



The
Queen Elizabeth
Centre

85TH ANNUAL REPORT

2004



The Queen Elizabeth Centre

53 Thomas Street Noble Park

Victoria 3174 Australia

Telephone: +61 3 9549 2777

Facsimile: +61 3 9549 2779

Email: theqec@qec.org.au

www.qec.org.au



HISTORY



The Queen Elizabeth Centre (QEC) directly derives from the Victorian Baby Health Centres Association (VBHCA) which was formed in Victoria in 1917. The Baby Health Centres movement was conceived by the late Dr I. Younger Ross, the late Mrs J Hemphill and the late Mrs W Ramsay. It spearheaded the establishment of baby health centres throughout Victoria, coordinating the efforts of local municipalities, organisations like the Country Women's Association and local voluntary committees.

- 1917** the first Baby Health Centre opened in Richmond
- 1918** the VBHCA and its graduate nurse training centre were formally established in South Melbourne
- 1928** the VBHCA Training School moved to new premises at 730 Swanston Street, Carlton, becoming the first residential centre for nurses and doctors studying infant health and welfare
- 1934** the residential training school registered as a public hospital under the Hospitals and Charities Act
- 1937** Travelling Baby Health Centre commenced the Mallee Circuit
- 1949** Baby Health Centre of the Air broadcast on radio station 3UZ until 1953
- 1950** VBHCA was incorporated
- 1951** VBHCA Inc. functions transferred to newly renovated premises on the site of the former Carlton Home bound by Keppel, Lytton and Cardigan Streets. Named The Queen Elizabeth Hospital for Mothers and Babies after Her Majesty, Queen Elizabeth, the Queen Mother, it comprised a Nursing Mothers' Wing, Infants' Hospital Section and Baby Health Centre; nurse training functions continued until 1979
- 1973** new hospital building opened with frontage to Lytton Street
- 1979** Queen Elizabeth Day Nursery opened
- 1983** Queen Elizabeth Auxiliary established
- 1986** name changed to The Queen Elizabeth Centre
- 1989** Carlton Creche and Day Nursery amalgamated with QEC
- 1993** Community Outreach Nurse Service (home visiting) commenced; June Shaw Wing opened
- 1994** Day Stay services commenced
- 1995** conversion of former Children's Unit to family accommodation; admission of unaccompanied children ceased
- 1996** establishment of three-year Dandenong Day Stay Program
- 1997** Queen Elizabeth Day Nursery closed; establishment of Mill Park and Wangaratta Day Stay Programs and Wangaratta In Home Support Program
- 1998** QEC moved to new premises at 53 Thomas Street, Noble Park; commenced residential Parenting Assessment and Skills Development Program (PASDS) with funding from the Victorian Government High Risk Infants Initiative; extension of Wangaratta Day Program to Myrtleford
- 1999** Carlton Creche and Day Nursery sold—proceeds established the QEC Research and Development Fund; commenced Home Based PASDS Southern Metropolitan Region, Hume and Gippsland Regions; established Education Services program
- 2000** commenced Home-Based PASDS Northern Metropolitan Region; inaugural QEC National Conference; publication of Save the Babies—The Victorian Baby Health Centres' Association and The Queen Elizabeth Centre, The First 83 Years
- 2002** commenced pilot Parenting Plus program in Southern, Northern and Hume Regions
- 2003** Inaugural Visiting Scholar program

OUR MISSION

Helping young children and families
get the best start



REPORT OF OPERATIONS

and financial statements for the year ended 30 June, 2004



CONTENTS

Introduction	4
Mission, Vision, Values	4
Underpinning Principles	5
Objects	5
Board of Management Members, Office Bearers and Senior Staff	6
Organisation Chart at 30th June 2004	7
President's Report	8
Our Clients	9
Our Services and Programs	13
Our Staff	17
General Reports	19
Donations	20
Summary of Financial Results	20
Financial Statements	22
Compliance Index	41

TABLES

Table 1: Family Separations by Program and Location, Financial Year (FY) 2002-2004	9
Table 2: Admitted Patients to QEC Noble Park site, FY 2002-2004 – Parenting Intervention Services as per Agency Information Management Set (AIMS – S1 reports)	9
Table 3: Families Admitted to Residential & Day Stay Services at Noble Park: Distribution by Home Location (DHS Region) FY 2002-2004	10
Table 4: Families at Combined QEC Noble Park and Regional Sites (Residential, Day Stay and Home-Based), FY 2002-2004: Distribution by Home Location (DHS Region)	11
Table 5: Ages of Clients Admitted to Residential and Day Stay Programs at QEC Noble Park, FY 2002-2004	11
Table 6: Percentage of Families Admitted to Residential and Day Stay Programs by Self-Reported Pensions/Benefits Received, FY 2002-004	11
Table 7: Families admitted to Residential and Day Stay Programs at QEC Noble Park: Main Referral Sources, FY 2002-2004	12
Table 8: Risk Factors in Families who received PASDS and Parenting Plus Services (all regions) FY 2003-2004	12
Table 9: Separations of Families from Parenting Assessment and Skill Development Services (PASDS) by Referring DHS Regional Child Protection Service, FY 2002-2004	14
Table 10: QEC Staff Establishment at 30 June 2002, 2003 and 2004	17
Table 11: Donation, FY 2004	20
Table 12: Summary of Financial Results, FY 2000-2004	20
Table 13: Financial Analysis of Operating Revenues and Expenses, FY 2002-2004	21

This report was released to the public on Wednesday 3 November 2004

INTRODUCTION

The Queen Elizabeth Centre (QEC) is a registered public hospital and, in accordance with the Health Services Act, 1988, is a body corporate with perpetual succession.

A Board of Management is responsible *to oversee and manage the hospital and to ensure that the services provided by the hospital comply with the requirements of this Act and the objects of the hospital* (Health Services Act 1988, s.33(2)).

The Minister for Community Services, the Hon Sherryl Garbutt, MLA, has portfolio responsibility for QEC. Government policy and funding related to the QEC are administered through the Community Care Division and the Southern Metropolitan Region of the Department of Human Services.

QEC's core business is the provision of specialised care, support and education to families from anywhere in Victoria who are experiencing difficulties with parenting children in the age range, 0-3 years. These difficulties may arise from physical, psychological, intellectual, social or environmental causes. Modes of service delivery include residential stay, day stay, home visiting and telephone information. The main campus is located at Noble Park. Regional outreach bases are located at Morwell, Wangaratta, Warragul and Reservoir

OUR MISSION

Helping young children and families get the best start

OUR VISION

QEC will be the leading developer and provider of parenting services for the benefit of young children and families.

OUR VALUES

- Child focus – children's rights paramount
- Family centredness – strengths based, non-directive facilitation
- Positive regard – respect, tolerance, non-judgmental listening
- Community responsiveness – receptivity to needs, issues
- Equity of access – irrespective of means, cultural differences
- Innovation – learning, exploring possibilities, creativity
- Quality – safe, evidence-based practices
- Accountability – transparency, review, evaluation

Children have the right to a standard of living adequate for physical, mental, spiritual, moral and social development



UNDERPINNING PRINCIPLES

- The family is the principal provider of care and nurture for children whether sick or well. QEC practices and procedures will be family-centred, with professionals working in partnership with families to articulate and achieve families' goals and objectives.
- Families with additional needs arising from age, substance dependence or poverty have equal opportunity to access QEC services and programs as the general population. Services and programs offered will be culturally relevant to all clients. All clients select their own care plans (mix of relevant services and programs) in partnership with staff and have a responsibility to participate in these services and programs.
- As a public health organisation, QEC endorses and participates in the achievement of national and state child health goals and targets, including:
 - increasing breast feeding and immunisation rates
 - preventing illness and injury (accidental and non-accidental)
 - promoting healthy nutrition, fitness and positive family functioning
 - identifying health and/or developmental problems early; and
 - facilitating early intervention.
- *Children have the right to a standard of living adequate for physical, mental, spiritual, moral and social development, including free and compulsory education, the highest attainable standard of health and access to health care and freedom from abuse and exploitation* (United Nations, 1990, Conventions on the Rights of the Child). Where the continuing actions or behaviour of a family are believed to put a child at risk of significant harm, the child's interests are paramount and QEC's professional staff are legally required to notify children's protective services.

OBJECTS

QEC's objects:

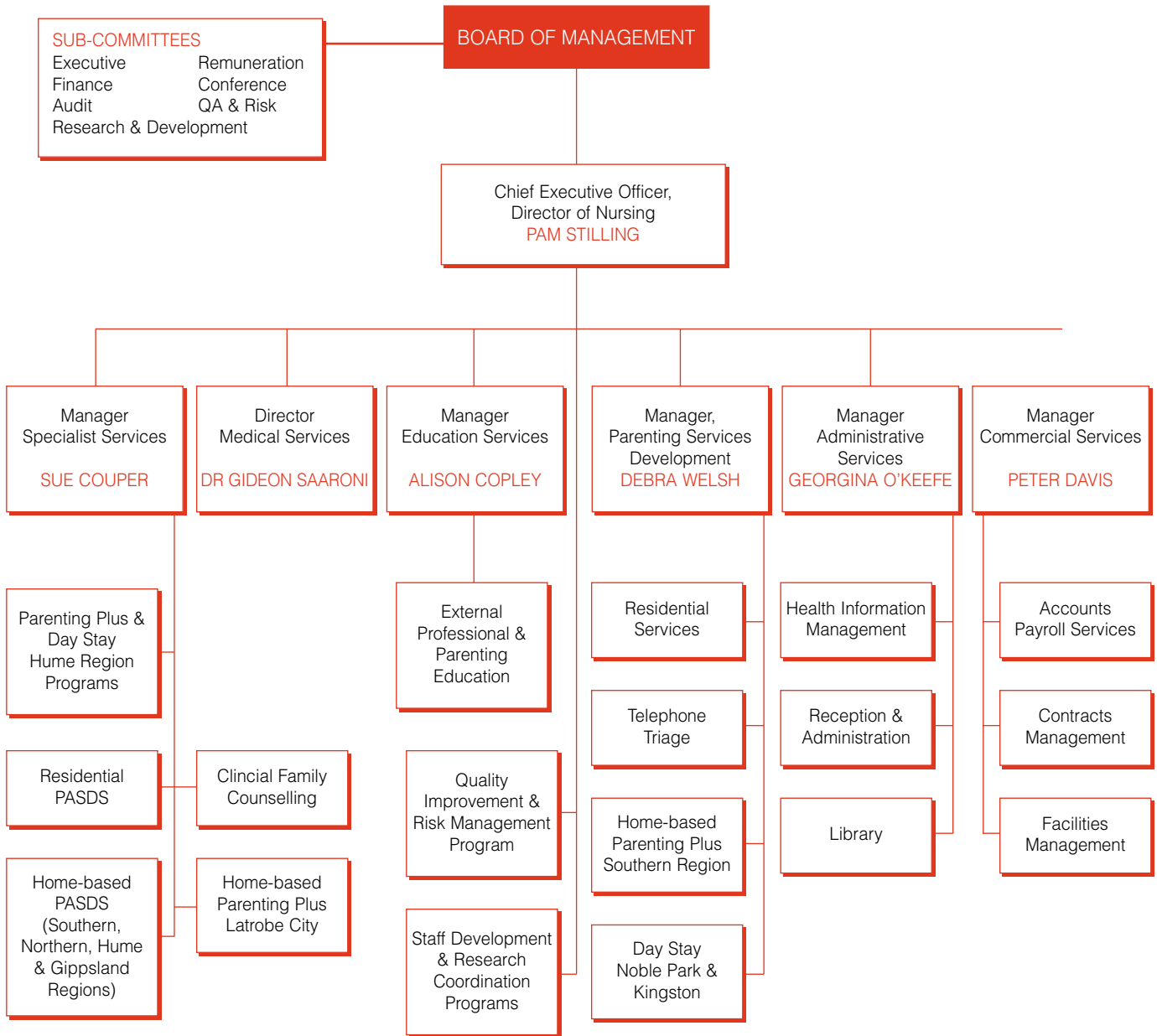
- to develop parenting competence and confidence, enabling families to nurture and protect their children and to enhance family health and development;
- to enhance access to services by ensuring the availability of residential, day- stay and home visiting services;
- to provide services that are individually and culturally sensitive to all families experiencing parenting difficulties including those with special needs such as a disability or chronic illness, maternal depression, a substance dependency, adolescent parents or family members who do not speak English;
- to enable families to function independently within their own communities by maintaining productive linkages with community-based services;
- to promote community and professional awareness and knowledge about the care and nurturing needs of young children;
- to respond to the changing needs of families by monitoring service effectiveness and quality, and by regular review and redevelopment.

