829
Member	Meredith Staib	9 Board / 12 Committee	$40,000	$9,000	$48,832
Member	Brian Wyborn	1 Board / 1 Committee	$40,000	$6,000	$10,579
Member	Bronwyn Thompson	2 Board / 3 Committee	$40,000	$6,000	$10,579
Member (to 31 March 2026)	Karina Hogan	7 Board / 4 Committee	$40,000	$9,000	$36,145
No. scheduled meetings		11 Board / 22 Committee			
Total out of pocket expenses		$3,701.84			

Executive Leadership Team

Adjunct Professor Frank Tracey

Health Service Chief Executive

Frank has more than 40 years' experience working in health systems, including executive roles in large health organisations, private and non-government sectors, and in tertiary education. He has a clinical background in nursing and holds advanced qualifications in leadership development, health management and governance. His strong executive management and leadership skills complement his extensive experience in health commissioning and service provision in clinical and community settings. Frank has an applied interest in population health planning and translational health research. While working in both government and non-government roles he has focused on delivering sustainable health strategies that serve the best interests of consumers, health professionals, the broader health and social care system, and the community.

Alan Fletcher

Executive Director Corporate Services and Chief Finance Officer

Alan is a highly experienced healthcare leader responsible for Children's Health Queensland's financial strategy, performance and governance; procurement, contracts and supply chain management; capital asset and infrastructure strategy, lifecycle planning and maintenance compliance; climate risk and environmental sustainability strategy, planning and response; and corporate governance, assurance frameworks and internal audit function. He is a member of CPA Australia and has more than 28 years' financial leadership and management within the public health sector with extensive knowledge and experience in financial management, business leadership and corporate strategy.

Associate Professor Steven McTaggart

Executive Director Medical Services

Steven was appointed Executive Director Medical Services for Children's Health Queensland in May 2021, having previously been the Divisional Director of Medicine since 2014. He has also worked as a paediatric nephrologist for 20 years and continues with some limited clinical practice, providing care to children with kidney disease and their families. Steven is passionate about person-centred care, patient safety and quality, and clinical excellence, and is the Paediatric Medical Lead, Patient Safety and Quality at Clinical Excellence Queensland. His leadership is pivotal to supporting the workforce to deliver continuous improvement in patient care by embedding best practice and encouraging innovation in clinical care, education and research.

Adjunct Professor Callan Battley

Executive Director Nursing Services
(Until 25/01/2026)

Callan is a highly respected executive nurse leader who is passionate about the healthcare and wellbeing of children and young people with a particular interest in equity. He holds conjoint roles working in partnership with multiple universities to develop a paediatric and young person nursing workforce for the future and is actively involved as an investigator in a number of research projects that seek to improve outcomes and reduce harm to children and young people. He has a strong track record of leading transformation across multiple large health services that deliver improvement and high performance and is actively involved in children's health and wellbeing in rural and remote Queensland through volunteer work.

Ruth McCaffery

Acting Executive Director Nursing Services
(Commenced 12/01/2026)

Ruth has 35 years of paediatric nursing experience. She has held senior nursing roles in education and workforce planning. Her clinical background as a paediatric intensive care nurse and extracorporeal life support (ECLS)

specialist, teaching as a nurse educator and in quality and patient safety as the principal project officer in the launch of the Queensland Children's Early warning Tool (CEWT), have embedded the fundamental belief that interprofessional, clinical, health care education is fundamental in the provision of high-quality care and assuring patient safety. Her professional focus continues into supporting the development of models of care and expanding interprofessional learning opportunities, utilising the latest modalities as an advocate for learning needs across all professional streams. Ruth supports the work of the Australian Nursing and Midwifery Accreditation Council and the Prevocational Medical Accreditation Queensland as a member of their accreditation team. Ruth holds post-graduate qualifications in nursing, teaching, and research.

Associate Professor Leanne Johnston

Executive Director Allied Health

Leanne is an advanced clinical paediatric physiotherapist with 30 years' experience across clinical, research, management and education roles. Leanne is passionate about improving healthcare quality and reducing health inequality and has dedicated her career to providing high-quality person-centred care and support for children and their families. Leanne has held executive roles across multiple sectors, including Head of Physiotherapy for The University of Queensland, and Allied Health and Research Manager for the Cerebral Palsy League of Queensland. Leanne also served as a founding Board Member for Children's Health Queensland from 2012 to 2019.

Brendan Hoad

Chief Operating Officer
(Acting 23/06/2025 to 04/01/2026. Appointed 05/01/2026)

Brendan is a dedicated, long-standing member of the Children's Health Queensland leadership team, bringing more than two decades of experience in Queensland Health. An operating theatre nurse by background, Brendan has been part of the Queensland Children's Hospital since its inception and previously served at the Royal Children's Hospital. Throughout his career, Brendan has held several senior leadership roles within the Division of Surgery. From 2019 to 2025, he was the Divisional Director for Surgery, where he played a pivotal role in advancing safe, high-quality surgical care for children and young people across Queensland. Brendan is widely recognised for his deep understanding of clinical systems and processes, which are essential to the delivery of safe, effective, and integrated paediatric hospital and community-based services.

Adrian Clutterbuck

Executive Director Strategy and Transformation

Adrian has a passion for developing people and teams and has been with Children's Health Queensland since 2017. Adrian has extensive experience leading and delivering strategy and transformation work across health systems internationally. As a director in a top tier management consultancy company, he has delivered operational efficiency and large-scale reconfiguration and transformation work across the United Kingdom and Australian health systems. A physiotherapist by training, Adrian has held clinical leadership roles in community services as well as business development roles in a multinational pharmaceutical company.

Angela Young

Executive Director Aboriginal and Torres Strait Islander Engagement ***(Until 28/09/2025)***

Angela is a Kullalli/Koa woman who brings a wealth of experience to Children's Health Queensland. Prior to her appointment, Angela was the General Manager, Policy and Research for the Queensland Aboriginal and Islander Health Council where she was a strong advocate for the health advancement of Aboriginal and Torres Strait Islander peoples. Angela has a passion for justice and holds a Bachelor of Laws. She commenced her career

as a government lawyer and has held senior roles in the areas of Aboriginal and Torres Strait Islander wellbeing, employment and education.

Dennis Conlon

Acting Executive Director Aboriginal and Torres Strait Islander Engagement
(Acting 22/10/2025 to 20/04/2026)

Dennis is a proud Kullalli, Koa and Wakka Wakka man and a senior health leader with extensive experience in Aboriginal and Torres Strait Islander health, public health systems, and strategic service delivery. He has led complex, multi-stakeholder initiatives across government and health services, with a strong focus on governance, accountability, and culturally safe practice. Dennis brings expertise in program design, workforce development, funding and sponsorship governance, and policy implementation, translating strategic priorities into measurable outcomes. He is recognised for building effective partnerships with clinicians, executives, community-controlled organisations, and industry.

Jessica Oostenbroek

Executive Director Aboriginal and Torres Strait Islander Engagement
(Commenced 20/10/2025, seconded to Queensland Health from 29/09/2025 to 29/03/2026)

Jessica is a proud descendant of the Yuggera peoples of South East Queensland. She has previously served as Queensland's Acting Chief First Nations Health Officer and as a Senior Director in the Department of Health's First Nations Health Office, leading statewide policy, strategy and commissioning, and supporting the First Nations Health Equity reform program. Jessica's experience spans health, child protection, youth justice, and mental health. She holds qualifications in psychology, policy analysis and business administration and currently serves on two company boards. She is deeply committed to advancing health equity and Closing the Gap outcomes for Aboriginal and Torres Strait Islander children and young people.

John Hammond ASM

Executive Director People and Culture
(Acting 27/11/2024 to 04/01/2026. Appointed 05/01/2026)

John is a highly experienced senior leader with significant operational and corporate system experience. Prior to joining Children's Health Queensland, John was an Assistant Commissioner with the Queensland Ambulance Service, with a career in that space spanning almost 24 years. John has led significant and high-profile projects and events ranging from delivering Ambulance services throughout the 2018 Commonwealth Games, through to transformational change in shifting the previously out-sourced operational services to the current in-house model. John leads with empathy and compassion with a focus on fairness and transparency, robust governance principles; and a passion for uplifting leadership capability. Within the People and Culture Portfolio, John leads functions that include human resources, recruitment, health safety and wellbeing, leadership capability, development and culture, and legal services.

Adi Gafni

Chief Digital Transformation Officer
(Commenced 05/01/2026)

Adi is a purpose-driven leader who brings a people-centred approach to technology and data in healthcare. With a passion for innovation, she is focused on enabling digital capabilities that improve care delivery, workforce experience, and organisational performance. Since joining Children's Health Queensland in 2018, Adi has played a key role in shaping the organisation's digital future, including the development of Children's Health Queensland's inaugural Digital and Data Strategy. She fosters a culture of curiosity, collaboration, and continuous improvement, ensuring CHQ's digital transformation consistently supports safe, equitable and future-ready care for children and young people.

Sarah Wanless

Senior Director Office of the Health Service Chief Executive *(Commenced 05/01/2026)*

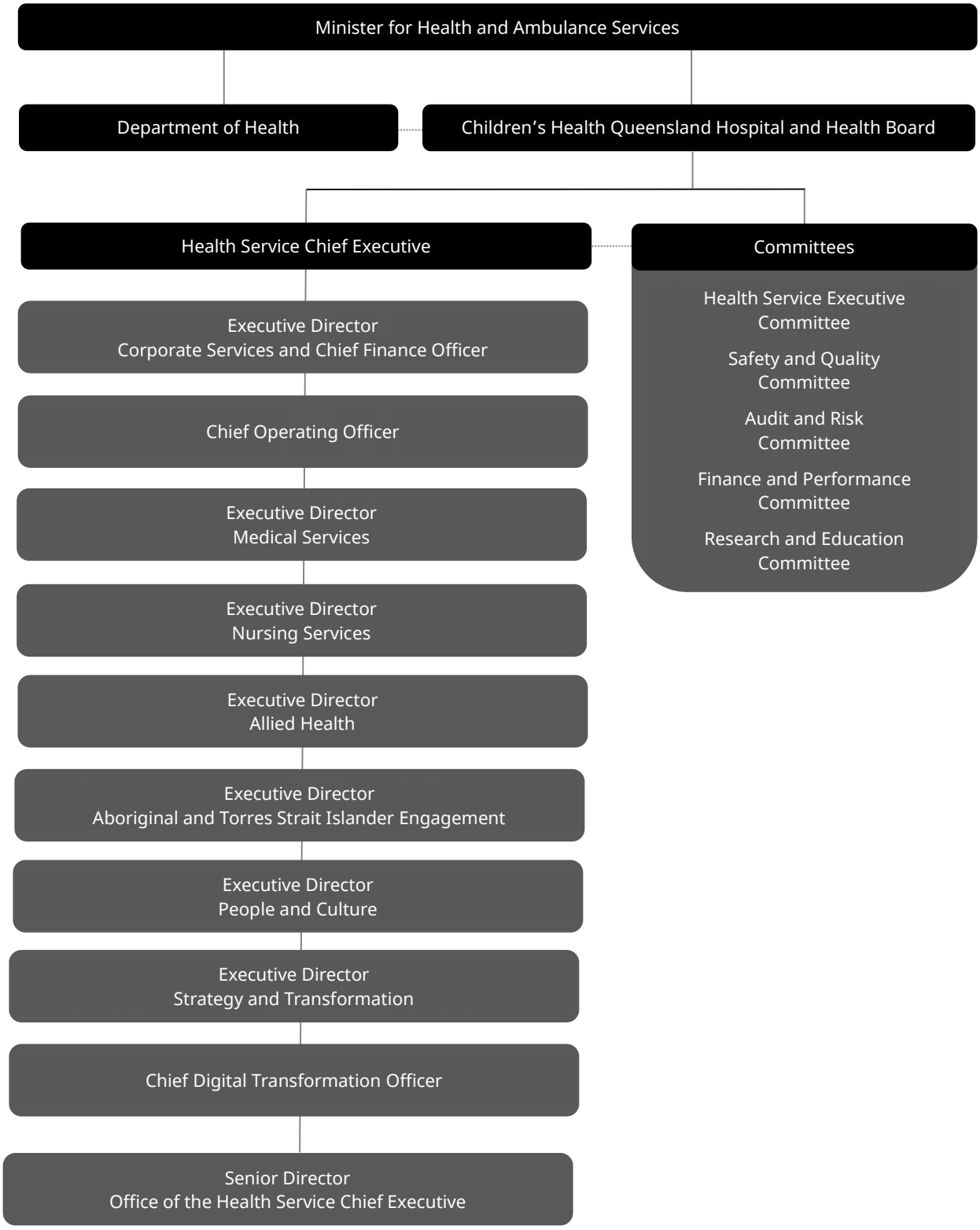
Sarah is a values-driven leader who has held senior leadership roles across service delivery, commissioning, governance and policy in public health systems in Australia and the United Kingdom. Her career began in operational management at Great Ormond Street Hospital for Children, London, before moving into healthcare commissioning within the UK's National Health Service. During this time, she maintained a strong commitment to improving access to high quality, effective services for children and young people. Since relocating to Australia, Sarah has focused on governance, strategy and policy, initially within the Department of Health and, since 2022, in Children's Health Queensland. Working closely with our Board and Executive, Sarah leads government liaison, Board support, official correspondence, media and communications, and executive support functions.

Damian Pointon

Acting Executive Director Communications, Culture and Engagement
(Acting 23/09/2024 to 04/01/2026)

Damian has more than 20 years' experience working in media, corporate communications, marketing and public relations settings in the public and private sector in Australia and the United Kingdom. He has delivered successful strategic communications, crisis management, brand building and stakeholder engagement campaigns for government and non-government organisations, major public infrastructure projects, and key public health issues. Damian specialises in creative strategy and multi-platform storytelling that engages, influences, and inspires. Damian is responsible for Children's Health Queensland's internal and external communications, media, stakeholder engagement, organisational culture and leadership development, as well as the Children's Health Queensland Arts in Health program.

Organisational structure



Workforce profile

Children's Health Queensland recognises that our people are our greatest asset. Ongoing investment in our workforce is vital to ensure we can continue to deliver on our core business of providing high-quality care for patients and families. The goal is to provide a professional, collaborative and supportive work environment that meets the needs and developmental expectations of current and prospective staff.

Table 2: Total staffing and employment status

Total staffing	Headcount	
Headcount	5,850	
Paid FTE	4,826.97	
Employment status	**Headcount**	**%**
Full-time		54.14
Part-time		41.93
Casual		3.93

Table 3: Occupation and appointment by FTE

Occupation type	FTE	%
Corporate		5.28
Frontline and Frontline Support		94.72
Employment status	**FTE**	**%**
Permanent		70.88
Temporary		26.73
Casual		2.13
Contract		0.27

Table 4: Gender*

	Headcount	%
Woman	4,734	80.92
Man	1,106	18.91
Non-binary	10	0.17
Another term	0	0.00
Not disclosed	0	0.00

* Where data available.

Table 5: Diversity target group data

	Headcount	%
Women	4,734	80.92
Aboriginal and Torres Strait Islander peoples	126	2.15
People with disability	122	2.09
Culturally and linguistically diverse (speak a language at home other than English^)	606	10.36

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

Table 6: Target group data for women in leadership roles*

	Headcount	%
Senior officers (classified, s122 and s155 combined)	11	68.75
Senior executive service, high-level senior executives and Chief Executives (classified, s122 and s155 combined)	6	42.86

* Women in leadership are defined as those in classified roles or on s122 or s155 contracts.

