

# Children's Hospital Foundation Queensland

## Annual Report 2021–2022



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

An electronic copy of this report is available at [www.childrens.org.au](http://www.childrens.org.au). Hard copies of the annual report are available by phoning (07) 3606 6100. Alternatively, you can request a copy by emailing [info@childrens.org.au](mailto:info@childrens.org.au).

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on telephone (07) 3606 6100 and we will arrange an interpreter to effectively communicate the report to you.



This annual report is licensed by the State of Queensland (Children's Hospital Foundation Queensland) under a Creative Commons Attribution (CC BY) 4.0 International license.



You are free to copy, communicate and adapt this annual report, as long as you attribute the work to the State of Queensland (Children's Hospital Foundation Queensland). To view a copy of this license, visit <http://creativecommons.org/licenses/by/4.0/>

Content from this annual report should be attributed as: State of Queensland (Children's Hospital Foundation Queensland) Annual Report 2021–2022.

© Children's Hospital Foundation Queensland 2022

ISSN 2652-9130 (online)

The Children's Hospital Foundation pays respect to the traditional custodians of the lands on which we walk, work, talk and live. We also acknowledge and pay our respect to Aboriginal and Torres Strait Islander Elders past, present and future.

## Letter of compliance

30 August 2022

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

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2021–2022 and financial statements for the Children's Hospital Foundation Queensland.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements is provided at page 23–24 of this annual report.

Yours sincerely



Karen Prentis  
Chair  
Children's Hospital Foundation Queensland

## Table of contents

From the Chair .....	1
From the Chief Executive .....	3
Highlights.....	4
About us .....	5
Vision, Purpose, Values .....	5
Associated Hospital and Health Service .....	5
Opportunities and challenges .....	7
Queensland Government objectives for the community .....	7
Governance.....	8
Our Board.....	8
Membership .....	9
Committees .....	11
Executive management.....	12
Organisational structure and workforce profile .....	14
Strategic workforce planning and performance .....	14
Early retirement, redundancy and retrenchment .....	15
Open Data .....	15
Risk management .....	15
Audit Committee and internal audit.....	16
External scrutiny.....	16
Information systems and recordkeeping .....	16
Queensland Public Service ethics and values .....	16
Human Rights .....	17
Performance.....	18
Achievements.....	18
Strategic objectives and performance indicators .....	18
Financial summary .....	21
Checklist.....	23
Glossary .....	24
Financial statements .....	Appendix

## From the Chair

We are incredibly proud of the success of the past year at the Children's Hospital Foundation, which saw the generosity of Queenslanders shine bright once again, as the Foundation raised nearly \$13.7 million this financial year.

We continued to receive incredible support from our corporate partners, as well as our government partners in the Queensland and Federal Governments. We were also privileged to receive generous legacies left from those who have been so gracious to leave the kids of Queensland a gift in their will.

2021–2022 saw us complete the fourth year of our five-year strategic plan, with Children's Hospital Foundation investing \$16.9 million into making a positive impact on the lives of sick kids and their families not only across Queensland and northern New South Wales, but right across Australia.

This financial year, we also bid farewell to Rosie Simpson, who served Children's Hospital Foundation as Chief Executive Officer for more than four years. Rosie played an instrumental part in a number of incredibly important strategic initiatives at the Foundation, including the Children's Brain Cancer Centre, of which she was incredibly passionate. I speak on behalf of all at Children's Hospital Foundation to thank Rosie for her dedication towards sick kids and their families.

Following a national recruitment campaign, we were pleased to welcome Lyndsey Rice as our new Chief Executive Officer to lead Children's Hospital Foundation, following her six-year tenure at Cancer Council New South Wales.

We are delighted to have found someone of Lyndsey's calibre for this incredibly important role, to lead the Foundation from strength to strength. Our vision, as always, is for every sick child to have the best possible health care, with access to world-class research and clinical treatment in a healing environment. I have no doubt that Lyndsey's experience, teamed with her incredible energy, will further steer the Foundation to maximise our impact.

I would like to thank Professor Ian Frazer AO, who has again this year chaired our Research Advisory Committee. Through this committee we are able to ensure donors funds are directed to the highest quality paediatric research in areas of greatest need. Under Professor Frazer's leadership, these goals could not be achieved without the help and support of committee members Professor Geraldine O'Neill, Dr Jonathan Payne, Associate Professor Lisa Hall, Professor David Crawford, Associate Professor Samudragupta Bora, Dr Greg Merlo, Dr Kelly Weir, Professor Harriet Hiscock, Professor John Prins, Professor Michelle Gatton, Professor Nick Graves, Professor Phil Darcy, Professor Sharon Mickan, and Professor Vicki Anderson. Thank you for the valuable time and expertise you all provide to ensure the Children's Hospital Foundation funds the highest quality paediatric research.

I would also like to thank the Children's Hospital Foundation Board members, who serve on our Board in an honorary capacity, volunteering their time and expertise. I would also like to thank Heather Watson, whose appointment to the Foundation Board ended during the year, and I would like to welcome Associate Professor Martin Byrne whose appointment commenced.

I would like to acknowledge David Gow, Board Chair for Children's Health Queensland, and the wider board for their integral input toward the Foundation. With this guidance, the Children's Hospital Foundation can confidently continue to progress in creating the healthiest outcomes for Queenslanders. I would also like to acknowledge Professor Allan Cripps, who has continued to chair the Children's Health Research Alliance Board and continued to support and grow paediatric research in Queensland.

Additionally, on 1 November 2021, Her Excellency the Honourable Dr Jeannette Young AC PSM, was sworn in as the 27<sup>th</sup> Governor of Queensland and representative of Her Majesty Queen Elizabeth II, Queensland's Head of State. In this role, she will work to help unify and promote worthy organisations which aim to improve the lives of Queenslanders. We are thrilled that Dr Young has come on board to offer her services as a Patron for Children's Hospital Foundation, and we are extremely honoured to welcome Her Excellency as our new Patron. We sincerely appreciate her work within Queensland communities and look forward to working together to help achieve our vision.

Following my second year in the role of Chair of Children's Hospital Foundation, I continue to be humbled by every encounter I am lucky enough to experience in this position. It is a privilege to undertake this significant role, and I am honoured to work alongside the wonderful people at Children's Hospital Foundation and Children's Health Queensland. There is an undoubted passion towards making a difference to sick kids and their families, without which we could not possibly make the same impact that we do. Thank you to all involved.

A handwritten signature in black ink, appearing to read 'K. Prentis', written in a cursive style.

Karen Prentis  
Chair  
Children's Hospital Foundation Queensland

## From the Chief Executive

In my short time at the Children's Hospital Foundation, I have been incredibly impressed by the focus and dedication to improving the lives of sick kids and their families from not just our supporters, staff and volunteers, but from all our Foundation partners and stakeholders.

I was privileged to join the Foundation in May 2022 and have already seen that when Queenslanders work together, we can make an incredible difference.

I am inspired by our supporters, partners and staff who have continued to rise to the unprecedented challenges of the past year. I have seen a resilience and a dedication to the communities we serve, and a continued discretionary effort of people going that little bit further every single day to change lives.

Despite the ongoing uncertainties in the face of a global pandemic that magnified and exposed social and economic inequalities, there was an unwavering commitment to our purpose to bring equitable access to world-class care for all sick kids and their families. Adding to the economic strain felt by Queenslanders, the state experienced a catastrophic flooding event forcing thousands of residents to flee their homes. Despite all this, we saw an outpouring of support towards sick kids during a time when so many were facing their own challenges. Sick kids don't stop being sick, and our community continued to support however they could.

The generosity of our supporters and partners allowed us to continue to meet the needs of our partners at Children's Health Queensland to ensure patients right across the state were provided with the necessary support, care and equipment to make them better and get them home to their families sooner.

The Foundation worked closely with our Research Advisory Committee to ensure that funds were deployed to the research that benefits areas of the greatest need and can contribute the greatest level of impact.

We collaborated with our valued partners in the Queensland and Federal Governments to ensure our areas of commitment aligned with the strategic goals of not just the Foundation and Children's Health Queensland, but also the overarching interests of the state and nation. I am deeply grateful to each of our advisors and leaders for expertly guiding these conversations and consultations.

We were able to continue operating within the Queensland Children's Hospital to offer support and entertainment to inpatients and outpatients going through unimaginable journeys. We were able to continue funding vital research which is being translated into better bedside treatments, and we were able to fund life-saving medical equipment which is now in use in hospitals and paediatric wards right across the state.

I would also like to take this opportunity to thank Olivia Jary, Children's Hospital Foundation Chief Marketing and Fundraising Officer for stepping into the role of Chief Executive Officer for seven months, during the recruitment process for my position. Olivia did a superb job of navigating the Foundation through the beginning of 2022 and our gratitude for her hard work and dedication during this time (and at all times) cannot be overstated.

We look forward to a focused future, where we continue to champion for sick kids alongside our incredible community. Thank you for joining us.



Lyndsey Rice  
Chief Executive Officer  
Children's Hospital Foundation Queensland

## Highlights

As we work toward a new financial year, we reflect on the highlights of the past year. Our key achievements include:

- A fantastic \$13.7 million raised including from our valued corporate partners and amazing members of the public
- \$16.9 million invested into our purpose

We were thrilled to invest in a variety of state-of-the-art equipment. In 2021–2022, we purchased a digital PET-CT scanner in partnership with the Queensland Government, making Queensland Children's Hospital the first paediatric hospital in the country to have its own dedicated PET-CT scanner. We were thrilled to see the implementation of the equipment in Queensland Children's Hospital, with the first patients using the machine in November 2021. Since then, more than 170 patients have used the equipment to receive faster scan times in an environment that is familiar to them. We would like to extend a heartfelt thank you to the steering committee at Children's Health Queensland who worked tirelessly to have the digital PET-CT scanner operational before Christmas 2021, meaning sick kids could positively benefit from the equipment as soon as possible. Our funding of this equipment was only made possible through the generosity of the late Geoffrey Carrick who kindly left the Children's Hospital Foundation a substantial gift in his will to ensure sick kids have the best chance of living full and healthy lives.

In Geoffrey's honour, the machine housing the digital PET-CT scanner at Queensland Children's Hospital features colourful murals showcasing farm life, as Geoffrey was a proud grazier from North Queensland.

Telethon again proved to be a highlight for our patients, their families, our partners and Queenslanders. This year's Telethon saw a reimagined format, well and truly putting the kids' stories at the forefront of the show. We were thrilled to have Missy Higgins headline our Telethon concert, which returned for the first time after being cancelled during the COVID-19 pandemic.