BOARD OF MANAGEMENT MEMBERS

office bearers and senior staff

PATRON	Mrs June Shaw
PRESIDENT	Mr Bruce Morley, B Com, ARMTC, FCPA, FCIS, FAICD, (from December 2003) Mr Paul Trowbridge, B Ec (to October 2003)
VICE PRESIDENTS	Ms Dale Fisher, RN, BBA, MBA, AFACHSE (from December 2003) Ms Carolyn McClean, BA, Grad Cert Bus, Grad Dip Career Dev't (from December 2003) Mr Bruce Morley, B.Com, ARMTC, FCPA, FCIS, FAICD (to December 2003) Ms Pam Ford, Dip Welfare Studies, BA (Soc Science), MAICD, FAIM (to August 2003)
TREASURER	Mr Bruce Morley, B.Com, ARMTC, FCPA, FCIS, FAICD (to December 2003) Mr Keith Lambert, Grad Dip Bus Admin; FSIA; FAIB, FACIB (UK) (from December 2003)
COMMITTEE MEMBERS	Ms Gaye Britt, MBA, B App Sc (from November 2003) Ms Andi Diamond, BA Social Work (Hons), MBA, GAICD (from November 2003) Ms Heather Finlayson, B Ed, Dip Tchg (Early Childhood Education) M Ed Ms Dale Fisher, RN, BBA, MBA, AFACHSE Ms Robyn Gillis, BSc (Biol & Hlth Sci), Ass Dip of Occ Hlth & Safety, GAICD (from November 2003) Ms Elizabeth Johnson, BA, LLB (Hons), LLM Mr Keith Lambert, Grad Dip Bus Admin; FSIA; FAIB, FACIB (UK) (from November 2003) Ms Carolyn McClean, BA, Grad Cert Bus, Grad Dip Career Dev't Ms June McLoughlin, Dip EC, Dip ID, BEd, MEd (to August 2003) Associate Professor Campbell Paul, MBBS, FRANZCP Mr Timothy Staker, MBA, Grad Dip Bus (Tech Mgmt), Dip. Eng (Biomed), DipEng.(Electronic) Dr Lakshmi Sumithran, MBBS, MHA, FRACMA, FCHSE
AUDIT COMMITTEE	Ms Elizabeth Johnson, Mr Keith Lambert, Dr Lakshmi Sumithran
CHIEF EXECUTIVE OFFICER and DIRECTOR OF NURSING	Ms Pam Stilling, Grad Dip Hlth Svcs Mgmt, Dip App Sc, (CHN), RN, RM, AFCHSE, MRCNA
DIRECTOR OF MEDICAL SERVICES	Dr Gideon Saaroni, MBBS
COMMERCIAL MANAGER	Mr Peter Davis, BBus (Acc), BHA, MBA, Cert Hlth Ec, FCPA, AFCHSE
MANAGER, SPECIALIST SERVICES	Ms Sue Couper, RN, RM, Dip App Sc (CHN)
MANAGER, PARENTING SERVICES DEVELOPMENT	Ms Debra Welsh, RN, RM, NPNC, MCHN, B App Sci (Adv Nsg – Ed)
MANAGER, EDUCATION & RESEARCH	Ms Alison Copley, RN, RM, IWCert, BN(Ed), MSc, FRCNA
MANAGER, ADMINISTRATIVE SERVICES	Ms Georgina O'Keefe, BA (Int'l Rel'ns)
HONORARY SOLICITORS	Mallesons Stephen Jaques
AUDITORS	Auditor-General Victoria
BANKERS	National Australia Bank Limited

ORGANISATION CHART



Legend: PASDS – Parenting Assessment & Skill Development Services

PRESIDENT'S REPORT

The Queen Elizabeth Centre again achieved significant successes in 2003-2004. Winning a four year contract to provide Parenting Plus in the Latrobe Valley, as a partner in the Family Matters consortium, was a highlight. It cements our role as a service provider in Gippsland. It also reinforces that significant growth in the future is likely to be related to our reputation in providing home-based services and working with often very disadvantaged families with very complex needs.

In August 2003, the Board engaged in a Planning Workshop to review and revise QEC's vision, mission and values statements and to formulate a set of strategies that would guide us into the future. The particular strategies to receive close attention at the seminar covered the areas of relationships, marketing, financial, research and services. We had another workshop in August 2004 to continue and expand this work.

A major strategic issue addressed at the 2004 workshop was consideration of non-Department of Human Services grant-funded business that QEC could generate. Our Education Services Unit has led the way by releasing into the marketplace training, education and associated products that are contemporary and highly sought after. Management's success in attracting funding from the Commonwealth government over the past three years and now into the next three years is a further example of non-DHS business that we can attract. The major rationale for these activities is to strengthen QEC's financial viability in order to provide a sound base for continued development of the services we provide to the infants and families who seek our assistance.

The Board's commitment to research in recent years has resulted in our now having scientific evidence of the positive effect of our Day Stay and Parenting Plus (funded by Commonwealth Government) models of service. Residential services remain to be evaluated, and we have commissioned the Victorian Parenting Centre to undertake this as part of a two phase research project expected to be completed in early 2005-2006. The Board has now committed to a three year funding program for QEC's research activity. We are hopeful of obtaining some external funding support for the program.

During the year, the Board updated the QEC's By Laws to comply with the current standards of DHS. The new By Laws were approved by the Minister for Health late in the year. One impact of the new By Laws is that the position of

Treasurer has been abolished and replaced by a new role titled, "Chair, Finance Committee".

The QEC Foundation supported us again in 2003-2004, channelling to the Centre philanthropic donations worth nearly \$25,000 and directly providing \$17,000.

On behalf of the Board and Management I must take this opportunity to express to John Crutch and his fellow trustees our heartfelt thanks for the Foundation's continued financial and moral support for the activities of QEC.

The Board of Management welcomed four new members in November 2003. They were Ms Andi Diamond, Mr Keith Lambert, Ms Gaye Britt and Ms Robyn Gillis. Our warm thanks to these new members for their valued contributions in their first year. During the financial year we farewelled Mr Paul Trowbridge who had been a Board Member for eight years and president for three years. June McLoughlin and Pam Ford who were members of the Board for two and a half years and two years respectively also resigned during the year. On behalf of my fellow Board Members I would like to thank each of them for the many hours of dedicated service they provided to QEC.

On behalf of the Board I extend my heartfelt congratulations to the staff and management team of The Queen Elizabeth Centre for the successes achieved during the year. Most importantly we thank them, both individually and as a group, for their commitment to providing the highest possible level of services to the infants and families who seek our assistance, and for the enthusiasm and diligence they apply to the provision of these services.

Our Board and its sub-committees comprise a group of highly skilled and committed persons. They have been hard working and effective in the execution of their various responsibilities. I offer them my personal thanks, both for their efforts and, most important, for the support they have provided to Paul Trowbridge and me during the year.

Bruce Morley
President

OUR CLIENTS



THROUGHPUT STATISTICS

Table 1 shows total numbers of families who, in financial years (FY) 2002 to 2004, received early parenting services at QEC's Noble Park and Wangaratta centres, and in their own

homes in the Southern and Northern Metropolitan Regions and in Gippsland and Hume rural regions.

TABLE 1 Family Separations by Program and Location, Financial Year (FY) 2002-2004

Service Mode	Program and Location	2001-2002 Families	2002-2003 Families	2003-2004 Families
Residential	Early Parenting – Noble Park	586	550	547
	Parenting Assessment & Skill Development Services (PASDS) - Noble Park	104	110	95
Day Stay	Noble Park ¹	914	801	686
	Wangaratta	35	46	53
	City of Kingston ²		135	143
Home Visiting	From Noble Park ³	58	4	
	Upper Hume Region ⁴	96		
	City of Casey ⁵	109	128	36
	Shire of Cardinia ⁶	22	36	
Home-Based Parenting Plus	Southern Metropolitan Region – F&CS funded ⁷		30	12
	Southern Metropolitan Region – DHS funded ⁸			55
	Upper Hume Region ⁹		5	13
	Pilot Program in Southern, Northern & Hume Regions – F&CS funded ¹⁰	7	12	
	Gippsland Innovations ¹¹			1
Home-Based PASDS	Upper Hume Region	10	9	7
	Gippsland Region	32	34	32
	Northern Metropolitan Region	35	49	47
	Southern Metropolitan Region	52	62	48
Telephone advice only	From Noble Park Triage ¹²	1,543	1,581	1,500
Totals		3,603	3,592	3,265

All services operated for full years July 2001 to June 2004 with the following exceptions:

- Noble Park Day Stay reduced from 5 to 3 days per week from October 2002
- City of Kingston contracted Day Stay commenced August 2002
- Noble Park Home Visiting replaced by Parenting Plus from October 2002
- Upper Hume Region Home Visiting replaced by Parenting Plus from October 2002
- City of Casey contracted home visiting program November 2000 to September 2003
- Shire of Cardinia contracted home visiting program October 2000 to December 2002

7. Southern Region Parenting Plus (F&CS funded) commenced September 2002

8. Southern Region Parenting Plus (DHS funded) commenced February 2002

9. Hume Region Parenting Plus commenced August 2002

10. Pilot Parenting Plus Program in Northern, Southern & Hume Regions: Feb to August 2002

11. City of Latrobe Innovations Parenting Plus (DHS funded) commenced April 2003

12. Telephone advice or information only (ie clients diverted from requiring admission to another QEC service)

TABLE 2 Admitted Patients (QEC Noble Park) FY 2002–2004 – Parenting Intervention Services (as per Agency Information Management Set (AIMS – S1 reports))

Separations: ¹	2001-2002	2002-2003	2003-2004
Same Day ²	2,089	1,787 ³	1,522
Multi Day	1,671	1,570	1,527 ⁴
Total Separations	3,760	3,357	3,049
Separations per Available bed	85.45	76.30	76.22
Total Bed Days	9,760	9,415	6,901

1 'Separations are individual family members exiting a service or program.

2 Includes individuals who attended day stay programs plus those who participated in residential programs but did not stay overnight.

3 Day stay services reduced from 5 to 3 days per week in October 2002

4 Drop in number of separations from previous year is due to the PASDS program closing every second weekend.

OUR CLIENTS

THROUGHPUT TRENDS

There has been steady growth in numbers of families accessing QEC's intensive home-based parenting skills development programs, Parenting Assessment and Skill Development Services (PASDS) or *Parenting Plus*, from 201 families in financial year (FY) 2003 to 215 families in FY 2004. This reflects a focused strategy to increase QEC's role in assisting families with more complex needs in their own homes.

The number of families in residential programs at Noble Park has reduced over the three-year period due to fewer available weekend services. Alternate weekend closure of residential PASDS is an outcome of the erosion of state government funding, specifically annual productivity savings and incomplete coverage of increases in staff costs from public sector Enterprise Bargaining Agreements.

Fewer families received a Day Stay service in 2002-2003 and 2003-2004 compared with previous years reflecting the strategy to increase QEC's role in more intensive home based services and to reduce the availability of Day Stay from five to three days a week at Noble Park. Local government Maternal and Child Health Services provide an increasing number of Day Stay and Enhanced Home Visiting Services to the client group who may previously have sought a QEC Day Stay service. Demand for QEC single day services has dropped, hence the diversion of resources to meet the increase in demand for the more intensive nine week home-based *Parenting Plus*.

GEOGRAPHIC CATCHMENT AREA

QEC offers residential services at Noble Park to families living anywhere in Victoria. Our day stay programs at

Noble Park and Wangaratta attract families who live within reasonable same-day travelling distance to and from those centres. Home-visiting services cover geographic areas specified in funding agreements, currently the whole of Southern and Northern Metropolitan and Gippsland Regions and north-eastern Hume Region.

Table 3 gives the distribution of families who were clients at our Noble Park site from FY 2002 to 2004 by the region where they live. **Table 4** presents similar data for all clients of our combined Noble Park and regional-based services in the same three-year period.

AGES OF CLIENTS

Infants under one year of age continue to account for over 60% of the 0-3 year old children attending a Noble Park service. Teenage parents remain less than four per cent of total parents. The most represented parent age group continues to be 31-40 year olds, over 54% in each of the past three years.

