



Queen Elizabeth Centre **Annual Report** 2023-2024



We acknowledge all Aboriginal and Torres Strait Islander peoples as traditional owners of the lands on which we walk, live and raise our children.

We pay our respects to traditional owners past, present, future and any Aboriginal people present here today.

We acknowledge the importance of children being raised with connections to culture, community and family.

View our video version [Acknowledgement of Country](#)





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Board Chair and Chief Executive Officer Report

QEC is committed to partnering with families and communities to ensure every child has the best start in life. In 2023-2024, we supported over 2,500 families – enabling children to grow, develop and thrive. Our work is centred around three key strategic goals:

- I. Clinical Excellence – partnering to create and deliver high quality early parenting support to more children and their families
- II. Leadership – providing leadership for the early parenting sector that expands knowledge and access for all Victorians
- III. Organisational Excellence – creating an outstanding operating environment that accelerates our work.

Over the last year, we focused on amplifying the voices of children and families by inviting them to play an active role in our development, management and governance. To this end, our fantastic consumer team made significant contributions:

- Reviewing and refining our community and consumer engagement frameworks
- Co-presenting at conferences
- Participating in new employee recruitment interview panels
- Actively engaging in a range of internal working groups
- Reviewing policies, procedures, forms and templates.

In addition, we warmly welcomed Lisa Mulvogue, our first Independent Consumer Member on QEC's Board Quality, Risk and Clinical Governance Committee, thus enabling consumers to play a key role in our governance framework.

QEC's strong commitment to reconciliation and self-determination continued this year, via ongoing partnerships with Aboriginal Community Controlled organisations, including: VACCA, VACCHO, Ramahyuck/Wanjana Lidj and First Peoples Health and Wellbeing.

As our consumer base grew, we recognised the need for our physical and non-physical infrastructure to keep pace with demand.



The completion of the refurbishment of the main building at our Noble Park site means we now have: four new family rooms, sixteen upgraded existing family rooms, new dining facilities, an expanded nurses' station, remodelled reception area, additional consulting suites, new employee facilities and office areas – providing expanded capacity and a comfortable, modern environment for our consumers and employees alike. We thank the Victorian Government for their significant support in this project. In 2025, we will continue the refurbishment of our day stay facilities and develop a new, much needed regional Early Parenting Centre, co-located on Peninsula Health's site at Hastings. We have also commenced multiyear programs that will support our purpose with new client information management, learning and human resource platforms.



We reviewed our communications strategy and launched a new [website](#). With a fresh contemporary look that is easy to navigate, the site has been extremely popular with consumers and referrers.

Our social media strategy has also been revitalised to support more families and children across Victoria, by giving them better access to relevant information and resources. Furthering our work in the digital health space, we commissioned Monash University to evaluate our Telehealth program. The evaluation outcomes tell us that telehealth embraces the diversity of Victorian families and provides an important pathway for families of young children to receive support in an inclusive and accessible manner. We are grateful to QEC's Wendy Spry and Frank Slutzkin Committee for their support of this work.

During the year, a team of accreditation assessors from the Australian Commission on Safety and Quality in Health Care spent three days at QEC, undertaking our first audit against the National Safety and Quality Health Service Standards. The team visited every QEC site, reviewed documentation, interviewed employees, spoke with consumers and engaged with our Board. QEC is very pleased to have met all standards, with no recommendations. This is a credit to our employees whose care and work is reflected in these outcomes – thank you to our amazing team.

In 2023-2024, the Department of Health funded QEC and Monash University to take a leadership role in the rollout and implementation of the [Statewide EPC Outcomes Framework](#) across all Victorian EPCs. This comprehensive framework – which was developed in collaboration with the QEC and Monash University in 2021 – adopts a socio-ecological approach to ensure the overarching outcomes of health and wellbeing, connection, growth, learning, safety and security are considered across multiple levels of the EPC network. We express our gratitude and sincere thanks to Twedde, Monash Health, Mercy Health, Grampians Health, Barwon Health, Bendigo Health for sharing their enthusiasm, challenges, knowledge and expertise during this project. This work will contribute significantly to the EPC evidence base to ensure Victorian families continue to receive optimal care and support.





Having a strong culture is one of the most important things we do to enable our purpose. Everyone involved with QEC lives our values every day, as we:

- *Listen*, understand and learn
- *Embrace* cultures, communities and families
- *Celebrate* unique strengths and experiences
- *Inspire* each other to grow and thrive
- *Nurture* kindness and the joy of play
- *Strive* to deliver the best outcomes and care.

This year's outstanding VPSC People Matter Survey results led to QEC being rated as one of the top five organisations in workplace culture across Victoria. This reflects the leadership of our CEO and Executive team, who make a significant contribution to our organisation every day, and to whom the Board expresses our sincere thanks.

Our Board is made up of individuals who are incredibly committed to ensuring that the QEC continues to grow and deliver well designed services to our communities. We are privileged to be able to serve. In July 2024, we thanked and farewelled Board Directors Mimmie Watts and Kushal Shah – and Karen Janiszewski, Graham Giannini, who both served nine years and contributed significantly to our work. We warmly welcomed Draga Jevtic and Marilynne Crestias to the Board and together we look forward to continuing working hard to ensure that every child has the best start in life.

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for The Queen Elizabeth Centre for the year ending 30 June 2024.

Catherine Ho

Board President
9 October 2024

Sue White

Chief Executive Officer
9 October 2024





J's story

My daughter and I became part of a QEC community based program from November 2023 until April 2024.

With P as my QEC Practitioner, I wanted to be supported with my Family Care Goals of achieving full reunification with my beautiful daughter, enrolling her in regular childcare within walking distance of our family home and a short drive for kinship, support and education around first foods and healthy eating habits/routines for infants.

I was concerned about how this could all take place as I was also experiencing significant family violence, trying to retain employment, meeting all service involvement requirements and of course prioritising the care and well-being of my daughter. At times it felt like even though I was trying to do everything right, I needed to jump through hoops that my daughter's father wasn't being held accountable for.

I persevered, I continued to reach out for support. The program worked with me, we held visits in my home, at the kinship home, in community, parks and cafés and at the office. We enrolled my daughter in a wonderful local childcare, I absorbed all the first foods/developmental patterns education and put it into action, sharing photos and updates with P on my daughter's hilarious facial expressions when trying new foods and sitting in her new highchair.

My confidence and commitment to my daughter continued to grow with this support.

I realised I am the expert in my own life and with the consistent support of the program I began to make changes slowly and carefully.

At the time the program closed I still didn't have my daughter in my full-time care but not long after, and with my newly found strength and determination I was able to bring her home just before her first birthday.

My experience with this program has changed the course of my life. I can't thank P enough. I will now continue to go from strength to strength.

Thank you QEC.



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Overview

Children are at the heart of everything we do at QEC. We believe every child deserves the best start in life. To this end, we're here to provide families with specialised services, guidance and education to support them on their parenting journey.

Our vision is for all children have the best start in life.

Our role is to partner with families and communities to deliver outstanding early parenting support that enables children to thrive.


Our values guide everything we do:



Listen,
understand
and learn


Embrace
cultures,
communities
and families

Celebrate
unique
strengths and
experiences




Inspire
each other
to grow
and thrive

Nurture
kindness
and the joy
of play



strive
to deliver the
best outcomes
and care





To achieve our vision, we have a [Strategic Plan](#) that puts children and their families at the centre of our work:

Goal 1: Clinical Excellence

Partner to create and deliver high quality early parenting support to more children and their families.

- I. Deliver safe, high-quality, effective care that places children at the centre, to more families.
- II. Celebrate and embrace the unique strengths and experiences of the families and communities we care for.
- III. Collaborate with diverse partners to best support more children and their families.
- IV. Partner with First Nations communities in support of self-determination.

Goal 2: Leadership

Provide leadership for the early parenting sector that expands knowledge and access for all Victorians.

- V. Grow our expertise, knowledge and resources in clinical care, policy development, education, research and evaluation.
- VI. Amplify and expand industry leading practice and ideas.
- VII. Be recognised as a trusted source of expertise in our community.
- VIII. Advocate for the delivery of care to Victorian families in need.

Goal Three: Organisational Excellence

Create an outstanding operating environment that accelerates our work.

- IX. Attract, develop and retain an inspired and empowered workforce.
- X. Grow a diverse and inclusive culture.
- XI. Sustain our organisation with strong and evolving technology, infrastructure and financial outcomes.
- XII. Improve our environmental performance to benefit future generations.



QEC is a public health service established under the Health Services Act 1988 (Vic). The responsible Minister is the Minister for Health.

We acknowledge the support and commitment of:

- Minister for Health, the Hon. Mary-Anne Thomas (1 July 2023 to 30 June 2024)
- Minister for Mental Health, the Hon. Gabrielle Williams (1 July 2023 to 2 October 2023) and the Hon. Ingrid Stitt (2 October 2023 to 30 June 2024)
- Minister for Children, the Hon. Lizzie Blandthorn (2 October 2023 to 30 June 2024).

QEC is ably led by a high functioning Board who diligently provide oversight of governance and strategy across the organisation. Our Board is comprised of engaged, professional, and highly skilled Directors who take their role seriously and commit time to ensuring we deliver our vision, strategy, and operations.

Over the past year, we have continued to foster excellence in Board Director performance aligned to our agreed accountability framework:

Accountability	Director Compliance
Compliance Attestation	100%
Conflict of Interest Declaration	100%
Vic Gov Declaration of Private Interests	100%
Vic Gov Related Parties	90%
Working with Children Check	100%
Min 75% Board Meeting Attendance	90%
Min 75% Committee Meeting Attendance	89%
Annual Strategy Day Attendance	90%
Budget Approval Meeting Attendance	70%
Financial Result Meeting Attendance	80%
Minimum 1 x Onsite Event Attendance	100%





We sincerely thank the following Board Directors for their work in 2023-2024:

Ms Catherine Ho

Board Chair

B.Economics, Grad Dip Applied Finance, ACA, EFP (ANZSOG), GAICD

Catherine's commercial career spans over 25 years in Australia and internationally, working with some of Australia's largest companies and the Victorian government. Her tenures with AXA, Members Equity Bank, Pricewaterhouse Coopers and Cenitex spanned a broad range of services ranging from audits, business processes improvements, strategic commercial advice and transformation to governance. Catherine is also an advisory member of the Technology Business Management Council for Asia Pacific. She joined the QEC Board in 2017 and was appointed Board Chair in 2023. Board meeting attendance for the period was 100%.

Professor Julie Green

Deputy Board Chair

PhD, MPH, Grad Dip Adult Ed, Cert Midwifery, Cert Nursing, GAICD

Julie has more than four decades of clinical, research and policy experience in child and family health and evidence-based parenting support. Julie has also served on senior committees and advisory groups in Victoria and nationally in the areas of parenting, child safety, child mental health, research and ethics, and digital technologies. She is a board member of Children's Healthcare Australasia and was previously Executive Director and board member of raisingchildren.net.au. Julie is Adjunct Professor, School of Medicine, Western Sydney University; Honorary

Research Fellow at the Murdoch Children's Research Institute; and Principal Fellow, Department of Paediatrics, University of Melbourne. She joined the QEC Board in July 2020 and is Deputy Board Chair and Chair of the Quality, Risk & Clinical Governance Committee. Board meeting attendance for the period was 67%.

Ms Sandy Bell

BA, MPPM, GAICD

Sandy has more than 30 years' experience in the Victorian health sector and is currently Executive Director Strategy, Planning and Performance at the Royal Children's Hospital. Sandy has served on a number of not for profit and public sector boards in the areas of women, housing, community and health. She joined the QEC Board in 2017 and has been Board President since July 2018. Board meeting attendance for the period was 100%.

Mr Graham Giannini

B.Ec, Grad Dip CDC (AICD), Grad Dip Strat Mktg (IMIA), Grad Dip SIA, Bus Cert Ins, FAICD, FFinSIA, FCLP, Snr Assoc AGSL

Graham is a management consultant and business advisor who has worked extensively in senior executive roles across the private and public sectors within Australia and abroad. He is an experienced change leader and business improvement practitioner. Graham is also the Chair of Business Excellence Australia. He joined the QEC Board in 2015 and was a member of the Audit, Finance & Infrastructure Committee. Board meeting attendance for the period was 83%.



Ms Karen Janiszewski

B.Sc (Building), Grad Dip (Property), FAICD

Karen has 35 years of construction and development experience in private and public companies, state and local government and community organisations. She is a Fellow of the Australian Institute of Company Directors. Karen is a professional non-executive director with positions on government, private and not for profit boards. She is the current Chair of the AgriBio Research Centre and a board member of Melbourne Polytechnic and Unity Housing. She joined the QEC Board in 2015 and was a member of the Audit, Finance & Infrastructure Committee and the Wendy Spry & Frank Slutzkin Research Fund Committee. Board meeting attendance for the period was 100%.

Ms Lesley Podesta

B.Arts, Master of Arts Psycho-Social Research

Lesley was the CEO of the Alannah & Madeline Foundation from 2016 to 2021. In July 2021 Lesley commenced as Head of Government Relations at Phoenix Australia, Centre for Post Traumatic Mental Health, University of Melbourne. She is the Chair of the Advisory Board Young & Resilient Centre at University of Western Sydney and a Board member of UNICEF Australia. Prior to joining the not-for-profit sector, Lesley had a long career in State and Commonwealth government and worked in a number of senior executive roles. She joined the QEC Board in 2019 and is a member of the Quality, Risk & Clinical Governance Committee. Board meeting attendance for the period was 83%.

Associate Professor Mimmie Watts

PhD, RN, MPH, GCTE

Mimmie, a distinguished public health expert and academic from Federation University Australia, possesses extensive experience in curriculum development, health policy, migrant health, leadership, and international collaborations within academia and the business sector. With a PhD in Public Health from La Trobe University and a Master of Public Health from the University of Melbourne, Mimmie continues to make significant contributions in the field of global health, governance, higher education, policy development, research, and leadership.

As a former Commissioner of the Victorian Multicultural Commission and Senate candidate in Australia, she has demonstrated her commitment to promoting multiculturalism and diversity. Mimmie also serves on the Policy Committee of the World Federation of Public Health Associations and holds various governance positions, including Chairperson of the Australian Chapter of the African Science Research and Innovation Council. Board meeting attendance for the period was 100%.

Mr Kushal Shah

CA, LL.B, M.Com, B.Com, CIA, Executive MBA (Melbourne Business School), Cert. in ESG

Kushal specialises in Corporate Governance, Risk Management, Financial Management and Assurance, Strategy, Technology, and Environmental, Social and Governance. Kushal has significant global and leadership experience gained in Australia, the UK, India, China, and New Zealand through leading 'in-house' Risk, Governance and Assurance functions



at multi-stakeholder large organisations; leadership roles at the 'Big4' global consulting firms; and independent Board, Audit & Risk Committee, and Quality & Governance Committee roles. Currently, Kushal is the Managing Partner of a multinational management consulting firm with a client base across multiple countries. Kushal also currently serves as the Non-Executive Director, including Deputy Chair, on multiple Boards of organisations in the health, arts, and the critical infrastructure sectors. Kushal joined the QEC Board in July 2021 and is a member of the Audit and Risk Committee. Board meeting attendance for the period was 100%.

Ms Belinda Loke

LLB (Hons) B.Bus (Banking and Finance) GAICD

Belinda is a dynamic professional with expertise in law, governance, and leadership. Recognised in the Governance Top 100 and awarded the 2023 Asian-Australian Leadership Awards, she serves as a Board Director at QEC and Kids Hope Australia, chairing key committees. Belinda holds Advisory Council roles at the Monash University Health and Social Care Unit, The Royal Children's Hospital, and the BoardEffect Expert Advisory Panel. Founder of Legalex, a digital law firm, Belinda has over 17 years of legal experience. Her academic credentials include a Bachelor of Laws (Honours), Bachelor of Business (Banking and Finance), GAICD and an executive program at Harvard Law School. Belinda joined the QEC Board in July 2023 and is a member of the Quality, Risk & Clinical Governance Committee and Wendy Spry & Frank Slutzkin Research Fund Committee. Board meeting attendance for the period was 100%.

