QEC Annual Report
2021-22

QEC

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

We pay our respects to traditional owners past, present, future.

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

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President and Chief Executive Officer Report

Families with young children face a range of challenges, from sleeping and feeding, to mental health and family violence. The right support changes life trajectories for children experiencing vulnerability.

Supporting children in their first 4 years of life benefits them, their families and the whole community – as they become healthy, contributing adults. Ensuring children have the best start to life has been our purpose for over a century.

QEC ensures every child has the best start in life through evidence-based programs delivered via:

- Four modalities (inpatient, day-stay, home-visit, telehealth) – innovation and testing of new modalities is ongoing
- Multiple locations across metropolitan Melbourne (Noble Park, Southern Melb, Northern Melb) and regional Victoria (Gippsland, Northern Victoria)
- A strong culture with a staff engagement index of 78 (sector average = 71) and 150 employees working in partnership with families, communities and other services
- Robust, enduring partnerships with two Aboriginal Community Controlled Organisations.

We provide a range of sector-wide leadership including:

- Realising the Victorian Government EPC expansion project, including supporting the development of 4 sites.
- Contributing to Workforce Planning and Funding Review projects, including significant commissioning, population health planning and service planning research.
- In collaboration with the Department of Health and Monash University, leading the development of an Outcomes Framework on behalf of all Victorian Early Parenting Centres.
- Spearheading the development of 'Our children, our future: Growing with families to 2050' population health analyses report.

Over the past year, QEC has invested strongly in our people, by ensuring our staff teams and leadership group have the support and resources they need to come to work (onsite or remotely), stay safe and deliver outstanding care to our families. Without the wellbeing, vitality and commitment of our people, we could not implement our strategy to achieve our vision.

Like all years, we farewelled some and welcomed others. At the Board, we farewelled Cate Grindlay, and Colleen Hartland and welcomed Mimmie Watts and Kushnal Shah.

Sue White, Chief Executive Officer together with the Executive Team of Helen Cunningham, Elaine Grant, Casey Hepburn, Owain Hughes and Greg McNally have led QEC through another extraordinary year with commitment and passion. The QEC Board (supported by Dorella Mohun) has provided strong support, strategic direction and leadership.

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for the Queen Elizabeth Centre for the year ending 30 June 2022.

Sandy Bell
Board President
Queen Elizabeth Centre
24th August, 2022

Sue White
Chief Executive Officer
Queen Elizabeth Centre
24th August, 2022

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Board, Committees and Executive

The QEC Board comprises engaged, professional and highly skilled Board Directors who take their role seriously and commit time to ensuring we can deliver our vision, strategy and operations. Over the past year, QEC has developed and implemented an innovative framework to support Board Director performance and ensure the highest level of governance at QEC.

The "AAA: Accountability, Action and Achievement Framework" is used to:

- Inform the actions undertaken by Board Directors
- Strengthen the performance and culture of the Board
- Provide a clear statement to prospective Directors on tangible actions necessary for being a QEC Board Director
- Provide a comprehensive statement to our staff and stakeholders on how we hold ourselves to account.

The AAA Framework encompasses 5 domains:

I. QEC
II. Time commitment
III. Training and development
IV. Obligations and duties
V. Skilled and active leadership.

Within each domain there is a series of accountabilities and actions.

Over the past year, the performance of QEC Board Directors against this framework has been outstanding.

	Accountability	% of Board Directors Compliant
1	Annual QEC Compliance Attestation	100%
2	QEC Conflict of Interest Declaration	100%
3	Vic Gov Declaration of Private Interests	100%
4	Vic Gov Related Parties Disclosure 1	100%
5	Vic Gov Related Parties Disclosure 2	100%
6	Current Working with Children Check	100%
7	Min 75% Board Meeting Attendance	96%
8	Min 75% Committee Meeting Attendance	85%
9	Annual Strategy Day Attendance	92%
10	Budget Approval Meeting Attendance	100%
11	Financial Result Meeting Attendance	83%
12	Minimum 1 x Onsite Event Attendance	100%

Ms Sandy Bell

Board President

BA, MPPM, GAICD

Sandy has more than 30 years' experience in the Victorian health sector and in February 2022 was appointed Executive Director Strategy, Planning and Performance at the Royal Children's Hospital. Sandy has served on a number of not for profit and public sector Boards in the areas of women, housing, community and health. Sandy joined the Queen Elizabeth Centre Board in 2017 and has been Board President since July 2018. She is also chair of the Strategy, Governance & Remuneration Committee.

Mr Warwick Spargo

Vice President

FCPA, IIA, CFE

Warwick has a 33-year career in public sector auditing and is currently an Audit Partner at RSM Australia. Warwick specialises in public sector governance, financial reporting and risk management and is a Certified Fraud Examiner. Warwick is an independent member of the Academic Board of the Melbourne Institute of Technology. He joined the QEC Board in 2013 and is currently Chair of the Audit, Finance & Infrastructure Committee. Warwick is also a member of the Wendy Spry & Frank Slutzkin Research Fund Committee.

Ms Karen Janiszewski

Board Member

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

Karen has 35 years of construction and development experience in private and public companies, state and local government and not for profit organisations. Karen is a Fellow of the Institute of Company Directors. Karen is a professional non-executive director with positions on government, private and not for profit boards. She has had numerous roles as a non-Executive Director and is the current Chair of Royal Melbourne Showgrounds and the AgriBio Research Centre. She joined the QEC Board in 2015 and is a member of the Audit, Finance & Infrastructure Committee and the Wendy Spry & Frank Slutzkin Research Fund Committee.

Mr Graham Giannini

Board Member

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 the Deputy Chair of Business Excellence Australia. He joined the QEC Board in 2015 and is a member of the Audit, Finance & Infrastructure Committee and the Strategy, Governance & Remuneration Committee.

Ms Catherine Ho

Board Member

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 Executive Director Finance and Business Services at CenITex, focusing on transformation, governance and business improvement processes.

She is currently Chair of the Audit, Finance & Infrastructure Committee and is a member of the Strategy, Governance & Remuneration Committee. Catherine is also an independent member of the WNBL Melbourne Deakin Boomers finance committee and an advisory member of the Technology Business Management (TBM) Council for Asia Pacific

Ms Rosemary Bryant-Smith

Board Member

BA/LLB (Hons), Postgraduate Banking Law, AICD

Rosemary Bryant-Smith works in human resources at University of Melbourne. Rose has been a professional non-executive director since 2007 in the healthcare, social housing and women's services sectors. She joined the QEC Board in 2017 and is a member of the Audit, Finance & Infrastructure Committee and the Strategy, Governance & Remuneration Committee.

Mr Frank Gullone

Board Member

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

Frank has over 40 years' experience in Financial Services and a number of other diverse industries. Frank is currently Chair of Indue Limited. He is also Chair of the strategic management consultancy, Gullone Group Consulting and advises leaders of organisations on strategy, leadership and governance. He joined the Board in 2017 and is the Deputy President of the Board, Deputy Chair of the Audit, Finance & Infrastructure Committee and a member of the Strategy, Governance & Remuneration Committee.

Ms Lesley Podesta

Board Member

BA of Arts, MA Prelim Psycho-Social Research

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

Professor Julie Green

Board Member

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

Julie Green has more than four decades of a combination of clinical, research and policy experience in the Australian child and family health and community sector resulting in a deep understanding of the continuum from primary prevention to tertiary health care. Julie is Honorary Research Fellow at the Murdoch Children's Research Institute; Adjunct Professor, School of Social Sciences, Western Sydney University; and Principal Fellow, Department of Paediatrics, University of Melbourne. Julie has also served on a number of committees and advisory groups in the areas of parenting, child safety, child mental health, research and ethics, and digital technologies. She was previously Executive Director and board member of raisingchildren.net.au, Julie joined the QEC Board in July 2020 and is a member of the Quality, Risk & Clinical Governance Committee.

Ms Liz Murdoch

Board Member

BA, B.Ap.Sc. (Speech Path), Grad Dip Health Services Management, Grad Cert Health Systems Management, GAICD

Liz Murdoch was the Deputy Chief Executive Officer at Goulburn Valley Health and left in April 2022 to take up a role as Senior Executive Director Covid 19, in the Victorian Department of Health. With a background in health that spans over 30 years, Liz has undertaken numerous executive, management and practitioner roles within the health care industry. Trained as a Speech Pathologist, Liz has worked in senior clinical and executive operational management roles at a number of public health services in Melbourne. Prior to her current appointment at Goulburn Valley Health, Liz was the Divisional Director of Medical Services at Austin Health. Liz has also worked as a lecturer and clinical education coordinator, and in a clinical advisory role on the new Royal Children's Hospital. Liz has a strong interest in partnering with consumers – from Board to bedside – to get great outcomes. Liz joined the QEC Board in July 2020 and was the Chair of the Quality, Risk & Clinical Governance Committee. She resigned from the Board on 14th May 2022.

Mr Kushal Shah

Board Member

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

Kushal specialises in and is passionate about Risk Management, Internal Audit, Governance, and Compliance practices. Kushal has more than 20 years of global and leadership experience in these areas gained in Australia, the UK, China, India and New Zealand. Kushal's experience consists of leadership roles leading 'in-house' Risk and Governance functions at large and multinational organisations, leadership roles at the 'Big4' global consulting firms, and independent Board and Audit & Risk Committee roles. He has developed deep industry understanding and nuanced insights in diverse industries like healthcare (public and private health), emergency services, public sector, technology, education, energy, banking, manufacturing and retail. He works with Executives and Boards of diverse organisations to positively influence their organisational growth, efficiency, excellence and risk culture. Kushal joined the QEC Board in July 2021 and is a member of the Quality, Risk & Clinical Governance Committee.

Assoc Prof Mimmie Watts

Board Member

PhD, Master of Public Health

Dr Watts is an Associate Professor of Nursing, Public Health, Leadership and Director Industry Cooperation, coordinator of the Master of Health Leadership and the Master of Health Services Management at Federation University. She has 20 years' experience in the health and higher education sectors and is a council member of the African Science Research Innovation Council, African Union Commission. She has a track record in academia, leadership and governance, and extensive board experience. She is the author of multiple refereed journal articles, with great impact. Mimmie joined the QEC Board in July 2021 and is a member of the Quality, Risk & Clinical Governance Committee.