Organisational changes

A Tier 1 reorganisation of the Executive Leadership Team structure occurred in 2025-2026. This included:

- uplift of Digital Health from the Corporate Services portfolio to the Executive Leadership Tier 1 structure
- realignment of the Governance, Audit and Risk functions into the Corporate Services portfolio
- realignment of the Culture and Leadership functions into the renamed People and Culture portfolio
- increase of Office of Health Services Chief Executive accountabilities.

Executive Leadership Team

Appointments

- Ruth McCaffery appointed Acting Executive Director Nursing Services on 12 January 2026.
- Brendan Hoad appointed Chief Operating Officer on 5 January 2026.
- John Hammond appointed Executive Director People and Culture on 5 January 2026.
- Jessica Oostenbroek appointed Executive Director Aboriginal and Torres Strait Islander Engagement on 20 October 2025.
- Dennis Conlon appointed Acting Executive Director Aboriginal and Torres Strait Islander Engagement on 22 October 2025.
- Jessica Oostenbroek resumed Executive Director Aboriginal and Torres Strait Islander Engagement on 15 April 2026.
- Adi Gafni appointed Chief Digital Transformation Officer on 5 January 2026.
- Sarah Wanless appointed Senior Director Office of the Health Service Chief Executive on 5 January 2026.

Resignations

- Angela Young, Executive Director Aboriginal and Torres Strait Islander Engagement resigned on 19 September 2025.
- Callan Battley, Executive Director Nursing Services resigned on 9 January 2026.

Abolished

- Executive Director Communications, Culture and Engagement on 4 January 2026.

Strategic workforce planning and performance

Workforce planning, attraction and retention

We are committed to ensuring Children's Health Queensland's workforce is capable, committed and supported, and ensuring we provide the best possible healthcare services to Queensland children and their families.

Industrial relations

Children's Health Queensland continues to operate within an industrial framework of consultative forums.

The framework includes:

- Children's Health Queensland Union Consultative Forum
- Nursing Consultative Forum
- Health Practitioner Local Consultative Forum
- Patient Support Services Local Consultative Forum.

The following enterprise bargaining agreements were certified by the Queensland Industrial Relations Commission during the 2025-2026 financial year:

- *Nurses and Midwives (Queensland Health and Department of Education) certified Agreement EB12 2025* (NMEB12) – 29 October 2025.
- *Medical Officers (Queensland Health) Certified Agreement (No.7) 2025* (MOCA7) – 29 October 2025.
- *Queensland Public Health Sector Certified Agreement (No.12) 2025* (EB12) – 23 December 2025.
- *Aboriginal and Torres Strait Islander Health Workforce (Queensland Health) Certified Agreement (No.2) 2025* – 23 December 2025.

The *Health Practitioners and Dental Officers (Queensland Health) Certified Agreement (No.4) 2022* (HPDO4) expired on 16 October 2025. In May 2025, Queensland Health entered into negotiations with the relevant unions, however, an in-principle agreement was unable to be reached. The proposed HPDO5 agreement was referred for arbitration in the Queensland Industrial Relations Commission (QIRC) on 21 April 2026. Based on the number of agreements currently being arbitrated, an outcome for HPDO5 may not be known for 18-24 months.

HPDO4 employment conditions will continue to apply until a determination is made.

The *Visiting Medical Officer Employees' (Queensland Health) Certified Agreement (No.2) 2026 (VM02)* expired on 30 June 2026. Negotiations will continue into next year.

Leadership development and performance

Children's Health Queensland is committed to supporting employees and accelerating their growth to equip them for their future career aspirations and opportunities. We are focused on creating a culture where all staff are valued, engaged and committed to delivering results and exceeding expectations. We strive to create an understanding of what performance and leadership excellence looks like across every level of our organisation and to build a leadership mindset that is nurtured by our colleagues, our leaders and ourselves.

Our 'Growing Great Leaders' program empowers leaders to perform at their best and provide critical support and enablement to teams, services, patients and their families. It supports leaders to build the skills and capabilities identified in the Children's Health Queensland Leadership Excellence Framework, and to address priorities identified in the 2025 Working for Queensland survey.

In 2025-2026, Children's Health Queensland released the *2026 Leadership Excellence Framework* to align with our aspirations, the evolving needs of our workforce and community to support our commitment to fostering a culture of excellence, inclusion, sustainability and dreaming big.

Working for Queensland survey

The Working for Queensland survey is an annual engagement survey conducted across the Queensland public sector, led by Queensland's Public Service Commission. The survey results provide an opportunity to better understand the views of employees and to develop targeted strategies to improve workplace culture, engagement and effectiveness.

The 2025 survey ran from 1-28 September and 50 per cent (2,840 employees) of our workforce participated. This is a significant increase on the 2024 participation rate of 19 per cent.

Our workforce consistently reports high levels of agency engagement, with a 73 per cent positive rating in 2025. These results highlight that our people continue to have pride and confidence in the work of Children's Health Queensland, with 89 per cent stating they would recommend the services and/or care provided by Children's Health Queensland to a family member or friend.

Early retirement, redundancy, and retrenchment

No early retirement, redundancy or retrenchment packages were paid during 2025-2026.

Health, safety & wellbeing

Our safety performance

Children's Health Queensland has a genuine commitment to ensuring the safety of staff, volunteers, patients and their families. The *Children's Health Queensland Health, Safety and Wellbeing Commitment Statement 2025* guides our work health and safety (WHS) systems to ensure they are aligned with Queensland Health's Health Safety and Wellbeing policy and standards.

A continuous improvement approach allows our organisation to review our safety practices by focusing on relevance, effectiveness, and efficiency. It also ensures high-risk WHS issues are identified early with appropriate control measures implemented to keep our people safe.

This important work involves:

- Governance and consultation specific to the psychosocial hazards risk assessment

and associated framework and the deployment of psychosocial specific controls such as the Staff Wellbeing Psychologist Service.

- Robust governance and operational support specific to our Respiratory Protection Program.
- An updated consultative framework specific to Children's Health Queensland Health and Safety Representative (HSR) obligations with redefined work groups and an uplift of HSR representations.

Integrated WHS management systems, risk management and frameworks specific to:

- Improved injury management and rehabilitation case management software integration.
- Integration of partnerships with external parties to support wellbeing initiatives.
- Creation and deployment of the *Children's Health Queensland Staff Wellbeing and Mental Health Strategy.*
- Re-designed reporting specific to due diligence requirements to assist 'officers' under *the Work Health and Safety Act 2011.*
- Redesigned consultation committees specific to shared duties inclusive of the WHS Sub Committee that bridges accountability between our hard facilities management contract and Children's Health Queensland as the governing Person Conducting a Business or Undertaking (PCBU).
- Continuous review of Board, Union Consultative Forum and quarterly reporting metrics.
- Continued focus on education and WHS responsibilities towards PCBU and officer obligations and further understanding of due diligence requirements.

For employees who require support due to injury (statutory and non-statutory based), our injury management team regularly meets with WorkCover Queensland and insurance providers to develop strategies to foster positive return-to-work outcomes. Our key performance indicators specific to injury rehabilitation and return to work programs for 2025-2026 include:

- A 32 per cent decrease in our total recordable injury frequency rate from 5.59 in 2024-2025 to 5.43 in 2025-2026. This decrease can be directly attributed to efficient and streamlined injury management practices and proactive risk management practices.
- A 13 per cent increase in actual injury frequency rate (inclusive of first aid reporting) and a 33 per cent increase in severity frequency rate. This severity rate reflects the number of lost workdays experienced per 100 workers for premium-impacting claims (journey-related claims are excluded). This can be attributed to the increase in psychosocial claims being accepted and the applicable time for a return to work.
- An average of 126 claims per month (WorkCover, income protection and health management) equating to approximately. 35 claims per one FTE injury management advisor. A rolling average over the previous 12 months, specific to statutory claims, equates to approximately 57 claims per month, which is about 14 per cent higher than a predicted average of 45. This increase is in alignment with a rise in both journey-related claims and claim applications.

2.2 Our risk management

Children's Health Queensland acknowledges that risk is inherent within a healthcare environment and actively promotes a risk-conscious culture to enable informed decision making, drive organisational efficiency and support realisation of vision and purpose through achievement of strategic and operational objectives. We are committed to delivering an integrated and accountable approach to risk management with activities incorporated into strategic planning, operations and governance monitoring, assurance and reporting.

Children's Health Queensland has an established enterprise risk management (ERM) framework that is self-assessed on an annual basis to validate maturity status. The framework is aligned to *International Standard 31000:2018*, applies a principles-based approach, defines roles and responsibilities, documents the process for risk management and is underpinned by a centralised electronic information system, Riskonnect, that is used to document, manage and monitor risks. ERM performance is managed by Governance, Assurance and Internal Audit, and oversighted by the Children's Health Queensland Board via the Audit and Risk Committee and Executive Leadership Team.

Throughout 2025-2026 Children's Health Queensland has faced a changing risk environment influenced by emerging threats and an evolving regulatory landscape. Good governance and diligent application of risk management processes have been crucial in navigating these exposures, ensuring resilience and safeguarding our assets, operations and reputation.

Opportunities to further enhance risk management maturity and integrate with other governance functions across the organisation are embedded into forward planning.

Ministerial Direction

The *Hospital and Health Boards Act 2011* require annual reports to state any direction given by the Minister to the HHS during the financial year and the action taken by the HHS as a result of the direction. During the 2025-2026 financial year, there were two Ministerial Directions issued to Children's Health Queensland. Details and actions taken are as follows:

1. Treatment of gender dysphoria in children and adolescents with hormone therapy (QH-MD-002)

    - Children's Health Queensland worked in partnership with the Department of Health to deliver aspects of the model of care in line with the direction.

2. Mandatory reporting to the Queensland Police where a person is unsuitable to possess a firearm (QH-MD-003)

    - Children's Health Queensland updated processes to meet mandatory reporting obligations as imposed by the introduction of the *Fighting Antisemitism and Keeping Guns Out of the Hands of Terrorists and Criminals Act 2026.*

Accountability

The Audit and Risk Committee met on five occasions in 2025-2026. Activities included:

- Reviewing and approving the Children's Health Queensland 2024-2025 Financial Statements.
- Noting the Queensland Audit Office's client service strategy, interim and final management letters, and reviewing the Executive's response to findings and recommendations.
- Providing functional oversight into the performance of the internal audit function, including:

- Approving the internal audit strategy, three-year strategic and annual internal audit plan and the Internal Audit Charter.
- Delivery of the annual internal audit plan and annual quality self-assessment of performance.
- Reviewing and noting internal audit reports, with recommendations and management responses.
- Reviewing and noting quarterly internal audit status reports, including the follow up on implementation of internal audit recommendations.
- Overseeing performance of risk and compliance functions.

- Reviewing and endorsing risk appetite, strategic risks, quarterly and annual risk and compliance reports.
- Reviewing and endorsing the fraud and corruption control plan and reporting.

Compliance management

Children's Health Queensland has adopted a systematic, risk-based and integrated approach to compliance management to optimise performance whilst preventing financial loss, reputational damage and harm associated with non-compliance.

Children's Health Queensland has an established compliance management framework that is self-assessed on an annual basis to validate maturity status. The framework is aligned to International Standard 37301:2021, applies a principles-based approach, defines roles and responsibilities, documents the process for compliance management and is underpinned by a centralised electronic information system that is used to document, manage and monitor compliance obligations. Performance of the compliance management framework is managed by the Governance, Assurance and Internal Audit and oversighted by the Children's Health Queensland Board via the Audit and Risk Committee and Executive Leadership Team.

Throughout 2025-2026 Children's Health Queensland has faced a dynamic shift in its regulatory landscape. Evolving laws in response to technological advancements, data privacy risks, cybersecurity risks and infrastructure resilience has resulted in a more complex and intersected compliance environment. Good governance and diligent application of risk-based compliance management processes have been crucial in navigating these shifts, ensuring resilience and safeguarding our assets, operations and reputation.

Opportunities to further enhance compliance management maturity and integrate with other governance functions across the organisation are embedded into forward planning.

Internal audit

By virtue of its organisational independence, internal audit provides objective assurance and advice to the management and the Board (via the Audit and Risk Committee) regarding the effectiveness of internal controls, governance and risk management at Children's Health Queensland.

In 2026, Children's Health Queensland transitioned to a fully outsourced internal audit model, enhancing access to specialist expertise and supporting the delivery of a more agile, risk-based internal audit program aligned with the organisation's evolving risk profile. The internal audit function operates in accordance with the International Professionals Practices Framework (IPPF) and the Global Internal Audit Standards issued by the Institute of Internal Auditors (IIA).

The Internal Audit Plan is informed by ongoing engagement with key stakeholders across the organisation, insights from the broader health and public sectors, global risk trends, and consideration of Queensland Audit Office (QAO) focus areas. This approach ensures that audit

activities remain focused on priority risks and are responsive to emerging issues and external expectations.

During 2025-2026, six audits were completed in line with the approved plan. These audits represented a balanced program across clinical, corporate and information technology domains, including credentialing practices, waitlist management processes, contract management, data governance, privacy, and a cyclical review of cybersecurity controls.

Internal audit supported ongoing improvement by identifying opportunities to strengthen governance, risk management, and internal controls. Progress against the audit plan, key findings and the implementation of recommendations were reported quarterly to the Executive Leadership Team and the Audit and Risk Committee, supporting accountability and the timely remediation of identified issues. This ongoing monitoring reinforced the effectiveness of the control environment and contributed to strengthening governance and risk management practices.

External scrutiny

The following external reviews were conducted in 2025-2026:

- The Queensland Audit Office (QAO) tabled reports for three financial audits, two performance audits, and one insights report relevant to the health sector, as well as the status of the Auditor-General's recommendations.

Information systems and record-keeping

Children's Health Queensland's Health Information Services is dedicated to continuous service improvement to ensure availability and timely access to critical information to support the provision of high-quality and safe patient care.

Our internal Health Information Services team was actively involved in improving clinical documentation and clinical coding quality to accurately reflect the care provided to our patients. This included empowering our people through knowledge, education, and use of technology to support improved coding quality and productivity. The team has audited 2,585 admissions and incorporated the findings into coding quality and clinicians' education sessions. Our clinical coding service coded approximately 55,995 admissions in 2025-2026.

Our Health Information Access team processed 8,382 requests for information in accordance with the *Hospital and Health Boards Act 2011*, the *Right to Information Act 2009* and the *Information Privacy Act 2009* resulting in 829,860 pages being reviewed and processed for release. This was an increase of 200,263 pages in comparison to the previous financial year.

Our Health Information Services Scanning Unit continues to support the integrated electronic medical record (ieMR) through the scanning of paper documentation or the uploading of digitally created documents. The service has a focus on decreasing the need to scan paper documents through promoting direct data entry into ieMR, clinical forms rationalisation and by creating documents digitally and importing those into the ieMR.

Children's Health Queensland is fully compliant with all mandatory standards recently revised by Queensland State Archives (QSA) and remains committed to maintaining this compliance. Recordkeeping roles are clearly defined, supported by staff training and oversight from the Records Governance Officer and Medical Records Manager.

Children's Health Queensland has assessed its digital maturity using the Queensland Government Enterprise Architecture (QGEA) Recordkeeping Maturity Assessment Tool and maintains strong controls over both digital and physical records. The organisation continues to advance digital recordkeeping through ieMR and paper reduction initiatives. Systems are secure, sustainable, and aligned with legislative obligations, including mandatory data breach reporting under the *Information Privacy and Other Legislation*

Amendment Act 2023. Public records are retained appropriately, with disposal programs for clinical and non-clinical records in development.

Information security attestation

During the 2025-2026 financial year, Children's Health Queensland has an informed opinion that information security risks were actively managed and assessed against the organisation's risk appetite with appropriate assurance activities undertaken in line with the requirements of the *Queensland Government Enterprise Architecture (QGEA) Information and cyber security policy (IS18).*

Public Sector Ethics Act 1994

Children's Health Queensland is dedicated to upholding the values and standards of conduct outlined in the Code of Conduct for the Queensland Public Service which reflects the ethics principles and values set out in the *Public Sector Ethics Act 1994* (Qld).