Dr Henryk (Harry) Majewski

PhD, GAICD

Harry was the CEO of Access Health and Community, a non profit primary care health service in Melbourne Australia for 10 years. He now runs his own consultancy, Fresh Strategy, largely focussed on pro bono strategy development for non profits. Prior to his CEO position, he was Professor and inaugural Head of School of Medical Sciences at RMIT University and an NHMRC funded medical researcher at the University of Melbourne, Monash University, RMIT University and the University of Freiburg. He is an alumnus of Leadership Victoria and has contributed as a volunteer to projects in education, health, leadership development and mentoring. Harry joined the QEC Board in July 2023 and is a member of the Quality, Risk & Clinical Governance Committee. Board meeting attendance for the period was 100%.





The work of QEC's Board is well supported by a number of committees:

Audit, Finance and Infrastructure Committee

Chair	Karen Janiszewski
Members	Sandy Bell Graham Giannini Kushal Shah

Quality, Risk and Clinical Governance Committee

Chair	Julie Green
Members	Lesley Podesta Mimmie Watts Harry Majewski Belinda Loke

Wendy Spry and Frank Slutzkin Research Fund Committee

External Members	Bruce Morley (Chair) Ian Ross Campbell Paul
Board Directors	Karen Janiszewski Sandy Bell

The Executive Team make a significant contribution to QEC:

Chief Executive Officer
Sue White

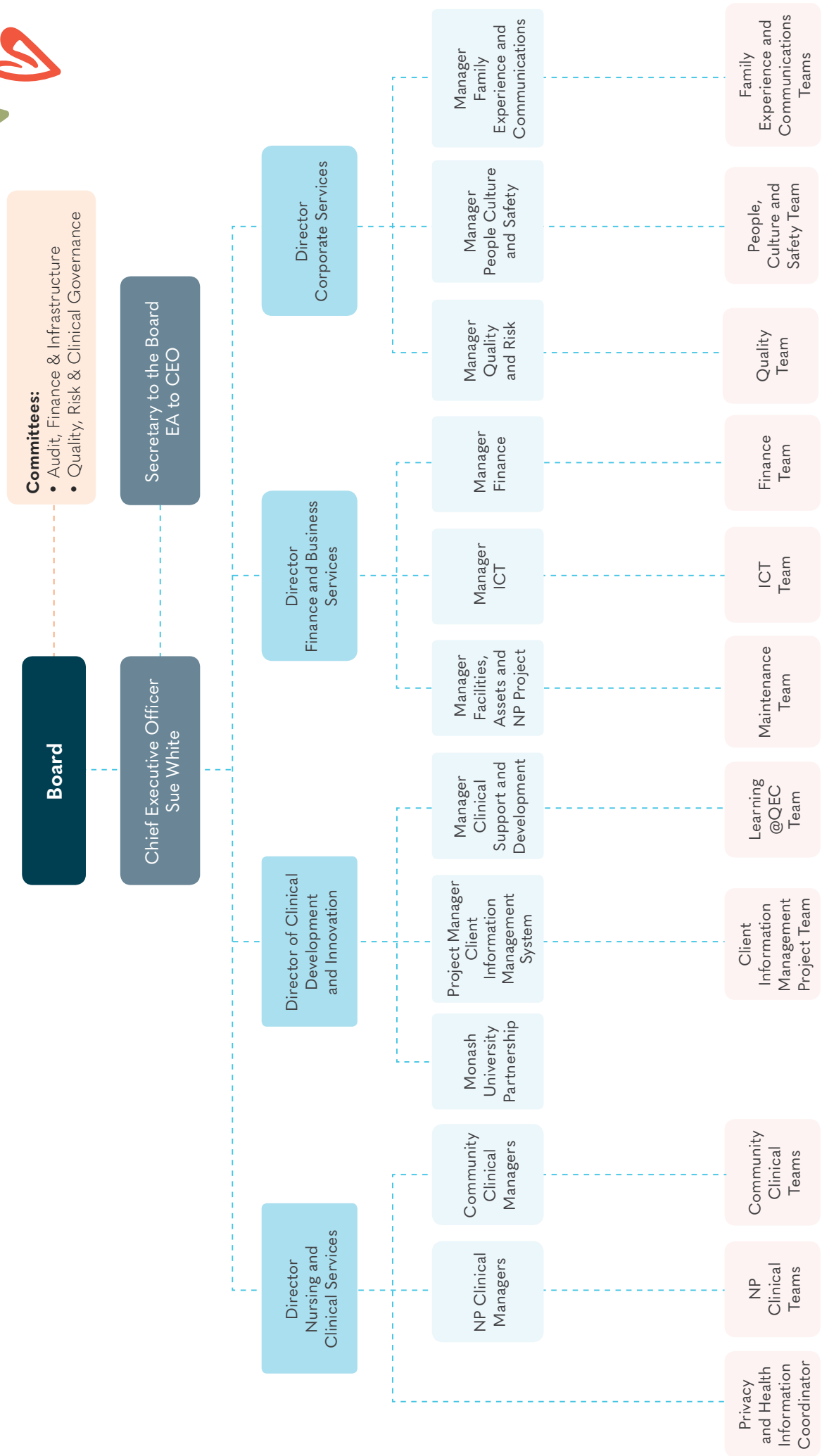
Director of Clinical Innovation & Development
Helen Cunningham

Director of Nursing & Clinical Services
Elaine Grant

Director of Corporate Services
Casey Hepburn

Director of Finance & Business Services
Owain Hughes

organisational chart





3

Strategic Goal One: Clinical Excellence

Partner to create and deliver high quality early parenting support to more children and their families.

3.1 Our work

Ensuring children have the best start to life has been our mission for over a century; every year we support thousands of families through evidenced based programs, delivered via:

- Five modalities (inpatient, day-stay, groups, home-visit, telehealth)
- Multiple locations across metropolitan Melbourne (Noble Park, Southern Melb, Northern Melb) and regional Victoria (Gippsland, Northeast Vic)
- 150 employees working in partnership with families, communities and other services
- Robust, enduring partnerships with Aboriginal Community Controlled Organisations.

Our programs include:

Assessment and Intake – Delivered by experienced clinicians providing brief interventions and linkages to service options, ensuring the right program at the right time.

Day Stay – Single day program incorporating intensive, practical parenting education and support.

Residential – Residential program for families experiencing challenges with parenting infants and young children.

PlaySteps – Relationship based parenting program focusing on enhancing interactions between children and their parents, via a weekly, structured group format.

Parenting Plus – Home-based, intensive parenting skills development program.

Parenting Assessment and Skills

Development – Intensive parenting assessment and skills development program for families who are referred through the Child Protection system, delivered in residential and home-based settings.



Individual Child and Family Support –

Home based program providing responsive, needs based support to vulnerable children and families.

ForWhen – National digital and phone support for new parents, to connect families to mental health services.

Specialist Interventions – Intensive home-based support service for families with children at risk of (or who have recently been placed in) out of home care.

Family Preservation and Reunification –

Intensive support for families with children at risk.

During 2023-2024, QEC was proud to provide services from a range of locations across Victoria. Over the past year, we supported 2,669 families.

Region	Number of Families
State-wide: Advice Line (A&I)	428
State-wide: ForWhen Perinatal Mental Health Support	637
State-wide: EPC Programs	1,179
State-wide: Residential PASDS	109
Southern Melbourne	117
Gippsland	111
Northern Melbourne	53
Northeast Victoria	35
Total	2,669



3.2 Reconciliation and self determination

QEC is committed to reconciliation and self-determination - acknowledging Aboriginal and Torres Strait Islanders peoples as the First Peoples of Australia and celebrating their unique cultural and spiritual relationship to the land and sea. We recognise the contributions, strength and diversity of Aboriginal People and their communities, past, present and future. We are dedicated to strengthening of the relationship between Aboriginal and Torres Strait Islander and non-indigenous communities: we aim to build respect for and understanding of Aboriginal and Torres Strait Islander cultures across all aspects of our work.

Over the last 12 months, QEC has continued to forge strong and respectful partnerships with Aboriginal Community Controlled organisations: VACCA, VACCHO, Ramahyuck/Wanjana Lidj and First Peoples Health and Wellbeing.

Our [Reconciliation Action Plan](#) is a formal statement of commitment that aims to support the development of respectful relationships and meaningful opportunities with Aboriginal and Torres Strait Islander peoples. Over the last 12 months, reconciliation initiatives have included:

- Activity plans promoting cultural knowledge, respect and safe practice
- Participation in significant events with local First Nations' communities
- Cultural safety training (provided by VACCHO) for all employees
- National Reconciliation Week "Voices for Generation Choir"
- Children's toys, books and games that reflect Aboriginal and Torres Strait Islander peoples' cultures.

Award winning Walrpiri/Jawoyn filmmaker Justin Grant, from Witchenini Entertainment and an Aboriginal and Torres Strait Islander cast and crew, created our



unique [Acknowledgement of Country](#) in 2022. This film is shared at commencement of meetings, training and presentations (internally and externally) and inspires reconciliation reflections and commitment.

3.3 New industry partnership

This year, QEC partnered with the Royal Women's Hospital Cornelia House Program to provide our Playsteps group parenting program to women experiencing homelessness. The program emphasises safety and supporting parent-child attachment and is run as a weekly session on site at Cornelia House, over a 9-week timeframe. Engagement is high, with up to 6 parents and their children attending each week. QEC also runs a second PlaySteps program at a community venue in Frankston, aimed at supporting local families who are experiencing high levels of vulnerability.

3.4 Enhancing our digital footprint

QEC's 24/7 telehealth program was developed in response to the emerging COVID pandemic, to ensure that families with young children were supported during uncertain times. Since 2020, the program has continued to provide support through a virtual format. Last year, we commissioned Monash University's Health and Social Care research team to evaluate this program. The evaluation found that telehealth provides an important way to support families, with capacity to deliver additional benefits through an inclusive and accessible program that can embrace the diversity of Victorian families. The report findings have been disseminated to participants, government and other stakeholders, with our clinical

leadership team exploring and implementing the recommendations. We are grateful to QEC Wendy Spry and Frank Slutzkin Committee for their support of this work.

QEC's new [website](#) was launched earlier this year – and has a fresh contemporary feel, is easy to navigate and has been extremely popular with consumers and referrers! Our new Social Media Look Book was developed in collaboration with key stakeholders, to support more families across Victoria.

3.5 Accreditation

In early May, a team of accreditation assessors from the Australian Commission on Safety and Quality in Health Care spent three days at QEC undertaking our first audit against the National Safety and Quality Health Service Standards. These standards provide a nationally consistent statement of the level of care consumers can expect from health services and aim to protect the public from harm and improve the quality of health service provision. The team visited every QEC site, reviewed documentation, interviewed employees, spoke with consumers and engaged with our Board. QEC was exceedingly pleased to meet all in scope standards, with no recommendations.





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Strategic Goal Two: Leadership

Provide leadership for the early parenting sector that expands knowledge and access for all Victorians.

4.1 Consumer and community participation

QEC has continued to progress consumer partnerships, with engagement, feedback and participatory decision making offered across a number of initiatives:

Share
your Story

Family
Advisory
Committee

Join an
interview
panel

Co-present
at a
conference

Family
Online
Panel

Focus
group and
workshop

Join a
committee

Assist in
delivering
training

Join a
project

An evaluation of our
Family Advisory Committee
elicited positive responses
from members:

'I like learning from QEC staff and volunteers about system improvement while improving service experiences for families.'

'QEC provides a feedback loop, so it is made explicit how our contributions relate to service improvements.'



'QEC staff and volunteers are respectful of the views of others and it always feels like my views are heard and valued.'

'I feel connected with my fellow parents. I am able to contribute and pay it forward. Our contribution has a direct impact on the improvement of QEC services.'

'We were each given a chance to speak and the recommendations we gave were considered. We saw/we were informed of the changes being implemented.'

'It gives me an opportunity to give back to an organisation that got me through some of the most challenging parenting moments.'

In April, our Board Quality Risk and Clinical Governance Committee undertook a robust search for a Consumer Member, appointing Lisa Mulvogue to join the Committee.

This new Board Committee Consumer Member role was created with the following anticipated benefits – and will be evaluated against these outcomes after a 12-month period:

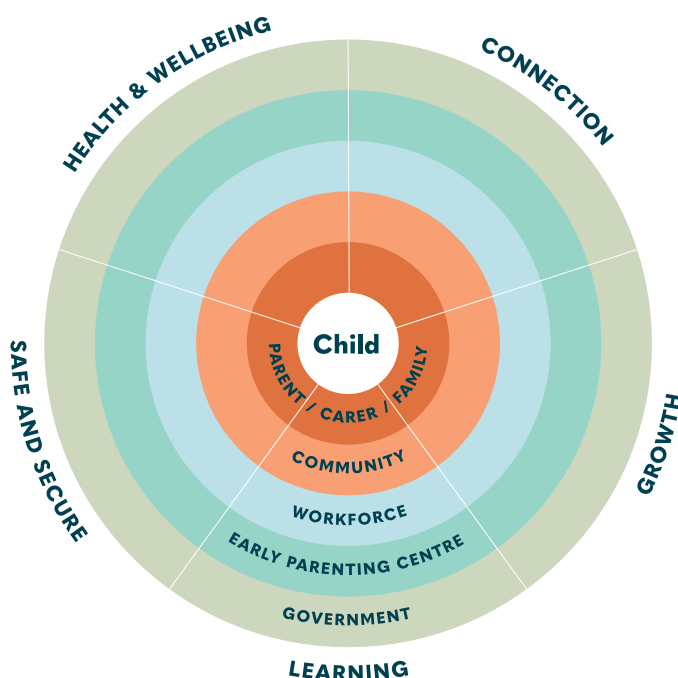
- Best practice clinical governance
- Value and importance of Consumer Participation in pursuit of our vision and purpose
- Support learning and clinical improvement, driving a CQI focus
- Professional development pathways for Consumer Representatives.

4.2 Outcomes

In 2021 the Victorian Department of Health commissioned QEC and Monash University to develop the [Statewide EPC Outcomes Framework](#) for the expanded Victorian Early Parenting Centre network. This comprehensive framework uses a socio-ecological approach to ensure the overarching outcome domains (of

health and wellbeing, connection, growth, learning, safe and secure) are considered across multiple levels of the EPC network. During the past year, the Department of Health again funded QEC and Monash University to take a leadership role in the implementation of this framework across the newly developed EPCs at Monash Health, Grampians Health, Barwon Health, Bendigo Health, Mercy Health and Tweddele.

Socio-ecological levels of the EPC Outcomes Framework





Data from 2023-2024 demonstrates significant outcomes experienced by families engaged with QEC services:

Outcome Domain	Results (1 week post discharge)
Health and Wellbeing	89% of families are connected with health professionals
Connection	92% of parents have increased awareness of health and support services for themselves and their family
Growth	89% of parents have an improved understanding of their child/ren's behaviour
Learning	88% of parents have an improved understanding of parenting
Safe and Secure	99% of families felt their values and beliefs were respected during the program.

4.3 Conference presentations

QEC presented at a number of conferences over the past year.

- Safer Care Victorian/Health Issues Centre *Partnering in Healthcare Outcomes Summit* – our presentation highlighted the strong partnership between QEC and consumers – and the importance of leveraging this relationship to improve outcomes in a meaningful way.
- Institute for Healthcare Improvement/BMJ *International Forum on Quality and Safety in Healthcare*: our presentation explored ways to best achieve meaningful outcomes through innovative digital consumer engagement.
- CFECFW/DFFH *Open Symposium Building resilient families and thriving communities*: our presentation described the development of the Victorian Early Parenting Centres Outcomes Framework.





