The Queen Elizabeth Centre

Annual Report 2017/18

Contents

Chair and CEO Report

For the past 101 years, the Queen Elizabeth Centre (QEC) has worked tirelessly to ensure infants and young children have the best possible start in life. A 42-bed public hospital and community service organisation, we are Victoria's pre-eminent provider of early parenting services. In 2017-18 QEC provided support to over 3,000 families and delivered 124,000 hours of care across Victoria - from our Noble Park residential site and at community sites in Morwell, Bairnsdale, Dandenong, Carrum Downs, Preston and Wodonga.

Research into the impact of a child's first 1000 days on adult health and wellbeing outcomes demonstrates the critical imperative to support parents of infants and young children. Many families face physical, psychological, cognitive or environmental challenges that compromise their ability to nurture and support their young children. Programs at QEC are research informed, evidence based and individually tailored to meet the unique needs of each family. Our services enable families to nurture and protect their children in order to enhance family health and development.

The Board has been pleased to see QEC actively participate in two important State Government reforms that aim to promote the safety, wellbeing and health of Victorian families: Family Violence reforms and the Children and Family Services reforms. These critical government initiatives have placed a spotlight on the factors that create vulnerability in young children and highlight the importance of specialised, professional intervention.

QEC has celebrated many achievements over the past year; our key partnerships continue to add value to the work we undertake across sectors.

The Safe Early Years program is an innovative, DHHS-funded Family Violence Demonstration Project, delivered in partnership with MacKillop Family Services and the Victorian Aboriginal Child Care Agency. The program provides therapeutic interventions for parents and their young children, and aims to reduce the impact of trauma by improving family relationships and supporting parenting skills. Delivered by a multi-disciplinary staff team (including QEC Maternal and Child Health Nurses), the Safe Early Years program comprises individual care, combined with group approaches.

QEC has developed a joint initiative with Doveton Secondary College, aiming to build capacity within vulnerable families with young children, from birth until school age. QEC provides a weekly facilitated playgroup and individual support to targeted families within the school community.

An enduring relationship with the Victorian Aboriginal Child Care Agency has developed since our Dandenong team co-located at the VACCA Southern office over 5 years ago. In 2017-18, this partnership continued to mature and develop, with QEC further progressing our commitment to supporting improved outcomes for Aboriginal children and families.

QEC employs over 130 staff including Nurses, Midwives, Psychologists, Social Workers and Early Childhood Educators. The achievements of the past year would not be possible without the dedication and expertise of all our staff - who work hard each and every day to ensure that children are afforded the best start in life.

The Board was pleased to welcome a new Chief Executive Officer to QEC this year, Sue White, who brings a wealth of experience in the health sector to QEC. Prior to Sue's appointment in November 2017, Letitia Billings was the acting interim CEO and the Board wishes to express their sincere appreciation for Letitia's work in this role.

Together with the CEO, QEC is led by a professional and engaged executive team: Helen Cunningham (Director of Services and Operations), Sam Corrigan (Director Finance and ICT), Akiko Ono (Director of Excellence and Innovation) and Casey Hepburn (Director Corporate Services). In addition to acknowledging the enormous contributions of staff and the leadership team to QEC, the Board also appreciates and wishes to acknowledge the contributions of the Wendy Spry and Frank Slutzkin Committee, which has funded a number of research and evaluation projects this year.

Over the past year, we farewelled from our Board:

- Kym Forrest: 9 years
- Associate Professor Campbell Paul: 26 years
- Mary Sayers: 8 years
- Selina Lightfoot: 6 years

We welcomed Frank Gullone, Caroline Mulcahy, Emily Maguire, and Sandy Bell onto the QEC Board.

QEC is a vibrant, innovative organisation, with an enduring commitment to caring for families to ensure children get the best start in life. We are proud of our history and optimistic about our future.

In accordance with the Financial Management Act 1994, we are pleased to present the report of operations for the year ending 30 June 2018.

Selina Ligthfoot

QEC Board Chair

Sue White

QEC Chief Executive Officer

Vision, Purpose, Values and Strategy

Vision

For children to get the best start in life.

Purpose

QEC aims to help young children living in vulnerable situations get the best start in life, by providing families with specialised services, guidance and education.

Values

Respect - We respect the feelings and beliefs of others

Teamwork - We listen to, acknowledge and accept others in our team

Integrity - We approach others with fairness, honesty and openness

Excellence - We strive for excellence and quality in everything we do

Resilience - We are positive in our approach to all challenges

Strategic Priorities

1. **Excellence in Service Delivery:**
   Be recognised for leadership in the provision of evidenced based services that enhance the skills and confidence of parents and carers of young children;
2. **Evaluation, Research and Learning:**
   Be recognised for leading practice reform in early years parenting support for at risk families, through training and research;
3. **People and Culture:**
   Build a high performing team that is aligned to our organisational values and with capabilities to deliver on our innovative service models;
4. **Community and Partnerships:**
   Create strategic partnerships that increase our profile, extend our reach and empower and add value to participating organisations;
5. **Self Sufficiency and Sustainability:**
   Continue to refine the organisation's infrastructure and resources management to ensure sustainability of service delivery.

"Wonderful, non-judgemental service that increased my confidence as a parent and human being!!"

Programs

"Fabulous service - staff are supportive and knowledgeable"

Assessment and Intake: Families are offered a phone assessment to ensure they are streamed into the most appropriate program.

Residential Parenting Program: 5 day residential program for parents and caregivers experiencing challenges with parenting, including a group session specifically for fathers.

Residential Parenting Assessment and Skills Development Services: 10 day residential intensive parenting assessment and skills development program for families who are referred through the Child Protection system.

"Beautiful staff, very supportive; I feel like I am taking a different child home."

Home Based Parenting Assessment and Skills Development Services: 12 week intensive home-based service for families who are referred through the Child Protection system.

Day stay: Full day session incorporating intensive practical parenting education and support.

Parenting Plus: Early intervention, intensive, home-based parenting skills development program.

Stronger Families: Intensive family coaching and support service.

PlaySteps: Relationship based parenting program focused on enhancing interactions between children and their parents via a nine week, structured group program.

Cradle to Kinder: Long term antenatal and postnatal case work service that provides early parenting support to young mothers under the age of 25 years and their children.

Hey Babe: 12 month home visiting and group support for mothers who are over 25 years, pregnant or have a new baby up to 4 weeks of age

IFS 200 Hours Intensive Program: Interim support to families needing more intensive support.

Safe Early Years: An innovative demonstration project that aims to reduce the impact of family violence and support parenting skills.

"Fantastic - made a huge difference to our entire household. Cannot recommend highly enough".

Doveton Secondary College: Support for vulnerable families with young children via a weekly facilitated playgroup and individual support to families within the school community.

Dads Do Matter: An 8 week parenting program for clients who are on a community corrections order, provided in partnership with Anglicare and the Department of Justice.

A-Frame Project: A pre-accredited Child Care course for clients linked with Berry Street.

Strategic Plan Progress Report

I. Excellence in Service Delivery

a. QEC continues to provide high quality, outcomes focused care to Victorian families. Over the last 12 months, QEC has provided care to 3044 families and delivered 123, 892 hours of support:

	Residential Inpatient	Community	Assessment and Intake	Total
Hours of care	85,632	38,260	N/A	123,892
No of families supported	1080	494	1470	3044

At the commencement of each program, every family is asked to identify their goals – and what outcomes they would like to achieve. Across all our programs, 77% of all clients achieved their goals (fully or partially);

Program	Percentage that achieved goals (fully or partially)
Day stay	96%
Residential	92%
Cradle to Kinder	84%
Parenting Plus	83%
Residential PASDS	76%
Community PASDS	74%
Hey Babe	73%
Playsteps Frankston	66%
Stronger families	50%

Families accessing QEC services come from all across Victoria:

Area	No. of families
Southern Melbourne	745
Eastern Melbourne	164
Gippsland	158
North & Western Melbourne	123
Hume	58
Loddon Mallee	13
Barwon South West	13
Grampians	12

b. The Safe Early Years program is an innovative, DHHS-funded Family Violence Demonstration Project, delivered in partnership with Mackillop Family Services and the Victorian Aboriginal Child Care Agency. The program provides therapeutic interventions for parents and their young children, and aims to reduce the impact of trauma by improving family relationships and supporting parenting skills. Delivered by a multi-disciplinary staff team (including two QEC Maternal and Child Health Nurses) the initiative comprises individual care combined with group approaches.

c. Strengthening Hospital Responses to Family Violence forms part of the Victorian Government's response to the Family Violence Royal Commission, aiming to provide a 'whole-of-hospital' model for responding to family violence. As part of this initiative, QEC has achieved:

- Strong staff engagement in the development of an organisational statement of commitment;
- Development of relevant policies and procedures for preventing, assessing and responding to family violence;
- Staff training and capacity building.

d. QEC recognises the important role fathers play in improving resilience, health, self-esteem and developmental outcomes in their children. In response to community need, QEC has developed two Father's Groups:

- Noble Park - an experienced facilitator provides a unique opportunity for fathers to share experiences in a safe, supportive environment, whilst strengthening the relationships between parents and their children.
- Gippsland - funded by the Department of Justice, this 8 week parenting program is specifically designed for fathers who have community corrections orders, and is delivered in partnership with Anglicare.

e. In response to higher demand for QEC services, QEC has undertaken an evaluation of Assessment and Intake Service wait list management processes. The project found that:

- With process improvements, there is capacity within existing resources to meet demand with minimal wait time.
- 40% of new calls result in phone advice only, suggesting that there may be a more efficient way to provide this support.

Refining our Intake and Assessment processes will continue over the coming months to ensure timely access to QEC services.

f. QEC's accreditation survey was conducted over 3 days in late February, by a team of five Australian Council of Healthcare Standards surveyors. The accreditation team found that QEC is a "welcoming, friendly service" that provides "safe, high quality care". QEC was awarded full accreditation within the EQUIP and Human Services Standards; we were highly rated across a range of areas, including:

- Assessment and care planning
- Risk management and clinical governance
- Organisational culture and commitment to values and vision;
- Staff safety.

"I am so blown away how incredible your staff are. I cannot express my gratitude enough for allowing me to see that both myself and my child can do this. So much love."

II. Evaluation, Research and Learning

a. QEC Gippsland is participating in the DHHS Family Services Outcome Measure Pilot. This innovative approach will test a new methodology for measuring client outcomes. The pilot will continue during 2018 and will build approaches to evidence based practice, strengthen our learning environment, and support positive client outcomes.

b. The QEC Data Optimisation Project (funded by the Wendy Spry and Frank Slutzkin Fund) has enabled an in-depth analysis of QEC clinical data to measure consistency, accuracy and usability. The project will lead to streamlined data collection, entry, analysis and application to ensure that QEC has relevant, accessible, reliable and timely data.

c. QEC has engaged Monash University School of Psychology (Faculty of Education) to undertake a review of psychological services offered to our children, families and staff. The review will inform future service development and is critical to supporting the best outcomes for clients and staff.

The review incorporates:

- Mapping of current psychological services;
- Summary of current practice;
- Collation of service evaluations of relevant services offered by QEC and others in Victoria;
- Recommendations for future improvements.

The final report is expected later in 2018.

III. People and Culture

a. QEC provided 32 learning and development sessions to 97 participants (64 external enrolments and 33 internal staff enrolments) over the past 12 months, including:

- Family Partnership Training (320 hours of training delivered);
- Nursing Child Assessment Satellite Training (NCAST) for NCAST Instructors (48 hours of training);
- Keys to Caregiving (32 hours of training);
- Playsteps (relationship based parenting program focused on enhancing interactions between children and their parents) (16 hours of training).