This year, we also partnered with Queensland Health to pilot an innovative model of digitally enhanced mental health care for young Queenslanders. Thanks to a significant investment of \$8 million, this partnership has enabled us to engage Orygen Digital to deliver their Moderated Online Social Therapy (MOST) model in Queensland (Q-MOST), through an initial two-year pilot project. The MOST platform offers young people aged 12 to 25 with mental health concerns, on-demand online access to personalised therapy, social networking and evidence-based tools moderated by online clinicians, vocational specialists and trained peers with lived experience of mental ill-health. The Q-MOST pilot is offered as an adjunct and complementary option of support to existing face-to-face clinical treatment and care provided by seven Hospital and Health Services and their local headspace centres.

The Children's Hospital Foundation vision for reconciliation is for happy, healthy kids, while contributing to a culturally safe and brighter future for all children. During the past year, the Children's Hospital Foundation continued its commitment to our reconciliation journey and to Australia's national reconciliation movement. Our focus has been the launch and implementation of our second '*Innovate*' *Reconciliation Action Plan*. Building on the momentum we have created some of the key initiatives delivered during this period have included celebrating and promoting various reconciliation events, providing activities to patients of Queensland Children's Hospital that are culturally appropriate and increase awareness, undertaking cultural awareness workshops, and reviewing and communicating a cultural protocols document.



## About us

The Children's Hospital Foundation is the charity dedicated to raising funds for Queensland's sickest kids, proudly working alongside the Queensland Children's Hospital and state-wide with Children's Health Queensland.

The Children's Hospital Foundation helps sick and injured kids by funding life-saving medical research, investing in vital new equipment, and providing support and entertainment for children and their families. We are committed to making a difference in the fight against childhood illness and injury so every child can grow up as happy and healthy as possible.

The Children's Hospital Foundation was established in 2011 by the *Hospitals Foundations Regulation 2005*, made under section 7 of the *Hospitals Foundations Act 1982*, as the Children's Health Foundation Queensland. Its name was formally amended to Children's Hospital Foundation Queensland by the *Hospitals Foundations Regulation 2015*. The Children's Hospital Foundation's governing legislation is the *Hospital Foundations Act 2018*.

## Vision, Purpose, Values

### Our vision

For every sick child to have the best possible health care, with access to world-class research and clinical treatment in a healing environment.

### Our purpose

We help save children's lives and work wonders for sick kids and their families.

### Our values

- **Accountability**  
We aim to deliver high impact results, are accountable for our actions and resources and communicate this openly and honestly
- **Recognition & Respect**  
We are respectful in all our interactions and committed to recognising others and valuing their contributions
- **Care**  
We care for everyone we impact — the children always come first
- **Working Together**  
We selflessly support and trust each other and our teams, share our ideas and goals, work hard, have fun and celebrate our achievements
- **Excellence & Innovation**  
We strive for excellence, encourage innovation and develop our skills to achieve our best

## Associated Hospital and Health Service

The Children's Hospital Foundation's associated Hospital and Health Service is Children's Health Queensland Hospital and Health Service (Children's Health Queensland). The public sector hospital and facilities for which the Children's Hospital Foundation is established is the Queensland Children's Hospital and other Children's Health Queensland facilities.

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. A recognised leader in paediatric healthcare, education and research, Children's Health Queensland delivers a full range of clinical services, tertiary level care and health promotion programs.

Children's Health Queensland provides services from key locations in the Brisbane metropolitan area, and works with the 15 other hospital and health services as well as non-government organisations and charity partners in Queensland to deliver an integrated network of healthcare services and support across the state.

### **Queensland Children's Hospital**

The Queensland Children's Hospital in South Brisbane provides specialist care for the sickest and most seriously injured children from across Queensland and northern New South Wales. It is one of Australia's largest and most advanced paediatric health facilities. On any given day, the team at the hospital will treat more than 200 children in its emergency department, see 1,000 children for outpatient appointments and care for more than 200 children in the inpatient wards. It houses the busiest Paediatric Intensive Care Unit, providing life-saving care to more than 1,800 critically injured and sick kids every year. It is also the first paediatric hospital in Australasia to be awarded Level 1 Major Trauma Service status by the Royal Australian College of Surgeons.

### **Centre for Children's Health Research**

The Centre for Children's Health Research is built on a partnership between Queensland Health, Children's Health Queensland, Queensland University of Technology, The University of Queensland, the Translational Research Institute and Pathology Queensland.

Co-located with Queensland's only tertiary and quaternary paediatric hospital, the Queensland Children's Hospital, the Centre is an integrated hub of specialist knowledge dedicated to improving the health of children, and facilitating the best opportunities for collaborative research projects. It is Queensland's first integrated research facility dedicated to generating internationally competitive research for advances in child and adolescent health.

The nine-level centre houses wet and dry laboratories, pathology services, a gait laboratory, a nutrition laboratory and the Queensland Children's Tumour Bank, funded by the Children's Hospital Foundation, which provides a tissue repository for national and international cancer research.

### **Children's Health Research Alliance**

The Children's Health Research Alliance is a joint initiative of Children's Health Queensland and the Children's Hospital Foundation, who work collaboratively to:

- Transform health outcomes for children
- Make a major contribution to global research
- Build research capacity in targeted research areas
- Reduce the burden of disease on the health system and broader economy

The Research Alliance is an advisory body, informing the strategy for paediatric research in the Queensland Children's Hospital that is suitable for philanthropic funding through the Children's Hospital Foundation. The Research Alliance networks with universities and other National Health and Medical Research Council-approved institutions who are undertaking cutting-edge children's health research in Queensland.

The Alliance is managed by the Research Alliance Board, which is chaired by an independent Chair, Professor Allan Cripps.

## Opportunities and challenges

The ongoing COVID-19 pandemic continued to provide challenges within the healthcare sphere which impacted Children's Hospital Foundation. These challenges included lockdowns, mask mandates, visitor restrictions in health facilities and ongoing changes to Queensland Children's Hospital access. Our wider team continues to work with Children's Health Queensland to ensure patients and families are kept as safe as possible from any virus risk, with the health and safety of kids, our volunteers and our staff of paramount importance.

The restrictions in place have had a resounding impact on our patient and family support services within Queensland Children's Hospital, with our dedicated play area in the hospital, Kidzone, remaining closed for a large portion of the year. Our volunteer services were also greatly impacted, with all volunteers being stood down from January to May 2022. We are glad to have now welcomed back some of our volunteers and we look forward to continuing to work with the Queensland Children's Hospital to bring back more and more of the Foundation's patient and family support services and volunteers.

COVID-19 also impacted staff engagement, partnership activities, marketing work and media relations, leading to delays in certain projects.

It also presented us with the opportunity to cement the foundations we have been setting for the past couple of years to ensure we come out of the pandemic stronger than ever. It has also provided an opportunity to reflect on our new and improved ways of working, highlighting what is working well and where there are areas for improvement, both within our patient support mechanisms and wider organisational framework.

## Queensland Government objectives for the community

The Children's Hospital Foundation supports the Queensland Government's *Unite and Recover – Queensland's Economic Recovery Plan* objectives for the community, through implementation of the Strategic Plan 2019–2023, in the following areas:

- Backing our frontline services, and
- Safeguarding our health.

# Governance

## Our Board

Act or instrument	<i>Hospital Foundations Act 2018</i>				
Functions	<p>The role of our Board includes:</p> <ul style="list-style-type: none"> <li>• Maintaining high levels of accountability to our supporters, stakeholders and regulators</li> <li>• Protecting the integrity of the Children's Hospital Foundation</li> <li>• Setting the strategic direction for the Children's Hospital Foundation</li> <li>• Monitoring the performance of the Chief Executive Officer</li> <li>• Approving and monitoring the Children's Hospital Foundation's annual budget and financial and other reporting</li> <li>• Monitoring the performance of the Children's Hospital Foundation, including its fundraising performance, against key performance indicators</li> <li>• Reviewing, ratifying and monitoring systems of risk management and internal control, audit and legal compliance</li> <li>• Contributing to fundraising activities of the Children's Hospital Foundation.</li> </ul>				
Achievements	Reported throughout the Annual Report				
Financial reporting	The Foundation's financial statements are prepared in accordance with Australian Accounting Standards (as issued by AASB), the <i>Financial and Performance Management Standard 2019</i> of the <i>Financial Accountability Act 2009</i> and the <i>Australian Charities and Not-for profits Commission Act 2012</i> and <i>Regulation 2013</i>				
<b>Remuneration</b>	Board members elect to serve in a voluntary capacity and receive no fees for their services on the Board or committees				
Position	Name	Meetings / sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Karen Prentis	29 (11 Board / 18 Committee)	Nil	Nil	Nil
Deputy Chair	Sara Parrott	16 (11 Board / 5 Committee)	Nil	Nil	Nil
Member	Luke McGrath	30 (10 Board / 20 Committee)	Nil	Nil	Nil
Member	Sharon Houghton	26 (11 Board / 15 Committee)	Nil	Nil	Nil
Member	Jane Black	27 (11 Board / 16 Committee)	Nil	Nil	Nil
Member	Frank Tracey	7 Board	Nil	Nil	Nil
Member	Michelle Hannan	20 (10 Board / 10 Committee)	Nil	Nil	Nil
Member	Martin Byrne	1 Board	Nil	Nil	Nil
Member	Heather Watson	7 Board	Nil	Nil	Nil

No scheduled meetings/sessions	6
Total out of pocket expenses	Nil

Current Board members have been appointed by the Governor in Council (as recommended by the Minister for Health and Ambulance Services) acting by and with the advice of the Executive Council under the provisions of the *Hospital Foundations Act 2018*.

2021–2022 Board meeting dates:

- 27 August 2021
- 5 November 2021
- 16 December 2021
- 24 February 2022
- 28 April 2022
- 30 June 2022

Additional extraordinary Board meetings were held throughout 2021–2022 to enable the Board to consider matters which required timely consideration in between scheduled Board meetings.

## Membership

### Karen Prentis

BEC MAdmin GAICD

Appointed for a term 12 December 2019 to 30 September 2022. This is Karen's first term of appointment. Karen was appointed as Board Chair on 2 October 2020.

As a highly experienced non-executive director and Chair, Karen has extensive experience in providing leadership in the development of strong corporate governance, risk management, compliance and strategic thinking for significant organisations in both public and private sectors.

Karen is a member of the Remuneration and Nominations Committee and the Finance, Audit and Risk Management Committee, and an ex-officio member of the Grants Committee.

### Sara Parrott

Appointed for a term 12 December 2019 to 30 September 2024. This is Sara's first term of appointment.

Sara is Chief Executive Officer of the Board of Benevolence. Sara has more than 25 years' experience in sustainability, stakeholder relations, communication, and marketing, with both corporate and community organisations, holding staff and board positions.