Table 5 shows ages of clients admitted to Residential and Day Programs at Noble Park in FY 2002 to 2004. Teenage parents accounted for 59 (27%) families in intensive home-based services.

INDICATORS OF SOCIO-ECONOMIC STATUS

The 1328 families admitted to Residential and Day Stay Programs at the Noble Park facility during 2003-2004 reflected a broad range of socio-economic circumstances.

Of these, 602 families were employed and 714 were self-reported recipients of pensions or benefits as shown in

Table 6.

TABLE 3 Families Admitted to Residential and Day Services at Noble Park: Distribution by Home Location (DHS Region) FY 2002-2004

DHS Region	2001-2002 (n=1604) %	2002-2003 (n=1461) %	2003-2004 (n=1328) %
Eastern Metropolitan	27.25	24.44	27.11
Northern Metropolitan	8.38	7.60	7.23
Southern Metropolitan	55.04	57.63	56.85
Western Metropolitan	2.23	2.67	1.43
Barwon South West	0.54	0.27	0.45
Gippsland	3.31	3.76	3.69
Grampians	0.68	0.27	0.23
Hume	1.49	1.51	1.80
Loddon Mallee	0.54	1.57	0.98
Interstate/Other	0.54	0.27	0.23
Total	100.00	100.00	100.00



TABLE 4 Families at Combined QEC Noble Park and Regional Sites (Residential, Day Stay and Home-Based)
FY 2002-2004: Distribution by Home Location (DHS Region)*

DHS Region	2001-2002 (n=2053) %	2002-2003 (n=1990) %	2003-2004 (n=1462) %
Eastern Metropolitan	18.70	17.76	24.62
Northern Metropolitan	8.45	8.06	9.71
Southern Metropolitan	58.04	61.79	54.92
Western Metropolitan	1.41	1.94	1.30
Barwon South West	0.39	0.20	0.41
Gippsland	3.55	4.43	5.54
Grampians	0.48	0.20	0.21
Hume	8.24	4.28	2.19
Loddon Mallee	0.37	1.14	0.89
Interstate/Other	0.37	0.20	0.21
Total	100.00	100.00	100.00

* Excludes clients receiving only telephone advice or information

TABLE 5 Ages of Clients Admitted to Residential and Day Stay Programs at QEC Noble Park FY 2002-2004

	2001-2002 %	2002-2003 %	2003-2004 %
Children	(n=1810)	(n=1637)	(n=1508)
Under 12 months	65.86	64.57	63.20
12-18 months	13.86	15.76	16.18
Over 18 months	20.28	19.67	20.62
Total	100.00	100.00	100.00
Adults	(n=1950)	(n=1720)	(n=1541)
Under 20 years	2.51	3.43	2.27
21-30 years	36.97	35.04	31.73
31- 40 years	54.62	56.01	59.70
Over 40 years	5.90	5.52	6.30
Total	100.00	100.00	100.00

TABLE 6 Percentage of families admitted to Residential and Day Stay Programs
by self-reported Pensions/Benefits received, FY 2002-2004

Pension / Benefit Received	2001-2002 (n=1604) %	2002-2003 (n=1461) %	2003-2004 (n=1328) %
Disability Support Pension	2.99	3.22	3.39
Sole Parent Pension	11.35	12.39	12.05
Newstart/Job Search Allowance	2.06	2.26	2.49
Young Homeless Allowance	0.06	0.21	0
Family allowance Supplement	15.34	17.59	34.34

CULTURAL AND LINGUISTIC DIVERSITY

Of clients admitted to residential or day programs at Noble Park, three were Aborigines or Torres Strait Islanders (0.1%) Of adult clients, 4.8% were born overseas in 34 different non-English-speaking countries and 3% reported speaking

at home one of 31 languages other than English. The most common languages reported are Greek, Vietnamese, Cantonese, Mandarin, Russian, Turkish and Sinhalese. Another 17 (8%) families in intensive home-based services were Aboriginal.

OUR CLIENTS

REFERRAL SOURCES

Table 7 shows maternal and child health nurses were the main source of referrals to QEC, Noble Park, in 2003-2004, accounting for 34.89% of admitted families, followed by self, family or friends (21.80%), Department of Human Services Child Protection Services (15.42%), other hospitals including early parenting centres (2.80%), general practitioners and medical specialists (3.12%) and other health service providers (2.34%). Internal referrals from one Queen Elizabeth Centre service to another accounted for 4.36% of referrals.

RISK FACTORS

Families present to QEC with an increasingly complex range of parenting and health needs often compounded by social isolation and domestic disarray. Children in many of these families are vulnerable and at high risk of abuse or neglect. QEC's PASDS and *Parenting Plus* programs were specifically designed to assist these families. **Table 8** shows the range of risk factors presenting in families who participated in a residential or home-based PASDS program in 2003-04.

TABLE 7 Families admitted to Residential and Day Stay Programs at QEC Noble Park: Main referral sources: FY 2002-2004

	2001-2002 %	2002-2003 %	2003-2004 %
Maternal and Child Health Nurses	37.10	30.76	34.89
Self, Family, Friends	18.99	23.64	21.80
Child Protection Service	14.78	16.67	15.42
Medical Practitioners	5.65	5.45	3.12
Other hospitals	3.19	2.88	2.80
Other health service providers	1.74	3.03	2.34
Internal QEC referrals	5.65	7.27	4.36
Other	12.90	10.30	15.27
Total	100.00	100.00	100.00

TABLE 8 Risk Factors in 215 Families who received PASDS and Parenting Plus services (all regions), FY 2004

	Home-based PASDS 03-04	Residential PASDS 03-04	Parenting Plus 03-04	Total
Single Parent	76	61	41	178
Mo. < 20 Years	26	20	13	59
Family Isolated	50	27	26	103
Family Chaotic	53	23	0	76
Homelessness/Frequent Moves	22	24	3	49
Domestic Violence	58	32	11	101
Mother < 20 at Birth of 1st Child	44	33	27	104
Parental Substance Abuse	76	53	11	140
Opiate Dependency	32	28	0	60
Parental Mental Illness	43	44	22	109
Parental Intellectual Disability	11	20	1	32
Parental Low Cognitive Functioning	18	23	9	50
Parental History of Abuse as Child	32	12	12	56
Child Protection History	52	46	24	122
A Previous Child Removed/Deceased	35	29	2	66
Koori	10	2	7	19

OUR SERVICES AND PROGRAMS



QEC's outstanding achievements in 2003-2004 include:

- Winning four year state government funding to provide Parenting Plus to vulnerable families in the Latrobe Valley, Gippsland, as a partner in the *Family Matters* consortium;
- Attracting a third round of funding from the Commonwealth Department of Family and Community Services REACH Program to provide *Parenting Plus* to Afghan, Sudanese and indigenous Australian communities in the Southern Metropolitan Region over the next three years;
- Completing an *Evaluation of the QEC Day Stay Program*, undertaking an expansion of the *Evaluation of the Parenting Plus Pilot Program* and commencing research into the implementation of the Family Adaptation Parenting Practice Model and an evaluation of QEC's five-day Residential Program.

Queen Elizabeth Centre operated for the full year, with reduced services for two weeks in December-January and one week in April and with closure on alternate weekends.

CORE EARLY PARENTING SERVICES – TRIAGE, RESIDENTIAL, DAY STAY AND HOME-VISITING SERVICES, NOBLE PARK

Core services are early parenting care, education and support services funded through a recurrent block grant from the Victorian Department of Human Services (DHS).

In 2003-2004, triage staff diverted 1500 families (32% of all enquiries for bookings) from requiring a face to face service by providing telephone advice and referring families with less complex needs to the primary or universal sector. In all, during the year, triage nurses responded to 4821 calls: 2890 families with a new concern, 1606 repeat calls from families with an existing concern and 263 calls from professionals seeking advice about their clients. To support primary sector service providers during the year, QEC Centre staff provided secondary consultancy (professional to professional), professional supervision, education seminars, workshops and preceptored placements (workplace coaching). (See Education Services report, page 15).

In addition to telephone consultations, service delivery modes include residential, day stay and home visiting. Each week, twelve families participate in the Monday to Friday residential program at Noble Park. The complexity

of presenting problems in residential programs regularly requires specialised therapeutic interventions in addition to parenting skills enhancement.

Six families attend each Day Stay program. Single day programs are suitable for families with a single issue such as a settling or feeding difficulty requiring education and coaching.

PARENTING PLUS

A pilot initiative in 2001-2002 funded by the Australian Government Department of Family and Community Services (F&CS), Parenting Plus has become one of the most promising of the Centre's programs. It is a home-based intervention of 62 hours over nine weeks, offering intensive one-to-one parenting and personal skills development for high risk families not currently involved with Child Protection Services. Participating families have high needs due to factors such as mental illness, intellectual disability, substance abuse, or have had previous involvement with child protection services.

The Reference Group that was so helpful in the pilot program's implementation and evaluation phases reconvened for the extension period.

MEDICAL SERVICES

The Director of Medical Services, Dr Gideon Saaroni, continued to meet the medical needs of clients at Noble Park in 2003-2004. Throughout the academic year, Dr Saaroni facilitated practical experience at Queen Elizabeth Centre for medical students from Southern Health during their fifth year paediatric rotation at Dandenong Hospital. Dr Meredith Rawson provided relieving medical services when Dr Saaroni was on leave and the Chandler Road Clinic continued to provide emergency after hours services when needed.

The Advanced Paediatric Community Child Health training program delivered from the Noble Park site operated two sessions a week in 2003-2004. The Paediatric Fellows saw infants and children with developmental or behavioural concerns. Some children were concurrently receiving residential or home-based services; others were referred as outpatients by health professionals from throughout the Southern Metropolitan Region. We are grateful to Dr Sean Beggs (July-December 2003) and Dr Jayne Smart

OUR SERVICES AND PROGRAMS

(February-June 2004) who provided these sessions and to their auspice organizations, Monash Medical Centre and the Royal Children's Hospital.

Dr John King, MBBS, DPM, FRANZCP, Director, Mother-Baby Unit, Southern Health, Dr Tom Levine MBCHB, FRANZCP, MPM, Psychiatric Registrar and Dr Richard Price, MBBS, MPM, Psychiatric Registrar and Senior Psychiatric Trainee, provided a weekly session at Queen Elizabeth Centre under contract between Queen Elizabeth Centre and Southern Health. This regular arrangement reflects the high number of Centre clients who have a mental illness. Fifty-eight clients attended these sessions in 2003 – 2004. Dr King also provided a professional development session for nursing staff. In turn, our staff provided education programs and secondary consultancy for staff of the Southern Health Mother-Baby Unit.

PARENTING ASSESSMENT AND SKILL DEVELOPMENT SERVICES (PASDS)

Queen Elizabeth Centre remained the largest provider of PASDS in Victoria in 2003-2004, offering 10-day residential and 10- and 12-week home-based PASDS. **Table 9** gives numbers of participating families in each by DHS region.

All children (0-3 year-olds) and their families who participated in PASDS were referred from Child Protection Services throughout Victoria and were considered to be at high risk of abuse and/or neglect. QEC staff assess the adequacy of parenting competencies and provide parents with intensive teaching, modelling and coaching to

enhance or develop parenting skills. Our reports help to clarify the areas in which ongoing interventions should focus in order to develop and strengthen these families.

QEC's PASDS teams include maternal and child health nurses and early childhood workers or mothercraft nurses.

REGIONAL SERVICES

Regional teams of maternal and child health nurses and mothercraft nurses or early childhood workers provided home based PASDS throughout Gippsland (10 week programs), Upper Hume (12 week programs), Southern and Northern Metropolitan Regions (12 week programs).

From *QEC-Hume's* base in Wangaratta, our staff team also provided home-based *Parenting Plus* and a fortnightly day stay program funded as a mental illness prevention and early intervention program. **Table 1** gives numbers of families in these programs.

The Minister for Community Services, The Hon Sherryl Garbutt MLA officially opened the *QEC-Northern* team's new office premises on 3 September 2003. These are co-located with Preston Creative Living Centre, a Uniting Care facility at 648 High Street, Reservoir.

SPECIFIC PURPOSE PROGRAMS

The Queen Elizabeth Centre's Specific Purpose Programs are those Business Units that are funded from sources other than State government grants.

