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

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South Brisbane, Queensland 4101

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www.childrens.health.qld.gov.au

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

Interpreter service statement
The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty understanding this report, you can contact us on 07 3068 3365 and we will arrange an interpreter to effectively communicate the report to you.

Photography
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Page 13 – Conrad Gargett.
Page 18 – Mater Health Services.

We acknowledge the Turrabul and Jagera people the traditional custodians of this land. We pay our respect to Elders past and present. We pay respect to the cultural authority held and shared by colleagues across Queensland.
Letter of compliance

11 September 2015

The Honourable Cameron Dick MP
Minister for Health and Minister for Ambulance Services
Member for Woodridge

Level 19, 147–163 Charlotte Street Brisbane QLD 4000

Dear Minister Dick,

I am pleased to present the Annual Report 2014-15 and financial statements for Children’s Health Queensland Hospital and Health Service.

I certify that this annual report complies with:

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

A checklist outlining the annual reporting requirements can be found on page 80 of this annual report or accessed at http://www.health.qld.gov.au/childrenshealth/html/publications.asp

Yours sincerely

Jane Yacopetti,
Acting Chair
Children’s Health Queensland Hospital and Health Board
## 2014-15 at a glance

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It has been a privilege to serve Children’s Health Queensland Hospital and Health Service this year, and I would like to thank all staff for their hard work and dedication to our patients.

Our mission is to provide children and young people with the best possible family-centred healthcare, with a relentless focus on quality and safety.

The year ahead provides Children’s Health Queensland with exciting opportunities as we work to transform paediatric healthcare in our state. We recognise that the people who work for our hospital and health service are our greatest asset, and we are committed to building a positive and engaged workforce across Queensland.

We all have the opportunity to contribute to a unique new culture, based on our combined histories and a passion for providing outstanding healthcare.

I would also like to thank all Board members who have served during the past challenging year for their immense contributions.

Jane Yacopetti
Acting Chair
Children’s Health Queensland Hospital and Health Board

31 August 2015
Children’s Health Queensland has had an extraordinary year of change and new beginnings.

There have been significant challenges associated with the opening of the Lady Cilento Children’s Hospital and we have been the subject of two reviews, both of which are referred to in this Annual Report. However, thanks to the dedication, incalculable efforts and great skill of our staff, the move went well, ensuring a safe transition for patients and their families.

The establishment of Queensland’s new state-of-the-art, family-friendly hospital would not have been possible without the foundations laid by the much-loved Mater Children’s Hospital and the Royal Children’s Hospital. These historic Brisbane hospitals have created the legacy on which the new Lady Cilento Children’s Hospital proudly stands. The staff from both hospitals have brought with them unique talents and a shared commitment to care, service and innovation.

Creating a new positive environment where we work every day to care for and heal children is our mission, and great strides have already been made on this continuing journey of change and improvement.

Since joining Children’s Health Queensland in January 2015 I have been impressed every day by the dedication, not only of our clinical teams and other staff, but also by the passion of our volunteers and other agencies who support our work, and people throughout Queensland who make an invaluable contribution.

While there has been a focus on our new hospital this year, the many other vital healthcare, research and teaching services provided by Children’s Health Queensland continued to operate with great effectiveness. The Child and Youth Community Health Service provided just over 99,000 occasions of service to Queensland children, young people and their families. The Child and Youth Mental Health Service expanded its workforce and reach in 2014-15, with the amalgamation of community services across north and south Brisbane, and the launch of several new teams and services.

I would like to thank and acknowledge our research and education partners, as well as our Children’s Hospital Foundation, volunteers and other charity partners for making a difference every day in the lives of our young patients and their families.

We have much to look forward to, including the official launch later in 2015 of the new Centre for Children’s Health Research which provides the platform for the development of collaborative, cohesive, world-class paediatric research.

I would also like to thank all staff and our Board for their dedication and leadership. I am confident that with the support of our outstanding people and the wider community, Children’s Health Queensland will go from strength to strength, as we look forward to continuing to provide exceptional healthcare to Queensland children.

Fionnagh Dougan
Chief Executive
Children’s Health Queensland Hospital and Health Service
Children’s Health Queensland is a specialist statewide hospital and health service dedicated to caring for children and young people from across Queensland and northern New South Wales. Our vision is for the best-possible health for every child and young person in Queensland. To achieve this, we are committed to working in partnership with families and other providers to deliver safe and high quality family-centred healthcare.

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

Our hospital and health service is responsible for:
- The Lady Cilento Children’s Hospital (LCCH)
- The Child and Youth Community Health Service (CYCHS)
- The Child and Youth Mental Health Service (CYMHS)
- Specialist paediatric outreach and telehealth services reaching communities across Queensland
- Paediatric education and research.

Children’s Health Queensland’s primary function is to provide the healthcare, teaching, research and other services stated in, and funded for, in its service agreement with the Department of Health. The service agreement is negotiated annually and is available publicly at: https://publications.qld.gov.au/dataset/children-s-health-queensland-hhs-service-agreements/resource/419fc7ac-9d67-460f-bcc2-7785530ca6b

We operate out of key locations in the Brisbane metropolitan area, but work in partnership with the other 15 hospital and health services in Queensland to deliver children’s services across the state.

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

Our pathway to excellence
To help us provide children and young people with the best possible care, Children’s Health Queensland has adopted five ‘pillars of excellence’ to underpin our goals.

These are:

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

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

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

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

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

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

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

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

Courage
We seize opportunities and welcome the inherent responsibility.

Innovation
We are passionate about discovery and embrace creative solutions.

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

Families are a vital part of our care team

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

The Lady Cilento Children’s Hospital (LCCH) in South Brisbane is the major specialist paediatric hospital for Queensland families and a centre for teaching and research.

Categorised as a level six service, under the Clinical Services Capability Framework (CSCF) for Public and Licensed Private Health Facilities v3.2, 2014, the LCCH 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, the LCCH works in partnership with the network of lower-level service hospitals 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 LCCH also delivers a growing number of statewide paediatric specialty services, including rehabilitation medicine, cerebral palsy, cystic fibrosis, indigenous ear health, gastroenterology, oncology and haemophilia.

Through outreach clinics, and, increasingly, the use of telemedicine, the hospital is improving access to quality care for all children and young people, regardless of where they live.

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

The hospital employs more than 2,500 people from a range of disciplines; and in its first year expects to admit more than 38,000 inpatients and provide about 190,000 outpatient appointments.

Child and Youth Community Health Service

The Child and Youth Community Health Service (CYCHS) brings together a variety of primary health and specialist services dedicated to helping children and their families lead healthier lives.

While the CYCHS predominantly provides front-line healthcare to communities throughout south-east Queensland, our outreach services cover communities across the state.

In fact, we provide access to care for around 470,000 children or 42 per cent of Queensland’s children.

Almost 450 (full-time equivalent) staff work out of more than 50 community health sites across Greater Brisbane, from Kilcoy and Bribie Island in the north, to Beaudesert in the south and east to include the Moreton Bay islands.

With a focus on health promotion and education, illness prevention, early intervention and community development, multi-disciplinary

Hospital services

Medical
- Cardiology
- Child protection and forensic services
- Endocrinology
- Gastroenterology
- Haematology
- Immunology and allergy
- Metabolic medicine
- Nephrology
- Neurosciences
- Oncology
- Paediatrics
- Palliative care
- Rehabilitation
- Renal
- Respiratory and sleep medicine

Critical care
- Anaesthetic services
- Emergency medicine
- Paediatric Intensive Care Unit
- Cardiac services
- Medical imaging

Surgical and perioperitive
- Burns
- Ear, nose and throat (ENT) surgery
- Hepatology
- Neurosurgery
- Neonatal surgery
- Ophthalmology
- Oral health
- Oral maxillofacial
- Orthopaedic
- Plastics and reconstructive
- Liver transplant service
- Urology

Clinical support
- Audiology
- Dietetics and nutrition
- Occupational therapy
- Music therapy
- Pharmacy
- Physiotherapy
- Psychology
- Social work
- Speech pathology
teams deliver a range of services across the continuum of care. This includes post-natal and early childhood support programs, child development, advocacy, immunisation, school-based youth health and parenting programs.

Statewide services such as the Deadly Ears and Good Start programs, the Centre for Children’s Health and Wellbeing, the Healthy Hearing program, Queensland Hearing Loss Family Support Service and the Ellen Barron Family Centre reach communities throughout Queensland. Through evidence-based early intervention programs, consultation, education and professional development, these services play an integral role in building community capacity and partnerships that are responsive to community needs.

Child and Youth Mental Health Service

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

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

CYMHS provides local services across the greater Brisbane metropolitan area, as well as support for families statewide with a range of specialist services.

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

- Acute child inpatient unit (incorporating a family admission suite) at LCCH.
- Acute adolescent inpatient unit at LCCH.
- Day programs.
- Forensic mental health.
- Queensland Centre for Perinatal and Infant Mental Health.
- Seven community clinics in Brisbane (Inala, Strathpine, Yeronga, Nundah, Mt Gravatt, Keperra and Greenslopes).
- Acute Response Team.
- Tele-psychiatry (e-CYMHS).
- Consultation liaison.
- Evolve therapeutic services.

CYMHS has a responsive intake mechanism for assessment and intervention. High-priority is placed on collaborative care, consultation, and liaison in line with state and national strategic directions for mental health.

Research and education

Children’s Health Queensland continues to play a key role in paediatric research and education, with strong links to The University of Queensland (UQ), Queensland University of Technology (QUT), the Translational Research Institute (TRI) and other academic institutions.

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

This $134 million facility heralds the start of historic partnerships between Queensland Health (through Children’s Health Queensland), QUT, UQ, and TRI, building on long-standing and successful relationships developed through the Queensland Children’s Medical Research Institute.

Our charity partners

Our long-standing partnership with the Children’s Hospital Foundation makes an invaluable difference to our service. The support of generous donors enables the Foundation to fund vital research, services and new equipment, as well as entertainment services for children while in hospital. The Foundation also manages a 500-strong team of volunteers who work tirelessly to bring smiles and laughter to sick kids, as well as providing welcome support to families.

The Foundation also manages the Family Resource Centre in the hospital, offering parents a space to read, relax and reconnect with life outside the hospital environment. See www.childrens.org.au

The opening of the new hospital also saw us establish stronger ties with the Starlight Children’s Foundation, Radio Lollipop and Ronald McDonald House Charities. All three organisations have a presence in the hospital enabling us to deliver even more entertainment and support services to our patients and families.
July
Children’s Health Queensland becomes a Prescribed Employer of all its employees on 1 July.

Children’s Health Queensland celebrates 15 years of the Clown Doctors at the Royal Children’s Hospital.

August
The Royal Children’s Hospital School, the first hospital school in Australia, celebrates its 95th anniversary.

The Centre for Children’s Health and Wellbeing, in partnership with the Department of Education and Training, launches the SPEAK app, which aims to foster oral language skills in children from birth to six years.

October
More than 5,500 people attend public and staff open days at the Lady Cilento Children’s Hospital on October 5 and 12 ahead of its opening.

The Healthy Hearing Program celebrates its 10th birthday, having screened more than 600,000 infants since 2005.

The Centre for Children’s Health Ethics and Law established.

November
Lady Cilento Children’s Hospital welcomes its first patients and families on 29 November.

Ninety-eight patients from the Royal Children’s and Mater Children’s hospitals are safely transitioned to the new hospital.

December
Children’s Health Queensland farewells Chief Executive Dr Peter Steer after six years of service.

Queensland Paediatric Cardiac Service patients are safely transferred from the Mater Children’s Hospital to the Lady Cilento Children’s Hospital.
January
Children’s Health Queensland welcomes new Chief Executive Fionnagh Dougan.
First episode of Juiced TV, the show ‘by kids in hospital for kids in hospital’, broadcast.

February
Lady Cilento Children’s Hospital welcomes its first intake of nursing graduates (34).

March
Early childhood music programs begin at the Lady Cilento Children’s Hospital, thanks to a partnership between the Lady Cilento Children’s Hospital Arts Program and the Queensland Conservatorium.

April
Children’s Health Queensland secures $2.4 million funding to establish and lead the national palliative care project, Quality of Care Collaborative Australia.

May
Children’s Health Queensland in partnership with the Family Advisory Council hosts its annual National Families Week.
First statewide School Based Youth Health Nurse Conference held in Brisbane.

June
Good Start Program secures funding to continue its work with Maori and Pacific Islander communities until June 2018.
Connected Care Program celebrates its first birthday with 465 children under its care.
For the first time, all specialist services, previously spread across two hospital campuses on opposite sides of the city, are now located under one roof, meaning families can access all the care, advice and support they need for their children in one place.

The Lady Cilento Children’s Hospital (LCCH) has also provided the opportunity to create a building designed specifically with the needs of children and young people in mind.

To ensure we delivered on this promise, children, young people and their families were consulted during early planning to help us develop a comfortable and supportive environment that is not only therapeutic and practical, but also fun and engaging.

The design, by architects Conrad Gargett Riddel and Lyons, also reflects growing evidence of the importance of nature and environment in the healing process. Based on the concept of a ‘living tree’, the building features a network of trunks and branches running throughout, leading to several outdoor gardens, terraces, and viewing platforms that connect the inside with the outside and fill the hospital with as much natural light as possible.

This inspiring, healing environment is further enhanced by a rich and vibrant art collection carefully curated as part of the LCCH Arts Program.

The LCCH provides an exceptional level of patient and family-centred care in Queensland.

The majority of rooms are single bed with ensuite and built-in couches that convert to a bed for a parent/carer to comfortably stay overnight with their child.

Every child has an interactive bedside Patient Entertainment System delivering in-house radio, movies and internet access, including Skype for children to stay in touch with family and friends while in hospital.

Outdoor gardens, relaxation spaces and playgrounds, and dedicated therapy gardens enhance treatment and rehabilitation. There is also a dedicated pet visiting area for patients to spend some time with much missed pets during long stays in hospital.

Parent lounges are located on every ward, and a Family Resource Centre provides parents with a space to access health information, stay in touch with family and friends or simply rest and relax.

Thanks to new partnerships with the Starlight Foundation, Radio Lollipop and Ronald McDonald House Charities, the hospital offers a Starlight Express Room, an in-house radio station, emergency overnight accommodation and a day lounge for families. All these facilities provide special places for families to be together and have some fun, or just enjoy time away from the ward.

Of course, we know that no matter how pleasant the surroundings, there is no place like home for a child or young person, so we have implemented new models of care designed to minimise as much as is safely possible the amount of time children have to spend in hospital, whether for a day procedure or a longer stay.

The nine-year project to plan and build a new children’s hospital for Queensland represented a record investment in paediatric health in the state’s history.

With a foundation forged in the proud service traditions of the former Royal and Mater Children’s hospitals, Queensland’s new children’s hospital provides boundless opportunities. By working together with our staff, patients and families, we’re going to make the most of every opportunity.
Move day

The safe transfer of 98 patients and their families into our new hospital on a single day required precise timing, a 500-strong team of dedicated people and years of planning.

The seamless operation on 29 November 2014 saw one patient moved every five minutes from the former Royal and Mater children’s hospitals to the Lady Cilento Children’s Hospital (LCCH) in South Brisbane.

At 8am, seven double-stretcher ambulances began transferring the first of 46 patients from the Royal Children’s Hospital (RCH). The Queensland Police Service was on hand to escort the ambulances en route to the LCCH. At the same time, the first of 52 patients in the Mater Children’s Hospital (MCH) began the short journey by foot, wheelchair or bed to the new hospital just next door.

To ensure the safe transition of patients, those considered more vulnerable to infection and those critically ill were moved first. All patients were also accompanied by a parent and a senior medical professional, with their condition assessed before, during and after the move.

The last patient was safely admitted into the LCCH at approximately 3.15pm.

The old emergency departments at the Royal and Mater Children’s hospitals officially closed at 8am, the same time the LCCH emergency was opened. The first emergency patient (a four-year-old boy with a broken collar bone) was treated shortly after 9am and later discharged.

In the weeks leading up to move day, more than 35,000 pieces of furniture, fittings and equipment were commissioned and installed in the 12-level building.

Two simulated or ‘mock’ moves were carried out before the transition to finetune patient movements, identify the best routes, estimate timeframes and test the patient tracking system. The annual EMERGO mass emergency training exercise was also carried out in the new facility to help staff become familiar with their surrounds.

Families were supported through the transition with special move day information packs and staff were on hand to answer questions and offer a hand.

The LCCH opened its doors and the old hospitals closed on this historic day with no disruption to clinical services for Queensland families.
Creativity, health and healing combine in the Lady Cilento Children’s Hospital to provide our patients and families with a welcoming and restorative environment.

Research indicates significant benefits associated with enhancing hospital environments with visual and creative arts. The LCCH Arts Program is dedicated to delivering a multi-layered program of enriching and stimulating cultural experiences.

Planning for the Arts Program began during the early design phases of the hospital project, with the commissioning of several major artworks to highlight the building’s dramatic public spaces.

These include *A Little Community*, by artist Emily Floyd, a spectacular sculptural installation featuring a family of Eclectus parrots perched in the central atrium. This work welcomes patients and their families when they arrive in the main reception area on Level 2.

The aims of the LCCH Arts Program are to:

- Develop and maintain an art collection reflecting the healthcare, civic and cultural aspirations of the hospital and support the principle of family-centred care.
- Develop a regular performance program of music, theatre and dance through the establishment of a Cultural Partnership Strategy with significant Queensland cultural institutions.
- Engage artists and practitioners who will bring humanity as well as artistic expertise to the program.
- Expand the spirit of community surrounding the hospital through interaction, outreach and interpretative activities.
- Liaise and collaborate with internal stakeholders to develop Arts Program initiatives which respond to specific clinical and operational needs.
- Make a contribution to research in the fields of arts-in-health and design-in-health.
- Contribute to the development of a supportive and inspiring working environment for staff through engagement opportunities.

The LCCH art collection includes nine major commissions created specifically for the hospital, and hundreds of other art works displayed across its 12 levels. It is a 21st century collection for a 21st century hospital, complementing the innovative healthcare provided.

There is a focus on Queensland-born or based artists and those with an important connection to our state, with a special emphasis on Queensland’s Aboriginal and Torres Strait Islander artistic community, on artists from diverse cultural backgrounds and on artists who have been able to forge successful artistic careers despite the challenge of disabilities.

The Arts Program’s Cultural Partnership Strategy encourages significant relationships with institutional partners in our precinct, including the Queensland Conservatorium, the Queensland Theatre Company, the Queensland Performing Arts Centre, the Queensland Art Gallery /Gallery of Modern Art, the Griffith University Art Gallery, the faculty of Early Childhood Education at QUT, the Queensland Music Festival, the Queensland Symphony Orchestra, the Aboriginal Centre for the Performing Arts and the Queensland Museum – all of which support the hospital through programs and resources.
Clinical review

In response to suggestions that clinical care had been compromised in the first two weeks of operation, the Children’s Health Queensland Hospital and Health Board brought forward a planned assessment of the quality of care delivered to patients during this period.

A clinical review process was formally established and a team of independent and interstate reviewers (Professor Les White, Dr Sarah Dalton, Cheryl McCullagh and Jane Miller) appointed to undertake this assessment. The review was carried out from 19 December 2014 to 25 January 2015.

The scope of the review included assessing the clinical care provided on the day of the move (29 November) and the first two weeks of the clinical operations (30 November to 12 December 2014) and identifying any patient incidents reported to have occurred during that period.

More than 5,000 parents and families who received care at the LCCH during the period in question and more than 2,000 staff were invited to provide information to the review team.

The team considered a significant volume of information provided through 96 submissions, 23 interviews and focus groups, 78 clinical incident reports, 40 complaints as well as other relevant data and documents.

The team also met with staff and parents, and visited clinical areas across the hospital.

The Clinical Review Team was not able to identify any quality and safety adverse events to have occurred on the day of move. In fact, move day was widely acknowledged to be a safe, precise, well managed and successful exercise.

The published report states: ‘Although a combination of factors generated an unparalleled level of complexity and risk, no serious adverse events causing long-term harm occurred on the day of the move or during the first two weeks of operation of LCCH. The dedication, vigilance and inventiveness of staff in preventing potential risk causing actual harm is acknowledged.

‘The most serious quality and safety events identified during the subsequent two weeks of the in-scope period were assessed as leading to minimal harm.

‘There were no cases of death, permanent harm or temporary harm found. However, there were 18 cases where the risk of a serious safety event was identified. There were many reports where interventions by staff, parents and families mitigated the realisation of risk to patient safety.

‘The reported experience for patients and families was mixed, with personal accounts of heartfelt appreciation by parents for the care staff provided to their children, through to frustration and concern.

‘Promisingly, all clinicians, managers and families expressed their commitment to resolving differences, addressing residual obstacles and creating the outstanding clinical care environment they are confident the LCCH can deliver.’


Commissioning review

In April 2015, the Queensland Government appointed an independent panel to lead a review into the building and commissioning of the LCCH. The purpose was to make recommendations to support future building and operational commissioning processes for public health infrastructure projects. The report was due to be provided to the Minister for Health in late July 2015.
Reflecting on two proud histories

The opening of the Lady Cilento Children’s Hospital was a poignant affair for many. While it marked the start of an exciting new chapter for children’s healthcare in Queensland, it also saw us farewell the much-loved Royal Children’s and Mater Children’s hospitals, who together cared for Queensland children for 219 years.

Farewell, Mater Children’s Hospital
Mater Health Services hosted a farewell for Mater Children’s Hospital on 1 November 2014. More than 250 people attended to celebrate 83 years of exceptional service to the community.

Sisters of Mercy and dignitaries of the Catholic Church and government gathered with Mater People and members of the community to share stories and express their thanks.

It was an opportunity to pause, to share some memories from the past 83 years, and to thank Mater people for their contributions to not only Mater Children’s Hospital, but the wider Mater community.

The formalities incorporated speeches from Most Reverend Mark Coleridge, Archbishop of Brisbane, Sister Catherine Reuter (Congregation Leader, Sisters of Mercy Brisbane), Ian Maynard (Director-General, Queensland Health), Susan Johnston (Chair, Children’s Health Queensland Hospital and Health Board), Brian Flannery (Chairman, Mater Health Services Board) and Dr John O’Donnell, CEO, Mater Health Services.

A number of past and present Mater Children’s Hospital staff, volunteers and patients also participated in symbolic prayers of intercession to reflect the rich history of MCH during its 83 years of service to the community.

Sharing our memories
In the final weeks of the RCH, staff, patients and families, both past and present, were invited to peg a message, memory or other tribute to a ‘memory wall’ running the length of a hallway in the hospital. A virtual memory wall was also set up on the CHQ Facebook page to enable people across the state an opportunity to share a memory and say goodbye to the RCH. The collected memories have been preserved as part of the LCCH Arts Program.
Thank you, Royal Children’s Hospital

On 4 November 2014, about 300 people gathered on the front lawn of the Royal Children’s Hospital (RCH) to formally farewell the Herston facility after 136 years of service to Queensland children, young people and their families.

Special guests included the Minister for Health Lawrence Springborg, Susan Johnston, Dr John O’Donnell and Brian Flannery.

Professor John Pearn, a consultant paediatrician, doctor, soldier, historian and writer, who worked at the RCH as a senior clinician for 47 years, began the formalities with his reflections on the hospital’s rich history.

The event also provided an opportunity to celebrate the individuals, teams and organisations who have played an important part in shaping the RCH’s recent history.

Sixty-nine RCH Medals of Service (including 21 Medals of Distinction) were presented to staff members, past and present, who have demonstrated exceptional and/or prolonged service to children’s healthcare.

Indigenous closing ceremony

Aboriginal and Torres Strait Islander Elders, community members and Children’s Health Queensland representatives came together at the RCH on 21 November for the ‘Reflections of the past, connections to the future’ ceremony.

This special Indigenous closing ceremony was held to close the RCH site in a culturally safe and sensitive way for Aboriginal and Torres Strait Islander people. It included a Welcome to Country from a representative of the Turrbal people, performances respecting those children who have passed away, and reflections from two former patients.

The ceremony also symbolised a new way of working together with traditional landowners from both north and south Brisbane coming together at the LCCH.

Royal Children’s Hospital 1878 to 2014

“Everyone at Children’s Health Queensland acknowledges the sadness of closing such an iconic institution, but as a health service, we can take solace in the fact that the people, expertise and traditions of healthcare excellence that the RCH is renowned will create something truly special for Queensland families.”

Susan Johnston, Chair, CHQ Hospital and Health Board
Children's Health Queensland underwent significant change in 2014-15 as it has continued to grow as a statewide hospital and health service while implementing the Queensland Government’s program of health reform.

The change of government in February 2015 has brought with it a shift in priorities, deliverables and public expectations of the public health system.

These changes have occurred during a period where the demand for healthcare has continued to increase, and targets have been set for organisational and financial performance. Major changes and challenges in 2014-15 are detailed below.

Commissioning and establishment of the Lady Cilento Children’s Hospital

A combination of construction, operational and workforce issues made the commissioning of the Lady Cilento Children’s Hospital (LCCH) one of the most complex health infrastructure projects in Queensland’s history.

As a result, the establishment of many services within the LCCH has occurred progressively since the hospital opened.

New models of care have also been embedded. Most notably, the provision of food and retail services was delayed due to the late discovery of insufficient drainage points in the areas dedicated to these services.

These obstacles have since been overcome and permanent retail services are opening progressively with completion anticipated by December 2015.

Workforce challenges

Prescribed Employer

Children’s Health Queensland became the Prescribed Employer of its workforce on 1 July 2014, having demonstrated the requisite level of preparedness to assume responsibility for a range of employment functions previously undertaken by the Department of Health.

While this had little impact on individual employees, it has provided Children’s Health Queensland (CHQ) with increased local decision-making, accountability and autonomy, and greater workforce flexibility.

The Director-General, Queensland Health remains responsible for statewide employment and industrial relations arrangements and will continue to establish conditions of employment for health service employees and negotiate certified agreements.

Establishment of the LCCH and CYMHS workforces

An extensive and complex recruitment process was undertaken to build the workforce required to operate the LCCH.

The transition also required the amalgamation of CHQ’s existing Child and Youth Mental Health Service (CYMHS) in north Brisbane with that of Mater Health Services (MHS) in south Brisbane.

Following endorsement of the LCCH workforce in early 2014, Children’s Health Queensland commenced advertising to recruit eligible staff, largely from CHQ and MHS. As of 30 June 2015 the CHQ workforce consisted of 3,074 full-time equivalent (FTE) staff.

Outsourcing of facilities management services

Children’s Health Queensland (CHQ) announced in April 2014 that Medirest had been awarded the contract to provide facilities management services at the LCCH. These included portering and patient support, cleaning, patient food, linen and laundry, materials distribution, building and engineering maintenance, grounds and gardens maintenance, security, pest control and central energy plan operations.

A total of 115 staff were impacted by this decision. Eighty-one of those affected were permanent employees. Staff were supported through the process by the Employee Assistance Program and outplacement and career transition services.

While some staff were successful in transitioning to new roles at the LCCH, the majority of staff accepted voluntary redundancy packages.
Financial constraints
Children’s Health Queensland continues to operate in a financially challenging environment which is likely to continue for the foreseeable future.

Our organisation, like all hospital and health services in Queensland, continues to navigate and manage the ongoing devolution of responsibility from Queensland Health, combined with increasing competition for funding, to ensure hospital and health service expectations and funding are matched appropriately.

Delivering services within a nationally efficient price in the face of increasing community expectations of the scope of publicly-funded services also remains an ongoing challenge.

The opening of LCCH at the end of 2014 coincided with a decline in own-source revenue performance, including private health insurance (PHI) identification and conversion rates. The PHI conversion rate reduced from 78 per cent in 2013-14 to 55 per cent in 2014-15.

Activity-based funding
The integration of services and workforce from Royal and Mater Children’s hospitals into the LCCH resulted in the average cost per weighted activity unit increasing from $4,889 for 2013-14 to $5,215 for 2014-15.

Further work around enhancing costing and coding practices at the new hospital, as well as improvements in service efficiency and productivity are under way.

Performance targets
Providing care within clinically recommended time frames and in line with performance targets such as the National Emergency Access Target (NEAT) and the National Elective Surgery Target (NEST) while satisfying community expectations continues to drive service improvement within CHQ.

To facilitate the safe transition of surgical services to the LCCH, CHQ needed to scale back on elective surgeries in the weeks before and after the opening.

Surgical activity has since progressively increased but the transition period has impacted on our NEST targets. Similarly, our NEAT performance has fallen as staff have settled into the new emergency department and we have developed a deeper understanding of our overall demand.

Prior to the move, CHQ was exceeding NEAT and NEST targets and is determined to do so in future.

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

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

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

This translates to a rate of 21 out of every 1,000 children and young people.
Our award-winning people

In 2014-15, individuals and teams across Children’s Health Queensland were recognised for their talent, dedication and commitment to providing outstanding healthcare to Queensland children, young people and their families.

2015 Australia Day Achievement Awards

Four individuals and five teams within Children’s Health Queensland were recognised with Australia Day Achievement Awards in 2015. Each of the successful nominees demonstrated outstanding work, passion and commitment to providing the highest level of care to our patients.

<table>
<thead>
<tr>
<th>Individual awards</th>
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<tbody>
<tr>
<td>Anita Inwood, Clinical Nurse Consultant, Metabolic Services</td>
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<td>Judi Krause, Divisional Director, Child and Youth Mental Health Service</td>
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<tr>
<td>Lynne McKinlay, Paediatric Rehabilitation Specialist, Department of Paediatric Rehabilitation</td>
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<td>Sam Adlam, Business Improvement Officer, Division of Clinical Support</td>
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<th>Team awards</th>
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<tr>
<td>Ellen Barron Family Centre</td>
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<tr>
<td>Nursing Executive</td>
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<tr>
<td>Otolaryngology, Head and Neck Surgery (OHNS)</td>
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<tr>
<td>Queensland Hearing Loss Family Support Service</td>
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<td>Simulation Training on Resuscitation for Kids (SToRK)</td>
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CHQ Celebrating Our People Awards 2014

| People (leadership): Naomi O’Hanlan, Team Leader, Pine Rivers CYMHS |
| People (team player): Gillian Dixon, Clinical Nurse Facilitator |
| Service: Anette Smith, Deadly Ears Program |
| Safety and quality: ENT Outpatients Department |
| Value: Stuart Bowhay, Director, Clinical Costing and Data Analysis and ENT Outpatients Department |
| Research and education: Dr Jessica Maskell, Social Worker |

| Rising Star Award: Perrin Moss, Principal Project Officer, Office of Strategy Management |
| Board Chair Innovation Excellence Award: Ellen Barron Family Centre |
| Family-centred Care Award: Oncology Services Group and Cleft Clinic |
| Volunteer of the Year Award: Tracey Evers, Children’s Hospital Foundation |
Organisational changes

Board
- Associate Professor Susan Young stepped down in May 2015.
- Ross Willims was appointed for a further three-year term in June 2015.
- Cheryl Herbert was appointed for a one-year term on 26 June 2015.

Executive Management Team
- Chief Executive Dr Peter Steer left Children’s Health Queensland on 31 December 2014 to take up new appointment as Chief Executive of Great Ormond Street Hospital in London.
- Fionnagh Dougan commenced as Chief Executive of Children’s Health Queensland on 19 January 2015.
- Sue McKee, General Manager Operations, left Children’s Health Queensland on 12 June 2015 to take up a new appointment as Health Service Chief Executive for West Moreton Hospital and Health Service.
- Nick Lord commenced a 12-month appointment as Executive Director Allied Health on 5 January 2015.
- Alastair Sharman commenced as Children’s Health Queensland’s first Chief Information Officer on 27 January 2015.
- Deborah Miller’s appointment as Acting Executive Director for the Office of Strategy Management, was extended to 1 October 2015.

External awards

Kristen Farmer (Associate NUM 5d): Emerging Nurse Leader Award for 2014, Association of Queensland Nurse Leaders.

Kate Munro (CNC Neurology): QUT Lyn Fraser Award 2014 (for outstanding postgraduate student undertaking a postgraduate program in child and adolescent health) and 2014 Bob and Jane Prickett Churchill Fellowship (evaluation of services to improve quality of life for children with neuromuscular disorders).


Maggie Leung (Clinical Lead, Music Therapy): 2014 MBA Service to the Community Award, University of Queensland.

Dr Sonya Stacey (Pharmacy Consultant): 2014 Dean’s Award by The University of Queensland Graduate School for her thesis ‘Advanced Practice in Paediatric Pharmacy’ investigating the adverse drug events in children and how we can prevent them with appropriate training.

Dr Mark Harris: JDRF and Macquarie Group Foundation Diabetes Global Research Innovation Award for 2015.


Chris Carty Clinical Motion Analysis Consultant: Clinical Researcher Award, 2015 Australian Society for Medical Research.

The Children's Health Queensland Strategic Plan 2013-2017 (2014 update) outlines our journey ahead and the steps we will take to deliver on our vision of best possible health for every child and young person, in every family, in every community in Queensland.

It outlines six interrelated strategic goals that will maintain our continued focus on providing an outstanding healthcare experience for every child and family in our care:

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

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

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

4. **Define and implement Children’s Health Queensland’s statewide role**
   We will drive improvements in the delivery of quality healthcare to children and young people across the state.

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

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

The Children's Health Queensland Strategic Plan 2013-2017 (2014 update) was developed in accordance with the Queensland Government’s objectives for the community:

- Creating jobs and a diverse economy.
- Delivering quality frontline services.
- Protecting the environment.
- Building safe, caring and connected communities.