Children's Health Queensland identifies the Working Ethically Course (Code of Conduct, Public Interest Disclosure and Fraud Control Awareness) as one of 13 mandatory corporate training requirements for all staff, in accordance with the Department of Health's G6 Mandatory Training Policy.

All new employees must complete the mandatory Working Ethically course within one month of commencement, and yearly thereafter, through Children's Health Queensland's learning management system, TEACHQ.

External service providers such as contractors, students, volunteers and other non-government organisations deliver a number of essential services to, or for, Children's Health Queensland patients, families and service areas. A number of the providers engaged in front-line services are obliged to complete the Working Ethically course as it is important that they also uphold the values and standards of conduct expected of the Queensland public service, in providing services to and for Children's Health Queensland. This annual training is available for many external service providers through TEACHQ, the Department of Health's learning management system iLearn, or via other local systems.

Human rights

The *Human Rights Act 2019* (HRA) positively influences Children's Health Queensland to deliver person-centred care and best possible outcomes for children, young people and their families.

Children's Health Queensland is committed to respecting, protecting and promoting the human rights of patients, families, visitors and staff. Acting and making decisions in a way that is compatible with human rights, and gives proper consideration to human rights, is obligatory across the organisation. To support Children's Health Queensland's commitment, all new and reviewed governance documents undergo assessment to determine compatibility with the HRA with justified limitations alerted to within respective doctrine; patient and staff complaints undergo human rights assessment with any determined limitations appropriately addressed; and staff are strongly encouraged to complete human rights training offered by Queensland Health and the Queensland Human Rights Commission.

Throughout 2025-2026 objects of the HRA were furthered by:

- Applying learnings from human-rights complaints to provide targeted training where gaps in understanding were identified.
- Enhancing operability of the Interactive Human Rights Assessment Tool, designed by Children's Health Queensland to support staff to undertake human rights compatibility assessments.

- Promoting and supporting use of the interactive Human Rights Assessment Tool across the organisation to strengthen supports provided to staff when undertaking human rights compatibility assessments for actions and decisions.

- Delivering targeted training and uplift to key stakeholders across the organisation regarding the application of human rights in taking action and/or decision making.

Children's Health Queensland continues to build its organisational understanding, capability and culture in human rights with improvement activities embedded into forward planning.

Table 7 (below) lists the human rights complaints and outcomes assessed in 2025-2026.

Table 7: Summary of complaints with potential human rights limitations 2025-2026

Total number of complaints	Complaints received with potential human rights limitations	Rights engaged	Outcomes
624	23	• Protection from torture and cruel, inhuman or degrading treatment (S17) • Privacy and reputation (S25) • Protection of families and children (S26) • Cultural rights – Aboriginal peoples and Torres Strait Islander peoples (S28) • Health services (S37)	• 10 complaints reviewed were assessed as having **no limitation** on human rights and resolved by way of explanation, apology and/or quality improvement • 11 complaints reviewed were assessed as **justified/lawful limitations** on human rights and resolved by way of explanation, apology and/or quality improvement • 1 complaint reviewed was assessed as **unjustified/unlawful limitation** and resolved by way of explanation, apology and/or quality improvement • 1 complaint **pending assessment**

Confidential information

Section 160 of the *Hospital and Health Boards Act 2011* requires annual reports to state the nature and purpose of any confidential information disclosed in the public interest during the financial year. During 2025-2026, no disclosures were authorised under this provision.

SECTION 3: PERFORMANCE

3.1 Non-financial performance

Strategic outcomes and achievements 2025-2026

Achievements against the priorities and objectives in the Children's Health Queensland Strategic Plan 2024-2028 are outlined below.

Strategic objective: Engaged workforce

Deliver an inclusive environment where our people are valued, safe and empowered to make change.

✓	Launched the *Children's Health Queensland Disability Inclusion Action Plan 2025-2029,* which provides a framework for building a future where everyone, regardless of ability, feels safe, seen and supported in every interaction with our organisation. The plan, developed through consultation with people with disabilities, outlines our commitment to providing all children, young people, families, caregivers and employees—regardless of ability— with equitable access to inclusive, respectful and compassionate healthcare and employment opportunities.
✓	Launched the *2026 Children's Health Queensland Leadership Excellence Framework* to strengthen alignment with our organisational values, support inclusion and sustainability, and meet the evolving needs of our workforce and community. The revised framework, first launched in 2021, aims to provide a consistent understanding of what performance and leadership excellence looks like for everyone at Children's Health Queensland.
✓	Achieved a 50 per cent participation rate in the 2025 Working for Queensland survey (up from 19 per cent in 2024), and an employee engagement rate of 73 per cent. This engagement rate was up from 68 per cent in 2024, and 13 per centage points higher than the Queensland Public Sector overall.
✓	Established an Aboriginal and Torres Strait Islander Staff Network which brings together diverse voices, experiences, and cultural knowledge to guide perspectives and inform meaningful decisions that impact the care, wellbeing and futures of Aboriginal and Torres Strait Islander children and young people.
✓	Continued to actively eliminate racial discrimination and institutional racism across the organisation, with our annual racism audit score improving from 64.5/140 to 127.5/140 across 2025-2026.
✓	Recognised the contribution and achievement of Children's Health Queensland employees at our annual Excellence Awards. The awards are aligned with organisational values and celebrate individuals and teams who have contributed significantly to our vision and purpose.

Strategic objective: Sustainable futures

Accelerate sustainable high-value care through integration, innovation and transformation.

✓	Enhanced the quality of medical imaging for diagnosis and treatment planning with a $6.8 million technology upgrade at the Queensland Children's Hospital. This included the installation of a new medical resonance technology (MRI) machine, upgrades to two existing machines and Australia's first MINITOM Kids, a child-sized MRI simulator, which allows children to become familiar with the scan process through play. This helps children feel confident and calm during when they have an MRI, reducing anxiety and the need for sedation during procedures.
✓	Launched the *Children's Health Queensland Climate Risk and Environmental Sustainability Targets Plan 2025-2029* which outlines a roadmap to deliver high-value, low-carbon healthcare. The plan focuses on reducing emissions, minimising waste, strengthening climate resilience and embedding sustainable practices across our organisation. Since launching our first sustainability plan in 2021, we have diverted nearly 500 tonnes of waste from landfill through 42 active recycling streams and reduced paper use by 44 per cent.
✓	The Queensland Children's Hospital became the first paediatric hospital in Australia to embed a new non-invasive technology to assess the stomach function of children with severe neuromuscular bowel disorders or disabling gastrointestinal symptoms. This technology reduces time to diagnosis and diagnostic uncertainty, while minimising the need for more invasive tests that may require anaesthesia or radiation. It has been approved by the Therapeutic Goods Administration (TGA) for clinical use in children over 12, and the hospital has applied for ethics approval to explore its use in a younger cohort.
✓	Completed a three-month pilot study of the artificial intelligence (AI) medical scribe platform, Heidi, to evaluate its impact on the healthcare experience for consumers and staff. One hundred and thirty clinicians trialled the platform between October and December 2025, with the majority reporting improved patient engagement and a reduction in the time required to finalise patient correspondence. The study, published in the Journal of Paediatrics and Child Health, showed significantly improved documentation efficiency, acceptable document quality, and reduced transcription costs with significant benefits to clinician well-being and clinician-patient interaction with the use of an ambient AI medical scribe. The pilot was extended for a full year to trial the technology with more clinicians. By the end of June 2026, more than 1,000 clinicians were using the platform.
✓	Children's Health Queensland Arts In Health Program partnered with Health Infrastructure Queensland and Arts Queensland to guide the creation of inclusive, culturally safe and healing environments for patients, staff and communities across the state. The new guideline *Arts in Health: Principles and Practice* provides a framework for best practice arts-in-health integration across Queensland Health infrastructure projects. It outlines practical approaches for embedding arts in health into project planning, design, community engagement and delivery processes.
✓	Launched the *Children's Health Queensland Research Strategy 2026-2029*, outlining our roadmap for accelerating our research activity, maturity and capacity to amplify the impact it delivers for Queensland children, young people and families.

Strategic objective: Networked care

Advance the statewide paediatric and adolescent health system through partnership.

✓	Improved access for Queensland families to the Ellen Barron Family Centre's free, 24/7 virtual support service for child feeding, sleep, behaviour or developmental challenges. Parents and carers can now access the service via a new referral pathway through the Queensland Government's 13 HEALTH (13 43 25 84) phone service. The Virtual Residential Parenting Program, connects parents and carers across Queensland, northern New South Wales and the Northern Territory with expert, tailored support within the familiar environment of their home.
✓	Established a Queensland-first information sharing partnership with the Institute for Urban Indigenous Health (IUIH), enabling IUIH healthcare professionals to securely access key clinical information in real time. This empowers them to work more closely with families to help ensure Aboriginal and Torres Strait Islander children are ready for treatment and supported follow-up care.
✓	Children's Health Queensland's ECHO® Superhub launched 3 new statewide networks focused on supporting adolescents and young adults with complex presentations, brain or spinal cord injury rehabilitation and perinatal mental health support for parents/caregivers. In 2025-2026, CHQ ECHO® networks connected and mentored 1,453 professionals from across Queensland, Australia and overseas - empowering front-line providers with real-time access to expert advice and best-practice support to deliver enhanced care, closer to home. Three hundred and six distinct organisations across Queensland are now actively partnering in Project ECHO learning networks to share knowledge and build capability.
✓	Established a 24/7 statewide clinical advisory service and a statewide training program as the first key deliverables of the Queensland Health Child Sexual Abuse Service, a statewide reform led by Children's Health Queensland to deliver trauma-informed, streamlined, and timely responses for children under 14 years. Consultation on a statewide psychosocial model of care also commenced in 2025-2026.

Strategic objective: Strong communities

Support prevention, promotion and early intervention that helps keep children and young people healthy in their communities.

✓	Established a statewide executive governance committee, with representation across all Hospital and Health Services, to oversee the implementation of five Putting Queensland Kids First Program initiatives that deliver community-based prevention and early intervention support for young children and their families. Children's Health Queensland is responsible for establishing a sustainable structure of statewide support and leadership in the areas of clinical governance, workforce planning and networked care, clinical training and development, and community digital solutions design.
✓	Expanded the reach of the free Connecting2u text messaging service with culturally tailored parenting advice and health reminders for Māori and Pacific Island families. Developed in partnership with Māori and Pasifika communities, the new message suite incorporates cultural knowledge, values, and language to support families with timely information on child development, nutrition, bonding, health checks and vaccinations. The service supports expectant parents during pregnancy and throughout the first 2000 days of a child's life, helping give all children the best possible start to life. In 2025-2026, more than 9,200 new Queensland parents and caregivers registered for the service, bringing the total number of subscribers to 27,210 as of 30 June 2026 (a 51.5 per cent increase from the previous financial year). The Connecting2u program is funded through the Putting Queensland Kids First plan.
✓	Trained eight hospital and health services (Children's Health Queensland, Central Queensland, Darling Downs, Gold Coast, Sunshine Coast, Townsville, West Moreton and Wide Bay) in Sustained Health Home Visiting delivery through the Putting Queensland Kids First program. Sustained health home visiting supports parents in their own wellbeing and builds capacity to provide safe, healthy home environments for their child's development.
✓	Implemented community hearing screening services in Darling Downs, Gold Coast, Metro North and Townsville hospital and health services through the Putting Queensland Kids First program to increase access to screening and diagnostic audiology services for children and young people (aged 9 months to 16 years).
✓	The Dakabin Youth Hub, situated in the grounds of Dakabin State High School, supported 590 students in its first year of operation. The $10.8 million purpose-built facility, delivered in partnership with the Department of Education, was co-designed with students and the school community to offer a safe and welcoming environment for young people to access health services, social supports, and tailored education and training programs. The Hub, which opened in May 2025, aims to improve long-term health, wellbeing and learning outcomes for students in the local community.

Strategic performance indicators

Strategy	Measured by	Key performance indicators	Targets	2025-2026 actual
Engaged workforce Deliver an inclusive environment where our people are valued, safe and empowered to make change	Improvement in indicators of workforce engagement, safety and wellbeing	Working for Queensland (WfQ) staff engagement score (annual)	≥71%	73%
		Total recordable injury frequency rate (TRIFR)	<12.00	Not available
		Fatigue Penalty rate	≤0.15%	0.15%
		Fatigue Leave rate	≤0.04%	0.03%
	% increase of workforce that identify as Aboriginal and/or Torres Strait Islander	Aboriginal and Torres Strait Islander peoples' representation in the health workforce (as percent of MOHRI)	≥3.26%	2.15%
	Children's Health Queensland workforce diversity and inclusion indicators comparable to Queensland population diversity	Proportion of workforce from non-English-speaking background (as percent of MOHRI)	≥12%	10.4%
		Proportion of Workforce - People with Disabilities (as percent of MOHRI)	≥4%	2.1%
		Proportion of workforce LGBTIQA+ (as percent of MOHRI)	≥2.6%	2.8%
	% increase workforce retention rate in identified areas	Retention rate - All pay streams	>91.5%	93.2%
		Retention rate - Managerial and clerical	>91.5%	90.1%
		Vacancy rate - All pay streams	≤13.5%	14.0%
		Vacancy rate - Managerial and clerical	≤13.5%	18.1%
Sustainable futures Accelerate sustainable high-value care through integration, innovation and transformation	Sustainable surplus is achieved and contributed to innovation and growth	Full year forecast operating position $M	Balanced or favourable	$0.37M surplus
	Strategic infrastructure investment is informed through integrated planning	Measure to be developed.	-	-
	Reduction in the delivery of low-value care	Attendance at 'Moving towards high value care' ECHO network	Annual uplift	ECHO ceased
	Improved overall score on the annual internal institutional racism audit	Children's Health Queensland racism audit score (annual)	≥100	127.5/140
	Improvement in patient flow and specialist outpatient wait time at Queensland Children's Hospital	Hospital access target: % of emergency stays within 4 hours (all patients)	>80.00	66.7%
		Emergency - Median wait time for service (minutes)	<13	13
		Specialist outpatients: Reduction of long wait patients	<2829	2,273
		Outpatients – Median wait time for initial service event (days)	<56	61
		Proportion of overnight inpatients discharged by 10am	≥33.7%	24.9%
Networked care	Number of formal training	Number of distinct organisations engaged in Children's Health	>223	306

Advance the statewide paediatric and adolescent health system through partnership	partnerships with other HHSs and education institutions	Queensland ECHO communities of practice		
	The role and responsibilities for statewide services are reflected in the Children's Health Queensland Service Agreement	Measure to be developed	-	-
	Increased consumer partnerships in Children's Health Queensland care	Increased consumer partnerships in Children's Health Queensland care – parents/carers	≥80%	88%
		Overall rating of care is positive – parents/carers	≥80%	94%
		Social, emotional, and cultural wellbeing – parents/carers	≥80%	94%
		Social, emotional, and cultural wellbeing – children/young people	≥80%	81%
	Increased consumer partnerships in service planning, design, implementation and evaluation	Measure to be developed	-	-
Strong communities Support prevention, promotion and early intervention that helps keep children and young people healthy in their communities	% of overall patient experience feedback which is positive	Overall improvement of patient experience dashboard. Note: Measure to be developed	-	-
	Reduced proportion of total overnight separations that are potentially preventable hospitalisations	Potentially preventable hospitalisations (non-diabetes complications) Note: Measure to be developed.	-	-
	Increase in the uptake of Hospital in the Home activity	Hospital in the home (HITH) utilisation	≥13 beds	11.8
	Increase in availability and utilisation of services for diverse communities	Failure to Provide Rate for first nations patients	≤9%	12.7%
		Specialist outpatient long waits for First Nations patients	<160	282
		ECHO attendees* from remote areas	>47	58
		ECHO attendees* from regional areas	>207	321
		ECHO attendees* from urban areas	>917	1020
		ECHO attendees* from overseas	>46	54