The Executive Team make a significant contribution to QEC:

Chief Executive Officer
Sue White

Director of Clinical Innovation & Development
Helen Cunningham

Director of Nursing & Clinical Services
Elaine Grant

Director of Corporate Services
Casey Hepburn

Director of Finance & ICT
Owain Hughes

Director of Infrastructure & Major Projects
Greg McNally

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

Audit, Finance and Infrastructure Committee

Chair	Warwick Spargo
Co Chair	Catherine Ho
Members	Rosemary Bryant-Smith
	Frank Gullone
	Karen Janiszewski

Quality, Risk and Clinical Governance Committee

Chair	Liz Murdoch
Members	Julie Green
	Lesley Podesta
	Kushal Shah
	Mimmie Watts

Strategy, Governance and Remuneration Committee

Chair	Sandy Bell (Board President)
Members	Rosemary Bryant-Smith
	Graham Giannini
	Frank Gullone
	Catherine Ho

Wendy Spry and Frank Slutzkin Research Fund Committee

Board Members	Warwick Spargo
	Karen Janiszewski
External Members	Bruce Morley
	Ian Ross
	Campbell Paul

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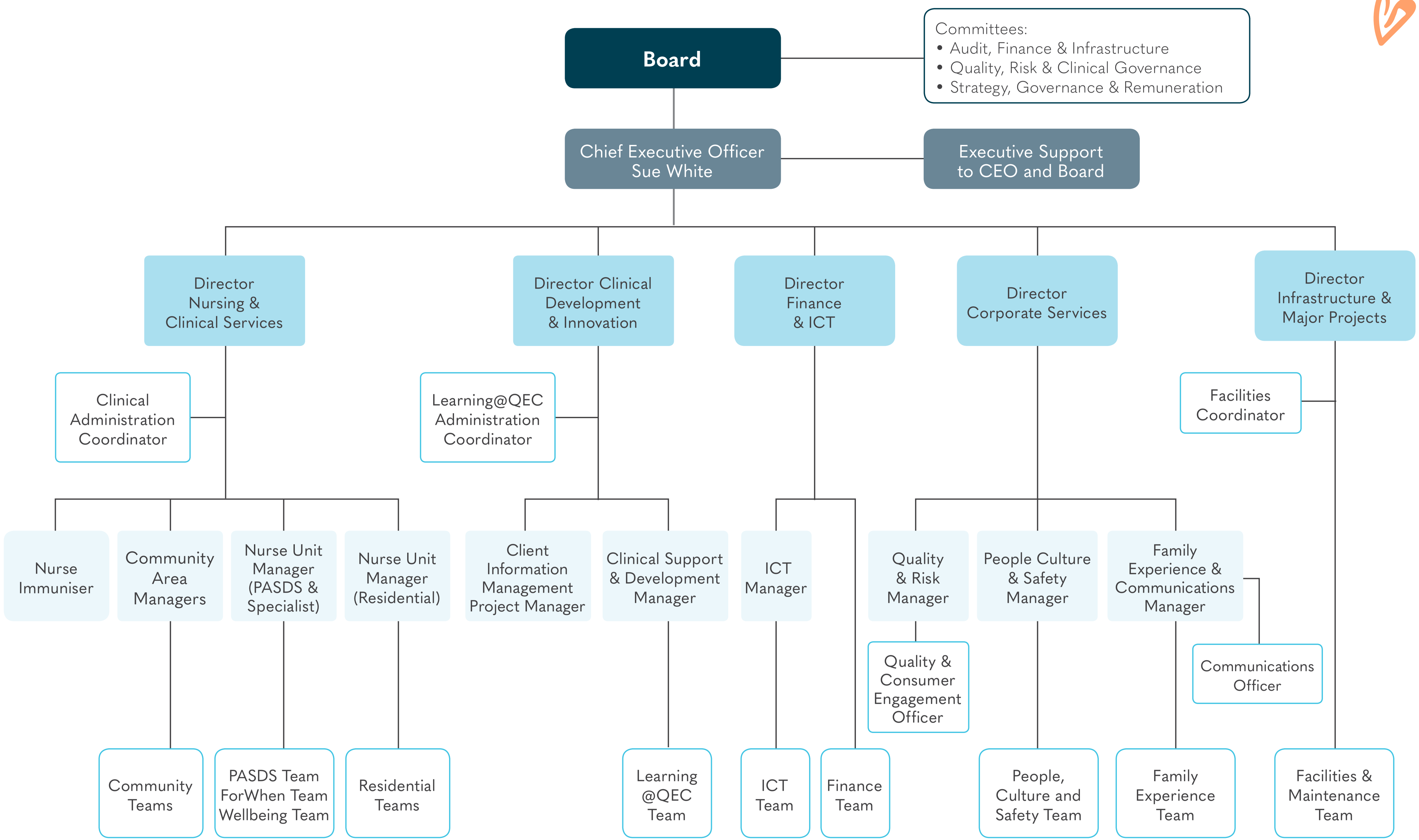

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Vision, Mission, Values and Strategic Plan

QEC's vision, mission and values underpin every aspect of our work.

Vision

All children have the best start in life

Role

Partnering with families and communities to deliver outstanding early parenting support that enables children to thrive

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

Our Strategic Plan 2019-2022 provides a roadmap for delivering our vision and mission:

Strategic Priorities

Children, Families & Communities

Infants, children, families and their communities are at the centre of everything we do

Leadership & Collaboration

Our leadership and partnerships ensure all children are afforded the best start in life

Sustainability

We are able to provide enduring support to families now and into the future

People & Culture

Our people are essential to providing, innovative, high quality care that enables children to thrive

Strategic Goals

Children, Families & Communities

QEC delivers optimal outcomes – ensuring children are safe, secure, connected and healthy.

QEC delivers positive service experiences that encompass the diverse needs of all children, families and communities.

QEC respects and responds to the unique strengths and experiences of Aboriginal families and children in everything we do.

Leadership & Collaboration

QEC provides policy leadership, exerts influence and demonstrates best practice.

QEC partners effectively with a wide range of stakeholders to:

- maximise effectiveness and reach;
- increase thought leadership across the sector.

QEC programs are informed by families' experiences and other evidence, ensuring innovative, child-centred, program designs.

Sustainability

QEC delivers exceptional care, supported by fit-for-purpose and contemporary systems, services, assets, and infrastructure.

QEC is financially viable and resilient, with diversified revenue, and the ability to invest in future priorities.

QEC delivers value based care that is: effective, efficient and sustainable into the future.

People & Culture

QEC has a positive culture that is aligned to – and enabling of – our vision, mission and values.

QEC staff are supported by a working environment that is inclusive, safe, tolerant, engaging and enabling.

QEC has a working environment that embraces learning, sharing new ideas and continuously improving our services.

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Services and Programs

QEC offers a range of services to meet the needs of families and communities. Our programs are flexible, responsive and evidenced informed, ensuring each family's experience aligns with their needs and goals. Services are available via face to face or telehealth modalities:

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

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

Residential: Residential program prioritising families experiencing challenges with parenting young children.

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

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

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

Individual Child and Family Support: Home based program providing responsive, needs based support to vulnerable children and families that can flex up and down as families' needs change.

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

Stronger Families: Intensive home based support service for families with children at risk of (or who have recently been placed in) out of home care.

Family Preservation and Reunification: Intensive support for families with children at risk.

During 2020–21, QEC was proud to provide services from a range of locations across Victoria. Over the past year, 1776 families completed a program.

Region	Number of Families Supported in 2021/22
State-wide Services – Advice Line (Noble Park)	436
State-wide Services – Program Admissions (Noble Park)	990
Southern Melbourne (Carrum Downs and Dandenong VACCA)	111
Gippsland (Morwell, Bairnsdale and Leongatha)	157
Northern Melbourne (Preston)	42
Ovens/Murray (Wodonga)	40
Total	**1776**

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Strategic Plan Progress Report

6.1 Children Families and Communities: Infants, children, families and their communities are at the centre of everything we do

Our work

QEC's unique, evidence based Model of Care describes how we partner with parents in building their capacity to:

- Nurture and protect children
- Understand age appropriate cues, behaviour and needs
- Enhance children's health and development (safety, sleep, feeding, language and growth)
- Strengthen parent-child relationships and family connections.

In every aspect of this work, we are guided by the Family Partnership Model, which forms a solid basis for clinical reflection, professional supervision and staff development. Our success is reflected in clinical outcomes and feedback from families.

"Wow! What an amazing experience my 13 month old daughter and I had at QEC! The centre and program is so efficiently run and the staff are extremely knowledgeable, friendly and supportive! You can tell that they really love their job!" ***(parent)***

"Words cannot explain how thankful I am for this program and all the lovely staff we came across. This is truly a game changer. Thank you, thank you, thank you QEC!" ***(parent)***

"All 3 families have reported huge success and could not recommend you more. They reported that staff were supportive, non-judgmental and constantly checking in with them and evaluating their goals. I sincerely thank you for your hard work, sensitivity and professionalism. It's a testament to you at QEC that you are able to do such great work during these trying times. Thanks again!" ***(referrer, perinatal clinician)***

Through our Family Partnership Model, we adjust the care we provide and the ways and places we provide it, based on each families' needs. Around 30% of services are delivered in clients' homes, with 30% via telehealth, 30% inpatient and 10% in day-stay settings.

Consumer Experiences and Participation

Our Consumer Participation Policy and Plan privileges the voices of clients in partnering with us in both their individual care and overall service improvement. We engage clients individually through feedback and exit surveys, and as representatives on interview panels; and we facilitate group-based participation through our Consumer Advisory Group, online panels and other consultations.

This year, our consumers have informed:

- Service Delivery: COVID-19 service adaptations; approaches to addressing the needs of fathers and toddlers; and our plans for major site refurbishments
- Communication: procedures for information sharing; our Communications Strategy; and marketing resources - namely the Welcome to QEC video that was overseen by parents at every stage
- Leadership and Governance: our Board member induction and orientation processes; and our Monash University partnership priorities.

Feedback from families at QEC provides valuable information to inform future service delivery. The data below demonstrates consistently high outcomes from our work.

I would recommend QEC to others	98% of families
I experienced positive change	90% of families
I met all my goals	87% of families

These outstanding outcomes are consistent across all modes of engagement: inpatient, community based and telehealth.

Quality and Safety

QEC continually seeks to improve our services. Our 2021 'Improving Access' quality improvement project focused on reducing clinical service wait times by:

- Establishing a pre-admission process
- Streamlining approaches to collecting and documenting data from families
- Improving data accuracy and consistency.

As a result, the number of families receiving support within 14 days increased 22% (from 34% to 56%), while the number of those waiting >15 days reduced by 22% (from 66% to 44%).

Our Clinical Governance Framework guides delivery of safe, effective, family-centred care through: clinical practice, consumer participation, risk management, leadership and culture, and workforce initiatives. In the past year, we have achieved:

- >90% of audit criteria met for infection control
- >90% of audit criteria met for client health records
- >3000 hours of staff training

Promoting Wellbeing

Primary and secondary prevention is our core business – this means prioritising children and families at risk and preventing subsequent acute admissions in the tertiary system. During the pandemic, when access to universal services declined, we enhanced our self-managed client pathway to ensure families were not left unsupported. During this time, the proportion of self-referrals to our EPC increased by over 10% (from 63% to 75%). In addition to our core business, we also reached over 1000 families with a number of health promotion campaigns, including burns awareness and home safety (in partnership with Kidsafe), Sunsmart, Immunisation, QUIT and safe car restraint usage.

First Peoples Communities

We respect the strength and diversity of First Nation peoples – past and present – and our staff and programs centre child safety, stability and development on their unique cultures and experiences. On average, over 5% of our families identify as Aboriginal and/or Torres Strait Islander, however we support much greater numbers through our partnerships, shared-care arrangements, co-locations, and join appointments with ACCOs. Our strong commitment to reconciliation and self-determination is reflected in our longstanding partnerships with the Victorian Aboriginal Child Care Agency and Ramahyuck Wanjana Lidj Family Services, including 7 co-located/jointly appointed staff. This enriches practice through regular secondary consults, education and capacity building; which in turn promotes cultural safety and children's connection to culture and community. Of the ninety First Nations families we supported over the past year, 89% met their care goals.

Over the past year, we have developed our second Reconciliation Action Plan through extensive consultation with staff, our leadership team and our partners.