In addition to the above, at our all-staff training day in August 2017, 103 QEC staff from across sites completed a range of education sessions including Privacy and Confidentiality, Cultural Awareness, Family Violence, Trauma Informed Practice and Communication Training. In December 2017, 60 staff from the metropolitan sites came together to complete a range of education activities including CPR, Fire Safety and Extinguisher training, Evacuation and Workplace Safety, and Manual Handling.

b. Over the 2017/2018 financial year, QEC hosted clinical Maternal & Child Health students for tertiary placements for a total of 872 hours. An additional 762 hours of additional clinical placement hours were hosted for students studying Community Service qualifications.

c. An independent review of staff safety at our Noble Park site led to a range of strategies to prevent and better manage occupational violence. The focus of the review was to examine the risks faced by QEC staff and their likely impact, and to assess the appropriateness of the current risk control measures in order to improve safety. The review found that the frequency of occupational violence at QEC is low and that associated risk is best managed by graduated mitigation measures. A staff working group led the resulting improvements including:

- Increased physical protection;
- Improved electronic / ICT protection;
- Review of relevant policies and procedures;
- Improved security awareness and staff training.

d. QEC's annual staff survey (People Matter Survey) resulted in a significant increase in response rates (from 32% to 56%), demonstrating that staff are engaged with QEC and keen to have a say. The survey results were received mid 2018 and results communicated to QEC teams across sites. Local workforce initiatives identified in response to staff People Matter feedback will progress over 2018/19 to further support staff development, wellbeing and satisfaction.

e. QEC completed bargaining with Support Services, Managers and Administrative staff and implemented the Queen Elizabeth Centre (Support Services, Managers and Administrative Employees) Agreement 2017- 2021.

"Awesome program! Hard to find what works for my child but great suggestions and support, especially when I was exhausted and beyond it all. Much appreciated. Thank you"

IV. Community and Partnerships

a. QEC have developed a joint initiative with Doveton Secondary College, aiming to build capacity within vulnerable families with young children (birth until school age). QEC is providing a weekly facilitated playgroup and individual support to targeted families within the school community.

b. QEC has an enduring relationship with the Victorian Aboriginal Child Care Agency - our Dandenong team have been co-located at the VACCA Southern office for over 5 years. This partnership has continued to mature and develop, with QEC further progressing our commitment to supporting improved outcomes for Aboriginal children and families. In recent months our Preston and Carrum Downs teams have worked closely with local VACCA teams to identify opportunities for further collaboration. Over the past year, QEC Dandenong have also worked alongside Dandenong District Aboriginal Co-op to better meet the antenatal and post natal support needs of Aboriginal mothers. In Gippsland, the QEC team have a supportive formal agreement with Ramahyuck, with shared case work and secondary consultation.

c. In late 2017, QEC received a request from ABC TV Gardening Australia to profile our Therapeutic Garden at Noble Park. The segment - including interviews with a QEC family, QEC CEO and the garden designer - was screened in early 2018.

d. Over the past year, QEC has increased our focus on client experiences. We have a variety of ways families can provide feedback about their experience - we use feedback to celebrate achievements and make improvements where needed. We recently developed a Consumer Participation Framework to further guide our work in partnering with families as experts in their own care.

V. Self-Sufficiency and Sustainability

a. Development of the QEC ICT strategy was competed by an external consultant in 2018. The ICT strategy enables QEC to prioritize infrastructure developments in a planned, considered and strategic way. The first project to be successfully completed was a significant internet upgrade and the move to a new email system. Implementation of new accounting software is also nearing completion.

b. A maintenance program was undertaken at Noble Park residential unit during 2018:

- Bathrooms cleaned and re-grouted;
- Roof repairs and maintenance completed;
- Painting and woodwork repairs.

c. 203 incidents were reported in the July 2017 to June 2018 period at QEC. The table below shows the number of incidents according to the Department of Health and Human Services categories. All incidents are reviewed by line manager; high risk incidents are investigated according to the DHHS protocol.

Category	No. of Incidents Reported	Themes
1	2	• Transfer of client to other medical facility due to medical deterioration
2	19	• Moderate illness / injury experienced by client
3	182	• Minor injuries not requiring medical treatment • Early discharge from program • Failed testing of duress equipment

Board and Committee Members

Ms Mary Sayers
President (Jul 2017 – Nov 2017)

BA, Grad Dip HR, MCom, GAICD

Mary is Deputy Chief Executive Officer at the Victorian Council of Social Service, working in close partnership with the CEO. Prior to VCOSS she was Manager Family, Children and Young People at the City of Whittlesea between 2012 and 2014. Up until 2012 Mary worked at the Centre for Community Child Health as Associate Director. Mary joined the Board in 2010 and was a member of the Strategic & Service Planning Committee and the Wendy Spry & Frank Slutzkin Research Fund Committee. Board of Management meeting attendance for the period was 71%.

Ms Selina Lightfoot
Vice President (Jul 2015 – Nov 2017)
President (Nov 2017 – Jun 2018)

BA/LLB, GAICD, Grad Dip Applied Finance & Investment

Selina is an experienced Company Director, currently holding non-executive director roles with ASX listed technology company DWS Limited, JDRF Australia, Nuchev Pty Ltd and Victorian Opera. She is also an Advisory Board member for TLC Aged Care. She has experience across a range of industries including health and aged care, education, consumer goods and financial services. Selina is a former partner of law firm Freehills, with areas of expertise including corporate law, commercial contracts, risk management and governance. Selina joined the Board in 2012, was Vice President from July 2015 and was appointed President in November 2017. Selina was a member of the Audit & Finance Committee and the Strategic Service and Planning Committee. Board of Management meeting attendance for the period was 100%.

Mr Warwick Spargo
Vice President (Jul 2017 - Jun 2018)

FCPA, IIA, CFE

Warwick has a 32-year career in public sector auditing and is currently an Audit Partner at RSM. Warwick specialises in public sector governance and risk management and is a Certified Fraud Examiner. Warwick joined the QEC Board in 2013 and is currently Chair of the Audit & Finance Committee. Board of Management meeting attendance for the period was 86%.

Ms Karen Janiszewski
Board Member (Jul 2017 - Jun 2018)

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

Karen has 30 years of construction and development experience in private and public companies, state and local government and not for profit organizations. Karen is a Fellow of the Institute of Company Directors. She has had numerous roles as a non-Executive Director and is the current Chair of King and Godfree Pty Ltd. She joined the QEC Board in 2015 and is a member of the Audit & Finance Committee and the Wendy Spry & Frank Slutzkin Research Fund Committee. Board of Management meeting attendance for the period was 71%.

Mr Graham Giannini

Board Member (Jul 2017 - Jun 2018)

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 also 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 a Board member of Business Excellence Australia. He joined the QEC Board in 2015 and is a member of the Quality Assurance & Risk Committee and the Strategic & Service Planning Committee. Board of Management meeting attendance for the period was 100%.

Ms Catherine Ho

Board Member (Jul 2017 - Jun 2018)

B Economics, Grad Dip Applied Finance, ACA, GAICD

Catherine's commercial career spans over 22 years in Australia and internationally, working with some of Australia's largest companies including AXA, Members Equity Bank and PricewaterhouseCoopers. Catherine is presently Director Finance and Business Services at CenITex, focusing on transformation, governance and business improvement processes. She is also an independent member of the WNBL Deakin Melbourne Boomers finance committee. She joined the QEC Board in 2017 and is a member of the Audit & Finance Committee and the Quality Assurance & Risk Committee. Board of Management meeting attendance for the period was 100%.

Ms Rosemary Bryant-Smith

Board Member (Jul 2017 - Jun 2018)

BA/LLB (Hons), VFF, CAHRI, GAICD

Rosemary Bryant-Smith is the founding co-owner of Worklogic, a workplace consulting firm with offices in Melbourne and Sydney. Rose has been a professional non-executive director since 2007 in the healthcare, social housing and women's services sectors. In addition to QEC, Rose is currently Director of Australian Home Care Services. In 2016 she was the Human Rights Law Research Fellow with Mercy Global Action at the United Nations. She joined the QEC Board in 2017 and is a member of the Quality Assurance & Risk Committee and the Strategic & Service Planning Committee. Board of Management meeting attendance for the period was 86%.

Ms Sheena Watt

Board Member (Jul 2017 - Jun 2018)

B. Bus, AICD, Advanced NFP Governance AICD, Fellow CSL, DTP (UNSW)

Sheena is a public health advocate and company director. She is a Board Member of the Centre for Australian Progress and member of the Quality Improvement and Participation Committees of BreastScreen Victoria and Clinical Governance Committee at Merri Health. Sheena is currently the Manager of Government Relations at the Victorian Aboriginal Community Controlled Health Organisation (VACCHO). Sheena is a Yorta Yorta woman with a background in Aboriginal and Multicultural Health. She joined the QEC Board in 2017 and is a member of the Quality Assurance & Risk Committee and a member of the Research Advisory Group. Board of Management meeting attendance for the period was 86%.

Mr Frank Gullone

Board Member (Jul 2017 - Jun 2018)

B. Bus., Grad. Dip. SI (App. Fin. & Inv.), AMP (Harvard), FAICD, FCPA, FFin.

Frank has over 35 years' experience in Financial Services, Professional Services and range of other associated industries. Frank is currently the Independent Chair of a regulated superannuation fund, Kinetic Super, Non-Executive Director of Indue Limited and Advisory Board member of the Alannah & Madelaine Foundation. He is also Chair of the strategic management consultancy, Gullone Group Consulting and advises leaders of organisations on strategy and leadership. He joined the Board in 2017 and is a member of the Audit & Finance Committee and the Strategic & Service Planning Committee. Board of Management meeting attendance for the period was 100%.

Ms Emily Maguire

Board Member (Oct 2017 - Jun 2018)

BA (Political science/gender, sexuality and diversity studies)

Emily Maguire is the CEO of the Domestic Violence Resource Centre Victoria (DVRCV), a statewide resource centre supporting workers and families to help prevent and respond to family violence. Prior to leading DVRCV, Emily worked at Our Watch. She joined the QEC Board in 2017 and is a member of the Strategic & Service Planning Committee and the Research Advisory Group. Board of Management meeting attendance for the period was 50%.

Ms Caroline Mulcahy

Board Member (Oct 2017 - Jun 2018)

Msc Health Science (Research Methods), Registered Nursing, GAICD

Caroline is the General Manager, Business Transformation, Strategy and Insights at the National Heart Foundation, responsible for strategy, governance and culture transformation and transition.

Prior to the Heart Foundation, Caroline was the CEO at Carers Victoria and CEO at Melbourne IVF. Caroline is a values driven and awarded leader with more than 30 years health experience in clinical care, operational and strategic planning and senior management roles. She is currently on the Boards of the Victorian Council of Social Service, Variety and is the President of DAM Busters, Melbourne. She joined the QEC Board in 2017 and is the Chair of the Quality Assurance & Risk Committee and a member of the Strategic & Service Planning Committee. Board of Management meeting attendance for the period was 75%.

Ms Sandy Bell

Board Member (Oct 2017 - Jun 2018)
Vice President (Nov 2017 - Jun 2018)

Sandy has more than 30 years' experience in the Victorian health sector and since February 2018 has been the Transition Manager at the Country Fire Authority. Prior to joining CFA, Sandy was the A/ Director of Strategy and Planning at Austin Health. Between 1996 and 2012 Sandy worked in a range of project and management roles in the Department of Health. Sandy has served on a number of not for profit and public sector Boards in the areas of women, housing, community and health. Sandy joined the Queen Elizabeth Centre Board in 2017 and is a member of the Audit & Finance Committee and the Quality Assurance & Risk Committee. Board of Management meeting attendance for the period was 100%.

