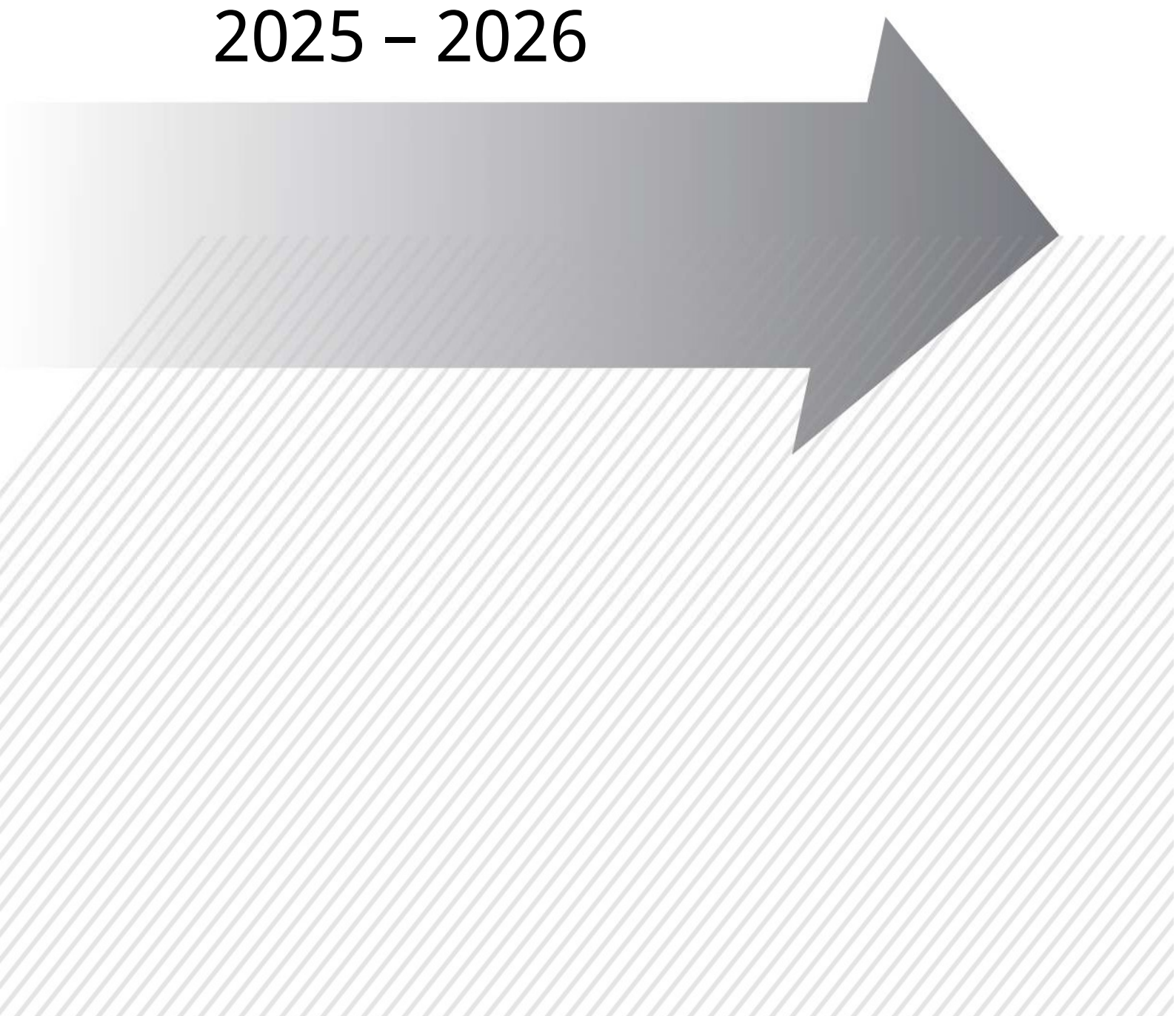


Mackay Hospital Health Service

Annual Report

2025 – 2026



Accessibility

Open Data

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

Public Availability statement

An electronic copy of this report is available at <http://www.mackay.health.qld.gov.au>. Hard copies of the annual report are available by phoning the Media and Communications Manager on 07 4885 7031. Alternatively, you can request a copy by emailing mhhs-comms@health.qld.gov.au.

Interpreter Service statement

The Mackay Hospital Health Service is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. To talk to someone about this annual report in your preferred language, call 07 4885 5984 and we will arrange an interpreter to effectively communicate the report to you.



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Aboriginal people and Torres Strait Islander people are advised that this publication may contain words, names, images and descriptions of people who have passed away.

Acknowledgement

Acknowledgement to Traditional Custodians

Mackay Hospital and Health Service (HHS) respectfully acknowledges the Traditional Custodians of the land and sea on which we serve our communities, and pay our respect to Elders past, present and emerging. We also declare our commitment to reducing inequalities in health outcomes for Aboriginal and Torres Strait Islander peoples as we move to a place of equity, justice, and partnership together.

Mackay – Yuwi people

Sarina – Yuwi people

Moranbah – Barada Barna people

Dysart – Barada Barna people

Clermont – Wangan Jagalingou people

Glenden – Wiri people

Middlemount – Barada Barna people

Proserpine – Gia people

Cannonvale – Ngaro people

Bowen – Juru people

Collinsville – Birriah people

Aboriginal and Torres Strait Islander peoples terminology

Throughout the Annual Report, the terms ‘Aboriginal and Torres Strait Islander peoples’, ‘First Nations peoples’ and ‘Aboriginal peoples and Torres Strait Islander peoples’ are used interchangeably rather than ‘Indigenous’. Whilst ‘Indigenous’ is commonly used in many national and international contexts, Queensland Health’s preferred terminology is ‘Aboriginal and Torres Strait Islander peoples’, ‘Aboriginal peoples and Torres Strait Islander peoples’ or ‘First Nations peoples’.

Recognition of Australian South Sea Islanders

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

Letter of compliance

1 September 2026

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

Dear Minister Nicholls

I am pleased to submit for presentation to the Parliament the Annual Report 2025-2026 and financial statements for Mackay Hospital and Health Service.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements is provided at page 92 of this annual report.

Yours sincerely



Ms Monica McKendry

Chair
Mackay Hospital and Health Board

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From the Chair and Chief Executive

We are pleased to introduce the 2025–2026 Annual Report — our first as Board Chair and Chief Executive of Mackay Hospital and Health Service. We are grateful for the trust placed in us to lead our Hospital and Health Service, and we share a commitment to supporting our team as they deliver the safe, high-quality care our communities need.

We are grateful to our team of more than 3,800 for the compassionate care and commitment they demonstrate every day as they manage the daily pressures on service delivery and the impact of service closures by external providers.

Despite these pressures we have seen significant improvements in care.

In our emergency departments, wait times are now among the lowest in the state, 24-hour length of stays were reduced by 60 per cent, and in the June quarter, we have seen the benefits of our patient flow initiatives being realised with a reduction in the time it takes to move incoming patients off stretchers and into care.

We were also able to provide more elective surgery closer to home for our patients, despite increased referrals and consistent demand. Behind every one of these numbers is a patient who was seen sooner, and a staff member who made that possible. We look forward to building on these improvements as the planning work on the 15-year master plan continues to take shape.

We have continued to strengthen engagement strategies with our patients and community, including our delivery of safe and equitable healthcare for Aboriginal and Torres Strait Islander communities.

A highlight of this work was the joint signing of a landmark Statement of Commitment with the Queensland Ambulance Service (QAS), aimed at strengthening culturally safe healthcare for Aboriginal and Torres Strait Islander peoples across the Mackay region. We believe this is the first joint Statement of Commitment between the QAS and a Hospital and Health Service in Queensland.

It has been a busy and exciting year on the ground, with planning or commencement on a number of staged components of the Mackay Base Hospital Expansion Project underway.

A staged approach to the Mackay Base Hospital Expansion Project allows us to prioritise key clinical areas and plan carefully around our existing operations, and we're grateful to our clinical staff, whose voices have shaped these priorities every step of the way.

We will invest \$3.7 million to expand the Transit Care Hub at Mackay Base Hospital, providing a safe clinical space for patients in transit and freeing up beds for those awaiting admission.

The former Sarina Hospital is being repurposed to provide a further 17 Long-Stay beds, and a separate modular inpatient unit at the new Sarina Hospital campus will add another 17 beds, together helping to boost capacity following the closure of Mackay Private Hospital.

Work began in April on a dedicated fleet car park, which will offer welcome relief from parking pressures, and we are well advanced on recommissioning the on-site helipad on the river side of the campus to allow for faster aeromedical transfers.

Other significant announcements across our health service in 2025–26 included the progression of a detailed business case to consider the long-term healthcare needs of the Whitsunday community; the establishment of the Royal Flying Doctors Service General Practice Clinic in Clermont; and the completion of the on-site helipad at Moranbah Hospital.

In addition to building the facilities of the future, we need to build our workforce.

The Mackay Hospital and Health Service Workforce Strategy 2026–2035 is now complete, and it sets out our framework for attracting, growing, supporting and sustaining our workforce over the next nine years. As part of this strategy, we have taken steps to build our identity through a series of recruitment videos and by supporting the Australian Medical Association of Queensland in hosting their junior doctor conference in Mackay.

We were also proud to celebrate the future of healthcare at our annual MIRI (Mackay Institute of Research and Innovation) Symposium, a wonderful platform for emerging researchers, including JCU medical students, to present their work and build capability in some of the most critical areas of modern science and healthcare.



Monica McKendry

Chair

Mackay Hospital and Health Board

It was a privilege to see so many researchers from diverse backgrounds sharing their passion for innovation, and it reinforces our broader mission to keep research meaningful and connected to the communities we serve.

In closing, we want to acknowledge the valuable contributions of those organisations and individuals who support us in so many ways. This includes Ronald McDonald Charities North Queensland, the Mackay Hospital Foundation and our hospital auxiliaries. We once again congratulate the Mackay Base Hospital Auxiliary on celebrating 45 years of support to our hospital.

Many in our communities give generously to support our hospitals and health services across the region, and every gesture and contribution is warmly appreciated. It is this generosity of spirit — from our team, our volunteers and our community — that makes Mackay Hospital and Health Service such a special place to work and to care for. Thank you for being part of it.



Sean Birgan

Chief Executive

Mackay Hospital and Health Service

Statement on Queensland Government objectives for the community

Mackay HHS's Strategic Plan 2024-2028 contributes to the Queensland Government's objectives for the community by working to provide **Health services when you need them** through transparent and targeted investment with real-time data, boosting frontline health services, driving resources where they are needed most, improving our Emergency Departments, fast-tracking access to elective surgeries, and helping patients to be seen faster.

About us

Mackay HHS is an independent statutory body overseen by an appointed Hospital and Health Board, established on 1 July 2012. Our responsibilities are set out in the *Hospital and Health Boards Act 2011* (HHBA) and the *Financial Accountability Act 2009* (FAA) and subordinate legislation. We operate according to the service agreement with the Department of Health which outlines the services to be provided, the funding arrangements, and our performance indicators and targets.

Mackay HHS is responsible to the Mackay Hospital and Health Board (MHHB) for the provision of public hospital and health services, including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care, community health and clinical support services to a population, as at June 2025, of approximately 193,813 people. As at the last census (2021), there were 10,827 First Nations peoples living across the Mackay HHS catchment which represented 6.0 per cent of the population and was higher than the Queensland average of 4.6 per cent. The region is also home to a significant Australian South Sea Islander community.

The geographical catchment of Mackay HHS spans 90,364 square kilometres, extending from Bowen in the north, to St Lawrence in the south, west to Clermont, and northwest to Collinsville, and includes Proserpine and the Whitsundays.

Mackay HHS is an organisation with approximately 3,800 staff, providing extensive health services in a range of regional, community and rural settings. Mackay HHS consists of eight hospitals and four community health centres. Services are delivered on-site in our facilities as well as in other settings, such as people's homes.

Strategic Direction

Mackay HHS is committed to providing services that are efficient, diverse, and flexible to changing community and government needs.

The MHHB sets the organisation's strategic agenda and monitors outcomes achieved against the Mackay HHS Strategic Plan and its performance against the service delivery statement.

Mackay HHS's *Strategic Plan 2024-2028* sets out four interrelated objectives: Quality Care, Empowered People, Healthy Communities and Sustainable Organisation, each with its own strategies to achieve Mackay HHS's vision.

Vision, Purpose, Values

Our Vision

Healthy, empowered and connected communities.

Our Purpose

Together, we deliver high quality, safe and equitable patient-centred care, locally.

Our Values



Priorities



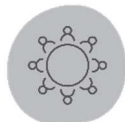
Quality Care

Excellent, person-centred, compassionate care for all.



Empowered People

A respectful, inclusive, empowering and caring place to work, learn and grow.



Healthy Communities

Informed, engaged and connected communities.



Sustainable Organisation

A responsible, resilient and proactive organisation.

Aboriginal and Torres Strait Islander Health

Mackay HHS remains committed to partnering with Aboriginal and Torres Strait Islander peoples, communities and organisations to co-design, deliver and continuously improve culturally safe, equitable and accessible healthcare services across our region.

Aboriginal and Torres Strait Islander peoples comprise approximately 6 per cent of the overall Mackay HHS population, higher than the 4.6 per cent Queensland average. Despite improvements in health outcomes over recent decades, Aboriginal and Torres Strait Islander peoples continue to experience disproportionate rates of chronic disease, avoidable hospitalisation and reduced life expectancy when compared with non-Indigenous Australians.

Closing the Gap remains a national priority, with health equity dependent on improving access to culturally safe healthcare, strengthening Aboriginal and Torres Strait Islander self-determination, and addressing the social determinants of health. Through the *Our Mob Together Strong Health Equity Strategy 2025-2028*, Mackay HHS is working in partnership with Aboriginal and Torres Strait Islander communities to address these inequities and improve health outcomes for current and future generations.

Our Health Equity Strategy is aligned to the Queensland Health *Making Tracks Together Framework* and supports the *National Agreement on closing the gap*. The Strategy focuses on eliminating racial discrimination, increasing equitable access to healthcare, strengthening partnerships with Aboriginal and Torres Strait Islander organisations, building a culturally capable workforce, and ensuring Aboriginal and Torres Strait Islander peoples actively participate in the design, delivery and evaluation of health services.

In 2025-2026, Mackay HHS received \$1.9 million in Queensland Government funding to deliver six Making Tracks programs and \$0.2 million to deliver one First Nations Workforce program as part of the Closing the Gap initiative.

These programs support improvements in outpatient access, acute care pathways, chronic disease management, patient advocacy and cultural support services, while also strengthening cultural capability across the workforce through the development and delivery of targeted education, resources and training.

A landmark achievement during 2026 was the establishment of a formal Health Equity Partnership between Mackay HHS and the QAS, representing the first partnership of its kind in Queensland. In May 2026, both organisations signed the *Our Mob Together Strong Health Equity Strategy Commitment Statement*, demonstrating a shared commitment to improving health outcomes and healthcare experiences for Aboriginal and Torres Strait Islander peoples across the Mackay, Isaac and Whitsunday regions.

Importantly, this commitment extends beyond partnership to genuine shared accountability. The collaboration has resulted in Queensland's first jointly owned Health Equity Strategy Implementation Plan between a Hospital and Health Service and the QAS. The partnership establishes a coordinated, whole-of-system approach across the patient journey, from first contact with emergency and pre-hospital services, through to hospital care, discharge and ongoing community support. This significant reform initiative strengthens service integration, cultural safety, workforce capability and shared governance arrangements while positioning Mackay HHS and QAS as leaders in health equity innovation across Queensland.

The partnership is expected to serve as a model for future cross-agency collaboration to improve outcomes for Aboriginal and Torres Strait Islander peoples statewide.

A further significant milestone was the official opening of the relocated Aboriginal and Torres Strait Islander Health Liaison Office. The relocation provides a culturally safe and welcoming environment where Aboriginal and Torres Strait Islander patients and families can access advocacy, support and connections to healthcare services. The relocation reflects Mackay HHS's commitment to enhancing the visibility, accessibility and effectiveness of culturally responsive healthcare support services.

The Chief Executive and Executive Director Aboriginal and Torres Strait Islander Health hosted an Aboriginal and Torres Strait Islander Leaders Forum, bringing together more than 20 Aboriginal and Torres Strait Islander health leaders from across Queensland, including the Queensland Chief Aboriginal and Torres Strait Islander Health Officer. The forum strengthened collaborative relationships, promoted the sharing of innovation and best practice, and explored opportunities to improve health outcomes, workforce participation and leadership pathways. Mackay HHS also welcomed the Queensland Chief Aboriginal and Torres Strait Islander Workforce Officer and her team to engage directly with staff and support future workforce development initiatives.

Mackay HHS continues its strong partnership with Aboriginal and Torres Strait Islander Community Health Service Ltd (ATSICHS) Mackay in delivering paediatric services from the ATSICHS Mackay facility. Formalised through a Memorandum of Understanding, the partnership supports accessible and culturally safe care closer to home for Aboriginal and Torres Strait Islander children and their families while strengthening integrated models of care across the region.

The Budyubari Bidyiri Kebi Stapal (Big Dream, Small Steps) school-based traineeship program commenced its fourth intake in August 2025. The initiative is designed to inspire, educate, engage and motivate young Aboriginal and Torres Strait Islander peoples through structured employment and career pathways within healthcare. The program currently supports seven traineeship positions across participating secondary schools in Mackay. Since commencement, three trainees have progressed to university studies in nursing and podiatry, highlighting the program's success in creating sustainable pathways into the future Aboriginal and Torres Strait Islander health workforce.

Looking ahead, the endorsed *Our Mob Together Strong Health Equity Strategy 2025-2028* provides a clear roadmap towards equitable healthcare access, culturally responsive service delivery and improved health outcomes.

Through genuine co-design, co-development and co-implementation with Aboriginal and Torres Strait Islander peoples, communities and organisations, Mackay HHS is strengthening shared decision-making, accountability and community ownership. These partnerships will continue to drive meaningful progress towards Closing the Gap and achieving health equity across our region.

Our community-based and hospital-based services

Mackay HHS provides an integrated approach to service delivery across acute, primary health and other community-based services including aged care assessment and Aboriginal and Torres Strait Islander programs. Primary health services include Mental Health, Oral Health, Home and Community Care, Mobile Women's Health, Alcohol and Other Drugs Service, Sexual Health, Aged Care Assessment Team, and BreastScreen.

Mackay HHS facilities include:

- Mackay Base Hospital | Mackay Community Health Centre
- Proserpine Hospital | Cannonvale Community Health Centre
- Bowen Hospital
- Sarina Hospital
- Dysart Hospital | Middlemount Community Health Centre
- Moranbah Hospital | Glenden Community Health Centre
- Clermont Multi-Purpose Health Service (acute and aged care beds)
- Collinsville Multi-Purpose Health Service (acute and aged care beds)

Mackay HHS can treat most people locally. Those who require more specialist care or treatment are transferred to the Townsville University Hospital or Brisbane hospitals.

Mackay HHS provides free car parking for patients, families, visitors, and staff. Consequently, there was no requirement to issue car parking concessions throughout 2025-2026.

Strategic Risks, opportunities, and challenges

Mackay HHS operates in a dynamic and complex environment shaped by regional growth, demographic change, and increasing demand for health services across a large and diverse geography. As we respond to changing community needs, we face a range of strategic risks and challenges, while also identifying opportunities to innovate, collaborate and grow. Key areas of focus include:

Supporting our workforce:

We continue to invest in our workforce by fostering a collaborative and innovative culture, supported through partnerships with educational institutions to grow local talent. At the same time, we face challenges in attracting and retaining skilled staff and leaders in our regional area, due to sector competition, housing shortages and evolving workforce expectations. Our strategies prioritise staff wellbeing, recognise performance, and build a learning environment that supports career development, while promoting teamwork and collaboration across our regional health system.

Planning for growing needs:

We are responding to increasing demand and changing community needs by promoting innovation and exploring alternative models of care, including virtual and outside of hospital options. Our approach focuses on delivering patient centred care across geographically dispersed communities, with attention to the ageing population, increased health burden and increased service utilisation. We continue to actively engage with our communities including consumers and carers, to better understand local health needs and co-design flexible, responsive and appropriate solutions.

System and Partner Connectivity:

We continue to build strong relationships across the health system and with our communities to improve service navigation, reduce duplication, and ensure care is informed by the consumer voice. As a complex and evolving system, we are focused on strengthening connectivity and collaboration to deliver efficient, sustainable health services. Our partnerships with education, research and community organisations support innovation, health literacy and preventative care, helping communities take ownership of their health and promoting continuity of care across the region.

Building for the future:

We are focused on planning for and delivering health infrastructure that meets the growing needs of our community, as close to home as possible. Addressing aging infrastructure while minimising disruption to clinical services remains a key challenge. We are continuing to advocate for and implement sustainable infrastructure solutions to support high-quality care and future service delivery.

Staff and Community Confidence:

We are committed to delivering safe, high quality, evidence-based care that is culturally appropriate and co-designed with our communities. By actively engaging with consumers and carers, we aim to ensure people feel heard, respected and valued. We continue to work with First Nations peoples and the Australian South Sea Islander community to improve health equity and access, while strengthening partnerships to deliver responsive and inclusive services.

Committing to Sustainability:

We are embedding sustainability across our organisation by actively reducing our environmental footprint and adapting services to ensure they are safe, high quality, efficient and sustainable. This includes a focus on minimising single use items and proactively addressing our impact on climate change. Our commitment supports long term service sustainability and aligns with community expectations for environmentally conscious healthcare. Our focus on sound governance, financial management and accountability underpins our work, ensuring the health service remains sustainable, transparent, and responsive to community needs.

Digital Transformation:

We are embracing digital transformation to enhance clinical care, improve operational efficiency and release time for direct patient care. While managing the increasing prevalence of cyber threats, we are continuing to invest in sustainable data analytics and clinical and corporate informatics capabilities. By exploring the latest digital advancements in health, including AI, we aim to drive system improvements in safety, quality and service delivery.

From a whole-of-health system perspective, we will deliver local responses to the Department of Health and whole-of-Government priorities and initiatives. This includes supporting the Queensland Government objective for the community *Health services where you need them*, the delivery of the health equity strategy, and the realisation of the Queensland Government's Hospital Rescue Plan.

Governance

Our People

Providing high-quality health care in rural and regional Queensland is a unique and privileged challenge. Mackay HHS's capacity to deliver excellent regional health care is supported by an exceptional workforce. Enabling our workforce to provide the highest level of care to the community we serve requires a proactive approach to workforce planning, development, and engagement to create the right capability mix to meet current and future demands.

Board Membership

The Governor in Council appoints board members based on the Minister's recommendation and approves the remuneration arrangements (consistent with the *Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies*). Board members act in accordance with their duties and abide by the Code of Conduct and Values for the Queensland Public Service in accordance with the *Public Sector Ethics Act 1994*.