M's story

I have a 3-year-old and a 6-month-old. Since my youngest arrived, my 3-year-old has experienced lots of changes including moving to his big bed. This change in environment really impacted his sleep. He would begin each night in his own bed but inevitably end up spending at least half of it in ours. Meanwhile, my 6-month-old would wake up every few hours. Bedtime was becoming incredibly stressful. My 3-year-old was taking up to two hours each night to fall asleep and refusing to stay in bed. Juggling this while feeding my baby was challenging. This had been going on for months, and the anxiety was becoming overwhelming. I dreaded bedtime so much that I would get a knot in my stomach. I found myself worrying about things I normally wouldn't, and my exhaustion left me feeling helpless.

I referred myself online and received a call a week later. My initial call with the admissions team was a great experience. The staff member made me feel really seen and supported. I hung up from that phone call feeling relieved and reassured to no longer be alone in dealing with our situation. The most important aspect of the program was the staff. I couldn't fault anyone; everyone I spoke to was kind, caring, understanding, and supportive. The program exceeded all of my expectations, not just through the staff but also through the exceptional support they offered me. I didn't realise that through the program, I would have someone supporting me with all the settling and explaining the different types of crying.

Also, when my toddler was being a menace that someone would be with me saying 'You're doing a great job, keep persisting, you're doing awesome!'. It was so helpful. The facilities were amazing too. Not just the bedroom but the playroom and garden spaces were incredible. My 3-year-old also benefited in ways I hadn't anticipated. His growing confidence during his time at QEC was a pleasant surprise and meant so much to me. It was beautiful to see him blossom and thrive. He had an absolute ball and witnessing his development became a wonderful bonus on top of the sleep goals we initially came for. Bedtime can still be a bit of a challenge—our toddler sometimes resists a bit—but we're now confident in our strategies because we know they work. Our 6-month-old now only wakes up once or twice a night and can self-settle for all naps, while our toddler stays in bed throughout the night. The program has far exceeded our expectations, and I can't recommend QEC highly enough.



5

Strategic Goal Three: Organisational Excellence

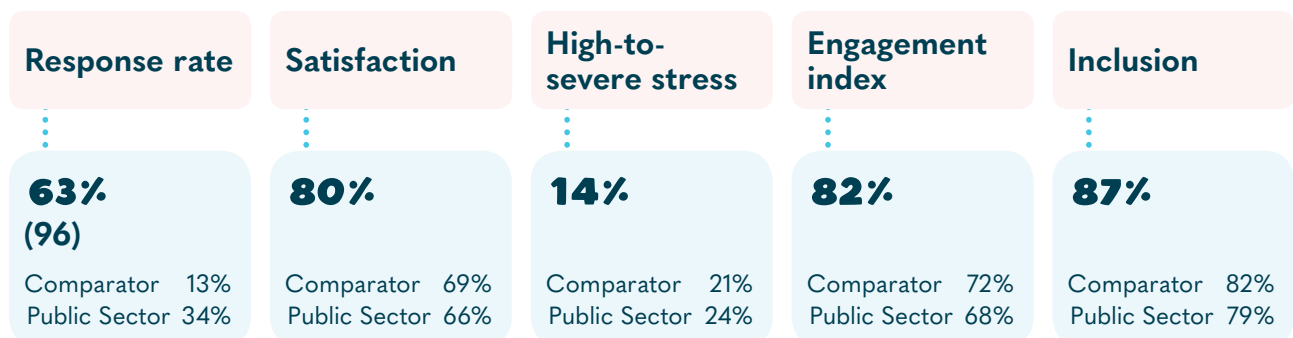
Create an outstanding operating environment that accelerates our work.



5.1 People matter survey

In late 2023, our employees completed the annual Victorian Public Sector People Matter Survey. QEC once again received extremely positive employee satisfaction results, further improving on previous results and exceeding industry benchmarks.

A summary of key metrics provided below



The outstanding work of our employees ensures that families are given the best possible support to ensure every child has the best start in life. Our People Matter Survey results and workplace culture is a testament to the efforts of each and every person at QEC.

5.2 Learning event

Over 140 employees participated in QEC's annual Learning Event at the end of 2023. As well as covering mandatory training requirements for all employees, we also included a range of mental health promotion activities (mindfulness, movement and reflection). We heard from guest speakers and presented our annual employee awards.



5.3 Workforce data

Hospitals labour category	June Current Month FTE		Average Monthly FTE	
	2023	2024	2023	2024
Nurses, Midwives, Early Parenting Practitioners and Clinical Educators	47.41	54.6	44.87	59.04
Administration and Clerical	15.83	18.16	14.62	22.17
Executive and Managers	14.41	11.72	15.31	13.72
Medical Support	N/A	N/A	N/A	N/A
Medical Officers	0.52	0.49	0.57	0.6
Hospital Medical Officers	N/A	N/A	N/A	N/A
Sessional Clinicians	N/A	N/A	N/A	N/A
Allied Health Professionals	23.04	26.25	22.18	29.18
Total	101.21	111.22	97.55	124.71

Occupational Health and Safety Statistics	2021-2022	2022-2023	2023-2024
The number of reported hazards/incidents for the year per 100 FTE	30	38	38
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0	1	1
The average cost per WorkCover claim for the year ('000)	\$0	\$58	\$127

Occupational violence statistics	2023-2024
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	3
Number of occupational violence incidents reported per 100 FTE	3
Percentage of occupational violence incidents resulting in a employee injury, illness, or condition	0



5.4 Technology

QEC has undertaken significant improvements to our ICT environment and performance over the past year, as demonstrated by a number of self-assessments and independent technical and cybersecurity audits. Key projects include:

- Digitised, interactive Clinical Practice Framework
- Digital transformation of referral and admission process
- Client Information Management System project
- Future proofing systems and infrastructure upgrades
- Cybersecurity enhancements
- Business Continuity Planning.

5.5 Infrastructure projects

A large scale refurbishment of our Noble Park site was completed in 2024; the building now incorporates:

- Refurbishment of sixteen existing family suites
- Four additional family suites, with improved disability access
- Upgraded family dining facilities
- Expanded nurses' station
- Remodelled reception with four additional consulting suites
- New employee facilities and office areas

These works will enable QEC to support more families every year, and provide an upgraded, modern working environment for our people. Our sincere thanks to our partners at the Victorian Government for their support in this project.

Noble park – Pre-renovation



Noble park – Post-renovation





Our Southern Metro community-based team also moved into new premises in Dandenong South. The new site comfortably accommodates all team members, is well located and has good amenity, with modern, comfortable facilities, an appropriate location and onsite car parking.

5.6 Risk management

Since 2020, QEC has undertaken the annual VMIA Risk Maturity self-assessment. Our results demonstrate a maturing and evolving organisation.

Year	2020	2021	2022	2023	2024
Overall Score	62.35%	74.80%	78.06%	81.84%	84.82%

The self-assessment was repeated in 2024, with a strong result of 84.82% (up from 81.84% in 2023).

5.7 sustainability

QEC commits to embedding sustainability by making a strong pledge to minimising our environmental impact, in order to support our commitment for all children to have the best start in life. The Victorian Government has set a target to be net carbon zero by 2050. QEC contributes to reduction by continuing to embed environmental sustainability within our organisation. In pursuit of this aim, we have successfully secured membership to the [Global Green and Healthy Hospitals](#) alliance – an international community of hospitals and health care facilities, working to achieve measurable outcomes improving sustainability at their facilities while promoting environmental health in their communities.



5.8 Finances

Financial Information

	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
Operating result					
Total revenue	20,762	19,060	14,702	13,246	12,469
Total expenses	(17,486)	(16,530)	(14,191)	(12,448)	(11,946)
Net result from transactions	3,276	2,530	511	798	523
Total other economic flows	722	263	(930)	776	(192)
Net result	3,998	2,793	(419)	1,574	331
Total assets	33,006	28,490	23,698	21,450	18,816
Total liabilities	4,639	3,541	3,594	3,623	3,498
Net assets/Total equity	28,367	24,949	20,104	17,827	15,987

5.9 Consultancies

Details of consultancies (under \$10,000)

In 2023–2024, there were 25 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2023–2024 in relation to these consultancies \$73,000 (excl. GST).

Details of consultancies (valued at \$10,000 or greater)

In 2023–2024 there were 16 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2023–2024 in relation to these consultancies is \$714,000 (excl. GST). Details of these consultancies can be viewed below.





Consultancy Expenditure

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl GST) \$'000	Expenditure 2023-2024 (excl GST) \$'000	Future expenditure (excl GST) \$'000
Whanau Tahi	Project Delivery	2023	2025	761	280	481
Setup4	ICT Consultant	2022	ongoing	120	120	ongoing
Data Agility	Project Delivery	2023	2025	175	46	50
Yump	Website Consultant	2023	ongoing	37	37	ongoing
Action OHS	OHS Consultant	2024	2024	32	32	nil
Cyclone Communications	Brand Consultant	2022	2024	28	28	nil
Build Talent	Project Delivery	2024	2024	28	28	nil
Monash University	Research Partnership	2023	2024	55	25	nil
PowerNET	ICT Consultant	2020	ongoing	21	21	nil
Bayila Creative	Design Consultant	2024	2024	20	20	nil
Kronos Australia	Project Delivery	2024	2024	18	18	nil
Hass Development	Construction Consultant	2023	2025	40	13	27
Anadrom	Board Strategy	2024	2024	12	12	nil
Prime Forensic Psychology	Reflective Practice	2023	ongoing	12	12	ongoing
Anna Mashchenko	Data Consultant	2022	ongoing	11	11	ongoing
Helga Svendsen	Board Strategy	2024	2024	11	11	nil



ICT Expenditure

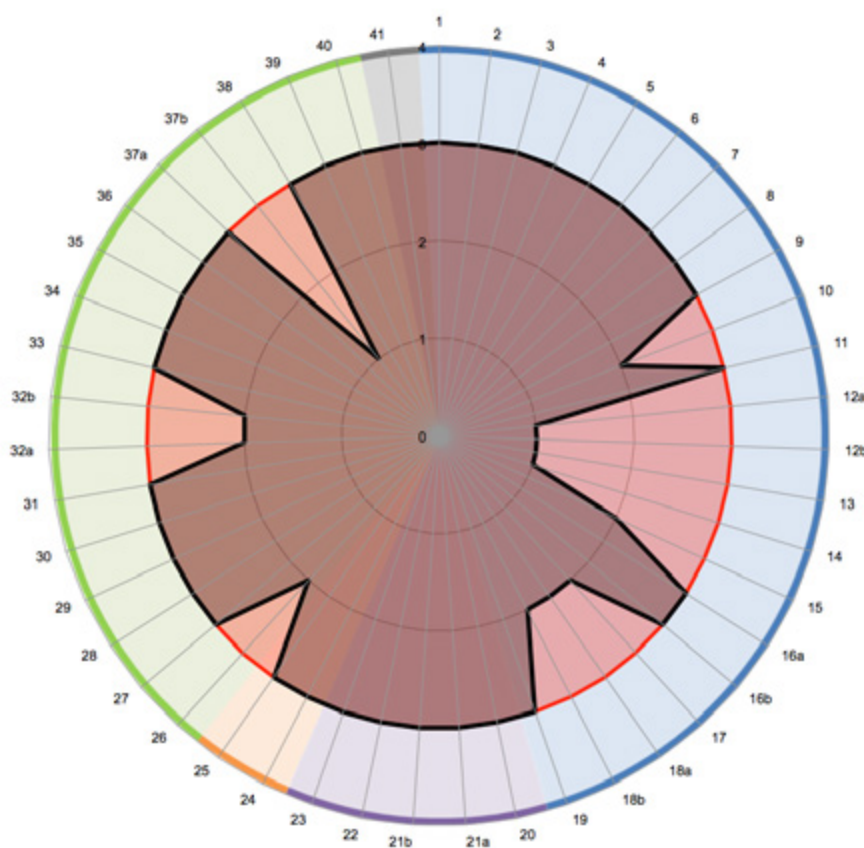
Expenditure type	Total \$'000	Business as usual \$'000	Non-business as usual \$'000
Operational Expenditure	1,286	1,154	132
Capital Expenditure	315	60	255

Asset Management Accountability Framework

This disclosure summarises the department's assessment of maturity against the requirements of the Asset management accountability framework (AMAF).

The following table summarises QEC's assessment of its degree of development against the AMAF measures. 'Awareness' means systems and processes are being developed; 'Developing' means systems and processes are being embedded with links to AMAF; 'Competence' means systems and processes are fully in place and consistently applied and is QEC's target maturity.

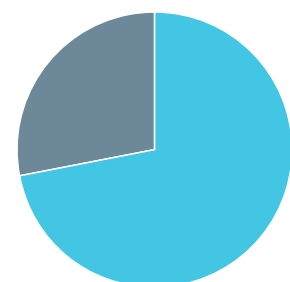
Compliance and Maturity rating (AMAF assessment tool)



Legend

Status	Scale
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

● Target ● Overall



● Comply
● Partial/Non-comply



Environmental Performance

QEC recognises the link between the health and wellbeing of Victorians and the health and wellbeing of the environment. Climate change is a significant threat to public health, the health and human services system and the social determinants of health and wellbeing.

QEC's Environmental Management Plan

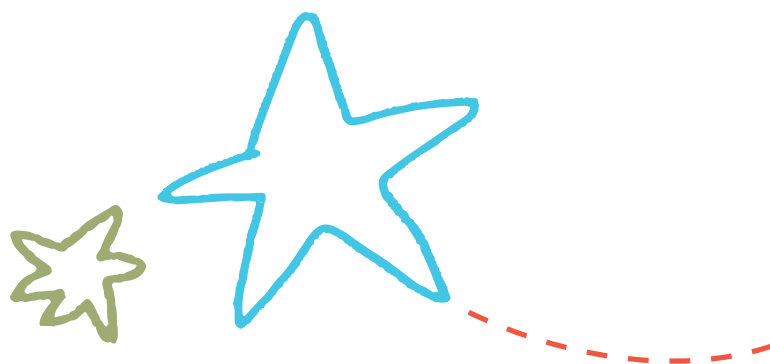
QEC's Environmental Management System (EMP) is a structured approach to managing the QEC's environmental impacts and improving its environmental performance. It is aligned to Victorian Government's Environmental Sustainability Strategy which sets out the government's commitment to improve the environmental sustainability of the health system and to adapt the health system so it is resilient in the face of climate change

QEC aims to be a leader in environmental sustainability by minimising our impact on the environment. The key principles underpinning our approach are:

- Continue to build a culture that values environmental sustainability;
- Embed sustainability in all our business processes;
- Improve resource efficiency – focusing on waste management, fuel/energy use and water use;
- Monitor, improve and report on our environmental performance.

QEC commits to minimising our impact on the environment by:

- Auditing, assessing, improving and reporting on our environmental performance in the areas of paper usage, fuel/energy, waste, water and transport.
- Promoting an environmentally aware culture amongst staff, clients and other stakeholders.
- Reducing energy use through retrofitting energy saving technologies, encouraging energy-saving behaviours amongst staff and considering energy-efficiency when purchasing new equipment.
- Reducing water use by retrofitting water-saving devices, encouraging water-saving behaviour amongst staff and considering water-efficiency when purchasing new equipment.
- Reducing the environmental impacts of our energy use by producing or purchasing renewable energy.
- Reducing waste by ensuring office consumables are efficiently used, re-used and recycled where appropriate.
- Encouraging staff to walk, ride or use public transport where appropriate.
- Managing our vehicle fleet to ensure they are efficiently-used; considering fuel-efficiency when acquiring new vehicles.





Electricity production and consumption

	2024	2023	2022
Total Energy Consumption (MWh)	332	251	298

Stationary Fuel Use

QEC only utilises natural gas for heating systems and cooking. QEC saw a significant reduction in gas usage in 2024 due to the redevelopment works main site.