Sara was appointed Deputy Chair on 1 July 2021 and is a member of the Grants Committee.

### Luke McGrath

CFP AITA GAICD MCFAI

Appointed for a term 29 November 2017 to 30 September 2022. Luke was originally appointed to the Board on 11 November 2011.

In his 30-plus years as an investment and financial services professional, Luke has held senior positions with some of Australia's largest investment banks and financial services organisations.

Throughout his financial services career he has advised numerous companies and individuals across the breadth of the industry.

Luke is the CEO of an investment and philanthropic consultancy organisation as well as being a director of a number of private companies. He is also on the Advisory Board of the Australian Institute of Bioengineering and Nanotechnology.

Luke chairs the Grants Committee and is a member of the Finance, Audit and Risk Management Committee and the Remuneration and Nominations Committee.

### **Sharon Houghton**

Appointed for a term 12 December 2019 to 30 September 2022. This is Sharon's first term of appointment.

Sharon is Chief Operating Officer at Aerofast Australia Pty Ltd allowing her to bring together years of business experience to ensure the efficient running of the business day-to-day as well as from a strategic perspective. Sharon moved to this role in January 2022 after having enjoyed over 25 years as a Chartered Accountant with BDO. Sharon's most recent role at BDO was as a Director in BDO's Healthcare team looking after large medical groups, hospitals, doctors and allied health professionals. In an accounting and taxation environment Sharon's advisory skills extend to management accounting and consulting, business structuring, personal wealth creation, self-managed superannuation, business succession planning, family business and indirect taxation.

Sharon is one of the Children's Hospital Foundation's representatives on the Children's Health Research Alliance Board.

Sharon is Chair of the Finance, Audit and Risk Management Committee and a member of the Remuneration and Nominations Committee.

### **Dr Jane Black**

PhD BSW (Hons 1) Dip Rad

Appointed for a term 12 December 2019 to 30 September 2022. This is Jane's first term of appointment.

Jane has had a longstanding career in the clinical care of children. Her specialty extends to paediatric deafness and cochlear implantation, particularly in the areas of successful outcomes, social and emotional development, resilience and positive mental health. Jane played a key board role in the development of Hear and Say whilst overseeing the development of Queensland Otology and Attune (now Amplifon). Jane is highly experienced in the governance of organisations and the attendant and social facets of paediatric medical management.

Jane is Chair of the Remuneration and Nominations Committee and a member of the Finance, Audit and Risk Management Committee.

### **Frank Tracey**

Appointed for a term 12 December 2019 to 30 September 2024. This is Frank's first term of appointment.

Frank is the Health Service Chief Executive at Children's Health Queensland Hospital and Health Service. He has 40 years' experience working in health systems which includes executive roles in large health organisations and the non-government sector.

**Dr Michelle Hannan**

BMedSc (Hons) MBBS/BSc DCH MPH&TM MIDI MHM AFRACMA FACRRM GAICD

Appointed for a term 12 December 2019 to 30 September 2024. This is Michelle's first term of appointment.

Michelle is a passionate advocate for rural health, especially around issues of equitable provision of healthcare in rural communities and in overcoming barriers to accessing healthcare services for rural people. Michelle sits on the Board of the Australian College of Rural and Remote Medicine, and previously served on the boards of the Rural Doctors Association of Tasmania, the Rural Doctors Association of Australia and General Practice Training Tasmania.

Michelle is one of the Children's Hospital Foundation's representatives on the Children's Health Research Alliance Board.

Michelle is a member of the Grants Committee and a member of the Remuneration and Nominations Committee.

**Associate Professor Martin Byrne**

BAppSc MBBS FRACGP FACRRM FRACMA MHM DRANZCOG GAICD

Appointed as nominee of the Chair of the Children's Health Queensland Hospital and Health Service Board with effect from 15 May 2022.

Martin is a well-respected general practitioner, rural generalist and medical administrator with more than 20 years' experience working in rural and remote health settings, both in the public and private sector.

Martin is an Associate Professor with Griffith University, where he serves as Medical Educator and Examiner, as well as holding senior roles with The University of Queensland and University of Southern Queensland. Martin was formerly Director of Medical Services of Metro North Hospital and Health Service's Surgical, Treatment and Rehabilitation Service (STARS) and has also previously served in executive roles for South West and Darling Downs hospital and health services.

Martin is a member of the Children's Health Queensland Hospital and Health Service Board.

**Heather Watson**

Appointed as nominee of the Chair of the Children's Health Queensland Hospital and Health Service Board from 1 September 2019 to 15 May 2022.

**Committees**

Through committees established by the Board, the Children's Hospital Foundation can draw on the skills and expertise of Board members and other individuals to ensure that additional guidance and direction is provided in certain areas that the Board considers appropriate.

**Finance, Audit and Risk Management Committee**

Purpose: To assist the Board in its governance role and, in particular, in fulfilling its statutory and fiduciary duties relating to the internal control and risk management framework, the reporting of financial information, the oversight of investments, the independence and effectiveness of audit and compliance with laws, regulations and internal policies.

Members:

- Sharon Houghton (Chair)
- Luke McGrath
- Karen Prentis
- Jane Black

#### Grants Committee

Purpose: To identify potential research projects suitable for investment, recommend which projects to fund and report to the Board on outcomes from research funded by the Children's Hospital Foundation. The Committee will also identify potential equipment and health services research grants and make recommendations to the Board for funding.

Members:

- Luke McGrath (Chair)
- Michelle Hannan
- Sara Parrott
- Karen Prentis (ex-officio)

#### Remuneration and Nominations Committee

Purpose: To provide oversight and guidance around the Children's Hospital Foundation's remuneration and nominations policies and practices.

Members:

- Jane Black (Chair)
- Luke McGrath
- Sharon Houghton
- Karen Prentis
- Michelle Hannan (from 21 October 2021)

## **Executive management**

### **Chief Executive Officer**

#### **Lyndsey Rice**

Lyndsey joined the Children's Hospital Foundation as Chief Executive Officer in May 2022. She brings with her a wealth of strong fundraising experience, having led the fundraising teams of successful not-for-profits including Oxfam, Children's Medical Research Institute, Sydney Children's Hospital Foundation, and Cancer Council NSW. Lyndsey is recognised as a visionary leader with experience leading large multi-disciplinary teams throughout a career that spans international development, social service, health, medical research and the arts. She is passionate about building inclusive, engaged, and inspiring cultures to achieve the best possible outcomes.

Lyndsey holds a 1st Class BA Hons Degree in English Language and Literature, is a Graduate member of the Australian Institute of Company Directors and a Member of the Fundraising Institute of Australia, where she is also a volunteer mentor.

### **Chief Marketing and Fundraising Officer and Acting Chief Executive Officer from 2 October 2021 to 2 May 2022**

#### **Olivia Jary**

Olivia joined the Children's Hospital Foundation in September 2021 and is responsible for creative, fundraising, marketing, and partnerships activities. Olivia served as the Acting Chief Executive Officer of the Children's Hospital Foundation from 2 October 2021 to 2 May 2022.



**Chief Financial Officer****Kaelah Bosanquet**

Kaelah commenced with the Children's Hospital Foundation in September 2021 and is responsible for financial operations, IT and projects.

**Director of People and Culture****Rachael Murphy**

Rachael joined the Children's Hospital Foundation in 2013 and is responsible for people and culture.

**Director of Patient and Family Support****Nick Van Dyke**

Nick joined the Children's Hospital Foundation in August 2002 and is responsible for patient and family support, including management of volunteers.

**Director of Grants and Impact**

The responsibilities of this role include managing our portfolio of research and grants and developing an impact framework for the organisation. The role is currently vacant, and the Children's Hospital Foundation is currently evaluating this role within the organisation structure.

**Former Chief Executive Officer****Rosie Simpson**

Rosie joined the Children's Hospital Foundation as Chief Executive Officer in July 2017 and ceased on 1 October 2021.

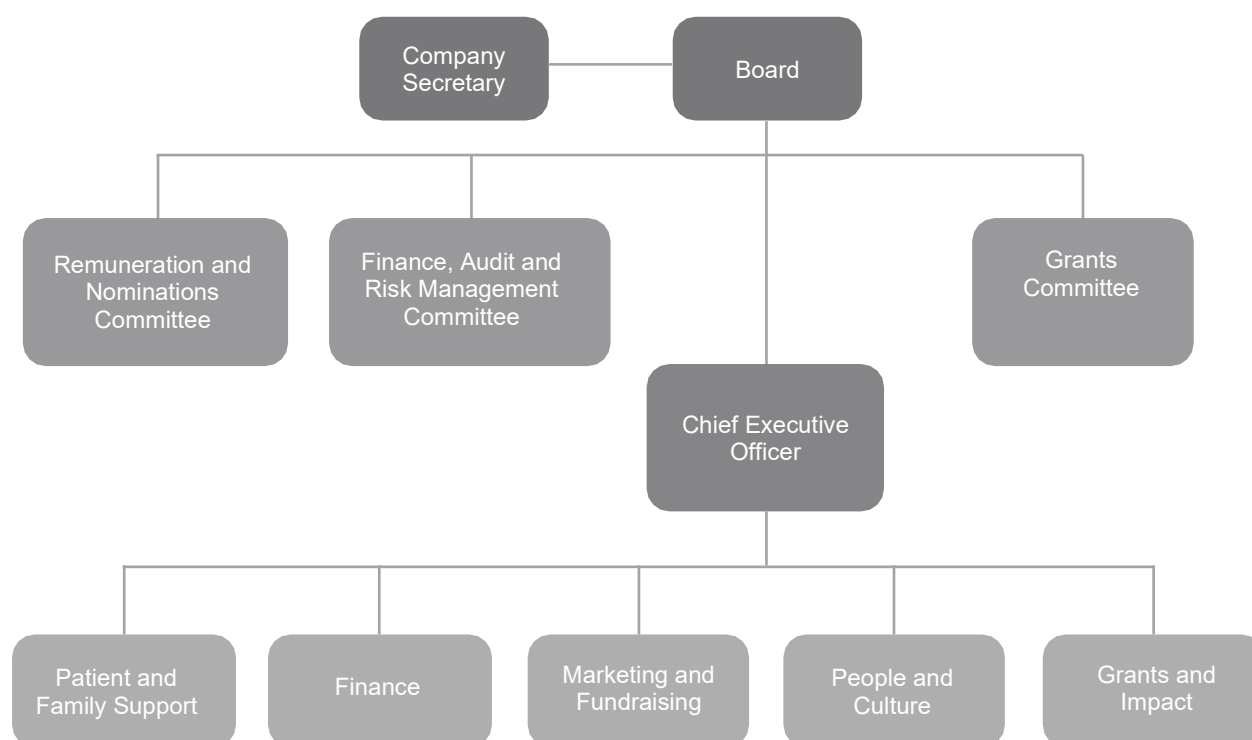
**Former Chief Financial Officer****John Stubbs**

John commenced with the Children's Hospital Foundation in July 2021 and ceased on 16 September 2021.