TABLE 9 Separations of Families from Parenting Assessment and Skill Development Services (PASDS) by Referring DHS Regional Child Protection Service, FY 2002-2004

Referring DHS Region	Residential PASDS			Home-Based PASDS		
	01-02	02-03	03-04	01-02	02-03	03-04
Eastern Metropolitan	3	4	-	-	-	-
Northern Metropolitan	24	25	26	35	49	47
Southern Metropolitan	53	56	50	52	62	48
Western Metropolitan	-	1	-	-	-	-
Barwon South West	-	-	-	-	-	-
Gippsland	7	6	7	32	34	32
Grampians	8	2	3	-	-	-
Hume	3	4	3	10	9	7
Loddon Mallee	6	12	6	-	-	-
Totals	104	110	95	129	154	134



PARENTING PLUS

The Commonwealth Government extended funding for *Parenting Plus* in 2003-2004 to extend the sample in the very promising evaluation of the pilot program in the previous year. In 2004, we received confirmation of additional three year funding to provide *Parenting Plus* to Sudanese, Afghan and Koori families in the Southern Metropolitan Region. The program is described on page 13 of this Report.

CITY OF KINGSTON

Queen Elizabeth Centre staff continued to provide a weekly Day Stay program at the former Parkdale Maternal and Child Health Centre for Kingston residents referred by the municipality's maternal and child health nurses and under contract to the City of Kingston. In 2003-2004, 143 families attended the program for advice and assistance with infant and childcare concerns.

EDUCATION SERVICES

Queen Elizabeth Centre Education Services continued to provide the Professional Education Seminar Series to a broad range of professionals working in early childhood and early parenting fields. Twelve seminars were conducted at the QEC conference centre through the year, attended by 572 professionals.

Education Services staff provided specially commissioned professional education sessions in metropolitan and rural Victoria. Thirty workshops attracted 484 professionals including child protection workers and maternal child health nurses. Staff provided additional clinical preceptorships in PASDS, Residential and Day Stay services at QEC Noble Park, ranging in length from three days to three weeks.

Local Government Authorities commissioned seven parent education sessions that attracted a total of 134 parents.

The demand for parenting education sessions for both professionals and parents increased throughout the year, indicative of the high standard of teaching provided. It will be necessary to increase resources to meet the growing demand in 2004-2005.

The partnership between QEC and Chisholm Institute of Technical and Further Education (TAFE) (Frankston Campus) continued in 2003-2004. The partnership provided a module in the Advanced Diploma of Community Welfare (Children's Services) Certificate in Infant, Toddler Care and Family Support. Twenty-five early childhood workers completed ten-day placements and two workshops at QEC.

RESEARCH PROGRAM

The QEC funded research project, *The Evaluation of the QEC Day Stay Program* conducted by Jan Matthews of the Victorian Parenting Centre, was completed with very positive findings. The report is available on www.qec.org.au.

The Centre for Community Child Health, Royal Children's Hospital, completed an extension of the evaluation of the *Parenting Plus Program* in June 2004. The Australian Government Department of Family and Community Services (F&CS) funded the study. The report will be finalised in 2004-2005.

QEC commissioned a major two-phase research project related to incorporation into staff clinical practice of three evidence based service elements from the University of Alberta's Family Resilience Research Program. The first phase is action research investigating cultural and organisational change. The second phase is an evaluation of QEC's 5-day residential program that the Victorian Parenting Centre will undertake. Research design phase is underway at June 2004. It is expected that Phase One will be completed in early 2005 and Phase 2 approximately six months later. The research is funded from QEC's Research and Development Fund.

Research design for Phase 2 of the national multi-centre Random Controlled Trial of *Long Term Home Visiting for Opiate Dependent Mothers* continued during 2003-2004 and funding for the implementation phase is being sought by the research team.

MARKETING

QEC's reputation continued to grow among professionals nationally and internationally in large part due to the well publicised biennial QEC national conference, the professional seminar series, the Visiting Scholar program, our research publications and the QEC website, www.qec.org.au.

In 2003-2004, the web site received 124,889 hits, 31,755 (29.3%) more than last year. Most were from Australia (87%). Next were USA (5%), New Zealand (3%), Indonesia (2%), Canada, United Kingdom and others (1% each). Most visited pages on the site were Professional Education & Training, Professional Education Seminars Programs, Employment, and the QEC Conference Program.

OUR SERVICES AND PROGRAMS

Direct marketing to parents in the first weeks, months and years of parenting is undoubtedly effective but the higher demand increases the waiting times and, in turn, can increase client dissatisfaction. We advertise regularly in widely distributed parenting newsletters and journals, and in pamphlets and flyers circulated in all maternal and child health centres, child care centres and maternity hospitals.

CLIENT SERVICES OUTLOOK

Despite expert triaging and diversion of requests to the universal service system wherever possible, demand for our early parenting services remains strong. At 30 June 2004, the wait for residential services was one to twelve weeks (the lower figure reflects our ability to fill cancellations), for day stay services one to three weeks (depending on children's ages) and for home-based *Parenting Plus* the wait was twelve weeks. Despite this level of demand, the Centre at Noble Park continues to operate under bed capacity, limited by funding availability.

New funding in recent years has come, not from extension of our grant for core early parenting services, but in specialised funding from Child Protection Services for services for high-risk infants and their families. As reported last year, for future service growth and development, we continue to look to the Department of Human Services' initiatives for secondary and tertiary prevention services for high-risk families, to the family strengthening initiatives of the Commonwealth government, and to the fee-for-service business products and services of our own Education and Research programs.

The new program, *Parenting Plus*, presents great possibilities as a way to assist families at high risk in the

most practical way and at an early stage where preventative interventions have greatest chance of achieving success. We have high hopes of this program being a model that can be a prototype for preventative family services well into the future.

PARTNERSHIPS

QEC is a partner with Latrobe City Council, Anglicare, Quantum, Wanjana Lidj, Berry Street, CASA, Latrobe Community Health Centre, Salvation Army, Relationships Australia and Good Beginnings in providing *Family Matters*, a DHS funded innovative project for vulnerable families, in Latrobe City in Gippsland. The program's objective is to reduce the number of notifications and re-notifications of child abuse or neglect to DHS. QEC's role is the provision of an Early Years Module whereby our staff provide the *Parenting Plus* program to a target of 48 families each year for four years. Service delivery commenced in April 2004. QEC staff are co-located with other *Family Matters* staff at 63 Church Street, Morwell.

QEC is a continuing partner in the Best Start project in the City of Casey. Funded by the Department of Community Services, the City of Casey is coordinating the project, a family strengthening, community development project targeting 0-7 year-olds and their families.

We share accommodation with City of Kingston at Parkdale, Noah's Ark Services for Children with Developmental Delay at Wangaratta, Anglicare at Morwell and the Scope Grace Bergland Centre at Warragul.

OUR VISION

QEC will be the leading developer and provider of parenting services for the benefit of young children and families.

OUR STAFF



The QEC workforce remained fairly stable in 2003-2004. The reduction in full-time equivalent (FTE) staff at Noble Park following closure at alternate weekends was balanced by growth in Gippsland, thanks to the new *Family Matters* partnership in Gippsland where QEC was contracted to provide *Parenting Plus* in the Latrobe Valley over four years. Three staff members left during the year, one having retired after 13 years with the Centre. Three staff members had babies and continued a strong three year trend where full time staff return to part time employment after taking parental leave. Recruitment was especially gratifying with many applications received from high quality, enthusiastic and experienced persons.

A social worker joined our staff as Clinical Family Counsellor during the year expanding the range of professional disciplines providing direct parenting services.

This position has had very positive outcomes for clients as well as for nursing staff. It recognises that the complexities that impact on a person's parenting style and competence are increasingly due to their life experiences and habits and may require broader therapeutic interventions than parentcraft education. The Clinical Family Counsellor facilitated well-attended weekly groups for fathers.

STAFF ESTABLISHMENT

At 30 June 2004, there were 72 female and 3 male staff members. Of the 75 staff members, there were 39 full-time and 36 part-time staff in that week. **Table 10** gives equivalent full-time staff numbers by program and staff category.

TABLE 10 QEC Staff Establishment at 30 June 2002, 2003 and 2004

Program	FTE* 30/6/02	FTE* 30/6/03	FTE* 30/6/04	Category
Residential Services	10.30	9.55	10.36	Maternal & Child Health Nurses
	0	0	0.64	Social Worker
	15.85	16.59	12.14	Mothercraft Nurses/Early Childhood Workers
Day Stay and Home Visiting Programs	5.89	6.71	7.57	Maternal & Child Health Nurses
	8.70	9.85	11.27	Mothercraft Nurses/Early Childhood Workers
Telephone Triage & Bookings Service	1.40	1.47	1.47	Maternal & Child Health Nurses
Education, Research, Quality	1.60	2.00	2.40	Maternal & Child Health Nurses
Management and Administration	1.00	1.00	1.00	Chief Executive/Nursing Director
	0.53	0.53	0.53	Director Medical Services
	2.00	2.00	2.00	Managers, Parenting Programs
	1.00	1.00	1.00	Commercial Manager
	1.00	1.00	1.00	Manager Administrative Services
	0.16	0.16	0.16	Health Information Manager
	5.00	5.00	5.00	Clerical/Reception
	1.00	1.00	1.00	Senior Accounts Clerk
Totals	55.43	57.86	57.54	

* Full-time Equivalent

NEW SENIOR APPOINTMENTS

Sheelagh Smyth took up the position of Clinical Family Counsellor in August 2003.

In March 2004, Carolyn Boland, formerly responsible for Staff Development, was appointed to the 0.8FTE coordinator position of Parenting Plus in the Latrobe Valley whilst retaining her former 0.2FTE role as coordinator of QEC's Quality Assurance and Risk Management program.

In May 2004 Beverley Allen became responsible for Staff Development (0.6FTE) and coordination of QEC's research program (0.2FTE) and, in addition, is an educator in QEC's Education Services unit (0.2FTE).

Susan Gardiner joined QEC in April 2004 as coordinator, home-based PASDS, Southern Metropolitan Region.

Kirsty Evans moved from her former position of coordinator, home-based PASDS in the Southern Metropolitan Region, to that of coordinator, residential PASDS. As reported last year, the aim of having two coordinating positions for residential PASDS is to increase capacity for each coordinator to work directly with clients, and to teach, guide, supervise and support direct care staff.

MERIT AND EQUITY PRINCIPLES

QEC applies merit and equity principles in accordance with the Public Sector Management and Employment Act 1998. We reported on the application of the principles to the Office of Public Employment in the Organisation Self Assessment 2004 questionnaire.


All staff members are made aware of and are expected to comply with the Public Sector Code of Conduct. There were no known non-compliances in the year.

WORKFORCE REPORTS

QEC submitted reports on Executive Remuneration to Government Sector Executive Remuneration Panel (GSERP), on monthly workforce data to the Department of Human Services (DHS) in accordance with the DHS Minimum Dataset, and on monthly nursing workforce data to the Nursing Unit of the same Department.

OCCUPATIONAL HEALTH AND SAFETY, RISK MANAGEMENT, QUALITY MANAGEMENT SYSTEMS

QEC is certified compliant with ISO AS/NZS 9001:2000 Quality Management Systems standards. We have a strong Risk Management system in place overseen by a Board of Management Quality Assurance and Risk Committee. An active Occupational Health and Safety Committee is currently working on obtaining certification for compliance with ISO AS/NZS 4804:2001 Occupational Health and Safety.



change pic

GENERAL REPORTS



FREEDOM OF INFORMATION

For the year ended 30 June 2004, eight requests were received under the Freedom of Information Act 1982.

WHISTLEBLOWERS PROTECTION ACT

There were no disclosures under the Whistleblowers Protection Act 2001.

OCCUPATIONAL HEALTH & SAFETY

The Queen Elizabeth Centre has established an Occupational Health and Safety Management System. The OHS Management System monitors safety incidents and accidents.

LEGISLATIVE CHANGES

As a public hospital, QEC does not administer any Acts directly. The Health Services Act 1988 is the vehicle by which the hospital is incorporated and prescribes the manner in which it is regulated. Acts passed during 2003-2004 financial year are listed as follows:

MINISTERIAL DIRECTIONS

The information listed in the Directions of the Minister for Finance, Financial Reporting Directions (FRD 22) is available on request.

BUILDING ACT 1993

The Queen Elizabeth Centre fully complies with the building and maintenance provisions of the Building Act 1993.