*Distinct count for period

3.2 Service standards

Table 8: Service Standards – Performance 2025-2026		
Children's Health Queensland Hospital and Health Service	**2025-2026 Target**	**2025–2026 Actual**
Effectiveness measures		
Percentage of emergency department patients seen within recommended timeframes		
• Category 1 (within 2 minutes)	100%	100%
• Category 2 (within 10 minutes)	80%	91%
• Category 3 (within 30 minutes)	75%	79%
• Category 4 (within 60 minutes)	70%	87%
• Category 5 (within 120 minutes)	70%	97%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	>80%	67%
Percentage of elective surgery patients treated within the clinically recommended times		
• Category 1 (30 days)	>98%	98%
• Category 2 (90 days)	>95%	78%
• Category 3 (365 days)	>95%	89%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days[1]	≤1.0	2.1
Rate of community mental health follow up within 1–7 days following discharge from an acute mental health inpatient unit[2]	>65%	65.6%
Proportion of re-admissions to acute psychiatric care within 28 days of discharge[3]	<12%	6.4%
Percentage of specialist outpatients waiting within clinically recommended times[4]		
• Category 1 (30 days)	98%	73%
• Category 2 (90 days)[5]	..	66%
• Category 3 (365 days)[5]	..	92%
Percentage of specialist outpatients seen within clinically recommended times		
• Category 1 (30 days)	98%	82%
• Category 2 (90 days)[5]	..	50%
• Category 3 (365 days)[5]	..	64%
Median wait time for treatment in emergency departments (minutes)[6]	..	13
Median wait time for elective surgery treatment (days) [7]	..	50
Efficiency measure		
Average cost per weighted activity unit for Activity Based Funding facilities[8]	$6,845	$6,577

Table 8: Service Standards – Performance 2025-2026 cont.		
Children's Health Queensland Hospital and Health Service	**2025-2026 Target**	**2025–2026 Actual**
Other measures		
Number of elective surgery patients treated within clinically recommended times[9]		
• Category 1 (30 days)	1,910	2,044
• Category 2 (90 days)	4,401	3,640
• Category 3 (365 days)	2,354	2,407
Number of Telehealth outpatients service events[10]	16,171	25,287
Total weighted activity units (WAU) [11]		
• Acute Inpatients		
• Outpatients	71,593	67,814
• Sub-acute	24,866	27,477
• Emergency Department	1,837	2,119
• Mental Health	10,005	9,738
• Prevention and Primary Care	19,247	11,748
Ambulatory mental health service contact duration (hours)[12]	>65,767	63,348
Staffing[13]	4,756	4,826

1. Staphylococcus aureus (including MRSA) bloodstream (SAB) infections Actual rate is based on data reported between 1 July 2025 and 31 March 2025 as at 7 August 2026.
2. Mental Health rate of community follow up 2025-2026 Actuals are as at 19 August 2026.
3. Mental Health readmissions 2025-2026 Actuals are as at 19 August 2026.
4. Waiting within clinically recommended time is a point in time performance measure. 2025-2026 Actual is as at 1 July 2026.
5. Given the System's focus on reducing the volume of patients waiting longer than clinically recommended for specialist outpatients, it is expected that higher proportions of patients seen from the waitlist will be long wait patients and the seen within clinically recommended time percentage will be lower. To maintain the focus on long wait reduction, the 2025-2026 Targets for category 2 and 3 patients are not applicable.
6. There is no nationally agreed target for this measure, and the median wait time varies depending on the proportion of patients in each urgency category.
7. There are no targets for median wait times as performance is determined through the percentage of elective surgery patients treated within the clinically recommended time for their respective category.
8. All measures are reported in QWAU Phase Q28. 2025-2026 Actual is based on data as at 18 August 2026. The 2025-2026 Target does not include funding adjustments made during the year, including those for Enterprise Bargaining or reproductive leave, which impact the actual results.
9. Elective surgery performed in public hospitals.
10. The Telehealth 2025-2026 Actual is as at 20 August 2026.
11. All measures are reported in Queensland WAU Phase Q28. The 2025-2026 Actuals are as at 18 August 2026. As the Hospital and Health Services have operational discretion to respond to service demands and deliver activity across services streams to meet the needs of the community, variation to the Target can occur. Variances in the Mental Health stream are the result of ongoing refinement and maturing of the new national Mental Health classification.
12. Ambulatory Mental Health service contact duration 2025-2026 Actual is as at 19 August 2026.
13. In alignment with PSC reporting guidelines, only one employment record per employee is reported. For employees with concurrent employment, the arrangement with the highest percentage of work is reported. This may result in a minor variance where staff work across multiple Hospital and Health Services.

3.3 Chief Finance Officer's Report

Summary

This financial summary provides an overview of Children's Health Queensland's financial results for 2025–2026. In addition, a comprehensive set of financial statements covering the organisation's activities is provided in this report (refer page 50-96).

The organisation recorded an operating surplus of $0.370 million for the 2025-2026 financial year. This result is a testament to Children's Health Queensland's focus on organisational sustainability whilst continuing to deliver on its commitment to improving the health and wellbeing of children and young people by providing high quality healthcare services. In 2025-2026, Children's Health Queensland continued to deliver on its purchased activity commitments, forecasting to be within 0.5 per cent of its activity-based funding target and remaining within its financial budget.

Table 9 summarises the key financial results of the organisation's operations for the past three financial years:

Table 9: Key financial results of Children's Health Queensland operations

Financial performance	2025-26 $'000	2024-25 $'000	2023-24 $'000
Total income	1,223,511	1,141,331	1,063,089
Total expenses	1,223,141	1,141,202	1,052,099
Operating result	**370**	**129**	**10,990**
Financial position	**2025-26 $'000**	**2024-25 $'000**	**2023-24 $'000**
Current assets	113,111	103,629	94,431
Non-current assets	1,325,718	1,271,494	1,245,658
Total assets	**1,438,829**	**1,375,123**	**1,340,089**
Current liabilities	113,123	110,692	93,195
Total liabilities	**113,123**	**110,692**	**93,195**
Total equity	**1,325,706**	**1,264,431**	**1,246,894**
Ratios	**2025-26**	**2024-25**	**2023-24**
Current ratio	1.0	0.9	1.0
Equity	0.92	0.92	0.93

Financial performance

Income

Children's Health Queensland's income from all funding sources was $1.224 billion, a total increase of $82.180 million or seven per cent from the previous year (refer to Section B1 of the Financial Statements for additional information).

This was mainly attributable to:

- an increase in health service funding received through funding amendments to the service agreement between Children's Health Queensland and the Department of Health
- increases in funding relating to employee bargaining arrangements and price escalations for non-labour items.
- an increase in own source revenue which was mostly driven by an increase in hospital accommodation fees.

Table 10: Income by Source 2025-2026	
Health Service Funding	90%
User Charges and Fees	8%
Grants & Other Income	2%

Expenses

Total expenses for 2025-26 increased by $81.939 million or seven per cent to $1.223 billion (refer to Section B2 of the Financial Statements for additional information).

This was primarily attributable to:

- an increase in employee and health service employees' expenses, mainly due to funded Enterprise Bargaining (EB) increases where these have been ratified, one-off Cost of Living Adjustments (COLA) payments and Certified Union Agreement (CUA) and finally an increase in costs associated with programs funded via periodic Service Agreement amendments.
- an increase in depreciation and amortisation reflecting the impact of the prior year net valuation increments and additional plant and equipment capitalised during the year.

Table 11: Expenditure Summary 2025-2026	
Workforce Costs	70%
Supplies & Services Expenses	22%
Depreciation & Amortisation	8%

How the money was spent

The majority of Children's Health Queensland's actual expenditure in 2025-2026 was incurred on acute hospital services, accounting for 60 per cent of total spending. Community-based health services accounted for seven per cent of total expenditure while corporate, centrally managed and infrastructure services costs (including depreciation) were 31 per cent. The remaining two per cent related to research and trust-funded activities.

Deferred maintenance

All Queensland Health entities comply with the *Queensland Government Building Policy Framework* which requires the reporting of overdue asset maintenance liabilities. Delaying maintenance is a commonly used asset management strategy which can optimise value while managing resources and asset risks.

Queensland Health entities report overdue maintenance using the terms deferred maintenance and postponed capital renewal. Deferred maintenance refers to maintenance of an operational nature (OPEX) that has been identified as required but has been delayed. Postponed capital renewal refers to capital works required to restore an asset's service potential (CAPEX) that have been delayed. Neither deferred maintenance nor postponed capital renewal include forecast maintenance –

work that was planned but found to be not required during the reporting period (e.g. planned repainting where no deterioration occurred).

All overdue asset expenditure is risk assessed to identify any potential impact on users and services and is closely managed to ensure all facilities remain safe. Both operational and capital quantities are reported.

As at 30 June 2026, Children's Health Queensland HHS reported:

- $1.22 million in deferred maintenance, and
- $62.38 million in postponed capital renewal.

Children's Health Queensland has the following strategies in place to mitigate risks associated with these items:

- Risk-based prioritisation within the Timely Investment Infrastructure Maintenance (TIIM) program allocation.
- Increasing operational maintenance budgets.
- Seeking additional funding through established government funding and budget processes.

Forecast lifecycle costs are planned future asset replacements, renewals and refurbishments. They may be planned as capital or operational expenditure but are reported as a single figure. Forecasts are based on asset lifecycle models, expected asset deterioration and required asset condition standards.

As at 30 June 2026, Children’s Health Queensland expects forecast lifecycle replacements, renewals and refurbishments of $682.52 million over the next 10 years. This consists of $117.73 million forecast for the 2026-2027 financial year and $564.79 million forecast for subsequent financial years.

Financial position

Total assets

Total assets increased by $63.706 million or five per cent during the year to $1.439 billion.

Property, plant, and equipment are the predominant asset class, comprising the Queensland Children's Hospital and associated infrastructure.

The net increase in total assets primarily reflects:

- net valuation increments of $129.350 million for land and building assets, offset by depreciation and amortisation charges amounting to $98.915 million.
- total current assets increased by $9.482 million mainly due to an increase in cash and cash equivalents.
- property, plant, equipment, and intangible asset acquisitions of $24.320 million.

Total equity

Total equity is at $1.326 billion, an increase of $61.275 million from the previous year.
This reflects an increase in the asset revaluation reserve and accumulated surplus balance, offset by a reduced contributed equity balance

Outlook

In 2026-2027, Children’s Health Queensland will continue to invest in and deliver quality frontline and statewide paediatric health services that strengthen the public system and contribute to safe, caring and connected communities.

Delivering sustainable futures through high-value care, innovation and transformation is a strategic priority for Children’s Health Queensland. Accordingly, the Board and Executive are committed to investing in services within available funds, delivering productivity and efficiency improvements, and managing financial risks and challenges as they are identified.

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Children's Health Queensland Hospital and Health Service

Financial Statements 2025-2026

For the period ending 30 June 2026

Contents

Statement of Comprehensive Income

Operating result	Note	2026 $'000	2025 $'000
Income from continuing operations			
Health services funding	B1.1	1,095,874	1,017,406
User charges and fees	B1.2	98,417	91,939
Grants and other contributions	B1.3	14,006	13,162
Other revenue	B1.4	15,027	18,754
Total revenue		**1,223,324**	**1,141,261**
Gains on disposal of assets		187	70
Total income from continuing operations		**1,223,511**	**1,141,331**
Expenses from continuing operations			
Employee expenses	B2.1	176,431	161,365
Health service employee expenses	B2.2	674,893	620,283
Supplies and services	B2.3	257,282	256,176
Grants		4,734	3,762
Depreciation and amortisation	C4/C5	98,915	89,782
Losses on disposal and derecognition of assets		410	20
Other expenses	B2.4	10,476	9,814
Total expenses from continuing operations		**1,223,141**	**1,141,202**
Total operating result from continuing operations		**370**	**129**
Other comprehensive income			
Items that will not be reclassified to operating result:			
- Increase in asset revaluation surplus	C8.2	129,350	83,630
Total other comprehensive income		**129,350**	**83,630**
Total comprehensive income		**129,720**	**83,759**

The accompanying notes form part of these financial statements

Statement of Financial Position

	Note	2026 $'000	2025 $'000
Current assets			
Cash and cash equivalents	C1	77,007	64,797
Receivables	C2	11,485	12,978
Inventories		8,666	7,549
Other current assets	C3	15,953	18,305
Total current assets		**113,111**	**103,629**
Non-current assets			
Property, plant and equipment	C4	1,321,606	1,266,583
Right-of-use assets		-	11
Intangible assets	C5	4,112	4,900
Total non-current assets		**1,325,718**	**1,271,494**
Total assets		**1,438,829**	**1,375,123**
Current liabilities			
Payables	C6	100,561	101,225
Employee benefits	C7	5,312	3,482
Contract liabilities		7,250	5,985
Total current liabilities		**113,123**	**110,692**
Total liabilities		**113,123**	**110,692**
Net assets		**1,325,706**	**1,264,431**
Equity			
Contributed equity	C8.1	725,919	794,364
Accumulated surplus		47,016	46,646
Asset revaluation surplus	C8.2	552,771	423,421
Total equity		**1,325,706**	**1,264,431**

The accompanying notes form part of these financial statements

Statement of Changes in Equity

	Note	Accumulated Surplus	Asset Revaluation Surplus	Contributed Equity	Total
		$'000	$'000	$'000	$'000
Balance as at 1 July 2025		46,646	423,421	794,364	1,264,431
Operating result for the year		370	-	-	370
Other comprehensive income:					
- Increase in asset revaluation surplus		-	129,350	-	129,350
Total comprehensive income for the year		370	129,350	-	129,720
Transactions with owners as owners:					
- Equity injections for capital funding		-	-	30,591	30,591
- Equity withdrawals for non-cash depreciation and amortisation funding		-	-	(98,915)	(98,915)
- Asset transfers	C4.1	-	-	(121)	(121)
Net transactions with owners as owners		-	-	(68,445)	(68,445)
Balance as at 30 June 2026		**47,016**	**552,771**	**725,919**	**1,325,706**
Balance as at 1 July 2024		46,517	339,791	860,586	1,246,894
Operating result for the year		129	-	-	129
Other comprehensive income:					
- Increase in asset revaluation surplus		-	83,630	-	83,630
Total comprehensive income for the year		129	83,630	-	83,759
Transactions with owners as owners:					
- Equity injections for capital funding		-	-	23,635	23,635
- Equity withdrawals for non-cash depreciation and amortisation funding		-	-	(89,782)	(89,782)
- Asset transfers	C4.1	-	-	(75)	(75)
Net transactions with owners as owners		-	-	(66,222)	(66,222)
Balance as at 30 June 2025		**46,646**	**423,421**	**794,364**	**1,264,431**

The accompanying notes form part of these financial statements

Statement of Cash Flows

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Inflows:			
Health services funding		998,278	929,578
User charges and fees		99,016	91,817
Grants and other contributions		6,739	4,817
Interest receipts		387	423
GST collected from customers		2,330	2,249
GST input tax credits from ATO		15,904	18,439
Other		14,083	21,896
Outflows:			
Employee expenses		(209,869)	(156,584)
Health service employee expenses		(630,398)	(618,570)
Supplies and services		(260,754)	(244,725)
Grants		(5,092)	(3,373)
GST paid to suppliers		(15,443)	(18,700)
GST remitted to ATO		(2,143)	(2,345)
Other		(11,195)	(10,645)
Net cash provided by operating activities		**1,843**	**14,277**
Cash flows from investing activities			
Inflows:			
Sales of property, plant and equipment		187	70
Outflows:			
Payments for property, plant and equipment		(24,320)	(32,048)
Payments for intangibles		-	(35)
Net cash used in investing activities		**(24,133)**	**(32,013)**
Cash flows from financing activities			
Inflows:			
Equity injections		34,511	19,418
Outflows:			
Lease payments		(11)	(12)
Net cash provided by financing activities		**34,500**	**19,406**
Net increase in cash and cash equivalents		**12,210**	**1,670**
Cash and cash equivalents at beginning of the year		64,797	63,127
Cash and cash equivalents at end of the year	C1	**77,007**	**64,797**

The accompanying notes form part of these financial statements

Notes to the Statement of Cash Flows

Reconciliation of operating result to net cash from operating activities

	2026 $'000	2025 $'000
Operating result for the year	370	129
Non-cash items included in operating result:		
Depreciation and amortisation expense	98,915	89,782
Depreciation and amortisation funding	(98,915)	(89,782)
Increase/(decrease) in trade receivable impairment loss allowance	(729)	405
Inventory written off	66	76
Bad debts written off	1,155	807
Derecognition of assets	214	-
Gains on disposal of property, plant and equipment	(187)	(70)
Losses on disposal of property, plant and equipment	196	20
Changes in assets and liabilities:		
(Increase)/decrease in receivables	1,067	(2,162)
(Increase)/decrease in inventories	(1,183)	(222)
(Increase)/decrease in other current assets	(1,568)	(2,215)
Increase/(decrease) in payables	(653)	16,072
Increase/(decrease) in employee benefits	1,830	(1)
Increase/(decrease) in contract liabilities	1,265	1,438
Net cash provided by operating activities	**1,843**	**14,277**

Section A: Basis of financial statements preparation

A1 General information

Children's Health Queensland Hospital and Health Service (Children's Health Queensland) is a not-for-profit 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:

Queensland Children's Hospital

Level 7, 501 Stanley Street

South Brisbane, QLD, 4101

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

A2 Objectives and principal activities

A description of the nature, objectives and principal activities of Children's Health Queensland is included in the Annual Report.

