

## CONTENTS

1. THE ORGANISATION
2. EXECUTIVE SUMMARY
3. PROGRAMS
4. FAMILIES
5. BOARD
6. STAFF
7. MANAGERS & SENIOR REPORTING CHART
8. SUPPORTERS
9. COMPLIANCE

2012-13 FINANCIAL REPORTS

DISCLOSURE INDEX

---

This report was released to the public on Wednesday 13 November 2013

Queen Elizabeth Centre  
53 Thomas Street, Noble Park, Victoria 3174, Australia

Telephone: +61 3 9549 2777

Fax: +61 3 9549 2779

Email: [theqec@qec.org.au](mailto:theqec@qec.org.au)

Website: [www.qec.org.au](http://www.qec.org.au)

## 1. THE ORGANISATION

The Queen Elizabeth Centre, QEC, is a registered public hospital in accordance with the Health Services Act 1988.

### MINISTER

The Minister for Mental Health, Community Services, Disability Services and Reforms, the Hon Mary Wooldridge MP, has portfolio responsibility for QEC, while government policy and funding are administered through the Department of Human Services' Early Pathways Unit, Service Design and Implementation Group.

### PATRON

June Shaw

### LIFE GOVERNORS

Frank Slutzkin  
Bruce Morley  
Walter Jona

### HONORARY LAWYERS

Hall and Wilcox

### AUDITORS

Auditor-General Victoria

### BANKERS

National Australia Bank Limited

### LEGISLATIVE CHANGES

As a public hospital, QEC does not administer any Acts directly. The Health Services Act 1988 is the vehicle by which the hospital is incorporated and prescribes the manner in which it is regulated.

### REFERRING ACTS

Health Services Act 1988  
Child Youth and Families Act 2005  
Freedom of Information Act 1982  
Protected Disclosure Act 2012  
Public Sector Management and Employment Act 1998

## 2. EXECUTIVE SUMMARY

Our vision is to provide children with the best start in life. The child is the focus of everything we do.

QEC works with vulnerable parents, from pregnancy through to preschool. We provide intensive and specialist services, guidance and education to encourage positive outcomes and healthy development as their child grows. This is our sole reason for existence, our *raison d'être*.

This year I had the privilege of accompanying QEC's regional outreach teams on home visits in Gippsland and Wodonga. It was the first time a CEO had requested such visits. I want to acknowledge the generosity of our staff Bron, Maria and Leiana who took me under their wings and enabled me to walk in their shoes for a day.

It was also an opportunity to really appreciate our reason for being. I had the opportunity to speak with these parents and carers. They had experienced a variety of risk factors, compromising their capacity to provide a safe, loving and nurturing environment for their young children. I was moved by their stories and by the gratitude and trust they showed to our staff who worked with them. QEC had been advocating for them and supporting them through a long and difficult journey to keep their children within their family unit, despite the tremendous challenges they faced.

I returned to my Noble Park office with greater clarity of the massive task we have, and the five strategic goals that keep us focused on the incredibly important work that we perform:

- Excellence in service delivery,
- People and culture,
- Community and partnership,
- Evaluation, research and learning and
- Self sufficiency and sustainability.

Over the last year, QEC has engaged in the challenge of doing things differently. We have been investing in our

infrastructure, embracing technology and adapting to the changing needs of our vulnerable families.

This year we celebrated our first year anniversary of TWEQ, our client information management software program. This joint initiative has enabled QEC and Tweddle to replace a myriad of software tools so that we can now use real time data to inform our decisions. We have also seen the continued development of our electronic risk management system, *RiskMan*. That system helps us track and implement mitigation strategies in a timely and transparent manner, linking risk with quality improvement initiatives. We have incorporated organisational risks, incidents, client and staff feedback into our monthly reports for our senior management team and the Board.

QEC welcomed four new faces to its senior management team, which included the creation of two management positions. Ms Beverley Allen commenced in October 2012 as Director of Nursing. Ms Jacinta Jolly took up the role of Manager Quality Systems earlier, in July 2012. In May this year, Ms Megan Leuenberger started as Manager Community Outreach (Southern, Northern and Hume) and Ms Emily Herde assumed the position of Manager Residential Services. Sadly, we farewelled Ms Sandra Makris, Public Relations and Fund Raising Officer. Nevertheless, we look forward to continued involvement with Sandra through her ongoing work with the QEC Foundation.

In May this year, QEC undertook an exhaustive audit process with AHA in order to comply with our dual status as a public hospital (*Health Services Act 1988*) and a Community Service Organization (*Children, Youth and Families Act 2005*). I am extremely proud to report that we met our compliance requirements in all areas of AS/NZS ISO 9001 2008 and the new DHS standards (2012). Our strong performance is a testament to the enormous contribution of all QEC staff and, in particular, to the leadership of Ms Jacinta Jolly who guided us along this path.

QEC's widely acclaimed biennial national conference was held in November 2012 in Melbourne. The theme of the conference was *Connecting with Families: Through Community, Culture & Collaboration*. It was a marvellous opportunity for participants to come together from all parts of the globe, share new information, establish new networks and refresh old ones.