**Former Director of Grants and Impact****Anna Lewis**

Anna joined the Children's Hospital Foundation in January 2022 and left in May 2022.

## Organisational structure and workforce profile



### Strategic workforce planning and performance

The Children's Hospital Foundation strives to be an inspirational and purposeful place to work and volunteer, that develops and enables our diverse team to deliver on our strategic priorities.

As at 30 June 2022, the FTE of the Children's Hospital Foundation was 44.

85 per cent of the Children's Hospital Foundation's employees are female. 80 per cent of the senior leadership team is female, including our Chief Executive Officer. 23 per cent of team members are part-time. All staff are supported through flexible work options and our continuing hybrid working arrangements. The Children's Hospital Foundation has a continuing commitment to fostering a supportive work environment that embraces a healthy balance between work and life. This includes providing access to flexible hours of work, various leave types, compressed working week and job sharing. In addition, the Foundation is pleased to support its staff through paid parental leave and graduated return to work options for those returning to the workforce.

The Children's Hospital Foundation strives to employ a diverse and talented workforce and has a range of initiatives and policies in place to support this. Recruitment is based on merit, with a structured recruitment policy and process that supports equity and diversity. The Foundation continued to recruit for high calibre talent using a range of platforms, including LinkedIn, Seek and industry job boards. A competitive selection process is adhered to, following the principles of equal opportunity. In addition, remuneration is reviewed annually, both internally from an equity standpoint and also externally, through an industry benchmark to ensure the Foundation continues to be competitive in market.

The Children's Hospital Foundation believes in supporting and encouraging all team members to bring their authentic self to work. In support of a diverse and inclusive culture, face to face and online

learning modules include disability awareness, inclusion, cultural capability and domestic and family violence. In addition, various initiatives were undertaken throughout the year to recognise and raise awareness of key diversity and inclusion initiatives including NAIDOC Week, National Reconciliation Week, National Sorry Day, Close the Gap Day, LGBTIQ+ Pride Month, International Women's Day, Mental Health Awareness month, Harmony Week, Domestic and Family Violence Prevention Month and RU OK Day.

Creating a supportive, safe and healthy work environment is key at the Children's Hospital Foundation and has been critical over the last 12 months due to the ongoing impact of COVID-19. Particular focus has been on enabling and supporting an agile and flexible team that is able to respond effectively to emerging needs. Staff have been provided with a range of initiatives and tools to support their health and wellbeing and maintain appropriate workloads. This has included mental health and wellbeing training, discounted health insurance, free flu vaccinations, support for parents and caregivers and a range of flexible work options. This is reflected in our 2022 employee engagement survey results which showed health and safety sitting at 91 per cent and flexibility at 78 per cent.

The Children's Hospital Foundation continued to build maturity around the awareness and prevention of domestic and family violence through our Domestic and Family Violence Policy, paid domestic violence leave, development of various templates and procedures, including a manager handbook and team member training. The Foundation continues to support employees affected by domestic and family violence and promotes a safe and respectful workplace.

The Children's Hospital Foundation further invested in building our team's capability through the development and launch of the Elevate Leadership initiative in December 2021. Elevate is a leadership development program that aims to develop our team's leadership capability at all levels of the organisation, ensuring the team has the necessary skills and confidence to lead, both today and in the future.

### **Early retirement, redundancy and retrenchment**

Due to operational requirements, during the period four employees received redundancy packages at a cost of \$87,325.72.

### **Open Data**

The Children's Hospital Foundation has Open Data to report on Consultancies and the data can be found on the Queensland Government Open Data Portal (<https://data.qld.gov.au>). The Children's Hospital Foundation has no Open Data to report on Overseas Travel or *Queensland Language Services Policy*.

### **Risk management**

The Board, through the Finance, Audit and Risk Management Committee, monitors and addresses key risks pertaining to the Children's Hospital Foundation. The current Committee members are:

- Sharon Houghton (Chair)
- Luke McGrath
- Karen Prentis
- Jane Black

Operationally, the Committee discusses, reviews, and identifies actions required to manage risks in areas including reputation, income, safety, monetary theft/loss, cyber security and information technology. The Children's Hospital Foundation's risk management philosophy is to identify, assess

and control those risks that may affect the achievement of strategic objectives. The risk management system incorporates a Risk Register and Risk Appetite Statements.

## Audit committee and internal audit

The Finance, Audit and Risk Management Committee provides assurance and assistance to the Chief Executive Officer and the Board on:

- Risk, control and compliance frameworks
- External accountability responsibilities as prescribed in the *Financial Accountability Act 2009*, *Auditor-General Act 2009*, *Financial Accountability Regulation 2019*, *Financial and Performance Management Standard 2019*, the *Australian Charities and Not-for-profits Commission Act 2012* and *Regulation 2013*

Regular internal audits relevant to each risk item on the Children's Hospital Foundation's risk register are undertaken by management and reviewed by the Finance, Audit and Risk Management Committee. These reviews are used to identify and track improvements in the control environment.

The Committee met seven times during 2021–2022.

## External scrutiny

An external audit was conducted by a designate of the Queensland Audit Office (QAO). An unqualified audit opinion was issued on the 2021–2022 financial statements.

## Information systems and recordkeeping

The Children's Hospital Foundation is committed to improving record keeping practices to comply with the *Public Records Act 2002* and the Records Governance Policy. The Children's Hospital Foundation's Recordkeeping Policy applies to digital and paper records and ensures the Children's Hospital Foundation's compliance with the *Public Records Act 2002* including record retention in accordance with general and core retention and disposal schedules.

All new staff are trained on the Children's Hospital Foundation's electronic document management system and their roles and responsibilities in relation to the system and records created. The Chief Executive Officer is informed regularly of updated record keeping requirements via the Office of Health Statutory Agencies, Department of Health, and the Office of the State Archivist.

## Queensland Public Service ethics and values

The five Queensland public service values are reflected in the Children's Hospital Foundation's vision, purpose and values statements:

Customers first	We care for everyone we impact – the children always come first
Ideas into action	We support and fund world-class research
Unleash potential	We strive for excellence and encourage innovation and develop our skills to be our best
Be courageous	We selflessly support and trust each other and our teams
Empower people	We aim to deliver high impact results

The Children's Hospital Foundation is committed to upholding the values and standards of conduct outlined in the Code of Conduct for the Queensland Public Service (*Public Sector Ethics Act 1994*). The Children's Hospital Foundation's Code of Conduct reflects the principles of integrity and impartiality, promoting the public good, commitment to the system of government, accountability and transparency.

All employees, volunteers and representatives of the Children's Hospital Foundation have an obligation to comply with the Code of Conduct. The Code of Conduct is supported by the Children's Hospital Foundation's policies and procedures. All Children's Hospital Foundation employees are required to undertake training on the Code of Conduct during induction and to sign an acceptance upon appointment which states they will abide by the Code of Conduct.

## **Human Rights**

The Children's Hospital Foundation recognises and is committed to ensuring our policies and practices protect the dignity and worth of all human beings. We did not receive any human rights complaints in 2021–2022.

# Performance

## Achievements

Despite hospital restrictions and lockdowns which prevented a significant amount of the Children's Hospital Foundation work capacity within the Queensland Children's Hospital and Children's Health Queensland community sites, our Patient and Family Support team achieved so much for children and families. Highlights include:

- Approximately 220 volunteers committed 10,161 hours of support
- Services and programs provided over 121,000 interactions with patients and families
- Over 7,500 free meals provided to families in the Queensland Children's Hospital
- 37,764 craft packs were provided to inpatient units and outpatient clinics
- 5,055 families were supported while their child was undergoing surgery
- 2,209 handmade quilts were donated from the community and gifted to children
- 3,707 children and 2,250 adults visited our Kidzone playroom
- 4,991 toys, books and games loaned to inpatients including digital distraction devices and play-ability toys
- 6,953 Bravery Beads awarded to recognise the incredible strength and bravery of patients
- 1,225 cuddles provided to babies through our Steggles Cuddle Carer program
- 24,290 families were assisted by our Woolworths Wayfinders
- Over 2,000 one on one moments of wellbeing support to families
- We supported Juiced TV with engaging over 466 kids during 348 hours of filming to create 168 segments and 45 filming days at the Queensland Children's Hospital

## Strategic objectives and performance indicators

### 1. Patient and family support

Objective: Invest and partner across the continuum of care to improve the health and wellbeing of patients and their families.

Performance indicators:

- Develop Outcomes Measurement Framework and deliver first phase of implementation plan
- Deliver 110,000 patient facing interactions
- Partner with Children's Health Queensland, agree and deliver on key projects that deepen our impact and improve the patient experience across the continuum of care

Outcomes 2021–2022:

- \$1.2 million was provided to support the patient and family services program
- A key achievement is the development and phase 1 implementation of an Outcomes Measurement Framework across patient and family support services. The framework allows us to measure not only the number and quality of interactions, but the positive impact on a patient and/or family. The framework includes the identification of four impact domains and a Theory of Change Statement which aid in our strategic decision making. We have been able to identify that patients and families experience a 17 per cent increase in happiness and wellbeing when connecting with our team and services (affectionately referred to as the 'green team' by those who we support)
- Notwithstanding lockdowns, visitor restrictions in health facilities, ongoing changes to Queensland Children's Hospital access and the Foundation volunteers being stood down for

much of 2021–2022 due to COVID-19, the Foundation services and programs still achieved 121,000 interactions with patients and families

- We have partnered with Children’s Health Queensland to co-design recognition of important dates, events and improvements, including:
  - The development and successful pilot of Hush Packs, designed to improve the experience of caregivers seeking rest or sleep in multi-bed bays.
  - Providing special date activity boxes to patients across Queensland Children’s Hospital and south-east Queensland Child and Youth Mental Health Service facilities in recognition of Queensland Mental Health Week.
  - Activating a pop-up coffee cart and donut stand to thank health staff in alignment with International Nurses Day, Administrative Professionals Day and Children’s Health Queensland Dream Big Week.
  - We continue to provide ongoing skills support to the delivery of the annual Remembrance Ceremony and Good Grief This Hurts events.

## **2. Research**

Objective: Invest in high quality research and researchers where research is critical to improving children’s health and wellbeing.