It also supports the four key outcomes of the Department of Health’s Strategic Plan 2012–2016 (2013 update):

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

**Our priorities for 2014-15**

1. Commissioning the Lady Cilento Children’s Hospital including the integration of services and workforces of the Royal Children’s Hospital and Mater Children’s Hospital.
2. Implementing Children’s Health Queensland’s statewide role to improve care for children and health outcomes across the state, and support and empower local communities and providers.
3. Building strong engagement and developing closer working relationships with patients, families, community groups, general practitioners, and other primary health providers.
4. Enhancing financial stewardship and accountability to focus resources on frontline services and revitalise services for patients.
5. Improving the value of the service through translating innovation, research and education into health outcomes.
6. Implementing the Statewide Adolescent Extended Treatment and Rehabilitation Service for adolescent and young people.

Opportunities and risks

Our statewide role

Children’s Health Queensland (CHQ) has a legislative responsibility to provide paediatric services across Queensland. This presents an opportunity for CHQ to lead the network of paediatric services delivered across Queensland, either directly by CHQ, or in partnership with other hospital and health services. There is also potential to expand the reach of our existing services to even more Queensland families through additional telehealth and outreach services.

Following extensive consultation with key stakeholders across the state in 2012 to define our statewide role, identify any gaps and determine the required level of CHQ involvement, a number of additional services were identified and implemented.

In 2014, CHQ produced a draft Statewide Role Framework, which aims to clarify our statewide responsibilities, as well as provide criteria for determining what constitutes statewide services. Consultation continues with key stakeholders, including other hospital and health services, community service providers and the broader community, to ensure the statewide paediatric network has effective coverage, capacity and capability.

Health reform

The National Health Reform agenda focuses on the Commonwealth Government moving away from the activity-based funding framework for public hospitals under the National Health Reform Agreement (NHRA) 2011. From 2017-18 the Government will index public hospitals funding by a combination of growth in the Consumer Price Index and population. This is essentially a return to the funding model the NHRA 2011 replaced. If CPI movements track below the growth in the cost of medical services, the states and territories will face a shortfall in funding under this new formula unless efficiencies are otherwise found. The government has indicated that these changes are a “platform” for moving towards longer term health funding arrangements, the development of which would involve new agreements with jurisdictions.

Fiscal sustainability and responsiveness

Children’s Health Queensland has an obligation to ensure its services are provided as cost-effectively as possible. The delivery of services within a nationally efficient price requires the organisation to monitor performance, manage costs and actively explore own-source-revenue initiatives. Operational taskforces have been established to improve our ability to deliver on key performance indicators essential for our organisation to maintain a strong financial position.

Public Sector Renewal Program

The Children’s Health Queensland Strategic Plan 2013-17 (2014 update) and underlying operational plans share key principles with the Queensland Public Sector Renewal Program. Specifically, the renewal program principles have sharpened CHQ’s focus on the key areas of:

1. Customer focus.
2. Innovation.
3. Contestability, commissioning and core services.
4. Excellence, agility and productivity.
5. Governance and accountability.
### STRATEGIC DIRECTIONS

#### Key outcomes

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

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<th>Strategy</th>
<th>Outcome</th>
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| Optimise quality healthcare and health outcomes | - The goals and targets outlined in the *Children’s Health Queensland Patient Safety and Quality Improvement Strategy 2013-2015*, continued to drive improvement throughout Children’s Health Queensland (CHQ) in the past year.  
- A CHQ Open Disclosure (OD) faculty has been established. A key component of clinical incident management in Queensland Health, OD is the open discussion of incidents that have caused harm to a patient while receiving healthcare. The role of the faculty is to support patients, families and clinicians with the grief associated with an adverse event.  
- CHQ participated in the annual Queensland Bedside Audit in 2014, with the audit taking place at the Royal Children’s Hospital (RCH) on 1 October. Comparison of key indicator results for 2013 and 2014 highlighted an improvement in 79% (23/29) of comparable indicators.  
- The audit provides infrastructure for the collation, analysis, benchmarking and feedback of clinical data to local facilities to support a safety and quality framework.  
- CHQ contributed to the design of the 2015 Queensland Bedside Audit tool to ensure it was fit for purpose for paediatrics.  
- The Cognitive Institute’s Safety and Reliability Improvement Series was implemented at CHQ in 2014-15. As part of this, 10 staff members have been selected as safety ambassadors by the Cognitive Institute. These ambassadors will influence and support the organisation in delivering safe, high-quality reliable care. |
| Realise the potential of the Lady Cilento Children’s Hospital | - Ninety-eight patients were safely transferred into the new Lady Cilento Children’s Hospital (LCCH) on 29 November 2014.  
- The Cognitive Institute’s Safety and Reliability Improvement Series is being deployed to establish high-quality services within the LCCH and drive continuous service improvement.  
- The CHQ Family Advisory Council (FAC) continues to play a key role in ensuring we deliver family-centred care that is appropriate and responsive to patients and families. |

2. **Build strong partnerships and engagement for improved health outcomes**

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| Collaborate with primary health entities      | - CHQ has established formal protocols with five Medicare Locals in Queensland to streamline referral pathways and increase access to healthcare services for families. Following the transition of Medicare Locals into seven Primary Health Networks (PHNs) on 1 July 2015, CHQ will review all existing protocols and progress new ones with remaining PHNs.  
- CHQ continues to host the South East Queensland Medicare Local and CHQ Collaborative (to be renamed the South East Queensland Primary Health Network and CHQ Collaborative from July 2015), which facilitates a cooperative and targeted approach to geographically-specific priorities for primary health service partnerships with CHQ’s statewide paediatric services. |
| Optimise engagement with consumers and the community | - CHQ continues to run the Patient Story Program, with families invited to present their experience of care with CHQ directly to the CHQ Board. Learnings from these stories are shared and used to drive improvement throughout the organisation.  
- CHQ’s FAC members continue to be invited to advise on service improvements and redesign. Key projects the FAC has contributed to in 2014-15 include the transition of services to the LCCH, and the expansion of CHQ’s statewide role and important initiatives such as child development services in Queensland hospital and health services.  
- CHQ Facebook page surpasses 5,000 page likes, increasing reach of communication and engagement activity with stakeholders across the state. |
| Optimise engagement with clinicians           | - Clinical Engagement continues to be a priority with the Board Chair rounding monthly to engage directly with staff.  
- Clinicians are provided an opportunity to speak directly to the Executive Management Team on service matters which they feel need strategic visibility.  
- Taskforces have been established with Executive sponsorship to provide clinicians with the opportunity to engage and lead service redesign.  
- The Board held monthly sessions on patient safety and quality with clinical teams under the banner of ‘quality in focus’. The Board also regularly toured clinical areas. |
| Optimise our community support                | - While there was significant negative media coverage in relation to ‘teething problems’ associated with the opening of the LCCH, the new hospital also attracted considerable positive or neutral coverage. |
| Build a strategic partnership with the Children's Hospital Foundation | - The objectives of the Children’s Hospital Foundation have been linked to CHQ’s statewide objectives, and the Foundation utilises the *Children’s Health Queensland Research Strategy 2013-2016* as the basis for decision-making on the funding of children’s health research projects.  
- The Foundation commenced a major gift campaign to coincide with the opening of the new LCCH in November 2014 and the Centre for Children’s Health Research in 2015.  
- Foundation volunteers provided more than 31,000 hours of support to children and families in the RCH, the LCCH and community child health centres during the year.  
- The Foundation co-funds Juiced TV at the LCCH. Juiced is a 30 minute program made ‘by the kids in hospital for the kids in hospital’. |
3. Build an empowered and engaged workforce

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| Foster staff health and wellbeing | • In 2014-15 CHQ continued to implement its *Work Health and Safety Strategic Plan 2013-2015* and to develop and improve the safety management system.  
• CHQ supports Queensland Health’s work-life balance policy by providing flexible working arrangements to staff, including opportunities to work part-time and purchase leave in addition to standard recreational leave arrangements.  
• CHQ has developed the *Employee Wellbeing Plan 2014-2016* and has commenced implementation, initially through a focus on psychosocial wellbeing through transition.  
• TMS Consulting was engaged to provide organisational psychology and employee assistance expertise to staff during the transition and establishment of the LCCH. |
| Develop our leaders | • An *Executive and Senior Leader Framework* was fully implemented in 2014-15 to develop employee capability and capacity to better meet current and future business challenges.  
• The CHQ Management Capability Program continued with 30 training sessions held. |
| Develop a culture which encourages and recognises high performance | • CHQ updated its reward and recognition plan (now the *Reward and Recognition Plan 2015-2017*) and continued to deliver key activities, including the Celebrating Our People Awards. In 2014, seven individuals and five teams received awards.  
• Four individuals and five teams received Queensland Health Australia Day Achievement Awards in 2014-15.  
• Staff successes and achievements are celebrated via internal and external communications channels, including staff newsletters and the CHQ Facebook page. |

4. Define and implement Children’s Health Queensland’s statewide role

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| Enhance the coordination of care for children with chronic and complex conditions | • The Connected Care Program was fully implemented and provided care coordination for 465 children with complex and chronic healthcare needs across Queensland in 2014-15. The program provides each child with a comprehensive care plan, and streamlines the patient and family journey through the healthcare system. The program has capacity for approximately 1,000 patients with the current resource allocation.  
• In 2014-15, 271 patients were safely transitioned from the Mater Children’s Hospital’s complex care program to the Connected Care Program. |
| Improve the provision of timely and accessible advice to regional and rural practitioners | • Clinicians across Queensland are now benefiting from the Children’s Advice and Transportation Hub (CATCH), an extended-hours support service which facilitates and formalises timely clinical specialist and sub-specialist advice, addressing the need for the right information from the right person at the right time.  
• CHQ is collaborating with Retrieval Services Queensland to improve expert paediatric advice, ensuring timely and accessible clinical advice is available to regional and rural practitioners. This integrates paediatric nursing components of retrieval and transfer coordination, specialist and sub-specialist advice, through tele- and videoconferencing capabilities for timely care provision to children across Queensland. |
| Enhance knowledge and confidence through paediatric training and education | • CHQ now provides targeted online, face-to-face and in-house placements for Queensland Health clinicians across the state through a customised and responsive learning and development plan. This plan meets training and education demand in metropolitan, regional and rural hospital and health services.  
• The Simulation Training on Resuscitation for Kids (SToRK) program provides online, face-to-face and in-service training packages for clinicians across Queensland on paediatric emergency, basic and advanced life support. In 2014-15, 1,384 clinicians from across Queensland completed the online modules, and 2,816 attended face-to-face training.  
• CHQ’s Simulated Learning in Paediatrics for Allied Health (SLiPAH) program more than doubled its reach in 2014-15 and is now embedded in 14 allied health programs across six universities in Queensland. |
| Establish a capable paediatric root-cause analysis facility to be deployed across Queensland | • The Queensland Children’s Critical Incident Panel has continued to support Queensland hospital and health services in undertaking comprehensive incident analyses to optimise learnings from paediatric critical incidents. The interdisciplinary panel of 25 senior clinicians with expertise in analysing paediatric morbidity and mortality consulted on 10 critical incident events across the state in 2014-15. |
### STRATEGIC DIRECTIONS

#### 5. Enhance financial management

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| Enhance financial stewardship and accountability | - Monthly divisional performance reports now include risk-rated major factor analysis for informing management of key issues and strategies.  
- Two Management Capability training sessions have been provided for cost centre managers 2014-2015, with 38 staff participating.  
- A Business Skills Foundation for Health Professionals course was provided to 124 cost centre managers as part of the financial management induction strategy following the opening of LCCH.  
- A cost centre manager financial management assurance process was developed and implemented to provide a consistent and structured process for cost centre managers supported by management accountants. |
| Continue to improve activity-based funding (ABF) understanding and capability | - ABF performance analysis has been incorporated into monthly performance reports and management reports. |
| Maximise revenue and investment opportunities | - The initiatives in the Own-Source-Revenue strategy are being reviewed and progressively implemented at LCCH. |

#### 6. Enhance research and learning

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| Use innovation to foster a learning culture | - The Board Chair’s Innovation Excellence Award, established in 2013, recognises people who have demonstrated innovation in service delivery, with a strong focus on enhancing the safety and quality of the care we provide our patients and families.  
- The Ellen Barron Family Centre team received the award in 2014 for producing a series of online videos or ‘vodcasts’ aimed at providing parents with strategies to settle their toddlers at home. The videos have been very successful, and attracted almost 2,000 views in the first two weeks after they were published on the CHQ website. |
| Maximise research opportunities and partnerships to ensure researchers are nationally and internationally competitive | - The goals and priorities for research at CHQ have been defined following consultation with stakeholders. They are based on national and regional priorities for children’s health, the major causes of mortality and morbidity and the efficient use of health resources. The overall goal is to achieve measurable improvement in child health in Queensland over the next five years.  
- The CCHR will open in the second half of 2015 and house more than 300 researchers, mainly from CHQ, the University of Queensland and the Queensland University of Technology. In addition, Level 4 will house a clinical studies facility managed by the Translational Research Institute and will add Mater Research to the other university research groups in the building.  
- CHQ is a project partner for the national collaborative CareTrack Kids study that is investigating the appropriateness of the care provided in Australia for 16 common conditions, barriers and international developments in paediatrics. They continue to attract a large statewide and multi-disciplinary audience, with weekly in-person attendance averaging 70-80 and 27 local and regional sites participating via videoconferencing.  
- A Nursing Showcase is conducted quarterly to provide the opportunity to highlight achievements, share new knowledge, practices and information related to nursing. |
| Harness the power of organisational learning through the collection, retention, sharing and effective use of knowledge | - CHQ launched a Regional Development Paediatric Program in 2015 to give nurses from across the state the opportunity to complete a four-week clinical placement at LCCH to further develop paediatric skills and knowledge, and gain valuable paediatric nursing experience.  
- Weekly Paediatric Grand Rounds presentations aim to support best practice by showcasing local and international developments in paediatrics. They continue to attract a large statewide and multi-disciplinary audience, with weekly in-person attendance averaging 70-80 and 27 local and regional sites participating via videoconferencing.  
- A Nursing Showcase is conducted quarterly to provide the opportunity to highlight achievements, share new knowledge, practices and information related to nursing. |
| Implement a contemporary clinical education framework which improves patient care | - Critical care interdisciplinary courses have been developed and implemented within the LCCH to develop skills and capability in emergency and critical care teams.  
- Interdisciplinary simulation training events are held several times per week across the LCCH, including Medical Emergency Team (MET) simulations, nursing and registrar training in PICU, and the recognition and management of the deteriorating child simulation for undergraduate nurses.  
- Inter-disciplinary education is provided as part of a shared care model to staff, in tertiary and regional healthcare settings across the state, who are responsible for the management of children with haematology and oncology conditions and their families. |
| Promote CHQ’s reputation as a leading provider of paediatric undergraduate and postgraduate education of medical, nursing and allied health professionals | - In 2015, LCCH was the first site in Queensland to undergo and achieve accreditation for intern education and training by the newly appointed Queensland Pre-vocational Medical Accreditation.  
- LCCH has undergone accreditation with the Royal Australasian College of Physicians for General Paediatrics and a schedule of sub-speciality accreditation is continuing into the second half of 2015.  
- The Sydney Children’s Hospital and University of Sydney’s Diploma in Child Health will be awarded throughout Queensland for the first time in 2015, under a new partnership with CHQ. |
Patient safety and quality

Children’s Health Queensland aims to deliver a healthcare experience that is safe, timely, appropriate, effective and family-centred for every child, young person and family, every time.

Our Patient Safety and Quality Service (PSQS) supports this aim and has worked tirelessly in 2014-15 to embed clinical governance as core business, and further enhance safety and quality reporting and communication across the organisation.

This ongoing work has been guided by the Children’s Health Queensland Patient Safety and Quality Improvement Strategy 2013-2015, which outlines our goals and performance measures against the four key objectives of safe, appropriate, timely and effective care.

These contribute to the overarching goal of consistently providing child- and family-centred care oriented to the individual needs of patients and their families.

Collaboration and partnerships with our families play a central role in helping us achieve this.

In 2014-15, there was increased emphasis on consumer engagement and collection of feedback to ensure patient, parent and family experiences were used to drive improvements. This will continue to be developed over the next 12 months.

Other key areas of focus for the PSQS in 2015-16 will be an update of the Patient Safety and Quality Improvement Strategy, and the Speaking Up for Safety Program.

Measures keep safety and quality performance on track

Ten system-level measures for Children’s Health Queensland have been defined and will be transparently reported against in 2015. These measures include:

- Days without a serious safety event.
- Central line infection rates.
- Compliance against national emergency access target.
- Compliance against national elective surgery target.
- Patient and family compliment and complaint metrics.
- Appropriate use of children’s early warning tool (CEWT).
- The number of clinical pathways completed.
- Hand hygiene compliance rates.
- Discharge summary completion rates.
- Resolution of complaints within 35 days.

These system level measures have been selected as they are based on data which is robust and reliable, and useful in informing practice change.

Each measure is accompanied by a defined indicator to ensure data is comparable and objective. Learnings from these measures will be used to improve care.

Ryan’s Rule

In 2014 Children’s Health Queensland was the first hospital and service in Queensland to implement ‘Ryan’s Rule’, a family-initiated medical emergency tool for families to escalate concerns about their child’s care.

Ryan’s Rule recognises that families know their child better than anyone, and empowers them to raise concerns via an easy three-step process. In the first instance families are encouraged to speak with their child’s nurse or doctor. If they feel the matter is not resolved, they can then speak to the nurse in charge or call 13 Health to request a Ryan’s Rule clinical review. A Ryan’s Rule call will alert a Medical Emergency Team to visit the hospital ward and assess the situation.

Feedback from families who have initiated a Ryan’s Rule call has been extremely positive.

Ryan’s story

Ryan Saunders was nearly three years old when he tragically died in hospital. His death was found to be in all likelihood preventable. Staff did not know Ryan as well as his mother and father knew him.

When Ryan’s parents were worried he was getting worse they didn’t feel their concerns were acted on in time. In memory of Ryan, and to reduce the chance of this happening again to any patient, the Department of Health is introducing Ryan’s Rule to hospitals throughout Queensland.

Timely communication with GPs

A discharge communication pilot program was conducted at Royal Children’s Hospital in the general paediatric and respiratory services. The aim of this pilot was to track how many discharge summaries were being completed and sent to GPs within 48 hours of discharge.

The pilot program demonstrated that 95 per cent of discharge summaries were being completed within 48 hours. Monitoring of this KPI has since been expanded to all services and is reported on a monthly basis at Lady Cilento Children’s Hospital.
Medication safety program
The Medication Safety program aims to increase safety related to prescribing, dispensing and administration of medication.

The Children’s Health Queensland (CHQ) Medication Safety Sub-Committee oversees medication safety systems and strategies to reduce the risk of medication-related preventable harm and sponsors a culture of medication safety within paediatric practice.

In addition, the committee reviews the monthly medication related incidents submitted via PRIME, identifying emerging trends and initiates strategies to reduce the risk of errors. The committee celebrates ‘good catches’ by any staff member who intervenes and prevents medication error.

Medication safety education is part of orientation for all medical and nursing staff commencing at LCCH.

Clinical pathways ensure standardised care
Evidenced-based clinical pathways for 58 conditions and procedures have been developed and implemented as part of CHQ’s clinical pathways program.

A key strategy of the Children’s Health Queensland Patient Safety and Quality Improvement Strategy 2013-2015, the program aims to provide explicit and well-defined standards of care for individual patient groups at the LCCH to standardise treatment, reduce variation and ensure consistently safe, high-quality patient outcomes.

Pathways developed to date include medical pathways (for example, asthma and bronchiolitis), surgical pathways (appendicectomy/cleft lip repair) and tertiary pathways (renal transplant; hyperphenylalaninaemia/phenylketonuria).

Processes to evaluate compliance with these pathways is under development and will be established in 2015-16.

Teams tasked with delivering an outstanding healthcare experience
A series of taskforces have been established to help establish our services in the new environment of the LCCH and enhance the patient experience. These taskforces form part of the work we are doing with the Cognitive Institute’s Safety and Reliability Improvement Series.

The Patient Flow Taskforce is focusing on the safe and effective flow of patients through the hospital to ensure access remains available for all children who need the care of LCCH.

Key goals are to improve the length of stay of patients to national best practice, support 35 per cent of patients who are being discharged to do so by 11am each day to avoid patients waiting too long in the Emergency department or the Paediatric Intensive Care Unit for a bed, and ensure 90 per cent of patients are discharged according to their estimated date of discharge to provide families and staff with certainty about when children can go home. To date, discharge processes have been enhanced to deliver a better experience for families, there is greater clarity of inpatient to inpatient inter-hospital transfers and communication about emergency bed requests has been improved.

The Outpatients Department taskforce is focusing on embedding efficient and effective outpatient services following the transition to the decentralised model of service delivery within the LCCH. The goal of the project is to ensure clinical, nursing and administrative practices are delivered in a way that optimises health outcomes and patient/family experiences. Since the project began in April 2015, there has been significant gains in the centralised functions of the referral and call centre management, and focus has now shifted to the efficiency of the specialist clinics, access and administration processes, and billing practices.

A theatre taskforce was established in April 2015 to maximise theatre utilisation and meet all NEST targets, reduce avoidable cancellations and delays for elective surgery and develop an efficient and effective suite of contemporary, accessible communication materials to support parents through the theatre journey. A key area of focus to help reduce surgery delays is to increase the quality, timeliness, impact and accessibility of information provided to parents before they come to hospital for their child’s procedure. Internal systems and processes and communication channels are also being reviewed to identify gaps and inefficiencies.
Hand hygiene in focus

Children’s Health Queensland reviewed and renewed its hand hygiene monitoring and training efforts in 2015 to ensure our staff are meeting or exceeding the national standards.

Under a new Hand Hygiene Improvement Plan, monthly reporting of hand hygiene data has commenced, the number of clinical areas being audited has been expanded to include operating suites and medical imaging, and more clinical staff across all divisions will be trained as general auditors.

Led by the CHQ Infection Management and Prevention Service (IMPS), the plan is consistent with the recommendations of Queensland Health’s Centre for Healthcare Related Infection Surveillance and Prevention and Hand Hygiene Australia.

Other key strategies include:

- Clear and consistent training and messaging based on the agreed World Health Organisation (WHO) ‘Five Moments of Hand Hygiene’ approach.
- Regular and increased audit and feedback of results including real-time correction where non-compliance is observed.
- Mandating that all staff complete Hand Hygiene Australia’s online learning program.
- Engage with families to encourage and require hand hygiene from staff.

As part of this important body of the work, CHQ is rolling out the Clean Hands Club campaign, which aims to encourage and empower patients and families to ask staff if they have washed their hands.

Cards and badges asking ‘Have you washed your hands’ will be given to families to wear and display at bedside.

This messaging will be supported by notices around the hospital, on our website and via social media. Staff will also be given badges advising patients and families ‘It’s OK to ask if I have washed my hands’.

Speaking up for safety

To support the rollout of the Cognitive Institute’s Safety and Reliability Improvement Series within CHQ and foster a culture of excellence in patient care, staff are being encouraged to ‘speak up for safety’.

The Speak Up for Safety workshops aim to motivate and empower clinicians with the communication skills they need to comfortably raise issues with colleagues when they are concerned about patient safety.

Respectful questioning of colleagues can make an important contribution to patient safety and CHQ wants all staff to not let the common barriers – such as fear of overstepping authority, and expectations of negative consequences – stop them from speaking up.

In March 2015, 15 CHQ staff successfully completed the Speaking Up for Safety trainer accreditation process with the Cognitive Institute, and the following month Speaking Up For Safety was endorsed as a mandatory training requirement for all Children’s Health Queensland staff.

The program was officially launched within CHQ on 18 May 2015 and by 30 June 2015, 678 staff members had attended a workshop.

More than 200 workshops will be facilitated in 2015-16 to reach our organisational target of having all staff trained by June 2016.
Children’s Health Queensland is committed to engaging with our consumers to improve child and youth health across the state. We continue to partner with patients, families and carers across the organisation to ensure their experiences and unique perspectives inform the planning and delivery of our healthcare services. We are also passionate about empowering consumers to make informed choices about their health and wellbeing through health promotion, education and use of effective, contemporary communication channels.

Partnering with families

Children’s Health Queensland’s Family Advisory Council (FAC) is our peak consumer advisory group. The FAC meets monthly to provide input to key Children’s Health Queensland (CHQ) priorities and issues, as well as proactively identify opportunities to improve our services.

In 2014-15 the FAC refreshed its membership with three new members and responded to 14 requests for advice and input on items including:

- The transition of services to the Lady Cilento Children’s Hospital (LCCH).
- The expansion of CHQ’s statewide role and important statewide initiatives such as child development services in Queensland hospitals and health services.
- Communication materials at both the RCH and LCCH.
- Safe and timely discharge for children from LCCH.
- Operational improvement strategies at the LCCH.
- CHQ’s consumer engagement strategy.
- CHQ’s staff awards for family-centred care.

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

In 2015-16, the FAC will work on enhancing its capacity to represent families across the state. Priorities will include the development of a broad consumer network, continued input into policies, procedures and communication materials.

Calendar shares stories of hope

The Child and Youth Mental Health Service (CYMHS) launched the fifth edition of its popular Images of a Hero calendar during Mental Health Week in October 2014. Featuring photography and inspirational messages by consumers of our Beautiful Minds Youth Advisory Group, the calendar aims to present mental health information and services in an accessible way, enhance connection with others, and reduce the stigma associated with mental health problems. Young people worked with a professional photographer to create a pictorial essay of their experiences with mental illness, before putting pen to paper to share their recovery journey. The calendars are distributed widely around Queensland.

“I have had to deal with lots of really sad things in my life. When I was 7, my Mum died and I left my family and home country to come live in Australia. It was really hard, as I had to learn a lot of new things. My Dad then left me and I had to move around between a few families.

Sometimes I feel really sad when I think about what I have lost and what has happened, and other times I feel really angry. I find talking to my CYMHS workers has helped me a lot. I also like to listen to music and hang out with my friends to make myself feel better.

I would tell other kids going through tough times that things do get better, and to try to use your experience to learn about yourself and become a better person.

“My picture represents me growing up, not being alone, and chasing a brighter future, because I know that’s what I have ahead of me.”

Leena, 13
Juiced TV

Juiced TV, the show ‘made by the kids in hospital, for the kids in hospital’, has taken patient and family engagement within Children’s Health Queensland to an exciting new level and changed the way kids experience hospital.

Launched at the LCCH in January 2015, Juiced TV makes patients and siblings stars of the small screen by recruiting them to host the show as well as help produce content.

The 30-minute show is filmed and broadcast at the LCCH every week. Broadcasts are streamed through the bedside patient entertainment system and online at www.juicedtv.com.au

Hospital staff also regularly appear in the show to promote important health issues and increase awareness of hospital processes and procedures to engage with patients and their families.

Since the program’s launch in January, Juiced TV has filmed with more than 400 patients and their siblings, and facilitated 25 days of entertainment at the LCCH.

Juiced TV, created and developed by Pip Russell, is made possible by the Children’s Hospital Foundation and the generous donations of the public.

Antibiotic Awareness Week

Children’s Health Queensland joined forces with NPS Medicine Wise in 2015 to raise awareness of the growing problem of antibiotic resistance.

The World Health Organisation has called antibiotic resistance one of the greatest threats to public health today. As a result of the overuse and misuse of antibiotics, bacterial infections such as methicillin-resistant staphylococcus aureus (or golden staph) that were once easily cured with antibiotics are becoming harder to treat.

To show our support for this important campaign, we declared February 9 to 13 Antibiotic Awareness Week at the LCCH, hosting a series of activities to promote the appropriate use of antibiotics. This included a visit by the NPS Superbug, who distributed 500 stickers and wrist bands to children and families across the hospital, and a performance of an original ‘hand hygiene song’ by students of the LCCH School. A further 300 cold/flu care packs were distributed to families in the hospital to educate them about flu treatments and encourage good hand hygiene practices.

The campaign was supported online by the CHQ Facebook page with daily posts offering antibiotic awareness tips and facts, as well as a ‘Q&A’ forum which gave our online community the chance to ask our pharmacy staff any questions they have about antibiotics.
Celebrating the valuable contribution of children and families

National Families Week in May and National Children’s Week in October are firmly established as key celebrations within our organisation’s annual calendar, offering an opportunity to recognise the valuable role that children, young people and their families play in the health and wellbeing of the wider community.

In 2015, we officially added National Youth Week (10-19 April) to the list, securing a special visit from Anja Nissen (winner of the The Voice 2014 and Youth Week ambassador). We also hosted a series of art workshops for patients and families at the Lady Cilento Children’s Hospital (LCCH).

Through an engaging program of activities, arts and crafts, live entertainment and special guests, these events serve to not only provide our consumers with a welcome distraction from their health issues, but also increase awareness about important child health issues and foster greater engagement within the hospital community.

Media and communications

Children’s Health Queensland (CHQ) has a dedicated media and communications team that manages all of CHQ internal and external communication activity, including media.

A key focus in 2014-15 was the continued development of a strong media profile to:

- Advance CHQ’s reputation as a national leader in paediatric care.
- Optimise our consumer, community and other stakeholder support.

In line with our core value of patient- and family-centred care, our communication activity consistently strives to acknowledge the vital and constant role that families play in the health and wellbeing of children and young people.

A total of 539 media items were recorded, representing an average of 44 each month. The opening of the LCCH and the clinical review were the most reported activities/issues for CHQ in 2014-15.

A new look website

www.childrens.health.qld.gov.au

Children’s Health Queensland enhanced its online presence in 2014-15 with a new website that provides easy access to information about our hospital-based, community and mental health services, and statewide programs.

Since the website was launched in November 2014, more than 132,000 people from 62 countries have visited the site.

Encouragingly, usage data showed that 68 per cent of website users are new, and 32 per cent are repeat users.

Health practitioners are also benefitting from an improved ‘refer a patient’ section, which lists all specialist services at the LCCH, a catchment map and referral forms.

The dynamic site is ‘responsive’ – for viewing across all platforms, from desktop and laptop computers to tablets and smart phones. It also considers recent changes to Google’s search engine, which prioritises dynamic websites, thereby boosting search results.
The CHQ Facebook page is one of the busiest and most ‘liked’ Facebook page of all hospital and health services in the state, helping us deliver important paediatric health and services information direct to thousands of families daily.

Our Facebook page has provided a means of sharing patient success stories and staff achievements, communicating our news and announcements in a timely manner and encouraging participation from consumers regardless of their location.

In 2014-15, a series of online ‘Q&A’ forums in various child health topics proved popular, and several consumer surveys have been promoted via the page. Facebook has also given our consumers another means of voicing their concerns or complaints, which in turn has given us more opportunity to engage with consumers.

By June 30 2015, average daily reach was 6,500 and total page likes had increased by 353 per cent to 5,036.

Facebook feedback

Kara Wren
The professionalism and dedication of your staff is second to none. We wouldn’t go anywhere else. Keep up the great work.

Kim
Merging two hospitals was never going to be easy. Our daughter Sophie was the first patient at the LCCH as she was undergoing bone marrow transplant. At the time of the move our doctors and nurses were amazing and our daughter has always received the best care.

Miranda Wright Kronenberg
We have visited the LCCH many times since it has opened and we have only had positive experiences and only positive outcomes for my children. I couldn’t speak highly enough of LCCH.

Sandra Miles
Thank you to all the wonderful staff who are making this work by just keeping on caring for children and families. Love your work!!
Lady Cilento Children’s Hospital

Since opening on 29 November 2014, the Lady Cilento Children’s Hospital has admitted 20,725 inpatients, treated 94,561 children and young people as outpatients and seen 36,319 emergency presentations. At the same time, our dedicated staff have worked tirelessly to establish services, including many new models of care, while still ensuring a safe and high-quality healthcare experience.

Outpatient services

Outpatient services in the Lady Cilento Children’s Hospital (LCCH) represent a significant change of practice for our patients and families. We have moved from a centralised to a decentralised model of service delivery, with 17 specialist outpatient pods dispersed across the new hospital.

Significant work has been undertaken to support families through the changes, stabilise processes and policies in the new setting and ensure services are delivered effectively and efficiently.

As planned, activity has steadily increased from January to June 2015, with activity now reaching the levels planned prior to the transition.

Level of outpatient activity Jan to June 2015

<table>
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<tr>
<th>Occasions of service</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
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<td>15,704</td>
<td>13,629</td>
<td>15,387</td>
<td>15,350</td>
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We have also seen significant improvements in the experience of our ambulatory patients and families over the past six months. This includes a halving in the time families have had to wait when phoning the pod call centre, with wait times from April achieving an average wait time of less than 3.5 minutes.

The improved patient experience has also been evident in all speciality areas, with clinical and administration staff working hard to improve services that includes reducing clinic waiting times and streamlining patient communication.
Music therapy in emergency

In an Australian-first, Children’s Health Queensland (CHQ) is providing music therapy services to patients and families who present in the emergency department.

The emergency department is often the first point of contact for many patients and families at LCCH and the experience can be overwhelming due to painful procedures and wait times for patients and families.

The primary aim in the busy and often tense emergency environment is to calm and settle patients, as well as helping them manage their pain and anxiety.

Emergency department staff can page the on-call music therapist if they have a patient that could benefit from the service.

New mental health units

The LCCH, through our Child and Youth Mental Health Service, has delivered new and improved mental health inpatient services for children and adolescents in Queensland. A nine-bed Child Mental Health Unit offers planned and crisis admission for children from birth to 13 years who are experiencing severe and/or complex mental health difficulties.

In line with CHQ’s commitment to family-centred care, the unit has the capacity to facilitate a parent-child admission and a family admission.