A3 Statement of compliance

These general-purpose financial statements have been prepared pursuant to Section 62(1) of the Financial Accountability Act 2009, relevant sections of the Financial and Performance Management Standard 2019 and other prescribed requirements. The financial statements are general purpose financial statements and have been prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2025 and other authoritative pronouncements.

A4 Presentation details

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 less than $500, to zero unless the disclosure of the full amount is specifically required. Comparative information reflects the audited 2024-25 financial statements and has been restated where necessary to be consistent with disclosures in the current reporting period.

Current/non-current classification

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

Assets are classified as current where their carrying amount is expected to be realised within 12 months after the reporting date.

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date, or there is no right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

A5 Authorisation of financial statements for issue

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

A6 Basis of measurement

Historical cost

The historical cost convention is used as the measurement basis except where stated. Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amount of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Net realisable value

Children's Health Queensland's inventories are measured using the lower of cost or net realisable value measurement. Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

Section B: Notes about our financial performance

B1 Revenue

B1.1 Health services funding

	2026 $'000	2025 $'000
Activity-based funding	745,085	634,547
Block funding	107,677	140,815
Depreciation funding	98,915	89,782
Other funding	144,197	152,262
Total	**1,095,874**	**1,017,406**

Health services funding mainly comprises funding from the Department of Health for specific public health services purchased in accordance with a service agreement. The service agreement is reviewed periodically and updated for changes in activities and funding of services. The Department of Health receives its revenue for funding from the Queensland and Commonwealth Governments.

Activity-based funding

Ordinarily, activity-based funding is recognised as public health services are delivered. At the end of the financial year, an agreed technical adjustment between the Department of Health and Children's Health Queensland may be required for the level of services performed above or below the agreed levels, which may result in a receivable or unearned revenue. This technical adjustment process is undertaken annually in accordance with the provisions of the service agreement and ensures that the revenue recognised in each financial year reflects Children's Health Queensland's delivery of health services.

Block funding

Block funding is received for services agreed in the service agreement. Block funding does not have sufficiently specific performance obligations whereby Children's Health Queensland can determine and assign transaction prices. Accordingly, it is recognised as revenue on receipt.

Depreciation funding

State funding includes a non-cash appropriation for depreciation and amortisation and is disclosed in the Statement of Changes in Equity as an equity withdrawal.

Other funding

Other funding includes funding for specific programs, as per the service agreement with the Department of Health, which are not classified as activity-based or block funding. Recognition of revenue is dependent on the specific performance obligations attached to each funding subtype. Funding with sufficiently specific obligations, are recognised over time as the services or goods are provided and obligations met. Where the obligations are not sufficiently specific, revenue is recognised as it is received.

B1.2 User charges and fees

	2026	2025
	$'000	$'000
Hospital fees	29,527	24,225
Sale of goods and services	66,958	66,056
Rental revenue	1,932	1,658
Total	**98,417**	**91,939**

User charges and fees from contracts with customers is recognised as revenue when the performance obligations are satisfied and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods and services and/or the recognition of accrued revenue.

Hospital fees include inpatient, outpatient and medical ineligible patient fees.

The sale of goods and services includes reimbursement of medication costs in accordance with the Pharmaceutical Benefit Scheme (PBS) with revenue recognised when medications are dispensed to patients and claims lodged for co-payments through the PBS arrangement. It also includes research programs and other medical services provided to other hospital and health services, the Department of Health and other organisations.

Rental revenue is recognised on a periodic straight-line basis over the lease term.

B1.3 Grants and other contributions

Grants	5,247	5,107
Donations	401	122
Services received below fair value	8,358	7,933
Total	**14,006**	**13,162**

Services received below fair value

Children's Health Queensland has entered into a number of arrangements with the Department of Health where services are provided for no consideration. These include payroll services, accounts payable services and finance transactional services for which the fair value is reliably estimated and recognised as a revenue contribution and an equivalent expense (Note B2.3). The fair value of some additional services provided such as taxation services, supply services and information technology services are unable to be reliably estimated and not recognised.

B1.4 Other revenue

Recoveries	13,793	17,255
Interest income	393	423
Other	841	1,076
Total	**15,027**	**18,754**

Recoveries

Recoveries mainly include revenue recoveries from the Department of Health for non-capital projects in accordance with project agreements. Revenue is recognised when or as the goods or service is transferred to the other entity under AASB 15 Revenue from Contracts with Customers.

B2 Expenses

B2.1 Employee expenses

	Note	2026	2025
		$'000	$'000
Wages and salaries		134,466	122,069
Board member fees		487	497
Employer superannuation contributions		14,910	13,854
Annual leave levy		17,357	15,843
Long service leave levy		3,531	3,304
Other employee related expenses		5,680	5,798
Total		**176,431**	**161,365**
Number of employees at end of the year	B2.2	313	295

The number of employees (rounded to the nearest whole number) represents full-time or part-time staff, measured on a full-time equivalent basis reflecting Minimum Obligatory Human Resource Information as at 30 June 2026. Members of the Board, contractors and volunteers are not included in this total. Key management personnel and remuneration disclosures are detailed in Note G1.

B2.2 Health service employee expenses

Health service employee expenses	674,893	620,283
Total	**674,893**	**620,283**
Number of health service employees at end of the year	4,507	4,429

Under the current employment arrangements, the Department of Health is the employer of all non-executive health service employees. A non-executive health service employee is any employee who is not a Senior Health Service employee (including Senior Medical Officers and Visiting Medical Officers) or a member of the Health Service Executive.

As at 30 June 2026, total employee costs amounted to $851.324 million for 4,820 FTE comprising of:

- $674.893 million attributable to 4,507 Department of Health employees working for Children's Health Queensland.
- $176.431 million attributable to 313 directly engaged Children's Health Queensland employees.

Under these employment arrangements, the Department of Health enables Children's Health Queensland to perform its functions and exercise powers under the *Hospital and Health Boards Act 2011* and to ensure delivery of the services prescribed in the Service Agreement. The arrangement operates as follows:

- The Department of Health provides non-executive employees to perform work for Children's Health Queensland and the Queensland health system, acknowledging and accepting its obligations as the employer of the Queensland Health employees.
- Children's Health Queensland is responsible for the day-to-day workforce management.
- Children's Health Queensland reimburses the Department of Health for the salaries and on-costs of non-executive employees.

B2.3 Supplies and services

		2026	2025
		$'000	$'000
Clinical supplies and services		73,076	65,474
Consultants and contractors - clinical		6,085	7,164
Consultants and contractors - non-clinical		27,822	24,113
Pharmaceuticals		55,600	54,143
Catering and domestic supplies		7,040	11,566
Communications		4,734	4,382
Repairs and maintenance		20,461	22,501
Computer services		25,655	24,409
Facility management costs and utilities		7,490	13,125
Rental agreements		8,012	7,421
Patient travel		919	987
Other travel		2,553	2,512
Office supplies		1,841	1,458
Minor works and equipment		2,191	5,384
Services received below fair value	B1.3	8,358	7,933
Other		5,445	3,604
Total		**257,282**	**256,176**

B2.4 Other expenses

External audit fees		209	209
Other audit fees		199	253
Inventory written off		66	76
Bad debts written off		1,155	807
Transfer to allowance for impairment of receivables	C2	390	538
Legal costs		574	592
Insurance		7,277	7,214
Special payments		530	50
Other		76	75
Total		**10,476**	**9,814**

External audit fees

Total audit fees paid or payable to the Queensland Audit Office (QAO) relating to the 2025-26 financial year are $208,550 (2025: $208,550). There were no non-audit services provided by the QAO during the period.

Insurance premiums

Property and general losses are insured through the Queensland Government Insurance Fund (QGIF) under the Department of Health's insurance policy with a maximum exposure of $10,000. Health litigation payments and associated legal fees are also insured through QGIF and the maximum exposure to Children's Health Queensland under this policy is limited to $20,000 for each insurable event. Premiums are calculated by QGIF on a risk assessed basis. Children's Health Queensland also maintains separate Directors and Officers liability insurance.

Special payments

Special payments relate to ex-gratia expenditure that is not contractually or legally obligated to be made to other parties. In compliance with the *Financial and Performance Management Standard 2019*, Children's Health Queensland maintains a register setting out details of all special payments greater than $5,000. During the year, two ex-gratia payments of $50,000 and $480,000 were made in relation to out-of-court settlements and exceeded the $5,000 reporting threshold (2024–25: one).

Section C: Notes about our financial position

C1 Cash and cash equivalents

	2026	2025
	$'000	$'000
Imprest accounts	11	11
Cash at bank and on hand	68,727	57,041
Cash on deposit	8,269	7,745
Total	**77,007**	**64,797**

Cash assets include all cash on hand and in banks, cheques receipted but not banked at the reporting date and at call deposits.

Children's Health Queensland bank accounts are grouped within the whole-of-government set-off arrangement with the Commonwealth Bank of Australia. 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.

Cash on deposit relates 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 5.30 per cent (2025: 4.63 per cent).

C2 Receivables

Trade debtors	11,623	13,197
Less: allowance for impairment loss	(1,351)	(2,080)
	10,272	11,117
GST receivable	1,524	1,985
GST payable	(311)	(124)
	1,213	1,861
Total	**11,485**	**12,978**

Receivables

Trade debtors are recognised at the agreed purchase or contract price due at the time of sale or service delivery. Settlement of these amounts is required within 30 days from invoice date. The collectability of receivables is assessed on a monthly basis. All known bad debts are written off as at 30 June 2026.

C2 Receivables (continued)

Ageing trade debtors' position

2026 Trade debtors	Gross $'000	Loss rate %	Expected credit losses $'000	Net $'000
Not yet due	**5,350**	1.48%	(79)	**5,271**
Less than 30 days	**2,976**	2.15%	(64)	**2,912**
30 - 60 days	**931**	3.44%	(32)	**899**
61 - 90 days	**432**	6.94%	(30)	**402**
More than 90 days	**1,934**	59.26%	(1,146)	**788**
Total	**11,623**		**(1,351)**	**10,272**
2025				
Not yet due	**4,609**	2.04%	(94)	**4,515**
Less than 30 days	**3,287**	1.92%	(63)	**3,224**
30 - 60 days	**1,270**	5.04%	(64)	**1,206**
61 - 90 days	**758**	16.23%	(123)	**635**
More than 90 days	**3,273**	53.04%	(1,736)	**1,537**
Total	**13,197**		**(2,080)**	**11,117**

Movement in allowance for impairment of trade debtors	2026 $'000	2025 $'000
Opening balance	2,080	1,675
Amounts written off during the year	(1,119)	(133)
Increase in allowance recognised in operating result	390	538
Closing balance	**1,351**	**2,080**

Impairment of receivables

The loss allowance for trade debtors (excluding inter-government agency receivables) reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Children's Health Queensland assesses if there is objective evidence that receivables are impaired or uncollectible on a monthly basis. Objective evidence includes financial difficulties of the debtor, the class of debtor or delinquency in payments. After an appropriate range of debt recovery actions are undertaken, if the amount becomes uncollectible it is written off.

Debts representing inter-government agency receivables are expected to have an insignificant level of credit risk exposure and therefore are excluded from any loss allowance.

C3 Other current assets

	2026	2025
	$'000	$'000
Contract assets		
- Contracted health services	5,961	4,931
- Capital funding swaps and recoveries	1,039	4,933
- Others	5,090	4,499
Prepayments	3,863	3,942
Total	**15,953**	**18,305**

Contract assets

Contract assets arise from contracts with customers and are transferred to receivables when Children's Health Queensland's right to payment becomes unconditional. This occurs when the invoice is issued to the customer.

Capital funding swaps and recoveries include approved transactions with the Department of Health whereby operating funds are agreed to be used towards capital projects and revenue recoveries are made in arrears in accordance with project agreements.

C4 Property, plant and equipment

	2026	2025
	$'000	$'000
Land at fair value:	115,643	104,980
Buildings:		
At fair value	2,116,297	1,982,555
Less: accumulated depreciation	(974,962)	(880,104)
	1,141,335	1,102,451
Heritage and cultural assets at fair value:	1,203	1,196
Plant and equipment:		
At cost	129,786	127,974
Less: accumulated depreciation	(77,083)	(77,770)
	52,703	50,204
Capital works in progress at cost:	10,722	7,752
Total	**1,321,606**	**1,266,583**

C4.1 Property, plant and equipment reconciliation

	Land (Level 2)	Buildings (Level 2)	Buildings (Level 3)	Heritage and cultural (Level 3)	Plant and equipment	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2025	104,980	700	1,101,751	1,196	50,204	7,752	**1,266,583**
Acquisitions	-	-	-	-	4,306	20,014	**24,320**
Disposals	-	-	(26)	-	(170)	-	**(196)**
Derecognition of assets	-	-	-	-	-	(81)	**(81)**
Net revaluation increments	10,663	-	118,687	-	-	-	**129,350**
Transfers to/from other HHS/DoH	-	-	-	-	(121)	-	**(121)**
Transfers between asset classes	-	-	5,874	7	11,082	(16,963)	-
Depreciation for the year	-	(32)	(85,619)	-	(12,598)	-	**(98,249)**
Balance at 30 June 2026	**115,643**	**668**	**1,140,667**	**1,203**	**52,703**	**10,722**	**1,321,606**
Balance at 1 July 2024	102,254	850	1,090,834	1,187	37,490	7,453	**1,240,068**
Acquisitions	-	-	-	9	13,411	18,628	**32,048**
Disposals	-	-	-	-	(20)	-	**(20)**
Net revaluation increments/(decrements)	2,726	(137)	81,041	-	-	-	**83,630**
Transfers to/from other HHS	-	-	-	-	(75)	-	**(75)**
Transfers between asset classes	-	25	11,387	-	6,917	(18,329)	-
Depreciation for the year	-	(38)	(81,511)	-	(7,519)	-	**(89,068)**
Balance at 30 June 2025	**104,980**	**700**	**1,101,751**	**1,196**	**50,204**	**7,752**	**1,266,583**

C4.2 Property, plant and equipment accounting policies

(a) Recognition thresholds

Items of property, plant and equipment with a historical 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 for financial reporting purposes in the year of acquisition.