We acknowledge the generous support of the Department of Human Services, Creswick Foundation and the QEC Foundation. They enabled us to provide an impressive list of guest speakers. I want to thank Sharon Gorton, Acting Manager, Education Unit, whose knowledge and experience made this event such a success.

QEC is committed to providing education and training in the early parenting domain at a national level. Despite the success of our biennial conferences during the past decade, QEC is now exploring innovative ways to deliver a sustainable national forum to replace the traditional face-to-face conference. We look forward to reporting on these developments next year. QEC continues to place great emphasis on the importance of community partnerships and alliances. We believe that this approach is the way to achieve the most successful outcomes, while still empowering communities to find local solutions.

Two of these partnerships are worth noting. First, the *Bumps to Babes and Beyond* program supports Aboriginal and Torres Strait Islander parents, especially young mothers. The program aims to develop skills that support mothers' positive interactions with their babies, improve their connectedness with support networks, reduce depression and anxiety, and assist with the development of secure parent/child attachments.

QEC is extremely proud to be awarded the NAPCAN Preventing Child Abuse Play, Your Part Awards - Victorian Regional, 2012. This was achieved in partnership with the Mildura Aboriginal Cooperative (MAC). The award acknowledged organisations for creating communities that

support the safety and well being of children. We need to acknowledge the significant contributions that Beverley Allen and Sandra Makris contributed to the *Bumps to Babes and Beyond* program.

The second partnership that warrants mention involves the Victorian Aboriginal Childcare Co-operative Association (VACCA) and Kildonan Child and Family Services. They partner with the QEC to deliver the *Stronger Families* program. This program follows a very successful 2012 pilot of *Stronger Families*, then known as 'Family Coaching'. *Stronger Families* is a placement, prevention and reunification for vulnerable families involved with statutory child protection authorities. The community-based program is now recurrently funded by DHS.

Reflecting on all our achievements during the past year, I can proudly report that every milestone we have celebrated, and every goal that we have met in our 2012-13 Operational Plan, has directly contributed to providing better support to the most vulnerable in our community, and their children.

The Victorian and Federal Governments deserve our appreciation for the funds, their attentiveness and ongoing support for all the work undertaken by QEC. The interaction we have with all levels of government encourages us to keep striving to excel. This is very rewarding but, at the same time, very challenging.

QEC continues to value the close and supportive relationship it has with all members of the QEC Foundation. Mrs Wendy Spry has been a long-standing source of inspiration and wise advice. We place on record the sincere gratitude of everyone associated with QEC, for her tireless efforts. Mrs Spry has not sought reappointment as Chair of the Foundation but will retain her position as a Trustee. We also warmly welcome Dr Ian Ross as the new Chair of the Foundation and look forward to building on that relationship of collaboration and goodwill.

We also remain grateful to the many individuals and groups who continue to provide financial and/or practical support to the QEC. A very sincere thanks to you all. Every contribution, whether large or small, is vital to us. It enables the QEC to continue its important work. The Country Women's Association of Noble Park and the Spanish Speaking Friendship Club of Springvale have assisted us over many, many years by providing hand-knitted garments and rugs for our families. Each family leaving our residential programs is offered one of these handmade, treasured gifts.

Every Board member has made a considerable and sustained effort to support the work of QEC. They share their special skills, knowledge and attributes that they bring to the Board table. With a very full program of early morning Board meetings at Noble Park, as well as additional subcommittee responsibilities, the role of a QEC Board member requires considerable time and effort. The shared energy and passion of every Board member contributes enormously to the important work of QEC, and their assiduous governance guarantees our future sustainability.

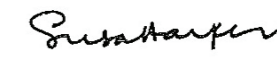
We note that the QEC Board had been meeting all year with one vacancy, caused by that appointee accepting a Board position elsewhere. Furthermore, David Howlett, Chair of the Finance Committee resigned in January in order to take up a position in Africa. The Board has been extremely grateful for the support provided by John Sutherland who then stepped in to assist maintaining our strong financial performance for the remainder of the year.

Board members Mark Dunphy and Shelley Racine did not seek reappointment at the end of their terms due to the pressure of work and their family commitments. The enormous contribution made by these two people cannot be understated. We will miss their presence and their valuable contributions to the Centre. We hope to retain their interest and support in QEC's work and look forward to their ongoing friendship.

QEC has had an extremely positive year finishing with a net result of over \$950,000, which includes a generous bequest from Alwynne Jona's estate. We have formed a committee to determine the most suitable projects which reflect Alwynne and Walter's personal commitments to making a sustainable and positive impact on early parenting services in Victoria.

We place on record the genuine appreciation and gratitude of the Board to everyone associated with the Centre for their determination to make a difference for children and families everywhere.

Thank you.



Ms Susan Harper  
Board Chair

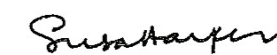


Ms Athina Georgiou  
Chief Executive Officer

## RESPONSIBLE BODIES DECLARATION

### THE QUEEN ELIZABETH CENTRE ANNUAL REPORT 2012-2013

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 2013.