Board Committees

Executive Committee

Members

- Selina Lightfoot (Board President)
- Warwick Spargo (Vice President)
- Sandy Bell (Vice President)

Audit & Finance Committee

Chair

- Warwick Spargo

Members

- Selina Lightfoot
- Karen Janiszewski
- Catherine Ho
- Sandy Bell

Quality & Risk Committee

Chair

- Caroline Mulcahy

Members

- Graham Giannini
- Catherine Ho
- Rosemary Bryant-Smith
- Sandy Bell

Strategic & Service Planning Committee

Members

- Rosemary Bryant-Smith
- Graham Giannini
- Selina Lightfoot
- Emily Maguire
- Frank Gullone
- Caroline Mulcahy
- Mary Sayers

Research Advisory Group

Board Members

- Sheena Watt
- Emily Maguire

External Members

- Campbell Paul
- Jane Fisher
- Jan Matthews
- Sharon Goldfeld
- Leanne Sheeran

Wendy Spry & Frank Slutzkin Research Fund Committee

Board Members

- Mary Sayers
- Karen Janiszewski

External Members

- Bruce Morley
- Susan Harper
- Campbell Paul
- Ian Ross

Workforce

Workforce Data				
Role	Month FTE (June)		YTD FTE (June)	
	2017	**2018**	**2017**	**2018**
Administration / Finance	10.6	13.3	10.7	13.6
Chief Executive Officer	1.0	1.0	1.0	1.0
Clinical Education Coordinators (incl. Maternal & Child Health Nurses)	0.8	0.8	0.8	0.8
Director of Medical Services	0.5	0.5	0.5	0.5
Directors (Service and Operations, Finance and ICT, Corporate Services, Innovation)	1.8	3.4	1.7	2.5
Enrolled Nurses (incl. Early Parenting Practitioners)	49.1	51.4	49.2	51.1
Family Counsellors (incl. Psychologist and Social Workers)	5.3	5.3	5.4	5.3
Managers	5.9	6.3	6.3	6.2
Program Coordinators (incl. Maternal & Child Health Nurses)	9.7	8.1	9.2	8.6
Team Leaders (incl. Maternal & Child Health Nurses)	9.2	10.7	10.0	10.3
TOTAL	**93.9**	**100.8**	**94.8**	**100.1**

Occupational Violence	2017/2018
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	7
Number of occupational violence incidents reported per 100 FTE	7
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	<1%

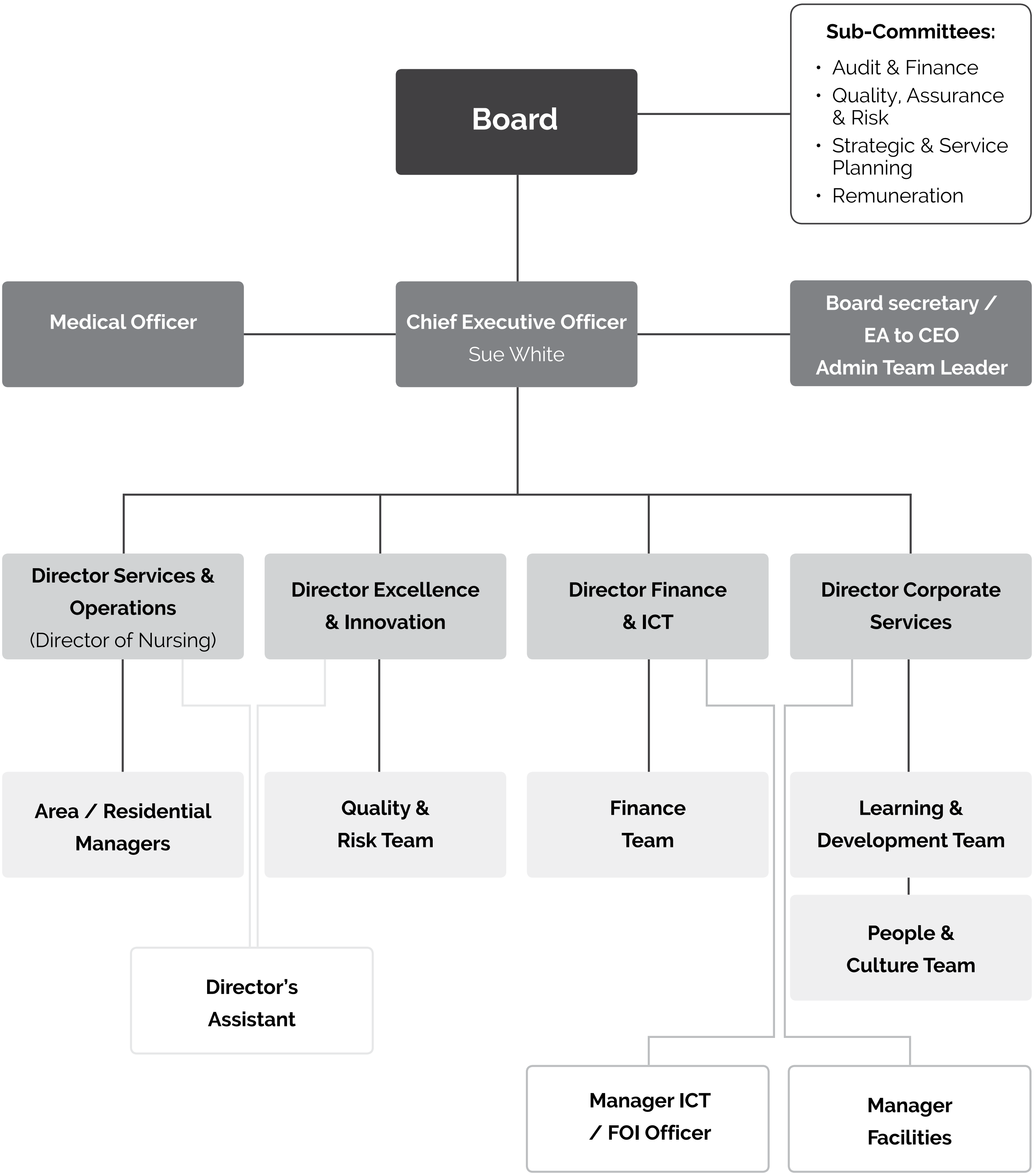
Occupational Health and Safety

The QEC OHS Management System ensures:

- Compliance with relevant legislation, including the OHS Act
- OHS performance against objectives
- Consideration of health and safety aspects in the purchase of products and services
- Staff and contractors are fully aware of OHS matters relevant to their work and implement appropriate measures
- A close working relationship between employees, contractors, suppliers, clients and the community in relation to health and safety
- QEC has zero tolerance to all forms of violence and is committed to the safety and well-being of all clients and staff families.

Occupational Health and Safety	2017/2018
Reported hazards/incidents for the year per 100 full-time equivalent staff	46
'Lost time' standard claims for the year per 100 full-time equivalent staff	3
Average cost per claim for the year	$8,895

Organisational Chart



Financial Summary

	2018 $'000	2017 $'000	2016 $'000	2015 $'000	2014 $'000
Total revenue	12,301	11,108	11,623	10,140	9,985
Total expenses	(11,875)	(10,795)	(10,316)	(10,083)	(9,708)
Other operating flows included in the net result for the year	14	13	17	6	52
Net result for the year	440	326	1,324	63	329
Operating Result[1]	821	829	658	442	507
Comprehensive result for the year	752	1,367	1,198	63	933
Total assets	16,142	15,380	14,063	12,887	12,800
Total liabilities	2,424	2,414	2,463	2,485	2,461
Net assets	13,718	12,966	11,600	10,402	10,339
Total equity	13,718	12,966	11,600	10,402	10,339

[1] The operating result is the result for which the hospital is monitored in its Statement of Priorities also referred to as the Net Result before capital and specific items

Consultancies

In 2017/18, there were 7 consultancies where the total fees payable to the consultants were greater than $10,000. The total expenditure incurred during 2017/18 in relation to these consultancies was $154k (excl GST).

Details of individual consultancies are outlined below:

Consultant	Purpose	Total Project Fee (excl GST) $' 000	Expenditure 2017-18 (excl GST) $'000	Future Expenditure (excl GST) $'000
Wholistical Business Systems	ICT consultant	48	48	ongoing
Telstra	ICT Strategy	28	28	-
University of Washington	NCAST training	21	20	-
People & Culture Solutions	HR support	22	17	3
Deakin University	Assessment garden project	14	14	-
Monash University	Psychological services evaluation	14	14	-
Deborah Brewis	Family Partnership & Keys to Caregiving training	13	13	-
TOTAL		**160**	**154**	

In 2017/18, there were 15 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2017/18 in relation to these consultancies was $47k (excl GST).

Disclosure of major contracts: nil to report for 2017/18.

Information and Communication Technology Expenditure

The total ICT expenditure incurred during 2017/18 was $748k (excl GST) with the detail shown below.

ICT Expenditure	Amount $'000
Operational expenditure	591
Capital expenditure	7
Business as usual ICT expenditure	**598**
Operational expenditure	28
Capital expenditure	122
Non-business as usual ICT expenditure	**150**
Total ICT expenditure incurred during 2017/18	**748**

Victorian Industry Participation Policy Act

In accordance with the Victorian Industry Participation Policy Act 2003, there was a 'nil' return for QEC.

Operational Performance

Operational Summary 2017/18

Number of **families and clients** = **3,044**

Number of **hours of care** = **123,892**

Noble Park Site		
Program	**No. of families supported**	**No. of hours**
Day stay	214	1744
Residential 5 days	531	50,688
Playsteps	200	800
PASDS 10 days	135	32,400
Assessment and intake	1470	N/A
Total	1081	85,632

Southern Melbourne Community Site	
Program	**No. of families supported**
PASDS	84
Stronger Families	21
Parenting Plus	86
Malala House	4
Total	195

Gippsland Community Site	
Program	**No. of families supported**
PASDS	36
Parenting Plus	31
Stronger Families	21
Cradle to Kinder	20
Hey Babe	13
Intensive / Long Support	11
Total	132

Dandenong VACCA Community Site	
Program	**No. of families supported**
Cradle to Kinder	46

Northern Melbourne Community Site	
Program	**No. of families supported**
PASDS	49
Stronger families	16
Total	65

Hume Wodonga Community Site	
Program	**No. of families supported**
PASDS	17
Hey Babe	11
Parenting Plus	22
Intensive / Long	6
Total	56

Key Performance Indicator	Target Result	Result
Health service accreditation	Full compliance	Full compliance
Compliance with cleaning standards	Full compliance	Regular cleaning audits completed
Compliance with the Hand Hygiene Australia program	80%	98%
Percentage of healthcare workers immunised for influenza	75%	52%
People Matter Survey: percentage of staff with a positive response to safety culture question	80%	83%
Net result for the year ($k)	N/A	440
Trade creditors	60 days	22
Patient fee debtors	60 days	N/A
Adjusted current asset ratio	0.7	1.2
No of days available cash	14	32

Client experiences

QEC has a number of options for families providing feedback about their experience - we value this information and ensure it is used to continually review and improve our services.

5 & 10 Day Residential Programs

97%

of families felt that staff treated them with respect

96%

of families felt that information provided was helpful to reach their goals

83%

of families found the groups helpful and informative

97%

of families would recommend the service to others

Day Stay Program

93%

of families became confident about parenting

99%

of families felt that their feelings, cultural belief and family values were respected

93%

of families indicated that their enjoyment of parenting increased due to the program

100%

of families were satisfied with their involvement in decision making

Community Programs

98%

of families found the program made a difference

79%

of families found their enjoyment in parenting increase as a result of the program

95%

of families felt more confident in parenting at the completion of the program

100%

of families were satisfied with the service

Father's Group Program

100%

of fathers found the session helpful in exploring and sharing feelings about being a dad

98%

of fathers found hearing about other father's experiences and feelings useful

95%

of fathers found the information provided by the facilitator was easy to understand

98%

of fathers would recommend the sessions to others

Compliance and Declarations

Environmental Performance

QEC has a range of environmental initiatives, ensuring:

- Environmental objectives are developed, including workplace inspections; reducing energy, water and paper consumption; minimizing production of greenhouse gases associated with travel.
- Reduction in the amount of waste produced and maximizing the amount reused and recycled.
- Consideration of the environmental aspects in the purchase of products and services.
- Employees informed all relevant matters related to environment and sustainability.