Performance indicators:

- Deliver a Grants Paid budget of \$17 million

Outcomes 2021–2022:

- We provided \$7.8 million funding into research (2020–2021: \$8.2 million)

## **3. Clinical excellence and equipment**

Objective: Support the delivery of world-class clinical care.

Performance indicators:

- Deliver a Grants Paid budget of \$17 million

Outcomes 2021–2022:

- \$107,076 was granted to paediatric wards at regional hospitals as part of our Working Wonders grants
- \$5.3 million of funding was granted to purchase vital medical equipment and health services as well as initiatives such as Music Therapy, Bereavement Support, Welfare support and Indigenous Welcome packs
- \$1.6 million committed towards upgrading the Queensland Children’s Hospital’s patient entertainment system to an integrated patient care platform that will greatly enhance entertainment options and access to information for families spending long periods as inpatients

## **4. Fundraising, engagement and partnerships**

Objective: Inspiring and partnering with Children’s Health Queensland, the community, corporations, government and other partners.

Performance indicators:

- Deliver fundraising revenue of \$19.97 million during 2021–2022, which includes:
  - Deliver partnership income of \$9.127 million

- Deliver income from major gifts, trust and foundation and corporate acquisition of \$5.95 million
- Identify shared priorities, formalise structures of working and agree joint programs of work and resourcing with Children's Health Queensland

#### Outcomes 2021–2022:

- Total fundraising revenue of \$13.73 million plus a further \$2.44 million of goods and services in kind donated to support children in the Queensland Children's Hospital and Children's Health Queensland Hospital and Health Service. This includes:
  - partnership income of \$6.17 million, and
  - income from individual gifts, major gifts, gifts in will, trust and foundation and corporate acquisition of \$7.56 million.
- \$4 million was included in the original fundraising revenue performance indicator above. Although this amount was received, due to accounting standards it could not be recognised as fundraising revenue.
- Given the ongoing challenges related to COVID-19, the external environment and a number of vacancies within the Fundraising team, although our target was not achieved, income raised by the community is a positive result which saw the Foundation achieve:
  - 684 new regular givers (2020–2021: 215)
  - fourth year of income growth for renewal campaigns
  - 46 confirmed gifts in wills (170 per cent above target)
  - five new corporate partnerships secured and two partners reengaged, and
  - over \$1.8 million of new business income being secured, including a \$1 million grant from a new funder.
- The focus into 2022–2023 will be to launch and embed a new brand narrative and visual identity, continue to integrate campaigns to improve brand awareness and amplification, digital transformation to improve fundraising through improved data insights and targeting, and developing a volunteer fundraising committee to support the fundraising acquisition strategy.
- Formal communication structures and relationships are in place resulting in a strong working relationship between the Executive teams of Children's Health Queensland and the Children's Hospital Foundation. A number of joint projects have been established with Children's Health Queensland focusing on COVID-19 support, telehealth, staff recognition and reward, mental health and indigenous health. These areas have been identified, and work to support these areas is either underway or in development.

## 5. Operations

Objective: Investing in our people and the tools they need for innovation and growth.

#### Performance indicators:

- Maintain organisation's engagement score at 80 per cent

#### Outcomes 2021–2022:

- The organisation's engagement score is at 71 per cent. Through consultation with staff, an action plan was developed to address key areas of concern. Despite the overall score, these focus areas all improved significantly over the last 12 months.



## Financial summary

### Comparison with previous period

The table below provides a comparison of actual results for the 2021–2022 year with the previous financial year.

Financial Year	2020–2021	2021–2022
Total Revenue	\$28,519,342	\$14,416,193
Total Expenses	\$26,950,545	\$28,042,979
Net Assets	\$53,670,615	\$40,398,828

### Income

The Children's Hospital Foundation's revenue predominantly comes from funds raised through the generous support of the community and investment income. 2021–2022 saw \$13.73 million raised through fundraising and a further \$2.44 million in goods and services in kind donated to support children in the hospital and health services. Fundraising income is down on the 2020–2021 year due to receiving one-off Queensland Government funding in 2020–2021 of \$2.5 million for a digital PET-CT scanner.

The significant downturn in the financial markets at 30 June 2022 saw a negative swing in investment income of \$8.3 million from the prior year. This is predominately due to unrealised fluctuations in the long-term investment portfolio managed and held with Queensland Investment Corporation. The investment portfolio is managed in accordance with the Children's Hospital Foundation's Investment, Reserves and Working Capital Policy. Due to the nature of this portfolio it is expected that on an annual basis there will be fluctuations but that in the long-term the return objective of the fund will be achieved.

Government subsidies received in the prior year for COVID-19 relief payments and JobKeeper allowance of \$1.1 million were not received this year.

### Expenses

Overall, expenses were \$1.09 million more than the 2020–2021 financial year primarily due to increased distribution of grants (up \$2.8 million), offset by lower fundraising and marketing expenses (\$0.4 million) and lower goods and services received in kind (\$1.5 million) related to the scaling down of the Telethon production.

### Net assets

The Children's Hospital Foundation's net assets decreased by a net loss of \$13.6 million (offset by prior period adjustments) from \$53.7 million to \$40.4 million. The net loss is mainly due to increases in distribution of grants to cause, fluctuations in the investment portfolio and decrease in one-off government funding for equipment. The Foundation however maintains a solid financial position and was able to pay its debts as when they fell due throughout the reporting period. A significant portion (93 per cent) of the Children's Hospital Foundation's net assets are forward commitments to multi-year research contracts and long-term endowments. The remainder is retained as financial reserves which are funds retained to ensure sustainability and to help meet forward commitments. Holding funds in reserve helps the Foundation operate effectively in times of economic difficulty, cover unforeseen or unplanned future costs that may arise, and facilitate planning for major works or activities in the future.

## **Financial statements**

The annual financial statements for the Children's Hospital Foundation Queensland for the 2021–2022 financial year are included in the Appendix of this Annual Report.

## Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</li> </ul>	ARRs – section 7	Page ii
Accessibility	<ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> </ul>	ARRs – section 9.1	Page iii Page 24
	<ul style="list-style-type: none"> <li>Public availability</li> </ul>	ARRs – section 9.2	Page i
	<ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Page i
	<ul style="list-style-type: none"> <li>Copyright notice</li> </ul>	<i>Copyright Act 1968</i> ARRs – section 9.4	Page i
	<ul style="list-style-type: none"> <li>Information Licensing</li> </ul>	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Page i
General information	<ul style="list-style-type: none"> <li>Introductory Information</li> </ul>	ARRs – section 10	Pages 1-3
Non-financial performance	<ul style="list-style-type: none"> <li>Government's objectives for the community and whole-of-government plans/specific initiatives</li> </ul>	ARRs – section 11.1	Page 7
	<ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>	ARRs – section 11.2	Pages 18-20
	<ul style="list-style-type: none"> <li>Agency service areas and service standards</li> </ul>	ARRs – section 11.3	Not applicable
Financial performance	<ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>	ARRs – section 12.1	Page 21
Governance – management and structure	<ul style="list-style-type: none"> <li>Organisational structure</li> </ul>	ARRs – section 13.1	Page 14
	<ul style="list-style-type: none"> <li>Executive management</li> </ul>	ARRs – section 13.2	Page 12
	<ul style="list-style-type: none"> <li>Government bodies (statutory bodies and other entities)</li> </ul>	ARRs – section 13.3	Page 8
	<ul style="list-style-type: none"> <li>Public Sector Ethics</li> </ul>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 16
	<ul style="list-style-type: none"> <li>Human Rights</li> </ul>	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 17
	<ul style="list-style-type: none"> <li>Queensland public service values</li> </ul>	ARRs – section 13.6	Page 16
Governance – risk management and accountability	<ul style="list-style-type: none"> <li>Risk management</li> </ul>	ARRs – section 14.1	Page 15
	<ul style="list-style-type: none"> <li>Audit committee</li> </ul>	ARRs – section 14.2	Page 16
	<ul style="list-style-type: none"> <li>Internal audit</li> </ul>	ARRs – section 14.3	Page 16
	<ul style="list-style-type: none"> <li>External scrutiny</li> </ul>	ARRs – section 14.4	Page 16
	<ul style="list-style-type: none"> <li>Information systems and recordkeeping</li> </ul>	ARRs – section 14.5	Page 16
	<ul style="list-style-type: none"> <li>Information Security attestation</li> </ul>	ARRs – section 14.6	Not applicable

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	Page 14
	• Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 15
Open Data	• Statement advising publication of information	ARRs – section 16	Page i
	• Consultancies	ARRs – section 31.1	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	• Overseas travel	ARRs – section 31.2	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	• Queensland Language Services Policy	ARRs – section 31.3	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Appendix
	• Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Appendix

## Glossary

FAA	<i>Financial Accountability Act 2009</i>
FPMS	<i>Financial and Performance Management Standard 2019</i>
ARRs	<i>Annual report requirements for Queensland Government agencies</i>

## **Appendix: Financial Statements**

# ***Children's Hospital Foundation Queensland***

***ABN: 11 607 902 687***

## ***Financial Statements***

***for the financial year 1 July 2021 to 30 June 2022***

<b>Contents</b>	<b>Page No.</b>
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to and Forming Part of the Financial Statements	6
Management Certificate	23
Independent Audit Report	24

### **General Information**

These financial statements cover the Children's Hospital Foundation Queensland (the Foundation).

The Foundation is a Statutory Body established under the *Hospital Foundations Act 2018*.

For information in relation to the Foundation's financial statements, please call (07) 3606 6100, email [info@childrens.org.au](mailto:info@childrens.org.au) or visit the Foundation's website [www.childrens.org.au](http://www.childrens.org.au).