Ms Susan Harper  
President  
QEC  
June 2013

### 3. PROGRAMS

TABLE 1: ADMITTED CLIENTS TO PARENTING INTERVENTION SERVICES 2012-13 FY

INTERVENTION SERVICE	ADMITTED CLIENTS
Same day - DayStay Program	444
Same day - PlaySteps Program (Noble Park)	390
Multi day - Residential Program (Including 5 and 10 day programs)	1523
Total Separations/discharges for Individuals admitted	2357

TABLE 2: OCCASIONS OF SERVICE FOR NON-ADMITTED CLIENTS 2012-13 FY

SERVICE TYPE	NON-ADMITTED CLIENTS
Home Visits <ul style="list-style-type: none"> <li>• PASDS – Parenting Assessment Skills Development Services</li> <li>• Family Services, Innovations - Parenting Plus</li> <li>• Stronger Families</li> <li>• Cradle to Kinder</li> <li>• Hey Babe</li> </ul>	3714
Groups <ul style="list-style-type: none"> <li>• My Time</li> <li>• PlaySteps(excl Noble Park)</li> <li>• CALD – Culturally and Linguistically Diverse Afghan &amp; Sudanese</li> </ul>	176
Consultations <ul style="list-style-type: none"> <li>• Assessment and Intake</li> <li>• Family Counselling</li> </ul>	2282
Total Occasions of Service 2012-13 FY	6172

QEC continues to partner with organisations in a professional capacity, additional to our core client based programs. The 2012-13 financial year saw partnerships in the following programs:

- Bumps to Babes – Mildura
- Senior Early Childhood Development Work – Hume and Gippsland Regions
- Clinical Education and Professional Development

### 4. FAMILIES

TABLE 3: FAMILIES RECEIVING A QEC PROGRAM BY DHS CATCHMENT AREA FOR 2012-13 FY

AREA(S)	SOUTHERN METROPOLITAN	NORTH & WESTERN METROPOLITAN	EASTERN METROPOLITAN	BARWON & SOUTH WEST	GIPPSLAND	GRAMPIANS	HUME	LODDON MALLEE	OTHER AREAS	TOTAL FAMILIES RECEIVING A QEC PROGRAM
<b>IN PATIENT PROGRAMS</b>										
DayStay	113	7	70		4		2	1		197
Residential 5 day program	195	20	259	8	34		12	1	2	531
Residential Parenting Assessment Skills Development Services (PASDS) 10 day program	49	25	25		9	7	3	4		122
Totals	357	52	354	8	47	7	17	6	2	850
<b>OUT PATIENT PROGRAMS</b>										
Parenting Assessment Skills Development Services (PASDS) Home Based	63	55			30		15			163
Parenting Plus Home Based	70				45		12			127
Stronger Families Home Based	11	16								27
Cradle to Kinder	35				8					43
Hey Babe					11					11
Totals	179	71			94		27			371
<b>CONSULTATION PROGRAMS</b>										
Assessment and Intake	1094									1094
Psychology Consultation	430									430
Totals	1524									1524
<b>GROUP PROGRAMS</b>										
PlaySteps	73				8					81
My Time	29				16					45
Culturally and Linguistically Diverse Groups	75									75
Totals	177				24					201
Total Families per DHS Catchment	2237	123	354	8	165	7	44	6	2	2946

During the 2012-2013 financial year, over 80 families who attended acknowledged they were of Aboriginal or Torres Strait Islander backgrounds. 47 families had a family member with an identified disability.

## 5. BOARD

TABLE 4: QEC BOARD OF MANAGEMENT 2012-13 FY

NAME	QUALIFICATIONS	ATTENDANCE 2012-13 FY	OFFICE BEARERS & COMMITTEE CHAIRS
Ms Susan Harper	OAM, Dip KTC, Grad Dip Education	100%	President
Mr Mark Dunphy	BA/LLB, Grad Dip Labour Law	88%	Vice President
Ms Kym Forrest	RN, BN, MMgt	63%	Vice President, Chair of Quality & Risk Committee
Mr Tim Staker	MBA, Grad Dip Bus (Tech Mgmt), Dip Eng (Biomed), Dip Eng (Electronic)	100%	Vice President, Chair of Quality & Risk Committee, Audit Committee Member
Mr Phillip Davies	LLM, LLB (Hons) , BA (Hons)	100%	Audit Committee Member
Mr David Howlett	AAPA, ACIS	100%	Chair of Finance Committee until January 2013
Ms Selina Lightfoot	BA/BL, AICD, Grad Dip Applied Finance & Investment	100%	Audit Committee Member
Assoc Prof Campbell Paul	MBBS, FRANZCP Cert Child & Adolescent Psych	75%	Chair of Conference, Research, Education & Development Committee
Ms Shelley Racine	BA/Law	38%	
Ms Mary Sayers	BA, Grad Dip HR, MCom	100%	
Ms Karen Wells	B Comm, FCA, MAICD	88%	Chair of Audit Committee
Mr John Sutherland	CA, AICA	100%	Invited Chair of Finance Committee from January 2013