Privacy and Freedom of Information

QEC is committed to ensuring we comply with relevant legislation. The Freedom of Information Act gives clients the right to request information held by public hospitals. Clients also have the right to request that incorrect or misleading information held by QEC about them be amended or removed. QEC ensures all clients are aware of their right to request information under the FOI Act. Procedure and application forms are available through the QEC website or in hard copy on request. Whilst QEC endeavours to minimise costs, fees resulting from archiving retrieval and copying documents may occur. From time to time, access may be denied due to exemptions stated in the Act. QEC undertakes every attempt to ensure that decisions are made with the clients best Interest and rights in mind. QEC supports applicants' right to request to appeal decisions. The QEC FOI and Privacy Officer is Ms Janelle Crossett. In 2017/18 there were 4 FOI requests made to QEC by the general public; the majority were acceded to.

Protected Disclosure

The Protected Disclosure Act 2012 replaced the Whistle-blowers Protection Act 2001. In accordance with the Protected Disclosure Act 2012, there were no matters referred to the Independent Broad-based Anti-corruption Commission. QEC Protected Disclosure Policy is currently under review and expected to be finalised early in 18/19.

Buildings

QEC Assets and Facilities (including building) are monitored via a range of mechanisms based on the Victorian Asset Management Accountability Framework and the Victorian Government Risk Management Framework. Our facilities and procedures comply with the minimum requirements of all relevant building and emergency services legislation, including fire safety.

Safe Patient Care

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

Carer Recognition

QEC acknowledges the important contribution made by carers; we are committed to valuing and supporting people in a care relationship. QEC endeavours to be aware of the needs of carers and take their views and into account when providing services.

Child Safe Standards

QEC is dedicated to child safety through a zero tolerance for child abuse. We are committed to acting in the best interests of children, keeping them safe, and actively working to empower them.

Funding

QEC acknowledges the funding support provided by the Victorian Government Department of Health and Human Services.

Health Services Act

The Queen Elizabeth Centre (QEC) is a Registered Public Hospital in accordance with the Victorian Health Services Act 1988 and a Community Service Organisation under the Children, Youth and Families Act 2005. QEC is registered to meet the needs of children requiring care, support, protection or accommodation and of families requiring support. The Minister for Health, Jill Hennessy, has portfolio responsibility for QEC. QEC was established in 1917.

"The nurse was amazing and so understanding and helpful. She helped us understand our motivation and needs."

Additional Information

The following information is available on request (subject to freedom of information requirements, if applicable):

- Declarations of any pecuniary interests have been duly completed by all relevant officers
- Details of any shares held by senior officers as nominee or held beneficially
- Details of any publications produced by QEC
- Details of any changes in prices, fees, charges, rates and levies
- Details of any major external reviews carried out on or by QEC
- Details of any major research and development activities
- Details of any overseas visits undertaken
- Details of any major promotional, public relations and marketing activities
- Details of any assessments and measures undertaken to improve the occupational health and safety of employees
- A general statement on industrial relations within the QEC and details of time lost through industrial accidents and disputes
- A list of any major committees sponsored by QEC
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

Attestations

Data Integrity

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

Signed:

Susan White, Chief Executive Officer

Conflict of Interest

I, Susan White, certify that QEC 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 executive staff within QEC 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.

Signed:

Susan White, Chief Executive Officer

Compliance with Health Purchasing Victoria (HPV) Health Purchasing Policies

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

Signed:

Susan White, Chief Executive Officer

Financial Management Compliance

I, Susan White, on behalf of the Responsible Body, certify that QEC has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.

Signed:

Susan White, Chief Executive Officer

Partners and Supporters

QEC would like to acknowledge the ongoing support of

- Victorian Government Department of Health and Human Services
- Victorian Government Department of Justice
- The Wendy Spry and Frank Slutzkin Committee
- The Estate of the late Ernest Findlay Burns
- The Estate of the late Walter Leitch
- Pethard Tarax Charitable Trust
- The Edwin and Elizabeth Batchelder Trust

We are fortunate to collaborate with the following partners:

- Anglicare
- MacKillop
- Victorian Aboriginal Child Care Agency
- Berry Street
- Monash Health
- Monash University
- Kianza
- Doveton Secondary College
- Quantum
- Ramahyuck
- Country Women's Association

Our Life Governors have made significant contributions to QEC over many years:

- Mr David Dyer AM
- Mrs Patti Fellows
- Mrs Nan Harrison
- Mrs Susan Harper OAM
- Honourable Walter Jona AM
- Mr Graeme McRae
- Mr Bruce Morely
- Assoc Professor Campbell Paul
- Ms Wendy Spry
- Mr Frank Slutzkin
- Mrs Judy Watson
- Kym Forrest

Disclosure Index

The annual report of the QEC 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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Financial Report 2017 / 2018

Board Declaration

The Queen Elizabeth Centre

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

The attached financial statements for The Queen Elizabeth Centre have been prepared in accordance with Standing Direction 5.2 of the *Financial Management Act* 1994, applicable *Financial Reporting Directions*, Australian Accounting Standards, Australian Accounting 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 2018 and the financial position of The Queen Elizabeth Centre at 30 June 2018.

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 this day.

Warwick Spargo	Sue White	Samantha Corrigan
Board Member	Chief Executive Officer	Chief Finance & Accounting Officer
Noble Park	Noble Park	Noble Park
27 August 2018	27 August 2018	27 August 2018

Auditors Report

VAGO
Victorian Auditor-General's Office

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 entity) which comprises the:

- balance sheet as at 30 June 2018
- 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 significant accounting policies
- board member's, accountable officer's and chief finance and accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2018 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 entity 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.

Other Information

The Board of the entity are responsible for the Other Information, which comprises the information in the entity's annual report for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

Board's responsibilities for the financial report

The Board of the entity 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 and fair presentation 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 entity'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.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditors 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 entity'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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. 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 entity to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
18 September 2018

Ron Mak
as delegate for the Auditor-General of Victoria

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Comprehensive Operating Statement

For the Financial Year ended 30 June 2018

	Note	2018 $'000	2017 $'000
Revenue from Operating Activities	2.1	11,153	10,874
Revenue from Non-Operating Activities	2.1	1,148	234
Employee Expenses	3.1	(9,177)	(8,015)
Non Salary Labour Costs	3.1	(140)	(224)
Supplies and Consumables	3.1	(156)	(136)
Other Expenses	3.1	(2,007)	(1,904)
Net Result Before Capital & Specific Items		**821**	**829**
Impairment of Financial Assets	3.1	-	(94)
Depreciation and Amortisation	3.1, 4.3	(362)	(382)
Expenditure for Capital Purpose	3.1	(33)	(40)
Net Result After Capital & Specific Items		**426**	**313**
Other Economic Flows Included in Net Result			
Net Gain/(Loss) on Non-Financial Assets	7.3	14	13
Total Other Economic Flows Included in Net Result		**14**	**13**
NET RESULT FOR THE YEAR		**440**	**326**
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	8.1a	223	915
Items that may be reclassified subsequently to Net Result			
Changes to Financial Assets Available-for-Sale Revaluation Surplus	8.1a	89	126
Total Other Comprehensive Income		**312**	**1,041**
COMPREHENSIVE RESULT FOR THE YEAR		**752**	**1,367**

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

Balance Sheet as at 30 June 2018

	Note	2018 $'000	2017 $'000
Current Assets			
Cash and Cash Equivalents	6.1	2,157	2,454
Receivables	5.1	183	143
Investments and Other Financial Assets	4.1	-	325
Prepayments and Other Assets	5.2	87	36
Total Current Assets		**2,427**	**2,958**
Non-Current Assets			
Receivables	5.1	66	145
Investments and Other Financial Assets	4.1	4,498	3,332
Property, Plant and Equipment	4.2	9,104	8,875
Intangible Assets	4.4	47	70
Total Non-Current Assets		**13,715**	**12,422**
TOTAL ASSETS		**16,142**	**15,380**
Current Liabilities			
Payables	5.3	464	530
Provisions	3.2	1,593	1,599
Total Current Liabilities		**2,057**	**2,129**
Non-Current Liabilities			
Provisions	3.2	367	285
Total Non-Current Liabilities		**367**	**285**
TOTAL LIABILITIES		**2,424**	**2,414**
NET ASSETS		**13,718**	**12,966**
EQUITY			
Property, Plant and Equipment Revaluation Surplus	8.1a	5,919	5,696
Financial Assets Available-for-Sale Revaluation Surplus	8.1a	89	-
General Purpose Surplus	8.1a	-	990
Contributed Capital	8.1b	4,894	4,894
Accumulated Surplus	8.1c	2,816	1,386
TOTAL EQUITY	8.1d	**13,718**	**12,966**

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

Statement of Changes in Equity

For the Financial Year ended 30 June 2018

	Note	Property, Plant and Equipment Revaluation Surplus $'000	Financial Assets Available for- Sale Revaluation Surplus $'000	General Purpose Surplus $'000	Contribution by Owners $'000	Accumulated Surplus $'000	Total $'000
		4,781	**(126)**	**990**	**4,894**	**1,060**	**11,599**
Net result for the year	8.1c	-	-	-	-	326	326
Other comprehensive income for the year	8.1a	915	31	-	-	-	946
Transfer to accumulated surplus	8.1 a,c	-	95	-	-	-	95
Balance at 30 June 2017		**5,696**	**-**	**990**	**4,894**	**1,386**	**12,966**
Net result for the year	8.1c	-	-	-	-	440	440
Other comprehensive income for the year	8.1a	223	89	-	-	-	312
Transfer to accumulated surplus	8.1 a,c	-	-	(990)	-	990	-
Balance at 30 June 2018		**5,919**	**89**	**-**	**4,894**	**2,816**	**13,718**

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

Cash Flow Statement

For the Financial Year ended 30 June 2018

	Note	2018 $'000	2017 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		10,508	10,317
Donations and Bequests Received		1,005	24
GST Received from/(paid to) ATO		183	(10)
Interest and Investment Income Received		27	17
Other Receipts		716	580
Total Receipts		**12,439**	**10,928**
Employee Expenses Paid		(9,101)	(8,119)
Non Salary Labour Costs		(140)	(224)
Payments for Supplies and Other Expenses		(2,505)	(1,954)
Total Payments		**(11,746)**	**(10,297)**
NET CASH FLOW FROM OPERATING ACTIVITIES	8.2	**693**	**631**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments		(1,310)	(2,655)
Purchase of Non-Financial Assets		(346)	(519)
Proceeds from Disposal of Investments		650	2,409
Proceeds from Disposal of Non-Financial Assets		16	30
NET CASH FLOW USED IN INVESTING ACTIVITIES		**(990)**	**(735)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**(297)**	**(104)**
Cash and Cash Equivalents at Beginning of Year		**2,454**	**2,558**
CASH AND CASH EQUIVALENTS AT END OF YEAR	6.1	**2,157**	**2,454**

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

Notes to the Financial Statements 30 June 2018

Table of Contents

Note 1: Basis of Preparation

These financial statements are prepared in accordance with Australian Accounting Standards and relevant Financial Reporting Directions (FRDs).

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 Contributions, 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 The Queen Elizabeth Centre (QEC).

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also future periods that are affected by the revision. Judgements and assumptions made by management in applying AASB that have significant effects on the financial statements and estimates are disclosed in the notes to the financial statements.

Note 1.1: Summary of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for The Queen Elizabeth Centre (QEC) for the year ended 30 June 2018. The report provides users with information about QEC's stewardship of resources entrusted to it.

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable AASBs, 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 & Finance, and relevant Standing Directions (SDs) authorised by the Minister for Finance.

QEC is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the AASBs.

The annual financial statements were authorised for issue by the Board of QEC on 27 August 2018.

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.

Basis of accounting preparation and measurement

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2018, and the comparative information presented in these financial statements for the year ended 30 June 2017.

The going concern basis was used to prepare the financial statements.