NATIONAL COMPETITION POLICY

The Queen Elizabeth Centre complies with National Competition Policy guidelines when tendering.

The Centre has outsourced all non-core services.

“The five day stay was such a rewarding experience. If only every mother had the opportunity to be in such caring, educating hands ...”

DONATIONS & FINANCIAL RESULTS

The Centre is very grateful for the continued support of donors, in particular, the QEC Foundation that has always encouraged and applauded our work with families. Total donations in 2003-04 totalled \$78,054.

The Board is appreciative of the significant bequest we received from the estate of Mrs WMK Stephens, honorary administrator of the Centre in the nineteen sixties. Board members wish to use this bequest for something by which Mrs Stephens will be remembered in years to come. A decision has not yet been made.

TABLE 11 Donations for year ended 30 June 2004

Donor	\$
The QEC Foundation	17,000
Collier Charitable Fund	7,500
The Lord Mayor's Charitable Fund & Hospitals and Charities Sunday Appeal	9,500
Joe White Bequest	4,000
Estate Sir Walter Leitch	891
Dame Elizabeth Murdoch	3,000
Sandhurst Trustees: Estate E G Batchelder	685
Estate Mrs W M K Stephens	35,068
S E McConnon	250
Other	160
TOTAL	\$78,054

Annual Reporting Guidelines issued by the Department of Human Services require the summary of financial results with comparative results for the preceding four financial years to be presented in the format shown in Table 12. The same Guidelines require total revenues and expenses to

be presented as in Table 13. It should be noted that in Table 12, revenue and expense items include capital purpose revenues and expenses, whereas in Table 13 capital purpose revenue and expense items are separated from operating revenue and expenses.

TABLE 12 Summary of Financial Results FY 2000-2004

	2003-04 \$	2002-03 \$	2001-02 \$	2000-01 \$	1999-00 \$
Total Expenses	4,996,095	5,221,177	5,742,492	4,580,878	3,910,117
Total Revenue	5,375,768	5,182,308	5,053,483	4,538,986	3,951,852
Operating Surplus/(Deficit)	379,673	(38,869)	(689,009)	(41,892)	41,735
Retained Surplus/ (Accumulated Deficit)	(351,985)	(731,657)	(689,009)	1,281,966	1,323,858
Total Assets	7,660,466	7,046,303	6,960,949	6,962,667	6,937,698
Total Liabilities	967,333	871,492	769,992	607,701	540,840
Net Assets	6,693,133	6,174,811	6,190,957	6,354,966	6,396,858
Total Equity	6,693,133	6,174,811	6,190,957	6,354,966	6,396,858



TABLE 13 Financial Analysis of Operating Revenues and Expenses, FY 2002-2004

	Total 2003/04 \$	Total 2002/03 \$
REVENUES		
Services Supported by Health Service Agreement		
Government Grants	4,642,038	4,477,888
Indirect Contributions by Human Services	(5,000)	106,740
Donations	-	6,422
Interest	64,116	35,254
Other Revenue	78,356	42,564
	<u>4,779,510</u>	<u>4,668,868</u>
Services Supported by Hospital & Community Initiatives		
Research and Program Grants	95,500	51,000
Donations	11,336	39,964
Interest	79,601	46,477
Other Revenue	167,445	255,297
	<u>353,882</u>	<u>392,738</u>
	<u>5,133,392</u>	<u>5,061,606</u>
EXPENSES		
Services Supported by Health Service Agreement		
Employee Benefits	3,483,392	3,641,759
Fee for Service Medical Officers	-	-
Supplies and Consumables	108,801	92,065
Other Expenditure	855,724	899,576
	<u>4,447,917</u>	<u>4,633,400</u>
Services Supported by Hospital & Community Initiatives		
Employee Benefits	126,908	138,764
Supplies and Consumables	2,111	20,840
Other Expenditure	75,672	166,404
	<u>204,691</u>	<u>326,008</u>
Surplus/(Deficit) for the Year before Capital Purpose Income, Depreciation, Amortisation and Specific Revenues and Expenses		
	<u>480,784</u>	<u>102,198</u>
Capital Purpose Income	112,578	49,316
Proceeds from Sale of Non-Current Assets	129,798	71,386
Written Down Value of Assets Sold	(128,842)	(80,541)
Depreciation	(214,645)	(181,228)
NET SURPLUS/ (DEFICIT)	<u>379,673</u>	<u>(38,869)</u>

Financial Statements of The Queen Elizabeth Centre for the Year Ended 30th June 2004

This statement should be read in conjunction with the accompanying notes

Statement of Financial Performance for the year ended 30 June 2004

	Notes	Total 2003/04 \$	Total 2002/03 \$
REVENUE FROM ORDINARY ACTIVITIES	2, 2a	5,375,768	5,182,308
EXPENSES FROM ORDINARY ACTIVITIES	2b		
Employee Benefits		3,610,300	3,780,523
Supplies & Consumables		90,545	94,312
Depreciation	3a	214,645	181,228
Other Expenses from Ordinary Activities		1,080,605	1,165,114
	2b	4,996,095	5,221,177
NET RESULT FROM ORDINARY ACTIVITIES	11c	379,673	(38,869)
Net Increase/(Decrease) in Asset Revaluation Reserves	11a	138,649	26,502
Cumulative effect of change in accounting policy for annual leave			(3,779)
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		138,649	22,723
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM CHANGES IN CONTRIBUTED CAPITAL		518,322	(16,146)

This statement should be read in conjunction with the accompanying notes

Statement of Financial Position as at 30 June 2004

	Notes	Total 2003/04 \$	Total 2002/03 \$
ASSETS			
Current Assets			
Cash Assets	4,13	145,765	155,747
Receivables	5,13	63,314	40,101
Other Financial Assets	6,13	498,727	383,187
Prepayments		24,297	10,138
Total Current Assets		732,103	589,173
Non-Current Assets			
Receivables	5,13	46,819	86,499
Other Financial Assets	6,13	2,822,510	2,352,515
Property, Plant & Equipment	7	4,059,034	4,018,116
Total Non-Current Assets		6,928,363	6,457,130
TOTAL ASSETS		7,660,466	7,046,303
LIABILITIES			
Current Liabilities			
Payables	8,13	236,370	142,411
Employee Benefits	9	529,354	491,760
Total Current Liabilities		765,724	634,171
Non- Current Liabilities			
Employee Benefits	9	201,609	237,321
Total Non Current Liabilities		201,609	237,321
TOTAL LIABILITIES		967,333	871,492
NET ASSETS		6,693,133	6,174,811
EQUITY			
Asset Revaluation Reserve	11a	1,273,151	1,134,502
Restricted Purpose Reserve	11a	990,000	990,000
Contributed Capital	11b	4,781,966	4,781,966
Accumulated Surpluses/(Deficits)	11c	(351,984)	(731,657)
TOTAL EQUITY		6,693,133	6,174,811

This statement should be read in conjunction with the accompanying notes

Statement of Cash Flows for the year ended 30 June 2004

	Notes	Total 2003/04 \$	Total 2002/03 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government Grants		5,289,483	5,020,256
Donations & Bequests		76,510	91,434
Other:			
Interest Received		156,707	86,316
Other		225,718	298,650
Payments			
Employee Benefits		(3,547,636)	(3,639,454)
Supplies and Consumables		(966,559)	(1,152,355)
GST paid to ATO		(541,115)	(542,319)
Other		(1,596)	(5,799)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	12	691,512	156,729
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Properties, Plant and Equipment		(385,418)	(282,414)
Proceeds from Sale of Properties, Plant and Equipment		129,798	71,386
Purchase of Investments		(997,087)	(2,443,722)
Proceeds from Sale of Investments		551,213	2,554,966
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(701,494)	(90,784)
NET INCREASE/(DECREASE) IN CASH HELD		(9,982)	56,945
CASH AT 1 JULY 2003		155,747	98,802
CASH AT 30 JUNE 2004	4	145,765	155,747

notes to and forming part of the financial statements for the year ended 30 June 2004

NOTE 1: Statement of Accounting Policies

The general purpose financial report has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, Australian accounting standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group Consensus Views.

It is prepared in accordance with the historical cost convention, except for certain assets and liabilities which, as noted, are at valuation. The accounting policies adopted, and the classification and presentation of items, are consistent with those of the previous year, except where a change is required to comply with an Australian accounting standard or Urgent Issues Group Consensus View, or an alternative accounting policy permitted by an Australian accounting standard is adopted to improve the relevance and reliability of the financial report. Where practicable, comparative amounts are presented and classified on a basis consistent with the current year.

(a) Rounding Off

All amounts shown in the Financial Statements are expressed to the nearest dollar.

(b) Adoption of International Financial Reporting Standards (IFRS)

For reporting periods beginning on or after 1 January 2005, all Australian reporting entities are required to adopt the financial reporting requirements of the Australian equivalents to International Financial Reporting Standards (IFRS). This requirement also extends to any comparative financial information included within the report. The first day of the comparative period, 1 July 2004, effectively becomes the transition date for The Queen Elizabeth Centre. Any adjustments arising from changes in the recognition or measurement of assets and liabilities at the transition date arising from the adoption of IFRS will be made against accumulated funds at the transition date.

The Queen Elizabeth Centre has taken the following steps in managing the transition to Australian equivalents to IFRS:

- The Finance Committee will oversight the transition to and implementation of the Australian equivalents to IFRSs;
- commenced activities to identify key issues and the likely impacts resulting from the adoption of Australian equivalents to IFRSs;
- commenced an education process for all stakeholders to raise awareness of the changes in reporting requirements; and
- assess the need to reconfigure, test user systems and processes to meet new requirements.

The Queen Elizabeth Centre has identified a number of changes to the existing accounting policies that may have a material impact on its future financial position and performance following the adoption of the requirements of Australian equivalents to IFRS (the new standards). These include:

- Valuation of assets. In accordance with the *Victorian Government Policy – Revaluation of Non-Current Physical Assets*, The Queen Elizabeth Centre currently measures its non-current physical assets, other than plant, equipment and vehicles, at fair value subsequent to initial recognition. Plant, equipment and vehicles

are measured on a cost basis. Revaluations are assessed annually and supplemented by independent assessments at least every three years. The new standard continues to offer a choice for measuring each class of non-current physical assets either at cost or at fair value. However, non-current assets measured at fair value will only be required to be revalued at least every three to five years and all assets in a class must be revalued at the same time. The Victorian government has not yet concluded whether it will make any changes to the valuation basis of any class of asset or the methodology or frequency at which revaluations are performed. The financial effects of any such changes are unknown.

- Impairment of assets. Under the new standards, an asset will be required to be assessed for impairment each year. If indicators of impairment exist, the carrying value of an asset will need to be assessed to ensure that the carrying value does not exceed its recoverable amount, which is the higher of its value-in-use and fair value less costs to sell. For The Queen Elizabeth Centre, value-in-use of an asset is its depreciated replacement cost. Other than inventories, financial assets and assets arising from construction contracts, impairment testing will apply to all assets regardless of whether they are measured on a cost or fair value basis. Where the carrying value of an asset exceeds its recoverable amount, the difference will be written-off as an impairment loss to the statement of financial performance except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that asset. Any impairment losses at transition date will be adjusted against the accumulated funds.
- Superannuation. The Queen Elizabeth Centre recognises a liability for the present value of the unfunded superannuation liability arising from the service of employees who are members of defined benefit superannuation schemes. This present value liability is currently calculated using the expected long-term earnings rate of investments held by the superannuation funds. Under the new standard, the present value of the net defined benefit liability must be calculated using a long-term bond rate. These two rates may be different, leading to a difference in the calculation of the present liability. It is expected that the long-term bond rate may be revised more frequently than the expected long-term earnings rate, leading to greater volatility. In addition, the measurement of assets held by the defined benefit superannuation fund will also change. Under the existing accounting standard, plan assets are measured at net market value, taking into account the cost of realisation. The new standard requires plan assets to be measured at fair value and is silent on the issue of cost of realisation. This may result in an adjustment to the Centre's unfunded superannuation liability at transition date.
- In addition, a number of other changes in requirements have been identified which are expected to lead to changes in methodology or processes, increased disclosures and possibly changes in measurement of assets or liabilities. The changes are not expected to have a material impact.

notes to and forming part of the financial statements for the year ended 30 June 2004

(c) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition.

Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where doubt as to collection exists.