	2024	2023	2022
Total Consumption (MJ)	2,621	155,958	1,754,534
Greenhouse Gas Emissions (Tonnes)	0.2	9.4	105.7

Transportation

QEC operates a fleet of 29 passenger vehicles which are essential for the provision of services to Victorian families.

	2024	2023	2022
Petrol	15	15	15
Hybrid	14	14	14
Total Passenger Vehicles	29	29	29

Total Energy

Total energy used by QEC increased slightly in 2024 following the completion of the redevelopment of QEC's main site.

	2024	2023	2022
Total Energy Usage From Fuels (stationary) (MJ)	2,621	155,958	1,754,534
Total Energy Use From Electricity (MJ)	1,196,243	903,742	1,073,072
Total Energy from Non-Renewable Sources (MJ)	1,198,864	1,059,700	2,827,605
Units of energy used normalised by FTE	11,159	10,863	30,001



Water Consumption

	2024	2023	2022
Total Water Consumption (kilolitres)	1,365	1,643	1,961
Units of metered water consumed normalised by FTE	12.7	16.8	20.8

Waste and recycling

	2024	2023	2022
Total Waste Generated (Kg)	21,551	31,353	43,581
Total Waste to Landfill (Kg)	14,450	18,776	27,666
Total units of waste disposed of normalised by FTE	201	321	462
Recycling Rate	33%	40%	37%



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Partners and Supporters

Our work is most effective when our diverse partners are deeply engaged in helping us to design and deliver care. In particular, our First Nations and other community leaders are critical to our care being culturally safe, relevant, accessible, and of the highest quality.

Our work is also supported by strong relationships with some incredible peers. We are part of a diverse network of health and care services that work together to deliver the best care possible for every family we see.

These partnerships also help us to advocate for Victorian families who are most in need and to celebrate the unique strengths and experiences of the families and communities we care for.

Our sincere thanks to the following supporters:

- Victorian Government Department of Health
- Victoria Government Department of Families, Fairness and Housing
- The Wendy Spry and Frank Slutzkin Committee
- The Estate of the late Walter Leitch
- The Royal Society of St. George, Victoria Branch
- The Edwin and Elizabeth Batchelder Trust

We are fortunate to collaborate with the following partners:

- First Nations Health and Wellbeing
- Ramahyuck District Aboriginal Corporation
- Victorian Aboriginal Child Care Agency
- Victorian Aboriginal Community Controlled Health Organisation
- Victorian Healthcare Association
- Centre for Excellence in Child and Family Welfare
- Victorian Council of Social Services

- Tweddle Child and Family Health Service
- Better Health Network
- Monash Health
- Grampians Health
- Barwon Health
- Bendigo Health
- Karitane
- MacKillop Family Services
- Monash University
- Anglicare Victoria

Our Life Governors have made significant contributions over many years:

- Mr David Dyer AM
- Mrs Patti Fellows
- Mrs Nan Harrison
- Mrs Susan Harper OAM
- The Honourable Walter Jona AM
- Mr Graeme McRae
- Mr Bruce Morley
- Assoc Professor Campbell Paul
- Ms Wendy Spry
- Mr Frank Slutzkin
- Mrs Judy Watson
- Ms Kym Forrest
- Ms Mary Sayers
- Ms Jenny Fairbairn
- Dr Ian Ross
- Mr Warwick Spargo

C's story

My toddler had trouble sleeping, and I was attending to him multiple times during the night. I then fell pregnant, and I started to feel very anxious about bringing someone else into the family who would have their own sleep needs. We'd had a really rough night of sleep, and I found the (QEC) telehealth program on Google. To find something that was publicly funded, and something you could self-refer to, was an absolute game changer for us.

To be able to be at home, have your normal life, and be supported purely by telehealth was absolutely the best part. Our life didn't have to stop because we were in the program. We were given instant feedback and could make real-life changes whilst being supported, education was given in a gentle way, and we were able to take it at our own pace.

We're feeling fantastic. We've always had a really great connection with our son, but now we're feeling a lot more energised, and really empowered with the information that we received from the program. We feel that we're able to enact changes and approach sleep issues with a lot more information, ability and confidence.



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Disclosures

Standing Directions 2018 5.1.4 Financial Management Compliance attestation in Annual Report

The Queen Elizabeth Centre Financial Management Compliance Attestation Statement

I, Catherine Ho, on behalf of the Responsible Body, certify that the Queen Elizabeth has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Catherine Ho
Responsible Officer
The Queen Elizabeth Centre
16 October 2024

Compliance with Health Share Victoria (HSV) Purchasing Policies

No compliance issues

I, Sue White, certify that the Queen Elizabeth Centre has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the Health Services Act 1988 (Vic) and has critically reviewed these controls and processes during the year.

Conflict of Interest Declaration

I, Sue White, certify that the Queen Elizabeth Centre has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all relevant executive staff within the Queen Elizabeth Centre and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.

Sue White
Accountable Officer
The Queen Elizabeth Centre
9 October 2024





Data Integrity Declaration

I, Sue White, certify that the Queen Elizabeth Centre has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. The Queen Elizabeth Centre has critically reviewed these controls and processes during the year.

Sue White
Accountable Officer
The Queen Elizabeth Centre
9 October 2024

Integrity, Fraud and Corruption Declaration

I, Sue White, certify that the Queen Elizabeth Centre has put in place appropriate internal controls and processes to ensure that Integrity, fraud, and corruption risks have been reviewed and addressed at the Queen Elizabeth Centre during the year.

Sue White
Accountable Officer
The Queen Elizabeth Centre
9 October 2024

Building Act 1993

QEC assets and facilities (including buildings) are monitored via a range of mechanisms based on the Victorian asset Management Accountability Framework and the Victorian Government Risk Management framework. Regular audits and maintenance programs are undertaken by specialist contractors. The Queen Elizabeth Centre facilities

comply with the minimum requirements of relevant building and emergency services legislation, including fire safety.

Carers Recognition Act 2012

QEC acknowledges the important contribution made by carers. We are committed to promoting the principles of the Act amongst our employees, and in relevant policies and procedures. We value and support people in care relationships and endeavour to be aware of the needs of carers and take their views into account when providing services.

Environmental performance

QEC recognises the link between the health and wellbeing of Victorians and the health and wellbeing of the environment. Climate change is a significant threat to public health, the health and human services system and the social determinants of health and wellbeing. QEC's Environmental Management Plan is a structured approach to managing the QEC's environmental impacts and improving its environmental performance. It is aligned to Victorian Government's commitment to achieve net-zero by 2045 and its aim of cutting emissions to 50% by 20230. QEC aims to be a leader in environmental sustainability by minimising our impact on the environment. The key principles underpinning our approach are:

- Continue to build a culture that values environmental sustainability;
- Embed sustainability in all our business processes;
- Improve resource efficiency – focusing on waste management, fuel/energy use and water use;
- Monitor, improve and report on our environmental performance.



QEC commits to minimising our impact on the environment by:

- Auditing, assessing, improving and reporting on our environmental performance in the areas of paper usage, fuel/energy, waste, water and transport.
- Promoting an environmentally aware culture amongst staff, clients and other stakeholders.
- Reducing energy use through retrofitting energy saving technologies, encouraging energy-saving behaviours amongst staff and considering energy-efficiency when purchasing new equipment.
- Reducing water use by retrofitting water-saving devices, encouraging water-saving behaviour amongst staff and considering water-efficiency when purchasing new equipment.
- Reducing the environmental impacts of our energy use by producing or purchasing renewable energy.
- Reducing waste by ensuring office consumables are efficiently used, re-used and recycled where appropriate.
- Encouraging staff to walk, ride or use public transport where appropriate.
- Managing our vehicle fleet to ensure they are efficiently-used; considering fuel-efficiency when acquiring new vehicles.

Freedom of Information Act 1982

During 2023-2024, QEC received 6 FOI applications, all of which were from the general public. All FOI decisions were made within the statutory time period and access to all documents was granted either in full or in part. No requests were subject to a complaint/internal review by Office of the Victorian Information Commissioner and no requests progressed to the Victorian

Civil and Administrative Tribunal. A member of the public can make a Freedom of Information request to QEC via:

- FOI officer – Privacy & Health Information Coordinator foi@qec.org.au
- FOI request form on [QEC Website](#)

Additional information can be found via the Office of the Victorian Information Commissioner [website](#) or at the [Freedom of Information Act 1982](#).

Gender Equality Act 2020

QEC's first Gender Equality Action Plan was submitted in 2022; our March 2024 progress report demonstrated strong results in relation to the workplace gender quality indicators. The Commission for Gender Equality in the Public Sector are currently reviewing our workplace gender audit and progress report – the outcome of this review will be available in coming months. Progress against targets identified against the GEAP are on track.

Local Jobs First Act 2003

QEC has no matters to report in relation to the Local Jobs First Act 2003.

Public Interest Disclosures Act 2012

In accordance with the Public Interest Disclosure Act 2012, there were no matters referred to the Independent Broad-Based Anti-Corruption Commission. Procedure information is available on request.

Safe Patient Care Act 2015

QEC has no matters to report in relation to obligations under Section 40 of the Safe Patient Care Act 2015.

Statement on National Competition Policy

This statement does not apply to QEC.



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Additional Information



Relevant items listed below have been retained by QEC and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- A statement that declarations of pecuniary interests have been duly completed by all relevant officers
- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- Details of publications produced by the entity about itself, and how these can be obtained
- Details of changes in prices, fees, charges, rates, and levies charged by the entity
- Details of any major external reviews carried out on the entity
- Details of major research and development activities undertaken by the entity
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- Details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services
- Details of assessments and measures undertaken to improve the occupational health and safety of employees
- A general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- A list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved and
- Details of all consultancies and contractors including:
 - (i) consultants/contractors engaged;
 - (ii) services provided; and
 - (iii) expenditure committed to for each engagement



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Disclosure Index

The annual report of the Queen Elizabeth Centre is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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Report of Operations		
<i>Charter and Purpose</i>		
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FRD 22	Purpose, functions, powers, and duties	14
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FRD 22	Significant changes in key initiatives and expectations for the future	14–33
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FRD 22	Workforce data/employment and conduct principles	22–23
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Legislation	Requirement	Page reference
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FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	35
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FRD 22	Statement on National Competition Policy	36
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	Reporting obligations under the <i>Safe Patient Care Act 2015</i>	36



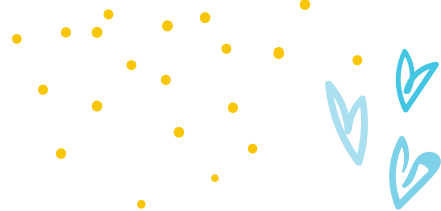
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Financial statements

How this report is structured

The Queen Elizabeth Centre (QEC) presents its audited general purpose financial statements for the financial year ended 30 June 2024 in the following structure to provide users with the information about QEC's stewardship of the resources entrusted to it.

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Board Declaration

The Queen Elizabeth Centre

Financial Statements Financial Year ended 30 June 2024

Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration

The attached financial statements for The Queen Elizabeth Centre have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2024 and the financial position of The Queen Elizabeth Centre at 30 June 2024.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 8th April, 2025.

Catherine Ho
Board Member

Sue White
Chief Executive Officer

Owain Hughes
Chief Financial Officer

Noble Park
08/04/2025

Noble Park
08/04/2025

Noble Park
08/04/2025



Auditor's Report



Independent Auditor's Report

To the Board of The Queen Elizabeth Centre

Opinion

I have audited the financial report of The Queen Elizabeth Centre (the health service) which comprises the:

- balance sheet as at 30 June 2024
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including material accounting policy information
- board member's, accountable officer's and chief finance & accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Board's responsibilities for the financial report

The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's Report

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MELBOURNE
17 April 2025



Simone Bohan
as delegate for the Auditor-General of Victoria



The Queen Elizabeth Centre Comprehensive Operating statement

For the Financial Year ended 30 June 2024

*Restated

	Note	2024 \$'000	2023 \$'000
Revenue and Income from Transactions			
Operating Activities	2.1	20,367	18,483
Non-Operating Activities	2.1	395	577
Total Revenue and Income from Transactions		20,762	19,060
Expenses from Transactions			
Employee Expenses	3.1	(13,032)	(11,779)
Supplies and Consumables	3.1	(64)	(24)
Finance Costs	3.1	(35)	(16)
Depreciation and Amortisation	3.1, 4.6	(698)	(1,898)
Other Administrative Expenses	3.1	(2,983)	(2,497)
Other Operating Expenses	3.1	(674)	(316)
Total Expenses from Transactions		(17,486)	(16,530)
Net Result from Transactions – Net Operating Balance		3,276	2,530
Other Economic Flows included in Net Result			
Net Gain on Sale of Non-Financial Assets	3.2	192	-
Net (Loss) / Gain on Financial Instruments	3.2	530	258
Other Gain from Other Economic Flows	3.2	-	5
Total Other Economic Flows included in Net Result		722	263
NET RESULT FOR THE YEAR		3,998	2,793
Other Economic Flows – Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.2(b)	(581)	-
Total Other Comprehensive Income		(581)	-
COMPREHENSIVE RESULT FOR THE YEAR		3,417	2,793

This Statement should be read in conjunction with the accompanying notes.

*Restated refer to Note 9

The Queen Elizabeth Centre Balance Sheet

as at 30 June 2024

*Restated

	Note	2024 \$'000	2023 \$'000
Current Assets			
Cash and Cash Equivalents	6.2	3,368	4,448
Receivables	5.1	556	236
Prepaid Expenses		106	55
Total Current Assets		4,030	4,739
Non-Current Assets			
Receivables	5.1	900	704
Investments and Other Financial Assets	4.1	7,844	7,151
Property, Plant and Equipment	4.2(a)	19,249	15,444
Right of Use Assets	4.3(a)	983	448
Intangible Assets	4.5	-	4
Total Non-Current Assets		28,976	23,751
TOTAL ASSETS		33,006	28,490
Current Liabilities			
Payables	5.2	926	711
Contract Liabilities	5.3	145	46
Borrowings	6.1	264	296
Employee Benefits	3.3	2,035	1,792
Total Current Liabilities		3,370	2,845
Non-Current Liabilities			
Payables	5.2	75	75
Borrowings	6.1	759	181
Employee Benefits	3.3	435	440
Total Non-Current Liabilities		1,269	696
TOTAL LIABILITIES		4,639	3,541
NET ASSETS		28,367	24,949
EQUITY			
Property, Plant and Equipment Revaluation Surplus	4.4	9,043	9,624
Contributed Capital	SCE	4,894	4,894
Accumulated Surplus	SCE	14,429	10,431
TOTAL EQUITY		28,366	24,949

This Statement should be read in conjunction with the accompanying notes.

*Restated refer to Note 9



The Queen Elizabeth Centre

Cash Flow Statement

For the Financial Year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash Flows from Operating Activities			
Operating Grants from State Government		14,585	14,230
Capital Grants from State Government		393	-
Donations and Bequests Received		102	3
GST Received from ATO		3	(35)
Interest and Investment Income Received		204	155
Other Receipts Received		1,235	1,167
Total Receipts		16,522	15,520
Payments to Employees		(12,901)	(11,598)
Payments for Supplies and Other Expenses		(3,232)	(2,725)
Payments for Repairs and Maintenance		(308)	(95)
Finance Cost		(35)	(16)
Total Payments		(16,476)	(14,434)
Net Cash Flows from Operating Activities	8.1	46	1,086
Cash Flows from Investing Activities			
Proceeds from Sale of Non-Financial Assets		192	-
Proceeds from Sale of Financial Assets		28	65
Purchase of Non-Financial Assets		(1,049)	(297)
Net Cash Flows Used in Investing Activities		(829)	(232)
Cash Flows from Financing Activities			
Repayment of Borrowings		(297)	(279)
Net Cash Flows Used in Financing Activities		(297)	(279)
Net Increase in Cash and Cash Equivalents Held		(1,080)	575
Cash and Cash Equivalents at Beginning of Year		4,448	3,873
Cash and Cash Equivalents at End of Year	6.2	3,368	4,448

This Statement should be read in conjunction with the accompanying notes.