# Children's Hospital Foundation Queensland

## Statement of Comprehensive Income

For the Year Ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>Income</b>			
Donations and other contributions	2	13,728,914	16,950,145
Financial income	3	1,634,907	2,380,296
Other income	4	2,569,190	5,100,929
(Decrease)/Increase in fair value of financial assets		(3,516,818)	4,087,972
<b>Total Income</b>		<b>14,416,193</b>	<b>28,519,342</b>
<b>Expenses</b>			
Employee expenses	5	5,747,430	5,625,415
Fundraising and marketing expenses	6	1,718,259	2,088,368
Supplies and services	7	1,490,121	1,550,813
Distribution of grants	8	15,727,940	12,901,424
Investment management fees		166,315	228,984
Depreciation	13	235,428	283,340
Amortisation	14	251,052	103,952
Other expenses	9	2,706,434	4,168,249
<b>Total Expenses</b>		<b>28,042,979</b>	<b>26,950,545</b>
<b>Operating Result for the Year</b>		<b>(13,626,786)</b>	<b>1,568,797</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income</b>		<b>(13,626,786)</b>	<b>1,568,797</b>

*The accompanying notes form part of these statements*



# Children's Hospital Foundation Queensland

## Statement of Financial Position

As at 30 June 2022

	Notes	2022 \$	2021 \$
<b>Current Assets</b>			
Cash and cash equivalents	10	14,366,247	22,848,429
Receivables	11	613,348	1,055,482
Other current assets		116,471	206,773
<b>Total Current Assets</b>		<b>15,096,066</b>	<b>24,110,685</b>
<b>Non-Current Assets</b>			
Financial assets	12	31,954,347	36,286,396
Plant and equipment	13	467,003	658,953
Right-of-use-asset	14	778,657	1,029,709
<b>Total Non-Current Assets</b>		<b>33,200,007</b>	<b>37,975,058</b>
<b>Total Assets</b>		<b>48,296,073</b>	<b>62,085,742</b>
<b>Current Liabilities</b>			
Payables	15	5,276,317	4,563,929
Accrued employee benefits	16	525,719	539,837
Unearned Revenue	17	1,258,763	2,253,055
Lease Liabilities	14	244,646	228,800
<b>Total Current Liabilities</b>		<b>7,305,445</b>	<b>7,585,621</b>
<b>Non-Current Liabilities</b>			
Accrued employee benefits	16	22,713	15,767
Lease Liabilities	14	569,086	813,738
<b>Total Non-Current Liabilities</b>		<b>591,799</b>	<b>829,505</b>
<b>Total Liabilities</b>		<b>7,897,245</b>	<b>8,415,127</b>
<b>NET ASSETS</b>		<b>40,398,828</b>	<b>53,670,615</b>
<b>Equity</b>			
Accumulated Surplus		40,398,828	53,670,615
<b>TOTAL EQUITY</b>		<b>40,398,828</b>	<b>53,670,615</b>

The accompanying notes form part of these statements

# Children's Hospital Foundation Queensland

## Statement of Changes in Equity

As at 30 June 2022

	<i><b>Accumulated Surplus 2022 \$</b></i>	<i><b>Accumulated Surplus 2021 \$</b></i>
Balance as at 1 July	53,670,615	52,101,818
Trust bank accounts correction	1(i) 354,999	-
Total Comprehensive Income	(13,626,786)	1,568,797
Balance as at 30 June	<b>40,398,828</b>	<b>53,670,615</b>

*The accompanying notes form part of these statements*

# Children's Hospital Foundation Queensland

## Statement of Cash Flows

For the Year Ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>Cash Flows from operating activities</b>			
<i>Inflows:</i>			
Donations, grants and other contributions		13,958,151	16,711,714
Other income		3,499	1,069,053
GST collected from customers		237,358	33,477
GST input credits from the Australian Taxation Office		1,979,508	1,363,284
<i>Outflows:</i>			
Payments to suppliers and employees		(9,657,894)	(8,627,076)
Grants		(15,459,384)	(12,326,478)
GST paid to suppliers		(1,773,164)	(1,421,720)
GST remitted to the Australian Taxation Office		(237,358)	(33,477)
<b>Net cash provided by operating activities</b>		<b>(10,949,284)</b>	<b>(3,231,223)</b>
<b>Cash Flows from investing activities</b>			
<i>Inflows:</i>			
Interest and dividends		1,634,907	2,380,296
Franking credits received from the Australian Taxation Office		133,438	-
Sale of plant and equipment		-	3,683
Gain on Sale of Asset		-	3,501
<i>Outflows:</i>			
Acquisition of plant and equipment		(43,478)	(314,627)
Net movement of investment funds to financial assets		815,230	19,244,193
Investment management fees paid		(166,315)	(228,984)
<b>Net cash provided by/(used in) investing activities</b>		<b>2,373,782</b>	<b>21,088,062</b>
<b>Cash Flows from financing activities</b>			
<i>Outflows:</i>			
Principal component of lease liability		(261,679)	(107,015)
<b>Net cash provided by/(used in) financing activities</b>		<b>(261,679)</b>	<b>(107,015)</b>
Net increase/(decrease) in cash and cash equivalents		(8,837,181)	17,749,824
Cash and cash equivalents at beginning of the financial year		22,848,429	5,098,605
Trust bank accounts correction 1 July 2021	1 (i)	354,999	-
<b>Cash and cash equivalents at end of the financial year</b>	10	<b>14,366,247</b>	<b>22,848,429</b>

The accompanying notes form part of these statements

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### Note 1 - Basis of Financial Statement Presentation

#### (a) General information about the Reporting Entity

These financial statements cover the Children's Hospital Foundation Queensland (the Foundation). The Foundation is a not-for-profit statutory body established under the *Hospital Foundations Act 2018*. The Foundation does not control other entities, the financial statements are for the Foundation as an individual entity.

The objective of the Foundation is to help sick kids today and tomorrow by funding research, medical equipment, clinical innovation and patient and family support at the Queensland Children's Hospital and throughout Queensland and Northern New South Wales. The work we do at the Foundation supports every aspect of the healing environment needed to help sick kids get better and go home to their families sooner. The head office and principal place of business of the Foundation is Level 14, 199 Grey Street, South Brisbane QLD 4101.

#### (b) Authorisation of financial statements for issue

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

#### (c) Compliance with Prescribed Requirements

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and the *Australian Charities and Not-for-profits Commission Act 2012* and *Regulation 2013*.

These general purpose financial statements are prepared in accordance with the disclosure requirements of Australian Accounting Standards – Simplified Disclosures. The financial statements comply with the recognition and measurement requirements of all Australian Accounting Standards and Interpretations applicable to not-for-profit entities, and the presentation requirements in those standards as modified by AASB 1060.

#### (d) Underlying measurement basis

The financial statements are prepared on an accrual basis, with the exception of the statement of cash flows which is prepared on a cash basis.

The historical cost convention is used as the measurement basis except for financial assets which are measured at fair value.

#### (e) Presentation matters

Currency and rounding - Amounts included in the financial statements are in Australian dollars. Amounts are rounded to the nearest dollar.

Comparatives - Comparative information reflects the audited 2020-21 financial statements, except where necessary to restate to be consistent with disclosures in the current reporting period.

Current / non-current classification - Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Foundation does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

#### (f) Taxation

The Foundation is exempted from income tax under the Income Tax Assessment Act 1936 and Fringe Benefits Tax. The Foundation also has a Goods and Services Tax (GST) concession.

Receivables and payables in the balance sheet are shown inclusive of GST. GST credits receivable from, and GST payable to, the Australian Taxation Office at reporting date are separately recognised in receivables within Note 11.

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### Note 1 - Basis of Financial Statement Presentation (Continued)

#### (g) Key accounting estimates and judgments

In the application of the Foundation's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets, liabilities, income and expenses that are not readily apparent from other sources.

Such estimates, judgements and underlying 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 and in future periods if the revision affects both current and future periods.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Accrued Employee Benefits - Note 16

Depreciation of Plant & Equipment - Note 13 (c)

Fair value of contribution received for no consideration - Note 4

Performance obligations for grant funding under Revenue Accounting Standards - Note 2

#### (h) New and revised accounting standards

##### First time mandatory application of Australian Accounting Standards and Interpretations

One new accounting standard was applied for the first time in 2021-22:

##### *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

AASB 1060 introduces the Simplified Disclosures framework for general purpose financial statements prepared by entities reporting under Tier 2 of the Differential Reporting Framework. This new disclosure framework applies to the Foundation. While most of the disclosures remain the same as 2020-21, there have been some changes by way of additional or reduced disclosures reflected in these financial statements.

The new accounting standard does not change any recognition or measurement requirements, and the Foundation's financial statements continue to comply with the recognition and measurement requirements of all applicable accounting standards and interpretations.

##### Early adoption of Australian Accounting Standards and Interpretations

No accounting pronouncements were early adopted in the 2021-22 financial year.

##### Voluntary changes in accounting policy

No voluntary changes in accounting policies occurred during the 2021-22 financial year.

#### (i) Trust bank accounts correction to retained earnings

A correction was made to retained earnings as at 1 July 2021 to recognise two bank accounts which were previously considered and disclosed as trust accounts in the financial statements. These were considered trust accounts as it was understood that the Foundation was only operating in a custodial role in relation to these funds. Upon review of the balances held in these accounts however it was found that the majority of these funds were derived from fundraising activities and that the balances are not held in trust bank accounts but rather in general bank accounts in the Foundation's name. The funds are restricted for use for specific programs. The impact of this was increasing cash at bank and retained earnings at 1 July 2021 by \$354,999.

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

	2022	2021
	\$	\$
<b>Note 2 - Donations and other contributions</b>		
Individual donations	4,501,113	5,037,823
Gifts in wills	1,584,841	574,304
Partnerships	6,170,751	10,787,118
Trusts and foundations	1,472,209	550,900
<b>Total</b>	<b>13,728,914</b>	<b>16,950,145</b>

Partnerships is comprised of funds raised through corporate partnerships, community fundraisers and government funding. Receipts for Government income included in Partnerships for 2022 was \$2,500,000 (2021: \$6,600,000).

### Accounting policy

Grants, contributions, donations and gifts arise from transactions that are non-reciprocal in nature (i.e. do not require any goods or services to be provided in return).

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the Foundation to transfer goods or services to a third-party on the grantor's behalf, the grant is accounted for under AASB 15. In this case, revenue is initially deferred as unearned revenue (contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant or donation is accounted for under AASB 1058, whereby revenue is recognised upon receipt of the grant funding. The Foundation did not receive any specific purpose capital grants in this financial year.

Contributions of assets received from the government and other parties are recognised at fair value on the date of transfer in the Statement of Comprehensive Income, with a corresponding amount of revenue recognised in the Statement of Comprehensive Income.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

	2022	2021
	\$	\$
<b>Note 3 - Financial income</b>		
Interest received from bank deposits	60,205	269,779
Dividends received from financial assets	1,574,702	2,110,517
<b>Total</b>	<b>1,634,907</b>	<b>2,380,296</b>

### Accounting policy

Interest income is recognised using the effective interest method.

The Foundation recognises dividends in profit or loss only when the Foundation's right to receive payment of the dividend is established.

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

	2022	2021
	\$	\$
<b>Note 4 - Other income</b>		
Dividend imputation tax credits on listed securities	126,884	65,905
Services received free of charge - at fair value	2,438,807	3,962,470
Gain on disposal of assets	-	3,501
Sundry Revenue	3,499	15,551
Government Subsidies	-	1,053,501
<b>Total</b>	<b>2,569,190</b>	<b>5,100,929</b>

Government subsidies received in the prior year relate to COVID Relief Payments and Jobkeeper Allowance. No government subsidies were received in 2022.