(d) Other Financial Assets

Other financial assets are valued at market value and are classified between current and non-current assets based on The Queen Elizabeth Centre's Board of Management intention at balance date with respect to the timing of disposal of each asset. Interest revenue from investments is brought to account when it is earned.

(e) Revaluations of Non-Current Assets

Subsequent to the initial recognition as assets, non-current assets, other than plant and equipment, are measured at fair value. Plant and equipment are measured at cost. Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date. Revaluations are assessed annually and supplemented by independent assessments, at least every three years.

Revaluations are conducted in accordance with the Victorian Government Policy Paper *Revaluation of Non-Current Physical Assets*.

Revaluation increments are credited directly to the Asset Revaluation Reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the Asset Revaluation Reserve in respect of the same class of assets, they are debited directly to the Asset Revaluation Reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets.

(f) Depreciation

Assets with a cost in excess of \$1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost - or valuation - over their estimated useful lives using the straight-line method. The Queen Elizabeth Centre estimates of the remaining useful lives for all assets are reviewed at least annually. This depreciation charge is not funded by the Department of Human Services.

The following table indicates the expected useful lives of non-current assets on which the depreciation charges are based:

	2003/04	2002/03
Buildings	Up to 50 years	Up to 50 years
Plant & Equipment	Up to 10 years	Up to 10 years
Furniture & Fittings	Up to 10 years	Up to 10 years
Communication	Up to 6 years	Up to 6 years

(g) Payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The normal credit terms are usually Nett 30 days.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except for receivables and payables which are stated with the amount of GST included and except where the amount of GST incurred is not recoverable, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Accounting Standard AAS 28.

(i) Employee Benefits

Employee benefit liabilities are based on pay rates expected to apply when the obligation is settled. On-costs such as WorkCover and superannuation are included in the calculation of leave provisions.

Long Service Leave

The provision of long service leave is determined in accordance with AASB 1028. The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits as a current liability. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits as a non-current liability and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of services. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Wages And Salaries, Annual Leave And Accrued Days Off

Liabilities for wages and salaries, annual leave and accrued days off are recognised, and are measured as the amount unpaid at the reporting date in respect of employees' services up to the reporting date and are measured as the amounts expected to be paid when the liabilities are settled.

Sick Leave

Liabilities for sick leave are recognised when the leave is taken and measured at rates paid or payable.

Superannuation

The amount charged to the statement of financial performance in respect of superannuation represents the contributions made by The Queen Elizabeth Centre to superannuation funds.

notes to and forming part of the financial statements for the year ended 30 June 2004

Employee Benefit On-Costs

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(j) Intersegment Transactions

Transactions between segments within The Queen Elizabeth Centre have been eliminated to reflect the extent of The Queen Elizabeth Centre's operations as a single entity.

(k) Leased Property and Equipment

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains all such risks and benefits. Where a non-current asset is acquired by means of a finance lease, the minimum lease payments are discounted at the interest rate implicit in the lease. The discounted amount is established as a non-current asset at the beginning of the lease term and is amortised on a straight-line basis over its expected useful life. A corresponding liability is established and each lease payment is allocated between the principal component and the interest expense. Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged against revenue in the periods in which they are incurred.

(l) Revenue Recognition

Revenue is recognised in accordance with AAS 15. Income is recognised as revenue to the extent they are earned. Unearned income at reporting date is reported as income in advance.

Government Grants

Grants are recognised as revenue when The Queen Elizabeth Centre gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Indirect Contributions

- Insurance is recognised as revenue following advice from the Department of Human Services.
- Long Service Leave-Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Acute Health Division Hospital Circular 16/2004.

Donations

Donations are recognised as revenue when the cash is received. Donations received for restricted purposes have been transferred to funds held for restricted purposes until expended.

(m) Fund Accounting

The Centre operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. The Queen Elizabeth Centre's Capital and Specific Purpose Funds include unspent capital donations and receipts from fund-raising activities conducted solely in respect of these funds.

(n) Services Supported By Health Services Agreement And Services Supported By Hospital And Community Initiatives

The Activities classified as *Services Supported By Health Services Agreement* (HSA) are substantially funded by the Department of Human Services while *Services Supported By Hospital And Community Initiatives* (Non HSA) are funded by the Centre's own activities or local initiatives.

(o) Comparative Information

Where necessary the previous year's figures have been reclassified to facilitate comparisons.

(p) Asset Revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

(q) Restricted Purpose Reserve

The Queen Elizabeth Centre's Restricted Purpose Reserve (Research and Development Reserve) was established in 1998/99 from proceeds from the sale of the Carlton Creche. The Reserve was specifically created for research in the field of early parenting.

(r) Contributed Capital

Consistent with UIG Abstract 38 "*Contributions by Owners Made to Wholly-Owned Public Sector Entities*" and *Financial Reporting Direction 2 "Contributed Capital"*, transfers that are in the nature of contributions or distributions, have been designated as Contributed Capital.

notes to and forming part of the financial statements
for the year ended 30 June 2004

NOTE 2: Revenue

	Health Services Agreement	Health Services Agreement	Non-Health Services Agreement	Non-Health Services Agreement	Total	Total
	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03
	\$	\$	\$	\$	\$	\$
Revenue from Operating Activities						
<i>Recurrent</i>						
Government Contributions:						
- Department of Human Services	4,642,038	4,477,888	0	0	4,642,038	4,477,888
- Commonwealth Government	0	0	95,500	51,000	95,500	51,000
Indirect Contributions by Human Services:						
- Insurance	34,680	20,241	0	0	34,680	20,241
- Long Service Leave	(39,680)	86,499	0	0	(39,680)	86,499
Donations	0	6,422	11,336	39,964	11,336	46,386
Other Revenue	78,356	42,564	167,445	255,297	245,801	297,861
Capital Purpose Income						
State Government Capital Grants	31,611	0	0	0	31,611	0
Donations	0	0	65,174	43,961	65,174	43,961
Other Revenues	0	0	1,000	0	1,000	0
Sub-Total Revenue from Operating Activities	4,747,005	4,633,614	340,455	390,222	5,087,460	5,023,836
Revenue from Non-Operating Activities						
Interest and Investments	64,116	35,254	79,601	46,477	143,717	81,731
Proceeds from Sale of Non-Current Assets (refer Note 2c)	0	0	129,798	71,386	129,798	71,386
Capital Purpose Income:						
Interest on Investments	0	0	14,793	5,355	14,793	5,355
Sub-Total Revenue from Non-Op. Activities	64,116	35,254	224,192	123,218	288,308	158,472
Total Revenue from Ordinary Activities (refer Note 2a)	4,811,121	4,668,868	564,647	513,440	5,375,768	5,182,308

Indirect contributions by Human services: Department of Human Services makes insurance payments on behalf of the Centre. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

NOTE 2a: Analysis of Revenue by Source

	Total	Total
	2003/04	2002/03
	\$	\$
Revenue from Sources Supported by Health Services Agreement		
Government Grants:		
Department of Human Services	4,673,649	4,477,888
Indirect Contributions by Human Services:		
- Insurance	34,680	20,241
- Long Service Leave	(39,680)	86,499
Interest and Investments	64,116	35,254
Donations & Bequests	0	6,422
Other Revenue	78,356	42,564
Sub-Total Revenue from Services Supported by Health Services Agreement	4,811,121	4,668,868
Revenue from Services Supported by Hospital and Community Initiatives		
Activities:		
Parenting Plus	95,500	51,000
Research & Development	95,970	23,320
Education Services	120,543	94,578
Conference	0	134,701
Capital Purpose Income (refer Note 2)	66,174	43,961
Proceeds from Sale of Non-Current Assets (refer Note 2c)	129,798	71,386
Interest on Investments	14,793	5,355
Others	41,869	89,139
Sub-Total Revenue from Services Supported by Hospital & Community Initiatives	564,647	513,440
Total Revenue from all Sources	5,375,768	5,182,308

notes to and forming part of the financial statements
for the year ended 30 June 2004

NOTE 2b: Analysis of Expenses by Source

Services Supported by Health Services Agreement

Employee Entitlements:

Salaries

WorkCover

Long Service Leave

Superannuation (Refer Note 15)

Supplies & Consumables:

Medical & Pharmacy Supplies & Services

Food & Kitchen Supplies

Cleaning & Toilet Materials

Bedding & Linen

Other Expenses:

Domestic Service Contracts

Administrative Expenses

Insurances

Repairs & Maintenance

Consultants & Contracted Services

Computer Services

Staff Development

Security Services

Minor Furniture & Equipment

Motor Vehicle and Travel

Light, Power & Fuel

Waste Removal

Inter-Agency Costs

Other

Sub-Total Expenses from Services Supported by Health Services Agreement

Services Supported by Hospital & Community Initiatives

Employee Entitlements:

Salaries

WorkCover

Long Service Leave

Superannuation

Supplies & Consumables:

Food Supplies

Other Expenses:

Administrative Expenses

Consultants & Contracted Services

Repairs & Maintenance

Minor Furniture & Equipment

Motor Vehicle & Travel

Staff Development

Grants for Research

Other

Sub-Total Expenses from Services Supported by Hospital & Community Initiatives

Depreciation (refer Note 3a)

Audit Fees - Auditor General

Written Down Value of Assets Sold (refer Note 2c)

Total Expenses from Ordinary Activities

	Total 2003/04 \$	Total 2002/03 \$
	3,169,295	3,257,656
	27,645	23,207
	(19,062)	57,074
	305,514	303,822
	7,783	6,458
	75,719	61,757
	4,932	5,257
	20,367	18,593
	228,800	260,788
	176,523	153,003
	34,739	20,300
	77,106	74,347
	31,337	47,520
	39,349	39,967
	39,266	44,883
	10,368	7,088
	20,006	34,959
	81,631	82,704
	50,458	48,701
	16,204	13,349
	27,692	41,728
	18,335	26,439
	4,444,007	4,629,600
	Total 2002/03 \$	Total 2001/02 \$
	111,569	119,460
	1,390	2,384
	5,362	5,960
	8,587	10,960
	2,111	20,840
	16,833	37,533
	36,992	89,669
	0	917
	0	1,044
	5,831	13,992
	0	3,520
	0	0
	16,016	19,729
	204,691	326,008
	214,645	181,228
	3,910	3,800
	128,842	80,541
	4,996,095	5,221,177

notes to and forming part of the financial statements
for the year ended 30 June 2004

NOTE 2c: Sale of Non-Current Assets

Proceeds from Disposal of Assets:

Motor Vehicles

Other Equipment

Less Written Down Value of Assets Sold:

Motor Vehicles

Other Equipment

Net Surplus/(Deficit) on Disposal

Total 2003/04 \$	Total 2002/03 \$
128,397	71,386
1,401	0
127,429	78,897
1,413	1,644
956	(9,155)

NOTE 3a: Depreciation

Buildings

Plant & Equipment:

Transport

Computers & Communication

Other Equipment

Furniture & Fittings

Allocation of Depreciation:

Services Supported by Health Services Agreement

Services Supported by Hospital and Community Initiatives

Total 2003/04 \$	Total 2002/03 \$
60,529	56,654
78,694	45,574
43,676	45,290
26,280	27,763
5,465	5,948
214,645	181,228
209,879	177,148
4,766	4,080
214,645	181,228

NOTE 4: Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and financial institution deposits and investments (at call or highly liquid and readily convertible to cash within 24 hours) which the Centre uses in its cash management function on a daily basis.