These financial statements are presented in Australian dollars, the functional and presentation currency of QEC.

All amounts have been rounded to the nearest thousand dollars, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Note 1.1: Summary of Significant Accounting Policies (Continued)

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASBs that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, plant and equipment, (refer to Note 4.2: Property Plant and Equipment);
- superannuation expense (refer to Note 3.3: Superannuation);
- employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.2: Employee Benefits); and
- managed investment funds classified at level 2 of the fair value hierarchy.

Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. 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 presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flow.

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

Note 2: Funding Delivery of our Services

Note 2.1: Analysis of Revenue by Source

	Other 2018 $'000	Total 2018 $'000
Government Grants	10,508	10,508
Indirect Contributions by the Department of Health and Human Services	5	5
Other Revenue from Operating Activities	640	640
Total Revenue from Operating Activities	**11,153**	**11,153**
Interest	27	27
Other Revenue from Non-Operating Activities	1,121	1,121
Total Revenue from Non-Operating Activities	**1,148**	**1,148**
Total Revenue	**12,301**	**12,301**

	Other 2017 $'000	Total 2017 $'000
Government Grants	10,317	10,317
Indirect Contributions by the Department of Health and Human Services	5	5
Other Revenue from Operating Activities	552	552
Total Revenue from Operating Activities	**10,874**	**10,874**
Interest and Dividends	18	18
Other Revenue from Non-Operating Activities	216	216
Total Revenue from Non-Operating Activities	**234**	**234**
Total Revenue	**11,108**	**11,108**

Note 2.1: Analysis of Revenue by Source (Continued)

Revenue recognition

Income is recognised in accordance with AASB 118 Revenue and is recognised as to the extent that it is probable that the economic benefits will flow to QEC and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are where applicable, net of returns, allowances and duties and taxes.

Government Grants and other transfers of income (other than contributions by owners)

In accordance with AASB 1004 Contributions, government grants and other transfers of income (other than contributions by owners) are recognised as income when QEC gains control of the underlying assets irrespective of whether conditions are imposed on QEC's use of the contributions.

Contributions are deferred as income in advance when QEC has a present obligation to repay them and the present obligation can be reliably measured.

Indirect Contributions from the Department of Health and Human Services:

- Insurance is recognised as revenue following advice from the Department of Health and Human Services
- Long Service Leave (LSL) is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Department of Health and Human Services Circular 04/2017.

Donations and Other Bequests

Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus.

Dividend Revenue

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

Interest Revenue

Interest revenue 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.

Other income

Other income includes revenue from partnership agreements held by QEC.

Note 3: The Cost of Delivering Services

Note 3.1: Analysis of Expenses by Source

Consolidated	Other 2018 $'000	Total 2018 $'000
Employee Expenses	9,177	9,177
Other Operating Expenses		
Non Salary Labour Costs	140	140
Supplies and Consumables	156	156
Other Expenses		
Fuel, Light, Power and Water	119	119
Repairs and Maintenance	105	105
Other	1,783	1,783
Total Expenditure from Operating Activities	**11,480**	**11,480**
Other Non-Operating Expenses		
Expenditure for Capital Purposes	33	33
Depreciation and Amortisation (refer Note 4.3)	362	362
Total Other Expenses	**395**	**395**
Total Expenses	**11,875**	**11,875**

Consolidated	Other 2017 $'000	Total 2017 $'000
Employee Expenses	8,015	8,015
Other Operating Expenses		
Non Salary Labour Costs	224	224
Supplies and Consumables	136	136
Other Expenses		
Fuel, Light, Power and Water	83	83
Repairs and Maintenance	84	84
Other	1,737	1,737
Total Expenditure from Operating Activities	**10,279**	**10,279**
Other Non-Operating Expenses		
Expenditure for Capital Purposes	40	40
Impairment of Financial Assets	94	94
Depreciation and Amortisation (refer Note 4.3)	382	382
Total Other Expenses	**516**	**516**
Total Expenses	**10,795**	**10,795**

Note 3.1: Analysis of Expenses by Source (Continued)

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
- fringe benefits tax
- leave entitlements
- termination payments
- workcover premiums and
- superannuation expenses.

Other Operating Expenses

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

- Supplies and consumables which 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.

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 (Refer to Note 4.2 Property plant and equipment)
- Net gain/ (loss) on disposal of non-financial assets

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 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.

Amortisation of non-produced intangible assets

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a systematic basis over the asset's useful life. Amortisation begins when the asset is available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Impairment of non-financial assets

Intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired.

Other gains/ (losses) from other economic flows

Other gains/ (losses) include:

- the revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors; and
- transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

Note 3.2: Employee Benefits in the Balance Sheet

	Other 2018 $'000	Total 2017 $'000
CURRENT PROVISIONS		
Employee Benefits [i]		
Unpaid salaries and wages		
Unconditional and expected to be settled wholly within 12 months [ii]	214	244
Annual leave		
Unconditional and expected to be settled wholly within 12 months [ii]	529	350
Unconditional and expected to be settled wholly after 12 months [ii]	-	113
Long Service Leave		
Unconditional and expected to be settled wholly within 12 months [ii]	62	72
Unconditional and expected to be settled wholly after 12 months [iii]	518	559
Other Leave		
Unconditional and expected to be settled after 12 months Other (List)	65	60
	1,388	**1,398**
Provisions related to Employee Benefit On-Costs		
Unconditional and expected to be settled within 12 months [ii]	148	108
Unconditional and expected to be settled after 12 months [iii]	57	93
	205	**201**
TOTAL CURRENT PROVISIONS	**1,593**	**1,599**
NON-CURRENT PROVISIONS		
Employee Benefits [i]	331	257
Provisions related to Employee Benefit On-Costs	36	28
TOTAL NON-CURRENT PROVISIONS	**367**	**285**
TOTAL PROVISIONS	**1,960**	**1,884**

[i] Employee benefits consist of amounts for accrued days off, annual leave and long service 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 3.2: Employee Benefits in the Balance Sheet (Continued)

(a) Employee Benefits and Related On-Costs

Current Employee Benefits and Related On-Costs	2018 $'000	2017 $'000
Unconditional long service leave entitlements	643	700
Annual leave entitlements	663	595
Unpaid salaries and wages	214	244
Other leave	73	60
Non-Current Employee Benefits and Related On-Costs		
Conditional long service leave entitlements [iii]	367	285
TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS	**1,960**	**1,884**

[iii] The amounts disclosed are discounted to present values.

(b) Movement in Provisions

Movement in Long Service Leave	2018 $'000	2017 $'000
Balance at start of year	**985**	**1,054**
Provision made during the year		
Revaluations	(15)	(27)
Expense recognising employee service	156	73
Settlement made during the year	(116)	(115)
Balance at end of year	**1,010**	**985**

Note 3.2: Employee Benefits in the Balance Sheet (Continued)

Employee Benefit Recognition

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

Provisions

Provisions are recognised when QEC has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Employee Benefits

This provision arises for benefits accruing to employees in respect of salaries and wages, annual leave and long service leave for services rendered to the reporting date.

Salaries and Wages, Annual Leave and Accrued Days Off

Liabilities for salaries and wages, annual leave and accrued days off are all 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 salaries and wages, annual leave and accrued days off are measured at:

- Undiscounted 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:

- Undiscounted 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.

On-Costs Related to Employee Expense

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

Note 3.3: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Defined Benefit Plans:[i]				
First State Super	10	11	1	1
Defined Contribution Plans:				
First State Super	278	303	33	34
Hesta	349	332	38	39
Other	123	37	17	8
Total	**760**	**683**	**89**	**82**

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

Employees of QEC are entitled to receive superannuation benefits and QEC contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

Defined Contribution Superannuation Plans

In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense 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.

Defined Benefit Superannuation Plans

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.

However 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.

Note 4: Key assets to Support Service Delivery

Note 4.1: Investments and Other Financial Assets

	2018 $'000	2017 $'000
CURRENT		
Loans and Receivables		
Term Deposits		
Australian Dollar Term Deposits > 3 Months	-	325
TOTAL CURRENT	**-**	**325**
NON-CURRENT		
Loans and Receivables		
Available-for-Sale		
Equities and Managed Investments		
Managed Investments	4,498	3,332
Total NON-CURRENT	**4,498**	**3,332**
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	**4,498**	**3,657**
Represented by:		
QEC investment	3,484	3,332
Other	1,014	325
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	**4,498**	**3,657**

Investment Recognition

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Investments are classified as available-for-sale financial assets.

QEC classifies its other financial assets between current and non-current assets based on the Board of Management's intention at balance date with respect to the timing of disposal of each asset. QEC assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

QEC's investments must comply with Standing Direction 3.7.2 - Treasury and Investment Risk Management. The investment portfolio of QEC is managed by Victorian Funds Management Corporation through specialist fund managers and a Master Custodian. The Master Custodian holds the investments and conducts settlements pursuant to instructions from the specialist fund managers.

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

Note 4.1: Investments and Other Financial Assets (Continued)

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.

Impairment of Financial Assets

At the end of each reporting period, QEC assesses whether there is objective evidence that a financial asset or group of financial assets is impaired.
All financial instrument assets, except those measured at fair value through the Comprehensive Income Statement, are subject to annual review for impairment.

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months, the financial asset is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2018 for its portfolio of financial assets, QEC used the market value of investments held provided by the portfolio managers.

The above valuation process was used to quantify the level of impairment (if any) on the portfolio of financial assets as at year end.

Doubtful debts

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful debts are classified as other economic flows included in net result.

Note 4.2: Property, Plant and Equipment

(a) Gross carrying amount and accumulated depreciation

	2018 $'000	2017 $'000
Land		
Crown Land at Fair Value	4,040	3,817
Total Land	**4,040**	**3,817**
Buildings		
Buildings at Fair Value	4,992	4,969
Less Accumulated Depreciation	(564)	(406)
Total Buildings	**4,428**	**4,563**
Plant and Equipment		
Plant and Equipment at Fair Value	1,231	1,107
Less Accumulated Depreciation	(738)	(634)
Total Plant and Equipment	**493**	**473**
Under Construction		
Assets Under Construction	143	22
Total Assets Under Construction	**143**	**22**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**9,104**	**8,875**

Note 4.2: Property, Plant and Equipment (Continued)

(b) Reconciliations of the carrying amounts of each class of asset

	Land $'000	Buildings $'000	Plant & Equipment $'000	Assets Under Construction $'000	Total $'000
Balance at 1 July 2016	**2,902**	**4,366**	**411**	**94**	**7,773**
Additions	-	3	168	348	519
Disposals	-	-	(17)	(1)	(18)
Revaluation increments/(decrements)	915	-	-	-	915
Net Transfers between classes	-	338	81	(419)	-
Depreciation (refer Note 4.3)	-	(144)	(170)	-	(314)
Balance at 1 July 2017	**3,817**	**4,563**	**473**	**22**	**8,875**
Additions	-	25	178	143	346
Disposals	-	-	(2)	-	(2)
Revaluation increments/(decrements)	223	-	-	-	223
Net Transfers between classes	-	2	20	(22)	-
Transfer to intangible assets	-	(3)	-	-	(3)
Depreciation (refer Note 4.3)	-	(159)	(176)	-	(335)
Balance at 30 June 2018	**4,040**	**4,428**	**493**	**143**	**9,104**

Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook to re-value all of QEC's owned land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2014.

In compliance with FRD 103F, in the year ended 30 June 2018, QEC's management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained the Valuer General Victoria indices from the Department of Treasury and Finance for the financial year ended 30 June 2018.

The fair value assessment of buildings indicated no material change. However the fair value assessment of land did indicate a material change in value and Egan National Valuers (appointed by Valuer-General Victoria) provided a land valuation.

The Department of Health and Human Services approved this land valuation and an increase of $223k was effected. Refer to note 8.1a.