The Queen Elizabeth Centre

Statement of Changes in Equity

For the Financial Year ended 30 June 2024

*Restated

	Property, Plant and Equipment Revaluation Surplus \$'000	Contributed Capital \$'000	Accumulated Surplus \$'000	Total \$'000
Balance at 1 July 2022	9,624	4,894	5,586	20,104
Adjustment to Net result for the Year	-	-	2,052	2,052
Restated Balance at 1 July 2022	9,624	4,894	7,638	22,156
Net result for the year	-	-	2,793	2,793
Balance at 30 June 2023	9,624	4,894	10,431	24,949
Other Comprehensive Income	(581)	-	-	(581)
Net result for the year	-	-	3,998	3,998
Balance at 30 June 2024	9,043	4,894	14,429	28,366

This Statement should be read in conjunction with the accompanying notes.

*Restated refer to Note 9



The Queen Elizabeth Centre

Notes to the Financial Statements

For the Financial Year ended 30 June 2024

Note 1: Basis of preparation

Structure

- 1.1 Basis of preparation of the financial statements
- 1.2 Abbreviations and terminology used in the financial statements
- 1.3 Key accounting estimates and judgements
- 1.4 Accounting standards issued but not yet effective
- 1.5 Goods and Services Tax (GST)
- 1.6 Reporting Entity

Note 1: Basis of Preparation

These annual financial statements represent the audited general purpose financial statements for The Queen Elizabeth Centre (QEC) for the year ended 30 June 2024. The report provides users with information about QEC's stewardship of resources entrusted to it.

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preparation of the financial statements

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*.

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance (DTF), and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

QEC is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes

in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared on a going concern basis (refer to Note 8.9 Economic Dependency).

The financial statements are in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest thousand dollars. Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Board of QEC on 8 April 2025.



Note 1.2 Abbreviations and terminology used in the financial statements

The following table sets out the common abbreviations used throughout the financial statements:

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
DFFH	Department of Families, Fairness and Housing
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
SD	Standing Direction
VAGO	Victorian Auditor General's Office
QEC	The Queen Elizabeth Centre

Note 1.3 Material accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and best available current information and assume any reasonable expectation of future events. Actual results may differ.

Revisions to key estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The material accounting judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.2: Property, plant and equipment
- Note 4.3: Right-of-use assets
- Note 4.6: Depreciation and amortisation
- Note 4.7: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Payables
- Note 5.3: Contract liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination



Note 1.4 Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to QEC and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 2022-5: <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: <i>Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i>	Reporting periods beginning on or after 1 January 2024.	The impact of this standard is yet to be formally assessed by management.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to QEC in future periods.

Note 1.5 Goods and Services Tax (GST)

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

Receivables and payables in the Balance Sheet are stated inclusive of the amount of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis, except for the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, which are disclosed as operating cash flows.

Commitments and contingent assets and liabilities are presented on a gross basis.

Note 1.6 Reporting Entity

The financial statements include all the controlled activities of QEC.

Its principal address is:

53 Thomas Street
Noble Park
Victoria 3174

A description of the nature of QEC's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.



Note 2: Funding Delivery of Our Services

QEC'S overall objective is to provide quality health services that help young children living in vulnerable situations get the best start in life, by providing families with specialised services, guidance and education.

QEC is predominantly funded by grant funding for the provision of outputs.

QEC also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions

2.2 Fair value of assets and services received free of charge or for nominal consideration

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	<p>QEC applies material judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring QEC to recognise revenue as or when the health service transfers promised services to beneficiaries.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>QEC applies material judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>
Determining timing of capital grant income recognition	<p>QEC applies material judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure QEC's progress as this is deemed to be the most accurate reflection of the stage of completion.</p>
Assets and services received free of charge or for nominal consideration	<p>QEC applies material judgement to determine the fair value of assets and services provided free of charge or for nominal value. The Department of Health and the Department of Families, Fairness and Housing also make certain payments on behalf of QEC. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense or asset.</p>



Note 2.1: Revenue and Income from Transactions

		*Restated	
	Note	2024 \$'000	2023 \$'000
Operating Activities			
Revenue from Contracts with Customers			
Government grants (State) – Operating		14,634	14,255
Total Revenue from Contracts with Customers	2.1 (a)	14,634	14,255
Other Sources of Income			
Government grants (State) – Capital		4,118	3,104
Other Income from Operating Activities		1,432	1,059
Assets received free of charge or for nominal consideration	2.1(b)	183	65
Total Other Sources of Income		5,733	4,228
Total Revenue and Income from Operating Activities		20,367	18,483
Non-Operating Activities			
Income from Other Sources			
Other Interest		204	155
Other Income from Non-Operating Activities		191	422
Total Other Sources of Income		395	577
Total Income from Non-Operating Activities		395	577
Total Revenue and Income from Transactions		20,762	19,060

Note 2.1(a): Timing of revenue recognition from contracts with customers

	Note	2024 \$'000	2023 \$'000
QEC disaggregates revenue by the timing of revenue recognition.			
Goods and services transferred to customers:			
Over time		14,634	14,255
Total Revenue from Contracts with Customers		14,634	14,255

*Restated refer to Note 9



How we recognise revenue and income from operating activities

Government operating grants

To recognise revenue, QEC assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: *Revenue from Contracts with Customers*.

When both these conditions are satisfied, QEC:

- identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfied its performance obligations, at a point in time or over time as and when services are rendered.

If a contract liability is recognised, QEC recognises revenue in profit or loss as and when it satisfies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or implied by customary business practices.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, QEC:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058.

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for QEC's services. QEC's funding bodies often direct that services are to be provided to third party beneficiaries, including individuals or the community at large. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of services to third party beneficiaries is a characteristic of the promised service being transferred to the funding body.

This policy applies to each of QEC's revenue streams, with information detailed below relating to QEC's significant revenue streams:

Government grant	Performance obligation
Day Stay	Day Stay: Single day program incorporating intensive, practical parenting education and support, targeting families with children up to the age of 14 months with issues relating to feeding, sleep and settling. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
Residential	Residential: Two to four night residential program for parents and caregivers experiencing challenges with parenting. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
Parenting Plus	Parenting Plus: Home-based, intensive parenting skills development program. QEC is required to provide service delivery for a set number of hours. Revenue is recognised over time, as and when the services are delivered.
Parenting Assessment and Skills Development	Parenting Assessment and Skills Development: Intensive parenting assessment and skills development program for families who are referred through the Child Protection system, delivered in residential and/or home based settings. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
Individual Child and Family Support Services	Individual Child and Family Support services: Responsive, needs based support to vulnerable children and families, that can flex up and down as families' needs change. QEC is required to provide service delivery for a set number of hours. Revenue is recognised over time, as and when the services are delivered.
Sleep and Settling Home Visiting	Sleep and Settling Home Visiting Program: In-home program designed to support Gippsland families with significant sleep challenges, attachment concerns and other risk factors. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
Stronger Families	Stronger Families: Intensive home based support service for families with children at risk of (or who have recently been placed in) out of home care. QEC is required to provide service delivery for a set number of hours. Revenue is recognised over time, as and when the services are delivered.
Family Preservation and Reunification Response	Family Preservation and Reunification response: 6 month program consisting of 240 hours from QEC caseworkers, focussing on intensive service delivery for families involved with child protection.



Capital grants

Where QEC receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer) recognised under other Australian Accounting Standards.

Income is recognised progressively as the asset is constructed which aligns with QEC's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Other Revenue from Operating Activities

This income includes revenue from partnership agreements held by QEC and is recognised when services are delivered.

How we recognise revenue and income from non-operating activities

Interest Income

Interest income is recognised on a time proportionate basis that takes into account the effective yield of the financial asset, which allocates interest over the relevant period.

Distribution Income

Distribution income is recognised when the right to receive payment is established. Distributions represent the income arising from QEC's investments in financial assets.

Note 2.1 (b): Fair value of assets and services received free of charge or for nominal consideration

	2024 \$'000	2023 \$'000
Cash Donations	102	3
Other Services ⁱ	81	62
Total fair value of assets and services received free of charge or for nominal consideration	183	65

ⁱ The Victorian Managed Insurance Authority insurance payments are recognised as revenue following advice from the Department of Health.

How we recognise the fair value of assets and services received free of charge or for nominal consideration

Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when QEC usually obtains control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of QEC as follows:

Supplier	Description
Victorian Managed Insurance Authority	Purchases non-medical indemnity insurance for QEC which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Victorian Health Building Authority	Redevelopment costs associated with works at our Noble Park site. Revenue is recognised in line with capital funding allocation from the Department of Health along with a reconciliation of expenditure by the Victorian Health Building Authority.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements with the DH.



Note 3: The Cost of Delivering Our Services

This section provides an account of the expenses incurred by QEC in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

3.1 Expenses from Transactions

3.2 Other Economic Flows Included in Net Result

3.3 Employee Benefits in the Balance Sheet

3.4 Superannuation

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	QEC applies material judgement when classifying its employee benefit liabilities.
	Employee benefit liabilities are classified as a current liability if QEC does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.
	Employee benefit liabilities are classified as a non-current liability if QEC has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
Measuring employee benefit liabilities	QEC applies material judgement when measuring its employee benefit liabilities.
	QEC applies judgement to determine when it expects its employee entitlements to be paid.
	With reference to historical data, if QEC does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.
	Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period. For the current year an inflation rate and discount rate of 4.45% and 4.46% were used respectively as advised by the Department of Health.

Note 3.1: Expenses from Transactions

	Note	2024 \$'000	2023 \$'000
Salaries and Wages		11,633	10,604
On-costs		1,210	1,057
Agency Expenses		18	47
Workcover Premium		171	71
Total Employee Expenses		13,032	11,779
Other Supplies and Consumables		64	24
Total Supplies and Consumables		64	24
Finance Costs		35	16
Total Finance Costs		35	16
Other Administrative Expenses		2,983	2,497
Total Other Administrative Expenses		2,983	2,497
Fuel, Light, Power and Water		99	96
Repairs and Maintenance		274	95
Expenditure for Capital Purposes		301	125
Total Other Operating Expenses		674	316
Total Operating Expense		16,788	14,632
Depreciation and Amortisation	4.6	698	1,898
Total Depreciation and Amortisation		698	1,898
Total Non-Operating Expense		698	1,898
Total Expenses from Transactions		17,486	16,530



How we recognise expenses from transactions

Expense recognition

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Employee expenses

Employee expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments)
- On-costs
- Agency expenses
- Workcover premiums and
- Superannuation expenses.

Supplies and consumables

Supplies and consumables costs are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

Finance costs

Finance costs include:

- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include such things as:

- Fuel, light, power and water
- Repairs and maintenance
- Other administrative expenses
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$1,000).

The Department of Health and the Department of Families, Fairness and Housing also make certain payments on behalf of QEC. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense.

Non-operating expenses

Other non-operating expenses generally represent expenditure outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.



Note 3.2: Other Economic Flows

	2024 \$'000	2023 \$'000
Net gain on disposal of property plant and equipment	192	-
Total Net Gain on Non-Financial Assets	192	-
Net Gain on Financial Instruments	530	258
Total Net Gain on Financial Instruments	530	258
Other Gain Arising from Other Economic Flows	-	5
Total Other Gain from Other Economic Flows	-	5
Total Gains From Other Economic Flows	722	263

How we recognise other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

- revaluation gains/(losses) of non-financial physical assets;
- net gain/(loss) on disposal of non-financial assets; and
- any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments at fair value includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 4.1 Investments and Other Financial Assets; and
- disposals of financial assets and derecognition of financial liabilities.



Note 3.3: Employee Benefits and Related On-Costs

	2024 \$'000	2023 \$'000
Current Employee Benefits and Related On-Costs		
<i>Unpaid salaries and wages</i> ⁱ		
Unconditional and expected to be settled wholly within 12 months ⁱⁱ	22	-
	22	-
<i>Annual leave</i> ⁱ		
Unconditional and expected to be settled wholly within 12 months ⁱⁱ	745	698
Unconditional and expected to be settled wholly after 12 months ⁱⁱⁱ	-	-
	745	698
<i>Long Service Leave</i> ⁱ		
Unconditional and expected to be settled wholly within 12 months ⁱⁱ	216	199
Unconditional and expected to be settled wholly after 12 months ⁱⁱⁱ	674	572
	890	771
<i>Other Leave</i> ⁱ		
Unconditional and expected to be settled wholly within 12 months ⁱⁱ	45	35
Unconditional and expected to be settled wholly after 12 months ⁱⁱⁱ	-	-
	45	35
<i>Provisions related to Employee Benefit On-Costs</i>		
Unconditional and expected to be settled wholly within 12 months ⁱⁱ	243	215
Unconditional and expected to be settled wholly after 12 months ⁱⁱⁱ	90	73
	333	288
Total Current Employee Benefits and Related On-Costs	2,035	1,792
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave	383	390
Provisions Related to Employee Benefit On-Costs	52	50
Total Non-Current Employee Benefits and Related On-Costs	435	440
Total Employee Benefits and Related On-Costs	2,470	2,232

ⁱ Unpaid salaries and wages, annual leave, long service leave and other leave accrued by employees, not including on-costs.

ⁱⁱ The amounts disclosed are nominal amounts.

ⁱⁱⁱ The amounts disclosed are discounted to present values.

Note 3.3 (a): Employee Benefits and Related On-Costs

	2024 \$'000	2023 \$'000
Current Employee Benefits and Related On-Costs		
Unconditional annual leave entitlements	956	886
Unconditional long service leave entitlements	1,007	868
Unconditional other leave	73	38
Total Current Employee Benefits and Related On-Costs	2,036	1,792
Non-Current Employee Benefits and Related On-Costs		
Conditional long service leave entitlements	435	440
Total Non-Current Employee Benefits and Related On-Costs	435	440
Total Employee Benefits and Related On-Costs	2,471	2,232

Note 3.3(b): Movement in Long Service Leave

	2024 \$'000	2023 \$'000
Carrying Amount at Start of Year	1,308	1,192
Additional provisions recognised	245	275
Amounts incurred during the year	(83)	(182)
Net gain/(loss) arising from revaluation of long service liability	(28)	23
Carrying Amount at End of Year	1,442	1,308



How we recognise employee benefits

Employee Benefit Recognition

Employee benefits are accrued for employees in respect of salaries and wages, other leave, accrued days off, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Annual leave and accrued days off

Liabilities annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because QEC does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for annual leave and accrued days off are measured at:

- Nominal value – if QEC expects to wholly settle within 12 months or
- Present value – if QEC does not expect to wholly settle within 12 months.

Long Service Leave

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where QEC does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- Nominal value – if QEC expects to wholly settle within 12 months; or
- Present value – if QEC does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

Provision for On-Costs related to Employee Benefits

Provision for on-costs such as workers compensation and superannuation are recognised together with provisions for employee benefits.

Note 3.4: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Defined Contribution Plans:				
Hesta	542	417	46	46
Aware Super	289	311	23	30
Vision Super	70	96	5	8
VicSuper	47	56	4	6
Australian Super	52	52	5	4
Host Plus	49	19	5	3
REST Superannuation	36	32	3	2
IOOF Personal Super	24	-	2	-
Future Super Fund	16	15	1	1
Other	175	120	15	12
Total	1,300	1,118	109	112

i The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

How we recognise superannuation

Employees of QEC are entitled to receive superannuation benefits and QEC contributes to both defined benefit and defined contribution plans.

Defined Benefit Superannuation Plans

The defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by QEC to the superannuation plans in respect of the services of current QEC staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

QEC does not recognise any unfunded defined benefit liability in respect of the plans because QEC has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items. Nevertheless, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of QEC.

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by QEC are disclosed above.