Cash on Hand

Short Term Deposits

Total

Total 2003/04 \$	Total 2002/03 \$
570	520
145,195	155,227
145,765	155,747

NOTE 5: Receivables

Current

Accrued Investment Income

Accrued Revenue:

Department of Human Services

Other

Non-Current

Accrued Revenue:

Department of Human Services

Total

Less Provision for Doubtful Debts

Net Debtors and Accrued Revenue

Total 2003/04 \$	Total 2002/03 \$
1,562	771
26,600	25,208
35,152	14,122
63,314	40,101
46,819	86,499
46,819	86,499
110,133	126,600
0	0
110,133	126,600

notes to and forming part of the financial statements
for the year ended 30 June 2004

NOTE 6: Other Financial Assets

	Operating Fund	Specific Purpose Fund	Capital Fund	Total 2002/03	Total 2001/02
Current	\$	\$	\$	\$	\$
Term Deposits	107,481	391,246	0	498,727	383,187
Non Current					
Managed Funds	1,134,468	1,504,482	183,560	2,822,510	2,352,515
Total	1,241,949	1,895,728	183,560	3,321,237	2,735,702

NOTE 7: Property, Plant & Equipment

	Total 2003/04	Total 2002/03
AT COST	\$	\$
Building Improvements	52,329	20,718
Less Accumulated depreciation	1,543	679
Total Buildings at Cost	50,786	20,039
Plant and Equipment		
Transport	402,922	276,519
Less Accumulated depreciation	64,001	36,133
	338,921	240,386
Computers and Communication	257,697	211,891
Less Accumulated depreciation	184,702	141,940
	72,995	69,951
Other Equipment	212,021	212,021
Less Accumulated depreciation	166,239	139,959
	45,782	72,062
Total Plant & Equipment	457,698	382,399
Furniture and Fittings	48,600	48,600
Less Accumulated depreciation	11,409	5,947
Total Furniture & Fittings	37,191	42,653
Total	545,675	445,091
AT FAIR VALUE		
Crown Land (i)	1,100,000	1,100,000
Total Land	1,100,000	1,100,000
Buildings	2,425,000	2,425,000
Building Improvements	100,000	100,000
Less Accumulated depreciation	115,641	55,975
Total Buildings	2,409,359	2,469,025
Cultural Assets (ii)	4,000	4,000
Total Cultural Assets	4,000	4,000
Total	3,513,359	3,573,025
TOTAL	4,059,034	4,018,116

Land and Buildings at Valuation:

(i) The Noble Park property including land, buildings and improvements, being crown land, was valued at their fair value by independent valuers Neil Hollingworth FAPI, FREI and Robert Ian St.Clair AAPI, AAIM - 31 May 2002

Cultural Assets at Valuation:

(ii) Cultural Assets were revalued by Leonard Joel Aust. – 2 April 2003

notes to and forming part of the financial statements
for the year ended 30 June 2004

Cultural Assets at Valuation (cont'd):

Reconciliations of the carrying amounts of each class of land, buildings, plant & equipment and communication at the beginning and end of the current and previous financial year are set out below:

	Crown Land	Buildings	Plant & Equipment	Furniture & Fittings	Cultural Assets	Total
2004	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	1,100,000	2,489,064	382,399	42,653	4,000	4,018,116
Additions	0	31,610	352,795	0	0	384,405
Disposals	0	0	(128,842)	0	0	(128,842)
Depreciation (note 3)	0	(60,529)	(148,654)	(5,462)	0	(214,646)
Carrying amount at end of year	1,100,000	2,460,145	457,698	37,191	4,000	4,059,034

NOTE 8: Payables

CURRENT

	Total 2002/03	Total 2001/02
	\$	\$
Trade Creditors	106,858	32,037
Accrued Expenses	11,090	16,861
Revenue in Advance	18,550	3,717
GST Payable	99,872	89,796
Total	236,370	142,411

NOTE 9: Provisions

CURRENT

	Total 2003/04	Total 2002/03
	\$	\$
Employee Benefits (refer Note 9a)	529,354	491,760
Total	529,354	491,760

NON CURRENT

Employee Benefits (refer Note 9a)	201,609	237,321
Total	201,609	237,321

notes to and forming part of the financial statements
for the year ended 30 June 2004

NOTE 9a: Employee Benefits

CURRENT

Long service leave	22,401	26,369
Accrued Salaries & Wages	162,026	123,106
Accrued Annual leave	332,773	331,086
Accrued Days Of	12,154	11,199
Total	529,354	491,760

NON CURRENT

Long service leave	201,609	237,321
Total	201,609	237,321

Movements in Long Service Leave:

Balance 1 July	263,690	204,208
Provision made during the year	(9,603)	63,034
Settlement made during the year	(30,077)	(3,552)
Balance 30 June	224,010	263,690

* The following assumptions were adopted in measuring present value:

In measuring present value a probability factor which varies in accordance with the number of years of service has been used in determining the retention rate for employees with a particular number of years of service. A wage inflation rate of 4.5% has been applied. The bond discount rate and wage inflation rate have been supplied by the Department of Treasury and Finance

NOTE 10: Commitments

Aggregate expenditure contracted for at balance date

Operating Leases

Cancellable

Not later than one year	0	4,867
Later than one year and not later than 5 years	0	0
	0	4,867

Painting Contract

Cancellable

Not later than one year	9,908	9,256
Later than one year and not later than 5 years	43,059	30,049
More than 5 years but less than 8 years	0	22,090
	52,967	61,395

notes to and forming part of the financial statements
for the year ended 30 June 2004

NOTE 11: Equity & Reserves

(a) Reserves

Asset Revaluation Reserve

Crown Land

Balance at the beginning of the reporting period
Increase of Land during year
Balance at the end of the reporting period

Cultural Assets

Balance at the beginning of the reporting period
Decrease in Cultural Assets during year
Balance at the end of the reporting period

Non-Current Financial Assets

Balance at the beginning of the reporting period
Increase in Non-Current Financial Assets
Balance at the end of the reporting period

Total Asset revaluation Reserve

Restricted Purpose Reserve

Balance at the beginning of the reporting period
Transfer to and from Restricted Purpose Reserve

Balance at the end of the reporting period

(b) Contributed Capital

Balance at the beginning of the reporting period
Capital contribution received from Victorian Government

Balance at the end of the reporting period

(c) Accumulated Surpluses/(Deficits)

Balance at the beginning of the reporting period
Net Result for the year
Adjustments Resulting from Change in Accounting Policy

Balance at the end of the reporting period

(d) Equity

Total Equity at the Beginning of the reporting period
Total changes in Equity Recognised in the Statement of Financial Performance
Adjustments Resulting from Change in Accounting Policy
Total changes in Asset Revaluation Reserve

	Total 2003/04 \$	Total 2002/03 \$
Balance at the beginning of the reporting period	1,100,000	1,100,000
Increase of Land during year	0	0
Balance at the end of the reporting period	1,100,000	1,100,000
Balance at the beginning of the reporting period	4,000	8,000
Decrease in Cultural Assets during year	0	(4,000)
Balance at the end of the reporting period	4,000	4,000
Balance at the beginning of the reporting period	30,502	0
Increase in Non-Current Financial Assets	138,649	30,502
Balance at the end of the reporting period	169,151	30,502
Total Asset revaluation Reserve	1,273,151	1,134,502
Balance at the beginning of the reporting period	990,000	990,000
Transfer to and from Restricted Purpose Reserve	0	0
Balance at the end of the reporting period	990,000	990,000
Balance at the beginning of the reporting period	4,781,966	4,781,966
Capital contribution received from Victorian Government	0	0
Balance at the end of the reporting period	4,781,966	4,781,966
Balance at the beginning of the reporting period	(731,657)	(689,009)
Net Result for the year	379,673	(38,869)
Adjustments Resulting from Change in Accounting Policy	0	(3,779)
Balance at the end of the reporting period	(351,984)	(731,657)
Total Equity at the Beginning of the reporting period	6,174,811	6,190,957
Total changes in Equity Recognised in the Statement of Financial Performance	379,673	(38,869)
Adjustments Resulting from Change in Accounting Policy	0	(3,779)
Total changes in Asset Revaluation Reserve	138,649	26,502
Total Equity at the end of the reporting period	6,693,133	6,174,811

notes to and forming part of the financial statements
for the year ended 30 June 2004

NOTE 12: Reconciliation of Net Cash Flows from Operating Activities to Operating Result

	Total 2003/04 \$	Total 2002/03 \$
Net Result for the Year	379,673	(38,869)
Depreciation	214,645	181,228
(Increase)/Decrease in Receivables	16,467	(90,085)
(Increase)/Decrease in Prepayments	(14,159)	(2,421)
Increase/(Decrease) in Payables	93,959	(43,424)
Increase/(Decrease) in Employee Benefits	1,883	144,924
(Profit)/Loss From Sale Of Property, Plant And Equipment	(956)	9,155
Adjustment Resulting from Change in Accounting Policy	0	(3,779)
NET CASH FLOWS FROM OPERATING ACTIVITIES	691,512	156,729

NOTE 13: Financial Instruments

(a) Interest Rate Exposure

The Queen Elizabeth Centre's exposure to interest rate risk and effective weighted average interest rate by maturity periods is set out in the following timetable. Exposure arises predominantly from assets and liabilities bearing variable interest rates.

Interest rate exposure as at 30/06/04

	Fixed interest rate maturing		
	1 year or less \$	Non Interest Bearing \$	Total 2003/04 \$
Financial Assets			
Cash assets	145,765	0	145,765
Trade Debtors	0	108,571	108,571
Other receivables	0	1,562	1,562
Deposits	498,727	0	498,727
Other financial assets	2,822,510	0	2,822,510
Total Financial Assets	3,467,002	110,133	3,577,135
Financial Liabilities			
Trade creditors and accruals	0	236,370	236,370
Total Financial Liabilities	0	236,370	236,370
Net Financial Assets/Liabilities	3,467,002	(126,237)	3,340,765
Weighted Average Interest Rate of Total Financial Assets	4.5%		

Interest rate exposure as at 30/6/2003

	Fixed interest rate maturing		
	1 year or less \$	Non Interest Bearing \$	Total 2001/02 \$
Financial Assets			
Cash	155,747	0	155,747
Trade Debtors	0	125,829	125,829
Other Receivables	0	771	771
Deposits	383,187	0	383,187
Other Financial Assets	2,352,515	0	2,352,515
Total Financial Assets	2,891,449	126,600	3,018,049
Financial Liabilities			
Trade creditors & accruals	0	142,411	142,411
Total Financial Liabilities	0	142,411	142,411
Net Financial Assets/Liabilities	2,891,449	(15,811)	2,875,638
Weighted Average Interest Rate of Total Financial Assets	2.8%		

notes to and forming part of the financial statements for the year ended 30 June 2004

NOTE 13: Financial Instruments (cont'd)

(b) Credit Risk Exposure

Credit risk represents the loss that would be recognised if counterparties fail to meet their obligations under the respective contracts at maturity. The credit risk on financial assets of the entity have been recognised on the Statement of Financial Position, as the carrying amount, net of any provisions for doubtful debts.

NET FAIR VALUE	2003/04		2002/03	
	Book Value	Net Fair Value	Book Value	Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Cash	145,765	145,765	155,747	155,747
Trade Debtors	108,571	108,571	125,829	125,829
Other Receivables	1,562	1,562	771	771
Deposits	498,727	498,727	383,187	383,187
Other Financial Assets	2,822,510	2,822,510	2,352,515	2,352,515
Total Financial Assets	3,577,135	3,577,135	3,018,049	3,018,049
Financial Liabilities				
Trade creditors & accruals	236,370	236,370	142,411	142,411
Total Financial Liabilities	236,370	236,370	142,411	142,411

Cash, deposit investments, cash equivalents and non-interest bearing financial assets and liabilities (trade debtors, other receivables, trade creditors and advances) are valued at cost which approximates net fair value.

NOTE 14: Superannuation

Superannuation contributions for the reporting period are included as part of salaries and associated costs in the Statement of Financial Performance of the Centre.

The name and details of the major employee superannuation funds and contributions made by the Centre are as follows:

2003/04	2003/04	2002/03
Fund	\$	\$
Health Super	299,710	312,000
HESTA	11,685	2,782
Total	311,395	314,782

Contributions to the HealthSuper defined benefits scheme are paid in accordance with the Hospital Superannuation Act 1988.

There were no superannuation contributions outstanding at 30 June 2004.

The above amounts were measured as at 30 June of each year, or in the case of employer contributions they relate to the year ended 30 June.