Celebrating Diversity

QEC celebrates diversity every day - we are guided by intersectionality theories to ensure all families and stakeholders feel safe, supported and involved. We strive for opportunities to prevent further disadvantage, to promote equitable access to health, wellbeing and care for families at the intersection of various systems or with complex vulnerabilities.

As a result of our community engagement and collaborative service planning with local organisations, 30% of the families we care for are born overseas. To promote safety in all forms, including cultural, we partner with CALD families and communities in delivering initiatives that strengthen community, promote cross-cultural cohesion and relationships, and build our workforce capability. Of the 319 born overseas born families we supported over the past year, 86% met their care goals.

We also acknowledge that each person is different and will experience differing abilities in the world individually. Our person- and family-centred approaches promote autonomy and ensure clients have full agency over their care. We recently reached out to Victorian disability organisations, including the Association for Children with a Disability to further this.

Positive Mental Health

In 2021, QEC joined a consortia of other Early Parenting Centres across Australia to provide a national comprehensive stepped continuum of care for parents experiencing moderate mental health issues. Our ForWhen program supports families to navigate the mental health service landscape. The program has received initial funding for a 4 year period; preliminary data analysis and evaluation demonstrates extremely positive outcomes for families accessing the service.

COVID-19 Pandemic

COVID-19 has significantly impacted the families and communities we serve, with many reporting increased stress, anxiety and disrupted family functioning. During the pandemic, our innovation and agility ensured continuity of 24-hour care that carefully balanced community pandemic risk and individual clinical need. Our telehealth model was so successful, it remains the preferred model of care for over 30% of families.

QEC was pleased to work with the Department of Health to deliver targeted case management activities to support families to access the COVID-19 vaccinations, by:

- Assessing vaccination status of families experiencing vulnerability
- Promoting vaccine confidence amongst unvaccinated families
- Removing practical barriers to access (such a transport, child care).

We also presented a paper at the annual Family Services Sector "Open Symposium" conference, focusing on how – in light of the pandemic – we successfully reconfigured and reimagined the way we work, deliver services, implement programs, and engage with clients and communities.

6.2 Leadership and Collaboration: Our leadership and partnerships ensure all children are afforded the best start in life

Monash University Partnership

Our ongoing collaboration with Monash University School of Public Health and Preventive Medicine, includes an embedded Post-Doc Researcher who provides:

- Cost-effective expertise to support a long-term approach to research and evaluation
- Support with implementation and translating research and evaluation findings into practice
- Staff capacity-building and mentoring
- Representation in research arenas.

In collaboration with the Department of Health and Monash University, this year QEC has led the development of an Outcomes Framework on behalf of all Victorian Early Parenting Centres.

The project documents the key work of Early Parenting Centres, demonstrating our impact (by measuring outcomes), and also understanding how we achieve these outcomes (in order to continuously improve services and outcomes).

Development of the framework involved extensive quantitative and qualitative work in conducting needs assessments, articulating priorities and goals and developing resources (e.g. program logics, measurement tools). To do this, we consulted over 100 people from health services, consumer and community groups. We used a consumer and community involvement framework and applied a diversity and inclusion lens to these consultations to ensure services meet the unique needs of all forms of families, including those from Aboriginal and Torres Strait Islander, CALD, LGBTIQA+ and all abilities backgrounds. We also sought to strengthen alignment between EPCs, Maternal and Child Health and other services, to promote joined-up care.

The resulting framework outlines indicators of positive child and family outcomes alongside ways to measure them across five domains (Health and Wellbeing, Connection, Growth, Learning and Safe and Secure) and multiple ecological levels. It also includes an implementation plan to guide use across Victoria. Evidence collected to date has already begun improving service delivery at QEC.

In 2021, we spearheaded the development of 'Our children, our future: Growing with families to 2050' report. Through comprehensive population health analyses, we forecasted the needs of families to guide our – and the Department of Health's – EPC service planning. Alongside population-growth data, we looked at factors such as socio-economic disadvantage; family violence, dysfunction and breakdown; diversity; and existing service density, finding that:

- By 2050, more families across metropolitan and regional LGAs will need support
- In addition to those already planned, there is a need for EPCs in specific regional areas – Gippsland and Shepparton (since announced as an additional site for EPC expansion)
- Victoria needs an Aboriginal and/or Torres Strait Islander community-controlled Early Parenting service.

6.3 People and Culture: Our people are essential to providing, innovative, high quality care that enables children to thrive

Workforce Development

Our workforce is our greatest asset, with 97% of surveyed families considering our employees "knowledgeable" and "helpful". We invest heavily to support staff professionally through capability building, and personally, especially during times of stress.

Partnering with local government Maternal and Child Health services, QEC's external Workforce Development Program helps to build Maternal and Child Health nurses' knowledge and skills while they rotate through our programs with structured education and mentoring. This innovative program recognised the benefits for both QEC and the participating nurses and their employer. MCH nurses share their experience and leadership and simultaneously learn new knowledge and skills transferable back to their substantiate roles. Over the past year, 50% of participants have chosen to apply for permanent roles with us.

We have continued to support and prioritise EPC placements for Victorian Maternal and Child Health students from LaTrobe University, RMIT and Federation University.

We recently designed an innovative internal Workforce Development program to (re) energise, support and retain our clinicians. Our individualised, clinician-led learning journeys promote new ways of learning, working, and contributing to optimal client outcomes. In particular, our Clinical Starter Program provides all new clinicians with continuous learning support for translating knowledge to practice. It includes customised, self-paced education alongside mentoring by an experienced educator. Of the 20 program graduates to date:

- 100% reported feeling supported and valued in their role, and
- 100% knew where to access resources to support practice.

"I think it is great that I now have a range of ways to support my practice" *(staff)*

"Being able to receive support and coaching to translate my new learnings to practice has been great" *(staff)*

Our "LEAP" Leadership Development Program acknowledges and supports front-line/middle managers in their roles, as critical to effective, efficient, high-quality care. A huge 79% of staff report satisfaction with senior leadership support (People Matter Survey – sector average 66%). Our Health and Wellbeing Program promotes staff physical, mental and social wellbeing through subsidised, onsite and external activities (e.g. dance, meditation and exercise classes, gym memberships and EAP).

Workplace Culture

Each year, our team completes the VPSC People Matter Survey. We share our results with the whole team and engage them in regular reviews of our action plan to further promote staff satisfaction, wellbeing, development and retention. This generates an exceptionally positive workplace culture, which is evident in our 2021 VPSC results:

- 62% survey completion (39% is the public sector average)
- Engagement Index of 78 – our highest yet (71 is the public sector average)
- High ratings of satisfaction and intention to stay at QEC
- Low rates of stress, bullying, aggression, discrimination and sexual harassment
- Increased ratings against public sector values, now well above comparator and public sector agencies.

We also host an annual, whole-of-organisation learning event. Our 2021 event included:

- Prevention of Occupational Violence & Respectful Workplace Culture training
- Model of Care & Clinical Practice updates
- 80's Dance Class, Virtual Bingo and Stand-up Comedian sessions.

QEC's employment attraction and recruitment strategies aim to engage and retain the best skilled professionals to join our team. Our employment conditions are aligned to relevant Public Hospital Enterprise Agreements and we proudly promote the rewarding benefits of working in the EPC sector and supporting children and their families. We apply fair, merit-based employment principles and ensure that our employees are correctly classified in accordance with their relevant Enterprise Agreement and qualifications.

Workforce Data

Hospitals Labour Category	June Current Month FTE		Average Monthly FTE	
	2021	**2022**	**2021**	**2022**
Nursing (including Registered Nurses, Midwives, Enrolled Nurses, Early Parenting Practitioners and Clinical Educators)	56.7	52.8	62.8	54.6
Administration and Clerical	13.4	15.2	13.6	14.6
Executive and Managers	9.6	9.75	11.1	8.25
Medical Support	N/A	N/A	N/A	N/A
Medical Officers	0.5	0.2	0.5	0.3
Hospital Medical Officers	N/A	N/A	N/A	N/A
Sessional Clinicians	N/A	N/A	N/A	N/A
Allied Health Professionals	13.0	16.2	11.9	16.5
Total	**93.2**	**94.15**	**99.9**	**94.25**

Occupational health and safety

QEC's approach to maintaining a safe and healthy work environment and culture is attributed to the strong partnership of our employees and managers working together. Our OHSES (Occupational Health, Safety, Environment and Sustainability Committee) is extremely well supported by a committed team of Health and Safety Representative Employees who contribute valuable ideas and feedback to ensure QEC continues to improve our approach to OH&S and explore new ways of promoting wellbeing in the workplace.

Occupational Health and Safety Statistics	2021–22	2020–21	2019–20
The number of reported hazards/incidents for the year per 100 FTE	30	30	29
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0	0	0
The average cost per WorkCover claim for the year ('000)	$0	$0	$0

Occupational violence

QEC take steps to assess and minimise risk of our employees being exposed to occupational violence or aggression. We consistently promote a zero tolerance approach, supporting our workforce with training, clear risk management procedures, leadership support and duress response equipment.

Occupational Violence Statistics	2021–22
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	2
Number of occupational violence incidents reported per 100 FTE	2
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

Infection Prevention and Control Statistics	Target	Result
Compliance with the Hand Hygiene Australia program	85%	At end of Quarter 3, 98% compliance
Percentage of healthcare workers immunised for influenza (achieved for the period April 2021 to August 2021)	90%	At end of Quarter 1, 90% immunised

6.4 Sustainability: We are able to provide enduring support to families now and into the future

QEC has a proven track-record of delivering high-quality services, within scope and budget since 1917. We rigorously pursue environmental sustainability via a strong focus on infrastructure, including planning for: solar panels, low energy lighting and efficient water fixtures; upgrading building insulation and window shading; and the provision of bicycle parking.

QEC undertakes an annual VMIA self-assessment of our Risk Maturity. The results demonstrate a maturing and evolving organisation. QEC recently repeated the self-assessment – the new result shows steady progress arising from our action plan:

- 2019/20 overall performance: 63%
- 2020/21 overall performance: 74%
- 2021/22 overall performance 78%

Financial Information

	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Operating Result					
Total revenue	14,702	13,246	12,469	12,478	13,301
Total expenses	(14,191)	(12,448)	(11,946)	(11,276)	(11,875)
Net Result From Transactions	**511**	**798**	**523**	**1,202**	**426**
Total other economic flows	(930)	776	(192)	(7)	103
Net Result	**(419)**	**1,574**	**331**	**1,195**	**529**
Total assets	23,698	21,450	18,816	17,550	16,142
Total liabilities	3,594	3,623	3,498	2,563	2,424
Net Assets/Total Equity	**20,104**	**17,827**	**15,318**	**14,987**	**13,718**

Reconciliation of Net Result from Transactions and Operating Result	2021–22 ($'000)
Net Operating Result	**1,585**
Capital purpose income	210
Expenditure for capital purpose	(62)
Depreciation and amortisation	(1,200)
Finance costs (other)	(22)
Net Result from Transactions	**511**

Consultancy Expenditure

QEC continues to invest in organisational and services delivery improvements, in order to meet the needs of families into the future.

In 2021–22, there were 18 consultancies engaged during the year, where the total fees payable to the individual consultancies was less than $10,000. The total expenditure incurred during 2021–22 in relation to these consultancies was $49,000 (excl. GST).