## 6. STAFF

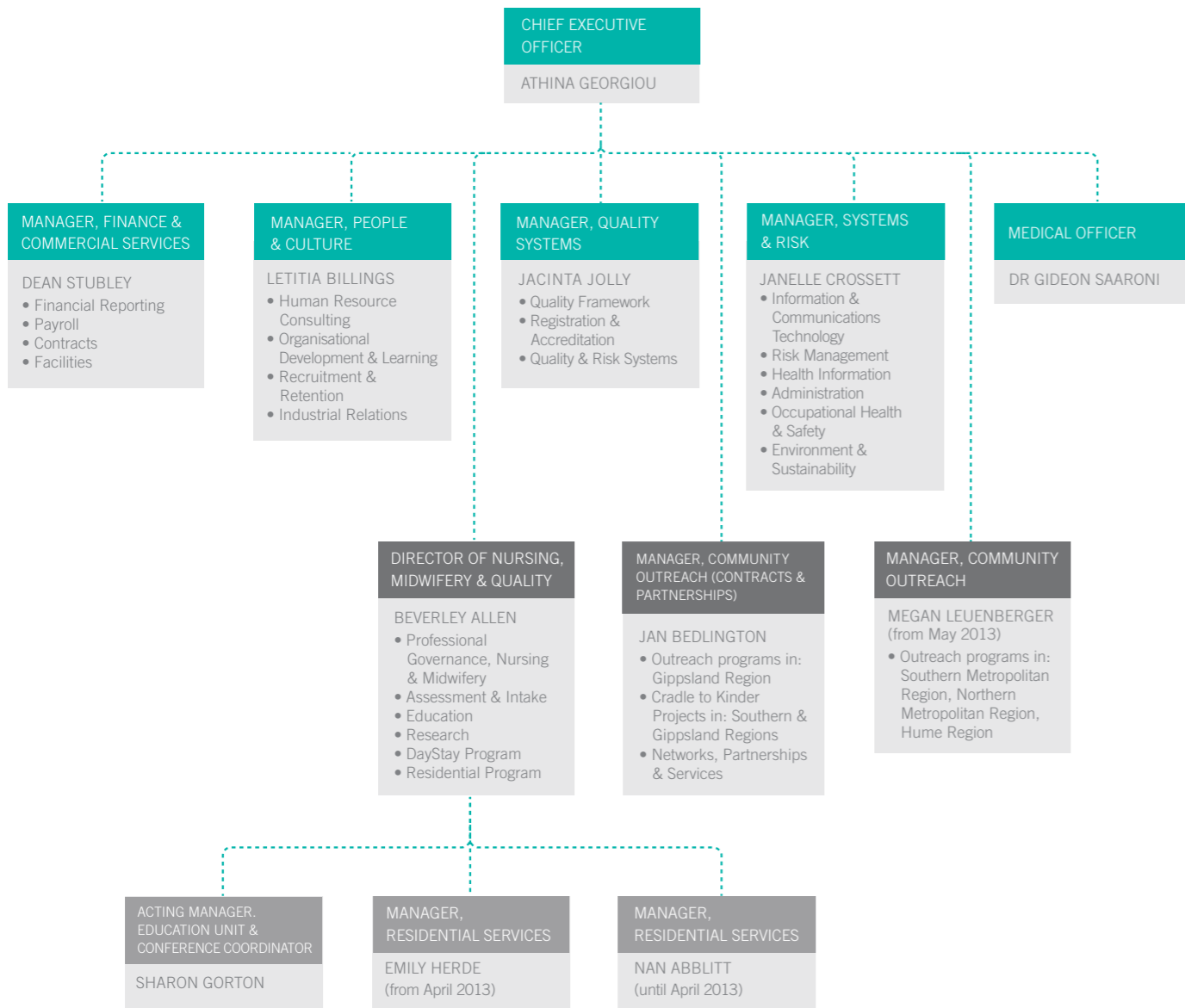
TABLE 5: COMPOSITION OF QEC STAFF AS AT 30 JUNE 2013 &amp; 30 JUNE 2012 (INCLUDING CASUAL STAFF)

ROLE	JUNE 2013 FTE		2012-2013 YTD AVERAGE FTE	
	2013	2012	2013	2012
Administration/Finance	8.5	9.8	8.8	8.9
Chief Executive Officer	1.0	1.0	1.0	1.0
Clinical Education Coordinators (Inc Maternal & Child Health Nurses)	2.0	2.6	2.0	2.8
Director of Medical Services	0.5	0.5	0.5	0.5
Director of Nursing	1.0	1.0	1.0	1.0
Early Parenting Practitioners (inc. Enrolled Nurses, Early Childhood Development Workers)	39.2	39.3	38.5	38.3
Family Counsellors (Inc Psychologists and Social Workers)	7.2	3.1	6.5	1.8
Managers	5.7	4.4	4.4	4.2
Program Coordinators (Inc Maternal & Child Health Nurses)	12.4	11.9	11.6	11.7
Team Leaders (Inc Maternal & Child Health Nurses)	8.4	9.8	8.2	9.8
Total	85.9	83.5	82.5	79.9

In 2013, QEC employed a total of 154 staff.

The average FTE for the year = the sum of current months' FTE divided by 12.

**7. MANAGERS & SENIOR REPORTING CHART**



**8. SUPPORTERS**

External funding support and grants received for QEC’s innovative programs and services enables us to attain extraordinary outcomes for ‘at risk’ Victorian families.