An 11-bed Adolescent Mental Health Unit provides specialist treatment for young people aged between 14 and 18 years.

Our multidisciplinary teams work collaboratively with children, young people, their families and other service providers to tailor recovery-oriented treatment focused on improving wellbeing and functioning.

During their child’s admission, families have the opportunity to participate in Triple P (Positive Parenting Program) and patients can participate in therapeutic groups (such as mindfulness, coping skills, arts therapy) and if they are enrolled in a Queensland school, they can attend the in-house LCCH school.

All patients, when appropriate, are referred on to community services for ongoing support after they discharged from the hospital.
Integrated electronic medical records

Children’s Health Queensland (CHQ) continued the rollout of Queensland Health’s integrated electronic medical record (ieMR) program in 2014-15 to provide clinicians with faster access to patient records.

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

This will deliver improved care coordination for patients through increased quality and safety, and provide enhanced productivity for a more sustainable health system.

Within the LCCH and the Ellen Barron Family Centre (EBFC), the system is used, on average around 9,000 times a day to access patient information and health history.

In the past 12 months, more than six million pages of patient information have been scanned into the ieMR system.

Release 2 of ieMR was implemented at EBFC and the Royal Children’s Hospital in July 2014 before being transitioned across to the LCCH. This version provided additional functions such as problems and diagnosis, direct entry progress notes, alerts and allergies as well as risk assessments.

Smart-card technology streamlining access to patient information

Lady Cilento Children’s Hospital emergency staff are using smart cards to access vital patient information faster.

Launched in June 2015, the Rapid Access Workstation Service enables clinicians to gain access to shared desktops by tapping their staff identification card against a card reader.

The use of a single sign-on means clinicians no longer need to re-authenticate each time they want to access a new application, while also reducing the time associated with resetting of forgotten passwords.

The service is part of a $5.4million Queensland Health project which will significantly improve sign-on for clinicians resulting in quicker and easier access to electronic medical records.

Following its successful deployment in emergency, RAWS will be trialled in the surgical, outpatient and inpatient ward settings.

Patient Monitoring Web Access has also been implemented in the LCCH, enabling clinicians to access patient vitals monitoring data captured on biomedical devices from any computer across Queensland Health and remotely.

Check-in kiosks

Families are increasingly checking in for outpatients appointments via our automated kiosks – avoiding the need to wait in queues at reception desks.

A 2015 system upgrade to the Queue Manager kiosks has further improved the outpatients experience for families, by including an option to enter a mobile number and receive a text message when their appointment is called.

This enables families to wait for their appointments in one of the hospital’s gardens, playground or other entertainment facilities rather than the waiting rooms.

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

The kiosks, located inside the main entrances of the hospital, have played a vital role in managing patient flow throughout the hospital, which now delivers more than 15,000 outpatient appointments every month.
Paediatric Nutrition Screening Tool

The Paediatric Nutrition Screening Tool (PNST), developed by CHQ’s Dietetics and Food Services, is now being used by tertiary and regional hospitals across the country and internationally to identify children who are at nutritional risk and require referrals to a health professional for an in-depth nutritional assessment.

A 2014 study on malnutrition, obesity and nutritional risk of Australian paediatric patients found that 15 per cent of inpatients are malnourished and five-and-a-half per cent experience severe malnutrition.

Children who are malnourished are also at an increased risk of infection, poor growth and development, longer hospital stays and increased mortality.

The PNST aims to improve the health outcomes for these children through early detection and treatment of malnutrition.

The tool consists of four simple questions that can be completed by parents, nurses or nutrition assistants when a child is admitted to hospital.

It can be completed in a few minutes and can be incorporated into routine admission or clinical care documentation.

The tool has been approved for paediatric patients in tertiary and regional hospitals and is also validated against the paediatric Subjective Global Nutritional Assessment and anthropometry.

The tool can be downloaded at www.childrens.health.qld.gov.au/paediatric-nutrition-screening-tool

Allied health

In 2014-15, allied health leaders and clinicians across CHQ were actively involved in workforce reform to support improvements in patient care, outcomes and experiences, in line with the release of the Ministerial Taskforce on health practitioner expanded scope of practice: final report.

Many disciplines and clinical teams implemented new models of care with a focus on improving waiting times and improving patient flow since the opening of LCCH. Examples include:

- Orthoptist-led clinics that improve access to non-medical assessment for children who would otherwise experience a long wait for an ophthalmology appointment.
- Ward-based pharmacy satellite clinics that reduce the time families spend on filling prescriptions at the time of discharge.
- Audiology’s collaboration with Ear, Nose and Throat (ENT) services has ensured right time – right place triage for children waiting for ENT treatment.

CHQ’s allied health workforce comprises approximately 700 staff from 17 occupational groups and provide services across the organisation. Allied health professionals practice in hospital and community settings and provide inpatient, outpatient and mental health diagnostics and therapeutics for children.
Our Child and Youth Community Health Service (CYCHS) provided 99,178 occasions of service to Queensland children, young people and their families in 2014-15. A commitment to continuous service improvement, collaboration with new and existing healthcare partners, including our families, and embracing innovation has seen families benefit from greater and easier access across the continuum of care.

**Improved pathways to care**
Child Health has implemented a new model of care focused on providing consistent and reliable care to families in the greater Brisbane community. The model includes universal and targeted service pathways that allow clinicians to provide the right service at the right time for families. In addition, work is continuing to streamline services, including the rollout of a central intake and bookings system across the service to improve access.

Child Health is also working in partnership with other government and non-government agencies, such as the Early Years centres located at Caboolture, Browns Plains and Acacia Ridge, to offer families a variety of ways to access child health services.

The Child Development Program also launched an enhanced model of care to ensure consistent, safe, timely and effective clinical pathways for the approximately 400 families who access child development services at the Lady Cilento Children’s Hospital and across the greater Brisbane metropolitan area every month. Under the new model of care, the Child Development Service has achieved its goal of no long waits for families, meaning every family referred to the service is triaged and receives a timely and meaningful response.

The School-Based Youth Health Nurse Service (SBYHNS) embedded a new model of care, and CNC and NUM clinical governance model in 2014-15 to align resources and enhance service delivery to youth across Queensland. A key achievement has been hosting of the first statewide School Based Youth Health Nurse Conference in Brisbane in May 2015.

The SBYHNS has further benefited from the allocation of funding from the Preventative Health Unit to fund a nurse manager position, to engage and collaborate with school-based youth health nurses and managers across Queensland.

**Personal Health Record update**
Children’s Health Queensland (CHQ) annually reviews, updates and distributes the **Personal Health Record (PHR)** and its companion booklet **Child Health Information: Your guide to the first 12 months** on behalf of Queensland Health.

The PHR (or ‘red book’ as it is commonly known) is a parent-held booklet for recording a child’s vaccinations, developmental checks and major health events. Queensland Health has provided the PHR free to the parents of every child born in Queensland since 1995.

In 2015, on the recommendation of the Queensland Child and Youth Clinical Network, CHQ included the Parents’ Evaluation of Development Status (PEDS) screening tool in the PHR.

The PEDS is an evidence-based questionnaire that parents/carers are asked to complete at home or in consultation with their healthcare provider at a child’s designated health checks at six months, 12 months, 18 months, 2.5 years to 3.5 years, and four to five years. The PEDS is designed to draw on a parent’s knowledge of their child to help identify childhood developmental issues early.

A statewide PEDS training program for Queensland Health staff began in the first half of 2015 to teach child health professionals how to use, score and interpret the PEDS effectively.

Seventy-seven thousand copies of the updated resources have been distributed to maternity units across Queensland. A media and marketing campaign to raise awareness of the PEDS in the PHR is planned for the second half of 2015.
Enhancing parenting skills across the state
Statewide Child and Youth Health continues to coordinate and/or support the delivery of three internationally-recognised parenting enhancement programs: the Family Partnership Model, the Triple P – Positive Parenting Program and Circle of Security early intervention program. Training courses and/or resources are made available to staff of all Queensland hospital and health services so the program can be delivered to families across the state. These programs are focused on providing parents with the confidence, knowledge and skills they need for effective parenting.

Child and Youth Health Practice Manual
CYCHS teams lead and contributed to a review and update of the Child and Youth Health Practice Manual in 2014. The comprehensive 303-page manual supports and guides clinical practice child and/or youth health nurses, Aboriginal and Torres Strait Islander child and/or youth health workers and practitioners, and child health psychologists and social workers (also known as early intervention clinicians/early intervention parenting specialists).

The update of the manual was supported by the Statewide Child and Youth Clinical Network – Child Health Sub-Network and incorporated the latest evidence relating to contemporary practice issues and in line with The National Framework for Universal Child and Family Health Services. The manual is available online at www.childrens.health.qld.gov.au/health-professional-resources/

Connecting with new families via SMS
The Centre for Children’s Health and Wellbeing (CCHW) trialled the use of text messaging to communicate important newborn and parent health information to families in 2014. A pilot of the Connecting2u (C2u) project was conducted with a group of families whose babies were born between March and June 2014 at Logan Hospital. Participants received weekly text messages for the first four months (two per week for the first eight weeks).

The project aims to address common family needs and concerns, promote wellness in all family members, empower parents, and address important contextual factors affecting families.

Based on the success of the pilot in the Logan community in 2014, a larger scale trial will be implemented across other Queensland hospital and health services in the second half of 2015 to test the potential of the project being rolled out statewide. CCHW is working in partnership with Griffith University and the University of Newcastle and multiple hospital and health services to conduct this trial.
Telehealth project boosts reach of hearing loss support for families

In 2014-15, the Queensland Hearing Loss Family Support Service (QHLFSS) supported 413 families of children diagnosed with hearing loss following newborn hearing screening, and provided 5,942 occasions of service.

Families further benefited from enhanced access to support, early intervention and counselling services in the home, thanks to the rollout of the web-based Telehealth Presence Project. This initiative has given families the option of video-conferencing the QHLFSS from their home using loaned equipment (an equipment loan scheme was developed as part of the project). The project was made possible with a grant from the Children’s Hospital Foundation.

App makes kids chatter matter

In August 2014, the CCHW in partnership with the Department of Education and Training launched the SPEAK (Speaking Promotes Education And Knowledge) app to help nurture language development in children from birth to six years.

Research supports the importance of oral language, not only as the foundation for the development of literacy skills, but also a strong indicator of later reading, writing and overall academic achievement.

The user-friendly SPEAK app aims to help parents, carers and early childhood educators develop an understanding of the importance of oral language for future success and provides fun, free activities and ideas for teaching children speaking and listening skills from an early age.

The app is for five age groups, (0 months+, 13 months+, 2.5 years+, 3.5 years+ and 4.5 years+) each with 10 talking points. For each age, multiple activities are listed under four sections – social, connecting, literacy and numeracy, and play.

SPEAK is compatible with Android and Apple, and can be downloaded from http://deta.qld.gov.au/about/app/speak

Maternal and infant nutrition in focus

The Centre for Children’s Health and Wellbeing is leading the implementation of the state-funded Promoting Optimal Maternal and Infant Nutrition Project for the next two years.

The project aims to reduce the prevalence of childhood overweight and obesity and improve children’s nutrition by promoting health lifestyle behaviours for women before, during and post-pregnancy and the adoption of optimal infant nutrition practices across Queensland.

Project activities and strategies will be informed by the best available health promotion evidence.

Deadly Ears

The award-winning Deadly Ears program continues to reduce the high rates of otitis media (or middle ear disease) in Aboriginal and Torres Strait Islander children in remote communities.

In the past five years, the number of children presenting at the program’s ENT clinics with chronic ear disease (also known as chronic suppurative otitis media) has more than halved from a high of 16 per cent to 7.4 per cent. In the critical 0 to 4 age group, it has reduced by two-thirds (from 18.6 to 5.9%).

In 2014, the Deadly Ears Program engaged The University of Queensland (UQ) to review its state-wide framework, known as Deadly Ears, Deadly Kids, Deadly Communities.

UQ’s evaluation found the framework had been successful in contributing towards achieving its long-term objectives of reducing the incidence and impact of chronic ear disease and associated hearing loss on Aboriginal and Torres Strait Islander children.

It also recognised that substantial and long-term health gains will only be achieved by working across and between the health, education and early childhood sectors to prevent, treat and manage middle ear disease and its impacts. As a result, the Deadly Ears program will develop and implement a new state-wide framework in 2015-16.
Short-stay Infant Sleeping Course Helps More Parents

The Ellen Barron Family Centre (EBFC) launched a new short-stay Sleep Education Program (SEP) in 2014-15 to improve access for families experiencing sleep and settling issues with their infants.

The residential program (generally two nights and two days) aims to enable parents to feel confident in implementing responsive settling strategies for their infants. The SEP is offered in the context of the broader program area within EBFC, which includes the four night/five day Parent Education Program (PEP) and the nine night/ten day Extended Parent Education Program (EPEP).

Responsive Settling Vodcast

Families now have online access to free professional advice about responsive settling techniques, thanks to a series of vodcast produced by the EBFC.

Accessed via the EBFC website – www.health.qld.gov.au/ellenbarronfamilycentre/html/vodcast.asp – the short vodcast aim to introduce parents/carers to various settling strategies, and teach the importance of learning their baby's cues or signs which indicate they are tired.

An introductory video also emphasises the importance of parents seeking support when they are introducing responsive settling strategies.

Since the vodcast were launched in July 2014, they have been viewed more than 4,000 times by people in 18 countries.

The project was made possible with a grant from the Children's Hospital Foundation.

Healthy Hearing

The Healthy Hearing program celebrated its 10th year in October 2014, having screened more than 600,000 infants since the program’s inception.

The program screens all newborns at birth for a hearing loss and is available in 62 birthing hospitals in Queensland.

When hearing problems are detected early, and treatment begins before babies are six months old, they have a stronger chance of heading off future communication, health and learning issues.

About one per cent of screened babies are referred for further testing to help detect the 1 in 1,000 children born with a permanent bilateral hearing loss of moderate degree or greater.

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

In 2014, 62,652 newborns (99 per cent of all babies born in Queensland) were screened through the Healthy Hearing program.

A Good Start for Maori and Pacific Islander Children

The Good Start program, which aims to reduce the high incidence of chronic disease and obesity in Maori and Pacific Islander children, has secured funding to continue its good work until June 2018.

The program aims to improve the health of children and communities as a whole by working with families to build skills, knowledge and confidence in nutritious eating, exercise and lifestyle practices. In 2014-15 the Good Start Program provided 1,190 nutrition and physical activity sessions to children and families.

A course developed by the Good Start program has also been recognised by Queensland Curriculum and Assessment Authority (QCAA) as contributing studies for the Queensland Certificate of Education (QCE).

Maori and Pacific Islander students in Years 11 and 12 can benefit from an invaluable work experience of 40 hours with the program, acquire great skills in health promotion and can obtain points towards their Certificate of Education.

This course contributes to building sustainable preventative health support to communities.

The Good Start team has also developed a mentoring program to build capacity of local organisations in delivering health promotion activities in communities. Through mentoring and professional development, community champions gain expertise in supporting families to adopt healthy lifestyle choices.
The Child and Youth Mental Health Service expanded its workforce and reach in 2014-15, with the amalgamation of community services across north and south Brisbane, and the launch of several new teams and services. There was an ongoing focus on providing comprehensive, collaborative and client-centred care for all children, young people and families in need of specialised, high-level mental healthcare.

**Acute Response Team**

In 2014, Children’s Health Queensland (CHQ) and Mater Health Services, in partnership with Queensland Health’s Clinical Access and Redesign Unit, initiated the CYMHS Adaptive Responsive Care (ARC) clinical redesign project to improve the experiences of children, young people and their families, in accessing acute mental health services. This project resulted in the development of the CYMHS Acute Response Team (ART).

The multidisciplinary ART works with children and young people up to the age of 18 who are experiencing acute mental health concerns. The aims of the service are to:

- Provide timely and responsive mental health assessment and treatment of children, young people and their families/carers.
- Deliver best practice mental healthcare with a focus on recovery and on achieving the best possible outcomes for children and young people with mental health issues and their carers.
- Facilitate seamless and safe transitions of care between the Emergency department, referring hospitals, the inpatient units and the community.
- Maintain a culture of partnership and collaboration with our stakeholders, other service providers and referrers.

The ART provides:

- A CYMHS clinician seven days a week, 24 hours a day at the Lady Cilento Children’s Hospital (LCCH) to assist in the management of child and youth mental health presentations to emergency through consultation and face-to-face assessment.
- A CYMHS clinician seven days a week between 2.30pm and 11pm at the Royal Brisbane and Women’s Hospital (RBWH) to assist in the management of child and youth mental health presentations to the Psychiatric Emergency Centre.
- A CHYMS clinician for one shift a day, seven days a week at The Prince Charles Hospital to assist in the management of child and youth mental health presentations to the Emergency department.
- A 24-hour Crisis Phone Service for children, young people and their families/carers requiring an acute CYMHS response, operated from LCCH.

**CYMHS community clinics**

The patient- and family-centred service delivery framework Choice and Partnership Approach (CAPA) has been implemented in CYMHS’s seven community clinics in Brisbane, located at Inala, Pine Rivers (Strathpine), Yeronga, Nundah, Mt Gravatt, Keperra and Greenslopes.

In addition to improved access to the clinics, families and young people will also benefit from:

- Face-to-face appointment within three weeks of referral.
- Collaborative decision making about what issues to focus on.
- Mutual accountability and intentional review timeframes.
- Effective responses to severe and complex mental health issues.
- Discharge from the service once agreed issues have been addressed.

The new model, which includes an emphasis on inclusive decision-making, has been well received by families and young people.

<table>
<thead>
<tr>
<th>3,040</th>
<th>clients</th>
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<tr>
<td>2,321</td>
<td>new referrals</td>
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<td>42,445</td>
<td>occasions of service</td>
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</table>
Enhanced extended treatment and rehabilitation care for adolescents

Children’s Health Queensland CYMHS is leading the implementation of the statewide Adolescent Mental Health Extended Treatment Initiative. The initiative aims to ensure young people and their families across Queensland have access to safe and high-quality mental health extended treatment and rehabilitation service options as close to their home or community as possible.

There are five service elements to the model of care:

1. **Assertive Mobile Youth Outreach Services (AMYOS)** delivered by multidisciplinary mental health clinicians, who provide recovery-oriented assessment and assertive treatment and care for young people with complex mental health needs in the family home or community. CYMHS has worked with local hospital and health services to establish six AMYOS teams across Queensland, in north and south Brisbane, Redcliffe/Caboolture, Logan, Toowoomba, and Townsville. Another three teams are being established in Rockhampton, Cairns and on the Gold Coast.

2. **Adolescent day program units** providing a range of intensive therapy and extended treatment options, including an on-site school program. There are now four adolescent day program units in Townsville, Toowoomba, and south Brisbane, with the newest unit opening in north Brisbane in 2015. The north Brisbane unit is temporarily located at the former Child and Family Therapy Unit building on the Royal Brisbane and Women’s Hospital (RBWH) campus at Herston.

3. **Residential rehabilitation units** for adolescents with severe or complex mental health needs, requiring long-term accommodation and recovery-oriented care, and who may benefit from rehabilitation in a community setting. This service is delivered by a non-government organisation in partnership with mental health specialists. CHQ opened a residential unit in south Brisbane in February 2014 and another in Cairns in April 2015. Two additional four-bed residential units will be established in Townsville.

4. **Subacute beds for adolescents** who require medium-term treatment and rehabilitation services in a secure, safe, structured, hospital-based environment. These beds are available at the LCCH, with access to onsite schooling.

5. **Step up/step down units** offering short-term residential treatment in purpose-built facilities. These units enable early discharge from adolescent acute inpatient units or as an alternative to admission through intense, short-term treatment. Establishment of this proposed service will require significant investment.

To support the establishment of the new adolescent mental health services, CYMHS is enhancing the staff development strategy to include provision of ‘mentalisation-based therapy’ training, which has been shown to be effective in reducing deliberate self-harm and suicidal ideation in adolescents.
The Forensic Adolescent Mental Health and Alcohol and Other drugs Program

The Forensic Adolescent Mental Health and Alcohol and Other Drugs Program runs a number of services to assist young people with significant clinical issues whose behaviour has brought them into conflict with the law.

The Forensic Transition Program, funded under the Queensland Indigenous Health Investment Strategy, provides transitional support and assistance to young Aboriginal and Torres Strait Islander clients for a one-month period upon release from the Brisbane Youth Detention Centre (BYDC) into the metropolitan Brisbane area. The first month after release from custody is a period of high vulnerability during which readmission to detention is commonplace as young people fail to access much needed clinical follow up in the community, fall into emotional crisis, return to substance use, reoffend and return once more to detention.

The Transition Program’s objective is to decrease risk-taking behaviours, support recovery and enhance the young person’s emotional wellbeing by providing clinical treatment and assisting the young person’s engagement with community-based clinical services.

In 2014-15, the program implemented specific improvements in early identification and intervention processes to ensure prompt screening for eligibility and a mental health assessment earlier in their admission to detention in preparation for their eventual discharge.

As a result of these changes, the program has delivered the highest number of referrals since it began in 2011.

A high proportion (between 50-55 per cent) of young people incarcerated in BYDC were of Aboriginal and/or Torres Strait Islander origin. Nine clients (16 per cent) who initially consented to participate in the Transition Program were lost to follow-up and did not meet their reporting requirements with Youth Justice. Eighty-one young people were offered a position in the Transition Program in the community with 53 accepting to engage in the program. This is nearly triple the total number of consumers offered the program in the previous year.

Preliminary findings currently suggest a positive impact on the wellbeing of young offenders. However therapeutic outcomes have yet to be fully evaluated to determine the long-term benefits in improving functioning and wellbeing and minimising the potential for re-offending.
## Performance statement

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<td><strong>Effectiveness measures</strong></td>
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<td></td>
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<tr>
<td>Percentage of patients attending emergency departments seen within recommended timeframes</td>
<td>1</td>
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<td></td>
<td></td>
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<tr>
<td>Category 1 (within 2 minutes)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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<td>Category 2 (within 10 minutes)</td>
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<td>All categories</td>
<td>–</td>
<td>82%</td>
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<td>Percentage of emergency department attendances who depart within four hours of their arrival in the department</td>
<td>2</td>
<td>86%</td>
<td>81%</td>
<td>90%</td>
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<td>Percentage of elective surgery patients treated within clinically recommended times:</td>
<td>3</td>
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<td></td>
</tr>
<tr>
<td>Category 1 (30 days)</td>
<td>100%</td>
<td>100%</td>
<td>&gt; 98%</td>
<td></td>
</tr>
<tr>
<td>Category 2 (90 days)</td>
<td>97%</td>
<td>81%</td>
<td>&gt; 95%</td>
<td></td>
</tr>
<tr>
<td>Category 3 (365 days)</td>
<td>98%</td>
<td>86%</td>
<td>&gt; 95%</td>
<td></td>
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<tr>
<td>Rate of healthcare-associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days</td>
<td>4</td>
<td>≤ 2.0</td>
<td>1.5</td>
<td>≤ 2.0</td>
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<tr>
<td>Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit</td>
<td>4</td>
<td>&gt; 60%</td>
<td>53.8%</td>
<td>&gt; 65%</td>
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<td>Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge</td>
<td>6</td>
<td>≤ 12%</td>
<td>10.5%</td>
<td>≤ 12%</td>
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<td>Percentage of specialist outpatients waiting within clinically recommended times:</td>
<td>7</td>
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<td>Category 1 (30 days)</td>
<td>68%</td>
<td>64%</td>
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<td>Category 2 (90 days)</td>
<td>43%</td>
<td>44%</td>
<td>–</td>
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<tr>
<td>Category 3 (365 days)</td>
<td>90%</td>
<td>92%</td>
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<tr>
<td><strong>Efficiency measure</strong></td>
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<tr>
<td>Average cost per weighted activity unit for Activity Based Funding facilities</td>
<td>8, 10</td>
<td>$4,974</td>
<td>$4,916</td>
<td>$4,306</td>
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<tr>
<td><strong>Other measures</strong></td>
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<tr>
<td>Total weighted activity units:</td>
<td>8, 9</td>
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<td>851</td>
<td>680</td>
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<td>Emergency Department</td>
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<tr>
<td>Mental Health</td>
<td>1,855</td>
<td>1,418</td>
<td>2,485</td>
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<tr>
<td>Interventions and procedures</td>
<td>2,430</td>
<td>1,740</td>
<td>2,582</td>
<td></td>
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<tr>
<td>Ambulatory mental health service contact duration (hours)</td>
<td>11</td>
<td>13,766</td>
<td>50,456</td>
<td>90,274</td>
</tr>
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</table>

1. 2014-15 estimated actual figures are provided from 10 months of actual performance from 1 July 2014 to 30 April 2015. A target for percentage of emergency department patients seen within recommended time frames is not included for the ‘All categories’ as there is no national benchmark. The included triage category targets for 2014-15 and 2015-16 are based on the Australasian Triage Scale (ATS). The 2014-15 Target/est. aligned with the National Emergency Access Target. In recent years, Queensland has seen an increase in emergency department presentations which has impacted the achievement of this target. Despite the increase seen in admissions, this measure has and continues to improve.
2. 2014-15 estimated actual figures are provided from 10 months of actual performance from 1 July 2014 to 30 April 2015. The 2014-15 Target/est. and the 2015-16 Target/est. are set as the midway point between the calendar years. The 2015-16 Target/est. is the nationally recommended target. The 2015-16 Target/est. has not yet been set as work in relation to the setting of a more suitable target/measure is currently being investigated. This work will ensure an appropriate measure and target is set in line with the Government’s priorities and the Service Agreements with the HHSs. The Government convened a Wait Times Summit and is currently undertaking further consultation with the health sector, which will inform work around the target/measure for future reporting. The 2014-15 Est. actual figures are provided using actual performance as at 1 April 2015.
3. 2014-15 estimated actual figures are provided from 10 months of actual performance from 1 July 2014 to 30 April 2015. The 2014-15 Target/est. and the 2015-16 target/est. are set as the midway point between the calendar years.
4. Staphylococcus aureus are bacteria commonly found on the skin and nose of around 30% of the population and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with Staphylococcus aureus (including MRSA) and are reported as a rate of infection per 10,000 patient days. The target for this measure aligns with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
5. This represents incremental progress towards the nationally recommended target.
6. Queensland has made significant progress in reducing readmission rates over the past 5 years, with continued incremental improvements towards the nationally recommended target. The 2015-16 target is the nationally recommended target.
7. A 2015-16 Target/est. has not yet been set as work in relation to the setting of a more suitable target/measure is currently being investigated. This work will ensure an appropriate measure and target is set in line with the Government’s priorities and the Service Agreements with the HHSs. The Government convened a Wait Times Summit and is currently undertaking further consultation with the health sector, which will inform work around the target/measure for future reporting. The 2014-15 Est. actual figures are provided using actual performance as at 1 April 2015.
8. The 2014-15 target published in the 2014-15 Service Delivery Statements have been recalculated based on the ABF model Q18 and updated to Amendment Window 2 to enable comparison with 2015-16 Target/est. figures.
9. The weighted Activity Units are as per the original Final Offers (V13) finance and activity schedules of the 2015-16 Service Agreements.
10. The determination of the cost (Funding) per WAU has been based on the revised Final Offers (V14) finance and activity schedules of the 2015-16 Service Agreements.
11. The 2015-16 target is set via a standardised formula, based on available clinical hours, HHS rurality, and historical performance.
Patient and family feedback

Children’s Health Queensland consistently strives to provide an outstanding patient- and family-centred experience to every child, young person and family we support.

To help achieve this ambitious goal and consistently improve our services, we actively encourage and welcome feedback from our patients and families. We acknowledge that our consumers provide a unique perspective that is invaluable in ensuring our healthcare is responsive to their needs and expectations.

Children’s Health Queensland remains committed to maintaining an effective and fair complaints system and supports a culture of openness and willingness to learn from compliments, incidents, complaints, and suggestions with the aim of enhancing the safety and quality of care provided, and improving the patient experience.

In 2014-15 we significantly increased our efforts to proactively seek feedback from children and their families, not least with the appointment of a dedicated Patient Experience Improvement Officer position.

This role has focused on enhancing the consumer experience by engaging with families and building beneficial partnerships, rather than purely focusing on responding to complaints.

Examples of this include ‘Tell us how we’re doing’ feedback forms, parent surveys, focus groups, feedback gained through portable electronic devices known as ‘patient experience trackers’ and discovery interviews where families are invited to share personal stories.

In 2015-16, a new Senior Patient Experience Improvement Officer role will be appointed to work closely with consumer groups and the Family Advisory Council to continue to build on and enhance our Consumer Engagement Strategy.

Feedback is used in education programs and communicated back to individuals, teams and departments to improve care and inform organisational service planning and delivery.

My daughter Arabella Knight had her first appointment at your new Children’s Hospital yesterday, Lady Cilento. It was very impressive. Your staff were very friendly and well organised. Arabella’s Doctor Geoff Wallace was wonderful as he always is. You should all be very proud of what you have achieved.

The hospital was very wheelchair friendly and as Arabella sees many specialist it will make her frequent visits more comfortable knowing all of her outstanding medical team are all in one location. Well done!

Megan mother of Arabella, 14

My son came as an A & E patient on the 24 April 2015 relating to splitting his head open. He returned on 26 April 2015 for a sore nose relating to the head trauma. The junior doctor spoke to an ENT surgeon that night and said we would need to see an ENT doctor in clinic. A phone call followed promptly the next Wednesday. The ENT surgeon identified a foreign object which could not be removed without surgery, despite attempts.

The care given by this hospital from date of admission, through to pre operation procedures and recovery was outstanding. The explanation of procedures, paperwork and risk management was very good. All staff including nurses, volunteers and admin staff were patient, kind and enthusiastic.

The manner in which Dr Tim Warren and Dr Trong Du explained everything and handled my son magnificently, they have a sense of humour which put the patient at ease and their professionalism, put the patient at ease.

Thank you and well done to all at the Lady Cilento from a patient perspective, this is a very positive experience. I have been in hospital in many countries and these facilities in Brisbane are second to none.

Susan

Thank you to Nurse Simon who took great care with Skyla. He took the time to calm her and blow bubbles. Very friendly enjoyable experience – Skyla normally screams! Simon, you’re a credit to the nursing profession. Thank you! From a very tired stressed mum.

Jen, mother of Skyla
We first met our Child Health Nurse Bronwen Davie at an appointment for infant feeding support. We have since had around half a dozen appointments with her for check-ups and progress checks. I have found her knowledge, expertise and approaches invaluable as a first-time mum. She is always empathetic and has helped devise effective action plans, e.g., breastfeeding techniques which have given me a great deal of confidence that I would otherwise not have. Bronwen is an absolute attribute not only to the team at the Health Centre but also to the Qld Government. We always book appointments with her if possible and look forward to seeing her again for our next check-up. Well done, Bronwen!

Joey mother of Alice, 6 months

I like how big the rooms were. The nurses on 8A were lovely and were always trying to help. When I was up in 11A and 10A the nurses were awesome and loving. The starlight room is amazing but it would have been better if it was open more often. Overall it was a great hospital. Thank you so much. Anonymous

All the staff and volunteer groups have made our family feel as if we are an important requirement in this world.

Kyara and Geoff, parents of Jasper, 9

Our 14 month old son was admitted to emergency yesterday with a virus. We spent around 3 hours in the hospital the last 2 hours in the Short Stay Unit. Simon, a nurse on staff in the Short Stay Unit, attended to Ace. He was doing his rounds when we were discharged so we didn’t get a chance to thank him. Ace didn’t handle the experience of being there too well and was extremely upset. Whilst all the staff were great Simon was the only person to make Ace smile all day. I knew it’s not their job to make him laugh or smile it’s their job to make him well which is exactly what they did, but Simon saw that Ace was terribly upset and took time out to blow a few bubbles and let Ace play with his pen light which made the absolute world of difference. It’s really good to know there are people like Simon out there who see someone else’s pain or discomfort and care enough to make our little guy feel better. I wish I could have thanked him in person, he made such a difference. Could you please pass on our thanks, I can’t explain just how much we appreciate what he did for our son.

Rob, father of Ace, 2

How to provide feedback

We encourage patients and families to talk to the staff in the area at the time of their complaint or compliment to provide an immediate opportunity to address any issue. Patients and families may also discuss concerns with a social worker or the Patient Experience Improvement Officer on (07) 3068 1120 or CHQ_PatientExperience@health.qld.gov.au. Tell us how we’re doing forms are available online at www.childrens.health.qld.gov.au/tell-us-how-we-are-doing.
As the only hospital and health service with a statewide paediatric remit, Children’s Health Queensland aims to deliver a network of services and support to ensure we provide quality health services for children, young people and their families, regardless of where they live.

The Lady Cilento Children’s Hospital (LCCH) serves as the hub of our hospital and health service, supported by our Child and Youth Community Health Service (CYCHS), Child and Youth Mental Health Service (CYMHS) and statewide paediatric outreach and telehealth services.

This includes 53 statewide services either provided by or hosted by Children’s Health Queensland (on behalf of other hospital and health services or Queensland Health) with services ranging in size, types of services, modes of delivery and funding arrangements.