In 2021–22, the following consultancies were undertaken where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2021–22 in relation to these consultancies is $493,000 (excl. GST). Details of individual consultancies are outlined below:

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl GST) $'000	Expenditure 2021-22 (excl GST) $'000	Future expenditure (excl GST) $'000
Monash University	Research Program	2021	2022	410	260	nil
Powernet	ICT Consultant	Pre 2020	ongoing	63	63	ongoing
Midnightsky	Board Strategy	2021	2022	59	59	nil
Cyclone	Communications Development	2021	2022	43	43	nil
KPMG	VHIMS Rollout	2021	2022	31	31	nil
IPSEC	ICT Security	2021	2022	101	19	82
Witchenini Entertainment	Film Production	2022	2022	23	18	5

ICT Expenditure

ICT Expenditure	Total $'000	Business as usual ICT expenditure $'000	Non-business as usual ICT expenditure $'000
Operational expenditure	764	729	35
Capital expenditure	111	30	81

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Attestations and Declarations

Responsible Minister

The Queen Elizabeth Centre is a public health service established under the Health Services Act 1988 (Vic).

The responsible Minister is the Minister for Health:

The Hon Martin Foley MP,
1 July 2021 to 27 June 2022

Minister for Health
Minister for Ambulance Services
Minister for Equality

The Hon. Mary-Anne Thomas MP,
27 June 2022 to 30 June 2022

Minister for Health
Minister for Ambulance Services

Other Ministers important to our work include:

The Hon James Merlino MP
Minister for Mental Health

The Hon Anthony Carbines MP
Minister for Child Protection and
Minister for Disability, Ageing and Carers.

Financial Management Compliance Attestation Statement

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

Sandy Bell
Board President
Queen Elizabeth Centre
24th August, 2022

Frank Gullone
Board Member
Queen Elizabeth Centre
24th August, 2022

Data Integrity Declaration

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

Sue White
Chief Executive Officer
Queen Elizabeth Centre
24th August, 2022

Conflict of Interest Declaration

I, Sue White, certify that the Queen Elizabeth Centre has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular "07/2017 Compliance reporting in health portfolio entities (Revised)" and has implemented a Conflict of Interest policy consistent with the minimum accountabilities required by the VPSC.

Declaration of private interest forms have been completed by all relevant staff within the Queen Elizabeth Centre and members of the Board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.

Sue White
Chief Executive Officer
Queen Elizabeth Centre
24th August, 2022

Integrity, Fraud and Corruption Declaration

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

Sue White
Chief Executive Officer
Queen Elizabeth Centre
24th August, 2022

Building Act

QEC assets and facilities (including buildings) are monitored via a range of mechanisms based on the Victorian asset Management Accountability Framework and the Victorian Government Risk Management framework. Regular audits and maintenance programs are undertaken by specialist contractors. The Queen Elizabeth Centre facilities comply with the minimum requirements of relevant building and emergency services legislation, including fire safety.

Carers Recognition Act

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.

Environmental Performance

QEC recognizes the link between the health of the environment, and the health and wellbeing of children and their families. In particular, we recognise that the effects of climate change will impact future generations. As part of our commitment to the best start for every child, QEC makes a strong commitment to minimising our environmental impact.

QEC has a suite of environmental initiatives to minimise our environmental impact. The results of these initiatives over the past financial year have been:

- Continue to focus on incorporating initiatives in the capital development program to further reduce environmental impact in the future
- Continue to transition fleet vehicles to hybrid vehicles.
- Embed sustainability in all our business processes;
- Continue to monitor, improve and report on our environmental performance.

Freedom of Information Act

The Freedom of Information Act ensures the right to request access to information held by QEC. 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 to ensure that decisions are made in line with the applicants' rights and best interests. QEC supports applicants' rights to request to appeal decisions. The QEC FOI and Privacy Officer is Ms Dorella Mohun. In 2020–21 there were 3 FOI requests made to QEC; the majority were acceded to.

Gender Equality Act

QEC has finalised our Gender Equality Action Plan which details a number of initiatives to continue to support gender equality across our organisation, including recruitment, flexible work arrangements and leadership development. Regular workplace auditing activities and data collection continue in order to report against the outcomes identified in this plan.

Public Interest Disclosure Act

In accordance with the Public Interest Disclosure Act 2012, there were no matters referred to the Independent Broad-Based Anti-corruption Commission.

Safe Patient Care Act

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

Additional information available on request

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

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

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Partners and supports

QEC would like to acknowledge the generous support of:

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

We are fortunate to collaborate with the following partners:

- Karitane
- MacKillop Family Services
- Monash Health
- Monash University
- Ramahyuck District Aboriginal Corporation
- Victorian Aboriginal Child Care Agency

Our Life Governors have made significant contributions over many years:

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

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Disclosure Index

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

Legislation	Requirement	Page reference
Legislation		
FRD 22	Application and operation of Freedom of Information Act 1982	26
FRD 22	Compliance with building and maintenance provisions of Building Act 1993	25
FRD 22	Application and operation of Public Interest Disclosure Act (Updated 2020–2021)	26
FRD 22	Application and operation of Carers Recognition Act 2012	25
FRD 22	Summary of the entity's environmental performance	26
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Other relevant reporting directives		
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Attestations		
Attestation on Data Integrity		25
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Other reporting requirements		
Occupational Violence reporting		22
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Reporting obligations under the *Safe Patient Care Act 2015*		26

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Financial Report

How this report is structured

The Queen Elizabeth Centre (QEC) presents its audited general purpose financial statements for the financial year ended 30 June 2022 in the following structure to provide users with the information about QEC's stewardship of the resources entrusted to it.

Board Declaration

The Queen Elizabeth Centre

Financial Statements
Financial Year ended 30 June 2022

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

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and the financial position of The Queen Elizabeth Centre at 30 June 2022.

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 24 August 2022.

Frank Gullone Board Member	Sue White Chief Executive Officer	Owain Hughes Chief Finance & Accounting Officer
Noble Park 24 August 2022	Noble Park 24 August 2022	Noble Park 24 August 2022

Auditor's Report

Independent Auditor's Report

To the Board of The Queen Elizabeth Centre

Opinion	I have audited the financial report of The Queen Elizabeth Centre (the health service) which comprises the: • Balance Sheet as at 30 June 2022 • 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 & Accounting Officer's Declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation 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 health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

Auditor's Report

Auditor's responsibilities for the audit of the financial report

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

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

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

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

DRyan

MELBOURNE
19 September 2022

Dominika Ryan
as delegate for the Auditor-General of Victoria

The Queen Elizabeth Centre

Comprehensive Operating Statement

For the Financial Year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Revenue and Income from Transactions			
Operating Activities	2.1	14,267	12,976
Non-Operating Activities	2.1	435	270
Total Revenue and Income from Transactions		**14,702**	**13,246**
Expenses from Transactions			
Employee Expenses	3.1	(10,490)	(9,467)
Supplies and Consumables	3.1	(40)	(26)
Finance Costs	3.1	(22)	(27)
Depreciation and Amortisation	3.1,4.6	(1,200)	(704)
Other Administrative Expenses	3.1	(2,179)	(1,946)
Other Operating Expenses	3.1	(260)	(278)
Total Expenses from Transactions		**(14,191)**	**(12,448)**
Net Result from Transactions – Net Operating Balance		**511**	**798**
Other Economic Flows included in Net Result			
Net Gain on Sale of Non-Financial Assets	3.2	44	-
Net (Loss) / Gain on Financial Instruments	3.2	(974)	776
Total Other Economic Flows included in Net Result		**(930)**	**776**
NET RESULT FOR THE YEAR		**(419)**	**1,574**
Other Economic Flows – Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.2(b)	**2,696**	**935**
Total Other Comprehensive Income		**2,696**	**935**
COMPREHENSIVE RESULT FOR THE YEAR		**2,277**	**2,509**

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

The Queen Elizabeth Centre

Balance Sheet as at 30 June 2022

	Note	2022 $'000	2021 $'000
Current Assets			
Cash and Cash Equivalents	6.2	3,873	3,084
Receivables and Contract Assets	5.1	237	111
Prepaid Expenses		91	67
Total Current Assets		**4,201**	**3,262**
Non-Current Assets			
Receivables and Contract Assets	5.1	575	483
Investments and Other Financial Assets	4.1	6,536	7,253
Property, Plant and Equipment	4.2(a)	11,590	9,461
Right of Use Assets	4.3(a)	769	940
Intangible Assets	4.5	27	51
Total Non-Current Assets		**19,497**	**18,188**
TOTAL ASSETS		**23,698**	**21,450**
Current Liabilities			
Payables and Contract Liabilities	5.2	696	721
Borrowings	6.1	415	223
Employee Benefits	3.3	1,599	1,458
Total Current Liabilities		**2,710**	**2,402**
Non-Current Liabilities			
Payables and Contract Liabilities	5.2	75	-
Borrowings	6.1	392	751
Employee Benefits	3.3	417	470
Total Non-Current Liabilities		**884**	**1,221**
TOTAL LIABILITIES		**3,594**	**3,623**
NET ASSETS		**20,104**	**17,827**
EQUITY			
Revaluation Surplus	4.4	9,624	6,928
Contributed Capital	SCE	4,894	4,894
Accumulated Surplus	SCE	5,586	6,005
TOTAL EQUITY		**20,104**	**17,827**

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

The Queen Elizabeth Centre

Statement of Changes in Equity

For the Financial Year ended 30 June 2022

	Property, Plant and Equipment Revaluation Surplus $'000	Contributed Capital $'000	Accumulated Surplus $'000	Total $'000
Balance at 1 July 2020	**5,993**	**4,894**	**4,431**	**15,318**
Net result for the year	-	-	1,574	1,574
Other comprehensive income for the year	935	-	-	935
Balance at 30 June 2021	**6,928**	**4,894**	**6,005**	**17,827**
Net result for the year	-	-	(419)	(419)
Other comprehensive income for the year	2,696	-	-	2,696
Balance at 30 June 2022	**9,624**	**4,894**	**5,586**	**20,104**

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

The Queen Elizabeth Centre

Cash flow statement

For the Financial Year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Cash Flows from Operating Activities			
Operating Grants from State Government		12,831	11,898
Capital Grants from State Government		69	-
Donations and Bequests Received		7	35
GST Received from ATO		(11)	5
Interest and Investment Income Received		13	10
Other Receipts Received		1,261	990
Total Receipts		**14,170**	**12,938**
Employee Expenses		(10,270)	(9,511)
Payments for Supplies and Other Expenses		(2,597)	(1,811)
Payments for Repairs and Maintenance		(95)	(98)
Finance Cost		(22)	(27)
Total Payment		**(12,984)**	**(11,447)**
Net Cash Flows from Operating Activities	8.1	**1,186**	**1,491**
Cash Flows from Investing Activities			
Proceeds from Sale of Non-Financial Assets		44	-
Proceeds from Sale of Financial Assets		165	-
Purchase of Non-Financial Assets		(352)	(25)
Net Cash Flows Used in Investing Activities		**(143)**	**(25)**
Cash Flows from Financing Activities			
Repayment of Borrowings		(254)	(264)
Net Cash Flows Used in Financing Activities		**(254)**	**(264)**
Net Increase in Cash and Cash Equivalents Held		**789**	**1,202**
Cash and Cash Equivalents at Beginning of Year		**3,084**	**1,882**
Cash and Cash Equivalents at End of Year	6.2	**3,873**	**3,084**

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

The Queen Elizabeth Centre

Notes to the Financial Statements

For the Financial Year ended 30 June 2022

Note 1: Basis of preparation

Structure

1.1 Basis of preparation of the financial statements

1.2 Impact of COVID-19 pandemic

1.3 Abbreviations and terminology used in the financial statements

1.4 Key accounting estimates and judgements

1.5 Accounting standards issued but not yet effective

1.6 Goods and Services Tax (GST)

1.7 Reporting Entity

Note 1: Basis of Preparation

These annual financial statements represent the audited general purpose financial statements for The Queen Elizabeth Centre (QEC) for the year ended 30 June 2022. The report provides users with information about QEC's stewardship of resources entrusted to it.