We gratefully acknowledge the support and generosity of the following individuals and organisations for the \$578,969 given to the QEC:

**INDIVIDUALS, COMMUNITY GROUPS AND WILLED BEQUESTS**

- Dame Elizabeth Murdoch
- Sir Walter Leitch Estate
- Estate of Alwynne Jona
- Country Women’s Association of Victoria

**PHILANTHROPY**

- The Queen Elizabeth Centre Foundation
- Creswick Foundation
- Collier Charitable Fund

**PUBLIC SECTOR SPECIAL PURPOSE GRANTS**

- Department of Human Services

**PRO BONO OR ‘IN KIND’ SUPPORT**

- Barolsky Advisors

## 9. COMPLIANCE

### COMMUNITY SERVICE REGISTRATION

QEC is a registered Community Service Organisation under Section 46 of the Children, Youth and Families Act 2005. QEC is registered to meet the needs of children requiring care, support protection or accommodation and of families requiring support.

### QUALITY ACCREDITATION

QEC operates a Quality Management System compliant with the requirements of AS/NZS ISO 9001:2008 and The Department of Human Services Standards 2012, to comply with Health Services Act 1988 and Children, Youth and Families Act 2005.

### FREEDOM OF INFORMATION

For the year ended 30 June 2013, eleven requests were received under the Freedom of Information Act 1982.

### AVAILABILITY OF INFORMATION

Previous Annual Reports and other publications, including QEC strategic information are made available at [www.qec.org.au](http://www.qec.org.au). Further information can be accessed under the Freedom of Information Act 1982.

### PROTECTED DISCLOSURE ACT 2012

There were no disclosures under the Protected Disclosure Act 2012.

### OCCUPATIONAL HEALTH AND SAFETY ACT 2004

QEC has established an Occupational Health and Safety Management System that monitors safety incidents and accidents through a Risk Management System.

The Occupational Health & Safety Program works alongside the Environment and Sustainability Program in a combined Committee.

All QEC sites are smoke free work places and exercise a nut awareness policy.

Contractors are required to complete work within the OH&S Act 2004 and undertake review of work processes and requirements.

### ENVIRONMENTAL PERFORMANCE

QEC has an Environment and Sustainability Program, working alongside the OH&S Committee and Program. QEC has developed an environmentally friendly policy for disposal of all electronic equipment and installed equipment to reduce energy consumption and waste.

Printing and photocopier equipment is defaulted to double sided print and economical use of toner and waste. Electronic equipment is utilised to decrease unnecessary printing.

The QEC Occupational Health, Safety, Environment and Sustainability Management System includes documented Guidelines, resources and an annual schedule of activity, accessible to all staff and reports to the combined OHSES Committee quarterly.

### BUILDING ACT 1993

QEC fully complies with the building and maintenance provisions of the Building Act 1993.

### MINISTERIAL DIRECTIONS

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

### NATIONAL COMPETITION POLICY

QEC complies with National Competition Policy guidelines when tendering. The Centre has outsourced all non-core services.

### REVENUE INDICATORS

During the financial year 2013, QEC had nil collection days in Private, TAC, VWA, Other Compensable, Psychiatric or Nursing home categories.

### CONSULTANCIES

In 2012-13 there were two consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2012-13 in relation to these consultancies is \$47,448 (exc GST). Details of individual consultancies can be viewed at [www.qec.org.au](http://www.qec.org.au).

- Arinex
- Bell Partners

In 2012-13 there were five consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2012-13 in relation to these consultancies is \$26,384 (exc GST).

- Gadens Lawyers
- Sallyanne Miller
- Team Synergy
- Vanston Consulting
- Victorian Auditor-General's Office

Comparison to previous consultancy disclosures is not possible prior to the Financial Year 2012-13, given the revised definition of 'consultancy'. Information regarding QEC consultancies is available at [www.qec.org.au](http://www.qec.org.au).

## ATTESTATIONS

### ATTESTATION ON DATA INTEGRITY

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



Athina Georgiou  
CEO - QEC  
30 June 2013

### ATTESTATION ON COMPLIANCE WITH AUSTRALIAN / NEW ZEALAND RISK MANAGEMENT STANDARD

I, Susan Harper certify that the Queen Elizabeth Centre has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executives to understand, manage and satisfactorily control risk exposures. The Quality and Risk Committee verifies this assurance and that the risk profile of the Queen Elizabeth Centre has been critically reviewed within the last 12 months.



Susan Harper  
President - QEC  
June 2013

# Queen Elizabeth Centre

2012-13

95th Annual Report

Financial Statements

For the year ended 30 June 2013



#### Contents

Auditor General's report  
QEC Officer's Declaration  
Financial Statements

QEC  
53 Thomas Street, Noble Park, Victoria, Australia, 3174  
Telephone: +61 3 9549 2777 Facsimile: +61 3 9549 2779  
Email: [theqec@qec.org.au](mailto:theqec@qec.org.au) [www.qec.org.au](http://www.qec.org.au)

This report was released to the public on Wednesday 13th November 2013



## The Queen Elizabeth Centre

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

We certify that the attached financial statements for The Queen Elizabeth Centre have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable *Financial Reporting Directions*, Australian Accounting Standards, Australian Accounting Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2013 and the financial position of The Queen Elizabeth Centre at 30 June 2013.