Defined Contribution Superannuation Plans

Defined contribution (i.e. accumulation) superannuation plan expenditure is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by QEC are disclosed above.



Note 4: Key Assets to Support Service Delivery

QEC controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to QEC to be utilised for delivery of those outputs.

Structure

4.1 Investments and Other Financial Assets

4.2 Property, Plant and Equipment

4.3 Right-of-Use Assets

4.4 Revaluation Surplus

4.5 Intangible Assets

4.6 Depreciation and Amortisation

4.7 Impairment of Assets

Material judgements and estimates

This section contains the following key judgements and estimates:

Material judgements and estimates	Description
Estimating useful life of property, plant and equipment	QEC assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. QEC reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where QEC is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. QEC applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires QEC to restore a right-of-use asset to its original condition at the end of a lease, QEC estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.
Estimating the useful life of intangible assets	QEC assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.



Material judgements and estimates	Description
Identifying indicators of impairment	<p>At the end of each year, QEC assesses impairment by evaluating the conditions and events specific to QEC that may be indicative of impairment triggers. Where an indication exists, QEC tests the asset for impairment.</p> <p>QEC considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none">• If an asset's value has declined more than expected based on normal use• If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset• If an asset is obsolete or damaged• If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life• If the performance of the asset is or will be worse than initially expected. <p>Where an impairment trigger exists, QEC applies material judgement and estimate to determine the recoverable amount of the asset.</p>

Note 4.1: Investments and Other Financial Assets

	2024 \$'000	2023 \$'000
NON-CURRENT		
Current Financial Assets at Fair Value Through Net Result		
Managed Investment Schemes	7,844	7,151
Total Non-Current Financial Assets	7,844	7,151
Total Investments and Other Financial Assets	7,844	7,151
Represented by:		
Investments	7,844	7,151
Total Investments and Other Financial Assets	7,844	7,151

How we recognise investments and other financial assets

QEC's investments and other financial assets are made in accordance with Standing Direction 3.7.2 Treasury Management, including the Central Banking System.

QEC manages its investments and other financial assets in accordance with an investment policy approved by the Board.

Investments are recognised when QEC enters into a contract to either purchase or sell the investment (i.e. when it becomes a party to the contractual provisions to the investment). Investments are initially measured at fair value, net of transaction costs.

QEC classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.



Note 4.2: Property, Plant and Equipment

Note 4.2 (a): Gross carrying amount and accumulated depreciation

	*Restated	
	2024	2023
	\$'000	\$'000
Land at Fair Value – Freehold	6,288	5,800
TOTAL LAND AT FAIR VALUE	6,288	5,800
Buildings at Fair Value	12,299	5,249
Less Accumulated Depreciation	-	(1,296)
Total Buildings at Fair Value	12,299	3,953
Leasehold Improvements at Cost	11	48
Less Accumulated Depreciation	(7)	(41)
Total Leasehold Improvements at Cost	4	7
TOTAL LAND AND BUILDINGS	18,591	9,760
Plant and Equipment at Fair Value	201	454
Less Accumulated Depreciation	(128)	(368)
TOTAL PLANT AND EQUIPMENT at Fair Value	73	86
Motor Vehicles at Fair Value	304	304
Less Accumulated Depreciation	(304)	(297)
TOTAL MOTOR VEHICLES at Fair Value	-	7
Computer and Communication Equipment at Fair Value	1,155	847
Less Accumulated Depreciation	(763)	(630)
TOTAL COMPUTERS AND COMMUNICATION EQUIPMENT	392	217
Furniture and Fittings at Fair Value	283	347
Less Accumulated Depreciation	(95)	(198)
TOTAL FURNITURE AND FITTINGS at Fair Value	188	149
Cultural Assets at Fair Value	5	5
Less Accumulated Depreciation	-	-
TOTAL CULTURAL ASSETS at Fair Value	5	5
Works in Progress at Fair Value	-	5,220
Total Plant, Equipment, Furniture, Fittings, Motor Vehicles and Works in Progress at fair value	658	5,684
TOTAL PROPERTY, PLANT AND EQUIPMENT	19,249	15,444

Note 4.2 (b): Reconciliations of carrying amount by class of asset

	Note	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant & Equipment \$'000	Motor Vehicles \$'000	Computers & Communication Equipment \$'000	Furniture & Fittings \$'000	Cultural Assets \$'000	Assets Under Construction \$'000	Total \$'000
Balance at 1 July 2022		5,800	5,227	22	88	21	229	166	5	2,084	13,642
Additions		-	15	6	24	-	166	46	-	3,144	3,401
Net transfers between classes		-	8	-	-	-	-	-	-	(8)	-
Depreciation	4.6	-	(1,297)	(21)	(34)	(14)	(178)	(63)	-	-	(1,599)
Balance at 30 June 2023	4.2 (a)	5,800	3,953	7	86	7	217	149	5	5,220	15,444
Additions		-	709	-	8	-	252	78	-	3,728	4,775
Disposals		-	-	-	-	-	(1)	-	-	-	(1)
Revaluation		488	(1,069)	-	-	-	-	-	-	-	(581)
Net transfers between classes**		-	8,884	-	-	-	64	-	-	(8,948)	-
Depreciation	4.6	-	(178)	(3)	(21)	(7)	(140)	(39)	-	-	(388)
Balance at 30 June 2024	4.2 (a)	6,288	12,299	4	73	-	392	188	5	-	19,249

Land and Buildings Carried at Valuation

*Restated refer to Note 9

**This relates to the \$9.4m Redevelopment of the QEC Noble Park Site which was effectively completed in the current Financial Year. Out of \$9.4m, \$8.88m pertains to the cost of redevelopment of the building and the rest was for acquisition of other movable assets.

The Valuer-General Victoria undertook to re-value all of QEC's land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The effective date of the valuation was 30 June 2024.





How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by QEC in the supply services, or for administration purposes, and are expected to be used during more than one financial year.

Initial recognition

Items of property, plant and equipment (excluding right-of-use assets) are initially measured at cost. Where an asset is acquired for nil or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

Fair value is determined with reference to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Further information regarding fair value measurement is disclosed in Note 7.4.

Revaluation

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

Where an independent valuation has not been undertaken at balance date, QEC performs a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, QEC would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of QEC's property, plant and equipment was performed by the Valuer-General Victoria on 30 June 2024. The valuation, which complies with Australian Valuation Standards, was determined by reference to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

- Increase in fair value of land of 8.4% (\$488k)
- Decrease in fair value of buildings of 8.0% (\$1,069k).

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount. Revaluation increments and revaluation decrements relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, in which case the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

The revaluation reserve included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.



Note 4.3: Right of Use Assets

Note 4.3 (a): Gross carrying amount and accumulated depreciation

	2024 \$'000	2023 \$'000
Right of Use Buildings at Fair Value	1,254	1,011
Less Accumulated Depreciation	(697)	(707)
Total Right of Use Buildings at Fair Value	557	304
Right of Use Plant, Equipment, Furniture and Fittings and Motor Vehicles at Fair Value	600	411
Less Accumulated Depreciation	(174)	(267)
TOTAL RIGHT OF USE – PLANT, EQUIPMENT, FURNITURE AND FITTINGS, AND MOTOR VEHICLES	426	144
TOTAL RIGHT OF USE ASSETS	983	448

Note 4.3 (b): Reconciliations of carrying amount by class of asset

	Note	Right of Use – Buildings \$'000	Right of Use – Plant, Equipment, Furniture & Fittings, Motor Vehicles \$'000	Total \$'000
Balance at 1 July 2022		551	218	769
Additions		-	-	-
Revaluation Decrements		(45)	-	(45)
Depreciation	4.6	(202)	(74)	(276)
Balance at 30 June 2023	4.3 (a)	304	144	448
Additions		483	358	841
Revaluation Decrements		-	-	-
Depreciation	4.6	(230)	(76)	(306)
Balance at 30 June 2024	4.3 (a)	557	426	983



How we recognise right-of-use assets

Where QEC enters a contract, which provides QEC with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. QEC presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by QEC.

Right-of-use assets and their respective lease terms include:

Class of right-of-use asset	Lease term
Leased buildings	2 to 9 years
Leased plant, equipment, furniture, fittings and vehicles	1 to 5 years

Initial recognition

When a contract is entered into, QEC assesses if the contract contains or is a lease. If a lease is present, a right-of-use asset and corresponding lease liability is recognised. The definition and recognition criteria of a lease is disclosed at Note 6.1.

The right-of-use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:

- any lease payments made at or before the commencement date
- any initial direct costs incurred and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement

Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use asset arising from leases with significantly below-market terms and conditions, which are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses where applicable.

Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Further information regarding fair value measurement is disclosed in Note 7.4.



Note 4.4: Revaluation Surplus

	Note	2024 \$'000	2023 \$'000
Balance at the beginning of the reporting period		9,624	9,624
Revaluation Increment			
– Land	4.2 (b)	488	-
– Buildings	4.2 (b)	(1,069)	-
Balance at the end of the reporting period*		9,043	9,624
*Represented by:			
– Land		6,288	5,800
– Buildings		2,750	3,819
– Cultural Assets		5	5
		9,043	9,624

Note 4.5: Intangible Assets

Note 4.5 (a): Gross carrying amount and accumulated amortisation

	2024 \$'000	2023 \$'000
Intangible Assets – Software	424	424
Less Accumulated Amortisation	(424)	(420)
TOTAL INTANGIBLE ASSETS	-	4

Note 4.5 (b): Reconciliations of carrying amount by class of asset

	Note	Software \$'000	Total \$'000
Balance at 1 July 2022		51	51
Amortisation	4.6	(23)	(23)
Balance at 30 June 2023	4.5 (a)	27	27
Amortisation	4.6	(4)	(4)
Balance at 30 June 2024	4.5 (a)	23	23

How we recognise intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software.

Initial recognition

Purchased intangible assets are initially recognised at cost.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is also recognised at cost if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.



Note 4.6: Depreciation and Amortisation

	2024 \$'000	2023 \$'000
Depreciation		
Property, Plant and Equipment		
Buildings	178	1,297
Leasehold Improvements	3	21
Plant and Equipment	21	26
Motor Vehicles	7	14
Computer and Communication Equipment	140	178
Furniture and Fittings	39	63
Total Depreciation – Property, Plant and Equipment	388	1,599
Right of Use Assets		
Right of Use Buildings	230	202
Right of Use – Plant, Equipment, Furniture, Fittings and Motor Vehicles	76	74
Total Depreciation – Right of Use Assets	306	276
Total Depreciation	694	1,875
Amortisation		
Software	4	23
Total Amortisation	4	23
TOTAL DEPRECIATION AND AMORTISATION	698	1,898



How we recognise depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for sale, land and investment properties) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that QEC anticipates to exercise a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.

How we recognise amortisation

Amortisation is the systematic allocation (typically straight line) of the depreciable amount of an asset over its useful life.

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

	2024	2023
Buildings	1 to 50 years	1 to 50 years
Leasehold Improvements	2 to 4 years	2 to 4 years
Plant and Equipment	5 to 10 years	5 to 10 years
Motor Vehicles	4 to 5 years	4 to 5 years
Computer and Communication Equipment	3 to 10 years	3 to 10 years
Furniture and Fittings	5 to 10 years	5 to 10 years
Right of Use Assets	1 to 8 years	1 to 8 years
Intangible Assets	5 years	5 years



Note 4.7: Impairment of Assets

How we recognise impairment

At the end of each reporting period, QEC reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired.

The assessment will include consideration of external sources of information and internal sources of information.

External sources of information include but are not limited to observable indications that an asset's value has declined during the period by significantly more than would be expected as a result of the passage of time or normal use. Internal sources of information include but are not limited to evidence of obsolescence or physical damage of an asset and significant changes with an adverse effect on QEC which changes the way in which an asset is used or expected to be used.

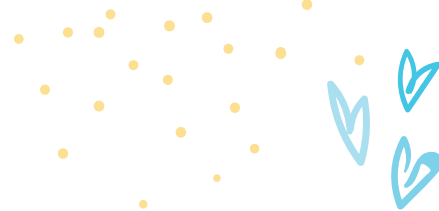
If such an indication exists, an impairment test is carried out. Assets with indefinite useful lives (and assets not yet available for use) are tested annually for impairment, in addition to where there is an indication that the asset may be impaired.

When performing an impairment test, QEC compares the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in net result, unless the asset is carried at a revalued amount.

Where an impairment loss on a revalued asset is identified, this is recognised against the asset revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the cumulative balance recorded in the asset revaluation surplus for that class of asset.

Where it is not possible to estimate the recoverable amount of an individual asset, QEC estimates the recoverable amount of the cash-generating unit to which the asset belongs.

QEC did not record any impairment losses for the years ended 30 June 2024 or 30 June 2023.



Note 5: Other Assets and Liabilities

This section sets out those assets and liabilities that arose from QEC's operations.

Structure

5.1 Receivables

5.2 Payables

5.3 Contract Liabilities

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Estimating the provision for expected credit losses	QEC uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring deferred capital grant income	Where QEC has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. QEC applies material judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.



Note 5.1: Receivables

	Note	2024 \$'000	2023 \$'000
Current Receivables			
Contractual			
Trade Receivables		367	70
Accrued Revenue		99	73
Total Contractual Receivables		466	143
Statutory			
GST Receivable		90	93
Total Statutory Receivables		90	93
TOTAL CURRENT RECEIVABLES		556	236
Non-Current Receivables			
Contractual			
Long Service Leave – Department of Health		900	704
Total Contractual Receivables		900	704
TOTAL NON-CURRENT RECEIVABLES		900	704
TOTAL RECEIVABLES		1,456	940
Total Receivables		1,456	940
GST Receivable		(90)	(93)
Total Financial Assets ⁽ⁱ⁾	7.1 (a)	1,366	847

(i) Financial assets classified as receivables and contract assets (Note 7.1(a))

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, which mostly includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. QEC holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, which mostly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. QEC applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

QEC is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

Impairment losses of contractual receivables

QEC does not have contractual impairment losses as at 30 June 2024.
(Refer to Note 7.2(a))



Note 5.2: Payables

	Note	2024 \$'000	2023 \$'000
Current Payables			
Contractual			
Trade Creditors		177	135
Accrued Salaries and Wages		298	225
Accrued Expenses		333	182
Deferred Grant Income		-	30
Deferred Capital Grant Income	5.2 (a)	-	20
Other		9	5
Total Contractual Payables		817	597
Statutory			
Superannuation Payable		109	113
Other Statutory Payables		-	1
Total Statutory Payables		109	114
TOTAL CURRENT PAYABLES		926	711
Non-Current Payables			
Contractual			
Deferred Capital Grant Income	5.2 (a)	75	75
Total Contractual Payables		75	75
TOTAL NON-CURRENT PAYABLES		75	75
TOTAL PAYABLES⁽ⁱ⁾		1,001	786
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1 (a))			
Total Payables		1,001	786
Deferred Grant Income		(75)	(125)
Statutory Payables	3.4	(109)	(114)
Total Financial Liabilities Classified as Payables	7.1 (a)	817	547



How we recognise payables

Payables consist of:

- **Contractual payables**, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to QEC prior to the end of the financial year that are unpaid.
- **Statutory payables** include withholding tax and superannuation payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for accounts payable are usually net 30 days.

Note 5.2(a): Deferred Capital Grant Income

	2024 \$'000	2023 \$'000
Opening Balance of Deferred Capital Grant Income	95	75
Grant consideration for capital works received during the year	-	20
Grant consideration for capital works received during the year	(20)	-
Closing Balance of Deferred Capital Grant Income	75	95

How we recognise deferred capital grant revenue

Grant consideration was received from the Department of Health to support the construction of two new Early Parenting Centres. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when QEC satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, QEC has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

QEC expects to recognise all of the remaining deferred capital grant revenue for capital works by 30 June 2026.