Children’s Health Queensland initiatives

- Connected Care Program
- Children’s Advice and Transport Co-ordination Hub
- Queensland Children’s Critical Incident Panel
- Simulation Training on Resuscitation for Kids (SToRK)

Statewide services (as defined by Queensland Health)

- Paediatric Intensive Care Unit (super-specialty)
- Paediatric Oncology (Oncology, Haematology and Palliative Care Services)
- Healthy Hearing program: statewide universal newborn hearing screening
- Gastroenterology - Liver Transplant
- Children’s Health Queensland Retrieval Service
- Queensland Paediatric Haemophilia Centre
- Queensland Poisons Information Service
- e-Child and Youth Mental Health Service
- Indigenous Ear Health
- Queensland Paediatric Rehabilitation Service (including cerebral palsy)
- Statewide Queensland Registrar Training Program in Child and Adolescent Psychiatry

Other statewide services

- Queensland Paediatric Cardiac Service
- Paediatric Surgery/Urology/Neonatal Surgery
- The Pegg Leditschke Children’s Burns Centre
- Queensland Paediatric Trauma Service
- Plastics, Reconstructive Surgery and Maxillo-Facial
- Ear, Nose and Throat Services
- Orthopaedics
- Paediatric Neurosurgery Services
- Nephrology
- Allergy and Immunology Service
- Child Protection and Forensic Medical Service
- Infection Management and Prevention Service
- Neurosciences Service
- Respiratory Services
- Cystic Fibrosis
- Paediatric Ophthalmology
- Paediatric Rheumatology
- Hearing Implant Program
- Dietetics and Food Services – Metabolic Service
- Paediatric Persistent pain Service
- Child Development
- Ellen Barron Family Centre
- Queensland Hearing Loss Family Support Service
- School Based Youth Health Nurse Manager
- Mental Health Educator
- Rural and Remote Allied Health Clinical Practice Supervision Team

Hosted statewide services

- Adolescent Mental Health Extended Treatment Initiative
- Queensland Youth Cancer Service
- Simulated Learning In Paediatric Allied Health (SLIPAH)
- Queensland Centre for Perinatal and Infant Mental Health
- Evolve Therapeutic Services
- Mental Health Clinical Indicator Program
- Statewide Child and Youth Health Unit
- Aboriginal and Torres Strait Islander Cultural Capability Unit
- Statewide Child and Youth Health Unit
- Centre for Children’s Health and Well-being
- Good Start program
Connected Care Program

The Connected Care Program grew significantly in 2014-15, partnering with an expanded suite of services available at the LCCH. The program aims to improve access to specialist paediatric services and support families of children with complex and chronic health conditions, especially those living in regional and rural areas.

Through the statewide network of care coordinators located across metro, regional, rural and remote hospital and health services, the program supported 465 patients and their families. It also provided ongoing support to patients requiring specialist outpatient appointments at the LCCH. The aim is to streamline their scheduling and reduce family disruption and avoidable travel to access health services.

The Connected Care Program has strengthened Children’s Health Queensland’s statewide partnerships by enhancing the network of existing paediatric medical, nursing and allied health experts, and set a benchmark for improved care coordination for our children. These improved partnerships between families and their healthcare teams will continue to ensure our sickest children receive the right care at the right time as close to home as possible.

Children’s Advice and Transport Coordination Hub

Clinicians across the state now have ready access to an extended hours clinical advice and transport coordination service. This service ensures regional, rural and remote clinicians, who are often faced with patients presenting with uncommon paediatric healthcare needs, can get the right information, from the right clinician at the right time to make informed decisions about treatment options, and whether a patient transfer is required.

The Children’s Advice and Transport Coordination Hub (CATCH) program supports telehealth, video and teleconferencing technology and directly interfaces with existing services provided by Retrieval Services Queensland (RSQ). This new partnership has improved the provision of timely paediatric advice and transport coordination.

Since the service was established within the LCCH in January 2015, it has seen a steady increase in advice and transport coordination calls. There will be an ongoing interface with RSQ to ensure tertiary-level paediatric advice is accessible to regional, rural and remote clinicians, and Children’s Health Queensland will continue to support fluent transport and retrievals for children across the state.
Queensland Youth Cancer Service

Children’s Health Queensland established the Queensland Youth Cancer Service (QYCS) as a statewide service in 2014-15, with the Lady Cilento Children’s Hospital (LCCH) serving as the centre of a hub and spoke service model including partner sites at the Princess Alexandra Hospital, Royal Brisbane and Women's Hospital, Gold Coast University Hospital, Townsville Hospital and the Mater Private Hospital.

Delivered under the National Youth Cancer Network Program, the QYCS is part of a broader, Commonwealth funded initiative involving CanTeen and Cancer Australia and Clinical Oncology Society of Australia and Australia and New Zealand Clinical Haematology Oncology Group. It has joint funding from the Queensland Government.

A key goal is to improve access to age-appropriate assessment, diagnosis, support services and clinical trials for 15 to 25-year-old cancer patients in Queensland.

Other achievements in the past year include:

- During 2014-15 the QYCS supported 356 patients of which 136 were new referrals.
- Establishment of a Queensland Youth Advisory Group. The group has 12 members aged between 16 and 29 years who have had a cancer diagnosis or who are a sibling or partner of someone with cancer. Two Queensland members are also represented on the National Youth Advisory Group.
- Establishment of psychosocial Adolescent and Young adult (AYA) multi-disciplinary teams as part of the service. These teams address issues such as medical treatment, social issues, education (schooling/TAFE, etc), jobs, and body image.
- Established age-appropriate clinical assessment model for 15+ years patients in oncology at the LCCH.
- Fertility Preservation – improved referral to Queensland Fertility Group (QFG). This included a retrospective clinical audit and clinician survey to ascertain current practice relating to fertility preservation advice for 15 to 25-year-olds. The aim was to develop consistency of practice through establishment of referral pathways across Queensland.

Simulation Training on Resuscitation for Kids

The Simulation Training on Resuscitation for Kids (SToRK) program continues to provide regional, rural and remote clinicians with greater access to customised paediatric simulation training opportunities. This ensures they are appropriately equipped and supported to provide quality care in their local area.

More than 1,000 clinicians were trained in their local hospital and health service in a face-to-face simulation training course, Recognition and Management of a Deteriorating Paediatric Patient, and almost 3,900 clinicians across Queensland completed the online training modules.

ACTIVITY LEVELS AND PERFORMANCE

450 operations performed by the Queensland Paediatric Cardiac Service

30,872 calls to the Queensland Poisons Information Centre

509 patients transferred via the Paediatric Retrieval Service

10 root cause analyses conducted across Queensland in 2041

The Queensland Children’s Critical Incident Panel is an expert statewide resource to optimise learnings from critical paediatric clinical incidents.
Since transitioning to the LCCH, the SToRK team tailored in-service placements to further enhance the acquisition of expert paediatric skill sets for clinicians from across the state.

The expansion of the in-service element of the program illustrates SToRK’s commitment to ensuring every child who presents at a hospital emergency department will receive the best possible clinical response.

Queensland Children’s Critical Incident Panel

The Queensland Children’s Critical Incident Panel has provided expert paediatric support in eight critical incidents across Queensland since it was established in early 2014.

The panel of 25 expert clinicians from across the state has supported local clinical teams to review critical incidents and implement coronial recommendations to prevent similar events in future.

Panel members have also completed two professional development forums to expand their knowledge and provide opportunities to translate learnings into improved practice. During this time, Children’s Health Queensland has also undertaken networking opportunities with other health jurisdictions to align processes and learning opportunities for paediatric critical incidents across the country.

Paediatric Retrieval Service

Children’s Health Queensland’s Paediatric Retrieval Service transported 509 patients requiring tertiary-level care in 2014-15. This represented an 88 per cent increase in activity on the previous 12 months, primarily due to the opening of the LCCH, which saw the retrieval services of the former Royal and Mater Children’s hospitals combined.

The expanded Children’s Health Queensland Retrieval Service continues to retrieve patients from across Queensland and northern New South Wales requiring care in the speciality areas of burns, oncology, liver conditions, along with respiratory and medical/surgical conditions.

In addition, CHQ now also retrieves children with congenital heart disease, and those requiring Extra Corporeal Life Support (ECLS).

The retrieval and ECLS team will either go to a referring centre to cannulate the patient and commence ECLS or, if required, take the patient to Royal Children’s Hospital Melbourne for further treatment.

The objectives of the retrieval team are:

- To function as an extension of Paediatric Intensive Care Unit (PICU) – the same level of care delivered in PICU is delivered at the referring hospital and en route to the destination unit.
- To facilitate safe and timely return to receiving hospital.

Paediatric retrieval facts

- Main referring hospitals are Logan, Redlands, Ipswich and The Prince Charles.
- Top diagnoses for retrievals are bronchiolitis, seizures and asthma.
- The age group requiring most retrievals are 1-5 year-olds.
Closing the gap

Children's Health Queensland is committed to helping close the gap in health outcomes between Indigenous and non-Indigenous families. In line with our core value of family-centred care, our aim is to enhance the health and wellbeing of Indigenous children and their families and communities as well.

Deadly Ears

The Deadly Ears program continued to make a difference to the lives of Aboriginal and Torres Strait Islander children in rural and remote communities throughout Queensland through the delivery of its vital ear health services.

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

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

In 2014-15, the Deadly Ears program:
- Worked across the Torres Strait, Northern Peninsula Area, Normanton, Palm Island, Mornington Island, Doomadgee, Hope Vale, Wujal Wujal, Mt Isa, Woorabinda, Cherbourg and Eidsvold.
- Conducted approximately 1,700 ENT assessments for middle ear disease.
- Conducted approximately 1,100 audiological assessments for hearing loss.
- Provided surgery for 193 children with middle ear disease.
- Trained more than 230 child health nurses and health workers across 60 facilities in conducting ear and hearing assessments.

The program has been so successful in reducing the rates of middle ear disease and associated hearing loss in Eidsvold that the Deadly Ears ENT clinic is no longer needed in the town. Rates of children presenting with middle ear problems decreased from a high of 83.3 per cent when the clinic first started, to 11.9 per cent in 2014. This positive outcome is also due to the community’s dedicated primary health staff who continue to be vigilant in managing the disease.

In the past year, Deadly Ears program also began working with the Inala Indigenous Centre for Health Excellence. The aim of this work is to build the capacity of the broader allied health workforce so they can support families in managing middle ear disease and its impacts on hearing and child development.

Indigenous Respiratory Outreach Care

Our Paediatric Indigenous Respiratory Outreach Care team saw 393 children at 28 clinics in rural and remote centres across Queensland in 2014-15.

The areas visited included Thursday Island, Mt Isa, Doomadgee, Mornington Island, Cloncurry, Cherbourg, Woorabinda, Charleville, Longreach and Cunnamulla.

The team, including a respiratory physician, a senior respiratory nurse, a respiratory scientist, and sometimes a physiotherapist, visit most centres two to three times a year to provide local families with sub-speciality respiratory services they would not otherwise not access.

The team approach allows for diagnosis and treatment, supported by lung function measurement, and parent/child education on their condition and treatment.

The overarching Indigenous Respiratory Outreach Care (IROC) program within Queensland Health is funded by the Commonwealth Department of Health.

Staff from the Department of Respiratory and Sleep Medicine have been involved in the program since 2011.

Baby bonding DVD

Aboriginal and Torres Strait Islander parents across Queensland now have a helping hand bonding with their children thanks to a new DVD training resource. Here’s Looking At You – Connecting With Bubs Our Way aims to enhance the health and wellbeing of infants and children by educating families on the importance of bonding with their child during the early stages of development.

Adapted from the 2009 DVD Getting to Know You by Dr Bijou Blick (NSW Psychiatry Association), the DVD for health workers and clinicians has been tailored especially for Queensland Aboriginal and Torres Strait Islander cultures. Three families from Logan and one from Cairns feature in the video.

The project is a joint initiative of CHQ’s Centre for Children’s Health and Wellbeing, Queensland Centre for Infant and Perinatal Mental Health, The Salvation Army’s Communities for Children and the Logan Child Friendly Community Consortium. The DVD and booklet can be accessed online via www.health.qld.gov.au/qcpimh
Student placements support culturally responsive care

The Deadly Ears program, building on an existing partnership with two Aboriginal and Torres Strait Islander kindergartens in Brisbane, now offers training placements to speech pathology and occupational therapy students. The placements are designed to support student learning and understanding of culturally responsive practice.

Under the supervision of Deadly Ears clinical educators, students are able to:

- Engage with the kindy communities, kindy staff, children and families during the placement.
- Consolidate learning to deliver culturally responsive and accessible assessment and support.
- Implement child- and family-centred practice.
- Support families and kindy educators in the identification and management of otitis media and related impacts on child development.
- Use population health approaches in speech pathology and occupational therapy practice.
- Work within an inter-professional team.

Two-way learning with kindergarten staff and families is an integral part of this Deadly Ears program.

Aboriginal and Torres Strait Islander Health Liaison Service

Aboriginal and Torres Strait Islander families are supported through their journey at the Lady Cilento Children’s Hospital by a dedicated health liaison officer.

The Aboriginal and Torres Strait Islander Health Liaison Service, part of the hospital’s social work department, provides advocacy, emotional and social support to Indigenous patients and their families.

This includes:

- Providing a cultural liaison link between Aboriginal and Torres Strait Islander patients, their families, community Elders and external referral agencies.
- Assisting Aboriginal and Torres Strait Islander patients and their families to access information, so they can make informed decisions about their healthcare and understand the hospital system.

The service also aims to increase cultural awareness of Aboriginal and Torres Strait Islander health issues among hospital staff and external agencies.
Aboriginal and Torres Strait Islander Cultural Capability Team

Children’s Health Queensland (CHQ) has hosted Queensland Health’s statewide Cultural Capability Team (CCT) for the past two years. The team’s role is to lead the implementation of the Queensland Health Aboriginal and Torres Strait Islander Cultural Capability Framework 2010-2033 within Children’s Health Queensland and statewide.

A key priority for the team is supporting all hospital and health services to continuously improve the cultural capability of their staff and services.

Achievements in 2014-15 included:

- Establishment of two groups committed to improving CHQ healthcare for Aboriginal and Torres Strait Islander people through constructive partnerships:
  - CHQ Aboriginal and Torres Strait Islander Health Advisory Group
  - The CHQ Aboriginal and Torres Strait Islander Leadership Group.
- Delivery of monthly sessions of the Aboriginal and Torres Strait Islander Cultural Practice Program to staff.
- Facilitated a Transition Ceremony for the move from the Royal Children’s Hospital to the Lady Cilento Children’s Hospital (LCCH) and smoking ceremony on 28 November 2014.
- On 15 May 2015, a smoking ceremony was also held for the opening of the Centre for Children’s Health Research.
- Mabo Day celebration on 3 June 2015, featuring a performance by the Aboriginal Centre for Performing Arts.

Statewide achievements

The Cultural Capability Team completed the development of the Queensland Health Online Aboriginal and Torres Strait Islander Cultural Practice Program (http://atsicpp.carbon-media.com.au) in 2014-15.

The new program allows for blended delivery so staff can access relevant material online and then attend a short face-to-face workshop.

The program is designed to ensure fundamental elements of Aboriginal and Torres Strait Islander cultures and history are taken into consideration by healthcare staff and services. This is premised on acknowledging the value of Indigenous cultures as part of improving health outcomes.

In June 2015, the Cultural Capability Team hosted the Aboriginal and Torres Strait Islander Cultural Practice Program Facilitators forum. The annual event brings together dedicated people from a range of organisations across Queensland to foster collaboration and support, sharing of successes and cultural knowledge.

A meeting place for families

Aboriginal and Torres Strait islander families seeking a retreat from a clinical environment have a dedicated meeting place in the LCCH.

The Meeting Place, an open elevated deck located away from the main public areas of the building, can also be used for ceremonies, including smoking ceremonies.

The area features the artwork of Brisbane-based teacher and artist Fiona Foley, of the Badtjala language group, Wondunna clan, Fraser Island.

Designed to uplift the spirits of the community using the Meeting Place, Ms Foley’s work articulates Aboriginal societies’ instinctual and encyclopaedic knowledge of the Australian bush, its seasons and traditional fire stick burning practices.

Her work features the bee and the healing properties of honey, and shows how Australian plants and animals are linked to healing practices.

The centrepiece is a large mosaic panel featuring a central black and white photograph of a man climbing a tree (Circa 1890) and photographic panels featuring flowering flora, pollen stamens, petals, growth and beauty.

The glass balustrade is etched with the words Ga’lla and Ka’wai, words used for the native bee taken from the Turrabal nation and other language groups in South East Queensland. The walls of the meeting place are also decorated with large 3D bee sculptures.
Education

Children’s Health Queensland is the primary provider of paediatric training and education for healthcare professionals in Queensland. We are committed to delivering contemporary, collaborative and integrated programs that ensure the current and future workforce develop the skills and knowledge needed to deliver safe, effective, high-quality and patient-centred care.

Medical

Accreditation

As a new facility, Lady Cilento Children’s Hospital (LCCH) was required to apply for reaccreditation of all intern and vocational training posts and/or programs with the relevant accreditation authorities and specialist colleges.

In 2015, LCCH was the first site in Queensland to undergo and achieve accreditation for intern education and training by the newly appointed intern accreditation agency for the Department of Health, Queensland Prevocational Medical Accreditation.

LCCH has undergone accreditation with the Royal Australasian College of Physicians for General Paediatrics and a schedule of paediatric sub-speciality accreditation is continuing into the second half of 2015.

Several other speciality colleges, including the Royal Australasian College of Surgeons and Australasian College of Emergency Medicine have undertaken survey visits or will do so in the next six months to accredit LCCH for speciality training.

Children’s Health Queensland has created opportunities to enable medical administration training for the first time and underwent accreditation with the Royal Australasian College Of Medical Administrators for recognition of these training posts.

Medical student education and training

Clinical placements enable medical students to gain practical experience in preparation for graduate medical practice. Children’s Health Queensland worked with The University of Queensland’s School of Medicine and other Queensland universities to provide clinical placements for final-year medical students and elective placements. Interstate and international student placements were also accommodated.

In 2014-15, Children’s Health Queensland hosted 44 elective placements and 150 medical students were on rotation between January and June 2015.

UQ School of Medicine’s Discipline of Paediatrics and Child Health, based in the LCCH, has developed a responsive curriculum to produce work-ready interns, through clinical opportunities complemented by the case-based elearning POLIE (Paediatric Online Interactive Education) platform.

Vocational training and education

Children’s Health Queensland is the primary provider of paediatric training in Queensland and plays a key role as part of the Statewide Paediatric Basic Training Network in developing the future specialist workforce. We provide vocational training for most specialist college training paths including general and subspecialty paediatric medicine and surgery, emergency medicine, intensive care, radiology and anaesthetics.

We consistently perform above the national average, with pass rates over 80 per cent for trainees sitting basic training examinations. Children’s Health Queensland also hosts the The Royal Australasian College of Physicians clinical examination for interstate candidates.

As part of our ongoing commitment to support primary care, we have collaborated with GP training networks to provide up to six dedicated rotations per year to support GP trainees in expanding their paediatric knowledge and skills.

Diploma of Child Health

In 2015, a new partnership between Children’s Health Queensland and Sydney Children’s Hospital network saw a 30 per cent increase in the number of Queensland medical professionals undertaking the University of Sydney’s Diploma in Child Health. The diploma teaches health professionals evidence-based current best-practice paediatrics and is popular with GPs and prevocational trainees with an interest in child health. Under the partnership with CHQ, Queensland participants can access child health information specific to the Queensland environment to enhance their learning in the context of their working environment.

Continuing education for GPs

The newly established Primary Care Liaison Lead will play a significant role in coordinating GP educational activities at CHQ to support our GP community in the delivery of care to children. Over 170 GPs from around the state have pre-registered for the inaugural Paediatric Masterclass for General Practice to be held in October 2015 alongside the Paediatric Society of Queensland’s annual conference, to facilitate networking between paediatricians and GPs. CHQ has applied to the Royal Australian College of General Practitioners to become an accredited provider of GP educational events. This will provide greater flexibility around the provision of GP education, with the ability to offer GPs both category 1 and category 2 Continuing Professional Development (CPD) points for attendance.
Nursing education

Children’s Health Queensland (CHQ) is committed to growing and developing a future skilled paediatric nursing workforce.

In 2014-15, CHQ nursing focused on developing models of care across the community and acute settings, as well as recruitment and education to support the move to the Lady Cilento Children’s Hospital (LCCH). Since the opening of the new hospital, education activity has concentrated on addressing learning needs relevant to each clinical area, advancing clinical leadership, and developing education materials and resources that are accessible to staff through multiple delivery modes.

Between January and May 2015, the nursing education team has facilitated:
- 271 simulation training sessions with 1,191 participants.
- 61 workshops with 1,182 participants.
- 163 in-service sessions with 718 participants.

Regional Professional Development Program

CHQ launched a Regional Development Paediatric Program in 2015 with the support of the Nursing and Midwifery Office Queensland. Under the program, nurses from across the state have the opportunity to complete a four-week clinical placement at LCCH to further develop paediatric skills and knowledge, and gain valuable paediatric nursing experience which they can take back to their local workplaces. The placements are tailored to meet individual learning needs. By June 2015, 47 expressions of interest had been received, with 70 per cent of candidates requesting placement in emergency and paediatric intensive care.

Scholarships

In 2014, the Private Practice Trust Fund provided 20 scholarships (up to $1,500) to staff on completion of a post-graduate qualification. Twenty-three staff applied for these scholarships with 17 staff achieving qualifications in paediatric intensive care, emergency or operating room nursing.

The Office of the Chief Nursing and Midwifery Office offered a further 50 scholarships (valued at $3,000) in 2015 to support the attainment of nursing post-graduate paediatric and nursing qualifications (Graduate Certificate, Graduate Diploma or Masters) through an Australian university. Seventy Children’s Health Queensland staff submitted applications for these scholarships.

Undergraduate students in nursing

The Nursing and Midwifery Office Queensland has also funded 20 full-time (or 40 part-time) undergraduate students in nursing (USIN) positions at Children’s Health Queensland in 2015. Some 36 USINs were recruited from a pool of 93 applicants.

State-of-the-art simulation training

The LCCH has state-of-the-art facilities and technology to support education and training for paediatric staff, both within Children’s Health Queensland and across the state.

The centrepiece is the LCCH Education Centre’s Simulation Suite, which comprises a two-bed ‘mock’ paediatric ward, fully equipped with medical gas and suction facilities, separated from a control room by a one-way viewing window. Paediatric simulators can be remotely controlled from the control room.

The suite has enabled the Education Centre to run workshops and training with immersive team simulations previously only available at an external simulation centre.

The simulation suite has live video streaming. The simulations can also be recorded and is thus an effective tool for training and debriefing.
New graduates

The LCCH welcomed its first group of registered nurses in February, with 34 graduates starting their careers with our organisation. From this group, 23 have commenced in the acute graduate program, five in the operating room suite program, four in the PICU program and two in the child and youth mental health program. Graduates will consolidate their knowledge in their chosen clinical areas in their first 12 months.

Undergraduate nursing placements

CHQ continues to support the learning and development of nursing students with another increase in completed placement hours in 2014-15. This equates to 1,513 student weeks offered to universities and TAFE, which represents an increase of 195 per cent over the past seven years. A total of 1,199 student weeks of placement were completed. Children’s Health Queensland works closely with universities to ensure flexibility with rostering models and increased placement capacity in Child Youth Mental Health Service.

Interdisciplinary training

Simulation Training on Resuscitation for Kids

The rollout of Children’s Health Queensland’s Recognition and Management of the Deteriorating Paediatric Patient (RMDPP) interprofessional training course continued across Queensland. Twenty-five hospitals from 14 hospital and health services (HHS) in the state have embedded the program in their interdisciplinary paediatric education curricula.

By 30 June 2015, 5,201 participants had completed the core skills e-learning course, and 2,695 had completed the advanced skills e-learning course.

The Simulation Training on Resuscitation for Kids (SToRK) team delivered the face-to-face RMDPP course to 1,418 clinicians statewide and 330 of those have been trained to deliver the course in their own HHSs with ongoing mentorship from the SToRK team.

Fifteen staff from the statewide RMDPP faculty have participated in an inreach program designed to support the delivery of local RMDPP courses. These staff are supported through co-facilitation on the LCCH RMDPP course and clinical placements to increase their knowledge in caring for sick children.

In addition, interdisciplinary simulation training events are held several times per week across the LCCH, including Medical Emergency Team (MET) simulations, nursing and registrar training in PICU, and the recognition and management of the deteriorating child simulation for undergraduate nurses.

Allied health student placements

Allied health recognises the importance of providing quality clinical experiences for undergraduate students. During 2014-15, clinical student placements were provided across all major allied health disciplines from six Queensland universities.

Simulated Learning in Paediatrics for Allied Health

CHQ’s Simulated Learning in Paediatrics for Allied Health (SLiPAH) program more than doubled its reach in 2014-15 and is now embedded in 14 allied health programs across six universities in Queensland.

The program uses simulated learning environments to support occupational therapists, physiotherapists and speech pathologists to learn about paediatric service delivery.

SLiPAH has a unique commitment to embedding both the National Safety and Quality Health Standards and National Professional Standards into the development of e-learning and scenarios. There has been a particular focus on standards for clinical handover, detection of the deteriorating patient, clinical governance and infection prevention.

Ongoing evaluation has been an integral part of the SLiPAH program and has been enhanced by collaboration with universities throughout Queensland. This collaborative approach to research and evaluation will continue to be fundamental in ensuring responsiveness and sustainability of the SLiPAH program.

Emergency and critical care courses

A range of critical care interdisciplinary courses have been developed since the opening of the LCCH to develop skills and capability in emergency and critical care teams. These include:

• Medical Emergencies in Paediatric Anaesthesia (MEPA). This course is designed to address the learning needs of trainees undertaking a rotation in paediatric anaesthesia. The aim is to provide a MEPA course for each registrar anaesthetic clinical rotation.
• Paediatric Trauma Course is designed to provide a systematic approach to managing paediatric trauma.
• Paediatric Emergency Medicine Training for Emergency Assessment Management with Simulation is designed to improve the management of paediatric emergencies by applying crisis resource management principles.

By 30 June 2015, four courses had been run with 48 clinicians taking part.
Flexible training for oncology and haematology staff

A partnership between the Queensland Children’s Cancer Centre (QCCC) and Queensland Paediatric Haematology Oncology Network (QPHON) is delivering inter-disciplinary education to staff in tertiary and regional healthcare settings across the state who care for children with haematology and oncology conditions, and their families.

The training is provided through a variety of media including face-to-face workshops, online tutorials, simulated clinical assessments, video-conferencing, clinical placements, in-service training and education courses.

In 2014-15, QCCC and QPHON delivered 30 workshops for 683 participants, 82 in-services for 872 people, and nine videoconferences attracting 244 participants.

Cleft palate clinic placements for speech students

The Lady Cilento Children’s Hospital (LCCH) speech pathology department has partnered with The University of Queensland to offer specialist student placements in the assessment and treatment of cleft palate.

This is a unique opportunity for two pairs of students each semester to participate in a weekly clinic for 12 weeks, developing skills in the management of cleft palate-related communication impairments.

In addition to learning and applying clinical intervention and therapy, students have the opportunity to observe cleft palate-related surgeries, palate studies, and nasendoscopy evaluations.

This ensures they develop a holistic understanding of cleft palate and the broader surgical and therapeutic treatments required.

This initiative has meant an additional 120 children can now access cleft palate-specific speech pathology each year.
Research

Children’s Health Queensland strives to be at the forefront of research that delivers better health outcomes for children and young people. The Children’s Health Queensland Research Strategy 2013–2016 affirms our commitment to maximising research opportunities and outcomes through collaboration and partnerships, support and education, and investment in shared research infrastructure and equipment.

Our research priorities

In 2014-15, Children’s Health Queensland refined the approach we will take to our research program by identifying eight research priorities to guide investment:

- Obesity and diabetes
- Infant mortality
- Cancer
- Respiratory disease
- Infectious disease
- Injury and trauma
- Neuro development and disability
- Psychiatric and behavioural disorders.

These priorities, agreed with key stakeholders, are based on national and regional priorities for child health, the major causes of mortality and morbidity and the efficient use of health resources.

These eight research priorities will be further guided by six overarching themes:

- Public health/prevention/primary care
- Novel therapies and clinical trials
- Implementation (knowledge into practice)
- Safety and reliability
- Indigenous child health
- Child and family engagement.

These themes will be taken into account, where appropriate, in the design of research studies.

The overall goal is to achieve measurable improvement in child health in Queensland over the next five years.

Grants

Children’s Health Queensland researchers attracted almost $5million in externally funded research in the past 12 months, including two major grants from the National Health and Medical Research Council (NHMRC). The first, valued at $1,083,354 over five years, was awarded to Professor Peter Sly to investigate the effect of asthma control during pregnancy on markers of airways inflammation and lung function in babies. The second, $1,088,362, was jointly awarded to Professor Sly and Dr Stephen Lambert, for a five-year study into immune recognition of upper airway microbiota in early life as a determinant of respiratory health in children.
Projects

In line with Children’s Health Queensland’s (CHQ) new research priorities, respiratory and infectious diseases, intensive care and emergency medicine, and endocrine were a major focus of research activity in 2014-15. The clinical research programs at CHQ reflected extensive multidisciplinary interactions. A new dedicated nursing research group was particularly active, launching more than 20 new projects in its first year.

Infectious disease

Queensland data has been used to show the early and substantial impact of the school-based human papillomavirus (HPV) immunisation program. Three doses of HPV vaccine halved the risk of high grade cervical changes on Pap smear.

Understanding the epidemiology and impact of pertussis (commonly known as whooping cough) in Australia continued to be a key focus, with an analysis of data from the 2009-2010 outbreaks in Queensland confirming the high effectiveness of early doses of a cellular vaccine in protecting against infant pertussis.

Clinical studies have included operational research and support in resource-poor neighbouring countries such as Timor Leste, and emerging trends in invasive Haemophilus influenzae.

Work in the Sir Albert Sakzewski Virus Research Centre laboratory has provided insights into the interactions between virus and host proteins regulating replication of respiratory syncytial virus. The host innate immune responses to respiratory viruses including an association with asthma, has been characterised in primary human cell culture and a mouse model.

There has been a continued focus on the determination of molecular mechanisms underpinning pathogenesis and immune interactions of herpes viruses. Novel virus tracer agents have been used to map neuronal pathways from the respiratory tract to the brain, thereby investigating sensory networks affecting mechanisms such as the urge to cough.

The Queensland Paediatric Infectious Diseases (QPID) laboratory has engaged in translational research with the aim of making an immediate impact on understanding and managing infectious diseases in children. Programs are directed toward respiratory and gastrointestinal infections in children, the biology and pathogenesis of Human Polyomavirus and identifying molecular antibiotic resistance mechanisms particularly in pseudomonas aeruginosa in children with cystic fibrosis.

Congenital cytomegalovirus screening study

The Healthy Hearing program has launched an Australian-first screening study into congenital cytomegalovirus (CMV) in newborns, the leading cause of treatable, non-genetic hearing loss in children.

CMV is a common virus causing mild respiratory infections. If transmitted to the foetus during pregnancy it can lead to hearing and developmental problems.

CMV occurs in seven out of every 1,000 children and about 90 per cent of those show no obvious symptoms at birth and remain undiagnosed without screening.

If a baby has hearing loss then early detection and treatment with antiviral medication within the first 28 days of a baby’s life can prevent further hearing loss and potentially improve developmental outcomes.

In Queensland, all newborns are currently screened for hearing at birth. However screening for CMV only occurs after a baby is confirmed with hearing loss by an audiologist, which is typically too late for treatment to be effective.

In this study, newborns at the Royal Brisbane and Women’s, the Mater Mothers’ and Townsville hospitals, will be screened for CMV if they obtain a ‘refer’ result on their second newborn hearing test. Screening for CMV is via a saliva swab.

From August 2014 to June 2015, 132 infants were tested for CMV through the trial.

If the study proves to be effective in identifying and treating CMV in newborns, it will be rolled out at all birthing hospitals in Queensland.
Intensive care
The Paediatric Critical Care Research Group (PCCRG) is currently running the largest paediatric trial in Australia investigating the role of high-flow nasal cannula therapy in infants with bronchiolitis. This study, which was awarded $1.3 million in NHMRC funding, encompasses 17 sites in Australia and New Zealand, including regional and tertiary centres and has the potential to shift the paradigm in oxygen therapy.

The PCCRG recently completed a study of the epidemiology and outcome of critically ill children with sepsis, underpinning the strength of the group to collaborate with all intensive care units in Australia and New Zealand.

PCCRG has also established an extensive collaboration with the Imperial College UK as well as a study investigating the role of high flow oxygen in Kenya and Uganda.

Emergency medicine
CHQ is a partner in an NHMRC Centre of Research Excellence managed through the Murdoch Children's Research Institute. The group is involved with the Paediatric Research in Emergency Departments International Collaboration (PREDICT) who with the Queensland Emergency Medical Research Fund (MRF) have funded a full-time research coordinator for children's emergency. Ongoing studies with PREDICT include an NHMRC-funded project trial in Bell's palsy, and a trial of levetiracetam vs. phenytoin anticonvulstant therapy in Status Epilepticus.

Endocrine research
Research into Type 1 Diabetes Mellitus (T1DM) and response to growth hormone treatment are key endocrine research topics. Environmental triggers that contribute to the increasing incidence of T1DM, the natural history of progression to T1DM in subjects at risk, the role of the gut microbiome in T1DM, and biomarkers that predict the rate of beta cell destruction are among studies currently being undertaken.

A comprehensive analysis of the biochemical content of urine using Gas Chromatography-Mass Spectrometry (Metabolomics) in children with diabetes and controls has revealed a ‘marker’ distinguishing the two groups. The metabolic profile of the adolescents with diabetes was shown to be influenced by short-term (7-14 days) hyperglycaemia.