Note 4.2: Property, Plant and Equipment (Continued)

(c) Fair value measurement hierarchy for assets

	Carrying Amount	Fair value measurement at end of reporting period using: Level 1 [i]	Level 2 [i]	Level 3 [i]
Balance at 30 June 2018	**$'000**	**$'000**	**$'000**	**$'000**
Land at Fair Value				
Specialised Land	4,040	-	-	4,040
Total Land at Fair Value	4,040	-	-	4,040
Buildings at Fair Value				
Specialised Buildings	4,428	-	-	4,428
Total Building at Fair Value	4,428	-	-	4,428
Plant and Equipment at Fair Value	493	-	-	493
Total Property, Plant and Equipment	**8,961**	**-**	**-**	**8,961**

	Carrying Amount	Fair value measurement at end of reporting period using: Level 1 [i]	Level 2 [i]	Level 3 [i]
Balance at 30 June 2017	**$'000**	**$'000**	**$'000**	**$'000**
Land at Fair Value				
Specialised Land	3,817	-	-	3,817
Total Land at Fair Value	3,817	-	-	3,817
Buildings at Fair Value				
Specialised Buildings	4,563	-	-	4,563
Total Building at Fair Value	4,563	-	-	4,563
Plant and Equipment at Fair Value	473	-	-	473
Total Property, Plant and Equipment	**8,853**	-	-	**8,853**

[i] Classified in accordance with the fair value hierarchy.

Note 4.2: Property, Plant and Equipment (Continued)

Consistent with AASB 13 Fair Value Measurement, QEC determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments, in accordance with the requirements of AASB 13 and the relevant FRDs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **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
- **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, QEC has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, QEC determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

Note 4.2: Property, Plant and Equipment (Continued)

(d) Reconciliation of Level 3 Fair Value [i]

	Land $'000	Buildings $'000	Plant & Equipment $'000
Balance at 1 July 2017	**3,817**	**4,563**	**473**
Additions	-	25	178
Net Transfers between classes	-	2	20
Transfer to intangible assets	-	(3)	-
Disposals	-	-	(2)
Gains/(Losses) recognised in Net Result			
Depreciation and Amortisation	-	(159)	(176)
Items recognised in Other Comprehensive Income			
Revaluation	223	-	-
Balance at 30 June 2018	**4,040**	**4,428**	**493**

	Land $'000	Buildings $'000	Plant & Equipment $'000
Balance at 1 July 2016	**2,902**	**4,366**	**411**
Additions	-	3	168
Net Transfers between classes	-	338	81
Disposals	-	-	(17)
Gains/(Losses) recognised in Net Result			
Depreciation and Amortisation	-	(144)	(170)
Items recognised in Other Comprehensive Income			
Revaluation	915	-	-
Balance at 30 June 2017	**3,817**	**4,563**	**473**

[i] Classified in accordance with the fair value hierarchy, refer Note 4.2(c).

Note 4.2: Property, Plant and Equipment (Continued)

(e): Property, Plant and Equipment (Fair value determination)

Asset class	Examples of types of assets	Expected fair value level	Likely valuation approach	Significant inputs (Level 3 only)[c]
Specialised Land	• Land subject to restriction as to use and/or sale • Land in areas where there is not an active market	Level 3	Market approach	Community Service Obligations Adjustments [a]
Specialised buildings	Specialised buildings with limited alternative uses and/or substantial customisation e.g. prisons, hospitals and schools	Level 3	Depreciated replacement cost approach	• Cost per square metre • Useful life
Vehicles	If there is no active resale market available	Level 3	Depreciated replacement cost approach	• Cost per unit • Useful life
Plant and equipment	Specialised items with limited alternative uses and/or substantial customisation	Level 3	Depreciated replacement cost approach	• Cost per square metre • Useful life
Cultural assets	Artworks, for which there is an active market for the item	Level 3	Market approach	N/A

(a) CSO adjustment of 20% was applied to reduce the market approach value for QEC's specialised land.

There were no changes in valuation techniques throughout the period to 30 June 2018.

AASB 13 Fair Value Measurement provides an exemption for not for profit public sector entities from disclosing the sensitivity analysis relating to 'unrealised gains/(losses) on non-financial assets' if the assets are held primarily for their current service potential rather than to generate net cash inflows.

Note 4.2: Property, Plant and Equipment (Continued)

Initial Recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

Land 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. 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.

Land and buildings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and accumulated impairment loss.

Subsequent Measurement

Consistent with AASB 13 Fair Value Measurement, QEC determines the policies and procedures for recurring property, plant and equipment fair value measurements, in accordance with the requirements of AASB 13 and the relevant FRDs.

All property, plant and equipment for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

For the purpose of fair value disclosures, QEC has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

In addition, 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.

For the purpose of fair value disclosures, QEC has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, QEC determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

The Valuer-General Victoria (VGV) is QEC's independent valuation agency.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Fair value measurement

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

Consideration of highest and best use (HBU) for non-financial physical assets

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 paragraph AASB 13.29,QEC assumes the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Note 4.2: Property, Plant and Equipment (Continued)

Therefore, an assessment of the HBU will be required when the indicators are triggered within a reporting period, which suggest the market participants would have perceived an alternative use of an asset that can generate maximum value. Once identified, QEC engages with VGV or other independent valuers for formal HBU assessment.

These indicators, as a minimum, include:

External factors:

- Changed acts, regulations, local law or such instrument which affects or may affect the use or development of the asset;
- Changes in planning scheme, including zones, reservations, overlays that would affect or remove the restrictions imposed on the asset's use from its past use;
- Evidence that suggests the current use of an asset is no longer core to requirements to deliver QEC's service obligation;
- Evidence that suggests the asset might be sold or demolished once reaching the late stage of its life cycle.

Valuation hierarchy

QEC needs to use valuation techniques that are appropriate for the circumstances and where there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

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 shall be 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.

Assumptions about risk include the inherent risk in a particular valuation technique used to measure fair value (such as a pricing risk model) and the risk inherent in the inputs to the valuation technique. A measurement that does not include an adjustment for risk would not represent a fair value measurement if market participants would include one when pricing the asset or liability i.e., it might be necessary to include a risk adjustment when there is significant measurement uncertainty. For example, when there has been a significant decrease in the volume or level of activity when compared with normal market activity for the asset or liability or similar assets or liabilities, and QEC has determined that the transaction price or quoted price does not represent fair value.

QEC develops unobservable inputs using the best information available in the circumstances, which might include QEC's own data. In developing unobservable inputs, QEC begins with its own data, but adjusts this data if reasonably available

Note 4.2: Property, Plant and Equipment (Continued)

information indicates that other market participants would use different data or there is something particular to QEC that is not available to other market participants. QEC does not undertake exhaustive efforts to obtain information about other market participant assumptions. However, QEC takes into account all information about market participant assumptions that is reasonably available. Unobservable inputs developed in the manner described above are considered market participant assumptions and meet the object of a fair value measurement.

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. Theoretical opportunities that may be available in relation to the assets 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 use.

During the reporting period, QEC held Crown Land. 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 and specialised buildings 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 depreciated 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 valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2014.

In June 2017 and 2018 a managerial valuation was carried out in accordance with FRD 103F to revalue the land to its fair value.

Subsequently the land has been revalued and adjusted as at 30 June 2018.

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 QEC which sets 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).

Note 4.2: Property, Plant and Equipment (Continued)

Plant and Equipment

Plant and equipment (including computers and communication equipment and furniture and fittings 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 2018.

For all assets measured at fair value, the current use is considered the highest and best use.

Revaluations of Non-Current Physical Assets

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103F Non-Current Physical Assets. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation surplus, 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, 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 surplus in respect of the same class of property, plant and equipment.

Revaluation increases and revaluation decreases 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 surplus is not transferred to accumulated funds on de-recognition of the relevant asset, except where an asset is transferred via contributed capital.

In accordance with FRD 103F, QEC's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

Note 4.3: Depreciation and Amortisation

	2018 $'000	2017 $'000
Depreciation		
Buildings	159	144
Plant and Equipment	176	170
Total Depreciation	**335**	**314**
Amortisation		
Intangible Assets	27	68
Total Amortisation	**27**	**68**
Total Depreciation and Amortisation	**362**	**382**

Depreciation

All buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for sale and land) 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 (refer AASB 116 Property, Plant and Equipment).

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Amortisation

Amortisation is the systematic allocation (typically straight line) of the depreciable amount of an asset over its useful life. QEC has items such as computer software that are capitalised.

The estimated useful lives, residual values and amortisation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Note 4.3: Depreciation and Amortisation (Continued)

This depreciation charge is not funded by the Department of Health and Human Services. Assets with a cost in excess of $1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

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

	2018	2017
Buildings	50 years	50 to 55 years
Plant & Equipment	5 to 10 years	5 to 10 years
Computers and Communication	3 to 10 years	3 to 16 years
Motor Vehicles	4 to 6 years	4 to 5 years
Intangible Assets (Software)	3 to 7 years	3 to 7 years

Note 4.4: Intangible Assets

	2018 $'000	2017 $'000
Intangible Produced Assets - Software	307	303
Less Accumulated Amortisation	(260)	(233)
TOTAL INTANGIBLE ASSETS	**47**	**70**

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the previous and current financial year:

	Software $'000	Total $'000
Balance at 1 July 2016	**137**	**137**
Additions	1	1
Depreciation (refer Note 4.3)	(68)	(68)
Balance at 1 July 2017	**70**	**70**
Transferred from Property, Plant and Equipment	4	4
Depreciation and Amortisation (refer Note 4.3)	(27)	(27)
Balance at 30 June 2018	**47**	**47**

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

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to QEC.

Note 5: Other Assets and Liabilities

Note 5.1: Receivables

	2018 $'000	2017 $'000
CURRENT		
Contractual		
Trade Debtors	103	76
Accrued Revenue - Other	20	14
	123	**90**
Statutory		
GST Receivable	60	53
TOTAL CURRENT RECEIVABLES	**183**	**143**
NON-CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	66	145
TOTAL NON-CURRENT RECEIVABLES	**66**	**145**
TOTAL RECEIVABLES	**249**	**288**

(a) Ageing analysis of receivables

Please refer to Note 7.1 for the ageing analysis of contractual receivables.

(b) Nature and extent of risk arising from receivables

Please refer to Note 7.1 for the nature and extent of credit risk arising from contractual receivables.

Note 5.1: Receivables (Continued)

Receivables consist of:

- Contractual receivables, which consists of debtors in relation to goods and services and accrued investment income; and
- Statutory receivables, which predominantly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits.

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are recognised initially at fair value and subsequently measured at amortised cost less any accumulated impairment.

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.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Note 5.2: Prepayments and Other Non-Financial Assets

	2018 $'000	2017 $'000
CURRENT		
Prepayments	87	36
TOTAL CURRENT OTHER ASSETS	**87**	**36**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Note 5.3: Payables

	2018 $'000	2017 $'000
CURRENT		
Contractual		
Trade Creditors	152	295
Accrued Expenses	109	16
Salary Packaging	57	42
Other	1	6
	319	**359**
Statutory		
Withholding Taxes Payable	56	75
Superannuation Payable	89	96
	145	**171**
TOTAL CURRENT PAYABLES	**464**	**530**
TOTAL PAYABLES	**464**	**530**

(a) Maturity analysis of payables

Please refer to Note 5.3(a) for the ageing analysis of contractual payables.

Payables consist of:

- Contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to QEC prior to the end of the financial year that are unpaid and arise when QEC becomes obligated to make future payments in respect of these goods and services. The normal credit terms for accounts payable are usually net 30 days.
- Statutory payables such as withholding tax and superannuation.

Contractual payables are classified as financial instruments and are initially recognised at fair value, and then subsequently carried at amortised cost. 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 a contract.

Note 5.3: Payables (Continued)

(a): Payables and Borrowings Maturity Analysis

The following table discloses the contractual maturity analysis for QEC's financial liabilities.