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preparation of the financial statements

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

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

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

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

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

The financial statements are in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of QEC on 24 August 2022.

Note 1.2 Impact of COVID-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. On 2 August 2020 a state of disaster was added with both operating concurrently. The state of disaster in Victoria concluded on 28 October 2020 and the state of emergency concluded on 15 December 2021.

The COVID-19 pandemic has created economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by QEC at the reporting date. Management recognises that is difficult to reliably estimate with certainty, the potential impact of the pandemic after the reporting date on QEC, its operations, its future results and financial position.

In response to the ongoing COVID-19 pandemic, QEC has:

- introducing restrictions on non-essential visitors
- utilised telehealth service
- changed infection control practices
- implemented work from home arrangements where appropriate
- implemented reduced visitor hours

The financial impacts of the pandemic are not material to QEC.

Note 1.4 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and are disclosed in further detail throughout the accounting policies.

Note 1.3 Abbreviations and terminology used in the financial statements

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

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

Note 1.5 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 17: *Insurance Contracts*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2021-2: *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-5: *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-6: *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-7: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-1 *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-3 *Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15*	Reporting periods on or after 1 July 2022.	Adoption of this standard is not expected to have a material impact.

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

Note 1.6 Goods and Services Tax (GST)

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

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

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

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

Note 1.7 Reporting Entity

The financial statements include all the controlled activities of QEC.

Its principal address is:

53 Thomas Street
Noble Park
Victoria 3174

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

Note 2: Funding Delivery of Our Services

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

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

QEC also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions

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

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services during the financial year was not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	QEC applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring QEC to recognise revenue as or when the health service transfers promised services to beneficiaries. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	QEC applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining timing of capital grant income recognition	QEC applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure QEC's progress as this is deemed to be the most accurate reflection of the stage of completion.

Note 2.1: Revenue and Income from Transactions

	Note	2022 $'000	2021 $'000
Operating Activities			
Revenue from Contracts with Customers			
Government grants (State) – Operating		12,816	11,961
Total Revenue from Contracts with Customers	2.1 (a)	**12,816**	**11,961**
Other Sources of Income			
Government grants (State) – Capital		210	75
Other Income from Operating Activities		1,207	889
Assets received free of charge or for nominal consideration	2.1(b)	34	51
Total Other Sources of Income		**1,451**	**1,015**
Total Revenue and Income from Operating Activities		**14,267**	**12,976**
Non-Operating Activities			
Income from Other Sources			
Other Interest		13	10
Other Income from Non-Operating Activities		422	260
Total Other Sources of Income		**435**	**270**
Total Income from Non-Operating Activities		**435**	**270**
Total Revenue and Income from Transactions		**14,702**	**13,246**

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

	Note	2022 $'000	2021 $'000
QEC disaggregates revenue by the timing of revenue recognition.			
Goods and services transferred to customers:			
Over time		12,816	11,961
Total Revenue from Contracts with Customers		**12,816**	**11,961**

How we recognise revenue and income from operating activities

Government operating grants

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

When both these conditions are satisfied, QEC:

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

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

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

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

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

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

Government grant	Performance obligation
Assessment and Intake	Assessment and Intake: the central intake point for all Early Parenting Centre referrals, staffed by experienced clinicians offering assessments and brief consultations to ensure families are provided with the right program at the right time. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
Day Stay	Day Stay: Single day program incorporating intensive, practical parenting education and support, targeting families with children up to the age of 14 months with issues relating to feeding, sleep and settling. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
Residential	Residential: Two to four night residential program for parents and caregivers experiencing challenges with parenting. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
PlaySteps	PlaySteps: Relationship based parenting program focusing on enhancing interactions between children and their parents, via a weekly, structured group format. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
Parenting Plus	Parenting Plus: Home-based, intensive parenting skills development program. QEC is required to provide service delivery for a set number of hours. Revenue is recognised over time, as and when the services are delivered.
Parenting Assessment and Skills Development	Parenting Assessment and Skills Development: Intensive parenting assessment and skills development program for families who are referred through the Child Protection system, delivered in residential and/or home based settings. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
Individual Child and Family Support Services	Individual Child and Family Support services: Responsive, needs based support to vulnerable children and families, that can flex up and down as families' needs change. QEC is required to provide service delivery for a set number of hours. Revenue is recognised over time, as and when the services are delivered.
Sleep and Settling Home Visiting	Sleep and Settling Home Visiting Program: In-home program designed to support Gippsland families with significant sleep challenges, attachment concerns and other risk factors. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.

Government grant	Performance obligation
Stronger Families	Stronger Families: Intensive home based support service for families with children at risk of (or who have recently been placed in) out of home care. QEC is required to provide service delivery for a set number of hours. Revenue is recognised over time, as and when the services are delivered.
Cradle to Kinder	Cradle to Kinder: Long term ante/postnatal case work service that provides support to young mothers under the age of 25 years and their children. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
Family Preservation and Reunification response	Family Preservation and Reunification response: 6 month program consisting of 240 hours from QEC caseworkers, focussing on intensive service delivery for families involved with child protection.

Capital grants

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

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

Other Revenue from Operating Activities

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

How we recognise revenue and income from non-operating activities

Interest Income

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

Distribution Income

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

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

	2022 $'000	2021 $'000
Cash Donations	8	35
Other Services[i]	26	16
Total fair value of assets and services received free of charge or for nominal consideration	**34**	**51**

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

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

Donations and bequests

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

Personal protective equipment

In order to meet the State of Victoria's health system supply needs during the COVID-19 pandemic, arrangements were put in place to centralise the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment.

The general principles of the State Supply Arrangement were that Health Share Victoria sourced, secured and agreed terms for the purchase of the PPE products, funded by the Department of Health, while Monash Health took delivery, and distributed an allocation of the products to QEC as resources provided free of charge. Health Share Victoria and Monash Health were acting as an agent of the Department of Health under this arrangement.

Non-cash contributions from the Department of Health

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for QEC which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health Hospital Circular.

Note 3: The Cost of Delivering Our Services

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

Structure

3.1 Expenses from Transactions

3.2 Other Economic Flows Included in Net Result

3.3 Employee Benefits in the Balance Sheet

3.4 Superannuation

Telling the COVID-19 story

Expenses incurred to deliver services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 3.1: Expenses from Transactions

	Note	2022 $'000	2021 $'000
Salaries and Wages		9,432	8,480
On-costs		895	773
Agency Expenses		25	90
Workcover Premium		138	124
Total Employee Expenses		**10,490**	**9,467**
Other Supplies and Consumables		40	26
Total Supplies and Consumables		**40**	**26**
Finance Costs		22	27
Total Finance Costs		**22**	**27**
Other Administrative Expenses		2,179	1,946
Total Other Administrative Expenses		**2,179**	**1,946**
Fuel, Light, Power and Water		103	105
Repairs and Maintenance		95	125
Expenditure for Capital Purposes		62	48
Total Other Operating Expenses		**260**	**278**
Total Operating Expense		**12,991**	**11,744**
Depreciation and Amortisation	4.6	1,200	704
Total Depreciation and Amortisation		**1,200**	**704**
Total Non-Operating Expense		**1,200**	**704**
Total Expenses from Transactions		**14,191**	**12,448**

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

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

Other Operating Expenses

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

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

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

Non-operating expenses

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

Note 3.2: Other Economic Flows

	2022 $'000	2021 $'000
Net gain on disposal of property plant and equipment	44	-
Total Net Gain on Non-Financial Assets	44	-
Net Gain/(Loss) on Financial Instruments	(974)	776
Total Net Gain/(Loss) on Financial Instruments	(974)	776
Total Gains/(Losses) From Other Economic Flows	(930)	776

How we recognise other economic flows

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

Net gain/(loss) on non-financial assets

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

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

Net gain/(loss) on financial instruments

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

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

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.

Note 3.3: Employee Benefits and Related On-Costs

	2022 $'000	2021 $'000
Current Employee Benefits and Related On-Costs		
Unpaid salaries and wages [i]		
Unconditional and expected to be settled wholly within 12 months [ii]	-	6
	-	**6**
Annual leave [i]		
Unconditional and expected to be settled wholly within 12 months [ii]	606	629
Unconditional and expected to be settled wholly after 12 months [iii]	-	-
	606	**629**
Long Service Leave [i]		
Unconditional and expected to be settled wholly within 12 months [ii]	160	61
Unconditional and expected to be settled wholly after 12 months [iii]	527	489
	687	**550**
Other Leave [i]		
Unconditional and expected to be settled wholly within 12 months [ii]	53	43
Unconditional and expected to be settled wholly after 12 months [iii]	-	-
	53	**43**
Provisions related to Employee Benefit On-Costs		
Unconditional and expected to be settled wholly within 12 months [ii]	185	174
Unconditional and expected to be settled wholly after 12 months [iii]	68	56
	253	**230**
Total Current Employee Benefits and Related On-Costs	**1,599**	**1,458**
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave	368	422
Provisions Related to Employee Benefit On-Costs	49	48
Total Non-Current Employee Benefits and Related On-Costs	**417**	**470**
Total Employee Benefits and Related On-Costs	**2,016**	**1,928**

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

ii The amounts disclosed are nominal amounts.

iii The amounts disclosed are discounted to present values.

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

	2022 $'000	2021 $'000
Current Employee Benefits and Related On-Costs		
Unconditional unpaid salaries and wages	-	6
Unconditional annual leave entitlements	765	792
Unconditional long service leave entitlements	775	613
Unconditional other leave	59	47
Total Current Employee Benefits and Related On-Costs	**1,599**	**1,458**
Non-Current Employee Benefits and Related On-Costs		
Conditional long service leave entitlements	417	470
Total Non-Current Employee Benefits and Related On-Costs	**417**	**470**
Total Employee Benefits and Related On-Costs	**2,016**	**1,928**

Note 3.3(b): Movement in Long Service Leave

	2022 $'000	2021 $'000
Carrying Amount at Start of Year	**1,082**	**1,263**
Additional provisions recognised	387	197
Amounts incurred during the year	(115)	(162)
Net gain/(loss) arising from revaluation of long service liability	(162)	(216)
Carrying Amount at End of Year	**1,192**	**1,082**

How we recognise employee benefits

Employee Benefit Recognition

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

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

Unpaid Salaries and Wages, Annual leave and accrued days off

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

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

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

Long Service Leave

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

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

The components of this current LSL liability are measured at:

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

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

Termination Benefits

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

Provision for On-Costs related to Employee Benefits

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

Note 3.4: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Defined Benefit Plans: [i]				
First State Super	13	19	-	4
Defined Contribution Plans:				
First State Super	314	291	24	52
Hesta	371	338	36	73
Vision Super	80	55	8	11
Vic Super	45	29	4	6
Australian Super	42	19	2	4
Other	186	209	16	47
Total	**1,051**	**960**	**90**	**197**

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

How we recognise superannuation

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

Defined Benefit Superannuation Plans

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

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

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

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

Defined Contribution Superannuation Plans

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.