The rates for 2003/04 were:

Schemes	Contribution Rates	
Health Super and HESTA Schemes	Superannuation Guarantee 9%	
Health Super Contributory Scheme	Employee	Employer
	0%	1%
	3%	6%
	4%	6%
	6%	10%

The unfunded superannuation liability in respect to members of Health Super Fund defined benefits schemes are shown as a liability separately by the Department of Treasury and Finance. The Queen Elizabeth Centre's share of this liability for the Health Super Fund defined benefits scheme is not available at the date of signing the financial statements for 2004 (2003:\$58,936.47).

notes to and forming part of the financial statements
for the year ended 30 June 2004

NOTE 15: Responsible Person Related Disclosures

2003/04

2002/03

(a) Responsible Persons

Responsible Minister - Hon. Sherryl Garbutt

Board Members:

The names of persons who were board members at any time during the financial year are:

Mr. Paul Trowbridge - President (to October 2003)

Ms Pam Ford - Vice President (to August 2003)

Mr. Bruce Morley - Vice President & Treasurer (to November 2003); President (from December 2003)

Ms. Heather Finlayson

Ms. Dale Fisher - Vice President (from December 2003)

Ms. Elizabeth Johnson

Ms Carolyn McClean - Vice President (from December 2003)

Ms. June McLoughlin (to August 2003)

Assoc. Prof. Campbell Paul

Mr. Timothy Staker

Dr. Lakshmi Sumithran

Ms G Britt (from November 2003)

Ms A Diamond (from November 2003)

Ms R Gillis (from November 2003)

Mr K Lambert (from November 2003); Treasurer (from December 2003)

Accountable Officer: Ms. Pam Stilling – Chief Executive Officer

The remuneration of the Accountable Officer is reported under "Executive Officer Remuneration"

(b) Remuneration of Responsible persons:

Total remuneration received or due or receivable by Responsible Persons

The remuneration of the Accountable Officer who is not a member of the Board is reported under "Executive Officer Remuneration".

Nil

Nil

(c) Retirement Benefits of Responsible Persons:

Retirement benefits paid in connection with the retirement of Responsible Persons of the reporting entity amount to:

Nil

Nil

(d) Other Transactions of Responsible Persons and their Related Parties:

Related party transactions

Nil

Nil

(e) Other Receivables from and Payables to Responsible Persons and their related Parties:

Aggregate amounts payable at balance date

Nil

Nil

(f) Amount Attributable to Other Transactions With Responsible Persons and their Related Parties:

Transactions with Responsible Persons and their related parties

Nil

Nil

(g) Executive Officer Remuneration:

The number of Executive Officers other than Ministers and Accountable Officers, whose remuneration (including bonuses, LSL payments, redundancy payments and retirement benefits) for the year falls within each successive \$10,000 band, commencing at \$100,000

\$110,000 - \$119,999

Total remuneration for the reporting period for Executive Officers included above amounted to:

	2003/04	2002/03
	No.	No.
\$110,000 - \$119,999	1	1
Total remuneration for the reporting period for Executive Officers included above amounted to:	120,040	119,184

notes to and forming part of the financial statements for the year ended 30 June 2004

NOTE 16: Remuneration of Auditors

Audit fees paid or payable to the Victorian Auditor-General's Office
for audit of the Centre's financial report:

Paid as at 30 June 2004

Payable as at 30 June 2004

2003/04	2002/03
\$	\$
3,800	3,700
3,910	3,800

NOTE 17: Segment Reporting

The Centre's singular business segment is the delivery of early parenting services and training.

The Centre operates predominantly in Noble Park, Victoria. More than 90% of revenue, net surplus from ordinary activities and segment assets relate to operations in Noble Park, Victoria.

Accountable Officer's, Chief Finance Officer's and Member of Responsible Body's Declaration

We certify that the attached financial statements for The Queen Elizabeth Centre have been prepared in accordance with Part 4.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act* 1994, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to and Forming Part of the Financial Statements, presents fairly the financial transactions during the year ended 30 June 2004 and the financial position of The Queen Elizabeth Centre as at 30 June 2004.

We are not aware of any circumstances which would render any particulars included in the statements to be misleading or inaccurate.



Bruce Morley
Chairperson
of the Responsible Body

Noble Park
21 August 2004



Pam Stilling
Chief Executive Officer /
Accountable Officer

Noble Park
21 August 2004



Peter Davis
Chief Finance Officer

Noble Park
21 August 2004



AUDITOR GENERAL
VICTORIA

AUDITOR GENERAL'S REPORT

To the Members of the Parliament of Victoria, responsible Ministers and the Members of the Board of The Queen Elizabeth Centre

Audit Scope

The accompanying financial report of The Queen Elizabeth Centre for the financial year ended 30 June 2004, comprising statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The Members of the Board are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and Members of the Board of Management as required by the *Audit Act* 1994.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act* 1994, so as to present a view which is consistent with my understanding of the Centre's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Qualification

The Queen Elizabeth Centre did not include the assets, liabilities, revenues and expenses of the Queen Elizabeth Centre Foundation in its financial report for the 2003-04 and the comparative figures in that report. While the foundation operates independently under the authority of a Trust Deed, the Foundation should have been consolidated within the Centre's financial report in accordance with Australian Accounting Standard AAS 24 Consolidated Financial Reports, as the Centre enjoys the majority of the benefits provided by the Foundation, and is ultimately exposed to the majority of the risks of the Foundation. I am unable to quantify the effect of this departure on the Centre's financial report as I have not acted as auditor of the Foundation and its financial report was not available at the date of preparation of this report.

Qualified Audit Opinion

In my opinion, except for the matter referred above, the financial report presents fairly the financial position of The Queen Elizabeth Centre as at 30 June 2003 and the results of its operations and its cash flows for the year ended on that date in accordance with the requirements of the *Financial Management Act* 1994.

MELBOURNE
27 August 2004



J.W. CAMERON
Auditor-General

COMPLIANCE INDEX



Compliance Index disclosure requirements

The Annual Report of the entity is prepared in accordance with the Financial Management Act 1994 and the Directions of the Minister for Finance. This index has been prepared to facilitate identification of compliance with statutory disclosure and other requirements.

CLAUSE DISCLOSURE
PAGE

REPORT OF OPERATIONS

Charter & purpose

9.1.3 (i) (a)	Manner of establishment and Relevant Minister	1
9.1.3 (i) (b)	Objectives, functions, powers and duties	4 & 5
9.1.3 (i) (c)	Services provided and persons or sections of community served	13

Management & structure

9.1.3 (i) (d) (i)	Names of governing board members, audit committee & chief executive officer	6
9.1.3 (i) (d) (ii)	Names of senior office holders and brief description of each office	6
9.1.3 (i) (d) (iii)	Chart setting out organisational structure	7
9.1.3 (i) (e)	Workforce data and application of merit & equity principals	17
9.1.3 (i) (f)	Application and operation of FOI Act 1982	18

Financial and other information

9.1.3 (ii) (a)	Summary of financial results with previous four year comparatives	20
9.1.3 (ii) (h)	Extent of compliance with Building Act 1993	19
9.1.3 (ii) (i)	Statement that information listed in Part 9.1.3 (iv) is available on request	19
9.1.3 (ii) (k)	Statement on implementation and compliance with National Competition Policy	19

FINANCIAL STATEMENTS

Preparation

9.2.2 (ii) (a)	Statement of preparation on an accrual basis	25
9.2.2 (ii) (b)	Statement of compliance with Australian Accounting Standards and associated pronouncements	25
9.2.2 (ii) (c)	Statement of compliance with accounting policies issued by the Minister for Finance	25

Statement of financial operations

9.2.2 (i) (a)	A statement of financial operations for the year	22
9.2.3 (ii) (a)	Operation revenue by class	28
9.2.3 (ii) (c)	Other material revenue by class including sale of non-goods assets and contributions of assets	28
9.2.3 (ii) (e)	Depreciation, amortisation or diminution in value	30
9.2.3 (ii) (i)	Auditor-General's fees	38

Statement of financial position

9.2.2 (i) (b)	A statement of financial position for the year	23
---------------	------------------------------------------------	----

Assets

9.2.3 (iii) (a) (i)	Cash at bank or in hand	23
9.2.3 (iii) (a) (iii)	Receivables, including trade debtors, loans and other debtors	23 & 30
9.2.3 (iii) (a) (iv)	Other assets, including prepayments	23
9.2.3 (iii) (a) (v)	Investments by class	23
9.2.3 (iii) (a) (vi)	Property, plant & equipment	23 & 31

Liabilities

9.2.3 (iii) (b) (iii)	Trade and other creditors	23 & 32
9.2.3 (iii) (b) (v)	Provisions, including employee entitlements	23 & 33

Equity

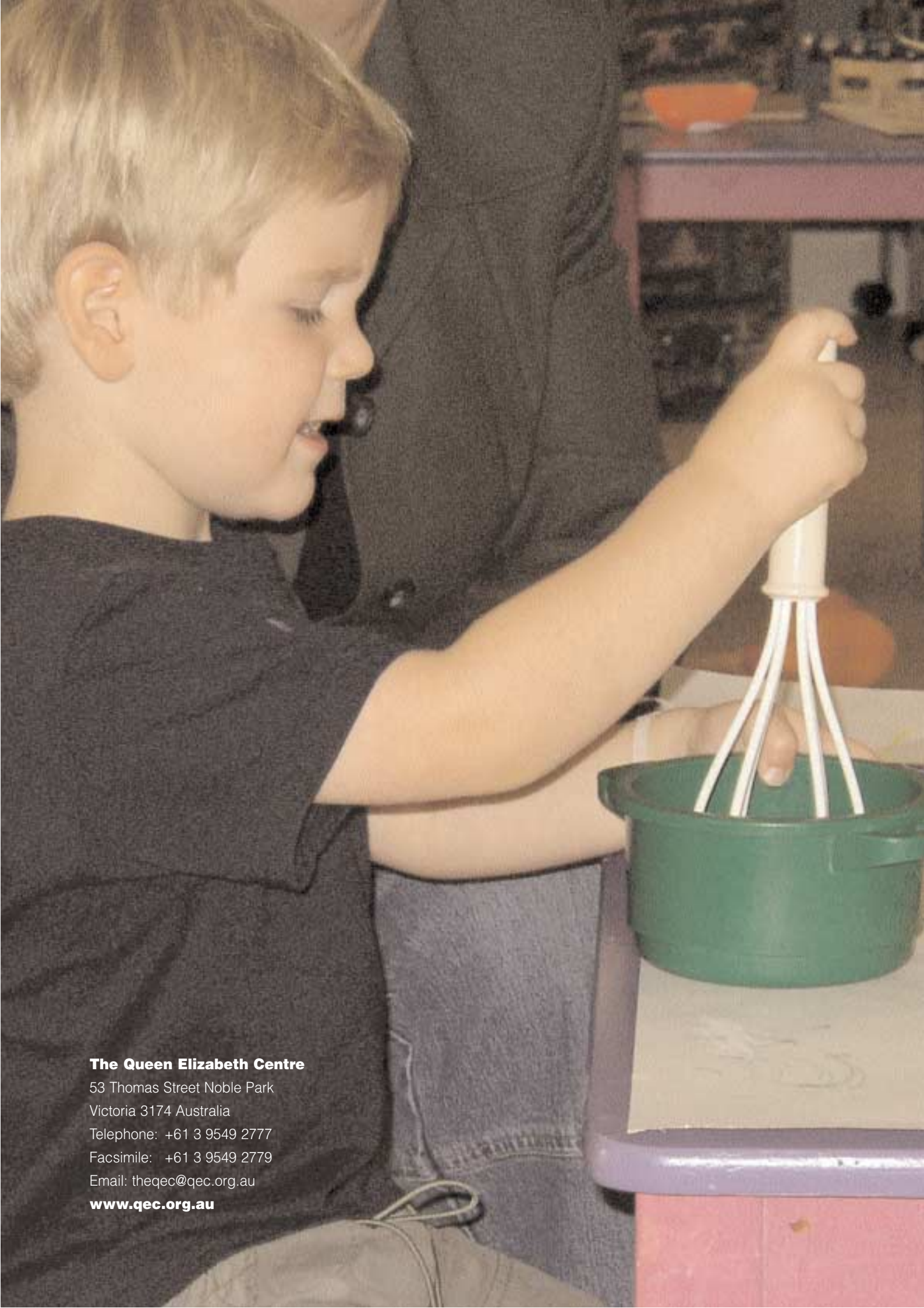
9.2.3 (iii) (d)	Reserves, and transfers to and from reserves (shown separately)	23 & 34
-----------------	-----------------------------------------------------------------	---------

Statement of cash flows

9.2.2 (i) (c)	A statement of cash flows for the year	24
---------------	----------------------------------------	----

Notes to the financial statements

9.2.3 (iv) (c)	Commitments for expenditure	33
9.2.3 (iv) (d)	Government grants received or receivable and source	28
9.2.3 (iv) (e)	Employee superannuation funds	36



The Queen Elizabeth Centre

53 Thomas Street Noble Park

Victoria 3174 Australia

Telephone: +61 3 9549 2777

Facsimile: +61 3 9549 2779

Email: theqec@qec.org.au

www.qec.org.au