Note 5.3: Contract Liabilities

	2024 \$'000	2023 \$'000
Opening Balance of Contract Liabilities	46	36
Payments received for performance obligations not yet fulfilled	1,531	1,069
Revenue recognised for the completion of a performance obligation	(1,432)	(1,059)
Total Contract Liabilities	145	46

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of services yet to be provided. Invoices are raised according to agreement schedules and if a service component (e.g. part of a training package) falls into the next reporting period that portion will be classified as income in advance.

Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 2.1.

Maturity analysis of payables

Please refer to Note 7.2 (b) for the maturity analysis of contractual payables.



Note 6: How We Finance Our Operations

This section provides information on the sources of finance utilised by QEC during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of QEC.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

Structure

6.1 Borrowings

6.2 Cash and Cash Equivalents

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Determining if a contract is or contains a lease	<p>QEC applies material judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	<p>QEC applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>QEC estimates the fair value of leased assets when new.</p> <p>Where the estimated fair value is less than \$10,000, QEC applies the low-value lease exemption.</p> <p>QEC also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months QEC applies the short-term lease exemption.</p>
Discount rate applied to future lease payments	<p>QEC discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for QEC's lease arrangements, QEC uses its incremental borrowing rate, which is the amount QEC would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.</p>



Material judgements and estimates	Description
Assessing the lease term	<p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if QEC is reasonably certain to exercise such options.</p> <p>QEC determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none">• If there are significant penalties to terminate (or not extend), QEC is typically reasonably certain to extend (or not terminate) the lease.• If any leasehold improvements are expected to have a significant remaining value, QEC is typically reasonably certain to extend (or not terminate) the lease.• QEC considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	Note	2024 \$'000	2023 \$'000
Current Borrowings			
Lease liability ⁽ⁱ⁾	6.1(a)	264	296
Total Current Borrowings		264	296
Non-Current Borrowings			
Lease liability ⁽ⁱ⁾	6.1(a)	759	181
Total Non Current Borrowings		759	181
TOTAL BORROWINGS		1,023	477

(i) Secured by the assets leased.

How we recognise borrowings

Borrowings refer to interest bearing liabilities mainly raised through lease liabilities.

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether QEC has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

Subsequent measurement

Subsequent to initial recognition, interest bearing borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method. Non-interest bearing borrowings are measured at 'fair value through profit or loss'.

Maturity analysis

Please refer to Note 7.2 (b) for the maturity analysis of borrowings.

Defaults and Breaches

During the current and prior year, there were no defaults and breaches of any of the leases.



Note 6.1 (a) Lease liabilities

QEC's lease liabilities are summarised below:

	2024 \$'000	2023 \$'000
Total undiscounted lease liabilities	1,091	493
Less unexpired finance expenses	(68)	(16)
Net lease liabilities	1,023	477

The following table sets out the maturity analysis of lease liabilities, showing the undiscounted lease payments to be made after the reporting date.

	2024 \$'000	2023 \$'000
Not longer than one year	264	296
Longer than one year but not longer than five years	827	197
Minimum future lease liability	1,091	493
Less unexpired finance expenses	(68)	(16)
Present value of lease liability	1,023	477
*Represented by:		
– Current liabilities	264	296
– Non-current liabilities	759	181
	1,023	477



How we recognise lease liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for QEC to use an asset for a period of time in exchange for payment.

To apply this definition, QEC ensures the contract meets the following criteria:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to QEC and for which the supplier does not have substantive substitution rights
- QEC has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and QEC has the right to direct the use of the identified asset throughout the period of use and
- QEC has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

QEC's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased buildings	2 to 9 years
Leased plant, equipment, furniture, fittings and vehicles	1 to 5 years

All leases are recognised on the balance sheet, with the exception of low value leases (less than \$10,000 AUD) and short term leases of less than 12 months. The following low value, short term and variable lease payments are recognised in profit or loss:

Type of payment	Description of payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than \$10,000	Washing machine and dryer rental agreement
Variable lease payments not based on an index or rate	Payments which are not based on an index or rate	Nil



Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or QEC incremental borrowing rate. QEC's lease liabilities have been discounted by rates of between 1.80% to 5.58%.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee and
- payments arising from purchase and termination options reasonably certain to be exercised.

The following types of lease arrangements, contain extension and termination options:

- Leased buildings: QEC's Wodonga office lease and Dandenong South office lease, incorporate options to renew further terms.

These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by QEC and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows have not been included in the lease liability is zero, because it is not reasonably certain that the leases will be extended (or terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in the substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

Leases with significantly below market terms and conditions

QEC does not hold lease arrangements which contain significantly below-market terms and conditions.

Note 6.2: Cash and Cash Equivalents

	2024 \$'000	2023 \$'000
Cash on Hand	3	3
Cash at Bank	3,365	4,445
TOTAL CASH AND CASH EQUIVALENTS	3,368	4,448

How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, which is held for the purpose of meeting short term cash commitments rather than for investment purposes. These are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.



Note 7: Risks, Contingencies and Valuation Uncertainties

QEC is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for QEC is related mainly to fair value determination.

Structure

7.1 Financial Instruments

7.2 Financial Risk Management Objectives and Policies

7.3 Contingent Assets and Contingent Liabilities

7.4 Fair Value Determination

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, QEC has assumed the current use is its highest and best use. Accordingly, characteristics of QEC's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>QEC uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none">• Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of QEC's specialised land and cultural assets are measured using this approach.• Market approach and subsequently depreciated replacement cost approach. The fair value of QEC's specialised buildings and motor vehicles are measured using this approach.

Material judgements and estimates	Description
<p>Measuring fair value of non-financial assets</p> <p><i>continued</i></p>	<ul style="list-style-type: none"> • Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as depreciated replacement cost approach). The fair value of QEC's leasehold improvements, plant and equipment, computer and communication equipment, and furniture and fittings are measured using this approach. • Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. QEC does not use income approach to measure fair value. <p>QEC selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, QEC applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> • Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. QEC does not categorise any fair values within this level. • Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. QEC does not categorise any fair values within this level. • Level 3, where inputs are unobservable. QEC categorises specialised land, specialised buildings, plant and equipments, furnitures and fittings, motor vehicles, right-of-use buildings and right-of-use plant and equipments in this level.

Note 7.1: Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of QEC's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.



Note 7.1 (a): Categorisation of financial instruments

30 June 2024	Note	Financial Assets at Amortised Cost \$'000	Financial Assets at Fair Value Through Net Result \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	3,368	-	-	3,368
Receivables	5.1	1,366	-	-	1,366
Investments and Other Financial Assets	4.1	-	7,844	-	7,844
Total Financial Assetsⁱ		4,734	7,844	-	12,578
Financial Liabilities					
Payables	5.2	-	-	817	817
Borrowings	6.1	-	-	1,023	1,023
Total Financial Liabilitiesⁱ		-	-	1,840	1,840

ⁱ The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. Withholding taxes and Superannuation payable).

30 June 2023	Note	Financial Assets at Amortised Cost \$'000	Financial Assets at Fair Value Through Net Result \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	4,448	-	-	4,448
Receivables	5.1	847	-	-	847
Investments and Other Financial Assets	4.1	-	7,151	-	7,151
Total Financial Assetsⁱ		5,295	7,151	-	12,446
Financial Liabilities					
Payables	5.2	-	-	547	547
Borrowings	6.1	-	-	477	477
Total Financial Liabilitiesⁱ		-	-	1,024	1,024

ⁱ The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. Withholding taxes and Superannuation payable).

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when QEC becomes party to the contractual provisions to the instrument. For financial assets, this is at the date QEC commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through net result, in which case transaction costs are expensed to profit or loss immediately.

Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15 para 63.

Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by QEC solely to collect the contractual cash flows and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

These assets are initially recognised at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method less any impairment.

QEC recognises the following assets in this category:

- cash
- receivables (excluding statutory receivables).

Financial assets at fair value through net result

QEC initially designates a financial instrument as measured at fair value through net result if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or recognising the gains and losses on them, on a different basis
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial asset can be managed and evaluated consistently on a fair value basis or
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.



The initial designation of the financial instruments to measure at fair value through net result is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

QEC recognises listed equity securities as mandatorily measured at fair value through net result and has designated all managed investments as fair value through net result.

Categories of financial liabilities

Financial liabilities are recognised when QEC becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Financial liabilities at fair value through net result

A financial liability is measured at fair value through net result if the financial liability is:

- held for trading or
- initially designated as at fair value through net result.

Changes in fair value are recognised in the net results as other economic flows, unless the changes in fair value relate to changes in QEC's own credit risk. In this case, the portion of the change attributable to changes in QEC's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised.

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

QEC recognises the following liabilities in this category:

- payables (excluding statutory payables and contract liabilities)
- borrowings.

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, QEC has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where QEC does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired or
- QEC retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement or
- QEC has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where QEC has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of QEC's continuing involvement in the asset.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments

A financial asset is required to be reclassified between fair value between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, QEC's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.



Note 7.2: Financial Risk Management Objectives and Policies

As a whole, QEC's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, included the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed throughout the financial statements.

QEC's main financial risks include credit risk, liquidity risk, interest rate risk, and equity price risk. QEC manages these financial risks in accordance with its financial risk management policy.

QEC uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

Note 7.2 (a): Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. QEC's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to QEC. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with QEC's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, QEC is exposed to credit risk associated with other debtors.

In addition, QEC does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on managed investments, except for cash at bank. As with the policy for debtors, QEC's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that QEC will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents QEC's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to QEC's credit risk profile in 2023–2024.

Impairment of financial assets under AASB 9

QEC records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes QEC's contractual receivables and its investment in debt instruments.

Contractual receivables at amortised cost

QEC applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. QEC has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on QEC's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, QEC determines the closing loss allowances at the end of this financial year as \$nil (2023 \$nil).

Statutory receivables at amortised cost

QEC's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Statutory receivables is considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, no loss allowance has been recognised.

Note 7.2 (b): Liquidity Risk

Liquidity risk arises from being unable to meet financial obligations as they fall due.

QEC is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. QEC manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding investments and other contractual financial assets that are readily tradeable in the financial markets and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

QEC's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of investments and other financial assets.



The following table discloses the contractual maturity analysis for QEC's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

				Maturity Dates				
		Carrying Amount	Nominal Amount	Less than 1 month	1–3 months	3 months – 1 year	1–5 years	Over 5 years
30 June 2024	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities at Amortised Cost								
Payables (i)	5.2	817	817	817	-	-	-	-
Borrowings	6.1	1,023	1,091	50	65	189	697	90
Total Financial Liabilities		1,840	1,908	867	65	189	697	90

				Maturity Dates				
		Carrying Amount	Nominal Amount	Less than 1 month	1–3 months	3 months – 1 year	1–5 years	Over 5 years
30 June 2023	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities at Amortised Cost								
Payables (i)	5.2	547	547	547	-	-	-	-
Borrowings	6.1	477	493	14	41	108	330	-
Total Financial Liabilities		1,024	1,040	561	41	108	330	-

(i) Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e GST payable, Withholding taxes and Superannuation payable).

Note 7.2 (c): Market risk

QEC's exposures to market risk are primarily through interest rate risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

QEC's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. QEC's fund managers cannot be expected to predict movements in market rates and prices. The following movements are 'reasonably possible' over the next 12 months:

- a change in interest rates of 1% up or down and
- a change in the top ASX 200 index of 15% up or down.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. QEC does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. QEC has minimal exposure to cash flow interest rate risks through cash at floating rate.

Equity risk

QEC is exposed to equity price risk through its managed investments. Such investments are allocated and traded to match QEC's investment objectives.

QEC's sensitivity to equity price risk is set out below.

30 June 2024	Carrying Amount \$'000	-15% Net result \$'000	+15% Net result \$'000
Contractual Financial Assets			
Investments and Other Contractual Financial Assets	7,844	(1,177)	1,177
Total Impact	7,844	(1,177)	1,177

30 June 2023	Carrying Amount \$'000	-15% Net result \$'000	+15% Net result \$'000
Contractual Financial Assets			
Investments and Other Contractual Financial Assets	7,151	(1,073)	1,073
Total Impact	7,151	(1,073)	1,073



Note 7.3: Contingent Assets and Contingent Liabilities

How we measure and disclose contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service or
- present obligations that arise from past events but are not recognised because:
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations

or

- the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

There were no contingent assets and no contingent liabilities for QEC as at 30 June 2024 or 30 June 2023.

Note 7.4: Fair Value Determination

How we measure fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through net result
- Financial assets and liabilities at fair value through other comprehensive income
- Property, plant and equipment
- Right-of-use assets

In addition, the fair value of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure.

Valuation hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy.

The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

QEC determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers between levels during the period.

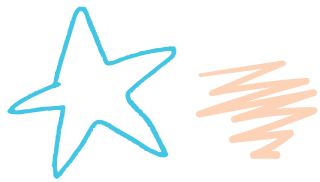
QEC monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required. The Valuer-General Victoria (VGV) is QEC's independent valuation agency for land and buildings.

Identifying unobservable inputs (level 3) fair value measurements

Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgement and assumptions in deriving fair value for both financial and non-financial assets.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability.

Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.



Note 7.4 (a): Fair value determination of investments and other financial assets

	Note	Consolidated Carrying Amount	Fair value measurement at end of reporting period using:		
		30 June 2024 \$'000	Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Managed Investment Schemes		7,844	-	7,844	-
Total Financial Asset Held at Fair Value Through Net Result	4.1	7,844	-	7,844	-
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS AT FAIR VALUE		7,844	-	7,844	-

	Note	Consolidated Carrying Amount	Fair value measurement at end of reporting period using:		
		30 June 2023 \$'000	Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Managed Investment Schemes		7,151	-	7,151	-
Total Financial Asset Held at Fair Value Through Net Result	4.1	7,151	-	7,151	-
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS AT FAIR VALUE		7,151	-	7,151	-

How we measure fair value of investments and other financial assets

Management Investment schemes

QEC invests in managed funds, which are not quoted in an active market and which may be subject to restrictions on redemptions.

QEC considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investment, to ensure they are reasonable and appropriate. The net asset value of these funds is used as an input into measuring their fair value, and is adjusted as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the fund.

QEC classifies these funds as Level 2.

Note 7.4 (b): Fair Value Determination of Non-Financial Physical Assets

	Note	Carrying Amount	Fair value measurement at end of reporting period using:		
		30 June 2024 \$'000	Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Specialised Land		6,288	-	-	6,288
Total Land at Fair Value	4.2 (a)	6,288	-	-	6,288
Specialised Buildings	4.2 (a)	12,299	-	-	12,299
Leasehold Improvements	4.2 (a)	4	-	-	4
Total Buildings at Fair Value		12,303	-	-	12,303
Plant and Equipment at Fair Value	4.2 (a)	73	-	-	73
Motor Vehicles at Fair Value	4.2 (a)	-	-	-	-
Computers and Communication Equipment at Fair Value	4.2 (a)	392	-	-	392
Furniture and Fittings at Fair Value	4.2 (a)	188	-	-	188
Cultural Assets at Fair Value	4.2 (a)	5	-	-	5
Total Plant, Equipment, Furniture, Fittings and Motor Vehicles at Fair Value		658	-	-	658
Right of Use Buildings	4.3 (a)	557	-	-	557
Right of Use Plant, Equipment, Furniture and Fittings and Motor Vehicles at Fair Value	4.3 (a)	426	-	-	426
Total Right of Use Assets at Fair Value		983	-	-	983
TOTAL NON-FINANCIAL ASSETS AT FAIR VALUE		20,232	-	-	20,232



	Note	Carrying Amount	Fair value measurement at end of reporting period using:		
		30 June 2023 \$'000	Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Specialised Land		5,800	-	-	5,800
Total Land at Fair Value	4.2 (a)	5,800	-	-	5,800
Specialised Buildings	4.2 (a)	3,953	-	-	3,953
Leasehold Improvements	4.2 (a)	7	-	-	7
Total Buildings at Fair Value		3,960	-	-	3,960
Plant and Equipment at Fair Value	4.2 (a)	86	-	-	86
Motor Vehicles at Fair Value	4.2 (a)	7	-	-	7
Computers and Communication Equipment at Fair Value	4.2 (a)	217	-	-	217
Furniture and Fittings at Fair Value	4.2 (a)	149	-	-	149
Cultural Assets at Fair Value	4.2 (a)	5	-	-	5
Total Plant, Equipment, Furniture, Fittings and Motor Vehicles at Fair Value		464	-	-	464
Right of Use Buildings	4.3 (a)	304	-	-	304
Right of Use Plant, Equipment, Furniture and Fittings and Motor Vehicles at Fair Value	4.3 (a)	144			144
Total Right of Use Assets at Fair Value		448	-	-	448
TOTAL NON-FINANCIAL ASSETS AT FAIR VALUE		10,672	-	-	10,672

How we measure fair value of non-financial physical assets

The fair value measurement of non-financial physical assets takes into account the market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the same asset in its highest and best use.