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

We authorise the attached financial statements for issue on this day.



Susan Harper  
President

Noble Park

4 September 2013



Athina Georgiou  
Chief Executive Officer

Noble Park

4 September 2013



Dean Stubleby CPA  
Commercial and Finance Manager

Noble Park

4 September 2013

## Comprehensive Operating Statement

For the Year Ended 30 June 2013

	Notes	2013 \$	2012 \$
Revenue from Operating Activities	2	9,378,227	8,466,624
Donations and Bequests	2	569,737	56,294
Interest Received	2	189,028	168,202
Employee Benefits	3	(6,898,325)	(6,466,652)
Supplies & Consumables	3	(167,720)	(179,893)
Other Expenses from Continuing Operations	3	(1,843,761)	(1,589,151)
<b>Net Result before Capital and Specific Items</b>		<b>1,227,186</b>	<b>455,424</b>
Capital Purpose Income	2	9,232	-
Depreciation and Amortisation	4	(308,097)	(319,301)
Net Gains/(Losses) on Disposal of Non-Current Assets	3c	29,117	22,687
<b>NET RESULT FOR THE YEAR</b>		<b>957,438</b>	<b>158,810</b>
Changes in physical asset revaluation surplus		-	342,218
Net Gain / (Loss) on revaluation of Financial Assets Available for Sale	2	52,666	(5,174)
<b>COMPREHENSIVE RESULT FOR THE YEAR</b>		<b>1,010,104</b>	<b>495,854</b>

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

**Balance Sheet****As at 30 June 2013**

	Notes	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	2,553,505	2,790,532
Receivables	6	191,177	265,797
<b>Total Current Assets</b>		<b>2,744,682</b>	<b>3,056,329</b>
<b>Non-Current Assets</b>			
Receivables	6	346,143	390,878
Investments	7	1,926,702	634,224
Property, Plant and Equipment	8	6,848,146	6,976,794
Intangible Assets	9	180,012	144,643
<b>Total Non-Current Assets</b>		<b>9,301,003</b>	<b>8,146,539</b>
<b>TOTAL ASSETS</b>		<b>12,045,685</b>	<b>11,202,868</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	355,339	314,495
Interest Bearing Liabilities	11	9,783	3,662
Revenue Received in Advance	13	387,609	443,291
Provisions	12a	1,705,442	1,764,443
<b>Total Current Liabilities</b>		<b>2,458,173</b>	<b>2,525,891</b>
<b>Non-Current Liabilities</b>			
Provisions	12a	181,848	281,417
<b>Total Non-Current Liabilities</b>		<b>181,848</b>	<b>281,417</b>
<b>TOTAL LIABILITIES</b>		<b>2,640,021</b>	<b>2,807,308</b>
<b>NET ASSETS</b>		<b>9,405,664</b>	<b>8,395,560</b>
<b>EQUITY</b>			
Asset Revaluation Reserve	14a	4,129,573	4,129,573
Available for Sale Reserve	14a	47,492	(5,174)
General Purpose Reserve	14a	990,000	990,000
Contributed Capital	14b	4,894,538	4,894,538
Accumulated Surpluses/(Deficits)	14c	(655,939)	(1,613,377)
<b>TOTAL EQUITY</b>		<b>9,405,664</b>	<b>8,395,560</b>
Commitments for expenditure	13		
Contingent assets and contingent liabilities	17		

This Statement should be read in conjunction with the accompanying notes

**Statement of Changes in Equity****For the Year Ended 30 June 2013**

	Notes	Equity at 1 July 2012 \$	Comprehensive result \$	Transactions with owners in its capacity as owner \$	Equity at 30 June 2013 \$
<b>Accumulated (Deficit)</b>		(1,613,377)	-	-	(1,613,377)
Net Result		-	957,438	-	957,438
	14(c)	<b>(1,613,377)</b>	<b>957,438</b>	-	<b>(655,939)</b>
<b>Contributed Capital</b>		4,894,538	-	-	4,894,538
Transfer (To)/From accumulated funds		-	-	-	-
	14(b)	<b>4,894,538</b>	-	-	<b>4,894,538</b>
<b>Reserves</b>					
Asset Revaluation Reserve		4,129,573	-	-	4,129,573
Available for Sale Reserve		(5,174)	52,666	-	47,492
General Reserve		990,000	-	-	990,000
	14(a)	<b>5,114,399</b>	<b>52,666</b>	-	<b>5,167,065</b>
Total Equity at the end of the financial year	14(d)	<b>8,395,560</b>	<b>1,010,104</b>	-	<b>9,405,664</b>