Other work has involved the application of 18FDOPA PET/CT scanning in children with congenital hyperinsulinism – the RBWH PET centre is currently the only centre that can currently perform this scan in the southern hemisphere. This technique may be used to differentiate focal from diffuse disease that can guide treatment, including the extent of surgery.

Current laboratory studies in conjunction with the TRI are utilising next generation genetic sequencing in further defining disorders of beta cells in Maturity Onset Diabetes in the Young and congenital hyperinsulinism.

Respiratory research
The cough, asthma and airways group has continued to make substantial improvements in the management of cough and asthma in children. This includes collaboration with the NHMRC Centre for Excellence in Indigenous Lung Health partners.

Specific studies include a randomised controlled trial to evaluate exhaled nitric oxide and asthma exacerbations. Chronic suppurative lung disease and bronchiectasis in children and adults remain an important focus with the goal of making inroads in reducing the disparity of lung health in Australian Indigenous and New Zealand Maori children.

An Emergency Department study (the ED Cough Study) involves more than 800 children and aims to identify the prevalence and predictors of chronic cough following acute respiratory illness. It will also measure the cost of illness and identify the impact on child and parent quality of life.

Risk factors and cultural context for respiratory illness (RI) in urban Indigenous children is an important area of research. A study utilises Indigenous methodologies to understand how parents/caregivers of urban Aboriginal and Torres Strait Islander children perceive the risks for RI and the impact those illnesses have on the child, the family and the community. Yarning circles were conducted with parents/carers from four urban communities in Brisbane, and thematic analysis of the data were conducted within overarching themes of risk factors, protective factors and impact of illness.

Major publications
Key publications this year included two New England Journal of Medicine papers which illustrate the strength of Children’s Health Queensland clinical trials groups. One reported two randomised collaborative trials in cystic fibrosis (CF), from which pooled data demonstrated the value of a combined approach using a CF transmembrane conductance regulator (CFTR) potentiator, ivacaftor, and a CFTR corrector, lumacaftor. In patients with a CFTR mutation, these therapies significantly reduced exacerbations, hospitalisation and intravenous antibiotic use.

The second study, also an international collaboration, utilised samples from the Queensland Children’s Tumour Bank and characterised genomic alterations acute lymphoblastic leukaemia (ALL), in particular, Ph positive ALL. The key importance is that this subgroup is responsive to specific therapies with tyrosine kinase inhibitors potentially improving outcomes in a poor prognosis subgroup.
Queensland is poised to take centre stage in the field of child and youth health research, following the completion of the Centre for Children’s Health Research (CCHR). Co-located with the Lady Cilento Children’s Hospital (LCCH), the CCHR is Queensland’s first fully integrated research facility focused on child and adolescent health research and services.

The $134 million, nine-level facility heralds the start of historic partnerships between Queensland Health (through Children’s Health Queensland) and leading research organisations QUT, UQ and Translational Research Institute (TRI). This builds on the long-standing and successful relationships developed through the Queensland Children’s Medical Research Institute.

When fully occupied from August 2015, the CCHR will unite child and youth health researchers in one location for the first time, with the goal of creating better opportunities for collaborative research and the translation of findings into practice.

Research groups housed in the centre will include respiratory, cerebral palsy, rehabilitation, mental health, psychology, burns, accidental injury, nutrition, exercise, intensive care, emergency medicine, gait lab, oncology, child development, endocrine, spinal research, nursing and allied health.

Levels 5 to 8 will house more than 300 research staff from UQ, QUT and Children’s Health Queensland with groups co-located to maximise synergies between researchers.

Pathology Queensland began operating out of the building on 29 November 2015 when the new hospital opened. Pathology Queensland provides 24-hour-a-day laboratory services, including a comprehensive pathology service, for the hospital.

Children’s Health Queensland corporate services staff moved into level 9 of the CCHR on 21 May 2015. The move of Children’s Health Queensland, UQ and QUT researchers into levels 5 to 8 was planned for July and August. The Queensland Children’s Motion Analysis Service and the Children’s Nutrition Research Centre will also provide services out of the CCHR from August.

Centre for Children’s Health Ethics and Law

Children’s Health Queensland established the Centre for Children’s Health Ethics and Law (CCHEL) in 2014 to support our research goals and enhance our ability to provide the best possible, most holistic, family-centred care.

The CCHEL, a joint initiative of Children’s Health Queensland, The University of Queensland (UQ) School of Medicine and the Queensland University of Technology (QUT) Australian Centre for Health Law Research, aims to promote and foster an environment of ethical and lawful professional practice by providing education, clinical ethics consultation services and providing opportunities for clinicians to collaborate on research.

We believe the centre will add special value to children’s healthcare in Queensland by advocating for the best interests of children, educating and supporting clinicians and conducting research to inform best practice in clinical ethics and health law.

Centre for Children’s Health Research

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The building, located at 62 Graham Street, South Brisbane, consists of wet and dry laboratories, pathology services for the LCCH, corporate offices and retail spaces.
The Children’s Health Queensland Hospital and Health Service is an independent statutory body governed by a Hospital and Health Board, as legislated under the Hospital and Health Boards Act 2011.
Our Board

The Board’s role

The role of the Children’s Health Queensland Hospital and Health Board is to govern the Children’s Health Queensland Hospital and Health Service. The Board’s responsibilities are to:

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

Board members

Susan Johnston | Chair
Ms Johnston is a lawyer with more than 20 years’ experience in senior management and policy advisory roles and more than 10 years’ experience as a company director and member of various industry advisory and funding bodies. Ms Johnston served as the inaugural Assistant Commissioner (Patient Safety) on the Queensland Health Quality and Complaints Commission. She has extensive experience in governance and is currently a director of Seymour Whyte Limited, an ASX-listed civil construction company. Ms Johnston has led significant reviews of health and safety in the mining and energy industries and has provided advice to both private industry and government on improving implementation and monitoring of safety systems and programs.

Jane Yacopetti | Deputy Chair
Ms Yacopetti brings to the Board extensive executive management experience in the health sector, including her current role as managing director of Carramar Consulting, which provides a range of expert health-related services. Ms Yacopetti has held a number of senior positions in health management including policy, strategic planning, health service administration and infrastructure planning. A former executive at the Royal Children’s Hospital, Ms Yacopetti went on to be Deputy Chief Executive Officer of Mater Health Services from 1998–2000 and the Executive Director of the Queensland Children’s Hospital Project from 2009–2011.

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

Sub-committee membership

Audit and Risk Sub-committee
Paul Cooper (Chair), David Gow, Dr David Wood, Dr Leanne Johnston

Health Service Executive Sub-committee
Jane Yacopetti (Chair), Dr Leanne Johnston, Georgie Somerset, Ross Williams, Associate Prof. Susan Young

Finance and Performance Sub-committee
David Gow (Chair), Dr Leanne Johnston, Paul Cooper, Ross Williams

Quality and Safety Sub-committee
Dr David Wood (Chair), Susan Johnston, Dr Leanne Johnston, Eileen Jones, Georgie Somerset, Andrea O’Shea, Associate Prof. Susan Young
David Gow
Mr Gow brings more than 30 years’ experience in law, banking and finance, having held senior leadership roles with a multinational bank in Australia and internationally. Since returning to Australia in 2008, Mr Gow has held a number of non-executive board roles in government and private sector companies, specialising in governance, financial management, and audit and risk management. This expertise, in conjunction with his knowledge of research commercialisation gained as a director of University of Queensland Holdings and QCMRI, is invaluable to the governance and management of CHQ.

Dr David Wood AM
Dr Wood is a well-respected paediatrician with more than 30 years’ experience in child protection in Queensland. As a founding Board member and past Chair of the Abused Child Trust (now ACT for Kids), Dr Wood was instrumental in breaking the cycle of abuse and neglect in Australia through therapy for abused children and their families. As state Chair of the Royal Australasian College of Physicians, he advocated for the amalgamation of Queensland’s two paediatric hospitals to enhance healthcare services for Queensland families. Dr Wood worked at the Mater Children’s Hospital from 1975 to 2014, serving as Director of Paediatric Health Services from 2002 to 2011.

Georgie Somerset
A company director, Ms Somerset brings extensive experience in consumer and community advocacy for children, young people and families in rural and regional areas as well as strong board and strategic governance experience. She is Vice-president of AgForce Queensland, a board member of Queensland Rural Adjustment Authority (QRAA), and a Fellow of the Australian Rural Leadership Foundation and the Australian Institute of Company Directors.

Paul Cooper
Mr Cooper has more than 25 years’ experience as an accountant in private practice. He is also a director of West Moreton–Oxley Medicare Local Limited one of the initial Medicare Locals formed to coordinate the delivery of primary and allied health for that region. Mr Cooper has broad experience in a number of industries with current and former board positions in manufacturing, accounting, education, industrial electronics and was previously a director and chairman of the Finance Committee of CPA Australia. He was also a former Queensland President of CPA Australia. Mr Cooper is also Deputy Chairman of the Export Council of Australia and Chairman of the Rinstrum Group.

Ross Willims Appointed 18 May 2014
Mr Willims brings a wide range of experience in industry and government to the CHQ Board. He has held a number of senior executive positions within both the public and private sector such as Vice President External Affairs BHP Billiton Metallurgical Coal, and Director-General of the Queensland Department of Mines and Energy. He has also worked in a range of Commonwealth Government departments. On his retirement from BHP Billiton, Mr Willims was appointed Chairman of the Australian Coal Association and Australian Coal Association Low Emissions Technologies Limited. Mr Willims was awarded a Centenary Medal for service to the mining industry in 2003 and life membership of the Queensland Resources Council in 2011.

Cheryl Herbert Appointed 26 June 2015
Adjunct Professor Herbert has more than 19 years’ experience as a chief executive officer and health professional leader within not-for-profit and government health and regulatory organisations. She is the current CEO of the Institute Of Healthy Communities Australia (IHCA Ltd). Ms Herbert was the founding CEO of the Health Quality and Complaints Commission (HQCC) from 2006. Prior to these appointments, Ms Herbert served as the CEO of Anglicare (formerly known as St Luke’s Nursing Service) for 10 years. A trained midwife and nurse, Ms Herbert holds a Bachelor of Applied Science and a Diploma of Applied Science from Queensland University of Technology. She is also a fellow of the Australian College of Nursing and the Australian Institute of Company Directors.

Associate Prof Susan Young 18 May 2014 to 17 May 2015
Associate Professor Young has extensive experience in nursing, education and management in a diverse range of fields in the public and private healthcare sectors. She has also held executive positions in major tertiary and secondary private and public hospitals in Queensland. Since July 2009, Assoc Prof Young has worked within the tertiary sector most recently as an Associate Professor in the School of Nursing, Midwifery and Social Work at the University of Queensland. She is the current Chair of the Queensland Board of the Medical Board of Australia, and is also a former Chair of the Queensland Nursing Council.
Our Executive

Fionnagh Dougan
Health Service Chief Executive (from January 2015)

Fionnagh has a long and successful history in leading change in complex healthcare environments and a lifelong commitment to improving children’s health.

She most recently had overarching responsibility for all hospital, clinical support and community services, including paediatric and mental health services in her role as Director of Provider Services, Auckland District Health Board (ADHB).

Prior to her current role, Fionnagh has also been the General Manager of Auckland’s Starship Children’s Hospital and Child Health Services where she implemented a service-wide healthcare excellence framework.

Fionnagh began her career as a staff nurse at the Royal Infirmary of Edinburgh and has postgraduate qualifications in health management, an honours degree in communication, and has held dual registration and experience as both a general and mental health nurse.

Dr Peter Steer
Health Service Chief Executive (until December 2014)

Dr Peter Steer is a medical graduate of the University of Queensland, who undertook his training in paediatrics in Brisbane, sub-specialty training in neonatology in New Zealand, and completed a two-year fellowship in Canada.

Peter has held clinical neonatology appointments and leadership positions in Australia, including Executive Director of the Mater Children’s Hospital. In Canada, Peter was President of McMaster Children’s Hospital; Professor and Chair of the Department of Paediatrics, McMaster University; and Chief of the Department of Paediatrics at McMaster Children’s Hospital and St Joseph’s Health Care, Hamilton, Ontario.

Peter also holds an appointment as Professor, School of Medicine, Faculty of Health Sciences, University of Queensland, and an Adjunct appointment with the Queensland University of Technology.

Executive Management Team

Sue McKee
General Manager Operations (until June 2015)

Loretta Seamer
Chief Finance Officer

Dr John Wakefield
Executive Director, Medical Services

Shelley Nowlan
Executive Director, Nursing Services

Nick Lord
Executive Director, Allied Health (Commenced January 2015)

Dianne Woolley
Executive Director, People and Culture

Alistair Sharman
Chief Information Officer (Commenced January 2015)

Deb Miller
A/Executive Director, Office of Strategy Management

Noelle Cridland
Executive Director of Commissioning and Development

Craig Brown
Acting Senior Director, Communications and Engagement
Risk management and accountability

Risk management

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

During 2014-15, CHQ reported key strategic and operational risks from the risk register to the Board and appropriate sub-committees to ensure the Board was continually informed of changes to Children’s Health Queensland’s risk profile.

CHQ’s increasing maturity in integrated risk management has resulted in further refinements to the framework including a review of the risk matrix, improvements to risk reporting tools and processes, and an increased focus on identifying risk during decision and planning processes at all levels in Children’s Health Queensland.

These enhancements have focused on integration of risk management into business activities and ensures risk is taken into account during decision making, consistent with Children’s Health Queensland’s risk appetite statement. This process has provided assurance on the delivery of the Children’s Health Queensland Strategic Plan 2013–2017 (2014 update).

Achievements in 2014-15 included:
- Reviewed and approved Children’s Health Queensland’s 2013-2014 financial statements.
- Reviewed Queensland Audit Office’s client service strategy, interim and final management letters, and reviewed the Executive Management Team (EMT) response to findings and recommendations.
- Reviewed and approved the Strategic and Annual Internal Audit plans.
- Endorsed the selection of the co-sourced internal audit partner.
- Reviewed and approved Children’s Health Queensland’s internal audit reports, including reviewing and approving Executive Management Team’s response to findings and recommendations.
- Accepted risk management reports and reviewed the Executive Management Team’s response to identified risks and remedial actions.
- Accepted and reviewed reports on compliance, fraud and insurance.

A self-assessment was conducted for the Committee and Internal Audit, utilising the Queensland Treasury’s Audit Committee guidelines. A number of enhancements to the committee’s operations were implemented. The Audit and Risk Committee has observed the terms of its Charter and has had due regard to Treasury’s Audit Committee Guidelines.

Audit and Risk Committee


Audit and Risk Committee membership

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<thead>
<tr>
<th>Name</th>
<th>Membership</th>
<th>Dates</th>
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<tbody>
<tr>
<td>Paul Cooper</td>
<td>Chair (external)</td>
<td>Jul 2014–June 2015</td>
</tr>
<tr>
<td>Dr David Wood</td>
<td>External</td>
<td>Jul 2014–June 2015</td>
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The committee met four times during 2014-15. External members of the committee are members of the Children’s Health Queensland Board, therefore remuneration for their duties is included in their Board remuneration (outlined in the remuneration disclosures section of the Children’s Health Queensland Financial Statements).
GOVERNANCE

Children’s Health Queensland maintains risk registers at strategic and operational levels, including a fraud risk register. Significant risks identified during audits and reviews are escalated to the Executive Management Team and the Audit and Risk Committee in a timely manner to enable management to record the risk in the risk register and take appropriate remedial action.

Findings from audit reports were presented to the Audit and Risk Committee throughout the year, with status updates provided on the implementation of recommendations from previous audits. This strengthened controls and efficiencies in processes and procedures throughout Children’s Health Queensland.

Systems were established to ensure an effective and efficient internal audit function, including policies, procedures and templates, a quality assurance and improvement program, and reporting to EMT and Audit and Risk Committee. Key performance indicators reported are measured against the internal audit plan, client feedback, and implementation of recommendations.

The Manager of Internal Audit holds relevant professional qualifications, and attends professional development activities including the collaborative Department of Health and Hospital and Health Service Internal Audit forums. This group meets twice a year to discuss similar risks, share ideas and improve professional development.

External scrutiny

In 2014-15, Children’s Health Queensland was subject to the following external reviews:

- The Queensland Audit Office conducted a review of hospital infrastructure projects, including the construction of the Lady Cilento Children’s Hospital. A total of five recommendations were made to Children’s Health Queensland Hospital and Health Service. Children’s Health Queensland management is implementing the relevant recommendations.

- The Queensland Audit Office conducted a review of Emergency Department reporting. Four recommendations were made to Queensland Hospital and health services. Children’s Health Queensland management is implementing the relevant recommendations.

- The Queensland Audit Office produced a report on the results of the 2013-14 financial audits of the 17 hospital and health services established on 1 July 2012.

Public Sector Ethics Act 1994

Children’s Health Queensland is committed to upholding the values and standards of conduct outlined in the Code of Conduct for the Queensland Public Service. The code also reflects the amended ethics principles and values set out in the Public Sector Ethics Act 1994 (Qld).

The code reflects the principles of integrity and impartiality, promoting the public good, and commitment to the system of government, accountability and transparency. Each principle is strengthened by a set of values and standards of conduct describing the behaviour that will demonstrate that principle.

Children’s Health Queensland identifies the code as one of six mandatory training requirements for all employees. Annual refresher training on the Code of Conduct is also a mandatory requirement. All new employees are automatically assigned their mandatory Code of Conduct training course through the Children’s Health Queensland learning management system, TEACHQ, for completion. The code is available to all staff on the Children’s Health Queensland intranet site along with an online learning program.

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

The code training is also a mandatory training requirement for members of external service providers who are not Children’s Health Queensland employees but deliver on site services to or for Children’s Health Queensland and at its premises. Members of external service providers include contractors, students and volunteers. Code of conduct training is accessed online through the Department of Health learning management system.
Information systems and record keeping

Children’s Health Queensland has continued to develop its recordkeeping capability by adopting key initiatives to build a compliant records management system for corporate records.

The integration of the corporate records management function within the broader corporate governance framework has improved our capacity to develop policies, procedures and processes to meet the needs of Children’s Health Queensland.

A Corporate Records Governance Officer was appointed in 2014 to provide a point of reference and coordination for staff seeking advice and assistance with records management processes.

Business process improvement activities continue to provide staff with greater clarity of their role and responsibilities in managing corporate records.

Training and awareness programs are increasing the profile of the corporate records governance function while increasing general awareness in the importance of being accountable to the Queensland public through the proper management of corporate records.

The implementation of an electronic document and records management system (EDRMS) to manage corporate records provides a technological platform to develop our digital records capability. This supports the Queensland Government Digital Continuity Strategy. The pilot program, established through the Lady Cilento Children’s Hospital Transition Project, will allow us to develop the capability to further implement the EDRMS to other business areas across Children’s Health Queensland.

Information resources published in a dedicated section on the Children’s Health Queensland intranet provides an effective channel for the communication of corporate records management policies and procedures.
Children’s Health Queensland recognises that our people are our greatest asset. It is only through ongoing investment in our workforce that we will be equipped to continue to deliver on our core business of providing high-quality care for patients and families. To enable this, we strive to provide a professional, collaborative and supportive work environment that meets the needs and developmental expectations of current and prospective staff.

Our workforce
Children’s Health Queensland (CHQ) employs just over 3,000 full-time equivalent (FTE) staff. In June 2015, the Children’s Health Queensland team included:

- 1,275 nurses
- 455 doctors (including visiting medical officers)
- 673 health practitioners and technical officers
- 73 operational officers
- 599 managerial and administration officers.

The Children’s Health Queensland workforce underwent significant change in 2014-15 as a result of the implementation of new models of service delivery, the Queensland Government’s introduction of senior and visiting medical contracts, and a large-scale recruitment process for the Lady Cilento Children’s Hospital (LCCH).

Prescribed Employer
To achieve Prescribed Employer status, Children’s Health Queensland had to develop a process for transitioning existing Department of Health human resources policies and developing a work health and safety management system by 1 July 2014.

Children’s Health Queensland developed and implemented a Policy Governance Framework (the Framework) which provides the structure for the development, management and review of Children’s Health Queensland policies, procedures and support material relating to People and Culture activities. The objective of the Framework is to ensure all Children’s Health Queensland policies, procedures and support documents are consistent with the Department of Health employment framework guidelines that apply to hospital and health services.

The Framework sets out the steps and responsibilities in developing or reviewing policies, procedures and support material. The Framework also includes a checklist for policy development and/or review as well as processes for maintenance, reviews (in accordance with the review schedule) and evaluation.

Workforce profile
The Children’s Health Queensland workforce comprised 3,074 FTE staff at 30 June 2015, representing a 34.7 per cent increase from the previous financial year. This significant increase was the result of the opening of the Lady Cilento Children’s Hospital (LCCH), which saw the services of the former Royal and Mater Children’s hospitals combined, and the integration of Mater Health Services child and youth mental health services into the CHQ Child and Youth Mental Health Service (CYMHS).

Nursing, medical including visiting medical officers (VMOs), professional and technical employees account for 78 per cent of the workforce.

Graph 1 shows the number of Minimum Obligatory Human Resource Information (MOHRI)-occupied FTE staff by stream. Graph 2 provides the number of staff employed by gender within each division.

Women comprise 92 per cent of the total workforce. By professional stream, this represents:

- 92.9 per cent – nursing
- 48.6 per cent – medical (including VMOs)
- 84.9 per cent – health practitioner and technical
- 63.2 per cent of the operational officer
- 81.6 per cent – managerial and administration

As of June 2015, 0.92 per cent of staff employed by Children’s Health Queensland identify themselves as an Aboriginal or Torres Strait Islander.

As of June 2015, 8.82 per cent of Children’s Health Queensland staff identified themselves as being from a non-English speaking background.

The retention rate for permanent staff in 2014-15 was 80 per cent. The retention rate is the number of permanent staff employed by CHQ at the start of the financial year (1,709) who remain employed at the end of the financial year (1,363) expressed as a percentage of total staff employed.

Children’s Health Queensland’s separation rate in 2014-15 was 20 per cent. The separation rate is the
number of permanent staff who left during the year (346) against the number of permanent staff in Children’s Health Queensland at the start of the year (1,709). The 2014-15 separation rate was impacted by changes to the model of patient support services and recruitment to the LCCH.

Early retirement, redundancy and retrenchment
Seventy-five employees received redundancy packages in 2014-15 at a cost of $3,241,752.

Workforce planning, attraction and retention
Children’s Health Queensland is committed to ensuring its workforce continues to be capable, committed and supported to achieve the organisation’s vision of the best possible health for every child and young person, in every family, in every community in Queensland.

To sustain the workforce and to achieve future Children’s Health Queensland workforce goals, priority actions will be undertaken in partnership with leaders across the hospital and health service to:

- Provide ongoing high quality human resources services.
- Build a dynamic environment to attract and retain a high quality workforce, reflecting and respecting cultural diversity and promoting work opportunities for people with disabilities.
- Develop leadership and management capability, individual accountability and the performance culture of our people.
- Provide safe, healthy and productive working environments and work practices which ensure the health, safety and wellbeing of all people, inclusive of culturally diverse peoples and people with disabilities.
- Build the capability of the workforce to provide culturally safe and appropriate services for Aboriginal and Torres Strait Islander children and their families.
- Be a participative enabler in catering for the education and research requirements of all staff and students by working corroboratively with other streams and external organisations to maximise access to training and education as well as research opportunities.
- Evaluate, analyse and report on the performance of People and Culture services and CHQ workforce to enable continuous improvement in efficiency and effectiveness.
- Acknowledge and reward performance.

Planning
A People and Culture Committee for Children’s Health Queensland was re-established in 2014-15 to provide strategic oversight of workforce planning and performance, and other workforce development and enhancement initiatives.

A Workforce Planning and Management Working Group will be established to:

- Provide strategic input into the development of the Children’s Health Queensland Strategic Workforce Plan 2016–2018 which will supersede the Children’s Health Queensland Workforce Planning and Management Framework 2012-15.
- Develop initiatives, advice and strategies for coordinated - workforce planning across Children’s Health Queensland - training and education planning across the hospital and health service.
- Discuss and provide input into workforce, training and education initiatives and strategies to ensure current and future workforce needs are integrated for Children’s Health Queensland.
Staff engagement

Children’s Health Queensland (CHQ) participated in the annual Working for Queensland Employee Opinion Survey coordinated by the Public Service Commission in April-May 2015. The survey explores employee perceptions of the workplace, behaviours, job satisfaction and leadership within CHQ and the broader public service. The participation rate for CHQ was 32 per cent – an increase from the previous year’s rate of 16 per cent.

Survey results will be communicated to all staff when available in late 2015 and action-planning processes will be implemented during 2015-16 across business areas to focus on key areas of improvement.

Learning and development

Children’s Health Queensland implemented and launched its online learning management system, TEACHQ (Teaching and Education at Children’s Health Queensland), in December 2014. It can be accessed by all CHQ employees. All commencing CHQ employees are automatically assigned their mandatory training items by TEACHQ. A range of other online training programs are available to employees across relevant divisions.

Executive and Senior Leader Framework


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

Progress on the framework to date, includes:
- Improved recruitment and selection processes through alignment of role descriptions with a leadership capability matrix and the development of an employee value proposition guide.
- Introduction of onboarding activities for executives and senior leaders.
- Improved executive contract management framework.
- Performance and development planning.

Management Capability Program

Thirty sessions of the CHQ Management Capability Program workshops were delivered in 2014-15. Designed specifically for frontline managers, the training program aims to build and enhance a leadership culture that is accountable, safety-conscious and capable. Ten modules are offered, covering the areas of people management, business management, project management and process improvement. Course content was reviewed in 2014-15 to incorporate additional topics for managers new to the organisation.

Eighty-nine per cent of line manager participants said they felt competent to practically apply the knowledge and skills gained through the sessions.

Work, health, safety and wellbeing

The Children’s Health Queensland Work Health and Safety Strategic Plan 2013-2015 guides planning, decision making and practice in relation to work health and safety matters. The work health and safety management system for Children’s Health Queensland enables the implementation of the work health and safety policy and strategic plan through:
- Governance, consultation and capability.
- Risk management.
- Monitoring, evaluation and performance.
- Workplace rehabilitation and return to work.

Children’s Health Queensland work health and safety key performance indicator results for 2014-15 include:
- Zero regulatory notices or infringements.
- Workers compensation premium rate of 0.252, which is significantly lower than the industry premium rate of 1.102.
- Workers compensation hours lost compared to occupied hours rate of 0.12, which is lower than the Children’s Health Queensland target of 0.20 and the Department of Health service agreement target of 0.35.

At 9 July 2015, there were 435 work health and safety incidents reported, 68 workers compensation claims lodged and 967 workers compensation days lost during 2014-15.

Significant work health and safety achievements include:
- Implementation of the Children’s Health Queensland work health and safety management system.
- Implementation of an online training platform for work health and safety induction and general evacuation and fire response instructions.
- Pre-and post-occupancy hazard identification program at the Lady Cilento Children’s Hospital (LCCH).
- Decommissioning of the RCH and commissioning of the LCCH with zero serious safety incidents.
Employee wellbeing

Children's Health Queensland launched its Employee Wellbeing Plan in 2015, with the goal of enhancing the physical, emotional, financial, cultural, spiritual and social wellbeing of all employees. The focus for the first 12 months of the plan was to:

- Encourage staff to increase their physical activity.
- Encourage staff with their personal management of fatigue.
- Promote infectious disease prevention.
- Enhance emotional wellbeing.
- Promote a health knowledge of financial wellbeing.

Children's Health Queensland has partnered with QSuper to improve the financial health and wellbeing of staff. FinFit, an online financial education program developed by QSuper, covers topics such as good money habits, credit cards, debt management, financial planning, returning to earning and transition to retirement.

Children's Health Queensland has engaged TMS Consulting and OPTUM as service providers, to provide staff with ready access to organisational psychology and employee assistance expertise. TMS Consulting has focused on organisational change, resilience, stress management and fatigue, working with leadership, operational teams and individuals. OPTUM continued to provide employee assistance services and in addition, were contracted to provide additional support during the transition period. These targeted activities addressed the identified focus areas of emotional wellbeing and fatigue.

The Infection Management and Prevention Service continues to promote infectious disease prevention through the hand hygiene program, free influenza vaccination program, monitoring of pre-employment immunisation status and the prevention and effective early management of blood and body fluid exposures.

Flexible working arrangements

Children's Health Queensland supports and implements Queensland Health’s work-life balance policy by offering flexible working arrangements to help staff balance work and other responsibilities, including part-time work.

In 2014-15, 1,420 people (47.66 per cent of the CHQ permanent workforce) were employed on a permanent part-time basis. Of the permanent part-time staff, 88.94 per cent were female and 11.06 per cent, male.

During 2014-15, 27 staff participated in purchased leave arrangements. The purchased leave allowance of one to six weeks contributes to work-life balance by enabling staff to purchase leave in addition to their standard recreational leave entitlements.

Reward and recognition

The Children's Health Queensland Reward and Recognition Plan 2015-2017 provides a framework for encouraging and rewarding staff achievements and successes.

A key event under the plan is the annual Celebrating Our People Awards, which recognises teams and individuals who have demonstrated a high level of performance commitment in pursuing excellence in the care of children, young people and their families.

Awards are presented across five categories – People, Service, Safety and Quality, Value, and Research and Education – which are aligned with Children’s Health Queensland’s pillars of excellence. A Board Chair’s Innovation Excellence Award and Rising STAR Award, Volunteer of the Year Award and Family Centred-Care Team Award are also presented. Thirty-nine nominations from across the hospital and health service were received for the 2014 awards.

Performance and development planning

Children’s Health Queensland implemented a new performance and development policy and process in 2014, focused on:

- Providing staff with specific and objective feedback.
- Linking individual performance goals with those of the team and organisation.
- Measuring and documenting performance outcomes to ensure fairness, transparency and objectivity.

Performance and development plans (PDPs) are developed and agreed to by supervisors and their staff. The PDP process provides an opportunity to review and discuss an employee’s performance, progress, achievements, career goals and development needs in a safe and supportive manner. The aim is to achieve a target of 80 per cent completion of annual PDPs for employees during 2015.

Industrial and employee relations

Children’s Health Queensland operates within an industrial framework of consultative forums. In 2014-15, the framework was reviewed and modified to reflect the changing priorities of the organisation. The framework now includes the:

- CHQ HHS Union Consultative Forum (formerly the CHQ HHS District Consultative Forum).
- Nursing Consultative Forum.
- Allied Health Local Consultative Forum.
- Administration and Corporate Services Local Consultative Forum.

The LCCH Union Consultative Forum ceased in December 2014.
Financial overview: Performance summary

Children’s Health Queensland’s operations significantly changed during the year with the opening of the new Lady Cilento Children’s Hospital on 29 November 2014. The move to the new hospital included the integration of services and workforce of the Mater Children’s Hospital and the Royal Children’s Hospital. As a result of the change, Children’s Health Queensland’s workforce and funding profile increased to incorporate a larger hospital with expanded services.

Children’s Health Queensland’s operating result for 2014-15 was a deficit of $42.195 million. The deficit was mainly attributable to a revaluation decrement of $35.062 million in relation to the write-down of buildings located at the former Royal Children’s Hospital (RCH) site at Herston. This expense is not directly attributable to the underlying operational performance of Children’s Health Queensland. For further information, refer to Note 16 of the Financial Statements.

Excluding the revaluation decrement, a deficit of $7.133 million was recorded reflecting additional expenditure attributable to the commissioning and service integration activities for the LCCH. This additional expense was funded from prior year accumulated surpluses.

Income
Total income for 2014-15 increased by 50.4 per cent or $168.123 million to $501.488 million. This was primarily attributable to:
- Additional service agreement funding of approximately $104 million from the Department of Health, representing funding previously committed to the Mater Children’s Hospital (MCH) for the seven months of operations from the end of November 2014.
- Additional service agreement funding of $29.429 million for depreciation and amortisation predominantly reflecting the transfer of property, plant and equipment during the year from the Department of Health.
- Additional funding for new programs and other costs relating to the running of a new hospital.

Children’s Health Queensland’s income by source is reflected in Chart 1.

Expenses
Total expenses for 2014-15 increased by 66.4 per cent or $217.038 million to $543.683 million. This was primarily attributable to:
- Additional expenditure relating to higher activity as a result of the integration of services previously provided by the MCH.
- An increase in depreciation and amortisation predominantly relating to assets for the new facility.
- A revaluation decrement of $35.062 million relating to the write-down of buildings at the former RCH site at Herston.

The majority of expenses incurred related to:
- Employee expenses, representing 61.4 per cent of total expenses.
- Supplies and services, representing 23.9 per cent of total expenses.
- Depreciation and amortisation, representing 6.8 per cent of total expenses.
- Loss on disposal/re-measurement of assets, representing 6.5 per cent of total expenses.

Graph 1 displays the 2014-15 expenses by category.

How the money was spent
The majority of expenses relate to acute hospital services which accounts for 71.8 per cent of total expenses, community based services account for 15.3 per cent of total expenses, while Children’s Health Queensland corporately managed services are 12.4 per cent. The remaining 0.5 per cent of total expenses relate to hosted and statewide services, research and trust programs.

Children’s Health Queensland’s major services and their relative share are shown in Chart 2.

Total assets
Total assets increased by $1.226 billion during the year to $1.376 billion reflecting the transfer of various property, plant and equipment from the Department of Health. This included the new co-located land and buildings at South Brisbane, in the LCCH precinct, as well as related plant and equipment transferred at completion of the development project. Assets transferred include the following buildings and associated plant and equipment: the LCCH, the hospital Central Energy Plant, the Centre for Children’s Health Research facility and a commercial office building. The total value of all property, plant and equipment transferred to Children’s Health Queensland during the year was $1.277 billion.