The following committees support the functions of the MHHB. Each operates with terms of reference describing the purpose, duties and responsibilities, composition, and membership. MHHB committees also undertake deep dives into service areas as required.

Executive Committee

The Executive Committee provides support to the MHHB in its role of controlling Mackay HHS by working with the Chief Executive to progress strategic issues identified by the MHHB and strengthening the relationship between the MHHB and the Chief Executive to ensure accountability in the delivery of services by Mackay HHS.

Meetings are held quarterly or as directed by the Chair.

Finance Committee

The Finance Committee provides advice to the MHHB on matters relating to the financial and operational performance of Mackay HHS.

Meetings are seven times per year or as directed by the Chair.

Safety and Quality Committee

The Safety and Quality Committee assists the MHHB to fulfill its governance responsibilities for safety and quality by overseeing the adequacy and effectiveness of the health service's clinical governance framework, monitoring safety and quality performance and risk, and support the concept of the principles of 'High Reliability Organisations'.

In fulfilling its role, the Committee promotes a culture of openness, learning, improvement and just accountability, ensuring that safety and quality issues are identified early, understood in their operational context, addressed proportionately, and used to drive sustainable improvement in patient outcomes and experience.

Meetings are held bi-monthly or as directed by the Chair.

Audit and Risk Committee

The Audit and Risk Committee has ultimate responsibility for risk oversight and risk management. The committee is responsible to the MHHB for monitoring the MHHS' compliance with its obligation to establish and maintain an internal control structure and systems of risk management under the FAA; for assessing MHHS' financial statements in regard to the appropriateness of the accounting practices and compliance with accounting standards prescribed under the FAA; overseeing the establishment and implementation of the MHHS risk management framework; and reviewing the effectiveness of that risk management framework in identifying and managing risks and controlling internal process.

Meetings are six times per year or as directed by the Chair.

Board Members



Ms Monica McKendry | Board Chair

Term of Appointment: 01/04/2026 to 31/03/2030 – First Appointment: 01/04/2024

Monica McKendry worked as a chartered accountant in public practice in Mackay for 29 years. She is a director of North Queensland Bulk Ports Corporation Ltd and chair of its Audit and Financial Risk Management Committee. Monica is also an external member and Chair of the Mackay Regional Council's Audit Committee.

Monica has a Bachelor of Business (Accounting) with distinction from Central Queensland University, is a member of Chartered Accountants Australia and New Zealand, and a graduate of the Australian Institute of Company Directors.



Mr David Nebauer | Deputy Board Chair

Term of Appointment: 01/04/2026 to 31/03/2030

David Nebauer is an experienced chair and company director with a strong background in business leadership and operational management across a diverse range of sectors including resources and mining, health, aged care, transport, communications, petroleum and agriculture. He has a particular focus on regional economic development, infrastructure delivery and organisational performance.

David brings proven capability in governance and strategic leadership, regulatory compliance, stakeholder engagement, risk management, and continuous improvement. He has held senior board and executive roles in both corporate and community-facing environments, supporting adaptive strategy and effective decision-making across complex operating contexts.

He has a Bachelor of Economics from the Australian National University and has completed the Company Directors Course with the Australian Institute of Company Directors. David is completing a Master of Business Administration at the University of New England.


Associate Professor Luke Lawton | Board member
Term of Appointment: 01/04/2026 to 31/03/2030 – First Appointment: 21/08/2023

Associate Professor Luke Lawton is a senior specialist in Emergency Medicine at Townsville University Hospital and has extensive clinical experience in tertiary and regional hospitals across Australia and internationally.

He has held senior clinical leadership roles, including more than five years as director of the Townsville University Hospital Emergency Department.

Luke is an Associate Professor of Medicine at James Cook University College of Medicine and Dentistry and has held academic appointments with the University of Queensland and the University of Sydney, contributing to medical education, research and clinical training.

He is a non-executive Director of the Emergency Medicine Foundation, Chair of the National Editorial Committee for the Primary Clinical Care Manual and a member of the board audit and risk committee for the Townsville Hospital and Health Service.

He has a Bachelor of Applied Science (Biochemistry), Bachelor of Medicine and Bachelor of Surgery (Honours) and a Master of Public Health (Aeromedical Retrieval). Luke is a fellow of the Australasian College for Emergency Medicine and a Graduate of the Australian Institute of Company Directors.


Associate Professor Peter Malouf | Board member
Term of Appointment: 01/04/2026 to 31/03/2030

Associate Professor Peter Malouf is a proud Wakka Wakka and Wuli Wuli man from Central Queensland with more than 25 years' experience in Indigenous health leadership across Australia. His career spans senior executive roles in Aboriginal community-controlled and peak health organisations, where he has led service delivery, policy development and system reform to improve health outcomes for Aboriginal and Torres Strait Islander peoples.

Peter is an Associate Professor at James Cook University College of Medicine and Dentistry and has held academic appointments at the University of New South Wales, the University of Sydney and the University of Wollongong, contributing to Indigenous medical education and drug and alcohol research. Peter is the Chief Executive Officer of the Australian Indigenous Doctors' Association, providing national leadership in cultural governance, medical workforce development and Indigenous-led health reform.

He has a Bachelor of Health Science, a Graduate Diploma of Public Health and Tropical Medicine, a Graduate Certificate in Health Professional Education, a Doctor of Philosophy in Public Health and Tropical Medicine from James Cook University and a Master of Public Health from the University of Queensland. He is a member of the Australian Institute of Company Directors and an associate member of the Governance Institute of Australia.

**Ms Andrea Ranson | Board member***Term of Appointment: 16/09/2024 to 31/03/2028*

Andrea Ranson is an experienced lawyer and special counsel with a career spanning Queensland and interstate jurisdictions.

She advises clients nationally across a diverse range of commercial and dispute resolution matters and has expertise in business law, governance, employment law and industrial relations.

Andrea has held senior governance roles with North Queensland Bulk Ports Corporation Ltd, including service as a director, chair of the corporate governance and planning committee and a member of the audit and financial risk committee.

Andrea has a Master of Laws, a Bachelor of Laws (Honours) and a Bachelor of Arts from Monash University. She is a graduate of the Australian Institute of Company Directors and a fellow of the Governance Institute of Australia.

**Mrs Alana Moller | Board member***Term of Appointment: 01/04/2026 to 31/03/2030*

Alana Moller lives and works on her family-owned cattle property, west of Clermont, and possesses strong regional and rural insight shaped by lifelong connections to the Isaac region.

She trained as a secondary school teacher in Rockhampton and has dedicated more than two decades to advancing education outcomes for regional, rural and remote communities.

Alana began her teaching career in Emerald and Clermont and has extensive experience supporting distance education students and families. She has been deeply involved with the Isolated Children's Parents' Association (ICPA) at local, state and national levels, including four years as federal president, advocating for equitable education access for geographically isolated students.

Alana has broad governance and community leadership experience through long-standing involvement with community and not-for-profit organisations, complemented by strong financial literacy gained through her family business. Alana is a certified community director and holds a Certificate of Board Readiness.

**Mrs Lynn Smart | Board member***Term of Appointment: 01/04/2026 to 31/03/2030*

Lynn Smart is an experienced non-executive director and board chair with more than 15 years' experience across privately-owned, government and not-for-profit organisations. Lynn has strong expertise in financial management, governance and risk, supported by a broad commercial background across multiple industries.

Lynn currently holds board appointments across a privately-owned group delivering dredging and steel manufacturing services and as an external audit and risk committee member of an unlisted property fund. Lynn has previously served as a director on Queensland government-owned marine ports, as independent chair of a national disability employment organisation and a director in aged care and community mental health.

She has extensive board committee experience, including chairing culture, people and safety committees and membership of audit and risk and remuneration and nominations committees.

She has a Bachelor of Commerce, a Master of Business Administration, is a fellow Certified Practising Accountant and a fellow of the Australian Institute of Company Directors.

**Mr Ron Nightingale | Board member***Term of Appointment: 01/04/2026 to 31/03/2030*

Ron Nightingale is an experienced healthcare leader and pharmacist with more than 40 years' experience in hospital pharmacy practice across Queensland.

He has extensive operational expertise in medication safety, clinical governance and health service delivery, supported by strong local knowledge of regional and rural healthcare systems.

Ron is the director of Pharmacy at Mackay Base Hospital and has been appointed as a clinician member of the MHHB. He contributes frontline clinical insight including medication safety, clinical governance and health service delivery, to board deliberations and health system governance.

Ron has a Bachelor of Pharmacy from Monash University.

Table 1: Government bodies reporting

Name of Government body	Mackay Hospital and Health Board
Act or instrument	The MHHB derives its authority from the HHBA and the <i>Hospital and Health Boards Regulation 2023</i> .
Functions	The MHHB's functions include: - Develop strategic direction and priorities for the Mackay HHS. The MHHB uses local decision-making to develop plans, strategies, and budgets to ensure accountable provision of health services to meet the needs of the community. - Monitor compliance and performance of the Mackay HHS. It oversees the operation of systems for compliance and risk management, and audit reporting to meet legislative requirements and national standards. - Focus on patient experience and quality outcomes. Meeting the challenges of distance and diversity is essential to providing patient care across the Mackay HHS. - Ensure evidence-based practice education and research. The MHHB encourages partnering with universities and training providers to boost clinical capability.
Achievements	Some of the key achievements of the MHHB in 2025-2026 include: - Endorsement of the Mackay Base Hospital Strategic Master Plan 2026, providing a long-term framework to guide future infrastructure development and service delivery. - Approval of the Strategic Asset Management Plan 2026-27, supporting the effective planning, maintenance and utilisation of health service assets. - Approval of several key organisational strategies and plans including: - Employee Engagement Strategy 2025-2029 - Workforce Strategy 2026-2035 - Our Mob Together Health Equity 2025-2028 - Environmental Sustainability Plan 2026-2030 - Research and Innovation Strategy 2025-2029 - Endorsement of the Mackay HHS and Queensland Ambulance Service Health Equity Statement of Commitment to Reframing the Relationship with Aboriginal and Torres Strait Islander Peoples. - Queensland Health Child Safeguarding Organisation Statement of Commitment to Child Safety, demonstrating a commitment to creating safe environments for children and young people. - Staff engagement including site visits to rural facilities and celebrating the Let's Celebrate MHHS People Awards. - Statewide forum representation including the Hospital Health Board Safety and Quality Chairs Forum and Hospital Health Board Finance and Audit Committee

Financial reporting	Mackay HHS is not exempted from audit by the Auditor-General and transactions of the entity are accounted for in the financial statements.					
Remuneration	As reported on page 83, G1 Key Management Personnel Disclosures.					
No. scheduled meetings / sessions						
Board Members	MHHB	Committees				
		Executive	Audit & Risk	Finance	Safety & Quality	Sustainability & Capital Works
Monica McKendry ^{1,2}	11 out of 11	4 out of 4	5 out of 5	8 out of 8	1 out of 1	1 out of 1
David Nebauer ²	3 out of 3	1 out of 1	1 out of 1	1 out of 1	-	-
Luke Lawton ^{1,3,4}	11 out of 11	3 out of 4	3 out of 4	6 out of 7	6 out of 6	-
Ron Nightingale ^{2,3}	3 out of 3	-	1 out of 1	-	1 out of 1	-
Peter Malouf ^{2,3,6}	2 out of 3	1 out of 1	-	-	1 out of 1	-
Andrea Ranson ⁴	11 out of 11	-	1 out of 1	7 out of 7	4 out of 5	1 out of 1
Alana Moller ²	3 out of 3	-	-	1 out of 1	1 out of 1	-
Lynn Smart ²	2 out of 3	1 out of 1	1 out of 1	1 out of 1	-	-
Helen Darch ⁴	3 out of 3	1 out of 1	-	-	5 out of 5	0 out of 1
Kerry Maley ^{1,6}	5 out of 8	-	-	-	-	-
Maude Chapman ¹	8 out of 8	3 out of 3	4 out of 4	-	5 out of 5	-
Bill Cooper ¹	8 out of 8	0 out of 3	4 out of 4	6 out of 7	-	1 out of 1
¹ Board Members whose term ended 31 March 2026						
² Board Members appointment commenced 1 April 2026.						
³ Board Members who satisfy the Clinical Expertise requirement under section 23(3) of the HHBA.						
⁴ Committee Membership resolved effective 04 December 2025						
⁵ Helen Darch resigned from MHHB effective 19 September 2025.						
⁶ Board Members who satisfy the Aboriginal or Torres Strait Islander persons requirement under section 23(4) of the HHBA.						
Total out of pocket expenses	\$472.90					

Executive Management

Executive Leadership Team



Mr Sean Birgan

Health Service Chief Executive

Sean has 40 years of nursing experience and has been in senior leadership and management roles for more than 20 years.

He has a keen interest in disaster management and was the Queensland Health COVID-19 System Response Lead in 2022, coordinating our COVID-19 operational response.

Sean started his career in Brisbane and has held several roles across Queensland, including:

- Chief Executive, North West Hospital and Health Service
- Acting Executive Director, Logan Hospital, Metro South Hospital and Health Service
- Co-chair Surgical Services, Princess Alexandra Hospital, Metro South Hospital and Health Service.

He has a Master of Health Management, postgraduate qualifications in critical care nursing, and is a past executive member of the Queensland Clinical Senate.



Dr Charles Pain

Executive Director Medical Services and Chief Medical Officer

Charles is a senior health executive, public health physician and health systems improvement leader with more than 25 years' experience in patient safety, clinical governance and medical administration across Australia, New Zealand, the United Kingdom, and Qatar.

He qualified in medicine in the UK in 1983. He is a Fellow of the Australasian Faculty of Public Health Medicine and the UK Faculty of Public Health, and a Fellow of the Australasian College of Health Service Management.

He has previously served as Executive Director Medical Services and Executive Director Clinical Governance and Health Systems Improvement for the Top End Health Service and Royal Darwin Hospital, and as Acting Chief Health Officer for the Northern Territory before coming to Mackay. In New South Wales, he led major state-wide safety initiatives including Between the Flags and In Safe Hands, while Director, Health Systems Improvement, at the NSW Clinical Excellence Commission.



Ms Jennifer Farley

Executive Director Operations Mackay

Jenny moved to Mackay in August 2024, bringing over 30 years of experience in healthcare management and leadership to the Operations Mackay role. She has held director and chief operating officer roles in both metropolitan and rural facilities across England and Wales. Jenny has strong experience in project management, business planning, and operational transformation. In 2022–23, she led a complete turnaround of vascular services for the Betsi Cadwaladr Health Board in North Wales. Before this, she managed a two-year transformation program in urgent and emergency care for Mid-Cheshire Hospitals.

Jenny has worked in paediatrics, mental health, women's health, emergency medicine, and surgery across community and tertiary organisations. She also holds a Master of Business Administration.


Mr James William Jenkins
Executive Director Nursing and Midwifery

James has over 20 years of nursing experience training at St Georges and Kingston London and has held a series of clinical roles inclusive of Emergency Department, Intensive Care Unit and Paediatrics and General Medical Nurse Practitioner. Prior to moving to Australia to undertake the position of Director of Nursing of Rockhampton Hospital, he held the position of Head of Nursing at St Marys Hospital Imperial NHS Trust London. James undertook work as Director of Nursing of Practice Innovation at the Office of the Chief Nursing and Midwifery Officer and led several election commitments. James has a strong passion for innovation and full scope of Nursing and Midwifery practice.


Ms Lisa Strohfeldt
Executive Director Corporate Services and Chief Finance Officer

Lisa Strohfeldt is a senior public sector finance executive with extensive experience in whole-of-government and health system environments, spanning central agencies, operational departments and government-owned corporations. Her career has encompassed roles as Chief Financial Officer, Deputy Chief Financial Officer and Executive Director, with sustained responsibility for financial governance, statutory reporting, budget development, commercial strategy and executive advisory functions. She was previously the Acting Chief Financial Officer for Northern Territory Health and has held Chief Financial Officer roles with Department of Local Government, Housing and Community Development and Department of Trade, Business and Innovation.

Lisa holds a Bachelor of Business (Accounting) from Queensland University of Technology, is a Chartered Accountant and has completed a Graduate Diploma in Applied Finance and Investment. She is a Board member of the Health Finance Managers Association.


Ms Julie Minogue
Executive Director Public Health and Rural Services

Julie is a valued member of the Mackay HHS team. She has extensive experience in management roles in rural areas across Central and North Queensland.

For the past nine years, Julie has been the Facility Manager and Director of Nursing (DON) at Bowen Hospital. Before returning to Bowen, she worked as Facility Manager and DON at Mareeba Hospital and Babinda Multipurpose Health Service.

Julie is passionate about rural health, having lived and worked in rural communities across Queensland. She also has years of experience acting in executive-level roles.


Ms Janet Geisler
Executive Director Strategy and Governance

Janet has held senior and executive roles within public sector management, with extensive experience in leading strategy development and execution in complex environments with a proven record of adding value through the public health and community sectors. She is committed to driving strategies to enhance organisational performance, engagement, and governance. She has extensive experience in partnering across government, industry, and community with a strong commitment to improve the delivery of health and social care services for regional, rural, and remote communities.


Ms Peta-Maree France
Executive Director People and Culture

Peta-Maree has more than 20 years of experience in human resources and workforce management within the Health Sector. She moved to Mackay from South Australia where her most recent roles were at the director level. From 2019 to June 2024, she was Director of People and Culture with Limestone Coast Local Health Network, then held the same role at Barossa Hills Fleurieu Local Health Network until January 2025.

Peta-Maree has experience in both rural and regional communities and spent many years working in the Central Adelaide Local Health Network. She has a Bachelor of Management (Employee Relations) from the University of South Australia.


Ms Kerry Maley
Executive Director Aboriginal and Torres Strait Islander Health and Community Engagement

Kerry has extensive experience in government, focusing on strategy development in the areas of Aboriginal and Torres Strait Islander health and wellbeing. Kerry has contributed to reconciliation in various sectors, including community development and Aboriginal healthcare. Kerry is committed to driving meaningful change for Aboriginal and Torres Strait Islander communities.

Kerry is dedicated to building strong partnerships with community to ensure programs and services are led by the Aboriginal and Torres Strait Islander community, for Aboriginal and Torres Strait Islander people. Kerry is a dedicated social worker and community champion who is passionate about driving health equity to deliver positive health and wellbeing outcomes for Aboriginal and Torres Strait Islander peoples.

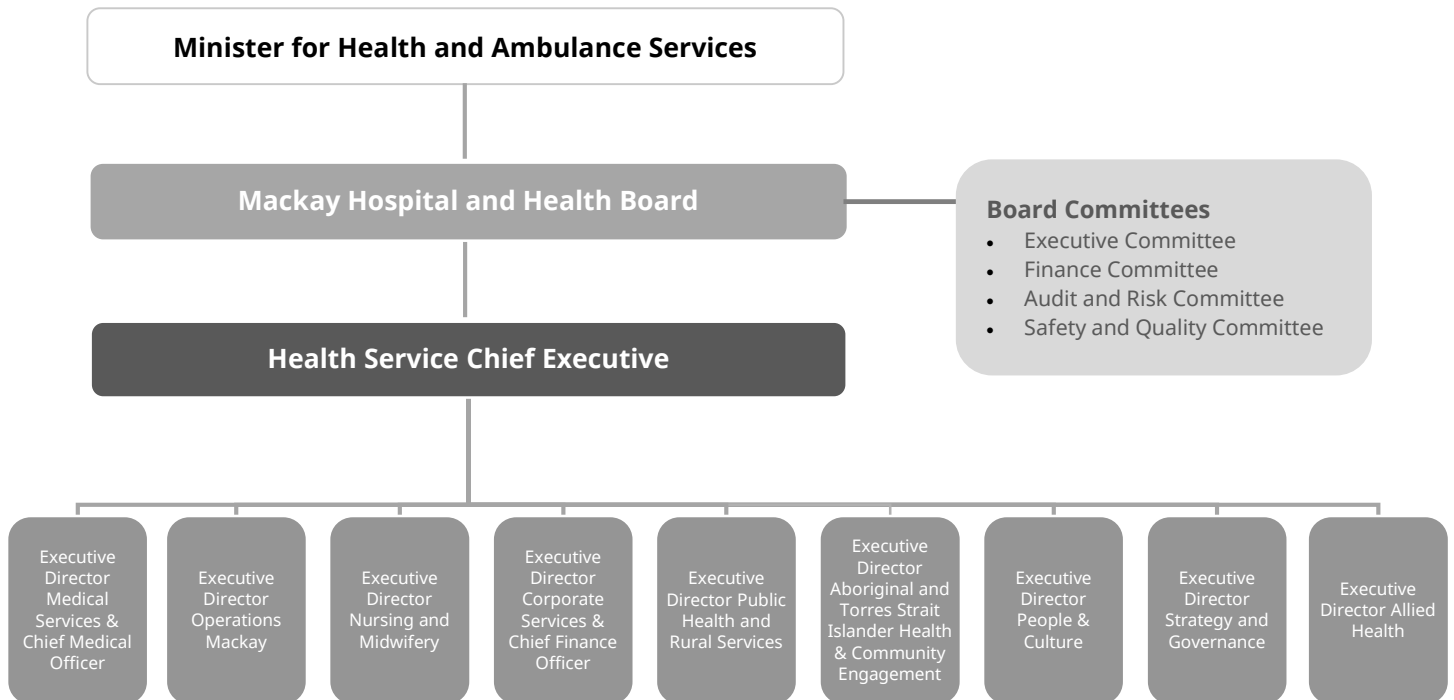

Mr Joseph Monkhouse
Executive Director Allied Health

Joe is an experienced senior health leader with more than 20 years' experience as an allied health professional in England and New Zealand. Joe has a Master of Pharmacy and a Postgraduate Diploma in Clinical Hospital Pharmacy from the University of Bradford in the United Kingdom and is currently studying for a postgraduate Diploma of Health Service Management through Massey University.

He joins us from Te Whatu Ora Lakes, Health New Zealand where he was Director of Allied Health, Scientific and Technical Professions and Service Manager Clinical Support Systems from 2022 to 2024. Before that, Joe spent five years as the Clinical Director Allied Health for New Zealand's largest tertiary facility, Auckland City Hospital.

Organisational structure and workforce profile

The chart below represents the Mackay HHS organisational structure as at 30 June 2026.