### Accounting policy

#### *Services received free of charge - at fair value*

Contributions of services received for no consideration are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and as an expense. This balance consists predominately of services received free of charge related to the Telethon production.

	2022	2021
	\$	\$
<b>Note 5 - Employee expenses</b>		
<i>Employee benefits</i>		
Salaries and wages	5,049,534	5,050,376
Termination Payments	157,348	88,787
Employer superannuation contributions	476,085	452,960
<i>Employee related expenses</i>		
Workers compensation premium	24,904	22,293
Other employee related expenses	39,560	10,999
<b>Total</b>	<b>5,747,430</b>	<b>5,625,415</b>

The number of employees including both full-time and part-time employees, measured on a full-time equivalent basis at reporting date is:

<b>Number of employees</b>	44	47
----------------------------	----	----

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### Note 5 - Employee expenses (continued)

#### Accounting policies and disclosures

##### Employer superannuation contributions

Superannuation benefits are provided through defined contribution (accumulation) plans. Employer contributions are based on rates specified under conditions of employment. The Foundation's contributions are expensed when they become payable at each fortnightly pay period.

##### Workers' compensation

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

##### Other employee benefits – sick leave

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

##### Termination benefits

Termination benefits expense represent cash payments made to employees who accepted redundancies during the year.

2022	2021
\$	\$

### Note 6 - Fundraising and marketing expenses

Advertising & Promotion	318,933	348,644
Campaign Printing and Postage	530,420	600,592
Fundraising Agency & Production Support	666,237	783,685
Other fundraising & marketing expenses	202,669	355,448
<b>Total</b>	<b>1,718,259</b>	<b>2,088,368</b>



# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

	2022	2021
	\$	\$
<b>Note 7 - Supplies and services</b>		
Information technology	712,628	852,735
Employee recruitment & training	219,568	140,482
Insurance	120,627	85,594
Advisory Services	144,130	162,905
Legal Fees	79,369	31,224
Other supplies and services	213,799	277,873
<b>Total</b>	<b>1,490,121</b>	<b>1,550,813</b>

### Note 8 - Distribution of grants

Research grants	7,832,408	8,193,565
Health and medical services	699,353	1,258,445
Equipment	4,694,904	2,031,381
Patient and family support	2,501,275	1,418,033
<b>Total</b>	<b>15,727,940</b>	<b>12,901,424</b>

### Accounting policy

Where there is a present obligation under a funding agreement, the Foundation recognises an expense.

### Note 9 - Other Expenses

Audit fees	24,987	21,013
Services received free of charge - at fair value	2,428,829	3,962,470
Interest expenses - leases	32,872	15,892
Other administrative expense	219,746	168,874
<b>Total</b>	<b>2,706,434</b>	<b>4,168,249</b>

### Note 10 - Cash and cash equivalents

Petty cash and floats	1,000	1,000
Cash at bank	14,365,247	22,844,275
Short term deposits	-	3,154
<b>Total</b>	<b>14,366,247</b>	<b>22,848,429</b>

### Accounting Policy

Cash and cash equivalents include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions.

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

	2022	2021
	\$	\$
<b>Note 11 - Receivables</b>		
Trade debtors	158,190	387,427
Dividend imputation credits on listed securities	192,789	199,343
GST Receivable	262,368	468,712
<b>Total</b>	<b>613,348</b>	<b>1,055,482</b>

### Accounting Policy

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement terms are within 30 days from invoice date.

The collectability of receivables is assessed periodically with a loss allowance being made for lifetime expected credit losses. The loss allowance is estimated based on the probability and timing of potential defaults, and takes into account forecasts of future economic conditions as well as past events.

All known bad debts were written-off as at 30 June.

### Note 12 - Financial assets

#### Non-current:

Financial assets designated at fair value through profit & loss	31,954,347	36,286,396
<b>Total</b>	<b>31,954,347</b>	<b>36,286,396</b>

### Accounting policy and disclosures

At 30 June 2022, financial assets were held in a long term diversified portfolio with QIC. This portfolio has exposures to Australian equities, International equities, real estate, infrastructure, private equity and debt, alternatives, fixed interest and cash. The Foundation earns and is entitled to both interest/dividend income on the portfolio. There are also no restrictions on redemption of funds in the portfolio.

#### Restricted funds

The financial assets include restricted funds which have been identified separately because arrangements with donors requires the earnings from these funds to be applied to prescribed activities on an ongoing basis. To ensure perpetuity of these funds, the value of the endowments must be maintained.

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### Note 12 - Financial assets (continued)

	2022	2021
	\$	\$
<i>Restricted funds (continued)</i>		
Sir Albert Sakzewski Endowment Fund	4,703,812	5,315,375
Sasakawa Memorial Fund	2,114,512	2,686,870
Lola Efsthathis Scholarship Fund	157,905	162,349
Burns Endowment Fund	544,983	600,772
<b>Total restricted financial assets</b>	<b>7,521,213</b>	<b>8,765,367</b>

The Sir Albert Sakzewski Endowment Fund was created in 2016 with an endowment of \$4,214,968 for the purpose of funding paediatric infectious disease research at the Queensland Paediatric Infectious Diseases laboratory. The Sir Albert Sakzewski Endowment Fund reflects the total value of the Fund after investment and grant paying activities for the financial year.

The Sasakawa Memorial Fund was created in 1994 with an endowment of US\$1,000,000 to the Foundation for the purpose of enhancing therapy and research of organ transplantation for children. The Sasakawa Memorial Fund reflects the total value of the Fund after investment and grant paying activities for the financial year. A new agreement was executed in 2016 to reset the value of the portfolio to a minimum of AUD\$2,000,000 on 1 July 2016 for the purpose of funding paediatric infectious disease research.

The Lola Efsthathis Fund was created in 2005 with an endowment of \$100,000. Medical scholarships are paid from the interest earned. The Lola Efsthathis Scholarship Fund reflects the total value of the Fund after investment and grant paying activities for the financial year.

The Burns Endowment Fund was created in November 2016 with an endowment of \$451,727 from The Leola Grace Robinson Estate for the purpose of funding burns research. The Burns Endowment Fund reflects the total value of the fund after investing and grant paying activities for the financial year.

### Note 13 - Plant and equipment and depreciation expense

	2022	2021
	\$	\$
<b>(a) Plant and equipment</b>		
Plant and equipment		
At cost	1,317,564	1,274,087
Less accumulated depreciation	(850,561)	(615,134)
<b>Total</b>	<b>467,003</b>	<b>658,953</b>

### (b) Plant and equipment reconciliation

<b>Carrying amount at 1 July</b>	<b>658,953</b>	<b>631,349</b>
Acquisitions	43,478	314,627
Disposal	-	(3,683)
Depreciation	(235,428)	(283,340)
<b>Carrying amount at 30 June</b>	<b>467,003</b>	<b>658,953</b>

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### Note 13 - Plant and equipment and depreciation expense (continued)

#### (c) Accounting policy – Recognition and measurement

##### Asset Acquisition

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready to use, including any professional fees. However, any training costs are expensed as incurred.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

##### Recognition of property, plant and equipment

Items of plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Plant and equipment (excluding computers)	\$5,000
Motor vehicles	\$5,000
Computers	\$2,500

Items with a lesser value are expensed in the year of acquisition. Expenditure is only capitalised if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear etc.) is expensed.

Assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset.

##### Measurement of plant and equipment at cost

Plant and equipment is measured at cost in accordance with the Non-Current Asset Policies. The carrying amounts for plant and equipment at cost approximate their fair value.

##### Impairment

For all property, plant and equipment and intangible assets to which impairment applies, the Foundation assesses for indicators of impairment annually. Where indicators exist, plant and equipment and intangible assets, which are measured at cost, are reduced to the asset's recoverable amount, being the higher of the asset's fair value less costs of disposal and its value in use. The adjustment is recorded as an impairment loss.

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### Note 13 - Plant and equipment and depreciation expense (continued)

#### (c) Accounting policy – Recognition and measurement (continued)

##### Depreciation of Plant and Equipment

Plant and equipment are depreciated on a straight-line basis over their useful lives. The estimation of the useful lives of assets is based on historical experience with similar assets as well as considerations such as manufacturers' warranties and asset turnover practices. Reassessments of useful lives are undertaken annually by the Foundation. Any consequential adjustments to remaining useful life estimates are implemented prospectively.

For each class of depreciable asset, the following depreciation rates are used:

Class	Rate %
Plant and equipment:	
Other equipment	10-33
Computer Equipment	10-33

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

### Note 14 - Leases

	2022	2021
	\$	\$
<b>Right-of-use-Assets - Buildings and Printers</b>		
Opening Balance as at 1 July	1,029,709	-
Additions	-	1,131,051
Amortisation	(251,052)	(101,342)
<b>Closing balance at 30 June</b>	<b>778,657</b>	<b>1,029,709</b>
<b>Lease Liabilities</b>		
Current	(244,646)	(228,800)
Non-Current	(569,086)	(813,738)
<b>Total</b>	<b>(813,732)</b>	<b>(1,042,538)</b>
<b>Amounts recognised in profit and loss</b>		
Interest expense - lease liabilities	32,872	15,892

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### Note 14 - Leases (continued)

#### Accounting policy – Leases

Right-of-use assets are initially measured at cost comprising the amount of the initial measurement of the lease liability (see below), any lease payments made at or before the commencement date less any lease incentives received, initial direct costs incurred and the initial estimate of restoration costs where applicable. Subsequent to initial recognition, right-of-use assets are measured at cost.

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the Foundation is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise:

- fixed payments (less any lease incentives receivable),
- variable lease payments that depend on an index or rate (initially measured using the index or rate as at the commencement date),
- the amount of residual value guarantees,
- the exercise price of a purchase option (where the Foundation is reasonably certain to exercise the option); and
- payments for termination penalties (if the lease term reflects the early termination).

The Foundation's indicative borrowing rate is used when measuring the lease liability being 3.5%.

#### Disclosure – Leases

The Foundation has three right-of-use assets, a building sublease and two printer leases.

The building sublease is with Minor DKL Management Pty Ltd for the premises at Level 14, 199 Grey Street South Brisbane. The sublease was entered into 2021 for a total term of 4 years and 6 months, on which the agreement will then terminate. Prior to termination, the Foundation may re-negotiate directly with the Head Lessor. The sublease has a fixed 3% annual increase adjustment.

The two printer leases are with Fuji-Xerox. The lease is for a term of 5 years, with no annual increase, after which the printers will remain the property of the Lessor.