Total equity
While total equity is at $1.322 billion, Children’s Health Queensland reports an accumulated deficit of $25.212 million at reporting date. This position is attributable to the recording of a large revaluation decrement during 2014-15 of $35.062 million relating to the write-down of buildings at the former RCH site at Herston.
FINANCIAL OVERVIEW

Children's Health Queensland Annual Report 2014-15

Graph 1: Expenses

- Employee expenses: $33,994,000
- Depreciation and amortisation: $36,788,000
- Grants: $1,264,000
- Other expenses: $6,320,000
- Supplies and services: $12,997,000
- Loss on disposal/re-measurement of assets: $35,580,000

Chart 1: Income

- Service revenue: 94.6%
- Sale of goods and services: 2%
- Hospital fees: 2.6%
- Other revenue: 0.4%
- Grants and other contributions: 0.4%

Chart 2: Expenses by major services

- Acute hospital services: 71.8%
- Community based services: 15.3%
- CHQ corporately managed services: 12.4%
- Hosted and statewide services: 0.1%
- Research programs: 0.3%
- Trust programs: 0.1%
Statement of financial performance

The following audited statements are compared to the budget initially allocated to Children’s Health Queensland in the 2014-15 Queensland Budget Papers. The Children’s Health Queensland contract is amended throughout the year for changes in additional funding from the Department of Health. Children’s Health Queensland’s results against budget can be referenced to Note 27 of the Financial Statements.

<table>
<thead>
<tr>
<th>Statement of comprehensive income</th>
<th>2014-15 Actual $’000</th>
<th>2014-15 Budget $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>User charges and fees</td>
<td>497,400</td>
<td>448,280</td>
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<td>Grants and other contributions</td>
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<td>7,040</td>
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<td>Other revenue</td>
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<td>Gains on disposal/re-measurement of assets</td>
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<td>Total income from continuing operations</td>
<td>501,488</td>
<td>460,832</td>
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<td>Employee expenses</td>
<td>333,994</td>
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<td>Health service employee costs</td>
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<td>306,888</td>
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<td>Supplies and services</td>
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<td>117,687</td>
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<td>Grants</td>
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<td>Depreciation and amortisation</td>
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<td>Loss on disposal/re-measurement of assets</td>
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<td>Other expenses</td>
<td>6,120</td>
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<td>Total expenses from continuing operations</td>
<td>543,683</td>
<td>460,832</td>
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<tr>
<td>Operating result from continuing operations</td>
<td>(42,195)</td>
<td>–</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>(4,766)</td>
<td>–</td>
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<tr>
<td>Total comprehensive income</td>
<td>(46,961)</td>
<td>–</td>
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Statement of financial position

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<tr>
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<tr>
<td>Total assets</td>
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<td>Total liabilities</td>
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<tr>
<td>Net assets</td>
<td>1,321,816</td>
<td>1,089,886</td>
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Statement of changes in equity

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<tbody>
<tr>
<td>Contributed equity</td>
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<td>1,068,585</td>
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<td>Accumulated surplus/(loss)</td>
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<td>Asset revaluation surplus</td>
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<td>9,792</td>
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<tr>
<td>Total equity</td>
<td>1,321,816</td>
<td>1,089,886</td>
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</tbody>
</table>
Chief Finance Officer’s statement

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

While not legislated as mandatory for Children’s Health Queensland, a statement assessing Children’s Health Queensland’s financial internal controls has been provided by the Chief Finance Officer to the Health Service Chief Executive, the Audit and Risk Committee and the Board at reporting date. The statement was prepared in conformance with Section 57 of the Financial and Performance Management Standard 2009.

Prescribed Employer status
On 1 July 2014, Children’s Health Queensland became a Prescribed Employer of health service employees. This has resulted in staff originally employed by the Department of Health, having their employment contracts, as well as any accrued benefits, transferred to Children’s Health Queensland under the Hospital and Health Boards Act 2011.

Purchasing and performance
From 1 July 2012, the provision of public health services is delivered under a purchaser-provider model whereby Children’s Health Queensland operates in accordance with a service level agreement with the Department of Health, to deliver an agreed level of services. The Hospital and Health Services Performance Framework 2012-13 provides an integrated process for the review, assessment and reporting of performance for Children’s Health Queensland and forms part of the service level agreement.

The Children’s Health Queensland Finance department monitors performance against this service level agreement framework on a monthly basis and provides reports to the Board and the Finance and Performance Subcommittee. The framework uses key performance indicators as the basis for monitoring and driving performance, and the targets, where possible, are also linked to national agreements such as the National Healthcare Agreement, National Partnership Agreement and the National Performance and Accountability Framework.

Future outlook
The move to the new hospital has significantly increased the workforce and funding profile for Children’s Health Queensland. The service agreement funding for 2015-16 will further increase, reflecting the first full year of operations and activity for the new Lady Cilento Children’s Hospital. Income is estimated to increase to $612.291 million in 2015-16.

Additional services to be provided
Additional services to be provided in 2015-16 include:

• Statewide Adolescent Mental Health Extended Treatment Initiative for adolescent and young people with mental health issues: the Department of Health has approved $7.108 million of funding for this initiative which includes youth residential rehabilitation units in Greenslopes, Cairns and Rockhampton, as well as seven Assertive Mobile Youth Outreach Service (AMYOS) teams and an Adolescent Day Program in north Brisbane.

• Specialised Immunisation Service: funding has been approved by the Department of Health for $1.936 million.

• Persistent pain program: funding has been approved by the Department of Health for $0.700 million.
## I. Compliance checklist

<table>
<thead>
<tr>
<th>Summary of requirement</th>
<th>Basis for requirement</th>
<th>Annual report reference</th>
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<tbody>
<tr>
<td><strong>Letter of compliance</strong></td>
<td>A letter of compliance from the accountable officer or statutory body to the relevant Minister</td>
<td>ARRs—section 8</td>
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<tr>
<td><strong>Accessibility</strong></td>
<td>Table of contents, glossary</td>
<td>ARRs—section 10.1</td>
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<td><strong>Public availability</strong></td>
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<td>ARRs—section 10.2</td>
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<td><strong>Interpreter service statement</strong></td>
<td>Queensland Government Language Services Policy</td>
<td>ARRs—section 10.3</td>
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<td><strong>Copyright notice</strong></td>
<td>Copyright Act 1968</td>
<td>ARRs—section 10.4</td>
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<td>Queensland Government Enterprise Architecture—Information licensing</td>
<td>ARRs—section 10.5</td>
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<td>Introductory information</td>
<td>ARRs—section 11.1</td>
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<td><strong>Machinery of Government changes</strong></td>
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<td>ARRs—section 11.4</td>
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<td><strong>Non-financial performance</strong></td>
<td>Government objectives for the community</td>
<td>ARRs—section 12.1</td>
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<td><strong>Other whole-of-government plans/ specific initiatives</strong></td>
<td>ARRs—section 12.2</td>
<td>45 (AMHETI)</td>
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<tr>
<td><strong>Agency objectives and performance indicators</strong></td>
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<td>24 (strategic objectives)</td>
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<td><strong>Agency service areas, service standards and other measures</strong></td>
<td>ARRs—section 12.4</td>
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<td><strong>Financial performance</strong></td>
<td>Summary of financial performance</td>
<td>ARRs—section 13.1</td>
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<td><strong>Governance management and structure</strong></td>
<td>Organisational structure</td>
<td>ARRs—section 14.1</td>
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<td>66 (our board)</td>
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<td><strong>Public Sector Ethics Act 1994</strong></td>
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<td>Public Sector Ethics Act 1994 (section 23 and schedule)</td>
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### Summary of requirement

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<th>Summary of requirement</th>
<th>Basis for requirement</th>
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<td>Workforce planning, attraction and retention and performance</td>
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<td>FAA—section 62, FPMS—sections 42, 43 and 50 ARRs—section 18.1</td>
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<td>Independent auditor’s report</td>
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<td></td>
<td>Remuneration disclosures</td>
<td>Financial reporting requirements for Queensland Government agencies ARRs—section 18.3</td>
</tr>
</tbody>
</table>
## II. 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 | A management tool with the potential to enhance public accountability and drive technical efficiency in the delivery of health services by:  
• Capturing consistent and detailed information on hospital sector activity and accurately measuring the costs of delivery.  
• Creating an explicit relationship between funds allocated and services provided.  
• Strengthening management's focus on outputs, outcomes and quality, encouraging clinicians and managers to identify variations in costs and practices so they can be managed at a local level in the context of improving efficiency and effectiveness.  
• Providing mechanisms to reward good practice and support quality initiatives. |
| Acute | Having a short and relatively severe course. |
| Acute care | Care in which the clinical intent or treatment goal is to:  
• Cure illness or provide definitive treatment of injury.  
• Perform surgery.  
• Relieve symptoms of illness or injury (excluding palliative care).  
• Reduce severity of an illness or injury.  
• Protect against exacerbation and/or complication of an illness and/or injury that could threaten life or normal function.  
• Perform diagnostic or therapeutic procedures. |
| Acute hospital | Generally a recognised hospital that provides acute care and excludes dental and psychiatric hospitals. |
| Admission | The process whereby a hospital accepts responsibility for a patient’s care and/or treatment. It follows a clinical decision, based on specified criteria, that a patient requires same-day or overnight care or treatment, which can occur in hospital and/or in the patient’s home (for hospital-in-the-home patients). |
| Admitted patient | A patient who undergoes a hospital's formal admission process as an overnight-stay patient or a same-day patient. |
| Allied health staff | Professional staff who meet mandatory qualifications and regulatory requirements in the following areas: audiology, clinical measurement sciences, dietetics and nutrition, exercise physiology, leisure therapy, medical imaging, music therapy, nuclear medicine technology, occupational therapy, orthoptics, pharmacy, physiotherapy, podiatry, prosthetics and orthotics, psychology, radiation therapy, sonography, speech pathology and social work. |
| Benchmarking | Involves collecting performance information to undertake comparisons of performance with similar organisations. |
| Best practice | Cooperative way in which organisations and their employees undertake business activities in all key processes, and use benchmarking that can be expected to lead to sustainable positive outcomes. |
| Category | Urgency of a patient’s need for medical and nursing care. |
| Clinical governance | A framework by which health organisations are accountable for continuously improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish. |
| Clinical practice | Professional activity undertaken by health professionals to investigate patient symptoms and prevent and/or manage illness, together with associated professional activities for patient care. |
| Clinical staff | Staff who are or who support health professionals working in clinical practice, have healthcare specific knowledge/experience, and provide clinical services to health consumers, either directly and/or indirectly, through services that have a direct impact on clinical outcomes. |
| Emergency department waiting time | Time elapsed for each patient from presentation to the emergency department to start of services by the treating clinician. It is calculated by deducting the date and time the patient presents from the date and time of the service event. |
| Full-time equivalent (FTE) | Refers to full-time equivalent staff currently working in a position. |
| Health outcome | Change in the health of an individual, group of people or population attributable to an intervention or series of interventions. |
| Hospital | Healthcare facility established under Commonwealth, state or territory legislation as a hospital or a free-standing day-procedure unit and authorised to provide treatment and/or care to patients. |
| Hospital and health boards | The hospital and health boards are made up of a mix of members with expert skills and knowledge relevant to managing a complex healthcare organisation, charged with authority under the Hospital and Health Boards Act 2011. |
| **Hospital and health service** | A hospital and health service (HHS) is a separate legal entity established by Queensland Government to deliver public hospital services. |
| **Hospital-in-the-home** | Provision of care to hospital-admitted patients in their place of residence, as a substitute for hospital accommodation. |
| **Immunisation** | Process of inducing immunity to an infectious agency by administering a vaccine. |
| **Incidence** | Number of new cases of a condition occurring within a given population over a certain period of time. |
| **Long wait** | A ‘long wait’ elective surgery patient is one who has waited longer than the clinically recommended time for their surgery, according to the clinical urgency category assigned. That is, more than 30 days for a category 1 patient, more than 90 days for a category 2 patient and more than 365 days for a category 3 patient. |
| **Medicare Locals** | Established by the Commonwealth to coordinate primary healthcare services across all providers in a geographic area. Medicare Locals work closely with HHSs to identify and address local health needs. |
| **Medical practitioner** | A person who is registered with the Medical Board of Australia to practice medicine in Australia, including general and specialist practitioners. |
| **Non-admitted patient** | A patient who does not undergo a hospital’s formal admission process. |
| **Non-admitted patient services** | An examination, consultation, treatment or other service provided to a non-admitted patient in a functional unit of a health service facility. |
| **Outpatient** | An individual who accesses non-admitted health service at a hospital or health facility. |
| **Outpatient service** | Examination, consultation, treatment or other service provided to non-admitted non-emergency patients in a specialty unit or under an organisational arrangement administered by a hospital. |
| **Overnight-stay** | When a patient who is admitted to, and separated from, the hospital on different dates (not same-day patients). |
| **Patient flow** | Optimal patient flow means the patient’s journey through the hospital system, be it planned or unplanned, happens in the safest, most streamlined and timely way to deliver good patient care. |
| **Performance indicator** | A measure that provides an ‘indication’ of progress towards achieving the organisation’s objectives and usually has targets that define the level of performance expected against the performance indicator. |
| **Population health** | Promotion of healthy lifestyles, prevention or early detection of illness or disease, prevention of injury and protection of health through organised population-based programs and strategies. |
| **Private hospital** | A private hospital or freestanding day hospital, and either a hospital owned by a for-profit company or a non-profit organisation and privately funded through payment for medical services by patients or insurers. Patients admitted to private hospitals are treated by a doctor of their choice. |
| **Public patient** | A public patient is one who elects to be treated as a public patient, so cannot choose the doctor who treats them, or is receiving treatment in a private hospital under a contract arrangement with a public hospital or health authority. |
| **Public hospital** | Public hospitals offer free diagnostic services, treatment, care and accommodation to eligible patients. |
| **Registered nurse** | An individual registered under national law to practice in the nursing profession as a nurse, other than as a student. |
| **Statutory body** | A non-departmental government body, established under an Act of Parliament. Statutory bodies can include corporations, regulatory authorities and advisory committees or councils. |
| **Sustainable** | A health system that provides infrastructure, such as workforce, facilities and equipment, and is innovative and responsive to emerging needs, for example, research and monitoring within available resources. |
| **Telehealth** | Delivery of health-related services and information via telecommunication, including:  
  • Live, audio and/or video interactive links for clinical consultations and educational purposes.  
  • Store-and-forward telehealth, including digital images, video, audio and clinical (stored) data on a client computer, then transmitted securely (forwarded) to a clinic at another location where they are studied by relevant specialists.  
  • Teleradiology for remote reporting and clinical advice for diagnostic images.  
  • Telehealth services and equipment to monitor people’s health in their home. |
### III. Glossary of acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AMHETI</td>
<td>Adolescent Mental Health Extended Treatment Initiative</td>
</tr>
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<td>AMYOS</td>
<td>Assertive Mobile Youth Outreach Service</td>
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<tr>
<td>ANZ CHOG</td>
<td>Australia and New Zealand Clinical Haematology Oncology Group</td>
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<td>ARC</td>
<td>Adaptive Responsive Care</td>
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<td>ART</td>
<td>Acute Response Team</td>
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<td>Choice and Partnership Approach</td>
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<td>Children’s Advice and Transportation Hub</td>
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<td>Centre for Children’s Health Ethics and Law</td>
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<td>CCHR</td>
<td>Centre for Children’s Health Research</td>
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<td>CCHW</td>
<td>Centre for Children’s Health and Wellbeing</td>
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<td>CEWT</td>
<td>Children’s Early Warning Tool</td>
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<td>CHQ</td>
<td>Children’s Health Queensland</td>
</tr>
<tr>
<td>CNC</td>
<td>Clinical Nurse Consultant</td>
</tr>
<tr>
<td>CSCF</td>
<td>Clinical Services Capability Framework</td>
</tr>
<tr>
<td>DoH</td>
<td>Department of Health</td>
</tr>
<tr>
<td>EBFC</td>
<td>Ellen Barron Family Centre</td>
</tr>
<tr>
<td>EPEP</td>
<td>Extended Parent Education Program</td>
</tr>
<tr>
<td>FAA</td>
<td>Financial Accountability Act 2009</td>
</tr>
<tr>
<td>FAC</td>
<td>Family Advisory Council</td>
</tr>
<tr>
<td>FPMS</td>
<td>Financial and Performance Management Standard 2009</td>
</tr>
<tr>
<td>FTE</td>
<td>Full-time equivalent</td>
</tr>
<tr>
<td>GP</td>
<td>General Practitioner</td>
</tr>
<tr>
<td>HHA</td>
<td>Hand Hygiene Australia</td>
</tr>
<tr>
<td>HHB</td>
<td>Hospital and Health Board</td>
</tr>
<tr>
<td>ICT</td>
<td>Information Communications Technology</td>
</tr>
<tr>
<td>IROC</td>
<td>Indigenous Respiratory Outreach Care</td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
</tr>
<tr>
<td>LCCH</td>
<td>Lady Cilento Children’s Hospital</td>
</tr>
<tr>
<td>MCH</td>
<td>Mater Children’s Hospital</td>
</tr>
<tr>
<td>MOHRI</td>
<td>Minimum obligatory human resource indicators</td>
</tr>
<tr>
<td>NHS</td>
<td>National Health Service (United Kingdom)</td>
</tr>
<tr>
<td>OHNS</td>
<td>Otolaryngology, Head and Neck Surgery</td>
</tr>
<tr>
<td>OD</td>
<td>Open Disclosure</td>
</tr>
<tr>
<td>PCCRG</td>
<td>Paediatric Care Research Group</td>
</tr>
<tr>
<td>PEDS</td>
<td>Parents’ Evaluation of Development Status</td>
</tr>
<tr>
<td>PHI</td>
<td>Private Health Insurance</td>
</tr>
<tr>
<td>PHR</td>
<td>Personal Health Record</td>
</tr>
<tr>
<td>PREDICT</td>
<td>Paediatric Research in Emergency Departments International Collaboration</td>
</tr>
<tr>
<td>QCAA</td>
<td>Queensland Curriculum and Assessment Authority</td>
</tr>
<tr>
<td>QCCE</td>
<td>Queensland Children’s Cancer Centre</td>
</tr>
<tr>
<td>QCCIP</td>
<td>Queensland Children’s Critical Incident Panel</td>
</tr>
<tr>
<td>QHFLSS</td>
<td>Queensland Hearing Loss Family Support Service</td>
</tr>
<tr>
<td>QPID</td>
<td>Queensland Paediatric Infectious Diseases</td>
</tr>
<tr>
<td>QYCS</td>
<td>Queensland Youth Cancer Service</td>
</tr>
<tr>
<td>RBWH</td>
<td>Royal Brisbane and Women’s Hospital</td>
</tr>
<tr>
<td>RCH</td>
<td>Royal Children’s Hospital</td>
</tr>
<tr>
<td>RMDPP</td>
<td>Recognition and Management of a Deteriorating Paediatric Patient</td>
</tr>
<tr>
<td>SASVRC</td>
<td>Sir Albert Sakzewski Virus Research Centre</td>
</tr>
<tr>
<td>SLIPAHP</td>
<td>Simulated Learning in Paediatrics for Allied Health</td>
</tr>
<tr>
<td>SPEAK</td>
<td>Speaking Promotes Education and Knowledge</td>
</tr>
<tr>
<td>SToRK</td>
<td>Simulation Training on Resuscitation for Kids</td>
</tr>
<tr>
<td>TEACHQ</td>
<td>Teaching and Education at Children’s Health Queensland</td>
</tr>
<tr>
<td>USIN</td>
<td>Undergraduate Students in Nursing</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organisation</td>
</tr>
</tbody>
</table>
Children’s Health Queensland Hospital and Health Service

Financial statements 2014-15
Children’s Health Queensland Hospital and Health Service
Financial Statements 2014-15

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General information

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

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

The principal address of Children’s Health Queensland is:
Lady Cilento 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: http://www.health.qld.gov.au/childrenshealth
## Statement of Comprehensive Income

For the year ended 30 June 2015

### Notes

<table>
<thead>
<tr>
<th>Notes</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
</tbody>
</table>

### Income from continuing operations

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>User charges and fees</td>
<td>5 497,400</td>
<td>323,906</td>
</tr>
<tr>
<td>Grants and other contributions</td>
<td>2,030</td>
<td>1,284</td>
</tr>
<tr>
<td>Other revenue</td>
<td>6 1,996</td>
<td>8,070</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>501,426</td>
<td>333,260</td>
</tr>
</tbody>
</table>

Gains on disposal/re-measurement of assets | 62 | 105 |

**Total income from continuing operations** | 501,488 | 333,365 |

### Expenses from continuing operations

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee expenses</td>
<td>7 333,994</td>
<td>2,390</td>
</tr>
<tr>
<td>Health service employee costs</td>
<td>8 -</td>
<td>236,851</td>
</tr>
<tr>
<td>Supplies and services</td>
<td>11 129,937</td>
<td>74,036</td>
</tr>
<tr>
<td>Grants</td>
<td>1,264</td>
<td>1,084</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>16/17 36,788</td>
<td>7,334</td>
</tr>
<tr>
<td>Loss on disposal/re-measurement of assets*</td>
<td>12 35,080</td>
<td>76</td>
</tr>
<tr>
<td>Other expenses</td>
<td>13 6,120</td>
<td>4,874</td>
</tr>
<tr>
<td><strong>Total expenses from continuing operations</strong></td>
<td>543,683</td>
<td>326,645</td>
</tr>
</tbody>
</table>

**Operating result from continuing operations** | (42,195) | 6,720 |

### Other comprehensive income

Items that will not be reclassified subsequently to operating result:

- Increase/(decrease) in asset revaluation surplus | 20 (4,766) | 4,974 |

**Total other comprehensive income** | (4,766) | 4,974 |

**Total comprehensive income** | (46,961) | 11,694 |

* $35.062 million in this expense category for 2015 is attributable to the decrement in valuation of buildings located at the former Royal Children’s Hospital site at Herston due to the uncertain future use of these assets. Refer Note 16 for further information.

The accompanying notes form part of these statements.
## Statement of Financial Position

As at 30 June 2015

<table>
<thead>
<tr>
<th>Notes</th>
<th>2015 $'000</th>
<th>2014 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>14</td>
<td>28,666</td>
</tr>
<tr>
<td>Receivables</td>
<td>15</td>
<td>34,920</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td>4,751</td>
</tr>
<tr>
<td>Prepayments</td>
<td></td>
<td>388</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td><strong>68,725</strong></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>16</td>
<td>1,306,539</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>17</td>
<td>1,034</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td><strong>1,307,573</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td><strong>1,376,298</strong></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>18</td>
<td>30,646</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>19</td>
<td>20,523</td>
</tr>
<tr>
<td>Unearned service revenue</td>
<td></td>
<td>3,313</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td><strong>54,482</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td><strong>54,482</strong></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td><strong>1,321,816</strong></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed equity</td>
<td></td>
<td>1,343,663</td>
</tr>
<tr>
<td>Accumulated surplus/(loss)</td>
<td></td>
<td>(25,212)</td>
</tr>
<tr>
<td>Asset revaluation surplus</td>
<td>20</td>
<td>3,365</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td><strong>1,321,816</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these statements.
## Statement of Changes in Equity
For the year ended 30 June 2015

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Surplus/(Loss)</th>
<th>Asset Revaluation Surplus (Note 20)</th>
<th>Contributed Equity</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance as at 1 July 2014</td>
<td>16,983</td>
<td>8,131</td>
<td>97,338</td>
<td>122,452</td>
</tr>
<tr>
<td>Operating result from continuing operations</td>
<td>(42,195)</td>
<td></td>
<td></td>
<td>(42,195)</td>
</tr>
<tr>
<td><strong>Other Comprehensive Income:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Decrease in asset revaluation surplus</td>
<td></td>
<td>(4,766)</td>
<td></td>
<td>(4,766)</td>
</tr>
<tr>
<td>Total Comprehensive Income</td>
<td>(42,195)</td>
<td>(4,766)</td>
<td></td>
<td>(46,961)</td>
</tr>
<tr>
<td><strong>Transactions with Owners as Owners:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Equity injections*</td>
<td>1,283,088</td>
<td>1,283,088</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Equity withdrawals**</td>
<td>(36,763)</td>
<td>(36,763)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Transactions with Owners as Owners</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at 30 June 2015</td>
<td>(25,212)</td>
<td>3,365</td>
<td>1,343,663</td>
<td>1,321,816</td>
</tr>
</tbody>
</table>

Balance as at 1 July 2013 10,263 3,157 105,354 118,774
Operating result from continuing operations 6,720 - - 6,720
**Other Comprehensive Income:**
- Increase in asset revaluation surplus - 4,974 - 4,974
Total Comprehensive Income for the Year 6,720 4,974 - 11,694

**Transactions with Owners as Owners:**
- Equity injections* - - 6,751 6,751
- Equity withdrawals** - - (14,767) (14,767)
Net Transactions with Owners as Owners - - (8,016) (8,016)
Balance as at 30 June 2014 16,983 8,131 97,338 122,452

* Represents reimbursement from the Department of Health for certain asset purchases and equity movement for the transfers of property, plant and equipment from the Department of Health and other Hospital and Health Services (HHS).

** Represents equity movements for depreciation and amortisation funding from the Department of Health and transfers of property, plant and equipment to the Department of Health and other HHSs.

The accompanying notes form part of these statements.
### Statement of Cash Flows

For the year ended 30 June 2015

<table>
<thead>
<tr>
<th>Notes</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

**Cash flows from operating activities**

*Inflows:*
- User charges and fees: 438,929 319,989
- Grants and other contributions: 1,087 1,086
- Interest received: 279 263
- GST collected from customers: 727 1,107
- GST input tax credits from ATO: 4,939 3,621
- Other inflows: 1,757 8,137

*Outflows:*
- Employee expenses: (313,703) (2,271)
- Health service employee costs: (14,950) (233,755)
- Supplies and services: (112,739) (77,950)
- Grants: (1,264) (48)
- GST paid to suppliers: (7,177) (3,941)
- GST remitted to ATO: (22) (1,002)
- Other outflows: (6,671) (1,312)

**Net cash provided by (used in) operating activities**

21 (8,808) 13,924

**Cash flows from investing activities**

*Inflows:*
- Sales of property, plant and equipment: 62 -

*Outflows:*
- Payments for property, plant and equipment: (7,527) (4,353)

**Net cash provided by (used in) investing activities**

(7,465) (4,353)

**Cash flows from financing activities**

*Inflows:*
- Equity injections: 5,971 2,728

**Net cash provided by (used in) financing activities**

5,971 2,728

**Net increase/(decrease) in cash and cash equivalents**

(10,302) 12,299

Cash and cash equivalents at beginning of financial year: 38,968 26,669

**Cash and cash equivalents at end of financial year**

14 28,666 38,968

The accompanying notes form part of these statements.
## Contents

- **Note 1** Objectives and principal activities of Children’s Health Queensland
- **Note 2** Transition to the Lady Cilento Children’s Hospital
- **Note 3** Children’s Health Queensland becoming a prescribed employer
- **Note 4** Summary of significant accounting policies
- **Note 5** User charges and fees
- **Note 6** Other revenue
- **Note 7** Employee expenses
- **Note 8** Health service employee costs
- **Note 9** Key management personnel and remuneration expenses
- **Note 10** Related Parties
- **Note 11** Supplies and services
- **Note 12** Loss on disposal/re-measurement of assets
- **Note 13** Other expenses
- **Note 14** Cash and cash equivalents
- **Note 15** Receivables
- **Note 16** Property, plant and equipment
- **Note 17** Intangible assets
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- **Note 21** Reconciliation of operating result to net cash from operating activities
- **Note 22** Commitments for expenditure
- **Note 23** Contingencies
- **Note 24** Restricted assets
- **Note 25** Third party monies
- **Note 26** Financial instruments
- **Note 27** Budget vs actual comparison
- **Note 28** Events occurring after reporting date
1 Objectives and principal activities of Children’s Health Queensland

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

2 Transition to the Lady Cilento Children’s Hospital

The new Lady Cilento Children’s Hospital (LCCH) commenced operations on 29 November 2014 and resulted in a number of changes for Children’s Health Queensland including the following:

(a) An increase in services, workforce and Department of Health service level funding

The move to the new hospital included the integration of services previously provided by the Mater Children’s Hospital (Mater) with services provided by the Royal Children’s Hospital. As a result, the Department of Health service agreement funding for 2014-15 for Children’s Health Queensland, increased by $104 million representing funding previously committed to the Mater for the seven months of operations from the end of November 2014. The 2015-16 financial year will include the first full year of operational funding for the new hospital.

Total staffing numbers increased from 2,007 full time equivalents (FTEs) as at 30 June 2014 to 3,074 FTEs as at 30 June 2015, due to the amalgamation of services.

(b) An increase in property, plant and equipment

The 2014-15 financial statements includes assets relating to various new co-located land and buildings at South Brisbane in the LCCH hospital precinct and related property, plant and equipment transferred from the Department of Health to Children’s Health Queensland at the completion of the development project. Assets transferred include the following land and buildings and associated plant and equipment: the Lady Cilento Children’s Hospital, the hospital Central Energy Plant, the Centre for Children’s Health Research facility and a commercial office building. The total value of all property, plant and equipment transferred to Children’s Health Queensland during the year was $1.277 billion.

(c) Revaluation of buildings at the former Royal Children’s Hospital site, Herston.

With the opening of the new Lady Cilento Children’s Hospital, Children’s Health Queensland no longer has a requirement to utilise the facilities at the former Royal Children’s Hospital site at Herston. As a result, the Deed of Lease to occupy this site that Children’s Health Queensland had with Metro North Hospital and Health Service (Metro North) expired on 30 June 2015.

At the reporting date, all Herston buildings to which Children’s Health Queensland controlled, have been revalued by an independent valuer (refer to Note 16). As a result of the revaluation process, there has been a write-down of $49.402 million relating to the buildings on this site, of which $14.340 million is offset against the asset revaluation reserve and $35.062 million expensed to the Statement of Comprehensive Income.
3 Children’s Health Queensland becoming a prescribed employer

On 1 July 2014, Children’s Health Queensland became a prescribed employer of health service employees. This has resulted in staff that were originally employed by the Department of Health, having their employment contracts, as well as any accrued benefits, transferred to Children’s Health Queensland under the Hospital and Health Boards Act 2011.

Children’s Health Queensland, not the Department of Health, is now recognising employee expenses in respect of these staff. The Director-General, Department of Health, will continue to be responsible for setting the terms and conditions of employment, including remuneration and classification structures, and for negotiating enterprise agreements.

4 Summary of significant accounting policies

(a) Statement of compliance

These general purpose financial statements have been prepared pursuant to Section 62(1) of the Financial Accountability Act 2009, relevant sections of the Financial and Performance Management Standard 2009 and other prescribed requirements. These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities as Children’s Health Queensland is a not-for-profit entity. In addition, the financial statements comply with Queensland Treasury’s Minimum Reporting Requirements for the year ended 30 June 2015, and other authoritative pronouncements. Except where stated, the historical cost convention is used.

(b) The reporting entity

The financial statements include the value of all revenue, expenses, assets, liabilities and equity of Children’s Health Queensland.

(c) User charges and fees

User charges and fees primarily comprise Department of Health funding, funding from other entities, hospital fees and sales of goods and services.

Funding from the Department of Health is provided predominantly for specific public health services purchased by the Department from Children’s Health Queensland in accordance with a service agreement. The service agreement is reviewed periodically and updated for changes in activities and prices of services. Funding is received fortnightly in advance. At the end of the financial year, a financial adjustment may be required where the level of services provided is above or below the agreed level.

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

(d) Grants and other contributions

Grants and other contributions that are non-reciprocal in nature are recognised as revenue in the year in which Children’s Health Queensland obtains control over them (control is generally obtained at the time of receipt).

Contributed assets are recognised at their fair value. The accounting treatment for contributions of services is explained in Note 4(s).

(e) Special payments

Special payments include ex-gratia expenditure and other expenditure that is not contractually or legally obligated to be made to other parties. In compliance with the Financial and Performance Management
Special payments (continued)

Standard 2009, Children’s Health Queensland maintains a register setting out details of all special payments greater than $5,000. Special payments are disclosed separately within other expenses (refer to Note 13).

Cash and cash equivalents

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

Receivables

Trade receivables are recognised at their carrying value, less any impairment. Settlement of these amounts is required within 30 days from invoice date. The recoverability of trade receivables is reviewed on a monthly basis. Any allowance for impairment is disclosed in Note 15. All known bad debts are written off when identified.

Inventories

Inventories consist of pharmaceuticals and clinical supplies held for distribution to and consumption by the hospital and other facilities. Inventories are measured at weighted average cost, adjusted for obsolescence.

Unless material, inventories do not include some supplies held for ready use in the wards throughout the hospital facilities and are expensed on issue from Children's Health Queensland's main storage facilities.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are initially recorded at consideration plus any other costs directly incurred in bringing the asset ready for use. Items or components that form an integral part of an asset are recognised as a single (functional) asset. The cost of items acquired during the financial year has been judged by management to materially represent the fair value at the end of the reporting period.