Maturity analysis of Financial Liabilities as at 30 June 2018

			Maturity Dates			
	Carrying Amount	Nominal Amount	Less than 1 month	1-3 Months	3 months - 1 year	1-5 Years
	$'000	$'000	$'000	$'000	$'000	$'000
2018						
Financial Liabilities [i]						
At amortised cost						
Payables	152	152	152	-	-	-
Other Financial Liabilities						
Accrued Expenses	109	109	109	-	-	-
Other	58	58	58	-	-	-
Total Financial Liabilities	**319**	**319**	**319**			
2017						
Financial Liabilities [i]						
At amortised cost						
Payables	295	295	293	2	-	-
Other Financial Liabilities						
Accrued Expenses	16	16	16	-	-	-
Other	48	48	48	-	-	-
Total Financial Liabilities	**359**	**359**	**357**	**2**	**-**	**-**

[i] Ageing analysis of financial liabilities excludes the types of statutory financial liabilities (i.e GST payable)

Note 6: How We Finance Our Operations

Note 6.1: Cash and Cash Equivalents

	2018 $'000	2017 $'000
Cash on Hand	2	2
Cash at Bank	368	1,766
Deposits at Call	736	686
Australian Dollar Term Deposits < 3 months	1,051	-
TOTAL CASH AND CASH EQUIVALENTS	**2,157**	**2,454**
Represented by:		
Cash as per Cash Flow Statement	2,157	2,454
TOTAL CASH AND CASH EQUIVALENTS	**2,157**	**2,454**

Cash and cash equivalents recognised on the Balance Sheet comprise cash on hand and at bank, deposits at call and highly liquid investments (with an original maturity date of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Note 6.2 (a): Commitments for expenditure

	2018 $'000	2017 $'000
a) Commitments other than Public Private Partnerships		
Operating Commitments		
Payable:		
Operating Commitments	-	34
Total Operating Commitments	-	**34**
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	496	498
Total Lease Commitments	**496**	**498**
Total Commitments other than Public Private Partnerships (inclusive of GST)	**496**	**532**

All amounts shown in the commitments note are nominal amounts inclusive of GST.

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are sated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

Note 6.2 (b): Commitments for expenditure (continued)

	2018 $'000	2017 $'000
(b) Commitments Payable		
Lease Commitments Payable		
Less than 1 year	191	159
Longer than 1 year but not longer than 5 years	305	338
5 years or more	-	1
Total Lease Commitments	**496**	**498**
Other Expenditure Commitments		
Less than 1 year	-	27
Longer than 1 year but not longer than 5 years	-	7
Total Public Private Partnership Commitments	-	**34**
Total Commitments (inclusive of GST)	**496**	**533**
Less GST recoverable from the Australian Tax Office	(45)	(48)
TOTAL COMMITMENTS (exclusive of GST)	**451**	**484**

Amounts shown are exempt from GST.

Note 7: Risks Contingencies and Valuation Uncertainties

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.*

(a) Categorisation of financial instruments

2018	Contractual Financial Assets - Loans and Receivables $'000	Contractual Financial Assets - Available for Sale $'000	Contractual Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and Cash Equivalents	2,157	-	-	2,157
Receivables				
Trade Debtors	103	-	-	103
Other Receivables	20	-	-	20
Investments and Other Financial Assets				
Term Deposits	-	-	-	-
Managed Investments	-	4,498	-	4,498
Total Financial Assets [i]	**2,280**	**4,498**	**-**	**6,778**
Financial Liabilities				
Payables	-	-	152	152
Other Financial Liabilities				
Accrued Expenses	-	-	109	109
Other	-	-	58	58
Total Financial Liabilities [i]	**-**	**-**	**319**	**319**

[i] The carrying amount excludes statutory receivables (i.e. GST receivable and DHHS receivable) and statutory payables (i.e. Revenue in Advance and DHHS payable).

Note 7.1: Financial Instruments (Continued)

2017	Contractual Financial Assets - Loans and Receivables $'000	Contractual Financial Assets - Available for Sale $'000	Contractual Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and Cash Equivalents	2,454	-	-	2,454
Receivables				
Trade Debtors	76	-	-	76
Other Receivables	14	-	-	14
Investments and Other Financial Assets				
Term Deposits	-	325	-	325
Managed Investments	-	3,332	-	3,332
Total Financial Assets [i]	**2,544**	**3,657**	**-**	**6,201**
Financial Liabilities				
Payables	-	-	295	295
Other Financial Liabilities				
Accrued Expenses	-	-	16	16
Other	-	-	48	48
Total Financial Liabilities [i]	**-**	**-**	**359**	**359**

[i] The carrying amount excludes statutory receivables (i.e. GST receivable and DHHS receivable) and statutory payables (i.e. Revenue in Advance and DHHS payable).

Managed investments classified at level 2 of the fair value hierachy.

Note 7.1: Financial Instruments (Continued)

(b) Net holding gain/(loss) on financial instruments by category

2018	Net Holding Gain/(Loss) $'000	Total Interest Income (Expense) $'000	Total $'000
Financial Assets			
Cash and Cash Equivalents [i]	-	27	27
Financial Assets - Available-for-Sale [i]	104	-	104
Total Financial Assets	**104**	**27**	**131**
2017			
Financial Assets			
Cash and Cash Equivalents [i]	-	18	18
Financial Assets - Available-for-Sale [i]	99	-	99
Total Financial Assets	**99**	**18**	**117**

[i] For cash and cash equivalents, loans or receivables and financial assets available-for-sale, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest revenue, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result.

Note 7.1: Financial Instruments (Continued)

(c) Ageing analysis of Financial Assets as at 30 June

			Past Due But Not Impaired			
	Carrying Amount	Not Past Due and Not Impaired	Less than 1 Month	1-3 Months	Greater than 3 months	Impaired Financial Assets
2018	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial Assets						
Cash and Cash Equivalents	2,157	2,157	-	-	-	-
Loans and Receivables						
Trade Debtors	103	89	-	14	-	-
Other Receivables	20	20	-	-	-	-
Available for sale						
Managed Investments	4,498	4,498	-	-	-	-
Total Financial Assets	**6,778**	**6,764**	**-**	**14**	**-**	**-**
2017						
Financial Assets						
Cash and Cash Equivalents	2,454	2,454	-	-	-	-
Loans and Receivables						
Trade Debtors	76	49	3	24	-	-
Other Receivables	14	14	-	-	-	-
Term Deposit	325	325	-	-	-	-
Available for sale						
Managed Investments	3,332	3,332	-	-	-	-
Total Financial Assets	**6,201**	**6,174**	**3**	**24**	**-**	**-**

Contractual Financial Assets that are either past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently QEC does not hold any collateral as security nor credit enhancements relating to its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at their carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

Note 7.1: Financial Instruments (Continued)

Categories of Financial Instruments

Receivables and cash

Receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method, less any impairment.

QEC recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)
- term deposits
- managed investments recognised under Available-for-sale.

Available-for-Sale Financial Assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition they are measured at fair value with gains and losses arising from changes in fair value recognised in 'Other economic flows - other comprehensive income' until the investment is disposed. Movements resulting from impairment and foreign currency changes are recognised in the net result as other economic flows. On disposal, the cumulative gain or loss previously recognised in 'Other economic flows – other comprehensive income' is transferred to other economic flows in the net result.

Note 7.1: Financial Instruments (Continued)

Held to Maturity Financial Assets

If QEC has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classfied as held to maturity. Held to maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held to maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

QEC makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held to maturity investments not close to their maturity, would result in the whole category being reclassified as available-for-sale. The held to maturity category includes certain term deposits and debt securities for which QEC intends to hold to maturity.

Financial Liabilities at Amortised Cost

Financial liabilities are initially recognised on the date they originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Comprehensive Operating Statement over the period of the interest-bearing liability, using the effective interest rate method.

QEC recognises the following assets in this category:

- payables (excluding statutory payables).

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.

Note 7.1: Financial Instruments (Continued)

Impairment of financial assets

At the end of each reporting period, QEC assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. 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*.

Reclassification of financial instruments

Subsequent to initial recognition and under rare circumstances, non-derivative financial instrument assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available-for-sale financial instrument assets that meet the definition of receivables may be reclassified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

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.

Note 7.1: Financial Instruments (Continued)

(d) Fair value

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1: the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2: the fair value is determined using inputs other quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3: the fair value is determined in accordance with accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

QEC considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

The following table shows that the fair values of most of the contractual financial assets and liabilities are the same as the carrying amounts.

Comparison between carrying amount and fair value

2018	Carrying Amount 2018 $'000	Fair value 2018 $'000	Carrying Amount 2017 $'000	Fair value 2017 $'000
Financial Assets				
Cash and Cash Equivalents	2,157	2,157	2,454	2,454
Loans and Receivables [i]				
Trade Debtors	103	103	76	76
Other Receivables	20	20	14	14
Term Deposit	-	-	325	325
Available for sale				
Managed Investments	4,498	4,498	3,332	3,332
Total Financial Assets	6,778	6,778	6,201	6,201
Financial Liabilities				
At amortised cost				
Payables	152	152	295	295
Accrued Expenses	109	109	16	16
Others	58	58	48	48
Total Financial Liabilities	**319**	**319**	**359**	**359**

[i] The carrying amount must exclude types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable).

Note 7.1: Financial Instruments (Continued)

Financial Assets measured at fair value

	Carrying Amount as at 30 June	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
2018	$	$	$	$
Available for sale Financial Assets				
Managed Investments	4,498		4,498	
Total Financial Assets	4,498	-	4,498	-
2017				
Available for sale Financial Assets				
Managed Investments	3,332	-	3,332	-
Total Financial Assets	**3,332**	**-**	**3,332**	**-**

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value for managed investments.

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 and therefore the net asset value of these funds may be used as an input into measuring their fair value. In measuring this fair value, the net asset value of the funds is adjusted, as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the funds. In measuring fair value, consideration is also paid to any transaction in the shares of the fund. Depending on the nature and level of adjustments needed to the net asset value and the level of trading of QEC, QEC classifies these managed investments as Level 2.

Note 7.2: Contingent assets and contingent liabilities

There were no contingent assets and no contingent liabilities for QEC as at 30 June 2017 or 30 June 2018.

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

Note 7.3: Net gain/(loss) on disposal of non-financial assets

	2018 $'000	2017 $'000
Proceeds from Disposals of Non-Current Assets		
Motor Vehicles	16	30
Total Proceeds from Disposal of Non-Current Assets	**16**	**30**
Less: Written Down Value of Non-Current Assets Sold		
Motor Vehicles	2	17
Total Written Down Value of Non-Current Assets Sold	**2**	**17**
Net gain/(loss) on Disposal of Non-Financial Assets	**14**	**13**

Any gain or loss on the sale of non-financial assets is recognised in the Comprehensive Operating Statement.

Note 8: Other Disclosures

Note 8.1: Equity recognition

	2018 $'000	2017 $'000
(a) Surpluses		
Property, Plant and Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	5,696	4,781
Revaluation Increment		
Land (refer Note 4.2b)	223	915
Balance at the end of the reporting period	**5,919**	**5,696**
Represented by:		
Land	4,040	3,817
Buildings	1,874	1,874
Cultural Assets	5	5
	5,919	**5,696**
Financial Assets Available-for-Sale Revaluation Surplus		
Balance at the beginning of the reporting period	-	(126)
Valuation gain/(loss) recognised	89	31
Cumulative loss transferred to Comprehensive Operating Statement on impairment of financial assets	-	95
Balance at the end of the reporting period	**89**	**-**
General Purpose Surplus		
Balance at the beginning of the reporting period	990	990
Transfer to Accumulated Surplus/Deficit	(990)	-
Balance at the end of the reporting period	**-**	**990**
Total Surpluses	**6,008**	**6,686**
(b) Contributed Capital		
Balance at the beginning of the reporting period	4,894	4,894
Balance at the end of the reporting period	**4,894**	**4,894**
(c) Accumulated Surplus		
Balance at the beginning of the reporting period	1,386	1,060
Net Result for the Year	440	326
Transfers from General Purpose Surplus	990	-
Balance at the end of the reporting period	**2,816**	**1,386**
(d) Total Equity at End of Year	**13,718**	**12,966**

Note 8.1: Equity recognition (Continued)

Property, Plant and Equipment Revaluation Surplus

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

Financial Assets Available-for-Sale Revaluation Surplus

The available-for-sale revaluation surplus arises on the revaluation of available-for-sale financial assets.