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

Note 4: Key Assets to Support Service Delivery

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

Structure

Telling the COVID-19 story

Assets used to support the delivery of our services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Key judgements and estimates	Description
Estimating the useful life of intangible assets	QEC assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	At the end of each year, QEC assesses impairment by evaluating the conditions and events specific to QEC that may be indicative of impairment triggers. Where an indication exists, QEC tests the asset for impairment. QEC considers a range of information when performing its assessment, including considering: • If an asset's value has declined more than expected based on normal use • If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset • If an asset is obsolete or damaged • If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life • If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, QEC applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1: Investments and Other Financial Assets

	2022 $'000	2021 $'000
NON-CURRENT		
Current Financial Assets at Fair Value Through Net Result		
Managed Investment Schemes	6,536	7,253
Total Non-Current Financial Assets	**6,536**	**7,253**
Total Investments and Other Financial Assets	**6,536**	**7,253**
Represented by:		
Investments	**6,536**	**7,253**
Total Investments and Other Financial Assets	**6,536**	**7,253**

How we recognise investments and other financial assets

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

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

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

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

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

Note 4.2: Property, Plant and Equipment

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

	2022 $'000	2021 $'000
Land at Fair Value – Freehold	5,800	4,321
TOTAL LAND AT FAIR VALUE	**5,800**	**4,321**
Buildings at Fair Value	5,227	5,022
Less Accumulated Depreciation	-	(369)
Total Buildings at Fair Value	**5,227**	**4,653**
Leasehold Improvements at Cost	42	14
Less Accumulated Depreciation	(20)	(6)
Total Leasehold Improvements at Cost	**22**	**8**
TOTAL LAND AND BUILDINGS	**11,049**	**8,982**
Plant and Equipment at Fair Value	430	407
Less Accumulated Depreciation	(342)	(308)
TOTAL PLANT AND EQUIPMENT at Fair Value	**88**	**99**
Motor Vehicles at Fair Value	304	382
Less Accumulated Depreciation	(283)	(310)
TOTAL MOTOR VEHICLES at Fair Value	**21**	**72**
Computer and Communication Equipment at Fair Value	681	557
Less Accumulated Depreciation	(452)	(310)
TOTAL COMPUTERS AND COMMUNICATION EQUIPMENT	**229**	**247**
Furniture and Fittings at Fair Value	301	155
Less Accumulated Depreciation	(135)	(106)
TOTAL FURNITURE AND FITTINGS at Fair Value	**166**	**49**
Cultural Assets at Fair Value	5	5
Less Accumulated Depreciation	-	-
TOTAL CULTURAL ASSETS at Fair Value	**5**	**5**
Works in Progress at Fair Value	32	7
Total Plant, Equipment, Furniture, Fittings, Motor Vehicles and Works in Progress at fair value	**541**	**479**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**11,590**	**9,461**

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

	Note	Land $'000	Buildings $'000	Leasehold Improvements $'000	Plant & Equipment $'000	Motor Vehicles $'000	Computers & Communication Equipment $'000	Furniture & Fittings $'000	Cultural Assets $'000	Assets Under Construction $'000	Total $'000
Balance at 1 July 2020		**3,386**	**4,828**	**2**	**151**	**121**	**381**	**55**	**5**	**-**	**8,929**
Additions		-	9	9	-	-	-	-	-	7	25
Revaluation increments	4.4	935	-	-	-	-	-	-	-	-	935
Depreciation	4.6	-	(184)	(3)	(52)	(49)	(134)	(6)	-	-	(428)
Balance at 30 June 2021	4.2 (a)	**4,321**	**4,653**	**8**	**99**	**72**	**247**	**49**	**5**	**7**	**9,461**
Additions		-	10	27	23	-	125	146	-	25	356
Disposals		-	-	-	-	(3)	-	-	-	-	(3)
Revaluation increments	4.4	1,479	1,217	-	-	-	-	-	-	-	2,696
Depreciation	4.6	-	(653)	(13)	(34)	(48)	(143)	(29)	-	-	(920)
Balance at 30 June 2022	4.2 (a)	**5,800**	**5,227**	**22**	**88**	**21**	**229**	**166**	**5**	**32**	**11,590**

Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook to re-value all of QEC's land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the 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 was 30th June 2022.

How we recognise property, plant and equipment

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

Initial recognition

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

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

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Subsequent measurement

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

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

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

Revaluation

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

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

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

An independent valuation of QEC's property, plant and equipment was performed by the Valuer-General Victoria in June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. An interim independent valuation performed at 30 June 2022 indicated an overall increase in fair value of land of 34% ($1.5m). An managerial assessment performed at 30 June 2022 indicated an overall increase in fair value of buildings of 17% ($1.2m).

As the cumulative movement was greater than 40% for land since the last independent revaluation, an interim independent valuation was performed as at 30 June 2022 and an adjustment was recorded.

As the cumulative movement was greater than 10% but less than 40% for buildings since the last revaluation, a managerial revaluation adjustment was required as at 30 June 2022. Approval to undertake the managerial revaluation was approved by the Chief Reporting Officer, Department of Health.

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

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

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

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

Note 4.3: Right of Use Assets

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

	2022 $'000	2021 $'000
Right of Use Buildings at Fair Value	1,056	1,001
Less Accumulated Depreciation	(505)	(334)
Total Right of Use Buildings at Fair Value	**551**	**667**
Right of Use Plant, Equipment, Furniture and Fittings and Motor Vehicles at Fair Value	411	392
Less Accumulated Depreciation	(193)	(119)
TOTAL RIGHT OF USE – PLANT, EQUIPMENT, FURNITURE AND FITTINGS, AND MOTOR VEHICLES	**218**	**273**
TOTAL RIGHT OF USE ASSETS	**769**	**940**

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

	Note	Right of Use – Buildings $'000	Right of Use – Plant, Equipment, Furniture & Fittings, Motor Vehicles $'000	Total $'000
Balance at 1 July 2020		701	352	**1,053**
Additions		12	-	**12**
Revaluation Increments		128	-	**128**
Depreciation	4.6	(174)	(79)	**(253)**
Balance at 30 June 2021	4.3 (a)	**667**	**273**	**940**
Additions		-	20	**20**
Revaluation Increments		66	-	**66**
Depreciation	4.6	(182)	(75)	**(257)**
Balance at 30 June 2022	4.3 (a)	**551**	**218**	**769**

How we recognise right-of-use assets

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

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

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

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

Initial recognition

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

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

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

Subsequent measurement

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

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

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

Note 4.4: Revaluation Surplus

	Note	2022 $'000	2021 $'000
Balance at the beginning of the reporting period		6,928	5,993
Revaluation Increment			
– Land	4.2 (b)	1,479	935
– Buildings	4.2 (b)	1,217	-
Balance at the end of the reporting period*		**9,624**	**6,928**
***Represented by:**			
– Land		5,800	4,321
– Buildings		3,819	2,602
– Cultural Assets		5	5
		9,624	**6,928**

Note 4.5: Intangible Assets

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

	2022 $'000	2021 $'000
Intangible Assets – Software	424	424
Less Accumulated Amortisation	(397)	(373)
TOTAL INTANGIBLE ASSETS	**27**	**51**

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

	Note	Software $'000	Total $'000
Balance at 1 July 2020		**74**	**74**
Amortisation	4.6	(23)	(23)
Balance at 30 June 2021	4.5 (a)	**51**	**51**
Amortisation	4.6	(23)	(23)
Balance at 30 June 2022	4.5 (a)	**27**	**27**

How we recognise intangible assets

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

Initial recognition

Purchased intangible assets are initially recognised at cost.

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

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

Subsequent measurement

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

Note 4.6: Depreciation and Amortisation

	2022 $'000	2021 $'000
Depreciation		
Property, Plant and Equipment		
Buildings	653	184
Leasehold Improvements	13	3
Plant and Equipment	34	52
Motor Vehicles	48	49
Computer and Communication Equipment	143	134
Furniture and Fittings	29	6
Total Depreciation – Property, Plant and Equipment	**920**	**428**
Right of Use Assets		
Right of Use Buildings	182	174
Right of Use – Plant, Equipment, Furniture, Fittings and Motor Vehicles	75	79
Total Depreciation – Right of Use Assets	**257**	**253**
Total Depreciation	**1,177**	**681**
Amortisation		
Software	23	23
Total Amortisation	**23**	**23**
TOTAL DEPRECIATION AND AMORTISATION	**1,200**	**704**

How we recognise depreciation

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

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

How we recognise amortisation

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

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

	2022	2021
Buildings	1 to 50 years	50 years
Leasehold Improvements	2 to 4 years	2 to 4 years
Plant and Equipment	5 to 10 years	5 to 10 years
Motor Vehicles	4 to 5 years	4 to 5 years
Computer and Communication Equipment	3 to 10 years	3 to 10 years
Furniture and Fittings	5 to 10 years	5 to 10 years
Right of Use Assets	1 to 8 years	1 to 8 years
Intangible Assets	5 years	5 years

Note 4.7: Impairment of Assets

How we recognise impairment

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

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

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

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

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

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

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

QEC did not record any impairment losses for the year ended 30 June 2022.

Note 5: Other Assets and Liabilities

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

Structure

5.1 Receivables and Contract Assets

5.2 Payables and Contract Liabilities

Telling the COVID-19 story

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	QEC uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring deferred capital grant income	Where QEC has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. QEC applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	QEC applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, QEC assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

Note 5.1: Receivables and Contract Assets

	Note	2022 $'000	2021 $'000
Current Receivables and Contract Assets			
Contractual			
Trade Receivables		163	35
Accrued Revenue		16	28
Total Contractual Receivables		**179**	**63**
Statutory			
GST Receivable		58	48
Total Statutory Receivables		**58**	**48**
TOTAL CURRENT RECEIVABLES AND CONTRACT ASSETS		**237**	**111**
Non-Current Receivables and Contract Assets			
Contractual			
Long Service Leave – Department of Health		575	483
Total Contractual Receivables		**575**	**483**
TOTAL NON-CURRENT RECEIVABLES AND CONTRACT ASSETS		**575**	**483**
TOTAL RECEIVABLES AND CONTRACT ASSETS		**812**	**594**
Total Receivables and Contract Assets		812	594
GST Receivable		(58)	(48)
Total Financial Assets (i)	7.1 (a)	**754**	**546**

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

As at 30 June 2022, QEC has contract assets of $754k and does not expect any credit losses. This is included in the contractual receivable balances presented above.