	Notes	Equity at 1 July 2011 \$	Comprehensive result \$	Transactions with owners in its capacity as owner \$	Equity at 30 June 2012 \$
<b>Accumulated (Deficit)</b>		(1,772,187)	-	-	(1,772,187)
Net Result		-	158,810	-	158,810
	14(c)	<b>(1,772,187)</b>	<b>158,810</b>	-	<b>(1,613,377)</b>
<b>Contributed Capital</b>		4,894,538	-	-	4,894,538
Transfer (To)/From accumulated funds		-	-	-	-
	14(b)	<b>4,894,538</b>	-	-	<b>4,894,538</b>
<b>Reserves</b>					
Asset Revaluation Reserve		4,129,573	-	-	4,129,573
Available for Sale Reserve		-	(5,174)	-	(5,174)
General Reserve		990,000	-	-	990,000
	14(a)	<b>5,119,573</b>	<b>(5,174)</b>	-	<b>5,114,399</b>
Total Equity at the end of the financial year	14(d)	<b>8,241,924</b>	<b>153,636</b>	-	<b>8,395,560</b>

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

**Cash Flow Statement****For the Year Ended 30 June 2013**

	Notes	2013 \$	2012 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Government Grants		8,871,390	7,909,538
Donations and Bequests		578,969	56,294
Interest Received		206,793	151,259
GST received from ATO		133,767	153,332
Other Receipts		501,407	511,735
<b>Payments</b>			
Employee Benefits Paid		(6,838,139)	(5,977,278)
Payments for Supplies Consumables and Other Expenses		(2,265,701)	(2,190,574)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	15	<b>1,188,486</b>	<b>614,306</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Properties, Plant and Equipment and Intangible Assets		(214,818)	(382,990)
Proceeds from Sale of Properties, Plant and Equipment		29,117	35,436
Purchase of Investments		(1,239,811)	(644,572)
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>		<b>(1,425,512)</b>	<b>(992,126)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b>		<b>(237,026)</b>	<b>(377,820)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>		<b>2,790,532</b>	<b>3,168,352</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	5	<b>2,553,505</b>	<b>2,790,532</b>

This Statement should be read in conjunction with the accompanying notes

**Note I: Statement of Significant Accounting Policies**

These annual financial statements represent the audited general purpose financial statements for The Queen Elizabeth Centre for the period ending 30 June 2013. The purpose of the report is to provide users with information about The Queen Elizabeth Centre' stewardship of resources entrusted to it.

**(a) Statement of Compliance**

These financial statements are a general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AAS's) which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB101 *Presentation of Financial Statements*. The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SDs) authorised by the Minister for Finance.

The Queen Elizabeth Centre is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the AAS's.

The annual financial statements were authorised for issue by the Board of Queen Elizabeth Centre on 4<sup>th</sup> September 2013.

**(b) Basis of Accounting Preparation and Measurement**

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2013 and the comparative information presented in these financial statements for the year ended 30 June 2012. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid. The financial statements are prepared in accordance with the historical cost convention, except for the revaluation of certain non-current assets, as noted. Historical cost is based on the fair values of the consideration given in exchange for assets.

In the application of AASs management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, relate to:

- the fair value of land, buildings, infrastructure, plant and equipment, (Note I(k)).
- superannuation expense (Note I(o))
- assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (Note I(o)).

**(c) Reporting Entity**

The financial statements include all the controlled activities of the Queen Elizabeth Centre.

Its principal address is:

53 Thomas Street  
Noble Park Victoria 3174

**(d) Rounding Off**

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

**(e) Scope and Presentation of Financial Statements****Comprehensive Operating Statement**

The subtotal entitled 'Net Result Before Capital & Specific Items' is included in the Comprehensive Operating Statement to enhance the understanding of the financial performance of the Queen Elizabeth Centre. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, and items of an unusual nature and amount such as specific revenues and expenses. The exclusion of these items is made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services. The 'Net Result Before Capital & Specific Items' is used by the management of the Queen Elizabeth Centre, the Department of Health and the Victorian Government to measure the ongoing performance of Health Services in operating hospital services. Capital and specific items, which are excluded from this sub-total, comprise:

- Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided.
- Specific income/expense, comprises the following items, where material:
  - Non-current asset revaluation increments/decrements.
- Depreciation and amortisation, as described in Note 1 (l).

**Balance Sheet**

Assets and liabilities are categorised either as current or non-current.

**Statement of Changes in Equity**

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

**Cash Flow Statement**

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financial activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

**(f) Functional and Presentation Currency**

The presentation currency of the Queen Elizabeth Centre is the Australian dollar, which has also been identified as the functional currency of the entity.

**(g) Cash and Cash Equivalents**

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

**(h) Receivables**

Receivables consist of:

- contractual receivables, which includes mainly debtors in relation to goods and services and accrued investment income and
- statutory receivables, which includes amounts owing from the Victorian Government and Goods and Services Tax ("GST") input tax credits recoverable.

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

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less any accumulated impairment.

Trade receivables are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where doubt as to collection exists.

**(i) Investments**

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

Gains and losses arising from changes in value are recognised in other comprehensive income until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in net result for the period. QEC assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. All financial assets, except those measured at fair value through profit or loss are subject to annual review for impairment.

**(j) Intangible Assets**

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software and development costs. Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the entity. Amortisation is allocated to intangible assets with finite useful lives on a straight-line 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. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

**(k) Property, Plant and Equipment**

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

**Plant, equipment and vehicles** are measured at cost less accumulated depreciation and impairment.

**Revaluations of Non-Current Physical Assets**

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

Revaluation increments are credited directly to equity in the asset revaluation reserve, except to the extent that an increase reverses a revaluation decrement in respect of that class of property, plant and equipment, previously recognised as an expense in the net result, the increment is recognised as income in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of property, plant and equipment, they are debited to the revaluation reserve.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. Revaluation reserves are not normally transferred to accumulated funds on de-recognition of the relevant asset.