Land	$1
Buildings	$10,000
Heritage and cultural assets	$5,000
Plant and equipment	$5,000

Items with a lesser value are expensed in the year of acquisition.

Children's Health Queensland has an annual maintenance program for its plant and equipment and infrastructure assets. Expenditure is only capitalised if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear) is expensed.

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

(b) Acquisition

Property, plant and equipment are initially recorded at consideration plus any other costs incidental to the acquisition, including all other costs directly incurred in bringing the asset ready for use. Separately identified components of significant value are measured on the same basis as the assets to which they relate.

Where assets are acquired for no consideration from another Queensland Government entity, 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 recognised at fair value at the date of acquisition in accordance with AASB 116 Property, Plant and Equipment.

(c) Subsequent measurement

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.

Land, buildings and heritage and cultural assets are subsequently measured at fair value in accordance with AASB 116 Property, Plant and Equipment, AASB 13 Fair Value Measurement and Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. 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 year has been judged by Management to materially represent the fair value at the end of the reporting period.

(d) Depreciation

Land and heritage and cultural assets are not depreciated as they have 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. This is consistent with the even consumption of service potential of these assets over their useful life.

C4.2 Property, plant and equipment accounting policies (continued)

Assets under construction (work in progress) are not depreciated until they reach service delivery capacity or are ready for use.

For each class of depreciable assets, the range of estimated useful lives of the assets are as follows:

Buildings	13 to 77 years
Plant and equipment	2 to 40 years

Separately identifiable components of assets are depreciated according to the useful lives of each component.

The depreciable amount of improvements to or on leasehold buildings 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.

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

Management estimates the useful lives of property, plant and equipment based on expected period of time over which economic benefits from use of the asset will be derived. Management reviews useful life assumptions on an annual basis having given consideration to variables including historical and forecast usage rates, technological advancements and changes in legal and economic conditions.

For Children's Health Queensland's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

(e) Impairment

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. In accordance with AASB 13 Fair Value Measurement, the recoverable cost of buildings revalued under replacement cost methodology are deemed to be materially the same as their fair values.

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.

For assets measured at cost, an impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Impairment indicators were assessed in 2025-26 with no asset requiring an adjustment for impairment.

C4.3 Property, plant and equipment valuation

The fair value of land and buildings are assessed on an annual basis by independent professional valuers. Comprehensive revaluations are undertaken at least once every five years. If a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal. This requirement applies to the extent that either the valuation results wholly or partially from a change in the service potential/capacity of the asset or the application of an indexation method would not result in a materially correct estimation of fair value.

In line with the above stated requirements, where assets have not been specifically appraised in the reporting period, previous valuations are materially kept up-to-date via the application of relevant indices. The valuers supply 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 valuers provide assurance of their robustness, validity and appropriateness for application to the relevant assets.

C4.3 Property, plant and equipment valuation (continued)

Through this process, which is undertaken annually, Management assesses and confirms the relevance and suitability of indices provided by the valuer based on Children Health Queensland's particular circumstances.

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. In that case it is recognised as income. 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.

(a) Land

Land is valued by the market approach, using the direct comparison method. Under this valuation technique, the assets are compared to recent comparable sales as the available market evidence. The valuation of land is determined by analysing the comparable sales and reflecting the shape, size, topography, location, zoning, any restrictions such as easements and volumetric titles and other relevant factors specific to the asset being valued. From the sales analysed, the valuer considers all characteristics of the land and may apply an appropriate rate per square metre to the subject asset.

All land was revalued by an independent professional valuer, Acumentis, using indexed valuation methods with an effective date of 30 June 2026. The land lot indexation resulted in an increment of 10.2% in overall land value. Management has assessed the valuations as appropriate and recognises the significant market volatility this financial year in line with broader market factors.

Restriction: Children's Health Queensland controls land subject to a legal restriction, being the land footprint for the Queensland Children's Hospital (QCH) with a fair value of $75.570 million as at 30 June 2026. This land is subject to a Memorandum of Understanding and a Call Option to Buy Hospital between the State of Queensland (the State) represented by the Department of Health and Mater Misericordiae Limited (Mater), which provides for the granting of an option to Mater to acquire the footprint for consideration of $1. Mater may exercise the option by notice in writing within 30 days after the earlier of the 60th anniversary of the opening of the QCH (29 November 2074), or the date when the State ceases to use QCH as a tertiary paediatric hospital. The State may, on or before the 60th anniversary of the opening of the hospital, exercise an option to extend the term to a date not less than 90 years from the opening date. However, Mater may then elect for the State to demolish the buildings on the footprint (at the cost of the State) prior to transferring the land to Mater. The asset has been recognised under the land asset class at fair value.

(b) Buildings

Health service buildings

Reflecting the specialised nature of health service buildings for which there is not an active market, fair value is determined using current replacement cost.

The methodology applied by the valuer is a financial simulation in lieu of a market-based measurement as these assets are rarely 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/ building footprint
- Number of lifts and staircases
- Height of the building
- Girth of the building
- Number of floors
- Location

The model developed by the valuer creates an elemental cost plan using these quantities. It can apply to multiple building types and relies on the valuer's experience with construction costs.

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.

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 replacing the service potential of the asset with a modern equivalent built to current standards. Adjustment to the replacement cost

is then made to reflect the gross value of the building. The valuer in conjunction with Management have identified items of functional and economic obsolescence. These items have been costed and used to adjust the replacement cost to produce the gross value which reflects the replacement cost less any utility not present in the asset.

The gross value is then adjusted for physical obsolescence using a straight line adjustment using the asset capitalisation date (depreciation start date) and the estimated remaining useful life of each of the building elements. The valuer and Management agree on the estimated remaining useful life of each building element.

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.

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 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.

All health service buildings were revalued by an independent professional valuer, AECOM, using comprehensive, desktop and indexed valuation methods with an effective date of 30 June 2026. Management has assessed the valuations as appropriate and recognises the significant market volatility this financial year in line with broader market factors. The outcome of the valuation resulted in a 11.6% increase in overall value mainly due to rising construction costs. Management has received confirmation from the independent valuer that, at the reporting date, these factors have not had any material impact to the building asset values provided.

Commercial office building

Children's Health Queensland owns a commercial office building that is valued under the income valuation approach. Such valuation technique capitalises the adjusted market net income to determine the fair value of the asset using readily available market data. The fair value measurement reflects current market expectations about these future amounts.

Children's Health Queensland has adopted the net method of reporting this asset. This method eliminates accumulated depreciation and accumulated impairment losses against the gross amount of the asset prior to restating for the revaluation.

The building was revalued by an independent professional valuer, Acumentis, with an effective date of 30 June 2025. Management has assessed the valuations as appropriate.

(c) Plant and equipment

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

C5 Intangible assets

	2026	2025
	$'000	$'000
Developed software:		
At cost	8,811	8,811
Less: accumulated amortisation	(4,819)	(4,231)
	3,992	4,580
Purchased software:		
At cost	830	830
Less: accumulated amortisation	(710)	(643)
	120	187
Software work in progress:		
At cost	-	133
Total intangible assets	**4,112**	**4,900**

Intangibles reconciliation

	Developed software	Purchased software	Software work in progress	Total
	$'000	$'000	$'000	$'000
Balance at 1 July 2025	4,580	187	133	**4,900**
Derecognition of asset	-	-	(133)	**(133)**
Amortisation for the year	(588)	(67)	-	**(655)**
Balance at 30 June 2026	**3,992**	**120**	**-**	**4,112**
Balance at 1 July 2024	5,207	61	300	**5,568**
Acquisitions	-	-	35	**35**
Transfer between classes	-	202	(202)	-
Amortisation for the year	(627)	(76)	-	**(703)**
Balance at 30 June 2025	**4,580**	**187**	**133**	**4,900**

An intangible asset is recognised only if its historical cost is equal to or greater than $100,000. Items with a lesser cost are expensed. As there is no active market for any of the intangibles held by Children's Health Queensland, the assets are recognised and carried at cost less accumulated amortisation.

Software is amortised on a straight-line basis over the period in which the related benefits are expected to be realised. The useful life and amortisation method is reviewed annually and adjusted appropriately. The current estimated useful life for Children's Health Queensland software systems is 5 to 13 years.

Intangibles are assessed for indicators of impairment on an annual basis with no asset requiring an adjustment for impairment in 2025-26.

C6 Payables

	Note	2026 $'000	2025 $'000
Trade creditors		48,674	51,675
Health service employee payables	B2.2	19,536	12,982
Lease liabilities		-	11
Other accrued payables		32,351	36,557
Total		**100,561**	**101,225**

Payables are recognised for amounts to be paid in the future for goods and services received. Payables are measured at the agreed purchase or contract price, gross of applicable trade and other discounts. The amounts owing are unsecured and generally settled on 30 day terms.

C7 Employee benefits

Accrued salary, wages and related costs	5,255	3,432
Other	57	50
Total	**5,312**	**3,482**

Accrued salary, wages and related costs

Salaries, wages and related costs 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 leave and long service leave

Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Central Scheme, 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. 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 payable. Amounts paid to employees for annual leave and long service leave are claimed from the schemes quarterly in arrears.

Superannuation

Employer superannuation contributions relating to employees and Board members are expensed in the period in which they are paid or payable. Children's Health Queensland's obligation is limited to its contributions to the respective superannuation funds.

Other employee benefits

The liability for employee benefits includes provisions for accrued rostered days off entitlements.

C8 Equity

C8.1 Contributed equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities 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.

Children's Health Queensland receives funding from the Department of Health to cover depreciation and amortisation costs. However, as depreciation and amortisation are non-cash expenditure items, the Minister for Health and Ambulance Services has approved a withdrawal of equity by the State for the same amount, resulting in non-cash revenue and non-cash equity withdrawal.

C8.2 Asset revaluation surplus by asset class

	Land	Building	Total
	$'000	$'000	$'000
Balance at 1 July 2025	38,457	384,964	**423,421**
Net revaluation increment for the year	10,663	118,687	**129,350**
Balance at 30 June 2026	**49,120**	**503,651**	**552,771**
Balance at 1 July 2024	35,731	304,060	**339,791**
Net revaluation increment for the year	2,726	80,904	**83,630**
Balance at 30 June 2025	**38,457**	**384,964**	**423,421**

Section D: Notes on our risks and other accounting uncertainties

D1 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 (i.e: 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 and the commercial office building.

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, 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 which is its current use unless the asset is classified as held-for-sale under AASB 5 or it becomes highly probable that the asset will be used for an alternative purpose.

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 and there were no transfer of assets between fair value hierarchy levels during the period. More specific fair value information about the entity's property, plant and equipment is outlined further in Notes C4.

Trade and other receivables are measured at cost less any allowance for impairment. Due to the short-term nature of these assets the fair value does not differ significantly from their amortised cost.

D2 Financial risk disclosures

(a) Financial instruments categories

Children's Health Queensland has the following categories of financial assets and financial liabilities as reflected in the Statement of Financial Position – Cash and cash equivalents (Note C1), Receivables (Note C2), Other current assets (Note C3) and Payables (Note C6).

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

(b) Financial risk management

Children's Health Queensland is exposed to a variety of financial risks – credit risk, liquidity risk and market risk. Financial risk is managed in accordance with Queensland Government and agency policies. Children's Health Queensland 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
Liquidity risk	Sensitivity analysis, monitoring of cash flows by management of accrual
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 reporting 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 cash on deposits are held by the State through Queensland Treasury Corporation.

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 to prevent them from being past due or impaired and are stated at the carrying amounts as indicated.

(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 $10.500 million (2025: $10.500 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 2026 and is available for use in the next reporting period.

The liquidity risk of financial liabilities held by Children's Health Queensland is limited to the payables category as reflected in the Statement of Financial Position. All payables are less than 1 year in term.

(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 cash on deposits with Queensland Treasury Corporation. Children's Health Queensland does not undertake any hedging in relation to interest rate risk. Changes in interest rates have a minimal effect on the operating result of Children's Health Queensland.

D3 Commitments

	2026	2025
	$'000	$'000

Capital expenditure commitments

Capital expenditure commitments are payable as follows:

Not later than 1 year	6,294	10,675
Later than 1 year and not later than 5 years	2,269	6,067
Total	**8,563**	**16,742**

D4 Contingencies

Litigation in progress

As at 30 June 2026 there were 8 cases filed with the courts as follows:

	2026	2025
Supreme court	6	8
District court	1	1
Tribunals, commissions and boards	1	1
Total	**8**	**10**

Health and property litigation is underwritten by Queensland Government Insurance Fund (QGIF) and Children's Health Queensland's liability in this area is limited to an excess per insurance event.

All Children's Health Queensland's indemnified claims are managed by QGIF. As at 30 June 2026, there were 51 claims being managed by QGIF, some of which may never be litigated or result in claim payments. The maximum exposure to Children's Health Queensland under this policy is limited to $20,000 for each insurable event.

D5 Events occurring after the reporting date

No matters or circumstances have arisen since 30 June 2026 that have significantly affected, or may significantly affect Children's Health Queensland's operations, the results of those operations, or the state of affairs in future years.

D6 New and revised accounting standards

(a) Changes in accounting policy

Children's Health Queensland did not voluntarily change any accounting policies during 2025-26.

(b) Accounting standards early adopted in 2025-26

No Australian Accounting Standards have been early adopted for 2025-26.

(c) Accounting standards applied for the first time in 2025-26

No Australian Accounting Standards have been applied for the first time for 2025-26.

D7 Future impact of accounting standards not yet effective

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

AASB 18 *Presentation and Disclosure in Financial Statements*

AASB18 applies to not-for-profit public sector entities for annual reporting periods beginning on or after 1 January 2028, which will be the 2028-29 financial year.

This standard sets out new requirements for the presentation of the Statement of Comprehensive Income, requires new disclosures about management-defined performance measures and removes existing options in the classification of dividends and interest received and interest paid in the Statement of Cash Flows. AASB 18 will only affect presentation and disclosure, it will not affect the recognition or measurement of any reported amounts.

The AASB has proposed amendments to AASB 18 for not-for-profit public sector entities. Children's Health Queensland will further assess the expected impacts of any amendments and any Queensland Treasury pronouncements in subsequent reporting periods.