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$1</td>
</tr>
<tr>
<td>Buildings</td>
<td>$10,000</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

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

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

At the reporting date, Children’s Health Queensland has Deed of Lease arrangements with various government entities over its land and buildings. This represents the right to use such assets and under the terms of the lease, no consideration in the form of a lease or residual payment is required.
(i) Property, plant and equipment (continued)

While these entities retain legal ownership of the assets, effective control has been transferred to Children's Health Queensland. Children's Health Queensland has full exposure to the risks and rewards of asset ownership and is responsible for their maintenance. In accordance with the definition of control under Australian Accounting Standards, Children's Health Queensland must recognise the value of these assets in the Statement of Financial Position.

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

Valuation

Land and buildings are measured at fair value in accordance with AASB 116 Property, Plant and Equipment, AASB 13 Fair Value Measurement and Queensland Treasury’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.

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

Where assets have not been specifically appraised in the reporting period, previous valuations are materially kept up-to-date via the application of relevant indices. Children's Health Queensland ensures that the application of such indices results in a valid estimation of the assets’ fair value at reporting date.

The valuer supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to the valuer. The valuer provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by the valuer, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by the valuer based on the entities own particular circumstances.

Land is valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales. The valuation of land is determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre is applied to the subject asset.

Reflecting the specialised nature of health service buildings, fair value is determined using depreciated replacement cost or depreciated reproduction cost methodologies (Heritage buildings), due to there not being an active market for such facilities. Depreciated replacement cost is determined as the replacement cost less the cost to bring an asset to current standards. Depreciated reproduction cost is determined as the reproduction cost less the cost to bring an asset to an “as new” condition.
(i) Property, plant and equipment (continued)

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

- Gross floor area
- Number of floors
- Girth of the building
- Height of the building
- Number of lifts and staircases
- 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 of managing 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 or reproduction. The costs are at Brisbane prices and published location indices are used to adjust the pricing to suit local market conditions. Live project costs from across the state are also assessed to inform current market changes that may influence the published factors.

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

For depreciated reproduction cost, there is a slightly different approach as there are a number of factors which can impact a fair value estimate including:

- Reproduction cost estimates are often unique and construction costs are extremely high
- Refurbishment costs (costs to bring to current standards) cannot be applied in the same manner
- Remaining life of an asset cannot be easily established.

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

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

- Visual inspection of the asset
- Asset condition data
- Verbal guidance from the asset manager
- Previous reports and inspection photographs if available (to show the change in condition over time).
Notes to the Financial Statements  
For the year ended 30 June 2015

(1) Property, plant and equipment (continued)

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

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

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

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

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

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

Children’s Health Queensland also has a commercial office building that is valued under the income valuation approach. Such valuation technique converts future amounts (cash flows or income and expenses) to a single current (discounted) amount. The fair value measurement reflects current market expectations about these future amounts.

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 should not materially differ from their fair value.

Subsequent additional costs

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

Depreciation

Land is not normally depreciated, however Children’s Health Queensland controls certain land under a restriction that will be depreciated in subsequent reporting periods (refer to Note 16).

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset over the estimated useful life. Assets under construction (work-in-progress) are not depreciated until they are ready for use. For each class of depreciable assets, the following depreciation rates were used:
(i) Property, plant and equipment (continued)
Buildings 1.3% - 4.3%
Plant and equipment 4.9% - 35.3%

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

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

Assets’ useful lives and depreciation methods are reviewed at least at the end of each reporting period and adjusted if appropriate.

Derecognition

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

(ii) Intangible assets

Recognition and measurement

Children’s Health Queensland has one class of intangible asset, being internally generated computer software. Software has an asset recognition threshold of $100,000. Software with a lesser cost is expensed.

Intangible assets are recorded at cost, which is consideration plus costs incidental to the acquisition, less accumulated amortisation and any accumulated impairment losses.

Subsequent additional costs

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

Amortisation

Software is amortised on a straight-line basis over the period in which the related benefits are expected to be realised. Current amortisation rate for software is 14.1%.

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

Derecognition

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

(k) Fair value measurement

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

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

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

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

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

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

None of Children’s Health Queensland’s valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy and there were no transfer of assets between fair value hierarchy levels during the period. More specific fair value information about the entities property, plant and equipment is outlined further in Note 16.

(l) Leased property, plant and equipment

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

(m) Impairment of non-current assets

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

(n) Payables

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

(o) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Children’s Health Queensland holds financial instruments in the form of cash, call deposits, receivables and payables. Children’s Health Queensland does not enter into transactions for speculative purposes, or for hedging.
(o) Financial instruments (continued)

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

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are additionally assessed for impairment on a collective basis. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Comprehensive Income.

Financial assets (excluding cash and cash equivalents) and liabilities held by Children’s Health Queensland are classified as level three in the fair value hierarchy. Fair values are derived from data not observable in a market.

Other disclosures relating to the measurement and financial risk management of other financial instruments are included in Note 26.

(p) Employee benefits

Salaries, wages and related costs

Wages, salaries 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 and long service leave levies

Under the Queensland Government’s Annual Leave Central Scheme (established on 30 June 2008) and Long Service Leave Central Scheme (established on 1 July 1999), levies are payable by Children’s Health Queensland to cover the cost of employees’ annual leave (including leave loading and on-costs) and long service leave. These levies are expensed in the period in which they are paid or payable. Amounts paid to employees for annual leave and long service leave are claimed from the schemes quarterly in arrears which is currently facilitated by the Department of Health.

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

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.

QSuper is the superannuation scheme for Queensland Government employees. Contributions are also paid to other superannuation funds as nominated by Board members and in relation to staff who transitioned from Mater Health Services as part of the opening of the Lady Cilento Children’s Hospital.

Employer superannuation contributions are paid to QSuper at rates determined by the Treasurer on the advice of the State Actuary. The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis and reported in those
(p) Employee benefits (continued)

financial statements pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Other entitlements

The liability for employee benefits includes provisions for purchased leave, professional development entitlements and accrued rostered day off entitlements.

The entitlement liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the entitlement is taken to the extent that the leave is taken during service rather than paid out on termination.

Key management personnel and remuneration expenses

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

(q) Insurance

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

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

Contribution of services received/provided free of charge are recognised when such services would have otherwise been purchased ensuring their fair value can be reliably measured. When this is the case, an equal amount is recognised as revenue and an expense.

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

Children’s Health Queensland provides residential and office accommodation to Leonard Lodge, a non-for-profit organisation for nominal consideration.

(s) Contributed equity

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

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

(t) Third party monies

Children’s Health Queensland acts as a billing agency for medical practitioners who use Children’s Health Queensland facilities for the purpose of seeing patients under a Grant of Private Practice agreement (GOPP). Under this agreement, Children’s Health Queensland deducts from private patient fees received,
Third party monies (continued)

a service fee (where applicable) to cover the use of the facilities and administrative support provided to the medical practitioner.

In addition, Children’s Health Queensland acts in a fiduciary trust capacity in relation to patient trust accounts. Children’s Health Queensland acts in a custodial role in respect of these transactions. As such, they are not recognised in the financial statements, but are disclosed 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.

Taxation

Children’s Health Queensland is a State body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only Commonwealth taxes recognised by Children’s Health Queensland.

Children’s Health Queensland and the Department of Health satisfy section 149-25(e) of the A New Tax System (Goods and Services) Act 1999 (the Act) and were able, with other Hospital and Health Services, to form a “group” for GST purposes under the Division 149 of the Act. This means that any transactions between the members of the group do not attract GST. The GST transactions with the Australian Taxation Office are lodged and managed by the Department of Health.

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

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

Where disclosed, contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

Issuance of financial statements

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

Accounting Estimates and Judgements

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

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

- Receivables: Note 15
- Depreciation, amortisation and valuation of property, plant and equipment and intangible assets: Notes 4(i), 4(j), 16 and 17
- Contingencies: Note 23
(x) Economic dependence

Children’s Health Queensland’s primary source of income is from the State Government. Children’s Health Queensland’s ability to continue viable operations is dependent on this funding in accordance with the Service Agreement with the Department of Health (refer to Note 4(c)). At the date of this report, management has no reason to believe that this financial support will not continue.

(y) Rounding and comparatives

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

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(z) New and revised accounting standards

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

The only Australian Accounting Standard changes applicable for the first time as from 1 July 2014 that have had a significant impact on the financial statements are those arising from AASB 1055 Budgetary Reporting as explained as follows:

- AASB 1055 Budgetary Reporting became effective from reporting period beginning on or after 1 July 2014. In response to the new standard, Children’s Health Queensland has included in these financial statements a new note - budget versus actual comparison (Note 27). The note discloses Children’s Health Queensland’s original budgeted figure for 2014-15 as published in the Service Delivery Statements (SDS) 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.

The following amending Accounting Standard will impact Children’s health Queensland in future reporting periods.

- AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities amends AASB 13 Fair Value Measurement effective from annual reporting periods beginning on or after 1 July 2016. The amendments provide relief from certain disclosures about fair values categorised as level 3 under the fair value hierarchy (refer to note 4(k)). Accordingly, the following disclosures for level 3 fair values in note 16 will no longer be required:
  - the disaggregation of certain gains/losses on assets reflected in the operating result;
  - quantitative information about the significant unobservable inputs used in the fair value measurement; and
  - a description of the sensitivity of the fair value measurement to changes in the unobservable inputs.

As the amending standard was released in early July 2015, Children’s Health Queensland has not early adopted this relief in these financial statements, as per instructions from Queensland Treasury. However, Children’s Health Queensland will be early adopting this disclosure relief as from the 2015-16 reporting period (also on instructions from Queensland Treasury).
(2) New and revised accounting standards (continued)

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

- AASB 15 Revenue from Contracts with Customers - requires entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the organisation expects to be entitled in exchange for those goods or services.

- AASB 9 Financial Instruments - deals with the recognition, classification, measurement and derecognition of financial assets and financial liabilities.

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

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Hospital fees</td>
<td>13,075</td>
<td>12,955</td>
</tr>
<tr>
<td>Sale of goods and services</td>
<td>9,912</td>
<td>8,495</td>
</tr>
<tr>
<td>Service revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– State</td>
<td>381,122</td>
<td>257,816</td>
</tr>
<tr>
<td>– Federal</td>
<td>93,291</td>
<td>44,640</td>
</tr>
<tr>
<td>Total</td>
<td>497,400</td>
<td>323,906</td>
</tr>
</tbody>
</table>

6 Other revenue

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health service employee cost recoveries*</td>
<td>-</td>
<td>4,970</td>
</tr>
<tr>
<td>Insurance recoveries</td>
<td>131</td>
<td>998</td>
</tr>
<tr>
<td>Other recoveries</td>
<td>1,319</td>
<td>1,644</td>
</tr>
<tr>
<td>Interest</td>
<td>259</td>
<td>282</td>
</tr>
<tr>
<td>Other</td>
<td>287</td>
<td>176</td>
</tr>
<tr>
<td>Total</td>
<td>1,996</td>
<td>8,070</td>
</tr>
</tbody>
</table>

* A reduction in health service employee cost recoveries is due to Children’s Health Queensland becoming a prescribed employer from 1 July 2014 (refer to Note 3).
7 Employee expenses

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>259,470</td>
<td>1,605</td>
</tr>
<tr>
<td>Board member fees</td>
<td>440</td>
<td>352</td>
</tr>
<tr>
<td>Employer superannuation contributions</td>
<td>27,437</td>
<td>201</td>
</tr>
<tr>
<td>Annual leave levy</td>
<td>37,914</td>
<td>159</td>
</tr>
<tr>
<td>Long service leave levy</td>
<td>5,570</td>
<td>34</td>
</tr>
<tr>
<td>Other employee related expenses</td>
<td>3,163</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>333,994</td>
<td>2,390</td>
</tr>
</tbody>
</table>

Number of employees** 3,074 11

* An increase in employee expenses is due to Children’s Health Queensland becoming a prescribed employer from 1 July 2014 (refer to Note 3) and also as a result of the opening of the new Lady Cilento Children’s Hospital.

** 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 (MOHRI) as at 30 June 2015. Members of the Board are not included in this total.

8 Health service employee costs

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td>Health service employee costs</td>
<td>-</td>
<td>236,851</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>236,851</td>
</tr>
</tbody>
</table>

Number of employees - 1,996

* A reduction in health service employee costs and number of employees is due to Children’s Health Queensland becoming a prescribed employer from 1 July 2014 (refer to Note 3). In the 2013-14 financial year, the employees of the Department of Health, in accordance with the Hospital and Health Boards Act 2011 section 67, remained employees of the Department of Health and were contracted to Children’s Health Queensland for the provision of health service delivery.
9 Key management personnel and remuneration expenses

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of Children’s Health Queensland during 2014-15.

(a) Board

<table>
<thead>
<tr>
<th>Position and name</th>
<th>Responsibilities</th>
<th>Appointment authority</th>
<th>Date appointed / ceased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Chair - Ms Susan Johnston</td>
<td>Perform duties of Chair as prescribed in the <em>Hospital and Health Boards Act 2011</em>. Member - Quality and Safety Committee</td>
<td>Governor-in-Council Appointment</td>
<td>18/05/2012</td>
</tr>
<tr>
<td>Deputy Chair - Ms Jane Yacopetti</td>
<td>Perform duties of Deputy Chair as prescribed in the <em>Hospital and Health Boards Act 2011</em>. Chair - Health Service Executive Committee Member - Finance and Performance Committee (from 18/05/2015)</td>
<td>Governor-in-Council Appointment</td>
<td>18/05/2013</td>
</tr>
<tr>
<td>Board Member - Mr Paul Cooper</td>
<td>Perform duties of Board Member as prescribed in the <em>Hospital and Health Boards Act 2011</em>. Chair - Audit and Risk Committee Member - Finance and Performance Committee Member - Quality and Safety Committee (from 18/05/2015)</td>
<td>Governor-in-Council Appointment</td>
<td>29/06/2012</td>
</tr>
<tr>
<td>Board Member - Mr David Gow</td>
<td>Perform duties of Board Member as prescribed in the <em>Hospital and Health Boards Act 2011</em>. Chair - Finance and Performance Committee Member - Audit and Risk Committee Member - Health Service Executive Committee (from 18/05/2015)</td>
<td>Governor-in-Council Appointment</td>
<td>18/05/2013</td>
</tr>
<tr>
<td>Board Member - Dr Leanne Johnston</td>
<td>Perform duties of Board Member as prescribed in the <em>Hospital and Health Boards Act 2011</em>. Member - Finance and Performance Committee Member - Audit and Risk Committee Member - Health Service Executive Committee (from 18/05/2015)</td>
<td>Governor-in-Council Appointment</td>
<td>29/06/2012</td>
</tr>
<tr>
<td>Board Member - Ms Georgina Somerset</td>
<td>Perform duties of Board Member as prescribed in the <em>Hospital and Health Boards Act 2011</em>. Member - Health Service Executive Committee Member - Quality and Safety Committee</td>
<td>Governor-in-Council Appointment</td>
<td>23/08/2013</td>
</tr>
<tr>
<td>Board Member - Mr Ross Williams</td>
<td>Perform duties of Board Member as prescribed in the <em>Hospital and Health Boards Act 2011</em>. Member - Finance and Performance Committee* Member - Health Service Executive Committee*</td>
<td>Governor-in-Council Appointment</td>
<td>18/05/2014 - 17/05/2015 Re-appointed 25/06/2015</td>
</tr>
</tbody>
</table>

* During the period 18/05/2015 to 25/06/2015, Mr Williams was an external Member of the Committee.
(a) Board (Continued)

<table>
<thead>
<tr>
<th>Position and name</th>
<th>Responsibilities</th>
<th>Appointment authority</th>
<th>Date appointed / ceased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Member - Dr David Wood</td>
<td>Perform duties of Board Member as prescribed in the Hospital and Health Boards Act 2011. Chair - Quality and Safety Committee Member - Audit and Risk Committee</td>
<td>Governor-in-Council Appointment</td>
<td>29/06/2012</td>
</tr>
<tr>
<td>Board Member - Associate Professor Susan Young</td>
<td>Perform duties of Board Member as prescribed in the Hospital and Health Boards Act 2011. Member - Quality and Safety Committee Member - Health Service Executive Committee</td>
<td>Governor-in-Council Appointment</td>
<td>18/05/2014 - 17/05/2015</td>
</tr>
<tr>
<td>Board Member - Ms Cheryl Herbert</td>
<td>Perform duties of Board Member as prescribed in the Hospital and Health Boards Act 2011.</td>
<td>Governor-in-Council Appointment</td>
<td>26/06/2015</td>
</tr>
</tbody>
</table>

(b) Executive management

<table>
<thead>
<tr>
<th>Position</th>
<th>Responsibilities</th>
<th>Contract classification and appointment authority</th>
<th>Date appointed / ceased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Service Chief Executive</td>
<td>The single point of accountability for ensuring patient safety through the effective executive leadership and management of Children’s Health Queensland, as well as associated support functions. Accountable for ensuring that Children’s Health Queensland achieves a balance between efficient service delivery and high quality health outcomes.</td>
<td>Individual contract Hospital and Health Boards Act 2011</td>
<td>15/01/2015 Previous incumbent: 01/07/2012 - 31/12/2014</td>
</tr>
<tr>
<td>Executive Director, People and Culture</td>
<td>Develop and implement strategies relating to people and culture so that Children’s Health Queensland has the necessary skills, capabilities and enabling human resource, organisational development, work health and safety and industrial relations frameworks to meet current and future health service needs.</td>
<td>Health Executive Service (HES 2) Hospital and Health Boards Act 2011</td>
<td>01/07/2012</td>
</tr>
<tr>
<td>Chief Finance Officer</td>
<td>To 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.</td>
<td>Health Executive Service (HES 3) Hospital and Health Boards Act 2011</td>
<td>07/01/2013</td>
</tr>
<tr>
<td>Executive Director, Office of Strategy Management</td>
<td>To provide leadership in the design, implementation and continuous improvement of the integrated planning, strategy management, performance monitoring and strategy communications frameworks and systems for the organisation. Provide secretariat functions and support for the Children’s Health Queensland Board and the Children’s Health Foundation Board.</td>
<td>Health Executive Service (HES 2) Hospital and Health Boards Act 2011</td>
<td>20/02/2013</td>
</tr>
</tbody>
</table>
### (b) Executive management (continued)

<table>
<thead>
<tr>
<th>Position</th>
<th>Responsibilities</th>
<th>Contract classification and appointment authority</th>
<th>Date appointed / ceased</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager Operations</td>
<td>Responsible for the effective and efficient delivery of all clinical and non-clinical services and resources at the Lady Cilento Children's Hospital, Child and Youth Mental Health Services, Community Services and non-clinical support for Children's Health Queensland. Critically analyse service delivery and strategically lead the development of strategies to address key service gaps, high level risks, performance gaps and performance targets within the responsible service areas.</td>
<td>Health Executive Service (HES 3) Hospital and Health Boards Act 2011</td>
<td>15/06/2015 (Acting) Previous incumbent: 03/12/2012 - 12/06/2015</td>
</tr>
<tr>
<td>Executive Director, Medical Services</td>
<td>Provide medical executive leadership, strategic focus, managerial direction, authoritative and expert advice on a wide range of professional and policy issues. Develop and create an environment and culture that draws the best medical talent and enhances the attraction and retention of high quality child and family focused medical specialists. Develop, implement and continuously monitor Children's Health Queensland policy and specialist support to line managers in relation to the recruitment, credentialing, employment, development and performance management of doctors. Shape and lead strategic thinking and strategy development of an integrated medical service delivery model within both Children's Health Queensland and the Lady Cilento Children's Hospital. Lead the development, implementation and evaluation of the health service patient safety and quality improvement strategy.</td>
<td>Senior Medical Officer Contract (MM014) Hospital and Health Boards Act 2011</td>
<td>05/11/2012</td>
</tr>
<tr>
<td>Executive Director, Nursing Services</td>
<td>Provide nursing executive leadership, strategic focus, managerial direction, authoritative and expert advice on a wide range of professional and policy issues. Shape and lead strategic thinking and strategy development of an integrated nursing service delivery model within Children's Health Queensland. Provide professional leadership and accountability for Children's Health Queensland's nursing services.</td>
<td>Queensland Health Nurses and Midwives Award – State 2012 (Nurse Grade 12)</td>
<td>26/11/2012</td>
</tr>
</tbody>
</table>
### (b) Executive management (continued)

<table>
<thead>
<tr>
<th>Position</th>
<th>Responsibilities</th>
<th>Contract classification and appointment authority</th>
<th>Date appointed / ceased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director, Allied Health and Community Services</td>
<td>Provide allied health and community services executive leadership, strategic focus, managerial direction and authoritative and expert advice on a wide range of professional and policy issues. Shape and lead strategic thinking and strategy development of an integrated allied health service delivery model within both Children's Health Queensland and the Lady Cilento Children's Hospital. Provide professional leadership and accountability for Children's Health Queensland's Allied Health and Community Services. Responsible for establishing a service delivery system within Child and Youth Community Health that reflects the needs of the many communities, and for ensuring that the full range of services provided are safe, effective, and efficient, of high quality and are evidence-based.</td>
<td>Health Executive Service (HES 2) Hospital and Health Boards Act 2011</td>
<td>03/12/2012 - 17/07/2014</td>
</tr>
<tr>
<td>Executive Director, Allied Health</td>
<td>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. Shape and lead strategic thinking and strategy development at the executive management level in a complex, diverse and dynamic environment with the ability to develop and establish an integrated allied health service delivery model across Children’s Health Queensland. Provide professional leadership and accountability for the Children’s Health Queensland Allied Health Services.</td>
<td>District Health Services Employees Award – State 2012 (HP8-2)</td>
<td>05/01/2015</td>
</tr>
<tr>
<td>Executive Director, Commissioning and Development</td>
<td>Executive commissioning lead for Children's Health Queensland activities and facilitates communication with the Lady Cilento Children's Hospital Project Team, providing direction, advice and decisions where necessary. Ensure Children's Health Queensland has a clearly established, articulated and functional governance framework that incorporates the commissioning of, and transition to fully operational facilities, including the Lady Cilento Children's Hospital, Centre for Children's Health Research and the Central Energy Plant. Accountable for the outcomes through directing, driving and supporting the work of the Children's Health Queensland commissioners and executives at a high level and from an organisational perspective to achieve effective and timely outcomes.</td>
<td>Health Executive Service (HES 2) Hospital and Health Boards Act 2011</td>
<td>28/04/2014</td>
</tr>
<tr>
<td>Chief Information Officer</td>
<td>Lead and manage Information and Communication Technology (ICT) service delivery for Children's Health Queensland which is aligned to the health service strategic plan. Identify, mitigate and manage ICT risks and priorities. Analyse and monitor the major ICT trends and influences and their potential social and economic impacts. Ensures that Children's Health Queensland achieves optimum performance in the delivery of ICT services and complex projects which support in ensuring health care is delivered in the most efficient, effective and economical manner.</td>
<td>Health Executive Service (HES 2) Hospital and Health Boards Act 2011</td>
<td>27/01/2015</td>
</tr>
</tbody>
</table>
(c) Remuneration expenses

Remuneration Policy

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

Board

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

Executive Management

In accordance with section 67 of the Hospital and Health Boards Act 2011, the Director-General of the Department of Health determines the remuneration for Children's Health Queensland key executive management 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 fringe benefits tax where applicable.

- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

Performance bonuses are not paid to executive management.
### (i) Board

<table>
<thead>
<tr>
<th>Position and name</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Board Chair</strong> - Ms Susan Johnston</td>
<td>78 $'000</td>
<td>71 $'000</td>
</tr>
<tr>
<td><strong>Deputy Chair</strong> - Ms Jane Yacopetti</td>
<td>44 $'000</td>
<td>37 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Mr Paul Cooper</td>
<td>47 $'000</td>
<td>36 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Mr David Gow</td>
<td>47 $'000</td>
<td>36 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Ms Cheryl Herbert (appointed 26/06/2015)</td>
<td>1 $'000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Dr Leanne Johnston</td>
<td>46 $'000</td>
<td>36 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Ms Georgina Somerset</td>
<td>50 $'000</td>
<td>35 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Mr Ross Williams (18/05/2014 - 17/05/2015) (re-appointed 26/06/2015)</td>
<td>40 $'000</td>
<td>6 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Dr David Wood</td>
<td>47 $'000</td>
<td>36 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Associate Professor Susan Young (18/05/2014 - 17/05/2015)</td>
<td>40 $'000</td>
<td>6 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Ms Eileen Jones (ceased 17/05/2014)</td>
<td>-</td>
<td>29 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Ms Andrea O'Shea (ceased 17/05/2014)</td>
<td>-</td>
<td>24 $'000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th><strong>Post-employment expenses</strong></th>
<th><strong>Termination benefits</strong></th>
<th><strong>Total expenses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Board Chair</strong> - Ms Susan Johnston</td>
<td>6 $'000</td>
<td>-</td>
<td>86 $'000</td>
</tr>
<tr>
<td><strong>Deputy Chair</strong> - Ms Jane Yacopetti</td>
<td>3 $'000</td>
<td>-</td>
<td>49 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Mr Paul Cooper</td>
<td>3 $'000</td>
<td>-</td>
<td>47 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Mr David Gow</td>
<td>3 $'000</td>
<td>-</td>
<td>44 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Ms Cheryl Herbert (appointed 26/06/2015)</td>
<td>-</td>
<td>-</td>
<td>1 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Dr Leanne Johnston</td>
<td>5 $'000</td>
<td>-</td>
<td>51 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Ms Georgina Somerset</td>
<td>5 $'000</td>
<td>-</td>
<td>45 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Mr Ross Williams (18/05/2014 - 17/05/2015) (re-appointed 26/06/2015)</td>
<td>4 $'000</td>
<td>-</td>
<td>42 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Dr David Wood</td>
<td>5 $'000</td>
<td>-</td>
<td>47 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Associate Professor Susan Young (18/05/2014 - 17/05/2015)</td>
<td>4 $'000</td>
<td>-</td>
<td>40 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Ms Eileen Jones (ceased 17/05/2014)</td>
<td>-</td>
<td>3 $'000</td>
<td>33 $'000</td>
</tr>
<tr>
<td><strong>Board Member</strong> - Ms Andrea O'Shea (ceased 17/05/2014)</td>
<td>-</td>
<td>2 $'000</td>
<td>26 $'000</td>
</tr>
</tbody>
</table>

**Total Remuneration: Board**

| 2015 | 440 $'000 | 46 $'000 | 486 $'000 |
| 2014 | 352 $'000 | 28 $'000 | 380 $'000 |
### (ii) Executive Management

<table>
<thead>
<tr>
<th>Position</th>
<th>2015 Monetary expenses '000</th>
<th>2015 Non-monetary benefits '000</th>
<th>2014 Monetary expenses '000</th>
<th>2014 Non-monetary benefits '000</th>
<th>2015 Long term employee expenses '000</th>
<th>2015 Post-employment expenses '000</th>
<th>2015 Termination benefits '000</th>
<th>2015 Total expenses '000</th>
<th>2014 Long term employee expenses '000</th>
<th>2014 Post-employment expenses '000</th>
<th>2014 Termination benefits '000</th>
<th>2014 Total expenses '000</th>
</tr>
</thead>
</table>
10 Related Parties

Ms Susan Johnston (Chair of the Board) and Ms Fionnagh Dougan (Health Service Chief Executive) were the Children’s Health Queensland nominated members on the Children’s Hospital Foundation Board (Foundation) at reporting date. The Foundation raises funds for research, equipment and services for the Lady Cilento Children’s Hospital. Membership of the Board is in line with the Foundation’s Constitution and the governance terms of such arrangement.

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

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

<table>
<thead>
<tr>
<th>Note</th>
<th>2015 $'000</th>
<th>2014 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical supplies and services</td>
<td>34,127</td>
<td>22,187</td>
</tr>
<tr>
<td>Consultants and contractors</td>
<td>25,756</td>
<td>14,437</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>20,319</td>
<td>13,291</td>
</tr>
<tr>
<td>Catering and domestic supplies</td>
<td>11,680</td>
<td>5,041</td>
</tr>
<tr>
<td>Communications</td>
<td>5,253</td>
<td>3,347</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>7,730</td>
<td>2,679</td>
</tr>
<tr>
<td>Computer services</td>
<td>5,950</td>
<td>2,530</td>
</tr>
<tr>
<td>Building utilities</td>
<td>8,922</td>
<td>3,131</td>
</tr>
<tr>
<td>Operating lease rentals</td>
<td>3,478</td>
<td>2,162</td>
</tr>
<tr>
<td>Travel</td>
<td>1,638</td>
<td>1,400</td>
</tr>
<tr>
<td>Office supplies</td>
<td>1,723</td>
<td>1,318</td>
</tr>
<tr>
<td>Other inter-entity supplies</td>
<td>1,494</td>
<td>1,128</td>
</tr>
<tr>
<td>Other</td>
<td>1,867</td>
<td>1,385</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>129,937</strong></td>
<td><strong>74,036</strong></td>
</tr>
</tbody>
</table>

12 Loss on disposal/re-measurement of assets

<table>
<thead>
<tr>
<th></th>
<th>2015 $'000</th>
<th>2014 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer to/(from) allowance for impairment of receivables</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Bad debts written off</td>
<td>10</td>
<td>58</td>
</tr>
<tr>
<td>Loss on disposal of property, plant and equipment</td>
<td></td>
<td>495</td>
</tr>
<tr>
<td>Building revaluation decrement*</td>
<td>2(c);16</td>
<td>35,062</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>35,580</td>
<td>76</td>
</tr>
</tbody>
</table>

* The building revaluation decrement reflects the write-down of the former Royal Children’s Hospital site buildings at Herston net of appropriation to the asset revaluation surplus.
13 Other expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>External audit fees*</td>
<td>170</td>
<td>145</td>
</tr>
<tr>
<td>Other audit fees</td>
<td>196</td>
<td>289</td>
</tr>
<tr>
<td>Inventory written off</td>
<td>176</td>
<td>49</td>
</tr>
<tr>
<td>Legal costs</td>
<td>962</td>
<td>941</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,411</td>
<td>3,291</td>
</tr>
<tr>
<td>Bank fees</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>Special payments - Ex-gratia **</td>
<td>58</td>
<td>78</td>
</tr>
<tr>
<td>Other</td>
<td>129</td>
<td>56</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,120</td>
<td>4,874</td>
</tr>
</tbody>
</table>

* External audit fees relating to payments made to the Queensland Audit Office (QAO) are estimated to be $0.170 million (2014: $0.145 million). There were no non-audit services provided by the QAO during the period.

**There were no ex-gratia payments exceeding $5,000 during the financial year.

14 Cash and cash equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imprest accounts</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>Cash at bank and on hand*</td>
<td>21,275</td>
<td>31,443</td>
</tr>
<tr>
<td>Cash on deposit**</td>
<td>7,379</td>
<td>7,507</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>28,666</td>
<td>38,968</td>
</tr>
</tbody>
</table>

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

**Cash 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 2.84 per cent during the year (2014: 3.43 per cent).
Children’s Health Queensland Hospital and Health Service

Notes to the Financial Statements
For the year ended 30 June 2015

15 Receivables

<table>
<thead>
<tr>
<th>Note</th>
<th>2015 $'000</th>
<th>2014 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>8,416</td>
<td>4,528</td>
</tr>
<tr>
<td>Less: allowance for impairment loss</td>
<td>(171)</td>
<td>(164)</td>
</tr>
<tr>
<td>GST input tax credits receivable</td>
<td>1,119</td>
<td>320</td>
</tr>
<tr>
<td>GST payable</td>
<td>(154)</td>
<td>(105)</td>
</tr>
<tr>
<td>Service revenue receivable</td>
<td>23,989</td>
<td>2,136</td>
</tr>
<tr>
<td>Accrued other revenue</td>
<td>1,721</td>
<td>1,406</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34,920</strong></td>
<td><strong>8,121</strong></td>
</tr>
</tbody>
</table>

Movements in the allowance for impairment loss

<table>
<thead>
<tr>
<th>Description</th>
<th>2015 $'000</th>
<th>2014 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>164</td>
<td>504</td>
</tr>
<tr>
<td>Amounts written off during the financial year</td>
<td>(6)</td>
<td>(238)</td>
</tr>
<tr>
<td>Increase/(decrease) in allowance recognised in operating result</td>
<td>13</td>
<td>(102)</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td><strong>171</strong></td>
<td><strong>164</strong></td>
</tr>
</tbody>
</table>

16 Property, plant and equipment

Land:
At fair value | 81,388 | 16,698 |

Buildings:
At fair value | 1,236,961 | 204,548 |
Less: accumulated depreciation | (57,035) | (135,474) |
| **Total** | **1,179,926** | **69,074** |

Plant and equipment:
At cost | 62,812 | 32,818 |
Less: accumulated depreciation | (17,643) | (19,638) |
| **Total** | **45,169** | **13,180** |

Capital works in progress:
At cost | 56 | - |
| **Total** | **56** | **-** |

**Total** | **1,306,539** | **98,952**
16 Property, plant and equipment (continued)

Land and buildings

In 2014-15, a number of land and building assets were transferred to Children’s Health Queensland from the Department of Health as part of the opening of the new Lady Cilento Children’s Hospital at South Brisbane. The total value of the land transferred was $61.380 million and the total value of the buildings transferred was $1.185 billion.

During the financial year, land and buildings were revalued by independent professional valuers using a combination of comprehensive and indexed valuation methods. Management has assessed the valuations as appropriate.

Revaluation of buildings at the former Royal Children Hospital site, Herston

On 1 August 2014, the previous Queensland Government (Government) announced that the Royal Children’s Hospital site at Herston was set to become a world class health precinct, with registrations of interest for future development proposals being called. On 24 June 2015, the Government advised that it would move forward with the Herston Quarter Redevelopment with plans for a mixed-use health, residential and retail precinct. Further on 10 July 2015, the Government advised that they had shortlisted three proponents who will now prepare detailed submissions for the proposed development of the precinct.