Where a revalued financial asset is sold, that portion of the surplus which relates to that financial asset is effectively realised and is recognised in the Comprehensive Operating Statement. Where a revalued financial asset is impaired that portion of the surplus which relates to that financial asset is recognised in the Comprehensive Operating Statement.

Contributed Capital

Consistent with *Australian Accounting Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities* and *FRD 119A Contributions by Owners*, appropriations for additions to the net asset base have been designated as contributed capital. 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 8.2: Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities

	2018 $'000	2017 $'000
Net Result for the Year	440	326
Non-Cash Movements:		
Depreciation	335	314
Amortisation of Intangible Non-Produced Assets	27	68
Impairment of Financial Assets	-	94
Income from Managed Funds Reinvested	(93)	(99)
Movements included in Investing and Financing Activities:		
Net (Gain)/Loss from Disposal of Non-Financial Physical Assets	(14)	(13)
Other Revenue from non operating activities	-	(79)
Movements in Assets and Liabilities:		
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	39	31
(Increase)/Decrease in Prepayments	(51)	39
Increase/(Decrease) in Payables	(66)	87
Increase/(Decrease) in Provisions	76	(104)
Change in unearned revenue	-	(33)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**693**	**631**

Note 8.3: Responsible Persons

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

	Period	
Responsible Ministers:		
The Honourable Jill Hennessy, Minister for Health and Minister for Ambulance Services	1/07/2017 - 30/06/2018	
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Creative Industries and Minister for Equality	1/07/2017 - 30/06/2018	
Governing Boards		
Ms Sandra Bell	31/10/2017 - 23/11/2017 *	
Ms Sandra Bell *(Vice President of the Board)*	24/11/2017 - 30/06/2018	
Ms Rosemary Bryant-Smith	1/07/2017 - 30/06/2018	
Mr Graham Giannini	1/07/2017 - 30/06/2018	
Mr Frank Gullone	1/07/2017 - 30/06/2018	
Ms Catherine Ho	1/07/2017 - 30/06/2018	
Ms Karen Janiszewski	1/07/2017 - 30/06/2018	
Ms Selina Lightfoot *(Vice President of the Board)*	1/07/2017 - 23/11/2017	
Ms Selina Lightfoot *(President of the Board)*	24/11/2017 - 30/06/2018	
Ms Emily Maguire	31/10/2017 - 30/06/2018 *	
Ms Caroline Mulcahy	31/10/2017 - 30/06/2018 *	
Ms Mary Sayers *(President of the Board)*	1/07/2017 - 23/11/2017	
Ms Mary Sayers	24/11/2017 - 30/06/2018	
Mr Warwick Spargo *(Vice President of the Board)*	1/07/2017 - 30/06/2018	
Ms Sheena Watt	1/07/2017 - 30/06/2018	
Accountable Officers		
Ms Letitia Billings *(Interim Chief Executive Officer)*	1/07/2017 - 29/10/17	
Ms Susan White *(Chief Executive Officer)*	30/10/17 - 30/06/2018	
Remuneration of Responsible Persons		
The number of Responsible Persons are shown in their relevant income bands:		
Income Band	**2018 No.**	**2017 No.**
$0,000 - $9,999	-	1
$50,000 - $59,999	1	-
$140,000 - 149,999	1	-
$190,000 - $199,999	-	1
Total Numbers	**2**	**2**

* QEC had nine board members for period 1/7/17 - 30/10/17, twelve board members 31/10/17 - 30/6/18.

QEC's governing board members did not receive any remuneration in 2017/2018 or 2016/2017.

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in The Queen Elizabeth Centre's financial statements.

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report as disclosed in Note 8.5 Related Parties.

Note 8.4: Remuneration of Executives

The number of executive officers, other than Ministers and Accountable Officers, and 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 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.

Total remuneration payable may include bonus payments depending on the terms of individual employment contracts.

Remuneration of Executive Officers	Total Remuneration	
	2018 $ '000	2017 $ '000
Short-term Benefits	311	161
Other Long-term Benefits	-	2
Post Employment Benefits	30	15
Termination Benefits	-	55
Total Remuneration [i]	**341**	**233**
Total Number of Executives	**4.0**	**4.0**
Total Annualised Employee Equivalent [i]	**3.6**	**3.0**

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

Note 8.5: Related Parties

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

- all key management personnel (KMP) and their close family members;
- cabinet ministers (where applicable) and their close family members;
- all hospitals 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.

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

Entity	KMPs	Position Title
The Queen Elizabeth Centre	Ms Sandra Bell	Vice President of the Board
The Queen Elizabeth Centre	Ms Rosemary Bryant-Smith	Board Member
The Queen Elizabeth Centre	Mr Graham Giannini	Board Member
The Queen Elizabeth Centre	Mr Frank Gullone	Board Member
The Queen Elizabeth Centre	Ms Catherine Ho	Board Member
The Queen Elizabeth Centre	Ms Karen Janiszewski	Board Member
The Queen Elizabeth Centre	Ms Selina Lightfoot	President of the Board
The Queen Elizabeth Centre	Ms Emily Maguire	Board Member
The Queen Elizabeth Centre	Ms Caroline Mulcahy	Board Member
The Queen Elizabeth Centre	Ms Mary Sayers	Board Member
The Queen Elizabeth Centre	Mr Warwick Spargo	Vice President of the Board
The Queen Elizabeth Centre	Ms Sheena Watt	Board Member
The Queen Elizabeth Centre	Ms Letitia Billings	Interim Chief Executive Officer
The Queen Elizabeth Centre	Ms Susan White	Chief Executive Officer

The compensation detailed below 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	2018 $'000	2017 $'000
Short-term Employee Benefits [i]	177	198
Other Long-term Benefits	-	34
Post Employment Benefits	17	21
Termination Benefits	-	-
Total [ii]	**194**	**253**

[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 8.3 Responsible Persons.

Note 8.5: Related Parties (Continued)

Significant Transactions with Government Related Entities

QEC received funding from the Department of Health and Human Services of $10.5m (2017: $10.3m).

Expenses incurred by QEC in delivering services and outputs are in accordance with Health Purchasing 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 a Victorian Public Financial Corporation.

Treasury Risk Management Directions require QEC to hold cash (in excess of working capital) and investments, and source all borrowings from Victorian Public Financial Corporations.

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 the Department of Health and Human Services, all other related party transactions that involved KMPs and their close family members have been entered into on an arm's length basis. Transactions are disclosed when they are considered material to the users of the financial report in making and evaluating decisions about the allocation of scare resources.

There were no related party transactions with Cabinet Ministers required to be disclosed in 2018.

There were no related party transactions required to be disclosed for QEC's Board of Directors in 2018.

Note 8.6: Remuneration of Auditors

	2018 $'000	2017 $'000
Victorian Auditor-General's Office		
Audit and Review of Financial Statements	11	11
Other Providers		
Oakton	10	12
TOTAL REMUNERATION OF AUDITORS	**21**	**23**

Note 8.7. Ex gratia payments

There were no ex gratia payments made by QEC to 30 June 2018 or 30 June 2017.

Note 8.8: AASBs Issued that are not yet Effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2018 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises The Queen Elizabeth Centre of their applicability and early adoption where applicable.

As at 30 June 2018, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. The Queen Elizabeth Centre has not and does not intend to adopt these standards early.

Standard / Interpretation [1]	*Key requirements*	*Effective date*
AASB 9 *Financial Instruments*	The key changes introduced by AASB 9 include simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1-Jan-18
AASB 2014-1 *Amendments to Australian Accounting Standards [Part E Financial Instruments]*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018, and to amend Reduced Disclosure requirements.	1-Jan-18
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1-Jan-18
AASB 15 *Revenue from Contracts with Customers*	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15* has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1-Jan-18

AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*	Amends the measurement of trade receivables and the recognition of dividends as follow:
	• Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition.
	• Dividends are recognised in the profit and loss only when:
	  • the entity's right to receive payment of the dividend is established;
	  • it is probable that the economic benefits associated with the dividend will flow to the entity; and
	  • the amount can be measured reliably.
		1 January 2018, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply 1 January 2018.

AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15	This standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1-Jan-18

Note 8.8: AASBs Issued that are not yet Effective (Continued)

AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	This Standard amends AASB 15 to clarify requirements for identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: • a promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; • for items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and • for licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access).	1-Jan-18
AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities	This standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1-Jan-19
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15. This Standard amends AASB 9 and AASB 15 to include requirements and implementation guidance to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1-Jan-19
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of operating leases (which are currently not recognised) on balance sheet.	1-Jan-19
AASB 1058 Income of Not-for-Profit Entities	AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context. AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.	1-Jan-19

Note 8.8: AASBs Issued that are not yet Effective (Continued)

AASB 1059 Service Concession Arrangements: Grantor	This standard applies to arrangements that involve an operator providing a public service on behalf of a public sector grantor. It involves the use of a service concession asset and where the operator manages at least some of the public service at its own direction. An arrangement within the scope of this standard typically involves an operator constructing the asset used to provide the public service or upgrading the assets and operating and maintaining the assets for a specified period of time. The State has 2 types of PPPs: 1. Social Infrastructure: A PPP that requires the government to make payments to the operator upon commencement of services: • Operator finances and constructs the infrastructure; and • State pays unitary service payments over the term. 2. Economic Infrastructure: A PPP that is based on user pays model • Operator finances and constructs the infrastructure; • State does not pay for the cost of the construction; and • Operator charges asset users and recovers the cost of construction and operation for the term of the contract.	1-Jan-19
AASB 17 Insurance Contracts	The new Australian standard eliminates inconsistencies and weaknesses in existing practices by providing a single principle-based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard does not currently apply to not-for-profit public sector entities. The AASB is undertaking further outreach to determine the applicability of this standard to the not-for-profit public sector.	1-Jan-21

Note 8.8: AASBs Issued that are not yet Effective (Continued)

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2017-18 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 4
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement

Note 8.9: Events Occurring after the Balance Sheet Date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between The Queen Elizabeth Centre and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period.

Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

There are no events occurring after the Balance Sheet Date.

Note 8.10: Financial Dependency

QEC is wholly dependent on the continued financial support of the State Government and in particular, the Department of Health and Human Services.

The financial statements have been prepared on a going concern basis.

Note 8.11: Alternative Presentation of Comprehensive Operating Statement

	2018 $'000	2017 $'000
Interest	27	18
Sales of Goods and Services	640	552
Grants	10,513	10,317
Other Current Revenue	1,121	221
Total Revenue	**12,301**	**11,108**
Employee Expenses	(9,177)	(8,015)
Depreciation and Amortisation	(362)	(382)
Other Operating Expenses	(2,336)	(2,398)
Total Expenses	**(11,875)**	**(10,795)**
Net Result from Transactions - Net Operating Balance	**426**	**313**
Net Gain/(Loss) on Sale of Non-Financial Assets	14	13
Total Other Economic Flows Included in Net Result	**14**	**13**
Items that Will Not Be Reclassified to Net Result		
Changes in Property, Plant and Equipment Revaluation Surplus	223	915
Items that May Be Reclassified Subsequently to Net Result		
Changes to Financial Assets Available-For-Sale Revaluation Surplus	89	126
NET RESULT	**752**	**1,367**

This alternative presentation reflects the format required for reporting to the Department of Treasury and Finance, which differs to the disclosures of certain transactions, in particular revenue and expenses, in the QEC's annual report.