Judgements about highest and best use must take into account the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractual arrangements.

In accordance with AASB 13 Fair Value Measurement paragraph 29, QEC has assumed the current use of a non-financial physical asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

Cultural assets

Cultural assets are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

Specialised land and specialised buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset.

During the reporting period, QEC held Freehold Land. Nevertheless the nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

The market approach is also used for specialised land although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore, these assets are classified as Level 3 under the market based direct comparison approach.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.



For QEC, the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of QEC's specialised land and specialised buildings was performed by the Valuer-General Victoria, the effective date of the valuation is 30 June 2024. The valuation was performed using the market approach adjusted for CSO.

Vehicles

QEC acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the health service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at carrying amount (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying amount.

There were no changes in valuation techniques throughout the period to 30 June 2024.

Reconciliation of level 3 fair value measurement

Note	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant & Equipment \$'000	Motor Vehicles \$'000	Computers & Communication Equipment \$'000	Furniture & Fittings \$'000	Cultural Assets \$'000	Right of Use Buildings \$'000	Right of Use Plant Equipment, Furniture and Fittings and Motor Vehicles \$'000
Balance at 1 July 2022	5,800	5,227	22	88	21	229	166	5	551	218
Additions/(Disposals)	-	15	6	24	-	166	46	-	-	-
Net transfers between classes	-	8	-	-	-	-	-	-	-	-
Gains/(Losses) Recognised in Net Result										
- Depreciation and Amortisation	4.6	-	(1,297)	(26)	(14)	(178)	(63)	-	(202)	(74)
Revaluation	4.4	-	-	-	-	-	-	-	(45)	-
Recognised in Other Comprehensive Income										
Balance at 30 June 2023	5,800	3,953	7	86	7	217	149	5	304	144
Additions/(Disposals)	4.2 (b)	-	709	8	-	251	78	-	483	358
Net transfers between classes	4.2 (b)	-	8,884	-	-	64	-	-	-	-
Gains/(Losses) Recognised in Net Result										
- Depreciation and Amortisation	4.6	-	(178)	(3)	(7)	(140)	(39)	-	(230)	(76)
Revaluation	4.3 (b)	488	(1,069)	-	-	-	-	-	-	-
Balance at 30 June 2024	7.4 (b)	6,288	12,299	4	73	392	188	5	557	426

i Classified in accordance with the fair value hierarchy, refer Note 7.4



Fair Value Determination of Level 3 Fair Value Measurement

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Specialised Land (Freehold)	Market approach	Community Service Obligations Adjustments ⁱ
Specialised buildings	Market approach and subsequently depreciated replacement cost approach	<ul style="list-style-type: none">• Cost per square metre• Useful life
Leasehold Improvements	Depreciated replacement cost approach	<ul style="list-style-type: none">• Cost per unit• Useful life
Plant and equipment	Depreciated replacement cost approach	<ul style="list-style-type: none">• Cost per unit• Useful life
Motor Vehicles	Market approach	N/A
	Depreciated replacement cost approach	<ul style="list-style-type: none">• Cost per unit• Useful life
Computers and Communication Equipment	Depreciated replacement cost approach	<ul style="list-style-type: none">• Cost per unit• Useful life
Furniture and Fittings	Depreciated replacement cost approach	<ul style="list-style-type: none">• Cost per unit• Useful life
Cultural assets	Market approach	N/A

ⁱ A community service obligation (CSO) of 20% was applied to QEC specialised land classified in accordance with the fair value hierarchy.

Note 8: Other Disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

8.1 Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities

8.2 Responsible Persons Disclosure

8.3 Remuneration of Executives

8.4 Related Parties

8.5 Remuneration of Auditors

8.6 Ex gratia Expenses

8.7 Events Occurring after the Balance Sheet Date

8.8 Equity

8.9 Economic Dependency



Note 8.1: Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities

		*Restated	
	Note	2024 \$'000	2023 \$'000
Net Result for the Year		3,998	2,793
Non-Cash Movements:			
Depreciation of Non-Current Assets	4.6	694	1,875
Amortisation of Non-Current Assets	4.6	4	23
Non-Cash Capital Grants		(3,877)	(3,104)
Other Non-Cash Movements	2.1	183	64
Income from Managed Funds Reinvested	2.1	(191)	(422)
Movements included in Investing and Financing Activities:			
Net Gain from Disposal of Non-Financial Physical Assets	3.2	(192)	-
Net Gain from Disposal of Financial Assets		(28)	(65)
Net (Gain)/Loss on Financial Instruments at Fair Value	3.2	(530)	(258)
Movements in Assets and Liabilities:			
(Increase)/Decrease in Receivables and Contract Assets	5.1	(516)	(128)
(Increase)/Decrease in Prepaid Expenses		(51)	36
Increase/(Decrease) in Payables and Contract Liabilities	5.2, 5.3	314	61
Increase/(Decrease) in Employee Benefits	3.3	238	216
(Increase)/Decrease in Other Receivables	5.1	-	(5)
NET CASH INFLOW FROM OPERATING ACTIVITIES		46	1,086

*Restated refer to Note 9

Note 8.2: Responsible Persons Disclosures

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

	Period
The Hon. Mary-Anne Thomas MP	
Former Minister for Medical Research	1 July 2023 to 2 October 2023
Minister for Health	1 July 2023 to 30 June 2024
Minister for Health Infrastructure	1 July 2023 to 30 June 2024
Minister for Ambulance Services	2 October 2023 to 30 June 2024
The Hon. Gabrielle Williams MP	
Former Minister for Mental Health	1 July 2023 to 2 October 2023
Former Minister for Ambulance Services	1 July 2023 to 2 October 2023
The Hon. Ingrid Stitt MP	
Minister for Mental Health	2 October 2023 to 30 June 2024
Minister for Multicultural Affairs	2 October 2023 to 30 June 2024
Minister for Ageing	2 October 2023 to 30 June 2024
The Hon. Lizzie Blandthorn MP	
Former Minister for Disability, Ageing and Carers	1 July 2023 to 2 October 2023
Minister for Children	2 October 2023 to 30 June 2024
Minister for Disability	2 October 2023 to 30 June 2024



Governing Boards

Ms Catherine Ho	President of the Board	1 July 2023 – 30 June 2024
Ms Sandra Bell		1 July 2023 – 30 June 2024
Mr Graham Giannini		1 July 2023 – 30 June 2024
Ms Karen Janiszewski		1 July 2023 – 30 June 2024
Ms Lesley Podesta		1 July 2023 – 30 June 2024
Dr Julie Green		1 July 2023 – 30 June 2024
Assoc Prof Mimmie Watts		1 July 2023 – 30 June 2024
Mr Kushal Shah		1 July 2023 – 30 June 2024
Dr Henryk Majewski		1 July 2023 – 30 June 2024
Ms Belinda Loke		1 July 2023 – 30 June 2024

Accountable Officers

Ms Susan White (Chief Executive Officer)	1 July 2023 – 30 June 2024
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Remuneration of Responsible Persons

The number of Responsible Persons are shown in their relevant income bands:

Income Band	2024 No.	2023 No.
\$1 – \$9,999	10	9
\$210,000 – \$219,999	1	1
Total Numbers	11	10
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	241,000	231,000

Amounts relating to the Governing Board Members and Accountable Officer of QEC's financial statements. Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

Note 8.3: Remuneration of Executives

The number of executive officers, other than Ministers and Accountable Officers, their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration of Executive Officers (Including Key Management Personnel Disclosed in Note 8.4)	Total Remuneration	
	2024 \$'000	2023 \$'000
Short-term Benefits	845	976
Other Long-term Benefits	25	19
Post Employment Benefits	92	59
Termination Benefits	-	26
Total Remuneration ⁱ	962	1,080
Total Number of Executives	5.0	6.0
Total Annualised Employee Equivalent ⁱⁱ	4.8	5.8

ⁱ The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of QEC under AASB 124 Related Party Disclosures and are also reported within Note 8.4 Related Parties.

ⁱⁱ Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories:

Short-term Employee Benefits

Salaries and wages, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment Benefits

Pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other Long-term Benefits

Long service leave, other long-service benefit or deferred compensation.

Termination Benefits

Termination of employment payments, such as severance packages.



Note 8.4: Related Parties

QEC is a wholly owned and controlled entity of the State of Victoria. Related parties of QEC include:

- all key management personnel (KMP) and their close family members and personal business interests
- cabinet ministers (where applicable) and their close family members and
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of QEC, directly or indirectly.

Key management personnel

The Board of Directors and the Chief Executive Officer of QEC are deemed to be KMPs. This includes the following:

Entity	KMPs	Position Title
The Queen Elizabeth Centre	Ms Catherine Ho	President of the Board
The Queen Elizabeth Centre	Ms Sandra Bell	Board Member
The Queen Elizabeth Centre	Mr Graham Giannini	Board Member
The Queen Elizabeth Centre	Ms Karen Janiszewski	Board Member
The Queen Elizabeth Centre	Ms Lesley Podesta	Board Member
The Queen Elizabeth Centre	Dr Julie Green	Board Member
The Queen Elizabeth Centre	Assoc Prof Mimmie Watts	Board Member
The Queen Elizabeth Centre	Mr Kushal Shah	Board Member
The Queen Elizabeth Centre	Dr Henryk Majewski	Board Member
The Queen Elizabeth Centre	Ms Belinda Loke	Board Member
The Queen Elizabeth Centre	Ms Susan White	Chief Executive Officer

The compensation detailed below is reported in \$'000 and excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968*, and is reported within the Department of Parliamentary Services' Financial Report.

Compensation – KMPs	2024 \$'000	2023 \$'000
Short-term Employee Benefits ⁱ	241	231
Other Long-term Benefits	6	6
Post Employment Benefits	24	24
Totalⁱⁱ	271	261

i Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.

ii KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Significant Transactions with Government Related Entities

QEC received funding from the Department of Health and the Department of Families, Fairness and Housing of \$18.8m (2023: \$17.4m).

Expenses incurred by QEC in delivering services and outputs are in accordance with HealthShare Victoria requirements. Goods and services including procurement, client meals and multi-site operational support are provided by other Victorian Health Service Providers on commercial terms.

Professional medical indemnity insurance and other insurance products are obtained from the Victorian Managed Insurance Authority.

The Standing Directions require QEC to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victorian unless an exemption has been approved by the Minister for Health and Human Services and the Treasurer.

Transactions with KMPs and Other Related Parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with QEC, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

There were no related party transactions with Cabinet Ministers required to be disclosed in 2024 (2023: none).

There were no related party transactions required to be disclosed for QEC Board of Directors and Chief Executive Officer in 2024 (2023: none).



Note 8.5: Remuneration of Auditors

	2024 \$'000	2023 \$'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	20	19
TOTAL REMUNERATION OF AUDITORS	20	19

Note 8.6. Ex gratia Expenses

There were no ex gratia payments made by QEC to 30 June 2024 or 30 June 2023.

Note 8.7: Events Occurring after the Balance Sheet Date

There are no events occurring after the balance sheet date.

Note 8.8: Equity

Contributed capital

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of QEC.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Other transfers that are in the nature of contributions or distributions or that have been designated as contributed capital are also treated as contributed capital.

Note 8.9: Economic Dependency

QEC is dependent on the Department of Health and the Department of Families, Fairness and Housing for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors has no reason to believe the Department of Health and the Department of Families, Fairness and Housing will not continue to support QEC.

Note 9: Correction of a Prior Period Error

QEC has identified a prior period error. This is explained below and QEC has since adjusted for the error and restated each of the affected financial statements for the 2024 financial year, as shown in the tables below.

Note 9.1: Capital funding and capital work in progress not recognised

The adjustment is related to the \$9.4m Redevelopment of QEC Noble Park Site which was effectively completed in the current Financial Year. The construction was spread across the three financial years ended June 2022, 2023 and 2024. This adjustment has been made to recognise capital expenditure incurred by the Department of Health on QEC's behalf of \$2.1m in year ended June 2022 which is restated in the opening retained earnings on 1 July 2022 (refer statement of changes in equity) and \$3.1m in the year ended June 2023 which is recorded via the below restated figures, not previously recorded.



Impact of correction of an error on the operating statement

	2024 \$'000	Restated 2023 \$'000	Previously Presented 2023 \$'000
Revenue and Income from Transactions			
Operating Activities	20,367	18,483	15,379
Non-Operating Activities	395	577	577
Total Revenue and Income from Transactions	20,762	19,060	15,956
Expenses from Transactions			
Employee Expenses	(13,032)	(11,779)	(11,779)
Supplies and Consumables	(64)	(24)	(24)
Finance Costs	(35)	(16)	(16)
Depreciation and Amortisation	(698)	(1,898)	(1,898)
Other Administrative Expenses	(2,983)	(2,497)	(2,497)
Other Operating Expenses	(674)	(316)	(316)
Total Expenses from Transactions	(17,486)	(16,530)	(16,530)
Net Result from Transactions – Net Operating Balance	3,276	2,530	(574)
Other Economic Flows included in Net Result			
Net Gain on Sale of Non-Financial Assets	192	-	-
Net (Loss) / Gain on Financial Instruments	530	258	258
Other Gain from Other Economic Flows	-	5	5
Total Other Economic Flows included in Net Result	722	263	263
NET RESULT FOR THE YEAR	3,998	2,793	(311)
Other Economic Flows – Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	(581)	-	-
Total Other Comprehensive Income	(581)	-	-
COMPREHENSIVE RESULT FOR THE YEAR	3,417	2,793	(311)

Impact of correction of an error on the balance sheet

	2024 \$'000	Restated 2023 \$'000	Previously Presented 2023 \$'000
Current Assets			
Cash and Cash Equivalents	3,368	4,448	4,448
Receivables	556	236	236
Prepaid Expenses	106	55	55
Total Current Assets	4,030	4,739	4,739
Non-Current Assets			
Receivables	900	704	704
Investments and Other Financial Assets	7,844	7,151	7,151
Property, Plant and Equipment	19,249	15,444	10,288
Right of Use Assets	983	448	448
Intangible Assets	-	4	4
Total Non-Current Assets	28,976	23,751	18,595
TOTAL ASSETS	33,006	28,490	23,334
Current Liabilities			
Payables	926	711	711
Contract Liabilities	145	46	46
Borrowings	264	296	296
Employee Benefits	2,035	1,792	1,792
Total Current Liabilities	3,370	2,845	2,845
Non-Current Liabilities			
Payables	75	75	75
Borrowings	759	181	181
Employee Benefits	435	440	440
Total Non-Current Liabilities	1,269	696	696
TOTAL LIABILITIES	4,639	3,541	3,541
NET ASSETS	28,367	24,949	19,793
EQUITY			
Property, Plant and Equipment Revaluation Surplus	9,043	9,624	9,624
Contributed Capital	4,894	4,894	4,894
Accumulated Surplus	14,429	10,431	5,275
TOTAL EQUITY	28,366	24,949	19,793



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