All buildings at Herston to which Children’s Health Queensland currently control and reflect in the Statement of Financial Position have been revalued as at 30 June 2015 by an independent valuer. This has been undertaken on the basis of depreciated replacement cost and indexation methodologies with a remaining useful life ascribed for the buildings.

As at the signing of this financial report, no decision has been made by the Government with respect to the final development outcome of the Herston site. The Government has advised that proponents will have until early 2016 to submit detailed proposals, with a successful proponent expected to be announced in mid-2016.

Children’s Health Queensland has revalued the buildings at reporting date based on their “highest and best use” in accordance with AASB 13 Fair Value Measurement and Queensland Treasury’s Non-Current Asset Policies for the Queensland Public Sector. Highest and best use is determined from the perspective of market participants, regardless of how the asset is currently used or the agency’s present intentions or preferences and such use must be legally permissible, financially feasible and physically possible.

Based on Children’s Health Queensland’s accounting estimates which has included advice from the valuer as well as consideration of all publically available information with respect to the Herston Quarter Redevelopment, the buildings (with the exception of the heritage buildings) have been revalued with a negligible remaining useful life on the basis there is no identified highest and best use for the buildings that is financially feasible.

As a result of the revaluation process, there has been a write-down of $49.402 million relating to the buildings on this site, of which $14.340 million is offset against the asset revaluation reserve and $35.062 million expensed to the Statement of Comprehensive Income.

Land subject to restriction

On 30 June 2015, land with a fair value of $46.350 million was transferred from the Department of Health to Children’s Health Queensland, being the land Footprint for the LCCH. This land is subject to a Memorandum of Understanding (MOU) between the Department of Health (as registered legal owner)
16 Property, plant and equipment (continued)

and Mater Misercordiae Health Services Brisbane Limited (Mater), which provides for the granting of an option to the Mater to acquire the Footprint for consideration of $1. The Mater may exercise the option by notice in writing within 30 days after the earlier of the 60th anniversary of the opening of the LCCH (29 November 2014), or the date when the State ceases to use LCCH as a tertiary paediatric hospital. The State may, on or before the 60th Anniversary of the opening of the completed hospital, exercise an option to extend the term to a date not less than 90 years from the opening date. However, the 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 the Mater.

The asset has been recognised in land at fair value. Fair value has been independently assessed by a valuer as at 30 June 2015 taking into consideration the MOU. The asset will be carried at fair value consistent with the accounting policy for property, plant and equipment, and will be depreciated over its expected useful life, currently until the 60th anniversary of the opening of the LCCH.

Plant and equipment

In 2014-15, a number of plant and equipment assets were transferred to Children’s Health Queensland from the Department of Health as part of the opening of the new Lady Cilento Children’s Hospital at South Brisbane. The total value of the plant and equipment transferred was $30.108 million.

Property, plant and equipment reconciliation

<table>
<thead>
<tr>
<th>Land (Level 2)</th>
<th>Buildings (Level 2)</th>
<th>Buildings (Level 3)</th>
<th>Plant and equipment</th>
<th>Work in progress</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance at 1 July 2014</td>
<td>16,698</td>
<td>-</td>
<td>69,074</td>
<td>13,180</td>
<td>-</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,471</td>
<td>56</td>
</tr>
<tr>
<td>Donation received</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>37</td>
<td>-</td>
</tr>
<tr>
<td>Transfers from DoH/other HHSs</td>
<td>61,380</td>
<td>930</td>
<td>1,184,524</td>
<td>30,108</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(495)</td>
<td>-</td>
</tr>
<tr>
<td>Transfer between classes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5)</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to DoH/other HHSs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(9)</td>
<td>-</td>
</tr>
<tr>
<td>Revaluation increments/(decrements)</td>
<td>3,310</td>
<td>-</td>
<td>(43,138)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation charge for the year</td>
<td>-</td>
<td>-</td>
<td>(31,464)</td>
<td>(5,118)</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 30 June 2015</td>
<td>81,388</td>
<td>930</td>
<td>1,178,996</td>
<td>45,169</td>
<td>56</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land (Level 2)</th>
<th>Buildings (Level 2)</th>
<th>Buildings (Level 3)</th>
<th>Plant and equipment</th>
<th>Work in progress</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance at 1 July 2013</td>
<td>14,532</td>
<td>-</td>
<td>67,212</td>
<td>11,891</td>
<td>912</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>-</td>
<td>-</td>
<td>473</td>
<td>3,881</td>
<td>-</td>
</tr>
<tr>
<td>Donation received</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>53</td>
<td>-</td>
</tr>
<tr>
<td>Transfers from DoH/other HHSs</td>
<td>2,006</td>
<td>-</td>
<td>604</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recognition/(Derecognition) of assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30</td>
<td>(24)</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(150)</td>
<td>-</td>
</tr>
<tr>
<td>Transfer between classes</td>
<td>-</td>
<td>-</td>
<td>553</td>
<td>335</td>
<td>(888)</td>
</tr>
<tr>
<td>Transfer to DoH/other HHSs</td>
<td>-</td>
<td>-</td>
<td>(350)</td>
<td>(38)</td>
<td>-</td>
</tr>
<tr>
<td>Revaluation increments/(decrements)</td>
<td>160</td>
<td>-</td>
<td>4,919</td>
<td>-</td>
<td>30</td>
</tr>
<tr>
<td>Depreciation charge for the year</td>
<td>-</td>
<td>-</td>
<td>(4,337)</td>
<td>(2,822)</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 30 June 2014</td>
<td>16,698</td>
<td>-</td>
<td>69,074</td>
<td>13,180</td>
<td>-</td>
</tr>
</tbody>
</table>
16 Property, plant and equipment (continued)

Level 3 significant valuation inputs and relationship to fair value

With the exception of one building, Children’s Health Queensland buildings are classified as health service site buildings and are determined to be level 3 within the fair value hierarchy (refer to Note 4(k)). The fair value is calculated by quantity surveyors on behalf of the valuer. The methodology is known as the Depreciated Replacement Cost or Depreciated Reproduction Cost (Heritage buildings) valuation techniques. The following table highlights the key unobservable (Level 3) inputs assessed during the valuation process and the relationship to the estimated fair value.

<table>
<thead>
<tr>
<th>Description</th>
<th>Significant unobservable inputs</th>
<th>Unobservable inputs quantitative measures</th>
<th>Unobservable inputs – general effect on fair value measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings – health service sites (fair value $1.179 billion)</td>
<td>Replacement/ reproduction cost estimates</td>
<td>Hospitals: $2.570 million to $931.339 million</td>
<td>Replacement/reproduction cost is based on tender pricing and historical building cost data. An increase in the estimated replacement/reproduction cost would increase the fair value of the assets. A decrease in the estimated replacement/reproduction cost would reduce the fair value of the assets.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other buildings: $0.056 million to $96.921 million</td>
<td></td>
</tr>
<tr>
<td>Remaining lives estimates</td>
<td>1.5 years to 41 years</td>
<td>The remaining useful lives are based on industry benchmarks. An increase in the estimated remaining useful lives would increase the fair value of the assets. A decrease in the estimated remaining useful lives would reduce the fair value of the assets.</td>
<td></td>
</tr>
<tr>
<td>Costs to bring to current standards or as new condition</td>
<td>Hospitals: Nil to $58.648 million</td>
<td>Costs to bring to current standards or as new condition are based on tender pricing and historical building cost data. An increase in the estimated costs to bring to current standards or as new condition would reduce the fair value of the assets. A decrease in the estimated costs to bring to current standards or as new condition would increase the fair value of the assets.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other buildings: Nil to $23.836 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Condition rating</td>
<td>1 to 4</td>
<td>The condition rating is based on the physical state of the assets. An improvement in the condition rating (possible high of 1) would increase the fair value of the assets. A decline in the condition rating (possible low of 5) would reduce the fair value of the assets.</td>
<td></td>
</tr>
</tbody>
</table>

For further information on condition ratings refer to Note 4(i). The use of alternative, suitable measures for each unobservable input would not materially impact fair value. The condition rating of an asset is used as a mechanism to determine the cost to bring to current standards or as new condition and also to estimate the remaining useful life. There are no other direct or significant relationships between the unobservable inputs which materially impact fair value.
### 17 Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed software - at cost</td>
<td>1,570</td>
<td>1,570</td>
</tr>
<tr>
<td>Less: accumulated amortisation</td>
<td>(536)</td>
<td>(330)</td>
</tr>
<tr>
<td>Total developed software</td>
<td>1,034</td>
<td>1,240</td>
</tr>
<tr>
<td>Total intangible assets</td>
<td>1,034</td>
<td>1,240</td>
</tr>
</tbody>
</table>

#### Intangibles reconciliation

<table>
<thead>
<tr>
<th></th>
<th>Purchased Software</th>
<th>Developed Software</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance at 1 July 2014</td>
<td>-</td>
<td>1,240</td>
<td>1,240</td>
</tr>
<tr>
<td>Amortisation charge for the year</td>
<td>-</td>
<td>(206)</td>
<td>(206)</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2015</strong></td>
<td><strong>-</strong></td>
<td><strong>1,034</strong></td>
<td><strong>1,034</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2013</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Cost transferred from DoH</td>
<td>-</td>
<td>1,570</td>
</tr>
<tr>
<td>Accumulated amortisation transferred from DoH</td>
<td>-</td>
<td>(157)</td>
</tr>
<tr>
<td>Amortisation charge for the year</td>
<td>(2)</td>
<td>(173)</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2014</strong></td>
<td><strong>-</strong></td>
<td><strong>1,240</strong></td>
</tr>
</tbody>
</table>
18 Payables

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Trade payables</td>
<td>7,134</td>
<td>18,373</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>23,512</td>
<td>8,674</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30,646</strong></td>
<td><strong>27,047</strong></td>
</tr>
</tbody>
</table>

19 Employee benefits

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued salary, wages and related costs</td>
<td>18,123</td>
<td>232</td>
</tr>
<tr>
<td>Other</td>
<td>2,400</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20,523</strong></td>
<td><strong>232</strong></td>
</tr>
</tbody>
</table>

*An increase in employee benefits is due to Children’s Health Queensland becoming a prescribed employer from 1 July 2014 (refer to Note 3).

20 Asset revaluation surplus by class

<table>
<thead>
<tr>
<th></th>
<th>Land (Level 2)</th>
<th>Buildings (Level 3)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance at 1 July 2014</td>
<td>55</td>
<td>8,076</td>
<td>8,131</td>
</tr>
<tr>
<td>Revaluation increments for the year</td>
<td>3,723</td>
<td>6,264</td>
<td>9,987</td>
</tr>
<tr>
<td>Revaluation decrements offset against revaluation surplus*</td>
<td>(413)</td>
<td>(14,340)</td>
<td>(14,753)</td>
</tr>
<tr>
<td>Net movement for the year</td>
<td>3,310</td>
<td>(8,076)</td>
<td>(4,766)</td>
</tr>
<tr>
<td><strong>Balance 30 June 2015</strong></td>
<td><strong>3,365</strong></td>
<td>-</td>
<td><strong>3,365</strong></td>
</tr>
</tbody>
</table>

The asset revaluation surplus represents the net effect of revaluation movements in property.

* The revaluation decrement for buildings reflects the write-down of the former Royal Children’s Hospital site buildings at Herston (refer Note 2(c) and Note 16).
## 21 Reconciliation of operating result to net cash from operating activities

<table>
<thead>
<tr>
<th></th>
<th>2015 $'000</th>
<th>2014 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating result from continuing operations</td>
<td>(42,195)</td>
<td>6,720</td>
</tr>
<tr>
<td><strong>Non-cash items:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>36,582</td>
<td>7,159</td>
</tr>
<tr>
<td>Amortisation expense</td>
<td>206</td>
<td>175</td>
</tr>
<tr>
<td>Equity non cash withdrawals</td>
<td>(36,575)</td>
<td>(7,250)</td>
</tr>
<tr>
<td>Revaluation decrement/(increment)</td>
<td>35,062</td>
<td>(104)</td>
</tr>
<tr>
<td>Increase/(decrease) in trade receivable impairment losses</td>
<td>13</td>
<td>(102)</td>
</tr>
<tr>
<td>Inventory written off</td>
<td>176</td>
<td>49</td>
</tr>
<tr>
<td>Bad debts written off</td>
<td>10</td>
<td>58</td>
</tr>
<tr>
<td>Donations of plant and equipment</td>
<td>(37)</td>
<td>(53)</td>
</tr>
<tr>
<td>Gain on sale of property, plant and equipment</td>
<td>(62)</td>
<td>(1)</td>
</tr>
<tr>
<td>Loss on sale of property, plant and equipment</td>
<td>495</td>
<td>120</td>
</tr>
<tr>
<td><strong>Changes in assets and liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in receivables</td>
<td>(4,968)</td>
<td>2,010</td>
</tr>
<tr>
<td>(Increase)/decrease service revenue receivables</td>
<td>(21,853)</td>
<td>1,682</td>
</tr>
<tr>
<td>(Increase)/decrease in inventories</td>
<td>(2,324)</td>
<td>333</td>
</tr>
<tr>
<td>(Increase)/decrease in prepayments</td>
<td>(252)</td>
<td>6</td>
</tr>
<tr>
<td>Increase/(decrease) in payables</td>
<td>3,599</td>
<td>3,075</td>
</tr>
<tr>
<td>Increase/(decrease) in unearned service revenue</td>
<td>3,024</td>
<td>(72)</td>
</tr>
<tr>
<td>Increase/(decrease) in employee benefits</td>
<td>20,291</td>
<td>119</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) operating activities</strong></td>
<td>(8,808)</td>
<td>13,924</td>
</tr>
</tbody>
</table>
## 22 Commitments for expenditure

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$'000</strong></td>
<td><strong>$'000</strong></td>
<td></td>
</tr>
<tr>
<td>(a) Non-cancellable operating leases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All operating leases, for properties occupied by Children's Health Queensland, are contractually held in the name of the Department of Health as at 30 June 2015 and as such are not reported.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Capital expenditure commitments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts, are payable as follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not later than one year</td>
<td>691</td>
<td>4,153</td>
</tr>
<tr>
<td>Total</td>
<td>691</td>
<td>4,153</td>
</tr>
<tr>
<td>(c) Grant commitments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant commitments inclusive of anticipated GST, committed to provide at reporting date but not recognised in the accounts, are payable as follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not later than one year</td>
<td>-</td>
<td>792</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>792</td>
</tr>
<tr>
<td>(d) Other expenditure commitments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts, are payable as follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not later than one year</td>
<td>19,066</td>
<td>15,743</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>39,169</td>
<td>81,809</td>
</tr>
<tr>
<td>Total</td>
<td>58,235</td>
<td>97,552</td>
</tr>
</tbody>
</table>
23 Contingencies

Litigation in progress

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

<table>
<thead>
<tr>
<th></th>
<th>2015 Number of cases</th>
<th>2014 Number of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal court</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Supreme court</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>District court</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Magistrates court</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tribunals, commissions and boards</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

Health litigation is underwritten by the Queensland Government Insurance Fund (QGIF). Children’s Health Queensland’s liability in this area is limited to an excess per insurance event. Refer to Note 4(q).

All Children’s Health Queensland indemnified claims are managed by QGIF. As at 30 June 2015, there were 19 claims managed by QGIF, some of which may never be litigated or result in payments to claims. The maximum exposure to Children’s Health Queensland under this policy is up to $20,000 for each insurable event.

Financial support to Queensland Children’s Medical Research Institute (QCMRI)

Children’s Health Queensland supports QCMRI to ensure that any budgeted and approved operating shortfalls of QCMRI are met, after taking into account secondary gains, and infrastructure contributions, including grants and amounts received from other members. Children’s Health Queensland has committed to provide a minimum of 12 months’ notice of any change to this support.
24 Restricted assets

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

Children's Health Queensland receives cash contributions 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.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>7,981</td>
<td>7,486</td>
</tr>
<tr>
<td>Income</td>
<td>943</td>
<td>1,691</td>
</tr>
<tr>
<td>Expenditure</td>
<td>(1,303)</td>
<td>(1,196)</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td><strong>7,621</strong></td>
<td><strong>7,981</strong></td>
</tr>
</tbody>
</table>
25 Third party monies

Children's Health Queensland acts as a billing agency for medical practitioners with a Grant of Private Practice agreement. Refer to Note 4(t).

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>(a) Grant of private practice accounts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue and expense:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billings</td>
<td>3,912</td>
<td>3,906</td>
</tr>
<tr>
<td>Total revenue</td>
<td>3,912</td>
<td>3,906</td>
</tr>
<tr>
<td>Expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to medical practitioners</td>
<td>2,166</td>
<td>2,170</td>
</tr>
<tr>
<td>Payments to Children's Health Queensland for recoverable costs</td>
<td>1,685</td>
<td>1,210</td>
</tr>
<tr>
<td>Payments to medical practitioners’ trust</td>
<td>61</td>
<td>526</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>3,912</td>
<td>3,906</td>
</tr>
<tr>
<td>Assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank</td>
<td>879</td>
<td>776</td>
</tr>
<tr>
<td>Total assets</td>
<td>879</td>
<td>776</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables to medical practitioners</td>
<td>223</td>
<td>196</td>
</tr>
<tr>
<td>Payables to Children's Health Queensland for recoverable costs</td>
<td>638</td>
<td>465</td>
</tr>
<tr>
<td>Payables to medical practitioners’ trust</td>
<td>18</td>
<td>115</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>879</td>
<td>776</td>
</tr>
<tr>
<td>(b) Patient trust accounts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Cash receipts</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Cash payments</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>
26 Financial instruments

(a) Categorisation of financial instruments

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, receivables and payables.

(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’s policies provide written principles for overall risk management and aim to minimise potential adverse effects of risk events on the financial performance of the agency.

<table>
<thead>
<tr>
<th>Risk exposure</th>
<th>Measurement method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit risk</td>
<td>Ageing analysis, earnings at risk</td>
</tr>
<tr>
<td>Liquidity risk</td>
<td>Monitoring of cash flows by active management of accrual accounts</td>
</tr>
<tr>
<td>Market risk</td>
<td>Interest rate sensitivity analysis</td>
</tr>
</tbody>
</table>

(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.

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

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

The allowance for impairment at 30 June 2015 was $0.171 million (2014: $0.164 million).
## 26 Financial instruments (continued)

### (c) Credit risk exposure (continued)

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

<table>
<thead>
<tr>
<th></th>
<th>Neither past due nor impaired</th>
<th>Past due but not impaired</th>
<th>Impaired</th>
<th>Gross receivables</th>
<th>Allowance for impairment</th>
<th>Net receivables</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>2015 Trade receivables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not yet due</td>
<td>4,649</td>
<td>-</td>
<td>-</td>
<td>4,649</td>
<td>-</td>
<td>4,649</td>
</tr>
<tr>
<td>Less than 30 days</td>
<td>-</td>
<td>453</td>
<td>1,298</td>
<td>1,751</td>
<td>(24)</td>
<td>1,727</td>
</tr>
<tr>
<td>30 - 60 days</td>
<td>-</td>
<td>108</td>
<td>549</td>
<td>657</td>
<td>(12)</td>
<td>645</td>
</tr>
<tr>
<td>61 - 90 days</td>
<td>-</td>
<td>181</td>
<td>306</td>
<td>487</td>
<td>(27)</td>
<td>460</td>
</tr>
<tr>
<td>More than 90 days</td>
<td>-</td>
<td>375</td>
<td>497</td>
<td>872</td>
<td>(108)</td>
<td>764</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,649</td>
<td>1,117</td>
<td>2,650</td>
<td>8,416</td>
<td>(171)</td>
<td>8,245</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Neither past due nor impaired</th>
<th>Past due but not impaired</th>
<th>Impaired</th>
<th>Gross receivables</th>
<th>Allowance for impairment</th>
<th>Net receivables</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>2014 Trade receivables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not yet due</td>
<td>3,224</td>
<td>-</td>
<td>-</td>
<td>3,224</td>
<td>-</td>
<td>3,224</td>
</tr>
<tr>
<td>Less than 30 days</td>
<td>-</td>
<td>78</td>
<td>476</td>
<td>554</td>
<td>(12)</td>
<td>542</td>
</tr>
<tr>
<td>30 - 60 days</td>
<td>-</td>
<td>85</td>
<td>204</td>
<td>289</td>
<td>(12)</td>
<td>277</td>
</tr>
<tr>
<td>61 - 90 days</td>
<td>-</td>
<td>55</td>
<td>97</td>
<td>152</td>
<td>(12)</td>
<td>140</td>
</tr>
<tr>
<td>More than 90 days</td>
<td>-</td>
<td>31</td>
<td>278</td>
<td>309</td>
<td>(128)</td>
<td>181</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,224</td>
<td>249</td>
<td>1,055</td>
<td>4,528</td>
<td>(164)</td>
<td>4,364</td>
</tr>
</tbody>
</table>

### (d) Liquidity risk

Liquidity risk is the risk that Children’s Health Queensland will not have the resources required at a particular time to meet its obligations to settle its financial liabilities. Children’s Health Queensland is exposed to liquidity risk through its trading in the normal course of business. It aims to reduce the exposure to liquidity risk by ensuring sufficient funds are available to meet employee and supplier obligations at all times. Children’s Health Queensland has an approved debt facility of $3 million under whole-of-Government banking arrangements to manage any short term cash shortfalls. This facility has not been drawn down as at 30 June 2015.

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.
26 Financial instruments (continued)

(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 rate have a minimal effect on the operating result of Children's Health Queensland.

(f) Fair value
Apart from cash and cash equivalents, Children's Health Queensland does not recognise any financial instruments at fair value in the Statement of Financial Position. The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.
### 27 Budget vs actual comparison

#### Statement of Comprehensive Income

<table>
<thead>
<tr>
<th></th>
<th>Variance Notes</th>
<th>Original Budget 2015 $'000</th>
<th>Actual 2015 $'000</th>
<th>Variance $'000</th>
<th>Variance % of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income from continuing operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>User charges and fees (a)</td>
<td></td>
<td>448,280</td>
<td>497,400</td>
<td>49,120</td>
<td>11%</td>
</tr>
<tr>
<td>Grants and other contributions</td>
<td></td>
<td>7,040</td>
<td>2,030</td>
<td>(5,010)</td>
<td>(71%)</td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td>5,512</td>
<td>1,996</td>
<td>(3,516)</td>
<td>(64%)</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td></td>
<td>460,832</td>
<td>501,426</td>
<td>40,594</td>
<td>9%</td>
</tr>
<tr>
<td>Gains on disposal/re-measurement of assets</td>
<td></td>
<td>-</td>
<td>62</td>
<td>62</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total income from continuing operations</strong></td>
<td></td>
<td>460,832</td>
<td>501,488</td>
<td>40,656</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Expenses from continuing operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee expenses (b)</td>
<td></td>
<td>4,361</td>
<td>333,994</td>
<td>(329,633)</td>
<td>(7,559%)</td>
</tr>
<tr>
<td>Health services employee costs (c)</td>
<td></td>
<td>306,888</td>
<td>-</td>
<td>306,888</td>
<td>100%</td>
</tr>
<tr>
<td>Supplies and services (d)</td>
<td></td>
<td>117,687</td>
<td>129,937</td>
<td>(12,250)</td>
<td>(10%)</td>
</tr>
<tr>
<td>Grants</td>
<td></td>
<td>792</td>
<td>1,264</td>
<td>(472)</td>
<td>(60%)</td>
</tr>
<tr>
<td>Depreciation and amortisation (e)</td>
<td></td>
<td>24,658</td>
<td>36,788</td>
<td>(12,130)</td>
<td>(49%)</td>
</tr>
<tr>
<td>Loss on disposal/re-measurement of assets (f)</td>
<td></td>
<td>336</td>
<td>35,580</td>
<td>(35,244)</td>
<td>(10,489%)</td>
</tr>
<tr>
<td>Other expenses</td>
<td></td>
<td>6,110</td>
<td>6,120</td>
<td>(10)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenses from continuing operations</strong></td>
<td></td>
<td>460,832</td>
<td>543,683</td>
<td>(82,851)</td>
<td>(18%)</td>
</tr>
<tr>
<td><strong>Operating result from continuing operations</strong></td>
<td></td>
<td>-</td>
<td>(42,195)</td>
<td>(42,195)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified subsequently to operating result:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Increase in asset revaluation surplus</td>
<td></td>
<td>-</td>
<td>(4,766)</td>
<td>(4,766)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total other comprehensive income</strong></td>
<td></td>
<td>-</td>
<td>(4,766)</td>
<td>(4,766)</td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td></td>
<td>-</td>
<td>(46,961)</td>
<td>(46,961)</td>
<td>-</td>
</tr>
</tbody>
</table>
## 27 Budget vs actual comparison (continued)

### Statement of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>Variance</th>
<th>Original Budget 2015</th>
<th>Actual 2015</th>
<th>Variance</th>
<th>Variance % of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Notes</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>(g)</td>
<td>39,967</td>
<td>28,666</td>
<td>(11,301)</td>
<td>(28%)</td>
</tr>
<tr>
<td>Receivables</td>
<td>(h)</td>
<td>8,771</td>
<td>34,920</td>
<td>26,149</td>
<td>298%</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td>5,747</td>
<td>4,751</td>
<td>(996)</td>
<td>(17%)</td>
</tr>
<tr>
<td>Prepayments</td>
<td></td>
<td>142</td>
<td>388</td>
<td>246</td>
<td>173%</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>54,627</td>
<td>68,725</td>
<td>14,098</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>(i)</td>
<td>1,071,834</td>
<td>1,306,539</td>
<td>234,705</td>
<td>22%</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td>0</td>
<td>1,034</td>
<td>1,034</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>1,071,834</td>
<td>1,307,573</td>
<td>235,739</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>1,126,461</td>
<td>1,376,298</td>
<td>249,837</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>(j)</td>
<td>36,461</td>
<td>30,646</td>
<td>5,815</td>
<td>16%</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>(b)</td>
<td>114</td>
<td>20,523</td>
<td>(20,409)</td>
<td>(17,903%)</td>
</tr>
<tr>
<td>Unearned service revenue</td>
<td></td>
<td>-</td>
<td>3,313</td>
<td>(3,313)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>36,575</td>
<td>54,482</td>
<td>(17,907)</td>
<td>(49%)</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>36,575</td>
<td>54,482</td>
<td>(17,907)</td>
<td>(49%)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>1,089,886</td>
<td>1,321,816</td>
<td>231,930</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed equity</td>
<td></td>
<td>1,068,585</td>
<td>1,343,663</td>
<td>275,078</td>
<td>26%</td>
</tr>
<tr>
<td>Accumulated surplus</td>
<td></td>
<td>11,509</td>
<td>(25,212)</td>
<td>(36,721)</td>
<td>(319%)</td>
</tr>
<tr>
<td>Asset revaluation surplus</td>
<td></td>
<td>9,792</td>
<td>3,365</td>
<td>(6,427)</td>
<td>(66%)</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td>1,089,886</td>
<td>1,321,816</td>
<td>231,930</td>
<td>21%</td>
</tr>
</tbody>
</table>
## 27 Budget vs actual comparison (continued)

### Statement of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>Variance Notes</th>
<th>Original Budget 2015 $'000</th>
<th>Actual 2015 $'000</th>
<th>Variance $'000</th>
<th>Variance % of Budget</th>
</tr>
</thead>
</table>

#### Cash flows from operating activities

**Inflows:**

- User charges and fees: 446,963 438,929 (8,034) (2%)
- Grants and other contributions: 7,040 1,087 (5,953) (85%)
- Interest received: 270 279 9 3%
- GST collected from customers: - 727 727 -
- GST input tax credits from ATO: - 4,939 4,939 -
- Other inflows: 10,091 1,757 (8,334) (83%)

**Outflows:**

- Employee expenses: (4,361) (313,703) (309,342) (7,093%)
- Health service employee costs: - (14,950) (14,950) -
- Supplies and services: (423,260) (112,739) 310,521 73%
- Grants: (792) (1,264) (472) (60%)
- GST paid to suppliers: - (7,177) (7,177) -
- GST remitted to ATO: - (22) (22) -
- Other outflows: (3,182) (6,671) (3,489) (110%)

**Net cash provided by (used in) operating activities:**

32,769 (8,808) (41,577) (127%)

#### Cash flows from investing activities

**Inflows:**

- Sales of property, plant and equipment: - 62 62 -

**Outflows:**

- Payments for property, plant and equipment: (2,891) (7,527) (4,636) (160%)

**Net cash provided by (used in) investing activities:**

(2,891) (7,465) (4,574) (158%)

#### Cash flows from financing activities

**Inflows:**

- Equity injections: 2,891 5,971 3,080 107%

**Outflows:**

- Equity withdrawals: (24,658) - 24,658 (100%)

**Net cash provided by (used in) financing activities:**

(21,767) 5,971 27,738 (127%)

#### Net increase/(decrease) in cash and cash equivalents

8,111 (10,302) (18,413) (227%)

Cash and cash equivalents at beginning of financial year: 31,856 38,968 7,112 22%

**Cash and cash equivalents at end of financial year:**

39,967 28,666 (11,301) (28%)
27 Budget vs actual comparison (continued)

**Budget vs actual variances explanation**

a) An increase in user charges and fees of $49.120 million against the budget relates predominantly to additional funding provided by the Department of Health for increased operating and facilities management costs associated with the opening of the new Lady Cilento Children's Hospital ($36.990 million), including increased depreciation expenses relating to the new hospital’s properties, facilities and equipment ($12.130 million).

b) The increase in employee expenses and employee benefits is due to Children's Health Queensland becoming a prescribed employer from 1 July 2014. Refer note (c) below for further explanation.

c) A reduction in health service employee costs is due to Children’s Health Queensland becoming a prescribed employer from 1 July 2014. At the time of preparing the 2014-15 State Budget, the decision to become a prescribed employer had not been approved by the Health Minister. In previous financial years, Children’s Health Queensland staff were employees of the Department of Health in accordance with section 67 of the *Hospital and Health Boards Act 2011*. Such staff were contracted to Children’s Health Queensland for the provision of health service delivery.

d) The increase in supplies and services relates to increased clinical consumable, clinical support services, and facilities and utilities costs associated with the commissioning and operations of the new Lady Cilento Children's Hospital.

e) An increase in depreciation and amortisation expense relates to the new Lady Cilento Children's Hospital and associated buildings transferred to Children’s Health Queensland.

f) An increase in loss on disposal/re-measurement of assets predominantly relates to a revaluation decrement recorded in relation to the former Royal Children's Hospital site buildings at Herston following valuation at 30 June 2015.

הג) A decrease in cash and cash equivalent is predominantly due to higher than anticipated receivables offset by higher payables at reporting date.

h) An increase in receivables predominantly reflects additional funding from the Department of Health at reporting date.

i) An increase in property, plant and equipment relates to the final determined fair values of the new Lady Cilento Children’s Hospital and associated buildings.

j) A decrease in payables is predominantly due to lower than anticipated payables at reporting date.

k) A decrease in supplies and services predominantly reflects the re-categorisation of health services employee costs to employee expenses. Refer notes (b) and (c) above.

l) An increase in payments for property, plant and equipment relates to higher than anticipated capital expenditure during the year.

m) Funding for depreciation was budgeted as a cash item. It was subsequently accounted for as a non-cash equity withdrawal.
28 Events occurring after reporting date

(a) Transfer of Herston site buildings to Metro North

Buildings located at the former Royal Children’s Hospital site at Herston, which were controlled by Children’s Health Queensland at reporting date, will transfer to Metro North effective 1 July 2015. The Deed of Lease with Metro North (the legal owner) expired on 30 June 2015. The total fair value of the buildings to be transferred is $5.903 million.

(b) Transfer of legal ownership of Department of Health land and operating lease rentals to Children’s Health Queensland

The legal ownership of land (including accompanying buildings residing on that land and various other instruments such as lease rental agreements with external parties) controlled by Children’s Health Queensland at reporting date, will transfer from the Department of Health during the 2015-16 financial year. At 30 June 2015, the fair value of such property was reflected in Children’s Health Queensland’s Statement of Financial Position.

In addition, various operating leases relating to buildings occupied by Children’s Health Queensland, which were previously executed by the Department of Health, will also transfer. The value of such commitments at reporting date is $15.758 million.

(c) Other matters

Other than the above, no matters or circumstances have arisen since 30 June 2015 that have significantly affected, or may significantly affect Children’s Health Queensland’s operations, the results of those operations, or the HHS’s state of affairs in future financial years.
Children’s Health Queensland Hospital and Health Service
Management Certificate
For the year ended 30 June 2015

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

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

(b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Children’s Health Queensland for the financial year ended 30 June 2015 and of the financial position of Children’s Health Queensland at the end of that year; and

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

Ms Jane Yacopetti
Acting Chair
Children’s Health Queensland
Hospital and Health Board
27/08/2015

Ms Fionnagh Dougan
Health Service Chief Executive
Children’s Health Queensland
Hospital and Health Service
27/08/2015
INDEPENDENT AUDITOR'S REPORT

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


I have audited the accompanying financial report of Children's Health Queensland Hospital and Health Service, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Acting Chair and Health Service Chief Executive.

The Board's Responsibility for the Financial Report

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the Auditor-General of Queensland Auditing Standards, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

The Auditor-General Act 2009 promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the Auditor-General Act 2009 –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

(i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Children's Health Queensland Hospital and Health Service for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

D J OLIVE CPA
as Delegate of the Auditor-General of Queensland
Queensland Audit Office
Brisbane