Strategic workforce planning and performance

Workforce Profile

Mackay HHS is staffed by a dedicated team of health professionals and support personnel, including medical, nursing, clinical, non-clinical support staff, and volunteers, all working collaboratively to deliver quality care to the community. As of the June 2026 quarter, Mackay HHS reporting the following staffing figures:

Table 2: Total staffing

Total Staffing	
Headcount	3,896
Paid FTE	3,139.37

Table 3: Occupation types

Occupation Types by FTE	%
Corporate	6.43%
Frontline and Frontline Support	93.57%

Table 4: Appointment type

Appointment Type by FTE	%
Permanent	72.23%
Temporary	23.71%
Casual	3.90%
Contract	0.16%

Table 5: Employment status

Employment Status by Headcount	%
Full-time	48.15%
Part-time	44.07%
Casual	7.78%

Table 6: Gender

Gender*	Headcount	%
Woman	3,192	81.93%
Man	687	17.63%
Non-binary	17	0.44%
Another term	0	0.00%
Not disclosed	0	0.00%

*Where data available

Table 7: Diversity target group data*

Diversity Groups*	Headcount	%
Women	3,192	81.93%
Aboriginal Peoples and Torres Strait Islander Peoples	132	3.39%
People with disability	68	1.75%
Culturally and Linguistically Diverse – Speak a language at home other than English [^]	525	13.48%

* To ensure privacy, in tables where there are less than 5 respondents in a category, specific numbers should be replaced by <5

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

Table 8: Target group data for Women in Leaderships Roles*

Women	Headcount	%
Senior Officers (Classified, s122 and s155 combined)	3	60.00%
Senior Executive Service, High-level senior executives, and Chief Executives (Classified, s122 and s155 combined)	5	83.33%

* Women in leadership are defined as those in classified roles or on s122 or s155 contracts. This data must not include salary equivalency.

In alignment with our strategic objective of *Empowered People*, and our commitment to fostering "*a respectful, inclusive, empowering and caring place to work, learn and grow*", the Mackay HHS continued to strengthen and support our workforce throughout 2025-2026.

In June 2026, we finalised the development of our Mackay HHS Workforce Strategy 2026-2035, which now provides a future focused, organisation wide scaffold to guide how we attract, grow, support and sustain our workforce over the next nine years, with formal refresh points every three years.

This Workforce Strategy operates as part of an integrated workforce planning framework and is designed to complement, not duplicate other key strategic plans and frameworks. It aligns and supplements our existing Mackay HHS Aboriginal and Torres Strait Islander Health Workforce Strategic Framework, our Workforce Mental Health and Wellbeing Framework and a range of Mackay HHS discipline-specific workforce strategies and plans, ensuring coherence across system organisations and professional priorities.

This integrated approach supports consistency of direction, maximises impact, and enables the Mackay HHS to respond effectively to local workplace needs, while contributing to broader state-wide and equity focused workforce objectives.

Additionally, the Mackay HHS Employee Engagement Strategy 2025-2029 provides direction for how Mackay HHS promotes engagement to all employees across the workforce to support the delivery of high-quality care locally. Central to this strategy is the engagement aim of fostering engaged employees and clinicians who feel heard, valued and empowered to influence high-quality care and a positive workplace culture.

Our Employee Engagement Strategy also incorporates a Leadership Engagement Framework, which aims to ensure the Mackay HHS Executive Leadership Team maintains a visible, active, and accessible presence across all facilities, strengthening understanding of frontline health services and future healthcare needs.

The following details key initiatives which align to our four workforce pillars:

Build on our identity:

In 2025-2026 the Mackay HHS continued to strengthen our identity by fostering a values-aligned organisation culture that enhances employee experience, engagement and pride in the Mackay HHS brand.

We partnered with the Centre for Leadership Excellence to deliver 12 Leadership Training Programs, building leadership capability at all levels and supporting the development of a skilled and confident workforce. Additionally, Mackay HHS staff accessed 21 virtual Statewide Leadership Capability programs through Centre for Leadership Excellence. The continued delivery of High Value Conversations Training is empowering employees to have open conversations respectfully.

To further support building on our identity, the HHS leveraged contemporary attraction and recruitment marketing tools to attract national and international staff. This included digital recruitment strategies and the successful delivery of non-clinical/corporate and mental health promotional videos. Mackay HHS was well represented at 9 career fairs throughout the year, to promote employment opportunities within the HHS and to highlight our commitment to innovation in healthcare.

Build on our pipeline:

In 2025-2026, Mackay HHS continued to build a sustainable workforce pipeline through strategic partnerships, early career development initiatives and targeted workforce attraction and retention programs. Graduate training programs remained a key focus with the ongoing delivery of nursing graduate programs across Mackay HHS facilities, including rural facilities, and medical graduate (intern) intake programs across Mackay, Proserpine and Bowen hospitals, and through the Australian Primary Care Prevocational Program in regional and rural General Practice.

Mackay HHS strengthened future workforce through its continuation of the 'Budyubari Bidyiri Kebi Stapal' (Big Dream, Small Steps) school-based traineeship program, with participating high schools by supporting students in their studies with clinical placements and on-the-job training. Complementing this program, our High school Engagement Program offers a structured two-day work experience program for high school students, featuring workshops and informative sessions that explore a full range of health care career opportunities available in our region.

We maintained our workplace-based assessment program, through Mackay Base Hospital, which delivers continuous assessment of an international Medical Graduate's skills in a hospital setting over the course of a year, rather than in a one-off exam.

In partnership with James Cook University and the North Qld Rural Training Hubs (NQRTH) medical training network, Mackay HHS continued to deliver the North Queensland end to end Medical Training Program, helping to develop and retain a skilled rural and regional medical workforce.

The Professional Performance and Development Plan (PPD) process remained a key mechanism for supporting employees to have productive career and development conversations. During the year, Mackay HHS undertook stakeholder consultation and pilot testing with frontline staff and line managers to enhance the PPD process, to align with Queensland Health's Positive Performance Management Directive and to better support meaningful development conversations for employees.

We further supported building the workforce pipeline through specialised training pathways and workforce development opportunities designed to meet current and future service needs. The Allied Health Rural Generalist Pathway continued to provide a supportive entry into rural generalist practice through development-focussed employment and formal training, helping build workforce capability across regional and rural communities. The HHS also maintained comprehensive end to end vocational training opportunities across a range of specialties, including psychiatry, rural generalist and general practice. As an accredited vocational training site, Mackay HHS continued to support specialist training in general surgery, orthopaedics, general medicine, paediatrics, ICU, anaesthetics, obstetrics and gynaecology, emergency medicine, radiology, ophthalmology and cardiology.

Build on our sustainability:

We continued to strengthen workforce sustainability by investing in workforce models that support the delivery of high-quality, sustainable care.

A number of strategic workforce planning initiatives were progressed to support long term sustainability of healthcare services across the region. This included the development of contemporary workforce models for our rural facilities that support Rural Generalist trainees and strengthen workforce capability in rural and remote settings. These models are being led by our Rural Director of Medical Services who commenced in April 2025.

The HHS also initiated the development of HHS wide workforce plans with an initial focus on nursing.

Build on our wellbeing:

A key initiative was the launch of BilaEmpower, a dedicated First Nations Employee Assistance Provider (EAP), providing culturally safe, mental health and wellbeing support to our first nations staff. This initiative is a Queensland first, and since the launch in December 2025, the service has experienced real growth across the organisation, achieving utilisation levels comparable to Health Services existing EAP providers, Telus Health and Converge International.

Mackay HHS has also continued its sexual harassment contact officers program, which supports a positive workplace culture, free from sexual harassment and promoting gender equity.

The organisation further reinforced employee connection and recognition through a range of engagement initiatives, these included:

- End-of-Year / Christmas celebration lunches for staff at Mackay Base Hospital and our rural facilities.
- Annual Length of Service awards with celebrations at Mackay Base Hospital and each rural facility attended by members of the Executive Leadership Team; and
- Continuation of our local excellence awards evening with the Let's Celebrate MHHS People awards gala held on 7 July 2025.

In addition, the Mackay HHS revitalised its employee recognition program approach through the Highlighting Our Values program, a peer-to-peer recognition initiative that empowers employees to acknowledge colleagues, leaders and teams who demonstrate Mackay HHS values in their everyday work. By making recognition accessible to everyone, the program celebrates positive behaviours and reinforces the values that underpin high-performing and connected workplaces.

Additionally, in 2025-2026 the Mackay HHS continued to prioritise employee wellbeing by fostering a psychologically safe, inclusive and supportive workplace environment. Initiatives include:

- continuation of the Peer Support Program, which was refreshed and reinstated in 2024-2025. As at 30 June 2026, the program included 19 active Mackay HHS Peer Support Responders who provided timely and confidential support to colleagues following workplace incidents.
- continued delivery of MAYBO training, an occupational violence reduction method, for frontline and non-frontline staff. This training focusses on prevention through improved communication and situational awareness.
- Fitness Passport Memberships with 2,082 staff and their family members being members of Fitness Passport this year.
- continuing to provide flexible working arrangements such as part time work which supports work-life balance.
- utilising entry and exit interview surveys to monitor overall experience working for Mackay HHS. Entry and exit survey feedback provides valuable insights into the employee experience across the employment lifecycle. Survey results are utilised to develop and improve employee initiatives and monitor staff experience and wellbeing.

- Various health and wellbeing events focused on providing a range of wellbeing and diversity and equity campaigns designed to foster a sense of belonging, respect and inclusion for all Mackay HHS employees. Including targeted awareness campaigns and observation days for International Men's Day 2025, International Day of Persons with Disability 2025, International Day for Women and Girls in Science, International Women's Day 2026, Harmony Day 2026, and IDAHOBIT Day (International Day Against Homophobia, Biphobia, Interphobia, and Transphobia) 2026 as well as our Health and Wellbeing Expo event which coincided with R U OK? Day.
- continued partnerships with financial services partners who provide exclusive discounts, education webinars and live sessions, as well as financial and retirement planning services for staff.
- The HHS maintained dedicated candidate care and immigration roles who provide assistance to international employees with their immigration paperwork and support staff relocating to our region.

Industrial and Employee Relations Framework

Mackay HHS respects and values its relationships with local unions. A series of regular consultative forums are held to facilitate productive partnerships with industrial representatives. These include the Hospital and Health Service Consultative Forum, local consultative forums and the Nursing and Midwifery Consultative Forum.

Early retirement, redundancy, and retrenchment

No redundancy/early retirement/retrenchment packages were paid during the period.

Open Data

Mackay HHS has Open Data to report on Consultancies, Queensland Language Services Policy and Charter of Victims' Rights Complaints and the data can be found on the Queensland Government Open Data Portal (<https://www.data.qld.gov.au/>).

Mackay HHS has no Open Data to report on Overseas Travel.

Our risk management

Mackay HHS is committed to managing risk in a proactive, integrated, and accountable manner. Mackay HHS's risk management practices recognise and manage risks and opportunities proactively and are incorporated into strategic planning, governance reporting and operational processes. Risk is an ever-present element of public service delivery and as such, an inherent part of Mackay HHS's operating environment.

Mackay HHS has an integrated Risk Management Framework and supporting risk management procedure based on the Australian/New Zealand ISO Standard 31000:2018 Risk Management - guidelines. Risks are controlled within the financial and management accountabilities of each position and within the risk appetite set by MHHB. The MHHB and the MHHB Audit and Risk Committee receive quarterly risk management reporting to support its oversight of risk management.

The HHBA requires annual reports to state each direction given by the Minister to Mackay HHS during the financial year and the action taken by Mackay HHS as a result of the direction. During the 2025-2026 period, two directions were given by the Minister to Mackay HHS. One for treatment of gender dysphoria in children and adolescents with hormone therapy, for which Mackay HHS does not provide this service. The other in relation to mandatory reporting to the Queensland Police Service where a person is unsuitable to possess a Firearm for which an assigned Executive is leading the implementation thereof.

Internal audit

Internal audit is an integrated component of corporate governance, promoting efficient management and assisting in risk management. Internal audit is an independent and objective assurance activity designed to improve the governance of Mackay HHS providing reports to the MHHB Audit and Risk Committee for the effective, efficient, and economical operation of the health service. The Internal Audit Unit has a central role in improving operational processes and financial practices by:

- assessing the effectiveness and efficiency of Mackay HHS's financial and operating systems, reporting processes and activities.
- identifying operational deficiencies and non-compliance with legislation or prescribed requirements.
- assisting in risk management and identifying deficiencies in risk management.
- bringing a broad range of issues to management's attention, including performance, efficiency, and economy.
- monitoring whether agreed remedial actions have been undertaken.

Audit reports include recommendations to address findings and significant business improvement opportunities, with all audit reports reviewed and monitored by the MHHB Audit and Risk Committee.

The Mackay HHS Internal Audit function has implemented a Quality Assurance and Improvement Program, as required by the Global Internal Audit Standards, to assess the effective, efficient and economical operation of the function.

External scrutiny, information systems and recordkeeping

External scrutiny

Mackay HHS's operations are subject to regular scrutiny from external oversight bodies. These include, but are not limited to, Australian Council on Healthcare Standards, Australian Health Practitioner Regulation Authority, Coroner, Crime and Corruption Commission, Office of the Health Ombudsman and Queensland Audit Office (QAO).

As a public sector entity, Mackay HHS is subject to an annual audit by the QAO. As at 30 June 2026, there were no known significant issues/findings during the reporting period.

Information systems and recordkeeping

Mackay HHS is committed to maintaining public trust in how we handle, protect, and disclose personal and sensitive information.

The Queensland Health statewide integrated electronic Medical Record (ieMR) has been implemented at all Mackay HHS facilities. This enables simultaneous access to clinical information by multiple users and assists in the coordinated care of patients. All system access is controlled and logged, and audit trails are regularly monitored.

Mackay HHS aims to protect the privacy and confidentiality of both patient and staff information. All access to and disclosure of clinical and corporate records is in accordance with the *Information Privacy Act 2009*, *Right to Information Act 2009* and HHBA. Privacy awareness communications and in-service training are available to all staff, including the online privacy training provided by the Office of the Information Commissioner.

Mackay HHS is responsible for the management and safe custody of administrative records in accordance with the Corporate Records Management Policy and *Public Records Act 2023*. Systems are in place to ensure clinical source documentation and paper records are appropriately stored, easily located, and accessible when required and secured from unauthorised access.

Health Information Services provides guidance for retention and destruction of records in accordance with the *Health Sector (Clinical Records) Retention and Disposal Schedule*, *Health Sector (Corporate Records) Retention and Disposal Schedule*, *Source Records Retention and Disposal Schedule* and *General Retention and Disposal Schedule*.

Information security attestation

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

Queensland Public Service ethics and values

The *Public Sector Ethics Act 1994* outlines the principles fundamental to good public administration. The *Public Sector Ethics Act 1994* and the *Public Sector Act 2024* define Mackay HHS as a public service agency. The Code of Conduct for the Queensland Public Service describes how government employees should conduct themselves in the delivery of services to the Queensland community and applies to employees, volunteers, students, contractors and consultants working for Mackay HHS.

The Mackay HHS is committed to upholding the principles of the Code of Conduct for the Queensland Public Service, consisting of:

- integrity and impartiality
- promoting the public good
- commitment to the system of government
- accountability and transparency.

Each principle is strengthened by a set of values and standards of conduct describing the behaviour that will demonstrate that principle. All Mackay HHS employees are required to undertake training in the Code of Conduct for the Queensland Public Service during their induction and in orientation sessions. Staff are required to refresh their understanding of the Code of Conduct annually and follow any changes (via online training).

Mackay HHS ensures that its policies, administrative procedures, management practices and governance arrangements are developed and implemented in alignment with the *Public Sector Ethics Act 1994*, the *Public Sector Act 2024*, the Code of Conduct for the Queensland Public Service, and relevant standards of practice. These are reflected in organisational decision making, workforce management, service delivery, training and accountability frameworks.

Mackay HHS is committed to upholding the Queensland Public Service values. Queensland's public sector has five organisational values to support this goal. The values are the building blocks for our workplace culture and our own HHS specific values and related behaviours.

Human Rights

Mackay HHS remains committed to fostering a culture of human rights across the health service, guided by the seven key indicators outlined by the Human Rights Commissioner:

- staff awareness, education, and development.
- community consultation and engagement about human rights.
- awareness raising and supporting for related entities.
- reviews and development of legislation or subordinate legislation.
- review of policies and procedures.
- internal complaint management for human rights complaints.
- future plans.

To support this commitment, Mackay HHS respects, protects and promotes human rights in our decision making and actions. Policies, programs, procedures, practices and service delivery are reviewed regularly for compatibility of decisions and actions with human rights and that human rights are central to the work we do. Our commitment to human rights is embedded in our *Mackay HHS Strategic Plan 2024-2028* and our *Mackay HHS Our Mob Together Strong Health Equity Strategy 2025-2028*.

In 2025-2026, Mackay HHS assessed five complaints where *Human Rights Act 2019* provisions were considered. These complaints were investigated and assessed, with all five complaints resolved as at 30 June 2026.

Confidential information

The *HHBA* requires annual reports to state the nature and purpose of any confidential information disclosed in the public interest during the financial year. During the 2025-2026 reporting period, one disclosure was authorised in relation to specified patient information. The patient information was disclosed to McGrathNicol for the purposes of an investigation.

Performance

Non-financial Performance

The table below provides a snapshot of how Mackay HHS is tracking against the strategic priorities and key performance indicators outlined in the 2024-2028 strategic plan.

 Strategic Objective: Quality Care	
Key Performance Indicators	Results/Achievements
Accreditation and clinical care standards met.	Mackay HHS maintained its accreditation with the Australian Council on Healthcare Standards.
Improvement in service agreement access targets	- In 2025-2026, there were over 111,000 emergency presentations with a 14 per cent increase in the most urgent Category 1 and 2 patients. Targets were achieved for emergency department presentations seen within recommended timeframes for Category 1 (100 per cent); Category 2 (93 per cent); Category 4 (85 per cent) and Category 5 (96 per cent). - In 2025-2026 Patient Off Stretcher Time (POST) was 69 per cent, comparable to 71.9 per cent in the previous year, in the context of a 3 per cent increase in patients arriving by ambulance. Positively, the benefits of patient flow initiatives implemented during 2025-2026 were reflected in improved performance of 74 per cent in the June quarter, notwithstanding sustained ambulance demand. The patient flow improvement initiatives will continue in 2026-2027. - In 2025-2026, more than 26,700 patients received their initial specialist outpatient appointment, an increase of 7 per cent overall compared to the previous year. There was a 2 per cent increase overall for patients seen within clinically recommended timeframes. Notably, 2,036 more Category 1 patients received their initial appointment compared with 2024-2025, representing an 18 per cent increase. - Mackay HHS performed 3,313 elective surgeries in 2025-2026, an increase of 24 per cent compared with the previous year. This was achieved in the context of a 10 per cent increase in elective surgery referrals and an 11 per cent increase in emergency surgeries performed. Additionally, Mackay HHS supported a further 1,369 patients to receive elective surgery through external providers, including through the Surgery Connect program.
Increase in positive care experience with improved access to culturally safe care.	- Mackay HHS and Queensland Ambulance Service signed a joint Statement of Commitment to strengthen culturally safe healthcare and improve health equity outcomes for Aboriginal and Torres Strait Islander peoples. - Inpatient Reported Experience Measure (PREMS)* surveys recorded consumer satisfaction ratings, with 89 per cent of consumers reporting their overall rating of care as 'very good' or 'good' in 2025-2026, comparable with the previous year. - PREMs responses also showed that 91 per cent of patients who identified as Aboriginal and/or Torres Strait Islander reported that their cultural and/or spiritual needs were met, an increase from 82 per cent in the previous year. *The new Statewide PREMS survey commenced collection in December 2025 and accordingly, the data presented is for the period December 2025 to June 2026.
Increased uptake of alternative models of care.	- Mackay HHS continued to increase the use of alternative models of care including the continued expansion of the Geriatric Evaluation and Management (and Rehabilitation) Hospital in the Home services, with over 150 patients accessing the service in year. - Utilisation of Hospital in the Home services increased by 36 per cent in 2025-2026, with 780 patients receiving care through this model. - Telehealth usage increased by 16 per cent in 2025-26 to 28,001 outpatient occasions of service events.



Strategic Objective: Empowered People

Key Performance Indicators	Results/Achievements
Improved employee safety and wellbeing indicators.	- Worker incident reporting increased from 405.48 to 436.62 per 1,000 occupied headcount (12-month average), reflecting a culture of empowered reporting. - WorkCover statutory claims decreased from 34.09 to 28.31 per 1,000 occupied headcount (12-month average), a decrease of 17 per cent.
Increase in employee engagement.	Mackay HHS developed and published the MHHS Employee Engagement Strategy 2025-29. <i>The Employee Engagement Survey is undertaken biannually and accordingly is not reported in the 2025-2026 period.</i>
Reduced average days taken to recruit to vacant positions	- The average time to recruit medical staff decreased by 24 per cent in 2025-2026, compared to an increase of 41 per cent in the previous year. - In 2025-2026 the average time to recruit nursing staff reduced by 4 per cent and allied health staff reduced by 2 per cent.
Decreased employee-initiated separation and increased retention rates	- Separations for permanent staff remained relatively stable, increasing marginally from 9.53 per cent in 2024-2025 to 9.67 per cent in 2025-2026. - Workforce retention improved in 2025-2026, with the Mackay HHS attrition rate decreasing from 7.34 per cent in the previous year to 6.49 per cent.



Strategic Objective: Healthy Communities

Key Performance Indicators	Results/Achievements
Improved access to care and health outcomes for First Nations people.	- Mackay HHS continued to progress the implementation of the 'Our Mob Together Strong Health Equity Strategy' and delivering <i>Making Tracks towards Closing the Gap</i>, working together with First Nations people to progress health equity. - As at March 2026, potentially preventable hospitalisations for First Nations peoples decreased by 13 per cent for vaccine-preventable conditions and by 25 per cent for chronic obstructive pulmonary disease (COPD). - Birth weight outcomes for First Nations babies improved, with the proportion of babies born with a low birth weight decreasing from 11.01 per cent in 2024-2025 to 6.83 per cent in 2025-2026. - Access, support and the overall patient journey for First Nations peoples was improved with the opening of a dedicated Aboriginal and Torres Strait Islander Health Liaison Office, a culturally safe environment for patients, families and community members. - Cultural capability staff training compliance increased by 4 per cent, reaching 87 per cent.
Increase in availability and utilisation of services for diverse communities	Interpreter engagement sessions rose to 254, an increase of 41 per cent, showing improved access for culturally and linguistically diverse communities and/or deaf interpreting.
Increased consumer partnerships in planning, design, implementation, and evaluation	Mackay HHS continued to engage community advisory partners and consumer reference groups to deliver the objectives of the newly published Consumer and Community Engagement Strategy 2025-29. This included regular consultation meetings and involving consumers in recruitment panels, reviewing consumer facing publications, and engaging the community through regional event stalls to promote various programs and support health literacy.



Strategic Objective: Sustainable Organisation

Key Performance Indicators	Results/Achievements
Achieve positive financial results.	Mackay HHS has recorded a financial deficit of \$29.02 million for the year ending 30 June 2026, compared to \$27.3 million deficit in 2024-2025. Mackay HHS continues to focus on strengthening its financial recovery and sustainability program, identifying cost reduction opportunities in response to ongoing financial pressures associated with increasing service demand and patient acuity, workforce challenges and rising costs, while safeguarding patient care.
Reduced environmental impacts.	- Mackay HHS developed the MHHS Environmental Sustainability Plan 2026-2030. - Solar power at Moranbah and Sarina Hospitals was operationalised.
Delivery of infrastructure programs on time to meet community needs.	- In 2025-2026 the Mackay HHS continued to collaborate with Health Infrastructure Queensland to progress the following projects: - Mackay Hospital Expansion Project. - Mackay Base Hospital Multi-Story Carpark. - Mackay Birth Centre. - The Mackay HHS Capital Program progressed the following projects: - Sarina Maintenance Care Facility refurbishment. - Mackay Community Health Centre refurbishment. - Completion of the Collinsville Staff Accommodation refurbishment.
Improved digital health capability	During 2025-2026 Mackay HHS continued to build on its digital foundations through implementing core secure digital platforms and enabling infrastructure that adhere to industry digital standards.