How we recognise receivables

Receivables consist of:

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

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

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

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

Impairment losses of contractual receivables

QEC does not have contractual impairment losses as at 30th June 2022. (Refer to Note 7.2(a))

Note 5.2: Payables and Contract Liabilities

	Note	2022 $'000	2021 $'000
Current Payables and Contract Liabilities			
Contractual			
Trade Creditors		194	304
Accrued Salaries and Wages		154	113
Accrued Expenses		184	94
Deferred Grant Income		30	-
Contract Liabilities	5.2 (b)	36	7
Other		8	6
Total Contractual Payables		**606**	**524**
Statutory			
Superannuation Payable		90	197
Total Statutory Payables		**90**	**197**
TOTAL CURRENT PAYABLES AND CONTRACT LIABILITIES		**696**	**721**
Non-Current Payables and Contract Liabilities			
Contractual			
Deferred Capital Grant Income	5.2 (a)	75	-
Total Contractual Payables		**75**	**-**
TOTAL NON-CURRENT PAYABLES AND CONTRACT LIABILITIES		**75**	**-**
TOTAL PAYABLES AND CONTRACT LIABILITIES		**771**	**721**
Total Payables and Contract Liabilities		771	721
Superannuation Payable	3.4	(90)	(197)
Total Financial Liabilities (i)	7.2 (b)	**681**	**524**

(i) Financial liabilities classified as payables and contract liabilities (Note 7.1 (a))

How we recognise payables and contract liabilities

Payables consist of:

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

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

Note 5.2(a): Deferred Capital Grant Income

	2022 $'000	2021 $'000
Opening Balance of Deferred Capital Grant Income		
Grant consideration for capital works received during the year	75	-
Closing Balance of Deferred Capital Grant Income	**75**	**-**

How we recognise deferred capital grant revenue

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

QEC expects to recognise all of the remaining deferred capital grant revenue for capital works by 30th June 2024.

Note 5.2 (b): Contract Liabilities

	2022 $'000	2021 $'000
Opening Balance of Contract Liabilities	7	-
Payments received for performance obligations not yet fulfilled	36	7
Revenue recognised for the completion of a performance obligation	(7)	-
Total Contract Liabilities	**36**	**7**

How we recognise contract liabilities

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

The balance of contract liabilities was similar to the previous reporting period.

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

Maturity analysis of payables

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

Note 6: How We Finance Our Operations

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

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

Structure

6.1 Borrowings

6.2 Cash and Cash Equivalents

Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	QEC applies significant judgement to determine if a contract is or contains a lease by considering if the health service: • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	QEC applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. QEC estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, QEC applies the low-value lease exemption. QEC also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months QEC applies the short-term lease exemption.

Key judgements and estimates	Description
Discount rate applied to future lease payments	QEC discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for QEC's lease arrangements, QEC uses its incremental borrowing rate, which is the amount QEC would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if QEC is reasonably certain to exercise such options. QEC determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: • If there are significant penalties to terminate (or not extend), QEC is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, QEC is typically reasonably certain to extend (or not terminate) the lease. • QEC considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	Note	2022 $'000	2021 $'000
Current Borrowings			
Lease liability (i)	6.1(a)	415	223
Total Current Borrowings		**415**	**223**
Non-Current Borrowings			
Lease liability (i)	6.1(a)	392	751
Total Non Current Borrowings		**392**	**751**
TOTAL BORROWINGS		**807**	**974**

(i) Secured by the assets leased.

How we recognise borrowings

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

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Defaults and Breaches

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

Note 6.1 (a) Lease liabilities

QEC' lease liabilities are summarised below:

	2022 $'000	2021 $'000
Total undiscounted lease liabilities	828	1,041
Less unexpired finance expenses	(21)	(67)
Net lease liabilities	**807**	**974**

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

	2022 $'000	2021 $'000
Not longer than one year	428	260
Longer than one year but not longer than five years	400	734
Longer than five years	-	47
Minimum future lease liability	**828**	**1,041**
Less unexpired finance expenses	(21)	(67)
Present value of lease liability	**807**	**974**
***Represented by:**		
– Current liabilities	415	223
– Non-current liabilities	392	751
	807	**974**

How we recognise lease liabilities

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

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

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

QEC's lease arrangements consist of the following:

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

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

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

Separation of lease and non-lease components

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

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or QEC incremental borrowing rate. QEC's lease liabilities have been discounted by rates of between [1.05%] to [2.57%].

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

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

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

- Leased buildings: QEC's Hume Office lease and Carrum Downs office lease, incorporate options to renew further terms.

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

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

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

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

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of $49k.

Subsequent measurement

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

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

Leases with significantly below market terms and conditions

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

Note 6.2: Cash and Cash Equivalents

	2022 $'000	2021 $'000
Cash on Hand	3	2
Cash at Bank	3,870	3,082
TOTAL CASH AND CASH EQUIVALENTS	**3,873**	**3,084**

How we recognise cash and cash equivalents

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

Note 7: Risks, Contingencies and Valuation Uncertainties

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

Structure

7.1 Financial Instruments

7.2 Financial Risk Management Objectives and Policies

7.3 Contingent Assets and Contingent Liabilities

7.4 Fair Value Determination

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of non-financial assets	Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use. In determining the highest and best use, QEC has assumed the current use is its highest and best use. Accordingly, characteristics of QEC's assets are considered, including condition, location and any restrictions on the use and disposal of such assets. QEC uses a range of valuation techniques to estimate fair value, which include the following: • Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of QEC's specialised land and cultural assets are measured using this approach. • Market approach and subsequently depreciated replacement cost approach. The fair value of QEC's specialised buildings and motor vehicles are measured using this approach. • Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as depreciated replacement cost approach). The fair value of QEC's leasehold improvements, plant and equipment, computer and communication equipment, and furniture and fittings are measured using this approach. • Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. QEC does not use income approach to measure fair value.

Key judgements and estimates	Description
Measuring fair value of non-financial assets *continued*	QEC selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Subsequently, QEC applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes: • Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. QEC does not categorise any fair values within this level. • Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. QEC does not categorise any fair values within this level. • Level 3, where inputs are unobservable. QEC categorises specialised land, specialised buildings, plant and equipments, furnitures and fittings, motor vehicles, right-of-use buildings and right-of-use plant and equipments in this level.

Note 7.1: Financial Instruments

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

Note 7.1 (a): Categorisation of financial instruments

30 June 2022	Note	Financial Assets at Amortised Cost $'000	Financial Assets at Fair Value Through Net Result $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	3,873	-	-	3,873
Receivables and contract assets	5.1	754	-	-	754
Investments and Other Financial Assets	4.1	-	6,536	-	6,536
Total Financial Assets [i]		**4,627**	**6,536**	**-**	**11,163**
Financial Liabilities					
Payables	5.2	-	-	606	606
Borrowings	6.1	-	-	807	807
Total Financial Liabilities [i]		**-**	**-**	**1,413**	**1,413**

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

30 June 2021	Note	Financial Assets at Amortised Cost $'000	Financial Assets at Fair Value Through Net Result $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	3,084	-	-	3,084
Receivables and contract assets	5.1	546	-	-	546
Investments and Other Financial Assets	4.1	-	7,253	-	7,253
Total Financial Assets [i]		**3,630**	**7,253**	**-**	**10,883**
Financial Liabilities					
Payables	5.2	-	-	524	524
Borrowings	6.1	-	-	974	974
Total Financial Liabilities [i]		**-**	**-**	**1,498**	**1,498**

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

How we categorise financial instruments

Categories of financial assets

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

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

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

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

Financial assets at amortised cost

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

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

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

QEC recognises the following assets in this category:

- cash
- receivables (excluding statutory receivables).

Financial assets at fair value through net result

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

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

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

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

Categories of financial liabilities

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

Financial liabilities at fair value through net result

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

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

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

Financial liabilities at amortised cost

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

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

QEC recognises the following liabilities in this category:

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

Offsetting financial instruments

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

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

Derecognition of financial assets

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

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

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2: Financial Risk Management Objectives and Policies

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

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

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

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

Note 7.2 (a): Credit risk

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

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

In addition, QEC does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on managed investments, except for cash at bank.

As with the policy for debtors, QEC's policy is to only deal with banks with high credit ratings.

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

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

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

There has been no material change to QEC's credit risk profile in 2021–22.

Impairment of financial assets under AASB 9

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

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contractual receivables at amortised cost

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

On this basis, QEC determines the closing loss allowances at the end of this financial year as $nil (2021 $nil).

Statutory receivables at amortised cost

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

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

Note 7.2 (b): Liquidity Risk

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

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

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

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

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

30 June 2022	Note	Carrying Amount $'000	Nominal Amount $'000	Less than 1 month $'000	1–3 months $'000	3 months – 1 year $'000	1–5 years $'000	Over 5 years $'000
Financial Liabilities at Amortised Cost								
Payables (i)	5.2	576	576	576	-	-	-	-
Deferred Grant Income	5.2	105	105	-	-	30	75	-
Borrowings	6.1	807	826	24	49	355	398	-
Total Financial Liabilities		**1,488**	**1,507**	**600**	**49**	**385**	**473**	**-**

30 June 2021	Note	Carrying Amount $'000	Nominal Amount $'000	Less than 1 month $'000	1–3 months $'000	3 months – 1 year $'000	1–5 years $'000	Over 5 years $'000
Financial Liabilities at Amortised Cost								
Payables (i)	5.2	524	524	523	1	-	-	-
Borrowings	6.1	974	1,041	22	43	195	734	47
Total Financial Liabilities		**1,498**	**1,565**	**545**	**44**	**195**	**734**	**47**

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

Note 7.2 (c): Market risk

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

Sensitivity disclosure analysis and assumptions

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

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

Interest rate risk

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

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

Equity risk

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

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

30 June 2022	Carrying Amount $'000	-15% Net result $'000	+15% Net result $'000
Contractual Financial Assets			
Investments and Other Contractual Financial Assets	6,536	(980)	980
Total Impact	**6,536**	**(980)**	**980**

30 June 2021	Carrying Amount $'000	-15% Net result $'000	+15% Net result $'000
Contractual Financial Assets			
Investments and Other Contractual Financial Assets	7,253	(1,088)	1,088
Total Impact	**7,253**	**(1,088)**	**1,088**

Note 7.3: Contingent Assets and Contingent Liabilities

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

There were no contingent assets and no contingent liabilities for QEC as at 30 June 2022 or 30 June 2021.

Note 7.4: Fair Value Determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation hierarchy

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

The levels are as follows:

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

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

		Consolidated Carrying Amount	Fair value measurement at end of reporting period using:		
	Note	30 June 2022 $'000	Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Managed Investment Schemes		6,536	-	6,536	-
Total Financial Asset Held at Fair Value Through Net Result	4.1	**6,536**	**-**	**6,536**	-
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS AT FAIR VALUE		**6,536**	**-**	**6,536**	**-**

		Consolidated Carrying Amount	Fair value measurement at end of reporting period using:		
	Note	30 June 2021 $'000	Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Managed Investment Schemes		7,253	-	7,253	-
Total Financial Asset Held at Fair Value Through Net Result	4.1	**7,253**	**-**	**7,253**	-
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS AT FAIR VALUE		**7,253**	**-**	**7,253**	**-**

How we measure fair value of investments and other financial assets

Management Investment schemes

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

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

QEC classifies these funds as Level 2.