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

Section E: Notes about our performance compared to Budget

This section discloses Children's Health Queensland's original budgeted figures for 2025-26 compared to actual results, with explanations of major variances, in respect of the Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

E1 Budget to actual comparison – Statement of Comprehensive Income

	Variance Notes	Original Budget 2026 $'000	Actual 2026 $'000	Variance $'000
Income from continuing operations				
Health services funding	(a)	1,065,692	1,095,874	30,182
User charges and fees		94,616	98,417	3,801
Grants and other contributions		10,612	14,006	3,394
Other revenue		6,250	15,027	8,777
Total revenue		**1,177,170**	**1,223,324**	**46,154**
Gains on disposal of assets		45	187	142
Total income from continuing operations		**1,177,215**	**1,223,511**	**46,296**
Expenses from continuing operations				
Employee expenses	(b)	175,960	176,431	471
Health service employee expenses	(b)	632,025	674,893	42,868
Supplies and services		254,508	257,282	2,774
Grants		3,602	4,734	1,132
Depreciation and amortisation		92,734	98,915	6,181
Loss on disposal of assets		953	410	(543)
Other expenses		17,433	10,476	(6,957)
Total expenses from continuing operations		**1,177,215**	**1,223,141**	**45,926**
Total operating result		**-**	**370**	**370**
Other comprehensive income				
Items that will not be reclassified to operating result:				
- Increase in asset revaluation surplus		-	129,350	129,350
Total other comprehensive income		**-**	**129,350**	**129,350**
Total comprehensive income		**-**	**129,720**	**129,720**

E2 Budget to actual comparison – Statement of Financial Position

	Variance Notes	Original Budget 2026 $'000	Actual 2026 $'000	Variance $'000
Current assets				
Cash and cash equivalents	(c)	58,758	77,007	18,249
Receivables	(d)	18,770	11,485	(7,285)
Inventories		7,481	8,666	1,185
Other current assets	(d)	3,376	15,953	12,577
Total current assets		**88,385**	**113,111**	**24,726**
Non-current assets				
Property, plant and equipment	(e)	1,119,451	1,321,606	202,155
Intangible assets		4,210	4,112	(98)
Total non-current assets		**1,123,661**	**1,325,718**	**202,057**
Total assets		**1,212,046**	**1,438,829**	**226,783**
Current liabilities				
Payables	(f)	83,188	100,561	17,373
Employee benefits		4,057	5,312	1,255
Contract liabilities		4,547	7,250	2,703
Total current liabilities		**91,792**	**113,123**	**21,331**
Total liabilities		**91,792**	**113,123**	**21,331**
Net assets / Total equity		**1,120,254**	**1,325,706**	**205,452**

E3 Budget to actual comparison – Statement of Cash Flows

	Variance Notes	Original Budget 2026 $'000	Actual 2026 $'000	Variance $'000
Cash flows from operating activities				
Inflows:				
Health services funding		1,065,692	998,278	(67,414)
User charges and fees		95,482	99,016	3,534
Grants and other contributions		3,418	6,739	3,321
Interest receipts		32	387	355
GST collected from customers		-	2,330	2,330
GST input tax credits from ATO		-	15,904	15,904
Other	(g)	11,093	14,083	2,990
Outflows:				
Employee expenses	(b)	(175,783)	(209,869)	(34,086)
Health service employee expenses		(632,025)	(630,398)	1,627
Supplies and services		(258,713)	(260,754)	(2,041)
Grants		(3,602)	(5,092)	(1,490)
GST paid to suppliers		-	(15,443)	(15,443)
GST remitted to ATO		-	(2,143)	(2,143)
Other		(10,239)	(11,195)	(956)
Net cash provided by operating activities		**95,355**	**1,843**	**(93,512)**
Cash flows from investing activities				
Inflows:				
Sales of property, plant and equipment		45	187	142
Outflows:				
Payments for property, plant and equipment	(h)	-	(24,320)	(24,320)
Net cash used in investing activities		**45**	**(24,133)**	**(24,178)**
Cash flows from financing activities				
Inflows:				
Equity injections	(i)	-	34,511	34,511
Outflows:				
Equity withdrawals	(j)	(92,734)	-	92,734
Lease payments		-	(11)	(11)
Net cash provided by/(used in) financing activities		**(92,734)**	**34,500**	**127,234**
Net increase in cash and cash equivalents		**2,666**	**12,210**	**9,544**
Cash and cash equivalents at beginning of the year		56,092	64,797	8,705
Cash and cash equivalents at end of the year		**58,758**	**77,007**	**18,249**

E4 Budget to actual comparison – Explanation of major variances

a) The increase of $30.182 million in health services funding mainly includes additional funding for enterprise bargaining (EB) agreements ($7.864 million), depreciation funding ($6.724 million) and program initiatives such as Evolve Therapeutic Services, Putting Queensland Kids First and Better Care Together ($13.436 million).

b) Health service employee expenses and employee expenses have increased by $43.339 million. The key drivers for the variance are increases relating to services or programs where funds were transacted at designated amendment windows throughout the year, post sign-off of the original budget. Furthermore, there have been additional workforce payments and entitlements during the year, including pay rate uplifts, as defined in enterprise bargaining (EB) agreements which has resulted in the actuals being higher than the estimates when setting the budget. In addition, one-off Cost of Living Adjustments (COLA) payments and Certified Union Agreement (CUA) related employee costs contributed to the increase in expenditure during the year.

c) An increase in the cash asset position is mainly due to a higher than originally expected cash balance at the beginning of the year due to additional funding received ($8.705 million). This balance is further impacted by an increase in payables ($17.373 million) and lower receivables ($7.285 million) offset by an increase in contract assets ($12.577 million).

d) In the original budget, accrued revenue was classified as Receivables, however, in line with the terminology in AASB 15, accrued revenue is to be recognised as Contract assets. The net increase of $5.292 million in the combined categories mainly relates to an increase in revenue from contracts with customers.

e) An increase in property, plant and equipment is due to a higher than originally expected balance at the beginning of the year ($73.934 million) and further impacted by the increase in valuation for this financial year ($129.350 million).

f) An increase in payables is mainly due to higher outstanding creditors than originally expected for the end of year mainly from funding clawbacks and capital swaps owing to the Department of Health.

g) An increase in cash inflows mainly reflects revenue recoveries from the Department of Health for non-capital projects in accordance with project agreements.

h) An increase in payments for property, plant and equipment mainly relates to higher than anticipated capital projects expenditure ($20.013 million) and medical equipment acquisitions ($3.972 million).

i) An increase in equity injections mainly relates to higher than anticipated funding towards capital expenditure for facility projects ($16.435 million) and equipment purchases ($18.076 million).

j) Funding for depreciation was budgeted as a cash item. It was subsequently accounted for as a non-cash equity withdrawal.

Section F: What we look after on behalf of third parties

F1 Restricted assets

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

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

	2026	2025
	$'000	$'000
Opening balance	8,071	7,615
Income	1,900	1,950
Expenditure	(1,399)	(1,494)
Closing balance	**8,572**	**8,071**

F2 Third party monies

	2026 $'000	2025 $'000
(a) Grant of private practice accounts		
Revenue and expense:		
Revenue		
Billings	6,776	5,747
Total revenue	**6,776**	**5,747**
Expense		
Payments to medical practitioners	4,422	3,835
Payments to Children's Health Queensland for recoverable costs	2,329	1,886
Payments to medical practitioners' trust	25	26
Total expenditure	**6,776**	**5,747**
Assets and liabilities:		
Current assets		
Cash at bank	1,620	992
Total assets	**1,620**	**992**
Current liabilities		
Payables to medical practitioners	458	381
Payables to Children's Health Queensland for recoverable costs	1,143	585
Payables to medical practitioners' trust	19	26
Total liabilities	**1,620**	**992**
(b) Patient trust accounts		
Opening balance	8	8
Cash receipts	1	1
Cash payments	(1)	(1)
Closing balance	**8**	**8**

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 the Grant of Private Practice agreement (GoPP). Under this agreement, Children's Health Queensland deducts a service fee (where applicable) from private patient fees received to cover the use of the facilities and administrative support provided to the medical practitioner.

In addition, Children's Health Queensland acts in a custodian role in relation to patient trust accounts. As such, these transactions and balances are not recognised in the financial statements but are disclosed 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.

Section G: Other information

G1 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 2025-26.

(a) Minister for Health and Ambulance Services

The Minister for Health and Ambulance Services is identified as part of Children's Health Queensland's key management personnel, consistent with AASB 124 Related Party Disclosures.

(b) Board

Position and Name	Responsibilities, Appointment Authority and Memberships	Date of Initial Appointment	Date of Resignation or Cessation
Board Chair - Ms Heather Watson	Perform duties of Chair as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Member – Health Service Executive Committee Member – Audit and Risk Committee Member – Research and Education Committee	1 April 2024 (Appointed as Board member 18 May 2018)	-
Deputy Chair - Mr William Fellowes	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Chair – Health Service Executive Committee Member – Audit and Risk Committee Member – Finance and Performance Committee	26 September 2024 (Appointed as Board member 18 May 2021)	-
Board Member - Ms Cheryl Herbert	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Member – Safety and Quality Committee Member – Research and Education Committee	26 June 2015	
Board Member - Ms Inmaculada Beaumont	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Chair – Audit and Risk Committee Member – Health Service Executive Committee Member – Finance and Performance Committee	1 April 2024	-
Board Member - Mr Martin Byrne	Perform duties of Board Member as prescribed in *the Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Chair – Finance and Performance Committee Member– Health Service Executive Committee Member – Safety and Quality Committee	10 June 2021	-
Board Member - Ms Suzanne Cadigan	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Chair – Safety and Quality Committee Member – Health Service Executive Committee Member – Audit and Risk Committee Member – Research and Education Committee	18 May 2019	-
Board Member - Mr Simon Denny	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Chair – Research and Education Committee Member – Health Service Executive Committee Member – Safety and Quality Committee	10 June 2021	-

(b) Board (continued)

Position and Name	Responsibilities, Appointment Authority and Memberships	Date of Initial Appointment	Date of Resignation or Cessation
Board Member - Ms Meredith Staib	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Member – Health Service Executive Committee Member – Audit and Risk Committee Member – Finance and Performance Committee	18 May 2020	-
Board Member - Ms Bronwyn Thompson	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Member – Finance and Performance Committee Member – Safety and Quality Committee	1 April 2026	-
Board Member - Mr Brian Wyborn	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Member – Audit and Risk Committee Member – Research and Education Committee	1 April 2026	-
Board Member - Ms Karina Hogan	Perform duties of Board Member as prescribed in the *Hospital and Health Boards Act 2011*. Governor-in-Council Appointment. Member – Finance and Performance Committee Member – Safety and Quality Committee	18 May 2019	31 March 2026

(c) Executive management

Health Service Chief Executive

Responsibilities
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 Children's Health Queensland achieves a balance between efficient service delivery and high quality health outcomes.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Francis Tracey	Current	Individual contract *Hospital and Health Boards Act 2011* S24/70 Award Free Section 24	23 July 2019	-

Executive Director Corporate Services / Chief Financial Officer

Responsibilities
Lead the corporate services function, including Finance and Procurement, Governance, Assurance and Internal Audit, Fire Safety Advisory and Assurance, and Facilities and Capital Infrastructure with a core focus on sustainability to ensure support for the delivery of high-quality healthcare, and provide strategic advice, leadership and management oversight of the financial and corporate services functions for Children's Health Queensland. Work in conjunction with the executive team to ensure that financial stewardship and governance arrangements are in place to meet financial performance targets and imperatives.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Alan Fletcher	Current	Health Executive Service (HES 3) *Hospital and Health Boards Act 2011*	3 July 2017	-

(c) Executive management (continued)

Executive Director, Medical Services

Responsibilities
Provide medical executive leadership, strategic focus, managerial direction, authoritative and expert advice on professional and policy issues, leading development of a generative culture that draws the best talent and enhances the attraction and retention of high-quality child and family focused medical specialists. To lead paediatric patient safety and quality improvement for Children's Health Queensland.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Steven McTaggart	Current	Senior Medical Officer (Level 28 – MMOI3), *Medical Officer (Queensland Health) Certified Agreement (No.6) 2022 (MOCA 7)*	27 July 2020	-

Executive Director, Nursing Services

Responsibilities
Provide nursing executive leadership, direction, authoritative and expert advice on a wide range of professional and policy issues and alignment to relevant standards, for the safe and effective delivery of nursing services across Children's Health Queensland. Shape and lead strategic thinking at the executive management level in a complex, diverse and dynamic environment, to develop and establish an integrated nursing service delivery model and workforce. Cultivate a working environment which actively promotes a collaborative performance culture that includes values of trust and respect for consumers, carers and other stakeholders.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Ruth McCaffery	Current Acting	Nurse Grade 13 *Nurses and Midwives (Queensland Health) Award – State 2015*	12 January 2026	-
Callan Battley	Former	Nurse Grade 13 *Nurses and Midwives (Queensland Health) Award – State 2015*	16 September 2019	25 January 2026

Executive Director, Allied Health

Responsibilities
Provide allied health executive leadership, strategic focus, authoritative and expert advice on a wide range of professional and policy issues to the Health Service Chief Executive, members of the Executive Team and other relevant stakeholders. Achieve policy and operational alignment with national, state and Children's Health Queensland strategic directions, policies and professional standards for the effective and safe delivery of contemporary allied health services.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Leanne Johnston	Current	Health Practitioners (HP8-2) *Queensland Health Certified Agreement (No.2) 2011*	24 April 2023	-

Chief Operating Officer (formerly Executive Director, Clinical Services)

Responsibilities
Provide strategic leadership and ultimate accountability for the effective and efficient delivery of operational services across the organisation including community, mental health and services delivered from the Queensland Children's Hospital.

Name	Incumbent status	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Brendan Hoad	Current	Health Executive Service (HES 3) *Hospital and Health Boards Act 2011*	23 June 2025	-
Dominic Tait	Former	Health Executive Service (HES 3) *Hospital and Health Boards Act 2011*	15 October 2017	20 July 2025

(c) Executive management (continued)

Executive Director, Strategy and Transformation

Responsibilities				
Provide leadership, advice and management oversight for strategy and transformation processes and activities for Children's Health Queensland to support the delivery of safe, integrated and life-changing care to children, young people and their families.				
Name	**Incumbent status**	**Contract Classification and Appointment Authority**	**Date of Initial Appointment**	**Date of Resignation or Cessation**
Adrian Clutterbuck	Current	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	1 January 2021	-

Executive Director, People and Culture (formerly Executive Director, People and Governance)

Responsibilities				
Lead Children's Health Queensland's Human Resource Services, Health Safety and Wellbeing functions, Legal services, and Leadership and Culture functions; ensuring their capability and capacity to support Children's Health Queensland to achieve the highest standards within those corporate functions.				
Name	**Incumbent status**	**Contract Classification and Appointment Authority**	**Date of Initial Appointment**	**Date of Resignation or Cessation**
John Hammond	Current	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	27 November 2024	-

Executive Director, Aboriginal and Torres Strait Islander Engagement

Responsibilities				
Provide strategic advice, guidance and support to the Children's Health Queensland Board, Health Service Chief Executive and members of the Executive Team on matters relating to equitable health outcomes for Aboriginal and Torres Strait Islander children and young people, which prioritises their cultural, emotional and spiritual needs.				
Name	**Incumbent status**	**Contract Classification and Appointment Authority**	**Date of Initial Appointment**	**Date of Resignation or Cessation**
Jessica Oostenbroek	Current	Aboriginal and Torres Strait Islander Health Workforce (HWF9) *Aboriginal and Torres Strait Islander Health Workforce (Queensland Health) Certified Agreement (No. 3) 2025*	20 October 2025	-
Dennis Conlon	Former Acting		22 October 2025	20 April 2026
Angela Young	Former	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	22 February 2021	19 September 2025

Chief Digital Transformation Officer

Responsibilities				
Provide strategic leadership and executive accountability for the effective and efficient delivery of digital, data and technology services across the organisation, including digital transformation initiatives, information and communication technology operations, cybersecurity, data governance and analytics, and the implementation of digital solutions that support safe, high-quality care and organisational performance across the Queensland Children's Hospital.				
Name	**Incumbent status**	**Contract Classification and Appointment Authority**	**Date of Initial Appointment**	**Date of Resignation or Cessation**
Adi Gafni	Current	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	05 January 2026	-

(c) Executive management (continued)

Senior Director Office of the Health Service Chief Executive

Responsibilities				
Provide strategic leadership to the Health Service Chief Executive and the Hospital and Health Board, and for Children's Health Queensland's communications, marketing and media services, enabling the HHS to achieve the highest standards in governance, engagement and accountability.				
Name	**Incumbent status**	**Contract Classification and Appointment Authority**	**Date of Initial Appointment**	**Date of Resignation or Cessation**
Sarah Wanless	Current	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	05 January 2026	-

Executive Director, Communications, Culture and Engagement (Abolished)

Responsibilities				
Responsible for the proactive and strategic management of Children's Health Queensland internal and external communications, marketing and media, stakeholder engagement, organisational culture, leadership development and Arts in Health program.				
Name	**Incumbent status**	**Contract Classification and Appointment Authority**	**Date of Initial Appointment**	**Date of Resignation or Cessation**
Damian Pointon	Former Acting	Health Executive Service (HES 2) *Hospital and Health Boards Act 2011*	23 September 2024	04 January 2026

(d) Remuneration expenses

Minister for Health and Ambulance Services

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

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 employees. The remuneration and other terms of employment are specified in employment contracts or in the relevant Enterprise Agreements and Awards.