#### Lease Liability Maturity

Undiscounted future lease payments included in the lease liability are as follows:

	2022	2021
	\$	\$
Not later than one year	269,259	261,674
Later than one year and no later than five years	591,379	860,644
Later than five years	-	-
Less: effect of discounting	(46,906)	(79,780)
<b>Lease liabilities at 30 June</b>	<b>813,732</b>	<b>1,042,538</b>

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

	2022	2021
	\$	\$
<b>Note 15 - Payables</b>		
<i>Current:</i>		
Trade creditors	1,995,653	1,256,962
Sundry creditors and accruals	60,948	358,670
PAYG payable	78,491	75,628
Grants payable	3,141,226	2,872,669
<b>Total</b>	<b>5,276,317</b>	<b>4,563,929</b>

### Accounting policy

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at a nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms, or in accordance with suppliers terms of trade.

### Note 16 - Accrued employee benefits

#### Current

Wages Accrual	77,879	84,088
Annual Leave	272,271	351,413
Long Service Leave	136,853	104,239
Employee related expenses - on-costs	38,716	96
	<b>525,719</b>	<b>539,837</b>

#### Non-Current

Long Service Leave	22,713	15,767
	<b>22,713</b>	<b>15,767</b>
<b>Total</b>	<b>548,432</b>	<b>555,604</b>

### Accounting policy

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

Annual leave and long service leave liabilities are classified and measured as other long-term employee benefits as the Foundation does not expect to wholly settle all such liabilities within the 12 months following reporting date.

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### Note 16 - Accrued employee benefits (continued)

Other long-term employee benefits are presented as current liabilities where the Foundation does not have an unconditional right to defer payment for at least 12 months after the end of the reporting period.

Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments take into account anticipated future wage/salary levels, expected employee departures and periods of ineligible service. These are discounted using market yields on Australian Government bond rates at the end of the reporting period that coincide with the expected timing of estimated future payments.

All directly associated on-costs (e.g. employer superannuation contributions, payroll tax and workers' compensation insurance) are also recognised as liabilities, where these on-costs are material.

	2022	2021
	\$	\$
<b>Note 17 - Unearned Revenue</b>		
<i>Current:</i>		
Agency net revenue	1,128,027	2,250,000
Other unearned revenue	130,736	3,055
<b>Total</b>	<b>1,258,763</b>	<b>2,253,055</b>

#### *Principal vs Agent*

In 2021 the Foundation was the recipient of \$2 million from Queensland Health for the Q-MOST Grant, a mental health pilot program. A further \$2 million was received in 2022. In respect of this arrangement, the grant funding was treated with the Foundation acting as an agent (as distinct from a principal) under AASB 15 i.e. no revenue has been recorded. Management consider that the following factors indicated that the Foundation acted as an agent in this arrangement:

- Although the Foundation collects the funding from Queensland Health, the agreement requires these funds to be provided predominately to a third party (Orygen).
- The funding agreement does not allow the Foundation to vary the amount of the funding provided to Orygen and indicates the Foundation will act as a "custodian and conduit" of Queensland Health.
- Accordingly, the Foundation is not exposed to risk relating to the delivery of goods or services under the agreement.

The balance of agency revenue within unearned revenue is net of any related expenditure. For the Q-MOST Grant \$3.2 million of expenditure related to agency revenue received was incurred leaving a balance of \$1.1 million as at 30 June 2022.



# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### Note 18 - Financial instruments

#### (a) Categorisation of financial instruments

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

	2022	2021
	\$	\$
<i>Financial assets</i>		
Cash and cash equivalents	14,366,247	22,848,429
Receivables	613,348	1,055,482
Financial assets at fair value through profit or loss	31,954,347	36,286,396
<b>Total</b>	<b>46,933,941</b>	<b>60,190,307</b>
<i>Financial liabilities</i>		
Payables	5,276,317	4,648,018
<b>Total</b>	<b>5,276,317</b>	<b>4,648,018</b>

#### (b) Accounting Policy

##### Classification

Financial instruments are classified and measured as follows:

- Financial assets at fair value through profit or loss
- Receivables - held at amortised cost
- Payables - held at amortised cost

The Foundation derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in which substantially all the risks and rewards of ownership of the financial assets are transferred.

Any interest in transferred financial assets that is created or retained by the Foundation is recognised as a separate asset or liability.

The Foundation derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

##### Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost as described below (i.e. the Foundation's managed investments with QIC) are measured at fair value through profit or loss (FVTPL). These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. Fair value is measured based on quoted prices in an active market.

##### Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value. Subsequent to initial recognition, loans and receivables are measured at amortised cost less any impairment losses.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash balances with original maturities of three months or less.

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### Note 18 - Financial instruments (continued)

#### **(c) Financial risk management**

The Foundation's activities expose it to limited financial risks - credit risk and market risk. The Foundation is not exposed to any significant liquidity risk.

Financial risk management is implemented pursuant to the Foundation's investment policy. The focus of this policy is the mitigation of unpredictability of financial markets and the minimisation of potential adverse events on the financial performance of Foundation funds.

All financial risk is managed by the Executive Leadership Team under the oversight of the Finance Audit and Risk Management Committee, governed by policies approved by the Board.

### Note 19 - Key Management Personnel (KMP) Disclosures

#### *a) Details of Key Management Personnel*

The following details for key management personnel include those positions within the Foundation that have authority and responsibility for planning, directing and controlling the activities of the Foundation during 2021-22 and 2020-2021.

Position	Position Responsibilities
Board	The strategic leadership, guidance and effective oversight of the management of the Foundation, including its operational and financial performance.
Chief Executive Officer (CEO)	Responsible for the strategic leadership and direction of the Foundation.

#### *b) KMP Remuneration Policies*

The Board is responsible for the governance of the Foundation. Their services are provided on an honorary basis. No Board members received or were entitled to receive any fees or benefits during the year.

The remuneration and other terms of employment for the key executive management personnel are set by the Board and specified in employment contracts. The remuneration package for the current CEO includes a potential performance payment up to a maximum of \$20,000. Eligibility for such a performance payment is conditional on satisfactory achievement of a set of performance objectives determined by the Board on an annual basis and following one full year in the role. Any performance payment approved therefore will be reported as an expense within 2022-23 financial year.

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

- Short term employee benefits include salaries, allowances and performance payments earned and expensed for the entire year, or for that part of the year which the employee occupied the specified position;
- Long term employee expenses mainly include annual leave and long service leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied the specified position;
- Post-employment expenses - mainly superannuation contributions; and
- Termination benefits - include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### Note 19 - Key Management Personnel (KMP) Disclosures (continued)

The following disclosures focus on the expenses incurred by the Foundation during the respective reporting periods that is attributable to key management positions. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

#### Remuneration Expenses

1 July 2021 - 30 June 2022					
Position	Short Term Employee Expenses	Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	\$	\$	\$	\$	\$
CEO (From 3 May 2022)	38,250	638	3,825	-	42,713
Acting CEO (2 October 2021 - 2 May 2022)	154,290	4,181	14,048	-	172,519
CEO (to October 2021)	70,567	-	11,784	71,525	153,876
<b>Total</b>	<b>263,107</b>	<b>4,819</b>	<b>29,657</b>	<b>71,525</b>	<b>369,108</b>

1 July 2021 - 30 June 2022					
Position	Short Term Employee Expenses	Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	\$	\$	\$	\$	\$
CEO	264,713	9,161	21,694	-	295,568
<b>Total</b>	<b>264,713</b>	<b>9,161</b>	<b>21,694</b>	<b>-</b>	<b>295,568</b>

### Note 20 - Patient and Family Services

As part of its operations the Foundation runs a Patient and Family Service at the Queensland Children's Hospital. This essential service supports the Foundation's purpose by providing entertainment and support services to patients and families at the Children's Hospital. Below is a breakdown of the salaries and expenditure costs associated with this service which are absorbed within each relevant expenditure line on the Statement of Comprehensive Income together with number of FTE in this area.

	2022	2021
	\$	\$
Salaries and wages	890,603	860,611
Fundraising and marketing	3,019	55,288
Supplies and service	200,740	123,148
Depreciation	27,862	13,346
Other expenses	33,568	41,475
<b>Total</b>	<b>1,155,792</b>	<b>1,093,867</b>

The number of Patient and Family Services employees including both full-time and part-time employees, measured on a full-time equivalent basis at reporting date is:

<b>Number of employees</b>	10	10
----------------------------	----	----

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### Note 21 - Related Party Transactions

The Foundation obtained related party declarations for each member of the Board and key management personnel for the period 1 July 2021 - 30 June 2022. No related party transactions requiring disclosure under AASB 124 occurred during the period.

### Note 22 - Commitments

	2022	2021
	\$	\$
<b>Grant commitments</b>		
Commitments to external grant recipients at reporting date are payable:		
Not later than 1 year	14,835,159	12,800,035
Later than 1 year but not later than 5 years	15,064,747	19,308,421
<b>Total</b>	<b>29,899,906</b>	<b>32,108,456</b>

There were no other commitments for expenditure at 30 June 2022.

### Note 23 - Contingencies

The Foundation is not aware of any contingencies at reporting date that require disclosure.

### Note 24 - Events occurring after balance date

The Foundation is not aware of any events occurring post balance date that require disclosure.

# Children's Hospital Foundation Queensland

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### MANAGEMENT CERTIFICATE OF CHILDREN'S HOSPITAL FOUNDATION QUEENSLAND

These general purpose financial statements have been prepared pursuant to s.62(1)(a) of the Financial Accountability Act 2009 (the Act), s.39 of the *Financial and Performance Management Standard 2019*, the *Australian Charities and Not-for-profits Commission Act 2012* and *Regulation 2013* and other prescribed requirements. In accordance with s.62(1)(b) of the Act and s.60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*, 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 and the *Australian Charities and Not-for-profits Commission Act 2012*, of the transactions of Children's Hospital Foundation Queensland for the financial year ended 30 June 2022 and of the financial position as at the end of that year, and
- c) there are reasonable grounds to believe the Children's Hospital Foundation Queensland will be able to pay all of its debts as and when they become due and payable.

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



Lyndsey Rice  
Chief Executive Officer



Karen Prentis  
Chair

Date 25/08/2022

Date 25/08/2022

## INDEPENDENT AUDITOR'S REPORT

To the Board of Children's Hospital Foundation Queensland

### Report on the audit of the financial report

#### Opinion

I have audited the financial report of Children's Hospital Foundation Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards – Simplified Disclosures.

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

#### Basis for opinion

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

I am independent of the entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

#### Other information

Other information comprises the information included in the entity's annual report for the year ended 30 June 2022, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

## **Responsibilities of the entity for the financial report**

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards – Simplified Disclosures, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial report**

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

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

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

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

## **Report on other legal and regulatory requirements**

### **Statement**

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

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

### **Prescribed requirements scope**

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



26 August 2022

Michael Claydon  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane