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

	Note	Carrying Amount 30 June 2022 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Specialised Land		5,800	-	-	5,800
Total Land at Fair Value	4.2 (a)	**5,800**	**-**	**-**	**5,800**
Specialised Buildings	4.2 (a)	5,227	-	-	5,227
Leasehold Improvements	4.2 (a)	22	-	-	22
Total Buildings at Fair Value		**5,249**	**-**	**-**	**5,249**
Plant and Equipment at Fair Value	4.2 (a)	88	-	-	88
Motor Vehicles at Fair Value	4.2 (a)	21	-	-	21
Computers and Communication Equipment at Fair Value	4.2 (a)	229	-	-	229
Furniture and Fittings at Fair Value	4.2 (a)	166	-	-	166
Cultural Assets at Fair Value	4.2 (a)	5	-	-	5
Total Plant, Equipment, Furniture, Fittings and Motor Vehicles at Fair Value		**509**	**-**	**-**	**509**
Right of Use Buildings	4.3 (a)	551	-	-	551
Right of Use Plant, Equipment, Furniture and Fittings and Motor Vehicles at Fair Value	4.3 (a)	218			218
Total Right of Use Assets at Fair Value		**769**	**-**	**-**	**769**
TOTAL NON-FINANCIAL ASSETS AT FAIR VALUE		**12,327**	**-**	**-**	**12,327**

	Note	Carrying Amount 30 June 2021 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Specialised Land		4,321	-	-	4,321
Total Land at Fair Value	4.2 (a)	**4,321**	**-**	**-**	**4,321**
Specialised Buildings	4.2 (a)	4,653	-	-	4,653
Leasehold Improvements	4.2 (a)	8	-	-	8
Total Buildings at Fair Value		**4,661**	**-**	**-**	**4,661**
Plant and Equipment at Fair Value	4.2 (a)	99	-	-	99
Motor Vehicles at Fair Value	4.2 (a)	72	-	-	72
Computers and Communication Equipment at Fair Value	4.2 (a)	247	-	-	247
Furniture and Fittings at Fair Value	4.2 (a)	49	-	-	49
Cultural Assets at Fair Value	4.2 (a)	5	-	-	5
Total Plant, Equipment, Furniture, Fittings and Motor Vehicles at Fair Value		**472**	**-**	**-**	**472**
Right of Use Buildings	4.3 (a)	667	-	-	667
Right of Use Plant, Equipment, Furniture and Fittings and Motor Vehicles at Fair Value	4.3 (a)	273			273
Total Right of Use Assets at Fair Value		**940**	**-**	**-**	**940**
TOTAL NON-FINANCIAL ASSETS AT FAIR VALUE		**10,394**	**-**	**-**	**10,394**

How we measure fair value of non-financial physical assets

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

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

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

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

Cultural assets

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

Specialised land and specialised buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. 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 Freehold Land. Nevertheless the nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

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

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

For QEC, the 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 interim valuation of QEC's specialised land was performed by the Valuer-General Victoria, the effective date of the valuation is 30 June 2022. The valuation was performed using the market approach adjusted for CSO. An managerial valuation of QEC's specialised buildings was approved by the Department of Health, the effective date of the valuation is 30 June 2022.

Motor Vehicles

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

Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2022.

Reconciliation of level 3 fair value measurement

	Note	Land $'000	Buildings $'000	Leasehold Improvements $'000	Plant & Equipment $'000	Motor Vehicles $'000	Computers & Communication Equipment $'000	Furniture & Fittings $'000	Cultural Assets $'000	Right of Use Buildings $'000	Right of Use Plant Equipment, Furniture and Fittings and Motor Vehicles $'000
Balance at 1 July 2020		**3,386**	**4,828**	**2**	**151**	**121**	**381**	**55**	**5**	**701**	**352**
Additions/(Disposals)		-	9	9	-	-	-	-	-	12	-
Fair Value Adjustment		-	-	-	-	-	-	-	-	128	-
Gains/(Losses) Recognised in Net Result		-	-	-	-	-	-	-	-	-	-
– Depreciation and Amortisation	4.6	-	(184)	(3)	(52)	(49)	(134)	(6)	-	(174)	(79)
Revaluation Recognised in Other Comprehensive Income	4.4	935	-								
Balance at 30 June 2021	7.4 (b)	**4,321**	**4,653**	**8**	**99**	**72**	**247**	**49**	**5**	**667**	**273**
Additions/(Disposals)		-	10	27	23	(3)	125	146	-	-	20
Gains/(Losses) Recognised in Net Result		-	-	-	-	-	-	-	-	-	-
– Depreciation and Amortisation	4.6	-	(653)	(13)	(34)	(48)	(143)	(29)	-	(182)	(75)
Revaluation Recognised in Other Comprehensive Income	4.4	1,479	1,217	-	-	-	-	-	-	66	-
Balance at 30 June 2022	7.4 (b)	**5,800**	**5,227**	**22**	**88**	**21**	**229**	**166**	**5**	**551**	**218**

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

Fair Value Determination of Level 3 Fair Value Measurement

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Specialised Land (Freehold)	Market approach	Community Service Obligations Adjustments [i]
Specialised buildings	Market approach and subsequently depreciated replacement cost approach	• Cost per square metre • Useful life
Leasehold Improvements	Depreciated replacement cost approach	• Cost per unit • Useful life
Plant and equipment	Depreciated replacement cost approach	• Cost per unit • Useful life
Motor Vehicles	Market approach	N/A
	Depreciated replacement cost approach	• Cost per unit • Useful life
Computers and Communication Equipment	Depreciated replacement cost approach	• Cost per unit • Useful life
Furniture and Fittings	Depreciated replacement cost approach	• Cost per unit • Useful life
Cultural assets	Market approach	N/A

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

Note 8: Other Disclosures

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

Structure

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

8.2 Responsible Persons Disclosure

8.3 Remuneration of Executives

8.4 Related Parties

8.5 Remuneration of Auditors

8.6 Ex gratia Expenses

8.7 Events Occurring after the Balance Sheet Date

8.8 Equity

8.9 Economic Dependency

Telling the COVID-19 story

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

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

	Note	2022 $'000	2021 $'000
Net Result for the Year		(419)	1,574
Non-Cash Movements:			
Depreciation of Non-Current Assets	4.6	1,177	681
Amortisation of Non-Current Assets	4.6	23	23
Other Non-Cash Movements	3.1	163	27
Income from Managed Funds Reinvested		(422)	(255)
Movements included in Investing and Financing Activities:			
Net Gain from Disposal of Non-Financial Physical Assets	3.2	44	-
Net Gain from Disposal of Financial Assets		165	-
Net Loss on Financial Instruments at Fair Value	3.2	974	(776)
Movements in Assets and Liabilities:			
(Increase)/Decrease in Receivables and Contract Assets	5.1	(116)	(11)
(Increase)/Decrease in Prepaid Expenses		(24)	6
Increase/(Decrease) in Payables and Contract Liabilities	5.2	46	360
Increase/(Decrease) in Employee Benefits	3.3	95	(138)
(Increase)/Decrease in Other Receivables	5.1	(102)	-
NET CASH INFLOW FROM OPERATING ACTIVITIES		**1,186**	**1,491**

Note 8.2: Responsible Persons Disclosures

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

	Period
The Honourable Mary-Anne Thomas	
Minister for Health	27 June 2022 – 30 June 2022
Minister for Ambulance Services	27 June 2022 – 30 June 2022
The Honourable Gabrielle William	
Minister for Mental Health	27 June 2022 – 30 June 2022
The Honourable Colin Brooks:	
Minister for Disability, Ageing and Carers	27 June 2022 – 30 June 2022
Minister for Child Protection and Family Services	27 June 2022 – 30 June 2022
The Honourable Martin Foley:	
Minister for Health	1 July 2021 – 27 June 2022
Minister for Ambulance Services	1 July 2021 – 27 June 2022
The Honourable James Merlino:	
Minister for Mental Health	1 July 2021 – 27 June 2022
Minister for Disability, Ageing and Carers	11 October 2021 – 6 December 2021
The Honourable Luke Donnellan:	
Minister for Disability, Ageing and Carers	1 July 2021 – 11 October 2021
Minister for Child Protection	1 July 2021 – 11 October 2021
The Honourable Anthony Carbines:	
Minister for Disability, Ageing and Carers	6 December 2021 – 27 Jun 2022
Minister for Child Protection and Family Services	6 December 2021 - 27 Jun 2022
The Honourable Richard Wynne:	
Minister for Child Protection	11 October 2021 – 6 December 2021

Governing Boards		
Ms Sandra Bell	President of the Board	1 July 2021 – 30 June 2022
Mr Warwick Spargo	Vice President of the Board	1 July 2021 – 30 June 2022
Mr Graham Giannini		20 July 2021 – 30 June 2022
Mr Frank Gullone		1 July 2021 – 30 June 2022
Ms Catherine Ho		1 July 2021 – 30 June 2022
Ms Karen Janiszewski		20 July 2021 – 30 June 2022
Ms Rosemary Bryant-Smith		1 July 2021 – 30 June 2022
Ms Lesley Podesta		1 July 2021 – 30 June 2022
Dr Julie Green		1 July 2021 – 30 June 2022
Ms Elizabeth Murdoch		1 July 2021 – 14 May 2022
Dr Mimmie Watts		20 July 2021 – 30 June 2022
Mr Kushal Shah		20 July 2021 – 30 June 2022
Accountable Officers		
Ms Susan White (Chief Executive Officer)		1 July 2021 – 30 June 2022

Remuneration of Responsible Persons

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

Income Band	2022 No.	2021 No.
$1 – $9,999	12	12
$210,000 – $219,999	1	1
Total Numbers	**13**	**13**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**250**	**254**

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

Note 8.3: Remuneration of Executives

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

	Total Remuneration	
Remuneration of Executive Officers (Including Key Management Personnel Disclosed in Note 8.4)	**2022 $'000**	**2021 $'000**
Short-term Benefits	979	706
Other Long-term Benefits	-	-
Post Employment Benefits	-	47
Total Remuneration [i]	**979**	**753**
Total Number of Executives	7.0	5.0
Total Annualised Employee Equivalent [ii]	5.8	4.8

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

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

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

Short-term Employee Benefits

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

Post-employment Benefits

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

Other Long-term Benefits

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

Termination Benefits

Termination of employment payments, such as severance packages.

Note 8.4: Related Parties

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

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

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

Key management personnel

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

Entity	KMPs	Position Title
The Queen Elizabeth Centre	Ms Sandra Bell	President of the Board
The Queen Elizabeth Centre	Mr Warwick Spargo	Vice President of the Board
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 Rosemary Bryant-Smith	Board Member
The Queen Elizabeth Centre	Ms Lesley Podesta	Board Member
The Queen Elizabeth Centre	Dr Julie Green	Board Member
The Queen Elizabeth Centre	Ms Elizabeth Murdoch	Board Member
The Queen Elizabeth Centre	Dr Mimmie Watts	Board Member
The Queen Elizabeth Centre	Mr Kushal Shah	Board Member
The Queen Elizabeth Centre	Ms Susan White	Chief Executive Officer

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

Compensation – KMPs	2022 $'000	2021 $'000
Short-term Employee Benefits [i]	250	233
Other Long-term Benefits	-	-
Post Employment Benefits	-	21
Total [ii]	**250**	**254**

i Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits. ii KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Significant Transactions with Government Related Entities

QEC received funding from the Department of Health and the Department of Families, Fairness and Housing of $13.2m (2021: $12.0m).

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

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

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

Transactions with KMPs and Other Related Parties

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

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

There were no related party transactions with Cabinet Ministers required to be disclosed in 2022 (2021: none).

There were no related party transactions required to be disclosed for QEC Board of Directors and Chief Executive Officer in 2022 (2021: none).

Note 8.5: Remuneration of Auditors

	2022 $'000	2021 $'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	19	12
TOTAL REMUNERATION OF AUDITORS	**19**	**12**

QEC

53 Thomas Street
Noble Park, VIC 3174
Telephone: +61 3 9549 2777

www.qec.org.au