Service Standards

Mackay HHS continues to operate in an environment of growing demand and increasing patient complexity. This includes higher acuity emergency department presentations, increased emergency surgery activity, increased referrals for elective surgery and growth in hospital admissions. This is alongside sustained numbers of patients remaining in hospital for extended periods while awaiting access to appropriate supports, including disability services and residential aged care placement.

Despite these demand pressures, Mackay HHS has maintained a strong focus on improving patient flow and access to care. Variances between targeted and actual service delivery results can largely be attributed to workforce shortages, increasing demand and complexity, and prioritising treatment of the most clinically urgent patients. In 2025–2026, more than 26,700 patients received an initial specialist outpatient appointment, including 2,036, or 18 per cent more Category 1 patients than in the previous year. More than 3,300 elective surgeries were also delivered, an increase of 24 per cent, with the health service supporting a further 1,369 patients to receive elective surgery through external providers.

Variation in the cost per weighted activity unit reflects a range of factors, including higher workforce costs associated with the use of nursing agency staff and medical locums in response to national workforce shortages, and expenditure on outsourced clinical services. Broader inflationary pressures have also increased clinical supplies and services costs including pathology tests for patients, pharmaceuticals; and aeromedical patient transport services.

Table 9: Service Delivery Statement

Service Standards	2025-2026 Target	2025-2026 Actual
Effectiveness measures		
Percentage of emergency department patients seen within recommended timeframes		
- Category 1 (within 2 minutes) - Category 2 (within 10 minutes) - Category 3 (within 30 minutes) - Category 4 (within 60 minutes) - Category 5 (within 120 minutes)	100% 80% 75% 70% 70%	100% 93% 72% 84% 96%
Percentage of emergency department attendances who depart within four hours of their arrival in the department	>80%	66%
Percentage of elective surgery patients treated within the clinically recommended times		
- Category 1 (30 days) - Category 2 (90 days) - Category 3 (365 days)	>98% >95% >95%	49% 35% 34%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days ¹	≤1.0	1.0
Rate of community mental health follow up within 1-7 days following discharge from an acute mental health inpatient unit ²	>65%	68.7%
Proportion of re-admissions to acute psychiatric care within 28 days of discharge ³	<12%	10.9%
Percentage of specialist outpatients waiting within clinically recommended times ⁴		
- Category 1 (30 days) - Category 2 (90 days) ⁵ - Category 3 (365 days) ⁵	70% - -	65% 36% 61%

Percentage of specialist outpatients seen within clinically recommended times		
• Category 1 (30 days)	81%	65%
• Category 2 (90 days) ⁵	-	37%
• Category 3 (365 days) ⁵	-	75%
Median wait time for treatment in emergency departments (minutes)⁶	-	14
Median wait time for elective surgery treatment (days)⁷	-	42
Efficiency Measure		
Average cost per weighted activity unit for Activity Based Funding facilities⁸	\$5,922	\$6,121
Other measures		
Number of elective surgery patients treated within clinically recommended times⁹		
• Category 1 (30 days)	1,345	918
• Category 2 (90 days)	915	381
• Category 3 (365 days)	146	120
Number of Telehealth outpatients service events¹⁰	24,716	28,001
Total weighted activity units (WAU)¹¹		
• Acute Inpatients	52,371	50,851
• Outpatients	14,484	16,669
• Sub-acute	7,499	7,580
• Emergency Department	16,616	17,143
• Mental Health	8,536	8,826
• Prevention and Primary Care	1,408	1,705
Ambulatory mental health service contact duration (hours)¹²	>27,854	29,385
Staffing¹³	2,995	3,139.37

Notes:

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

Financial Summary

Mackay HHS has recorded a financial deficit of \$29.02 million for the year ending 30 June 2026. This is compared to the financial deficit in 2024-2025 of \$27.3 million incurred by Mackay HHS.

Mackay HHS will continue to focus on robust financial stewardship to ensure the best value for the State's investment.

Income

Mackay HHS's income is sourced from three major areas:

- Public health services funding.
- Own source revenue including user charges.
- Australian Government funding.

Mackay HHS total income was \$790.6 million which includes:

- activity based funding for hospital services was 67 per cent or \$530.1 million.
- Australian Government grant funding was 10 per cent or \$78.7 million.
- non activity-based funding was 6 per cent or \$48.1 million.
- user charges comprising patient and non-patient funding was 7 per cent or \$57.7 million.
- other grant funding was 3 per cent or \$20.2 million.
- other revenue (including depreciation funding) was 7 per cent or \$55.8 million.

Expenses

The total expenses were \$819.6 million, an average of \$2.2 million a day for providing health services.

Labour costs within Mackay HHS make up approximately 64 per cent of expenditure with the remaining 36 per cent being non-labour costs such as supplies, services, and depreciation charges.

These services include clinical supplies, electricity, pathology services, prosthetics, repairs, and maintenance, outsourced medical services, communications, patient travel costs and medication.

Table 10: Mackay HHS service allocations

Where the money goes	%
Admitted patient services in acute care institutions	56.4%
Other community health services	14.3%
Non-admitted patient services in acute care institutions	12.1%
Mental health includes community services	6.1%
Health administration	5.2%
Nursing homes for the aged	2.8%
Public health services	1.9%
Patient transport	1.1%

Anticipated maintenance

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

Queensland Health entities report overdue maintenance using the terms “*deferred maintenance*” and “*postponed capital renewal*”.

Deferred maintenance refers to maintenance of an operational nature (OPEX) that has been identified as required by has been delayed.

Postponed capital renewal refers to capital works required to restore an asset’s service potential (CAPEX) that have been delayed.

Neither deferred maintenance nor postponed capital renewal include forecast maintenance – work that was planned but found to be not-required during the reporting period (e.g. planned repainting where no deterioration occurred).

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

Both operations and capital quantities are reported.

As of 30 June 2026, the Mackay HHS reported:

- \$10,019,168 in deferred maintenance, and
- \$9,929,524 in postponed capital renewal.

The Mackay HHS has the following strategies in place to mitigate any risks associated with these items:

- Continue Preventative and Statutory Maintenance Schedules to extend the asset lifecycle.
- Perform three-year Condition Based Assessments to report on current condition of Assets.
- Integrate deferred maintenance into facilities master planning, using risk management framework to determine which works are urgent and which can be deferred.
- Ensure maintenance is considered both in operational budgets and strategic decision making.
- Prioritise postponed capital renewal in line with funding allocation available from Timely Investment Infrastructure Maintenance (TIIM) Program

Mackay Hospital and Health Service

ABN 87 427 896 923

Financial Statements

For the year ended 30 June 2026

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Mackay Hospital and Health Service
Statement of Comprehensive Income
For the year ended 30 June 2026

		2026 \$'000	2025 \$'000
OPERATING RESULT	<i>Notes</i>		
Income			
User charges and fees	B1-1	57,657	53,903
Funding for public health services	B1-2	705,129	650,605
Grants and other contributions	B1-3	20,215	19,963
Other revenue	B1-4	7,602	6,591
Total Income		790,603	731,062
Expenses			
Employee expenses	B2-1	78,568	67,733
Health service employee expenses	B2-2	444,444	405,774
Supplies and services	B2-3	231,550	224,785
Depreciation and amortisation	C5 & C8	48,273	43,685
Other expenses	B2-4	16,789	16,390
Total Expenses		819,624	758,367
Operating (Deficit)		(29,021)	(27,305)
Other Comprehensive Income			
<u>Items Not Reclassified to Operating Result</u>			
Increase in Asset Revaluation Surplus	C5-2	42,328	33,722
Other Comprehensive Income		42,328	33,722
Total Comprehensive Income		13,307	6,417

The accompanying notes form part of these financial statements.

Mackay Hospital and Health Service
Statement of Financial Position
As at 30 June 2026

	<i>Note</i>	2026 \$'000	2025 \$'000
Current Assets			
Cash and cash equivalents	C1	7,532	7,766
Receivables	C2	5,633	6,358
Inventories	C3	5,049	5,028
Other assets	C4	8,807	9,021
Total Current Assets		27,021	28,173
Non-Current Assets			
Property, plant and equipment	C5	544,760	535,015
Right-of-use assets	C8	3,880	3,998
Total Non-Current Assets		548,640	539,013
Total Assets		575,661	567,186
Current Liabilities			
Payables	C6	55,126	52,032
Accrued employee benefits	C7	4,613	2,278
Lease liabilities	C8	2,149	2,134
Other liabilities	C9	11,974	13,128
Total Current Liabilities		73,862	69,572
Non-Current Liabilities			
Lease liabilities	C8	1,839	1,910
Total Non-Current Liabilities		1,839	1,910
Total Liabilities		75,701	71,482
Net Assets		499,960	495,704
Equity			
Contributed equity		292,938	301,989
Accumulated surplus/(deficit)		(45,702)	(16,681)
Asset revaluation surplus	C10-2	252,724	210,396
Total Equity		499,960	495,704

The accompanying notes form part of these financial statements.

Mackay Hospital and Health Service
Statement of Changes in Equity
For the year ended 30 June 2026

		Contributed equity \$'000	Accumulated surplus/ (deficit) \$'000	Asset revaluation surplus \$'000	Total equity \$'000
	Note				
Balance at 1 July 2024		279,485	10,624	176,674	466,783
Operating Deficit		-	(27,305)	-	(27,305)
<i>Other Comprehensive Income</i>					
Increase in asset revaluation surplus		-	-	33,722	33,722
Total Comprehensive Income for the Year		-	(27,305)	33,722	6,417
<i>Transactions with Owners as Owners:</i>					
Net assets transferred in/(out)	C10-1	48,587	-	-	48,587
Equity injections		17,602	-	-	17,602
Equity withdrawals - Depreciation Funding	B1-2; C10-1	(43,685)	-	-	(43,685)
Net Transactions with Owners as Owners		22,504	-	-	22,504
Balance at 30 June 2025		301,989	(16,681)	210,396	495,704
Balance at 1 July 2025		301,989	(16,681)	210,396	495,704
Operating Deficit		-	(29,021)	-	(29,021)
<i>Other Comprehensive Income</i>					
Increase in asset revaluation surplus		-	-	42,328	42,328
Total Comprehensive Income for the Year		-	(29,021)	42,328	13,307
<i>Transactions with Owners as Owners:</i>					
Net assets transferred in/(out)	C10-1	498	-	-	498
Equity injections	C10-1	38,724	-	-	38,724
Equity withdrawals - Depreciation Funding	B1-2; C10-1	(48,273)	-	-	(48,273)
Net Transactions with Owners as Owners		(9,051)	-	-	(9,051)
Balance at 30 June 2026		292,938	(45,702)	252,724	499,960

The accompanying notes form part of these financial statements.

Mackay Hospital and Health Service
Statement of Cash Flows
For the year ended 30 June 2026

	2026 \$'000	2025 \$'000
Cash flows from operating activities		
<i>Inflows</i>		
User charges and fees (excl GST)	58,061	53,100
Funding public health services (excl GST)	656,270	618,687
Grants and other contributions (excl GST)	14,994	15,213
GST input tax credits from ATO	14,188	15,186
GST collected from customers	991	984
Other receipts (excl GST)	7,539	6,514
	752,043	709,684
<i>Outflows</i>		
Employee expenses	(76,236)	(67,948)
Health service employee expenses	(442,094)	(404,467)
Supplies and services (excl GST)	(230,942)	(223,741)
GST paid to suppliers	(14,327)	(15,100)
GST remitted to ATO	(935)	(1,002)
Other payments (excl GST)	(11,772)	(13,819)
	(776,306)	(726,077)
Net cash from/(used by) operating activities	(24,263)	(16,393)
Cash flows from investing activities		
<i>Inflows</i>		
Proceeds from sale of Property, plant and equipment	48	532
<i>Outflows</i>		
Payments for property, plant and equipment	(12,098)	(11,195)
Net cash from/(used by) investing activities	(12,050)	(10,663)
Cash flows from financing activities		
<i>Inflows</i>		
Equity injections	38,724	17,603
<i>Outflows</i>		
Lease payments	(2,645)	(1,224)
Net cash from/(used by) financing activities	36,079	16,379
Net increase/(decrease) in cash and cash equivalents	(234)	(10,677)
Cash and cash equivalents at the beginning of the financial year	7,766	18,443
Cash and cash equivalents at the end of the financial year	7,532	7,766

The accompanying notes form part of these statements.

Mackay Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2026

NOTES TO THE STATEMENT OF CASH FLOWS

CF-1 RECONCILIATION OF OPERATING RESULT TO NET CASH FROM OPERATING ACTIVITIES

	Note	2026 \$'000	2025 \$'000
Operating Result		(29,021)	(27,305)
Non-cash movements:			
Depreciation and amortisation		48,273	43,685
Depreciation funding	B1-2	(48,273)	(43,685)
Services Received Free of Charge	B1-3	5,379	4,980
Services Provided Below Fair Value		(5,379)	(4,980)
Net (gain)/loss on disposal		155	(214)
Impairment losses		(1,294)	(778)
Donated assets		(582)	(179)
Changes in assets and liabilities:			
(Increase)/decrease in receivables		1,690	908
(Increase)/decrease in GST receivables		(139)	86
(Increase)/decrease in inventories		391	(547)
(Increase)/decrease in contract assets and other assets		(24)	10,346
(Increase)/decrease in prepayments		238	(329)
Increase/(decrease) in accounts payable		737	1,953
Increase/(decrease) in accrued contract labour		2,350	1,305
Increase/(decrease) in contract and other liabilities		(1,155)	(1,410)
Increase/(decrease) in accrued employee benefits		2,335	(211)
Increase/(decrease) in GST payable		56	(18)
Net cash from/(used by) operating activities		(24,263)	(16,393)

CF-2 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Note	2026 \$'000	2025 \$'000
Lease liabilities			
Balance at 1 July	C8	4,044	1,216
Non-cash movements:			
New leases during the year		2,461	4,000
Remeasurement		128	52
Cashflows:			
Lease repayments		(2,645)	(1,224)
Balance at 30 June		3,988	4,044

Assets received or liabilities donated/transferred by the Hospital and Health Service to agencies outside of the State Health portfolio are recognised as revenues (refer Note B1-3) or expenses as applicable.

Assets received or liabilities transferred by Hospital and Health Service because of Machinery-of-Government, or administrative arrangements are set out in the Statement of Changes in Equity and Note C10-1.

Mackay Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2026

PREPARATION INFORMATION

GENERAL INFORMATION

The Mackay Hospital and Health Service (referred to as MHHS or Hospital and Health Service or Mackay HHS) was established on 1st July 2012 as a statutory body under the *Hospital and Health Boards Act 2011* and is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of MHHS is Mackay Base Hospital, 475 Bridge Road, MACKAY QLD 4740.

For information in relation to the MHHS' financial statements, please visit the website www.mackay.health.qld.gov.au

COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The Mackay Hospital and Health Service has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2025.

The Hospital and Health Service is a not-for-profit statutory body, and these general-purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flow which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

PRESENTATION

Currency and Rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required. Due to rounding totals may not add exactly.

Comparatives

Comparative information reflects the audited 2024-25 financial statements.

Current/Non-Current Classification

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

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or MHHS does not have the right at the end of the reporting period to defer settlement to beyond 12 months after the reporting date.

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

AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements are authorised for issue by the Chair of the Hospital and Health Service, the Chief Executive and the Executive Director, Corporate Services and Chief Financial Officer at the date of signing the Management Certificate.

BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for the following:

- Land and buildings which are measured at fair value.
- Inventories which are measured at cost, adjusted when applicable for any loss in service potential; and
- Lease liabilities which are measured at net present value of lease payments over the lease term.

Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Mackay Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2026

BASIS OF MEASUREMENT (continued)

Fair Value

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

- The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, or
- The cost approach reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.

Where fair value is used, the fair value approach is disclosed.

Net Present Value

Net present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets), or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

Net realisable value

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal less estimated costs necessary to make the sale.

THE REPORTING ENTITY

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of Mackay Hospital and Health Service.

Mackay Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2026

SECTION A

HOW WE OPERATE – OUR OBJECTIVES AND ACTIVITIES

A1 OBJECTIVES OF MHHS

The Mackay HHS is responsible for providing primary health, community and public health services in the area assigned under the *Hospital and Health Boards Regulation 2012*. This includes responsibility for the direct management of hospitals in Mackay, Proserpine, Bowen, Moranbah, Dysart, Collinsville, Clermont, and Sarina including outpatient and primary care clinics.

Funding is obtained predominantly through the purchase of health services by the Department of Health on behalf of both the State and Federal Governments. In addition, health services are provided on a fee for service basis mainly for private patient care.

A2 OTHER RELATED ENTITIES

The Mackay Hospital and Health Service has no wholly owned controlled entities nor indirectly controlled entities.

A2-1 DISCLOSURES ABOUT OTHER RELATED ENTITIES

North Queensland Primary Healthcare Network Limited

North Queensland Primary Healthcare Network Limited (NQPHNL) was established as a public company limited by guarantee on 21 May 2015. Mackay Hospital and Health Service is one of thirteen members along with Cairns and Hinterland Hospital and Health Service, Townsville Hospital and Health Service, Torres and Cape Hospital and Health Service, The Pharmacy Guild of Australia (Queensland Branch), the Australian College of Rural and Remote Medicine (ACRRM), Northern Aboriginal and Torres Strait Islander Health Alliance (NATSIHA), Queensland Alliance for Mental Health, CheckUP, Australian Primary Healthcare Nurses Association (APNA), Selectability, The Royal Australian College of General Practitioners (RACGP) and the Health Workforce Queensland, with each member holding one voting right in the company.

The principal place of business of NQPHNL is Cairns, Queensland. The Company's principal purpose is to collaborate with general practitioners, other Primary Health Care providers, community health services, pharmacists, and hospitals in North Queensland to improve and coordinate Primary Health Care across the local health system for patients requiring care from multiple providers.

As each member has the same voting entitlement (7.7%), it is considered that none of the individual members has power or significant influence over NQPHNL (as defined by AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*). Each member's liability to NQPHNL is limited to \$10. NQPHNL is legally prevented from paying dividends to its members and its constitution also prevents any income or property of the Company being transferred directly or indirectly to or amongst the Members.

As NQPHNL is not controlled by Mackay HHS and is not considered a joint operation or an associate of Mackay HHS, financial results of NQPHNL are not required to be disclosed in these statements.

Tropical Australia Academic Health Centre Limited

Tropical Australia Academic Health Centre Limited (TAAHCL) was established as a public company limited by guarantee on 3 June 2019. Mackay Hospital and Health Service is one of eight members along with Cairns and Hinterland Hospital and Health Service, James Cook University including Australian Institute of Tropical Health and Medicine, North Queensland Primary Healthcare Network Limited, North West Hospital and Health Service, Torres and Cape Hospital and Health Service, Townsville Hospital and Health Service and Queensland Aboriginal and Islander Health Council, with each member holding two voting rights in the company.

The principal place of business of TAAHCL is James Cook University, Queensland. The Company's principal purpose is the advancement of health through the promotion of the study and research of health topics of special importance to people living in the tropics.

As each member has the same voting entitlement (12.5%), it is considered that none of the individual members has power or significant influence over TAAHCL (as defined by AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*). Each member's liability to TAAHCL is limited to \$10. TAAHCL is legally prevented from paying dividends to its members and its constitution also prevents any income or property of the Company being transferred directly or indirectly to or amongst the Members.

As TAAHCL is not controlled by Mackay HHS and is not considered a joint operation or an associate of Mackay HHS, financial results of TAAHCL are not required to be disclosed in these statements.

A3 ECONOMIC DEPENDENCY

MHHS has prepared these financial statements on a going concern basis which assumes it will be able to meet its financial obligations as and when they fall due. MHHS is economically dependent on funding received from its Service Agreement with the Department of Health (the Department). The Service Agreement provides performance targets and terms and conditions in relation to provision of funding commitments and agreed purchased activity for this period. The Board and management of MHHS believe that the terms and conditions of its funding arrangements under the Service Agreement Framework will provide MHHS with sufficient cash resources to meet its financial obligations for at least the next financial year. During the year MHHS received a non-appropriated cash injection from the Department of \$25 million to fund operating activities. MHHS has no intention to liquidate or to cease operations. Under section 18 of the *Hospital and Health Boards Act 2011*, MHHS represents the State of Queensland and thus has all the privileges and immunities of the State in this respect.

Mackay Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2026

SECTION B

NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

B1-1 USER CHARGES AND FEES

	2026 \$'000	2025 \$'000
Revenue from contracts with customers		
Pharmaceutical Benefit Scheme	25,392	22,613
Sales of goods and services	1,691	1,630
Capital and research projects	6,584	5,533
Hospital fees	23,990	24,127
	57,657	53,903

Accounting Policy – Revenue from contracts with customers (User charges and fees)

Revenue from contracts with customers is recognised when MHHS transfers control over a good or service to the customer, when performance obligations are satisfied and measured at the amount of the transaction price allocated to the performance obligation. Where consideration is received for performance obligations to be satisfied in the following year, revenue is deferred with a contract liability being recognised.

The table below provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms and revenue recognition for MHHS's user charges revenue from contracts with customers.

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Pharmaceutical Benefits Scheme		
Pharmaceutical benefits scheme (PBS) - public hospital patients can access medicines listed on the PBS if they are being discharged or attending outpatient day clinics and admitted receiving chemotherapy treatment. Medicare Australia reimburses the cost of the pharmaceutical items at the agreed wholesale price. Patients generally pay a co-payment which is deducted from the Commonwealth reimbursement price.	MHHS's obligation under the arrangement is the distribution of medication to patients at the reduced PBS rate. Reimbursements are claimed electronically via PBS Online and submitted to Medicare Australia. Payments from Medicare go directly to MHHS.	Revenue is recognised at a point in time when service obligations are met. Where MHHS has satisfied the performance obligations for drugs provided but not yet claimed through the PBS arrangement a contract asset is raised.
Sales of goods and services		
Multi-purpose nursing home fees - long term nursing home and psychogeriatric patients are required to contribute towards their daily care, community care, medical services, and pharmacy services. Specific fees are determined by the Department of Health and are legislated under the <i>Aged Care Act 1997</i> .	MHHS's obligation under the contract is the provision of daily care to eligible Commonwealth aged care clients in MHHS's multipurpose facilities. Invoices are raised monthly to residents based on the number of bed days service provided.	Revenue is recognised over time as the patient care is provided.
Home community aged care packages - services to eligible Commonwealth clients for home support such as home maintenance, domestic assistance, nursing care etc. Eligible clients are required to make a co-contribution for services provided. The Commonwealth's contribution to these services is outlined in Note B1-3 Grants and other contributions.	MHHS's obligation under the arrangement is the provision of personal services to eligible clients. Invoices against individual customers are raised monthly based on the service type, frequency, and rate (set by the Department of Health, DOH or the Department).	Revenue is recognised over time as the personal services are provided.
Capital and Research Projects		
Revenue management of capital projects – the Department of Health purchases services for approved capital projects as part of Queensland Health's capital delivery program.	MHHS's obligation is to manage the procurement and payment of invoices approved by the Department of Health for capital works. Approval from the Department on costs incurred must be received before the invoices and revenue can be raised. Invoices raised against the Department of Health are generally settled within 30 days.	Revenue is recognised as the services are provided each month and a contract asset representing MHHS's right to consideration for services delivered but not yet billed raised where applicable.
Provision of other goods and services - MHHS provides a range of clinical research and other services to private companies and individuals.	MHHS's obligation is to provide agreed research/other services usually over a 12-month period. Invoices are raised as services are provided. Clinical trials are invoiced in accordance with milestones included in contractual agreements.	Revenue is recognised over time with customers simultaneously receiving and consuming benefits provided. A contract asset representing MHHS's right to consideration for services delivered but not yet billed is raised where applicable.

Mackay Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2026

B1 REVENUE (continued)

B1-1 USER CHARGES AND FEES (continued)

Accounting Policy (continued)

<i>Hospital fees</i>		
Private patients - public hospital patients have the option to elect to be treated as a private patient when admitted with rates for each service set annually by the Department of Health.	MHHS's obligation is the delivery of patient care. Health funds are invoiced once a patient is discharged, and services are clinically coded. This can take 4-6 weeks. The amount paid by health funds may be adjusted when a private health fund accepts a claim. Payment by health funds is typically made within 60 days.	Revenue is recognised over time as patient care is simultaneously received and consumed by our customers. Where health fund payment rates for services rendered are lower than that established by the Department, discounts are recognised.
Private practice arrangements - senior and visiting medical officers employed by MHHS can elect to treat private patients in MHHS facilities under current employment contracts. Doctors can either assign 100% of private patient billings to MHHS (compensated by additional wage allowances) or alternatively retain professional service revenue after deduction of a service fee to MHHS based on a set % of total medical billings deposited into the private practice trust account during the month.	Assigned revenue - MHHS's obligation is provision of medical services to private patients. Retained revenue – MHHS's obligation is to provide administrative services. Medical treatment provided to private patients is bulk billed to Medicare Australia, with same day electronic lodgement of claims. Cash payments are received approximately 2 days after lodgement of claim.	Assignment revenue is recognised at a point in time as services are provided to private patients. Service fee revenue from retention doctors is recognised at the end of the month, once all administrative duties associated with the operation of the trust account are completed.
Compensable patients - public hospital patients who have received hospital services for an injury, illness or disease and have an entitlement to receive a compensation payment (e.g., workers' compensation, motor vehicle accidents) are charged for services with claims raised directly against the insurer.	MHHS obligation is the delivery of patient care to approved WorkCover recipients. Rates for each service are set annually by the Department of Health in consultation with relevant insurers. Patients must meet relevant claim criteria established under the respective schemes and be approved by the insurers for treatment. Workcover claims are submitted online daily along with required supporting documents. Cash payments are received approximately 2 days after lodgement of claim.	Revenue is recognised once a patient has been approved for treatment, and services are provided.

Mackay Hospital and Health Service

Notes to the Financial Statements

For the year ended 30 June 2026

B1 REVENUE (continued)

B1-2 FUNDING PUBLIC HEALTH SERVICES

	2026 \$'000	2025 \$'000
Revenue from contracts with customers		
Activity based funding	530,077	466,924
Other grants and contributions		
Block funding	48,082	66,831
Teacher training and research funding	17,379	16,674
Depreciation funding	48,273	43,685
General purpose funding	61,318	56,491
	705,129	650,605

Disclosure about funding received to deliver public health services

Funding is provided predominantly from the Department of Health for specific public health services purchased by the Department in accordance with a Service Agreement (SA). The Australian Government pays its share of National Health funding directly to the Department of Health, for on forwarding to the Hospital and Health Service.

The Service Agreement is reviewed periodically and updated for changes in activities and prices of services delivered by MHHS. Cash funding from the Department of Health is received fortnightly for State payments and monthly and quarterly for Commonwealth payments and is recognised as revenue as the performance obligations under the Service Agreement are discharged. Commonwealth funding in 2026 was \$233.342 million (2025: \$210.476 million).

At the end of the financial year, an agreed technical adjustment between the Department of Health and MHHS may be required for the level of services performed above or below the agreed levels, which may result in a receivable or unearned revenue/contract liability. This technical adjustment process is undertaken annually according to the provisions of the service agreement and ensures that the revenue recognised in each financial year correctly reflects MHHS's delivery of health services. Mackay HHS technical adjustment for 2025-26 included revenue recognised under AASB 1058 \$5.639 million (2025: \$7.107 million) and AASB 15 -\$0.569 million (2025: \$0.263 million).

Smaller hospitals (Clermont, Dysart, Sarina, Collinsville and Moranbah) are supported through block funding where the technical requirements of applying ABF are not able to be satisfied, and there is an absence of economies of scale, which means some services would not be financially viable. Teacher training grants are provided to support the MHHS and are calculated based on the numbers of doctors, clinical graduates, and research positions.

Other general-purpose funding supports the provision of a wide range of services for primary and community healthcare and includes other services that fall outside the scope of the National funding model.

Depreciation funding is provided to offset depreciation charges incurred by MHHS. This is a non-cash revenue and is offset with an equity withdrawal for the same amount, refer Statement of Changes in Equity refer Note C10-1.

Accounting Policy – Public health services

Activity Based Funding

Activity based funding (ABF) is provided according to the type and number of services purchased by the Department of Health, multiplied by the Queensland Efficiency Price (QEP) or other prices in the SA.

ABF funding is received for inpatients, critical care, sub and non-acute, emergency department, mental health, and outpatients.

This will reflect the agreed position between the parties following the conclusion of the end of year technical adjustment process. The purchase of any additional activity could push the system above its Commonwealth capped target.

Other public health service revenue

Non-ABF funding is received for other services MHHS has agreed to provide under the Service Agreement. This includes block funding, teacher training and research grants, depreciation, and most of the other general-purpose funding.

This funding has specific conditions attached that are not related to activity covered by ABF. The funding is received in cash fortnightly in advance.

Block and teacher training funding, although under an enforceable agreement, do not contain sufficiently specific performance obligations and are recognised as revenue when received.

Recognition of revenue for other "general purpose" funding is determined by whether any specific performance obligations are attached to each funding sub-type. Where the obligations are not sufficiently specific, revenue is recognised as it is received (AASB1058). Funding with sufficiently specific obligations is recognised over time as the services/goods are provided and obligations met with the price implicit in the SA (AASB15).

Mackay Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2026

B1 REVENUE (continued)

B1-3 GRANTS AND OTHER CONTRIBUTIONS

	2026 \$'000	2025 \$'000
Revenue from contracts with customers		
Home and community care grants	4,356	4,668
Specific purpose payments	8,462	8,978
Other grants and contributions		
Other grants	2,018	1,337
Services received below fair value	5,379	4,980
	20,215	19,963

Accounting Policy – Services received below fair value

Contributions of service 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 an expense.

MHHS receives corporate services support from the Department of Health at no cost. Corporate services received include payroll services, financial transactions services (including accounts payable and banking services), administrative services and information technology services.

Accounting Policy – Grants, contributions, donations, and gifts

Grants, contributions, donations arise from non-exchange transactions where MHHS does not directly give approximately equal value to the grantor.

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

Otherwise, the grant is accounted for under AASB 1058 Income of Not-for-Profit Entities, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets controlled by MHHS.

Special purpose capital grants are recognised as unearned revenue when received, and recognised progressively as revenue, as MHHS satisfies its performance obligations under the grant through construction of the asset.

Contributed assets are recognised at their fair value.

Disclosure – Grants and contributions

MHHS has several grant arrangements that relate to funding of activity-based services, primarily related to aged care clients and the provisions of specialist medical training. The arrangements outlined below have been identified as having sufficiently specific performance obligations under enforceable grant agreements. The remaining grants, although under enforceable agreements, do not contain sufficiently specific performance obligations, and are recognised upon receipt.

Grants – Recognised as performance obligations are satisfied

The following table provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms, and revenue recognition for MHHS's grants and other contributions that are contracts with customers.

Mackay Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2026

B1 REVENUE (continued)

B1-3 GRANTS AND OTHER CONTRIBUTIONS (continued)

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms.	Revenue recognition policies
Commonwealth Home and Community Care - MHHS provides services to eligible Commonwealth clients for home support services under a two-year agreement between the State and Commonwealth. Services include a range of activities performed at client's homes including personal and wellness care, patient care, and home maintenance. The number of hours/trips per annum and applicable rates are included in the agreed work activity plan.	MHHS's obligation is to provide agreed personal services and patient care to approved recipients. Payments from the Commonwealth government are made quarterly in advance.	Amounts received are recognised as contract liabilities until performance obligations are satisfied. Revenue is recognised as services are performed. Where activity levels contracted are not fully delivered at year end, and exceed the level allowed for carryover into the next year, a revenue contract liability is raised.
Improving Access to Primary Care in Rural and Remote Areas - COAG s19(2) Exemptions Initiative - under a Memorandum of Understanding between the State and Commonwealth governments, MHHS receives payment through Medicare Australia for medical services provided to public patients presenting to the emergency department of approved rural and remote health facilities.	MHHS's obligation is the provision of medical services to eligible public patients. Claims for services performed are lodged electronically, with amounts received based on Medicare item numbers and rates set by the Commonwealth.	Revenue is recognised as services are provided to patients. The use of funds generated under this arrangement are restricted and must be used for community maintenance programs.
Specialist Training Program - training to eligible medical specialists under contract agreements with multiple medical colleges. The trainee must be a member of the medical college and is the recipient of the service. Approved training placement must be within the specified area of interest, in a specified regional location; and exceed a minimum service period (3 months).	MHHS's obligation is to provide eligible trainees appropriate training placement within the specific area of speciality. Payments from the colleges are made in arrears on a bi-annual basis upon receipt and acceptance of performance reports, financial acquittals, and trainee details.	Once the minimum training period specified in the contract has been satisfied, revenue is recognised over time as services are simultaneously received and consumed by the trainee. A contract asset representing MHHS's right to consideration for services delivered but not yet billed is raised where applicable.

Mackay Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2026

B1 REVENUE (continued)

B1-3 GRANTS AND OTHER CONTRIBUTIONS (continued)

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms.	Revenue recognition policies
Commonwealth transition care supports eligible Commonwealth aged care clients for care after a hospital stay. Care packages provided are in accordance with an approved plan, with a defined schedule of daily rates for services stipulated under the agreement with the Commonwealth.	MHHS's obligation is to provide eligible patients with care packages in accordance with approved care plans. Payments from the Commonwealth are advanced at the beginning of the month. At the end of the month, claims are lodged with the department including details on persons visited and duration of visit. A subsequent adjustment either up or down is made by the department.	Amounts received are recognised as contract liabilities until performance obligations are satisfied. Revenue is recognised over time as patient care is provided in accordance with scheduled daily rates. A contract asset representing MHHS's right to consideration for services delivered but not yet billed is raised where applicable.
Aged care packages – provide personal care services and other personal assistance to persons over 65 years in the home under an agreement between the State and Commonwealth. Rates for services are dependent on the approved level of the home care package assessed by Commonwealth to approved recipients.	MHHS's obligations under the arrangement are to provide personal care services to approved Commonwealth recipients based on agreed level of care. Payments from the Commonwealth are advanced at the beginning of the month. At the end of the month, claims are lodged with the department including details by care recipient id, level of care and number of days provided. A subsequent adjustment to revenue either up or down is made by Services Australia.	Amounts received are recognised as contract liabilities until performance obligations are satisfied. Revenue is recognised as services are provided to aged care customers. A contract asset representing MHHS's right to consideration for services delivered but not yet billed are raised where applicable.

B1-4 OTHER REVENUE

	2026 \$'000	2025 \$'000
Recoveries	6,405	5,388
Other	1,197	1,203
	7,602	6,591

Accounting Policy – Other revenue

Other revenue primarily reflects recoveries of payments for contracted staff from third parties such as universities and other government agencies. Other revenue is recognised based on either invoicing for related goods, services and/or the recognition of accrued revenue based on estimated volumes of goods or services delivered.

Mackay Hospital and Health Service

Notes to the Financial Statements

For the year ended 30 June 2026

B2 EXPENSES

B2-1 EMPLOYEE EXPENSES

	2026 \$'000	2025 \$'000
Employee benefits		
Wages and salaries	63,478	53,896
Annual leave levy	6,654	6,028
Employer superannuation contributions	6,313	5,676
Long service leave levy	1,552	1,394
Employee related expenses		
Workers' compensation premium	218	242
Other employee related expenses	353	497
	78,568	67,733
	No.	No.
B2-1 NUMBER OF EMPLOYEES (Full-Time Equivalent)		
Number of employees*	107	115

*Reflecting Minimum Obligatory Human Resource Information (MOHRI)

Accounting Policy – Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by employee's conditions of employment.

Defined Contributions Plans – Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined Benefit Plan – The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined by the Treasurer on the advice of the State Actuary. Contributions are paid by MHHS at the specified rate following completion of the employee's service each pay period. MHHS's obligations are limited to those contributions paid.

Key management personnel and remuneration disclosures are detailed in Note G1.

Accounting Policy – Wages and salaries

Wages and salaries due but unpaid at reporting date are recognised as a payable in the Statement of Financial Position at current salary rates. As MHHS expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting Policy – Workers' compensation premiums

MHHS pays premiums to Workcover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but it is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as employee related expenses.

Accounting Policy – Sick leave and reproductive leave

Prior history indicates that on average, sick and reproductive 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 leave entitlements is recognised. As sick and reproductive leave is non-vesting, an expense is recognised for this leave as it is taken.

Accounting Policy – Annual leave and long service leave

Under the Queensland Government's Central Schemes for Annual Leave (ALCS) and Long Service Leave (LSLS), levies are paid by MHHS to cover the cost of employees accruing annual leave and long service leave entitlements (including leave loading and on-costs).

The levies are expensed in the period in which they are payable.

Amounts paid to employees for annual leave and long service leave are claimed from the scheme quarterly in arrears.

Accounting Policy – Recoveries of employee expenses

Payments received for MHHS employees working for other agencies or on secondment are offset against wages and salaries expenses to ensure the reported expenses reflect the actual wages and salaries incurred for employees working for the agency in that financial year.

Mackay Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2026

B2 EXPENSES (continued)

B2-2 HEALTH SERVICE EMPLOYEE EXPENSES

	2026 \$'000	2025 \$'000
Department of Health	444,444	405,774
	444,444	405,774
B2-2 NUMBER OF EMPLOYEES (Full-Time Equivalent)	No.	No.
Number of health service employees*	3,137	2,884

*Reflecting Minimum Obligatory Human Resource Information (MOHRI)

The Hospital and Health Service through service arrangements with the Department of Health has engaged 3,137 (2025: 2,884) full time equivalent persons at 30 June 2026. As well as direct payments to the department, premium payments made to Workcover Queensland representing compensation obligations are included in this category 2026: \$5.584 million (2025: \$5.932 million).

Accounting Policy – Health service employee expense

In accordance with the *Hospital and Health Boards Act 2011*, the employees of the Department of Health are referred to as Health service employees. Under this arrangement:

- The Department of Health provides employees to perform work for MHHS, acknowledges and accepts its obligations as the employer of these employees.
- MHHS is responsible for the day-to-day management of these departmental employees.
- MHHS reimburses the Department of Health for the salaries and on-costs of these employees. This is disclosed as Health service employee expense.

Accounting Policy – Recoveries of Health Service employee expenses

Payments received for health services employees working for other agencies or on secondment are recorded as part of other revenue (See Note B1-4).

Accounting Policy – Consultants and contractors

Temporary staff employed through employment agencies and consultants engaged for professional services are expensed as services are provided. Payments are categorised as either medical or non-medical based on services provided.

B2-3 SUPPLIES AND SERVICES

	2026 \$'000	2025 \$'000
Inventories consumed		
Clinical supplies and services	27,127	25,187
Drugs	32,692	30,204
Contractors and consultants		
Medical	37,441	40,052
Other	2,778	3,716
Outsourced medical services	37,052	34,574
Pathology, blood and parts	20,973	19,456
Information and communication technology	16,872	14,767
Patient travel	15,778	14,589
Repairs and maintenance	13,500	13,474
Other	6,890	7,497
Electricity and other energy	4,935	4,764
Building services	3,652	3,464
Professional services	2,931	3,707
Other travel	2,956	3,836
Catering and domestic supplies	2,506	2,453
Inter-entity other supplies	1,187	713
Freight	1,163	1,254
Minor plant and equipment	774	673
Lease expenses	343	405
	231,550	224,785

Mackay Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2026

B2 EXPENSES (continued)

B2-3 SUPPLIES AND SERVICES (continued)

Accounting Policy – Distinction between grants and procurement

For a transaction to be classified as supplies and services, the value of goods or services received must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant.

Accounting Policy – Outsourced medical services

Outsourced medical services are health related services provided by third parties to complement or extend HHS capability or capacity and are expensed as services are consumed. This includes services which HHS does not have in house expertise for and emergent services for specific community.

Accounting Policy – Inventories consumed

All inventories held for distribution in hospital and health facilities are expensed at the time of issue. Stock held and available for use in the wards and other facilities, at 30 June is recorded as inventory in the Statement of Financial Position where material.

Accounting Policy - Lease expenses

Lease expenses include lease rentals for short-term leases, leases of low-value assets and variable lease payments. Refer to Note C8 for other lease disclosures.

B2-4 OTHER EXPENSES

	2026 \$'000	2025 \$'000
Insurance premiums - QGIF	6,676	6,482
Services received free of charge	5,379	4,980
Other legal costs	1,670	1,428
Other	1,100	1,509
Impairment trade receivables	882	909
Advertising	619	454
Audit Fees	432	526
Insurance premiums - other	31	102
	16,789	16,390

B2-5 AUDITOR REMUNERATION

	2026 \$'000	2025 \$'000
Audit services - Queensland Audit Office		
Audit of financial statements	194	190

There are no non-audit services included in this amount.

Accounting Policy – Insurance

The Department of Health insures property and general losses above a \$10,000 threshold through the Queensland Government Insurance Fund (QGIF). Health litigation payments above a \$20,000 per case threshold and associated legal fees are also insured through QGIF. QGIF collects from insured agencies an annual premium intended to cover the cost of claims occurring in the premium year.

The Insurance Arrangements for Public Health Entities Health Service enables Hospital and Health Services to be named insured parties under the department's policy. For the 2025-26 policy year, the premium was allocated to each HHS according to the underlying risk of an individual insured party.

Disclosure – Special payments and services received free of charge

Special payments represent ex-gratia expenditure and other expenditure that MHHS is not contractually or legally obligated to make to other parties. MHHS maintains a register of all special payments greater than \$5,000.

MHHS receives corporate services support from the Department of Health at no cost. Further information on services provided and their treatment is available at Note B1-3.

Mackay Hospital and Health Service

Notes to the Financial Statements

For the year ended 30 June 2026

SECTION C

NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

	2026 \$'000	2025 \$'000
Cash at bank	3,853	4,174
Imprest accounts	1	1
	<u>3,854</u>	<u>4,175</u>
General Trust	341	394
General Trust - Investment funds	3,337	3,197
	<u>3,678</u>	<u>3,591</u>
	<u>7,532</u>	<u>7,766</u>

Accounting Policy – Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions and cash debt facility. Cash at bank includes all bank accounts except Patient Fiduciary (Trust) Bank Account is reported separately in Note F1.

Operational bank accounts form part of the Whole-of-Government (WoG) banking arrangement with the Commonwealth Bank of Australia and does not earn interest on surplus funds nor is it charged interest or fees for accessing its approved cash debt facility. Any interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund, except General trust funds and deposits with Queensland Treasury Corporation (QTC) which do not form part of the WoG banking arrangement and as such incur fees and earn interest.

General Trust incorporates cash contributions under Granted Private Practice arrangements set aside for education, study, and research in clinical areas. General Trust also include benefactor gifts, donations, and bequests for stipulated purposes. Investment funds are General Trust funds invested with QTC that earn interest daily in line with market movements in cash funds. The annual effective interest rate was 5.30% (2025: 4.64%).

C2 Receivables

	2026 \$'000	2025 \$'000
Trade debtors	5,593	6,395
Less: Loss allowance	(1,370)	(1,364)
	<u>4,223</u>	<u>5,031</u>
GST receivable	1,539	1,400
GST payable	(129)	(73)
	<u>1,410</u>	<u>1,327</u>
	<u>5,633</u>	<u>6,358</u>

Accounting Policy – Receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Trade debtors are recognised at the amounts due at the time of sale or service delivery. i.e., the agreed purchase/contract price.

The recoverability of trade debtors is reviewed on an ongoing basis by debt class at an operating unit level. Trade receivables are settled within 30 days from invoice date. No interest is charged, and no security is obtained.

Disclosure – Receivables

The closing balance of receivables arising from contracts with customers as at 30 June 2026 is \$5,593 million (2025: \$6.395 million)

Mackay Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2026

C2 Receivables (continued)

C2-1 IMPAIRMENT OF RECEIVABLES

Accounting Policy – Impairment of receivables

The loss allowance for trade debtors reflect lifetime expected credit losses, incorporating reasonable and supportable forward-looking information. This includes economic changes that impact MHHS's debtors and relevant industry data, to form part of the impairment assessment.

Other categories of receivables represent monies owing by Queensland or federal government agencies. No loss allowance is recorded for these receivables due to low credit risk exposure i.e., high credit rating.

Where there is no reasonable expectation of recovery of monies owing by a debtor, the debt is written off by directly reducing the receivable against the loss allowance. This occurs when a third default notice has been issued (normally after 120 days), and debt collection activity has ceased. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss. The amount of impairment losses recognised for trade debtors is disclosed below.

Disclosure – Credit risk exposure of receivables

The maximum exposure to credit risk for receivables at balance date is the gross carrying amount of those assets. No collateral is held as security and no credit enhancements relate to receivables held by MHHS.

The HHS uses a provision matrix to measure expected credit losses based on observed historical default rates over the past five years, adjusted for changes in macroeconomic indicators (used to assess the impact on the future collectability of receivables). Loss rates are calculated for customer profiles with similar loss patterns with the following two major groups identified:

- Private patient's ineligible for health assistance under Medicare arrangements with the federal government; and
- Other trade receivables.

MHHS's patient activity is heavily influenced by movements in regional population. Depending on the status of the tourism, agricultural and mining sectors the region experiences significant fluctuations in population, with a large proportion of the workforce transient in nature and includes overseas/interstate visitors requiring treatment. Economic growth has been determined as the most relevant forward-looking indicator for both groups of receivables. Where economic growth is strong, historical default rates are adjusted upwards to reflect the change in the population base i.e., higher proportion of visitors/transient workforce. Set out below is the credit risk exposure on MHHS's trade debtors broken down by aging band.

The provision rate in >90 days group has increased by 0.30% and the overall provision across the gross portfolio was 24.5% (2025: 21.3%), due primarily to higher levels of uninsured Medicare ineligible patients.

Impairment group - Trade debtors:

	2026			2025		
	Gross receivables	Loss rate	Expected credit losses	Gross receivables	Loss rate	Expected credit losses
<u>Ageing</u>	\$'000	%	\$'000	\$'000	%	\$'000
Current	2,417	0.8%	20	2,503	0.9%	22
31 to 60 days	1,054	5.0%	52	1,433	4.6%	66
61 to 90 days	515	9.8%	51	919	9.2%	85
> 90 days	1,607	77.6%	1,247	1,540	77.3%	1,191
Total	5,593		1,370	6,395		1,364

Disclosure - Movement in loss allowance for trade debtors

	2026	2025
	\$'000	\$'000
Balance at beginning of the year	1,364	1,011
Amounts written off during the year	(876)	(555)
Increase in allowance recognised in operating result	882	908
Balance at the end of the year	1,370	1,364

Mackay Hospital and Health Service

Notes to the Financial Statements

For the year ended 30 June 2026

C3 INVENTORIES

	2026 \$'000	2025 \$'000
<i>Inventories held for distribution - at cost</i>		
Pharmaceutical drugs	1,881	1,872
Clinical supplies	3,158	3,152
Catering and domestic	10	4
	5,049	5,028

Accounting Policy – Inventories

Inventories consist mainly of clinical supplies and pharmaceuticals held for use and distribution in MHHS facilities and are provided to public admitted patients free of charge except for pharmaceuticals which are provided at a subsidised rate. Inventories are valued at the cost, adjusted where applicable, for any loss of service potential. Cost is assigned on a weighted average cost.

C4 OTHER ASSETS

	2026 \$'000	2025 \$'000
Current		
Prepayments	1,207	1,444
Contract assets	6,084	6,738
Other assets	1,516	839
	8,807	9,021

Accounting Policy – Other assets

MHHS recognises its right to consideration for services provided or goods delivered to customers under a contract but not yet billed, as a contract asset.

Where a right to consideration exists under an agreement (not arising from contracts with customers), and funds have not been receipted or invoiced, accrued revenue is recognised and disclosed as part of Other in accordance with AASB1058.

Disclosure – Contract assets

Contract assets arise from contracts with customers and are transferred to receivables when MHHS's right to payment becomes unconditional, this usually occurs when the invoice is issued to the customer.

All contract assets are assessed for indicators of impairment on a monthly basis. If an indicator of impairment exists, the HHS determines the asset recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recognised as an impairment loss from an entity's contracts with customers. Contract Assets are assessed for impairment by reference to events such as breach of contract, performance failure or a past due event that is assessed to have a detrimental impact on the recoverability of that asset.

Contract assets reflect revenues accrued in accordance with AASB15 for \$2.901 million (2025: \$3.742 million) being additional funding from Department of Health under the technical adjustment (refer to Note B1-2) and \$3.183 million (2025: \$2.996 million) for minor contracts and user charges not yet billed. No loss allowance is recorded for contract assets relating to either the minor contracts or Department of Health due to low credit risk exposure or high credit rating.

C5 PROPERTY, PLANT AND EQUIPMENT AND RELATED DEPRECIATION

C5-1 ACCOUNTING POLICIES

Property, Plant and Equipment

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

Class	Threshold
Buildings	\$10,000
Land	\$1
Plant and Equipment	\$5,000

Items below these values are expensed. Land improvements undertaken by MHHS are included in the building class.

MHHS has an annual maintenance program for its buildings. Expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores the original service potential (lost through ordinary wear and tear) is expensed.

Mackay Hospital and Health Service

Notes to the financial statements

For the year ended 30 June 2026

C5 PROPERTY, PLANT AND EQUIPMENT AND RELATED DEPRECIATION (continued)

C5-1 ACCOUNTING POLICIES (continued)

Componentisation of Complex Assets

Complex assets comprise separately identifiable components (or groups of components) of significant value, which require replacement at regular intervals and at different times to other components comprising the complex asset. On initial recognition, the asset recognition thresholds outlined above apply to the complex asset as a single item. Specialised health service buildings with a gross replacement value of \$3 million or more are complex in nature and componentised. Components are separately recorded and valued on the same basis as the asset class to which they relate.

Acquisition of Assets

Historical cost is used for the initial recording of all property, plant, and equipment acquisitions. Historical cost is determined as the value given as consideration plus costs incidental to the acquisition (such as architects' fees and engineering design fees), plus all other costs incurred in getting the assets ready for use.

Where assets are received free of charge from another Queensland government entity (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the carrying amount in the books of the other agency immediately prior to the transfer. Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at the date of acquisition.

Measurement using historical cost

Plant and equipment are measured at historical cost net of accumulated depreciation and accumulated impairment losses in accordance with Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector* (NCAP). The carrying amounts for plant and equipment at cost are not materially different from their fair value.

Measurement using fair value

Land and buildings are measured at fair value in accordance with AASB 116 Property, Plant and Equipment, AASB 13 Fair Value Measurement and Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector* (NCAP).

These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and accumulated impairment losses where applicable. Separately identified components of assets are measured on the same basis as the assets to which they relate. In respect of the abovementioned asset classes, the cost of items acquired during the financial year has been judged by management to materially represent their fair value at the end of the reporting period.

Revaluation of property measured at fair value

Land and building classes measured at fair value, are assessed on an annual basis either by comprehensive valuations or using appropriate and relevant indices undertaken by independent professional valuers/quantity surveyors. For financial reporting purposes, the revaluation process for MHHS is managed by the finance unit with input from the infrastructure branch and Executive Director of Corporate Services.

Comprehensive revaluations are undertaken as part of a rolling valuation spanning a maximum of five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practical, regardless of the timing of the last specific appraisal. Where assets have not been specifically appraised in the reporting period, their previous valuations are materially maintained via the application of relevant indices. MHHS uses indices to provide a valid estimation of the assets' fair values at reporting date.

Materiality is considered in determining whether the differences between the carrying amount and the fair value of an asset warrant revaluation.

The fair values reported by MHHS are based on appropriate valuation techniques that maximises the use of available and relevant observable inputs and minimise the use of unobservable inputs (refer to Note D1-1).

Reflecting the specialised nature of health service buildings for which there is not an active market, fair value is determined using current replacement cost. Current replacement cost is determined as the replacement cost of a modern equivalent asset adjusted for functional and economic obsolescence. Buildings are measured at fair value by applying either, a revised estimate of individual asset's current replacement cost, or an interim index which approximates movement in market prices for labour and other key resource inputs, as well as changes in design standards as at reporting date. These estimates are developed by independent quantity surveyors.

On revaluation, accumulated depreciation is adjusted to equal the difference between the gross amount and the carrying amount, after considering accumulated impairment losses and changes in remaining useful life. This is referred to as the 'gross method.'

Depreciation

Property, plant, and equipment are depreciated on a straight-line basis. Annual depreciation is based on fair values and MHHS's assessments of the useful remaining life of individual assets. Land is not depreciated as it has an unlimited useful life.

Key judgement: Straight line depreciation is used reflecting the progressive, and even, consumption of service potential of these assets over their useful life to MHHS.

Mackay Hospital and Health Service

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C5 PROPERTY, PLANT AND EQUIPMENT AND RELATED DEPRECIATION (continued)

C5-1 ACCOUNTING POLICIES (continued)

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete, and the asset is first used or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property plant and equipment.

Where assets have separately identifiable components, subject to regular replacement, components are assigned useful lives distinct from the asset to which they relate and depreciated accordingly, as doing so results in a material impact on the depreciation expense reported.

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

Key estimate: For each class of depreciable assets, the following depreciation rates were used:

Class	Depreciation rates
Buildings and Improvements	
- Structural fabric of building	0.88% to 3.33%
- External fabric	1.18% to 8.33%
- Internal fabric	2.22% to 3.33%
- Fittings	1.49% to 10.00%
- Building services	1.19% to 10.00%
- Land improvements	1.18% to 3.33%
- Other buildings including residential	0.91% to 5.88%
Plant and equipment inc. artworks	1.00% to 20.00%

Indicators of impairment and determining recoverable amount

All property, plant and equipment are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement*. If an indicator of possible impairment exists, management determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use subject to the following:

- As a not-for profit entity, certain property, plant, and equipment of MHHS is held for the continuing use of its service capacity and not for the generation of cashflows. Such assets are typically specialised in nature. In accordance with AASB 136, where such assets measured at fair value under AASB 13, that fair value (with no adjustment for disposal costs) is effectively deemed to be the recoverable amount. Consequently, AASB136 does not apply to such assets unless they are measured at cost.
- For other non-specialised property, plant and equipment measured at fair value, where indicators of impairment exist, the only difference between the asset's fair value and its fair value less costs of disposal are the incremental costs attributable to the disposal of the asset. Consequently, the fair value of the asset determined under AASB 13 will materially approximate its recoverable amount where the disposal costs attributable to the asset are negligible. After the revaluation requirements of AASB 13 are first applied to these assets, applicable disposal costs are assessed and, in the circumstances where such costs are not negligible, further adjustments to the recoverable amount are made in accordance with AASB 136.

Recognising impairment losses

Any amount by which the asset's carrying amount exceeds the recoverable amount is considered an impairment loss. An impairment loss is recognised immediately in the statement of comprehensive income, unless the asset is carried at a revalued amount, in which case the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available. Where no asset revaluation surplus is available in respect of the class of asset, the loss is expensed in the statement of comprehensive income as a revaluation decrement.

For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income.

Reversal of impairment losses

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

For assets measured at fair value, to the extent the original decrease was expensed through the statement of comprehensive income, the reversal is recognised as income, otherwise the reversal is treated as a revaluation increase for the class of asset through asset revaluation surplus. When an asset is revalued using a market valuation approach, any accumulated impairment losses at the revaluation date are eliminated against the gross amount of the asset prior to restating for the revaluation.

For assets measured at cost, impairment losses are reversed through income.

Mackay Hospital and Health Service

Notes to the financial statements

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C5 PROPERTY, PLANT AND EQUIPMENT AND RELATED DEPRECIATION (continued)

C5-2 PROPERTY, PLANT AND EQUIPMENT - BALANCES AND RECONCILIATIONS OF CARRYING AMOUNT

2026	Land	Buildings	Plant and equipment (at cost)	Capital works in progress (at cost)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	23,827	1,023,589	88,409	3,484	1,139,309
Less: Accumulated depreciation	-	(556,776)	(37,773)	-	(594,549)
Carrying amount at 30 June 2026	23,827	466,813	50,636	3,484	544,760

Represented by movements in carrying amount:

Carrying amount at 1 July 2025	22,694	454,277	52,137	5,907	535,015
Transfers in from other Qld Government entities	-	-	498	-	498
Acquisitions	-	260	4,056	7,782	12,098
Donated assets	-	-	582	-	582
Disposals	-	(173)	-	-	(173)
Transfers between classes	-	7,518	2,687	(10,205)	-
Scrapped assets	-	-	(22)	-	(22)
Net revaluation increments	1,133	41,195	-	-	42,328
Depreciation expense	-	(36,264)	(9,302)	-	(45,566)
Carrying amount at 30 June 2026	23,827	466,813	50,636	3,484	544,760

*Excludes right-of-use assets' gross and depreciation

2025	Land	Buildings	Plant and equipment (at cost)	Capital works in progress (at cost)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	22,694	937,554	84,900	5,907	1,051,055
Less: Accumulated depreciation	-	(483,277)	(32,763)	-	(516,040)
Carrying amount at 30 June 2025	22,694	454,277	52,137	5,907	535,015

Represented by movements in carrying amount:

Carrying amount at 1 July 2024	21,612	402,667	39,497	20,312	484,088
Transfers in - practical completion projects from the Department of Health	2	46,297	2,346	-	48,645
Acquisitions	-	511	5,728	4,961	11,200
Donated assets	-	-	179	-	179
Disposals	-	(249)	(76)	-	(325)
Transfers out to other Qld Government entities	-	-	(57)	-	(57)
Transfers between classes	-	5,482	13,884	(19,366)	-
Net revaluation increments	1,080	32,642	-	-	33,722
Depreciation expense	-	(33,073)	(9,364)	-	(42,437)
Carrying amount at 30 June 2025	22,694	454,277	52,137	5,907	535,015

*Excludes right-of-use assets' gross and depreciation

Mackay Hospital and Health Service
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C5 PROPERTY, PLANT AND EQUIPMENT AND RELATED DEPRECIATION (continued)

C5-3 VALUATION OF PROPERTY, PLANT AND EQUIPMENT INCLUDING KEY ESTIMATES AND JUDGEMENTS

Land

Land is measured at fair value using comprehensive revaluations, desktop market revaluations or indexation by the State Valuation Service (SVS) within the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development.

MHHS continued the ongoing cycle at the first year of the next five year rolling comprehensive revaluation program for land holdings and engaged SVS in the current year to comprehensively revalue subject parcels of land. Indexation is to be applied to the remaining parcels of land with SVS engaged to provide same.

The fair value of land was based on publicly available data on sales of similar land in nearby localities in the twelve months prior to the date of the valuation. In determining the values, adjustments were made to the sales data to consider the location of MHHS's land, its size, street/road frontage and access, and any significant restrictions. The extent of the adjustments made varies in significance for each parcel of land. Subjective adjustments are made to observable data for land classified as reserve (by the Minister for a community purpose). Reserve land parcels are not sold and therefore there are no directly observable inputs. This land can only be sold when un-gazetted and converted to freehold by the State. The overall increase in land value was primarily attributable to 12 Altmann Avenue, Cannonvale, which represented 53% of the total revaluation increment.

The revaluation program resulted in a total increment to the carrying amount of land of \$1.133 (2025: \$1.080 million). This consisted of comprehensive valuations yielding an increment of \$0.728 million (15.8%) and the remainder of the portfolio revaluation (using desktop or indexation) yielding a total increment of \$0.405 million (2.24%).

Buildings

MHHS engaged independent quantity surveyors, AECOM to comprehensively revalue all buildings with a replacement cost exceeding \$500 thousand and calculate an annual index for all other assets. FY26 was the first year of MHHS's five year rolling valuation program with twelve buildings and three site improvements being valued and with the annual index being calculated for all other assets.

Refer to Note D1-2 for further details on the revaluation methodology applied.

The revaluation program resulted in a net increment of \$41.195 million or 9.81% increase (2025: increment \$32.642 million) to the carrying amount of all buildings. Twelve (12) buildings and three (3) site improvements were comprehensively valued resulting in an increment of \$15.247 million (14.74%). The remainder of the portfolio was subject to 8.2% indexation which resulted in a total increment of \$25.948 million.

C6 PAYABLES

	2026 \$'000	2025 \$'000
Trade creditors	44,989	44,245
Accrued labour - Department of Health	10,137	7,787
	55,126	52,032

Trade creditors include \$23.624 million (2025: \$21.973 million) owing to the Department of Health at 30 June 2026.

Accounting Policy – Payables

Payables are recognised for amounts to be paid in the future for goods and services received. Trade creditors are measured at the agreed purchase/contract price, net of applicable trade and other discounts. The amounts are unsecured and normally settled within 1-30 days.

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C7 ACCRUED EMPLOYEE BENEFITS

	2026 \$'000	2025 \$'000
Wages outstanding	4,420	2,128
Superannuation accrued	193	150
	4,613	2,278

Accounting Policy – Accrued employee benefits

No provision for annual leave or long service leave is recognised in MHHS's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Under the Queensland Government's Central Schemes for Annual Leave (ALCS) and Long Service Leave (LSLS), levies are made throughout the year by MHHS to cover the cost of employee's accruing annual leave and long service leave entitlements (including leave loading and on-costs).

The levies are expensed in the period in which they are payable.

Amounts paid to employees for annual leave and long service leave are claimed from the scheme quarterly in arrears.

Wages outstanding represent nine days of payroll accrual to the end of June.

C8 RIGHT OF USE ASSETS AND LEASE LIABILITIES

	2026 \$'000	2025 \$'000
Right-of-use assets		
Gross value	7,762	5,236
Less Accumulated depreciation	(3,882)	(1,238)
Carrying amount at 30 June	3,880	3,998
<i>Represented by movements in carrying amount:</i>		
Opening Balance at 1 July	3,998	1,194
Additions	2,461	4,000
Remeasurement	128	52
Depreciation	(2,707)	(1,248)
Balance at 30 June	3,880	3,998
Lease liabilities		
Current	2,149	2,134
Non-Current	1,839	1,910
Total	3,988	4,044

Disclosures - Leases as lessee

Details of leasing arrangements as lessee

MHHS enters residential property leases to provide short-term employee housing. Some of these leases are short-term leases, however residential property leases are typically for 12 months and may include an option to renew a further 1 year. MHHS assesses at lease commencement whether it is reasonably certain to exercise the renewal options. Historically MHHS exercises renewal options, with lease terms recognised inclusive of extension options. This is reassessed if there is a significant event or significant change in circumstances within its control.

Residential property lease payments are fixed. MHHS has no option to purchase the leased premises at the conclusion of the lease, although the lease provides for a right of renewal at which time lease terms are renegotiated based on market review or CPI. As the future rent increases are variable, they are not captured in the right-of-use asset or lease liability until the increases take effect.

Motor vehicles

QFleet, within the Department of Housing and Public Works, provides MHHS with access to motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because QFleet has substantive substitution rights of the assets. The related service expense is included in Note B2-3.

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C8 RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

Accounting policy – Measurement of ROU Assets

Right-of-use assets are initially recognised at cost, subsequently depreciated over the lease term and subject to impairment testing on an annual basis.

MHHS has elected to not recognise right-of-use assets and lease liabilities arising for short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than \$10,000 when new.

When measuring the lease liability, MHHS uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all MHHS's leases. To determine the incremental borrowing rate, MHHS uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

After initial recognition, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g., a market rent review), or a change in the lease term.

C9 OTHER LIABILITIES

	2026 \$'000	2025 \$'000
Current		
Contract liabilities	2,122	2,209
Sundry Payables	7,932	9,739
Other	1,920	1,180
	11,974	13,128

Accounting policy – Other liabilities

Funding for health services from the DoH is recognised as a contract liability on receipt. Revenue is recognised when the service agreement performance obligations are met.

Disclosure – Contract liabilities and Sundry Payables

Contract liabilities arise from contracts with customers, 2026: \$1.449 million (2025: \$0.787 million) represents unearned revenue for goods and services from Commonwealth and the remaining 2026: \$0.673 million (2025: \$1.422 million) relates to funding repayable to Department of Health as per the technical adjustment to the Service Level Agreement.

Sundry payables include \$7.932 million (2025: \$9.739 million) of public health funding payable to Department of Health as per the technical adjustment to the Service Level Agreement (refer to Note B1-2).

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C10 EQUITY

C10-1 CONTRIBUTED EQUITY

Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities* specifies the principles for recognising contributed equity by MHHS. The following items are recognised as contributed equity by MHHS during the reporting and comparative years:

- Non-reciprocal transfers of assets between Hospital and Health Services. In 2014, the Minister for Health signed an enduring designation of transfer for property, plant, and equipment between Hospital & Health Services (HHS) and the Department of Health. This transfer is recognised through equity when the Chief Finance Officers of both entities agree in writing to the transfer.

Included in the below for 2025 is the Moranbah Hospital \$46.298 million. Construction of major health infrastructure is managed and funded by the Department of Health. Upon practical completion of a project, assets are transferred from the Department of Health back to MHHS.

	2026 \$'000	2025 \$'000
During this year, a number of assets have been transferred under this arrangement.		
Transfer in - practical completion of projects from the Department of Health	-	46,298
Net transfer of property, plant and equipment from/(to) the Department of Health	498	2,346
Net transfers of out to other equipment between HHS	-	(57)
	498	48,587

- Equity contributions fund purchases of equipment, furniture and fittings associated with capital work projects managed by MHHS. In 2026 MHHS received \$38.724 million (2025 \$17.602 million) funding from the State as equity injections throughout the year including \$25.0 million cash injection.
- Equity withdrawal of funds by the Department of Health on behalf of the State, MHHS received \$48.273 million funding in 2026 (2025 \$43.685 million) from the Department of Health to account for the cost of depreciation. However, as depreciation is a non-cash expenditure item, the Health Minister has approved a withdrawal of equity by the State for the same amount, resulting in a non-cash revenue and non-cash equity withdrawal.

C10-2 ASSET REVALUATION SURPLUS BY ASSET CLASS

	2026 \$'000	2025 \$'000
Buildings		
Balance at the beginning of the financial year	207,278	174,637
Revaluation increments	41,195	32,641
	248,473	207,278
Land		
Balance at the beginning of the financial year	3,118	2,037
Revaluation increments	1,133	1,081
	4,251	3,118
Total	252,724	210,396

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SECTION D

NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

D1 FAIR VALUE MEASUREMENT

D1-1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUE

What is fair value?

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

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

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

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

Fair value measurement hierarchy

MHHS does not recognise any financial assets or financial liabilities at fair value (except at initial recognition).

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

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

None of MHHS's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy.

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D1 FAIR VALUE MEASUREMENT (continued)

D1-2 BASIS FOR FAIR VALUE OF ASSETS AND LIABILITIES

Land

Effective date of last specific appraisal: 30 June 2026 by State Valuation Service (2025: State Valuation Service (SVS))

Valuation Approach: Market approach

Inputs: Fair value of land is based on publicly available data on sales of similar land in nearby localities. In determining values, adjustments are made to sales data to take into account the location of MHHS's land, its size, street/road frontage and access, and any significant restrictions. The extent of the adjustments made varies in significance for each parcel of land.

Subsequent valuation activity: Land values are comprehensively revalued over a 3-year cycle. This is due to past volatility in fair value, with desktop valuations done annually for significant properties. FY26 represented the first year of the rolling land valuation.

Buildings and Site Improvements

Effective date of last specific appraisal: 30 June 2026 by AECOM (2025: AECOM)

Valuation Approach: Current Replacement Cost (CRC) or Interim Index

Inputs: The fair value of health service buildings is computed by quantity surveyors, AECOM. The methodology is known as the Current Replacement Cost valuation technique. CRC is the price that would be received for the asset, based on the estimated cost to market participant buyer to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence. AECOM determines the replacement cost of an asset by utilising a cost model which has been developed, providing a twenty-two element cost plan (cost estimate) of the asset through the determination of key cost drivers such as:

- * Asset type (clinical building, administration, clinic etc)
- * Gross Floor Area (GFA) or building footprint
- * Number and height of staircases
- * Girth of the building
- * Height of the building
- * Number of lifts and number of 'stops'
- * Location

The estimate has been compiled by measuring quantities using drawings obtained from Mackay Hospital and Health Service and verified on site or by completing a site measurement. This is done using CAD measurement software (CostX) and compared against previous valuations.

In determining the replacement cost of each building, the estimated replacement cost of the asset, or the likely cost of construction including fees and on costs if tendered on the valuation date is assessed. This is based on internal records of the original cost, adjusted for more contemporary design/construction approaches and current construction contracts. Assets are priced using Brisbane rates with published industry benchmark location indices applied. Revaluations are then compared and assessed against current construction contracts for reasonableness.

AECOM adjusts the replacement cost for both functional and economic obsolescence. This is assessed through determining whether the asset contains the same functionality or utility of a modern equivalent asset in terms of its components (i.e. does the current building have air conditioning expected in a modern equivalent asset); and does the asset contain materially significant components required under the National Construction Code (NCC).

Significant judgement was used to assess the remaining service potential of a facility, given local climatic and environmental conditions. Physical site inspections by AECOM, combined with refurbishment history, local knowledge of asset performance and future planned asset replacement programs were used to inform these assumptions. There are no other direct or significant relationships between the unobservable inputs which materially impact fair value. Valuations assume a nil residual value. Significant capital works, such as a refurbishment across multiple floors of a building, will result in an improved condition assessment, however the cost of refurbishing a building includes a premium, especially in functioning facilities. For example, it can include costs related to demolition and dismantling of the old building, asbestos removal, additional Health and Safety costs, impacts from continuing to provide services during construction and slower construction timeframes. The valuation removes these "premium" costs and calculates values based on efficient construction practices. The removal of 'premium costs' will typically result in a decline in building values.

Subsequent valuation activity: Buildings and site improvements are revalued over a 5-year cycle. FY26 was the first year in the rolling valuation cycle with the remaining buildings and site improvements to be revalued in FY27 to FY30.

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D1 FAIR VALUE MEASUREMENT (continued)

D1-3 CATEGORISATION OF ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

	Level 2		Level 3		Total	
	\$'000		\$'000		\$'000	
	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>
Land	23,327	22,194	500	500	23,827	22,694
Buildings	-	-	466,813	454,277	466,813	454,277
	23,327	22,194	467,313	454,777	490,640	476,971

D1-4 LEVEL 3 FAIR VALUE MEASUREMENT - RECONCILIATION

	Buildings	
	<i>2026</i>	<i>2025</i>
	<i>\$'000</i>	<i>\$'000</i>
Carrying amount at 1 July	454,277	402,667
Transfers in from other Queensland Government entities	-	46,297
Acquisitions	260	514
Transfer between asset classes	7,518	5,482
Disposals	(173)	(252)
Net revaluation increments/(decrements)	41,195	32,642
Depreciation expense	(36,264)	(33,073)
Carrying amount at 30 June	466,813	454,277

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D2 FINANCIAL RISK DISCLOSURES

D2-1 FINANCIAL INSTRUMENT CATEGORIES

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

Category	Note	2026 \$'000	2025 \$'000
Financial assets at amortised cost			
Cash and cash equivalents	C1	7,532	7,766
Receivables	C2	5,633	6,358
Total		13,165	14,124
Financial liabilities at amortised cost			
Payables	C6	55,126	52,032
Lease liabilities	C8	3,988	4,044
Total		59,114	56,076

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

D2-2 FINANCIAL RISK MANAGEMENT

MHHS's activities expose it to a variety of financial risks - credit risk, liquidity risk and interest rate risk. Financial risk management is implemented pursuant to Government and MHHS's policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of MHHS.

MHHS measures risk exposure using a variety of methods as follows:

<i>Risk exposure</i>	<i>Measurement method</i>
Credit risk	Ageing analysis, cash inflows at risk
Liquidity risk	Monitoring of cash flows by employee and supplier obligations as they fall due
Interest risk	Interest rate sensitivity analysis

Credit risk is further discussed in Note C2 Receivables.

Liquidity risk

Liquidity risk is the risk that MHHS will not have the resources required at a particular time to meet its obligations to settle its financial liabilities. MHHS is exposed to liquidity risk through its trading in the normal course of business and aims to reduce the exposure to liquidity risk by ensuring that enough funds are always available to meet employee and supplier obligations. An approved debt facility of \$6.00 million (2025: \$6.00 million) under WoG banking arrangements to manage any short-term cash shortfalls has been established. Nil funds were withdrawn against this debt facility as at 30 June 2026 (2025: Nil).

Notwithstanding the deficit, the Board considers the hospital a going concern due to ongoing support from the Department of Health including a \$25.000 million equity injection in 2025-2026 as well as future funding commitments under the 2026-2027 Service Agreement and planned funding injections to support growth under the 2026-2027 Service Agreement to fund the costs of growing service requirements.

All financial liabilities (except lease liabilities) at amortised cost are current in nature and will be due and payable within twelve months. As such no discounting has been applied. Lease liabilities are both current and non-current and have been discounted accordingly.

Interest risk

MHHS' trust funds are exposed to interest rate risk on its 24-hour call deposits, however there is no significant interest risk on its cash deposits. The HHS does not undertake any hedging in relation to interest rate risk. Changes in interest rate have a minimal effect on the operating result of MHHS.

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D2 FINANCIAL RISK DISCLOSURES (continued)

D2-3 LIQUIDITY RISK – CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

The following tables sets out the liquidity risk of financial liabilities held by MHHS. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that are based on discounted cash flows.

	2026	Contractual maturity		2025	Contractual maturity	
	Total	< 1 Yr	1-5 Yrs	Total	< 1 Yr	1-5 Yrs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payables	55,126	55,126	-	52,032	52,032	-
Leased liabilities	3,988	2,149	1,839	4,044	2,134	1,910
	59,114	57,275	1,839	56,076	54,166	1,910

D3 CONTINGENCIES

(a) Litigation in progress

As at 30 June the following cases were filed in the courts naming the State of Queensland acting through the MHHS as defendant:

	2026 Number of cases	2025 Number of cases
Supreme Court	3	5
District Court	4	4
	7	9

Health litigation is underwritten by the Queensland Government Insurance Fund (QGIF). MHHS's liability in this area is limited to an excess per insurance event of \$20,000 per claim- refer Note B2-4. As at 30 June 2026, MHHS has 70 (2025: 81) claims currently managed by QGIF, some of which may never be litigated or result in payments to claims (excluding initial notices under Personal Injuries Proceedings Act). Under QGIF, MHHS would be able to claim back, less a deduction, the amount paid to successful litigants.

Tribunals, commissions, and board figures represent the matters that have been referred to QGIF for management. MHHS's legal advisers cannot reliably estimate the final amounts payable (if any) in respect of the litigation before the courts at this time.

D4 COMMITMENTS

(b) Capital expenditure commitments

2026	2025
\$'000	\$'000

Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

Building		
No later than 1 year	9,424	2,182
Later than 1 year but no later than 5 years	3,251	-
Total	12,675	2,182
Plant and Equipment		
No later than 1 year	397	2,480
Total	397	2,480

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D5 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

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

AASB 18 *Presentation and Disclosure in Financial Statements*

AASB 18 applies to not-for-profit public sector entities for annual reporting periods beginning on or after 1 January 2028, which will be the 2028-29 financial year for MHHS. This standard sets out new requirements for the presentation of the Statement of Comprehensive Income, requires new disclosures about management-defined performance measures and removes existing options in the classification of dividends and interest received and interest paid in the Statement of Cash Flows. AASB 18 will only affect presentation and disclosure, it will not affect the recognition or measurement of any reported amounts.

In October 2025, the AASB released Exposure Draft ED 338 which proposed several amendments that, if legislated, would permit relief from the majority of the presentation and disclosure requirements by not-for-profit public sector entities via an explicit accounting policy choice.

MHHS will further assess the expected impacts of AASB 18 in subsequent reporting periods once the AASB issues a final amending standard and Queensland Treasury has communicated its policy intentions in respect of accounting policy choices permitted by the standard.

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

D6 EVENTS AFTER BALANCE SHEET DATE

There are no matters or circumstances that have arisen since 30 June 2026 that have significantly affected or may significantly affect MHHS' operations, the results of those operations, or the HHS's state of affairs in future financial years.

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SECTION E

NOTES ON OUR PERFORMANCE COMPARED TO BUDGET

E1 BUDGETARY REPORTING DISCLOSURES

This section discloses MHHS's original published budgeted figures for 2025-26 compared to actual results, with explanations of major variances, in respect of MHHS's Statement of Comprehensive Income.

Note the original published budget from the Service Delivery Statement (SDS) has been reclassified to improve transparency and analysis by remapping budgeted transactions on the same basis as reported in actual financial statements.

E2 BUDGET TO ACTUAL COMPARISON – STATEMENT OF COMPREHENSIVE INCOME

E2-1 BUDGET TO ACTUAL COMPARISON - STATEMENT OF COMPREHENSIVE INCOME

	Variance Notes	Actual 2026 \$'000	Original SDS Budget 2026 \$'000	SDS Budget V Actual Variance \$'000
OPERATING RESULT				
Income				
User charges and fees	V1.	57,657	45,356	12,301
Funding public health services	V2.	705,129	684,340	20,789
Grants and other contributions	V3.	20,215	16,854	3,361
Other revenue	V4.	7,602	4,631	2,971
Total Income		790,603	751,181	39,422
Expenses				
Employee expenses*	V5.	78,568	93,201	14,633
Health service employee expenses**	V6.	444,444	419,051	(25,393)
Supplies and services	V7.	231,550	181,774	(49,776)
Depreciation and amortisation	V8.	48,273	43,473	(4,800)
Other expenses	V9.	16,789	13,682	(3,107)
Total Expenses		819,624	751,181	(68,443)
Operating Results	V10.	(29,021)	-	(29,011)
Other Comprehensive Income				
<u>Items Not Reclassified to Operating Result</u>				
Increase/(decrease) in Asset Revaluation Surplus	V11.	42,328	-	42,328
Total Comprehensive Income		13,307	-	13,307

* Persons directly employed by Mackay Hospital and Health Service. ** Persons employed directly by the Department of Health working in MHHS facilities see Note B2-2 for further details.

E2-2 EXPLANATION OF MAJOR VARIANCES - STATEMENT OF COMPREHENSIVE INCOME

V1. User charges and fees

User charges and fees exceeded budget by \$12.301 million primarily due to higher hospital fees of \$1.069 million, increased sales of goods and services of \$5.485 million primarily relating to Pharmaceutical Benefits Scheme (PBS) recoveries and revenue of \$5.607 million from managing capital projects on behalf of the Department of Health including Proserpine Theatre reparations and Mackay Community Health refurbishment. Variations to PBS income reflected a combination of increased patient activity and changes to drugs prescribed with different treatments applied to allow better outcomes for patients and additional drugs included in the rebate list.

V2. Funding public health services

Funding public health services exceeded budget by \$20.789 million primarily due to additional funding received to support increased health service activity across the Mackay region, together with enterprise bargaining (EB) funding of \$5.092 million and funded depreciation of \$4.799 million.

V3. Grants and other contributions

Grants and other contributions exceeded budget by \$3.361 million primarily due to higher donations, gifts and services received below fair value of \$1.013 million and additional Commonwealth grant funding received of \$2.331 million primarily relating to home support programs and aged care services.

V4. Other Revenue

Other revenue exceeded budget by \$2.972 million primarily due to increased recoveries relating to Work Based Assessments and intern placement programs.

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E2 BUDGET TO ACTUAL COMPARISON – STATEMENT OF COMPREHENSIVE INCOME (continued)

E2-2 EXPLANATION OF MAJOR VARIANCES - STATEMENT OF COMPREHENSIVE INCOME (continued)

V5. Employee expenses

Employee expenses were \$14.633 million under budget primarily due to lower than budgeted of number employees recruited and a change in mix, resulting in lower employee expenses and higher health service employee expenses.

V6. Health service employee expenses

Health service employee expenses exceeded budget by \$25.393 million primarily due to higher number of employees resulting from increase service demand, additional EB costs throughout the year along with a change in the mix of employees recruited, resulting in higher health service employee expenses and lower employee expenses. Expenditure also increased due to additional staff recruited to deliver programs and initiatives where additional funding was received during the year.

V7. Supplies and services

Supplies and services exceeded budget by \$49.776 million. This increase was partly commensurate with the \$39.487 million increase in total income received compared to budget reflecting delivery of increased activity and additional programs to address patient flow and long stay patients. The remaining increase reflects higher cost of service delivery contributing to the deficit result, including increased expenditure on external labour (primarily locum doctors and agency nurses), increased outsourced service delivery, higher patient aeromedical and retrieval costs, higher repairs and maintenance and increased pathology costs.

V8. Depreciation and amortisation

Depreciation and amortisation exceeded budget by \$4.800 million primarily due to the earlier than expected commissioning of completed capital works, valuation increments, new asset acquisitions and depreciation recognised on additional right-of-use assets.

V9. Other expenses

Other expenses exceeded budget by \$3.107million primarily due to higher pharmacy inventory write-offs and an increase in services received below fair value in line with increased transaction activity in payroll, accounts payable and banking processed by the department on MHHS' behalf.

V10. Operating Deficit

The operating deficit exceeded the SDS Budget by \$29.021 million primarily due to expenditure growth exceeding the increase in revenue and additional funding received during the year.

V11. Asset revaluation surplus

The asset revaluation surplus reflects the results of the annual valuation program for land and buildings. The revaluation increment comprises increases of \$1.133 million for land and \$41.195 million for buildings reflecting ongoing increases in labour and materials costs to replace existing buildings.

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E3 BUDGET TO ACTUAL COMPARISON – STATEMENT OF FINANCIAL POSITION

E3-1 BUDGET TO ACTUAL COMPARISON - STATEMENT OF FINANCIAL POSITION

		Actual 2026 \$'000	Original SDS Budget 2026 \$'000	SDS Budget V Actual Variance \$'000
	Variance Notes			
Current Assets				
Cash and cash equivalents	V12.	7,532	2,224	5,308
Receivables	V13.	5,633	25,671	(20,038)
Inventories		5,049	4,811	238
Other assets	V14.	8,807	1,994	6,813
Total Current Assets		27,021	34,700	(7,679)
Non-Current Assets				
Property, plant and equipment	V15.	544,760	510,222	34,538
Right of use assets		3,880	4,089	(209)
Total Non-Current Assets		548,640	514,311	34,329
Total Assets		575,661	549,011	26,650
Current Liabilities				
Payables	V16.	55,126	70,077	14,951
Accrued employee benefits	V17.	4,613	2,469	(2,144)
Lease liabilities		2,150	931	(1,219)
Other liabilities	V18.	11,973	6,881	(5,092)
Total Current Liabilities		73,862	80,358	6,496
Non-Current Liabilities				
Lease liabilities		1,839	680	(1,159)
Total Non-Current Liabilities		1,839	680	(1,159)
Total Liabilities		75,701	81,038	5,337
Net Assets		499,960	467,973	31,987
Equity		499,960	467,973	31,987

E3-2 EXPLANATION OF MAJOR VARIANCES - STATEMENT OF FINANCIAL POSITION

V12. Cash and Cash Equivalents

The variance of \$5.308 million is primarily due to the timing of receipts and payments by the HHS (refer V2).

V13. Receivables

The variance of \$20.038 million is primarily due to budgeted higher receivables expected from the department.

V14. Other assets

The variance of \$6.813 million is primarily due to funding associated with programs delivered during the year that will be received after year end as part of the end of year technical adjustment relating to EB funding and Workforce Attraction scheme.

V15. Property, plant and equipment

The variance of \$34.538 million is primarily due to revaluations of \$42.328 million.

V16. Payables

The variance of \$14.951 million is primarily due to the timing of payments to suppliers.

V17. Accrued Employee Benefits

The variance of \$2.144 million is primarily due to Consumer Price Index Uplift Adjustment (CUA) and Cost of Living Allowance (COLA) employee benefit accruals recognised at year end in relation to various enterprise bargaining (EB) agreements where a present obligation exists.

V18. Other Liabilities

\$5,092 million variance is primarily due to unexpected clawback of Sarina Maintenance funds \$5.980 million in the technical adjustment.

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E4 BUDGET TO ACTUAL COMPARISON – STATEMENT OF CASH FLOWS

E4-1 BUDGET TO ACTUAL COMPARISON - STATEMENT OF CASH FLOWS

		Actual 2026 \$'000	Original SDS Budget 2026 \$'000	SDS Budget V Actual Variance \$'000
Cash flows from operating activities				
<i>Inflows</i>				
User charges and fees		58,061	63,028	(4,967)
Funding public health services		656,270	675,608	(19,338)
Grants and other contributions	V3.	14,994	11,895	3,099
GST input tax credits from ATO	V19.	14,188	-	14,188
GST collected from customers	V19.	991	-	991
Other receipts		7,539	4,454	3,085
		752,043	754,985	(2,942)
<i>Outflows</i>				
Employee expenses	V5.	(76,236)	(93,060)	16,824
Health service employee expenses	V6.	(442,094)	(419,051)	(23,043)
Supplies and services	V7.	(230,942)	(190,496)	(40,446)
GST paid to suppliers	V19.	(14,327)	-	(14,327)
GST remitted to ATO	V19.	(935)	-	(935)
Other payments	V9.	(11,772)	(8,744)	(3,028)
		(776,306)	(711,351)	(64,955)
Net cash from/(used by) operating activities		(24,263)	43,634	(67,897)
Cash flows from investing activities				
<i>Inflows</i>				
Sales of property, plant and equipment		48	309	(261)
<i>Outflows</i>				
Payments for property, plant and equipment	V20	(12,098)	-	(12,098)
Net cash from/(used by) investing activities		(12,050)	309	(12,359)
Cash flows from financing activities				
<i>Inflows</i>				
Equity injections	V21.	38,724	1,255	37,469
<i>Outflows</i>				
Payment of lease liabilities		(2,645)	(1,396)	(1,249)
Equity Withdrawal - Other	V22.	-	(43,473)	43,473
Net cash from/(used by) financing activities		36,079	(43,614)	79,693
Net increase/(decrease) in cash and cash equivalents		(234)	329	(563)
Cash and cash equivalents at the beginning of the financial year		7,766	1,895	5,871
Cash and cash equivalents at the end of the financial year		7,532	2,224	5,308

E4-2 EXPLANATION OF MAJOR VARIANCES - STATEMENT OF CASH FLOWS

V19. Cash flows – GST

Variance is due to both GST input and output of \$14.000 million not budgeted separately due to immaterial net cashflow impact.

V20. Cash flows - Payments for property, plant, and equipment

Capital expenditure is paid upfront by the HHS and is reimbursed monthly in arrears by the Department of Health for department funded capital projects. The capital budget is held by the Department of Health and \$12.098 million reflects expenditure on projects including Dysart and Clermont Xray replacements, Proserpine Modular Theatre implementation, Mackay Community Health Centre refurbishment and Sarina Maintenance Care facility refurbishment. Such payments are not budgeted by the HHS as per department advice.

V21. Cash flows – Equity injections

The Department of Health Chief Finance Officer, under the delegated authority of the Minister for Health and Ambulance Services, approved a \$25.0 million Non-Appropriated Equity Injection for Mackay HHS in June 2026. The remaining amount relates to Department of Health funded projects which are reimbursed to Mackay HHS via equity injections.

V22. Equity withdrawals

The variance to budget of \$43.473 million arises due to depreciation and amortisation funding being treated as a cash item (equity withdrawal) in the budget, however this has been accounted as a non-cash item in the statement of cash flow.

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SECTION F

WHAT WE LOOK AFTER ON BEHALF OF THIRD PARTIES

F1 TRUST TRANSACTIONS AND BALANCES

The Hospital and Health Service acts in a fiduciary trust capacity in relation to patient trust accounts. Consequently, these transactions are not recognised in the financial statements. Trust activities are included in the audit performed annually by the Auditor-General of Queensland. The cumulative value of transactions and balances in patient fiduciary trust accounts were equal to or less than \$1,000 in 2026 and 2025.

F2 GRANTED PRIVATE PRACTICE

Granted Private Practice permits Senior Medical Officers (SMOs) employed in the public health system to treat individuals who elect to be treated as private patients. SMOs receive a private practice allowance and assign practice revenue generated to the Hospital (Assignment arrangement). Alternatively, SMOs pay a facility charge and administration fee to the Hospital and retain an agreed proportion of the private practice revenue (Retention arrangement) with the balance of revenue deposited into a trust account to fund research and education of medical staff. In addition, all SMOs engaged in private practice receive an incentive on top of their regular remuneration. The private practice fund activities are included in the annual audit performed by the Auditor-General of Queensland. Receipts and payments relating to both the granted private practice arrangements and right of private practice system during the financial year are as follows:

	2026 \$'000	2025 \$'000
Receipts		
Billings - (Doctors and Visiting Medical Officers)	7,582	7,732
Interest	22	27
Total receipts	7,604	7,759
Payments		
Payments	6,459	6,330
Hospital and Health Service recoverable administrative costs	1,106	1,292
Hospital and Health Service - Education/travel/research fund	20	13
Total payments	7,585	7,635
Closing balance of bank account under a trust fund arrangement not yet disbursed and not restricted cash	727	708

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SECTION G
OTHER INFORMATION

G1 KEY MANAGEMENT PERSONNEL DISCLOSURES

Details of Key Management Personnel

In accordance with *AASB 124 Related Party Disclosures*, MHHS's responsible Minister (Minister of Health and Ambulance Services) and persons in positions with authority and responsibility for planning, directing, and controlling the activities of MHHS during the year are identified as MHHS's Key Management Personnel (KMP). A new eight-member Board was appointed from 1 April 2026, which consisted of 5 new members and 3 continuing members. One former member resigned on 19 September 2025, and 3 former members' terms ended on 31 March 2026.

Details on non-ministerial KMP positions, responsibilities and KMP remuneration policies are detailed below. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management and the Board.

Position	Responsibilities
Health Service Chief Executive	Responsible for the overall leadership and management of the Mackay Hospital and Health Service to ensure that MHHS meets its strategic and operational objectives. This position is the single point of accountability for ensuring patient safety through the effective executive leadership and management of all hospital and health services. This position is accountable to the Hospital and Health Board for ensuring that the HHS achieves a balance between efficient service delivery and high-quality health outcomes
Executive Director Operations Mackay	Responsible to the Chief Executive for the strategic and operational management of the service divisions within Mackay.
Executive Director, Corporate Services & Chief Financial Officer	Responsible to the Chief Executive to ensure the financial and fiscal responsibilities of the HHS are met. Provides governance arrangements to meet financial performance targets and imperatives. Provides strategic and financial advice in all aspects of finance management and activity performance.
Executive Director, Public Health & Rural Services	Responsible to the Chief Executive for delivering effective and efficient services of all clinical and non-clinical services and resources within the portfolio of Mental Health, Public Health and Rural Services within the Mackay Hospital and Health Service.
Executive Director, People & Culture	Responsible to the Chief Executive for the management of people and cultural issues within the MHHS. Provides strategic development and strategies to achieve maximum employee engagement, safety, and productivity and to ensure the HHS's capacity to attract and retain the skilled resources required.
Executive Director Medical Services & CMO	Responsible to the Chief Executive for clinical governance and leadership and direction of clinical services across the HHS. Provides executive leadership, strategic focus, authoritative counsel, and expert advice on a wide range of professional and policy issues that meet safe clinical practice standards.
Executive Director, Research & Innovation (position ceased from January 2026).	Responsible to the Chief Executive for the delivery of a sustainable medical workforce for Mackay Hospital and Health Service by developing the organisation as a preferred training location and employer of choice.
Executive Director, Nursing & Midwifery	Responsible to the Chief Executive for strategic and professional leadership of nursing workforce across MHHS.
Executive Director, Strategy and Governance	Responsible to the Chief Executive for leadership and development of frameworks and systems for integrated planning, strategy management, governance, risk, audit and performance monitoring within the Mackay Hospital and Health Service.
Executive Director, Aboriginal & Torres Strait Islander Health & Community Engagement	Responsible to the Chief Executive for leadership and direction of Aboriginal and Torres Strait Islander Hospital and Health services across the HHS. The role provides executive leadership, strategic focus, authoritative counsel, and expert advice on a wide range of professional and policy issues in all aspects of Aboriginal and Torres Strait Islander health related matters.
Executive Director, Allied Health & Clinical Support Services	Responsible to the Chief Executive for the management of allied health and clinical support services across the HHS including oral health, medical imaging, physiotherapy, occupational therapy, dietetics, speech pathology and psychology.

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G1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

Remuneration Policies

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

Section 74 of the *Hospital and Health Board Act 2011* provides the contract of employment for health executive staff must state the term of employment, the person's functions, and any performance criteria as well as the person's classification level and remuneration package. Section 74 of the Act also provides the Chief Executive authority to fix the remuneration packages for health executives, classification levels and terms and conditions having regard to remuneration packages for public sector employees in Queensland or other States and remuneration arrangements for employees employed privately in Queensland.

Remuneration policy for the Service's key executive management personnel is set by direct engagement common law employment contracts. The remuneration and other terms of employment for the key executive management personnel are also addressed by these common law employment contracts. The contracts provide for other benefits including motor vehicles and expense payments such as rental or loan repayments.

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

Short-term employee expenses which include:

- salary, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee was a key management person.
- non-monetary benefits – consisting of provision of vehicle and expense payments together with fringe benefits tax applicable to the benefit.

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits 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.

Performance bonuses are not paid under the contracts in place.

Board remuneration

The Mackay Hospital and Health Service is independently and locally controlled by the Hospital and Health Board (Board). The Board appoints the health service chief executive and exercises significant responsibilities at a local level, including controlling (a) the financial management of the Service and the management of the Service's land and buildings (section 7 *Hospital and Health Board Act 2011*).

In accordance with the *Hospital and Health Boards Act 2011*, the Governor in Council appoints Board members, on the recommendation of the Minister, for a period not exceeding 4 years. Board members are paid an annual salary based on their position as well as fees for membership on sub-committees. Remuneration is calculated in accordance with the guidance statement issued by the Department of The Premier and Cabinet, titled "*Remuneration procedures for part-time chairs and member of Queensland Government bodies*." Under the procedure, Hospital and Health Services are assessed as 'Governance' entities and grouped into different levels of a remuneration matrix based on a range of indicators including revenue/budget, net and total assets, independence, risk, and complexity.

Mackay Hospital and Health Service
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For the year ended 30 June 2026

G1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

KMP Remuneration Expense

The following disclosures focus on the expenses incurred by MHHS attributable to non-Ministerial KMP during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

2026

Position (date resigned if applicable)	Name	Short Term Employee Expenses		Long term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
		Monetary Expenses	Non-monetary Benefits				
		\$'000	\$'000			\$'000	
Health Service Chief Executive resigned 3 October 2025	Ms Susan Gannon	79	-	1	6	-	86
Health Service Chief Executive commenced 13 October 2025	Mr Sean Birgan	319	12	7	36	-	374
Executive Director, Operations Mackay	Ms Jennifer Farley	232	-	5	26	-	263
Executive Director, Corporate Services 14 July 2025 to 3 May 2026 ²	Ms Loretta Seamer	347	55	-	39	-	441
Executive Director, Corporate Services & Chief Financial Officer (CFO) – commenced 20 April 2026	Ms Lisa Strohfeldt	55	-	1	6	-	62
Acting Executive Director, Public Health & Rural Services	Ms Julie Minogue	225	-	5	27	-	257
Executive Director, People & Culture	Ms Peta-Maree France	235	-	6	27	-	268
Executive Director Medical Services & CMO	Dr Charles Pain	569	-	13	63	-	645
Executive Director, Research & Innovation – ceased position 18 January 2026 ³	Dr Pieter Nel	413	-	10	47	-	470
Chief Medical Officer – ceased position 31 January 2026 ⁽¹⁾	Dr Stephanie Wood	408	-	-	-	-	408
Executive Director, Nursing & Midwifery	Mr James Jenkins	298	1	7	34	-	340
Executive Director, Allied Health & Clinical Support Services	Mr Joseph Monkhouse	229	-	5	26	-	260
Executive Director, Strategy and Governance	Ms Janet Geisler	194	-	5	22	-	221
Executive Director, Aboriginal and Torres Strait Islander (ATSI) Health & Community Engagement	Mrs Kerry Maley	203	1	5	23	-	232
Acting Executive Director, Aboriginal and Torres Strait Islander (ATSI) Health & Community Engagement – 14 July 2025 to 19 October 2025	Mr Bevan Little	54	-	1	6	-	61

(1) Payments made to *Skilled Medical* for provision of services in the capacity of Acting Executive Director Medical Services and Chief Medical Officer.

(2) During period 20 April to 3rd May 2026 both Loretta Seamer and Lisa Strohfeldt held the position of EDCS to support handover and transition.

(3) Figures include payments for rostered duties performed in the Emergency Department.

Mackay Hospital and Health Service
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G1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

KMP Remuneration Expense (continued)

2025

Position (date resigned if applicable)	Name	Short Term		Long term	Post	Termination	Total
		Employee Expenses		Employee	Employment	Benefits	Expenses
		Monetary Expenses	Non- monetary Benefits				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Health Service Chief Executive	Ms. Susan Gannon	299	-	7	35	-	341
Acting Executive Director, Corporate Services & Chief Finance Officer - ceased 29 June 2025 ⁽¹⁾	Mr Martin Heads (consultant)	775	-	-	-	-	775
Acting Executive Director, Operations Mackay - 8 January 2024 to 30 August 2024	Ms. Susan Freiberg	37	22	1	4	-	64
Executive Director, Operations Mackay - commenced 5 August 2024	Ms Jennifer Farley	238	10	6	27	-	281
Acting Executive Director, Operations Mackay – 9 August 2024 to 28 April 2025	Ms Alison Broadbent	163	16	4	14	1	198
Acting Executive Director, Public Health & Rural Svs – 30 May 2024 to 8 August 2025	Ms Alison Broadbent	30	-	1	7	-	38
Acting Executive Director, Public Health & Rural Svs	Ms Julie Minogue	213	-	4	22	-	239
Executive Director, People & Culture	Ms Raelene Eves	65	5	2	7	-	79
Acting Executive Director, People & Culture	Ms Ngaire Buchanan	96	15	2	10	-	123
Executive Director, People & Culture - commenced 19 February 2025	Ms Peta-Maree France	80		2	9	-	91
Executive Director Medical Services & CMO	Dr Charles Pain	540	-	7	59	-	606
Executive Director, Research & Innovation & Clinical Dean	Mr David Farlow	67	-	2	6	-	75
Executive Director, Research & Innovation ²	Dr Pieter Nel	692	-	17	73	-	782
Acting Executive Director Medical Services & Chief Medical Officer 23 October 2024 to 31 January 2025 ³	Dr Colin Feekery	221	-	-	-	-	221
Acting Executive Director Medical Services & Chief Medical Officer Commenced 24 April 2025 ³	Dr Stephanie Wood	99	-	-	-	-	99
Executive Director, Nursing & Midwifery	Mr James Jenkins	288	-	6	32	-	326
Executive Director ATSI Health	Ms Kerry Maley	160	-	3	18	-	181
Executive Director, Allied Health & Clinical Support Services	Mr Joseph Monkhouse	88	4	2	10		104
Executive Director, Strategy and Governance	Ms Janet Geisler	138	-	3	16	-	157
Acting Executive Director, ATSI Health & Community Engagement	Mr Bevan Little	21		1	3		25

Mackay Hospital and Health Service
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G1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

KMP Remuneration Expense (continued)

Acting Executive Director, Strategy Governance and Engagement 8-23 August 2024, 20-27 September 2024, 12 November to 13 January 2025	Ms Natalie Williams	74	-	2	8	-	84
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(1) Payments made to Deloitte and Oxford Associates for provision of services in the capacity of consultant Executive Director Corporate Services.

(2) Figures include payments for rostered duties performed in the Emergency Department.

(3) Payments made to Skilled Medical for provision of services for Acting Executive Director Medical Services and Chief Medical Officer.

Remuneration paid or owing to board members during 2025-26 was as follows:

Board Member	Name	Short Term Employee Expenses		Post Employment Expenses	Total Expenses
		Monetary Expenses	Non-monetary Benefits		
		\$'000	\$'000	\$'000	\$'000
Board Chair - resigned 19 September 2025	Ms Helen Darch OAM	19	-	3	22
Deputy Board Chair - term ended 31 March 2026	Mrs Kerry Maley	31	-	4	35
Interim Board Chair - commenced 19 September 2025 Board Chair - commenced 1 st April 2026 Board Member - 1 st appointed 1 April 2024	Ms Monica McKendry	81	-	10	91
Deputy Board Chair - commenced 1 April 2026	Mr David Nebauer	13	-	1	14
Board Member – commenced 1 st April 2026. 1 st appointed 21 August 2023	Associate Professor Luke Lawton	52	-	7	59
Board Member – term ended 31 March 2026	Dr Maureen Chapman	38	-	5	43
Board Member – term ended 31 March 2026	Mr William Cooper	40	-	5	45
Board Member – commenced 30 September 2024	Ms Andrea Ranson	46	-	6	52
Board Member - commenced 1 April 2026	Associate Professor Peter Malouf	12	-	1	13
Board Member - commenced 1 April 2026	Mrs Alana Moller	12	-	1	13
Board Member - commenced 1 April 2026	Mr Ron Nightingale*	12	-	1	13
Board Member - commenced 1 April 2026	Ms Lynn Smart	12	-	2	14

* This board member is a clinician at MHHS and appointed as required from 1 April 2026 to the Board in accordance with the HHB Act 2011 Section 23(3), requiring at least one Board member to be a clinician of the organisation. This board member also receives remuneration as a clinician however this table only includes the remuneration for the board member position.

Remuneration paid or owing to board members during 2024-25 was as follows:

Board Member	Name	Short Term Employee Expenses		Post Employment Expenses	Total Expenses
		Monetary Expenses	Non-monetary Benefits		
		\$'000	\$'000	\$'000	\$'000
Board Chair - commenced 18 August 2023	Ms Helen Darch OAM	83	-	11	94
Deputy Board Chair - commenced 18 August 2023	Mrs Kerry Maley	42	-	5	47
Board Member - commenced 18 August 2023	Associate Professor Luke Lawton	51	-	7	58
Board Member - commenced 18 August 2023	Dr Peter O'Mara	38	-	5	43
Board Member - commenced 18 August 2023	Dr Maureen Chapman	50	-	7	57
Board Member - commenced 18 August 2023	Mr William Cooper	51	-	6	57
Board Member - commenced 1 April 2024	Ms Monica McKendry	49	-	6	55
Board Member - commenced 18 August 2023	Ms Andrea Ranson	34	-	4	38

Mackay Hospital and Health Service

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For the year ended 30 June 2026

G2 RELATED PARTY TRANSACTIONS

Transactions with other Queensland Government-controlled entities

Mackay Hospital and Health Service is controlled by its ultimate parent entity, the State of Queensland. All State of Queensland controlled entities meet the definition of a related party in AASB 124 *Related Party Disclosures*.

The following table summarises significant transactions with Queensland Government controlled entities.

Entity - Department of Health	2026 \$'000	2025 \$'000
Revenue	716,384	660,900
Expenditure	503,625	459,957
Asset	4,663	4,711
Liability	48,416	49,470

Department of Health

MHHS's primary source of funding is provided by the Department of Health, with payments made in accordance with the Service Agreement. The signed Service Agreements are published on the Queensland Government website and are publicly available. Revenue under the Service Agreement was \$705.1 million for the year ended 30 June 2026 (2025: \$650.6 million). For further details on the purchase of health services by the Department of Health refer to Note B1-2.

MHHS, through Service Agreements with the Department of Health, has 3,014 (2025: 2,884) full time equivalent persons. In accordance with the Hospital and Health Boards Act 2011, the employees of the Department of Health are referred to as health service employees. In 2026, \$437.2 million (2025: \$400.0 million) was paid to the Department for health service employees. The terms of this arrangement are fully explained in Note B2-2.

The Department of Health centrally manages, on behalf of Hospital and Health Services, a range of services including pathology testing, pharmaceutical drugs, clinical supplies, patient transport, telecommunications, and technology services. These services are provided on a cost recovery basis. In 2026, these services totalled \$59.2 million (2025: \$54.9 million). In addition, MHHS receives corporate services support from the Department at no cost refer to Note B1-3. Corporate services received include payroll services, financial transactions services (including accounts payable and banking services), administrative services and information technology services. In 2026, the fair value of these services was \$5.4 million (2025: \$5.0 million).

Any associated receivables or payables owing to the Department of Health on 30 June 2026 are separately disclosed in Note C2 and Note C6. No impairment has been applied to these balances.

The Department of Health also provides funding from the State as equity contributions to purchase property, plant, and equipment. All construction of major health infrastructure is managed and funded by the Department of Health. Upon practical completion of a project, assets are transferred from the Department of Health to MHHS. Where costs are borne by MHHS on departmental funded projects, the Department of Health reimburses MHHS for those costs. In 2026, \$6.5 million (2025: \$5.3 million) in recoveries was recognised (Note B1-4).

Throughout the year, funding recognised to cover the cost of depreciation is offset by a withdrawal of equity by the State for the same amount. For further details on equity transactions with the Department of Health refer to Note C10-1.

There are no other material transactions with other Queensland Government controlled entities.

Transactions with people/entities related to Key Management Personnel

All transactions in the year ended 30 June 2026 between Mackay Hospital and Health Service and key management personnel, including their related parties were on normal commercial terms and conditions and were immaterial in nature and dollar.

Mackay Hospital and Health Service
Management Certificate
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G3 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGES IN POLICY

Accounting standards applied for the first time

No accounting standards or interpretations that apply to MHHS for the first time in 2025-26 have any material impact on the financial statements.

Accounting standards early adopted

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

G4 TAXATION

MHHS is a state body as defined under the *Income Tax Assessment Act 1936* and is exempt from federal government taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). The Australian Taxation Office has recognised the Department of Health and the sixteen Hospital and Health Services as a single taxation entity for reporting purposes.

All FBT and GST reporting to the federal government is managed centrally by the Department of Health, with payments/ receipts made on behalf of the MHHS reimbursed monthly. GST credits receivable from, and GST payable to the ATO, are recognised on this basis. Refer to Note C2.

G5 CLIMATE RISK DISCLOSURE

Whole-of-Government climate-related reporting

The Queensland Sustainability Report (QSR) outlines how the Queensland Government measures, monitors and manages sustainability risks and opportunities, including governance structures supporting policy oversight and implementation. To demonstrate progress, the QSR also provides time series data on key sustainability policy responses. The QSR is available via Queensland Treasury's website at <https://www.treasury.qld.gov.au/programs-and-policies/queensland-sustainability-report>.

Mackay HHS accounting estimates and judgements – climate-related risks

The State of Queensland, as the ultimate parent of the MHHS, provides information and resources on climate related strategies and actions accessible at <https://www.energyandclimate.qld.gov.au/climate> and <https://www.treasury.qld.gov.au/energy-and-climate>.

Mackay HHS considers climate-related risks when assessing material accounting judgements and estimates used in preparing its financial report. Key estimates and judgements identified include the potential for changes in asset useful lives, changes in the fair value of assets, impairment of assets, the recognition of provisions or the possibility of contingent liabilities.

Mackay HHS continues to monitor the emergence of material climate-related risks that may impact the financial statements of Mackay HHS, including directives from Government or Queensland Treasury.

No adjustments to the carrying value of assets were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate-related risks impacting Mackay HHS.

Mackay Hospital and Health Service
Management Certificate
For the year ended 30 June 2026

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

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Mackay Hospital and Health Service for the financial year ended 30 June 2026 and of the financial position of Mackay Hospital and Health Service at the end of that year, and

We acknowledge responsibility under sections 7 and 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 through-out the reporting period.



Ms Monica McKendry

Board Chair, Mackay Hospital and Health Board

24/8/26



Mr Sean Birgan

Health Service Chief Executive Officer

24/8/26



Ms Lisa Strohfeldt

Executive Director Corporate Services & CFO

24/8/26

INDEPENDENT AUDITOR'S REPORT

To the Board of Mackay Hospital and Health Service

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Mackay Hospital and Health Service.

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

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

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.
- c) In my opinion, the financial report:
 - i. gives a true and fair view of the entity's financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended
 - ii. complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

Basis for opinion

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

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

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

Key audit matters

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

Specialised buildings valuation (\$466.8 million)

Refer to Note C-5 in the financial report

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

Responsibilities of the Board for the financial report

The Board is responsible for:

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

Auditor's responsibilities for the audit of the financial report

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

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

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

These descriptions form part of my auditor's report.



Dominika Ryan
as delegate of the Auditor-General

28 August 2026

Queensland Audit Office
Brisbane

Glossary

Terms

Activity based funding A management tool with the potential to enhance public accountability and drive technical efficiency in the delivery of health services by:

- capturing consistent and detailed information on hospital sector activity and accurately measuring the costs of delivery.
- creating an explicit relationship between funds allocated and services provided.
- strengthening management's focus on outputs, outcomes and quality.
- encouraging clinicians and managers to identify variations in costs and practices so they can be managed at a local level in the context of improving efficiency and effectiveness.
- providing mechanisms to reward good practice and support quality initiatives.

Acute care Care in which the clinical intent or treatment goal is to:

- manage labour (obstetric).
- cure illness or provide definitive treatment of injury.
- perform surgery.
- relieve symptoms of illness or injury (excluding palliative care).
- reduce severity of an illness or injury.
- protect against exacerbation and/or complication of an illness and/or injury that could threaten life or normal function.

Chronic A long-term or persistent condition.

Full-Time Equivalent Refers to full-time equivalent staff currently working in a position.

Health outcome Change in the health of an individual, group of people or population attributable to an intervention or series of interventions.

Hospital Healthcare facility established under Commonwealth, state or territory legislation as a hospital or a free-standing day-procedure unit and authorised to provide treatment and/or care to patients.

Hospital and Health Boards The Hospital and Health Boards are made up of a mix of members with expert skills and knowledge relevant to managing a complex health care organisation.

Hospital and Health Service HHS is a separate legal entity established by Queensland Government to deliver public hospital services.

Non-admitted patient services An examination, consultation, treatment or other service provided to a non-admitted patient (does not undergo a hospital's formal admission process) in a functional unit of a health service facility.

Outpatient Non-admitted health service provided or accessed by an individual at a hospital or health service facility.

Patient flow Optimal patient flow means the patient's journey through the hospital system, be it planned or unplanned, happens in the safest, most streamlined, and timely way to deliver good patient care.

Performance indicator A measure that provides an 'indication' of progress towards achieving the organisation's objectives usually has targets that define the level of performance expected against the performance indicator.

Private hospital A private hospital or free-standing day hospital and either a hospital owned by a for-profit company or a non-profit organisation and privately funded through payment for medical services by patients or insurers patients admitted to private hospitals are treated by a doctor of their choice.

Public hospital Public hospitals offer free diagnostic services, treatment, care and accommodation to eligible patients.

Statutory bodies A non-department government body, established under an Act of Parliament. Statutory bodies can include corporations, regulatory authorities, and advisory committees/councils.

Sustainable A health system that provides infrastructure, such as workforce, facilities and equipment and is innovative and responsive to emerging needs, for example, research and monitoring within available resources.

Sub-Acute Somewhat acute; between acute and chronic.

Telehealth Delivery of health-related services and information via telecommunication technologies, including:

- Live, audio and/or video interactive links for clinical consultations and educational purposes
- Store and forward Telehealth, including digital images, video, audio and clinical (stored) on a client computer, then transmitted securely (forwarded) to a clinic at another location where they are studied by relevant specialists.
- Teleradiology for remote reporting and clinical advice for diagnostic images
- Telehealth services and equipment to monitor people's health in their home.

Acronyms

FTE Full-Time Equivalent

HHS Hospital and Health Service

HHBA Hospital and Health Boards Act 2011

ieMR integrated electronic Medical Record

MHHB Mackay Hospital and Health Board

QAO Queensland Audit Office

QGEA Queensland Government Enterprise Architecture

WAU Weighted Activity Unit

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	4
Accessibility	Table of contents	ARRs – section 9.1	5
	Glossary		90-91
	Public availability	ARRs – section 9.2	2
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	2
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	2
	Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	2
General information	Introductory Information	ARRs – section 10	6-7
Non-financial performance	Government's objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	8
	Agency objectives and performance indicators	ARRs – section 11.2	9 33-35
	Agency service areas and service standards	ARRs – section 11.3	36-37
Financial performance	Summary of financial performance	ARRs – section 12.1	38
Governance – management and structure	Organisational structure	ARRs – section 13.1	23
	Executive management	ARRs – section 13.2	20-22
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	14-19
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	30-31
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	31
	Queensland public service values	ARRs – section 13.6	30-31
Governance – risk management and accountability	Risk management	ARRs – section 14.1	29
	Audit committee	ARRs – section 14.2	15
	Internal audit	ARRs – section 14.3	29
	External scrutiny	ARRs – section 14.4	30
	Information systems and recordkeeping	ARRs – section 14.5	30
	Information security attestation	ARRs – section 14.6	30
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	24-28
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	28
Open Data	Statement advising publication of information	ARRs – section 16	2
	Consultancies	ARRs – section 31.1	https://data.qld.gov.au
	Overseas travel	ARRs – section 31.2	https://data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 31.3	https://data.qld.gov.au
	Chart of Victims' Rights	<i>VCSVRB Act 2024</i> ARRs – section 31.3	https://data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	65-86
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	87-89

FAA: Financial Accountability Act 2009

FPMS: Financial and Performance Management Standard 2019

ARRs: Annual report requirements for Queensland Government agencies

QGEA: Queensland Government Enterprise Architecture

VCSVRB: Victims' Commissioner and Sexual Violence Review Board Act 2024