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: other benefits provided to the employee including performance benefits recognised as an expense during the year with 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.

Employment contracts for key management personnel do not provide for any performance payments.

(i) Board – Remuneration expenses

Name and position		Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Termination benefits	Total expenses
	Year	Monetary expenses $'000	Non-monetary benefits $'000	$'000	$'000	$'000	$'000
Ms Heather Watson Board Chair	2026	82	17	-	10	-	109
	2025	81	17	-	10	-	108
Mr William Fellowes Deputy Chair	2026	50	17	-	6	-	73
	2025	50	17	-	6	-	73
Ms Cheryl Herbert Board Member	2026	46	-	-	6	-	52
	2025	47	-	-	6	-	53
Ms Inmaculada Beaumont Board Member	2026	50	17	-	6	-	73
	2025	49	-	-	7	-	56
Mr Martin Byrne Board Member	2026	50	-	-	7	-	57
	2025	49	-	-	6	-	55
Ms Suzanne Cadigan Board Member	2026	51	17	-	6	-	74
	2025	50	17	-	6	-	73
Mr Simon Denny Board Member	2026	50	-	-	6	-	56
	2025	50	-	-	6	-	56
Ms Meredith Staib Board Member	2026	49	6	-	6	-	61
	2025	48	11	-	6	-	65
Ms Bronwyn Thompson Board Member*	2026	12	-	-	2	-	14
Mr Brian Wyborn Board Member	2026	12	-	-	2	-	14
Ms Karina Hogan Board Member	2026	35	-	-	5	-	40
	2025	46	-	-	6	-	52
Ms Kara Cook Board Member	2026	-	-	-	-	-	-
	2025	27	-	-	4	-	31
Total Remuneration: Board	**2026**	**487**	**74**	**-**	**62**	**-**	**623**
	2025	**497**	**62**	**-**	**63**	**-**	**622**

* Pursuant to the *Hospital and Health Boards Amendment Act 2025*, Ms Bronwyn Thompson is a frontline clinician employed by Children's Health Queensland. The monetary benefit in this table only includes the remuneration for the board member role. Any non-monetary benefits received during the financial year were provided in connection with her employment duties and were not related to her appointment or service as a Board member.

(ii) Executive Management - Remuneration expenses

Position	Incumbent Status	Year	Short-term employee expenses		Long- term employee expenses	Post-employment expenses	Termination benefits	Total expenses
			Monetary expenses	Non-monetary benefits				
			$'000	$'000	$'000	$'000	$'000	$'000
Health Service Chief Executive	Current	2026	408	16	10	48	-	482
	Current	2025	465	-	11	54	-	530
Executive Director Corporate Services / Chief Finance Officer	Current	2026	273	17	7	24	-	321
	Current	2025	267	17	7	30	-	321
Executive Director, Medical Services	Current	2026	568	17	13	57	-	655
	Current	2025	571	11	13	57	-	652
Executive Director, Nursing Services	Current	2026	152	17	3	17	-	189
	Former	2026	148	15	3	16	6	188
	Former	2025	292	17	7	33	-	349
Executive Director, Allied Health	Current	2026	218	-	5	25	-	248
	Current	2025	217	-	5	25	-	247
Chief Operating Officer	Current	2026	266	13	6	29	-	314
	Former	2025	279	17	7	33	-	336
Executive Director, People and Culture	Current Acting	2026	235	17	6	27	-	285
	Current Acting	2025	134	17	3	16	-	170
	Former	2025	98	11	2	11	-	122
Executive Director, Strategy and Transformation	Current	2026	240	17	6	27	-	290
	Current	2025	237	17	6	28	-	288
Executive Director, Communications, Culture and Engagement	Former Acting	2026	118	17	3	13	-	151
	Former Acting	2025	172	16	4	20	-	212
	Former	2025	35	10	1	2	-	48
Executive Director, Aboriginal and Torres Strait Islander Engagement	Current	2026	61	-	1	7	-	69
	Former Acting	2026	122	16	3	14	-	155
	Former	2026	63	-	1	5	1	70
	Former	2025	202	-	5	24	-	231
Chief Digital Transformation Officer	Current	2026	112	17	3	13	-	145
Senior Director Office of the HSCE	Current	2026	130	-	3	14	-	147
Total Remuneration: Executives		**2026**	**3,114**	**179**	**73**	**336**	**7**	**3,709**
		2025	**2,969**	**133**	**71**	**333**	-	**3,506**

G2 Related party transactions

(a) Transactions with Queensland Government controlled entities

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

Material transactions between Children's Health Queensland and Queensland Government controlled entities are as follows:

Department of Health

Children's Health Queensland receives funding from the Department of Health for specific public health services in accordance with a service agreement (Note B1.1) Children's Health Queensland also incurs expenditure for supplies and services provided by the Department of Health.

Related transactions for the year are as follows:

	2026	2025
	$'000	$'000
Revenue received	1,128,604	1,053,589
Expenditure incurred (including cost of health service employees)	736,087	687,863
Assets	7,815	10,637
Liabilities	82,071	69,268

In addition, the Department of Health provides some corporate services support to Children's Health Queensland for no consideration (Note B1.3).

Other Hospital and Health Services

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

Children's Hospital Foundation

The Children's Hospital Foundation (Foundation) raises funds for research, equipment and services for Children's Health Queensland. Ms Cheryl Herbert (nominee of the Chair of the Children's Health Queensland Board) and Mr Francis Tracey (Health Service Chief Executive) are the nominated members on the Foundation Board at reporting date. Membership of the Board is in line with the Foundation's Constitution and the governance terms of such an arrangement.

(b) Transactions with people/entities related to key management personnel

Transactions were identified with one related party, which were all on normal commercial terms and conditions and were immaterial in nature.

G3 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 accounted for by Children's Health Queensland.

Both 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 (Cth) (the GST Act)* and were able, with other Hospital and Health services, to form a "group" for GST purposes under Division 149 of *the GST Act*. This means that any transactions between the members of the "group" do not attract GST.

G4 Climate risk disclosure

(a) Whole-of-Government climate-related reporting

The State of Queensland, as the ultimate parent of Children's Health Queensland, provides information and resources on climate related strategies and actions accessible at https://www.treasury.qld.gov.au/policies-and-programs/climate/.

The Queensland Sustainability Report (QSR) outlines the Queensland Government's approach to managing key Environmental, Social and Governance (ESG) risks and opportunities, including governance structures, major commitments and policies, and how these risks and opportunities are measured, monitored and managed across government. The QSR is supported by comprehensive datasets and data dictionaries. The QSR is available via Queensland Treasury's website at https://www.treasury.qld.gov.au/research-and-publications/reports/queensland-sustainability-report/.

(b) Children's Health Queensland

Children's Health Queensland has not identified any material climate-related risks relevant to the financial report at the reporting date. No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the financial year.

Children's Health Queensland continues to monitor the emergence of material related risks that may impact the financial statements, including directives from Government or Queensland Treasury.

Management Certificate

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

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

(b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Children's Health Queensland Hospital and Health Service for the financial year ended 30 June 2026 and of the financial position of Children's Health Queensland Hospital and Health Service at the end of that year; and

We acknowledge responsibility under Section 7 and Section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

Ms Heather Watson
Chair
Children's Health Queensland
Hospital and Health Board

24 August 2026

Mr Francis Tracey
Health Service Chief Executive
Children's Health Queensland
Hospital and Health Service

24 August 2026

Queensland Audit Office
Better public services

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Children's Health Queensland Hospital and Health Service.

The financial report comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2026:

a) I received all the information and explanations I required.

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

c) In my opinion, the financial report:

   i. gives a true and fair view of the entity's financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended

   ii. complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

Basis for opinion

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

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

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

Key audit matters

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

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Valuation of specialised buildings ($1,141 million)

Refer to Note C4 in the financial report.

Key audit matter	How my audit addressed the key audit matter
Buildings were material to Children's Health Queensland Hospital and Health Service at balance date and were measured at fair value using the current replacement cost method. During the current year, Children's Health Queensland Hospital and Health Service revalued all buildings, using comprehensive, desktop, and indexed valuation approaches with an effective date of 30 June 2026. The current replacement cost method comprises: • gross replacement cost, less • accumulated depreciation. Children's Health Queensland Hospital and Health Service derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for: • identifying the components of buildings with separately identifiable replacement costs • developing a unit rate for each of these components, including: – estimating the current cost for a modern substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. $/square metre) – identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so, estimating the adjustment to the unit rate required to reflect this difference. The measurement of accumulated depreciation involved significant judgements for determining condition and forecasting the remaining useful lives of building components. The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense. Using indexation required: • significant judgement in determining changes in cost and design factors for each asset type since the previous revaluation • reviewing previous assumptions and judgements used in the last comprehensive valuation to ensure ongoing validity of assumptions and judgements used.	My procedures included, but were not limited to: • assessing the adequacy of management's review of the valuation process and results • reviewing the scope of the instructions provided to the valuer • assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices • assessing the appropriateness of the components of buildings used for measuring gross replacement costs with reference to common industry practices • assessing the competence, capabilities and objectivity of the experts used to develop the models • for unit rates, on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the: – modern substitute (including locality factors and oncosts) – adjustment for excess quality or obsolescence • evaluating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices • evaluating useful life estimates for reasonableness by: – reviewing management's annual assessment of useful lives – at an aggregate level, reviewing asset management plans for consistency between renewal budgets and the gross replacement of assets – testing that no building asset still in use has reached or exceeded its useful life – enquiring of management about their plans for assets that are nearing the end of their useful life – reviewing assets with an inconsistent relationship between condition and remaining useful life • where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.

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Responsibilities of the Board for the financial report

The Board is responsible for:

- the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error
- the establishment and keeping of accounts in accordance with prescribed requirements
- assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
www.auasb.gov.au/auditors_responsibilities/ar6.pdf

A further description of my responsibilities under the *Auditor-General Act 2009* and *Auditor-General Auditing Standards* is located at the Queensland Audit Office website at:
www.qao.qld.gov.au/audit-program/audit-standards

These descriptions form part of my auditor's report.

27 August 2026

D J Toma
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Glossary of terms

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 (ABF)	1. A management tool with the potential to enhance public accountability and drive technical efficiency in the delivery of health services by: • creating an explicit relationship between funds allocated and services provided • capturing consistent and detailed information on hospital sector activity and accurately measuring the costs of delivery • 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 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.
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.
Clinical workforce	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.
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 Board	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 agent by administering a vaccine.
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.
Medical practitioner	A person who is registered with the Medical Board of Australia to practice medicine in Australia, including general and specialist practitioners.
Outpatient	An individual who accesses non-admitted health services 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.
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.
Registered nurse	An individual registered under national law to practice in the nursing profession as a nurse, other than as a student.
Statutory bodies	A non-departmental government body, established under an Act of Parliament. Statutory bodies can include corporations, regulatory authorities and advisory committees 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.

Glossary of acronyms

AASB	Australian Accounting Standards Board
ABF	Activity Based Funding
AI	Artificial Intelligence
COLA	Cost of Living Adjustments
CSCF	Clinical Services Capability Framework
CUA	Certified Union Agreement
CYMHS	Child and Youth Mental Health Service
CWET	Children's early Warning Tool
EB	Enterprise Bargaining
ECLS	Extracorporeal Life Support
ED	Emergency Department
ENT	Ear, nose and throat
ERM	Enterprise Risk Management
FAA	Financial Accountability Act 2009
FBT	Fringe Benefits Tax
FPMS	Financial and Performance Management Standard 2019
FTE	Full-time equivalent
GOPP	Grant of Private Practice
GST	Goods and Services Tax
HHS	Hospital and Health Service
HRA	Human Rights Act
HSR	Health and Safety Representative
ICT	Information and Communication Technology
ieMR	Integrated Electronic Medical Record
IFC	Inside front cover
IIA	Institute of Internal Auditors
IPPF	International Professionals Practices Framework
IROC	Indigenous Respiratory Outreach Care
ISO	International Organization for Standardization
IUIH	Institute for Urban Indigenous Health
KMP	Key management personnel
KPI	Key performance indicators
MRI	Magnetic Resonance Imaging
PCBU	Person conducting a business or undertaking
POS	Point of Service
QAO	Queensland Audit Office
QCH	Queensland Children's Hospital
QGEA	Queensland Government Enterprise Architecture
QGIF	Queensland Government Insurance Fund
QSA	Queensland State Archives
QUT	Queensland University of Technology
TGA	Therapeutic Goods Administration
TIIM	Timely Investment Infrastructure Maintenance
UCF	Union Consultative Forum
UQ	The University of Queensland
WAU	Weighted Activity Unit
WfQ	Working for Queensland
WHS	Workplace Health and Safety

Table and charts index

Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference (page)
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	3
Accessibility	Table of contents Glossary	ARRs – section 9.1	4 100-101
	Public availability	ARRs – section 9.2	IFC
	Interpreter service statement	Queensland Government Language Services Policy ARRs – section 9.3	IFC
	Copyright notice	Copyright Act 1968 ARRs – section 9.4	IFC
	Information licensing	QGEA – Information Licensing ARRs – section 9.5	IFC
General information	Introductory information	ARRs – section 10	8-18
Non-financial performance	Government's objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	5
	Agency objectives and performance indicators	ARRs – section 11.2	8, 42-43
	Agency service areas and service standards	ARRs – section 11.3	14-15, 44-45
Financial performance	Summary of financial performance	ARRs – section 12.1	46-48
Governance – management and structure	Organisational structure	ARRs – section 13.1	28
	Executive management	ARRs – section 13.2	24-27
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	21-23
	Public Sector Ethics	Public Sector Ethics Act 1994 ARRs – section 13.4	36
	Human Rights	Human Rights Act 2019 ARRs – section 13.5	36
	Queensland public service values	ARRs – section 13.6	9
Governance – risk management and accountability	Risk management	ARRs – section 14.1	33
	Audit and Risk Committee	ARRs – section 14.2	21
	Internal audit	ARRs – section 14.3	34
	External scrutiny	ARRs – section 14.4	35
	Information systems and record-keeping	ARRs – section 14.5	35
	Information security attestation	ARRs – section 14.6	36
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	29
	Early retirement, redundancy and retrenchment	Directive No.04/18 Early Retirement, Redundancy and Retrenchment ARRs – section 15.2	31
Open Data	Statement advising publication of information	ARRs – section 16	IFC
	Consultancies	ARRs – section 31.1	data.qld.gov.au
	Overseas travel	ARRs – section 31.2	data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 31.3	data.qld.gov.au
	Charter of Victims' Rights	VCSVRB Act 2024 ARRs – section 31.4	data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	96
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	97-99

FAA Financial Accountability Act 2009
FPMS Financial and Performance Management Standard 2019
ARRs Annual report requirements for Queensland Government agencies
QGEA Queensland Government Enterprise Architecture
VCSVRB Victims' Commissioner and Sexual Violence Review Board Act 2024

ANNUAL REPORT 2025–2026

Children's Health Queensland Hospital and Health Service

www.childrens.health.qld.gov.au