**(l) Depreciation and Amortisation**

Assets with a cost in excess of \$1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives. Depreciation is generally calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Estimates of the remaining useful lives for all assets are reviewed at least annually. The following table indicates the expected useful lives of non-current assets on which the depreciation and amortisation charges are based:

	2013	2012
Buildings	50 to 55 years	50 to 55 years
Plant & Equipment	5 to 10 years	5 to 10 years
Furniture & Fittings	8 to 10 years	8 to 10 years
Motor Vehicles	4 to 5 years	4 to 5 years
Computers & Communication	3 to 16 years	3 to 16 years
Computer software developed	3 to 10 years	3 to 10 years

**(m) Payables**

Payables consist of:

- contractual payables, which consist predominately of accounts payable representing liabilities for goods and services provided to Queen Elizabeth Centre prior to the end of the financial year that are unpaid at the end of the financial year. The normal credit terms are 30 days.
- statutory payables, such as goods and services tax.

Contractual payables are classified as financial instruments and initially recognised at fair value, and then subsequently carried at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract

**(n) Tax****Goods and Services Tax**

Income, expenses and assets are recognised net of the amount of associated Goods and Services Tax (GST), unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

**Income Tax**

The Queen Elizabeth Centre is a public hospital and deductible gift recipient and is therefore exempt from paying Income Tax.

**(o) Employee Benefits****Wages and Salaries, Annual Leave, and Accrued Days Off**

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accrued days off expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee's services up to the reporting date, classified as current liabilities and measured at nominal values. Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities, as the Queen Elizabeth Centre will not have the unconditional right to defer the settlement should an employee take leave within 12 months. Those liabilities are measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

**Long Service Leave**

**Liability for long service leave (LSL)** is recognised in the provision for employee benefits.

**Current liability** – unconditional LSL (representing 10 or more years of continuous service) is disclosed in the notes to the financial statements as a current liability even where the Queen Elizabeth Centre 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.

The components of this current LSL liability are measured at:

- present value—component the Queen Elizabeth Centre does not expect to settle within 12 months; and
- nominal value—component the Queen Elizabeth Centre expects to settle or may be obliged to settle within 12 months.

**Non-Current liability** – conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. Conditional LSL is required to be measured at present value.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates of Commonwealth Government guaranteed securities in Australia.

**Superannuation****Defined contribution plans**

Contributions to defined contribution superannuation plans are expensed when incurred.

**Defined benefit plans**

The amount charged to the Operating Statement in respect of defined benefit plan superannuation represents the contributions made by the entity to the superannuation plan in respect to the current services of current entity staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

Employees of the Queen Elizabeth Centre are entitled to receive superannuation benefits and the Queen Elizabeth Centre contributes to both the defined benefit and defined contribution plans. The defined benefit plan(s) provide benefits based on years of service and final average salary.

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

Fund	Contributions Paid or Payable for the year	
	2013 \$	2012 \$
<b>Defined Benefit plans</b>		
First State Super	20,638	18,802
<b>Defined Contribution plans</b>		
- First State Super	368,967	381,833
- HESTA	110,725	58,553
Others	49,221	42,071
<b>Total</b>	<b>549,551</b>	<b>501,259</b>

The Queen Elizabeth Centre does not recognise any defined benefit liability in respect of the superannuation plan because the Queen Elizabeth Centre 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 administers and discloses the State's defined benefit liabilities in its financial statements.

**On-Costs**

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

**(p) Leases**

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. All leases held by the Queen Elizabeth Centre are classified as operating leases.

**Entity as lessee**

Operating lease payments, are recognised as an expense in the operating statement on a straight line basis over the lease term

**Lease Incentives**

All incentives for the agreement of a new or renewed operating lease shall be recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

**(q) Income from Transactions**

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to the Queen Elizabeth Centre and the income can be reliably measured. Amounts disclosed as revenue are, where applicable, net of returns, allowances, duties and taxes.

**Revenue Received in Advance**

Unearned income at reporting date is reported as revenue received in advance. (Note 13.)

**Government Grants**

Grants are recognised as revenue when the Queen Elizabeth Centre gains control of the underlying assets in accordance with AASB 1004 *Contributions*. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

**Indirect Contributions**

Insurance is recognised as revenue following advice from the Department of Health.

Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 05/2013.

**Donations and Other Bequests**

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

**Interest Revenue**

Interest revenue is recognised on a time proportionate basis that takes in account the effective yield of the financial asset.

**(r) Expense Recognition**

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

**Employee Expenses**

Employee expenses include; wages and salaries, annual leave, sick leave, long service leave and superannuation. Superannuation expenses are reported differently depending upon whether employees are members of defined benefit or defined contribution plans (Note 1(o)).

**Other Operating Expenses**

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

**Supplies and Consumables**

Supplies and services costs are recognised as an expense in the reporting period in which they are incurred.

**(s) Services Supported By Health Services Agreement and Services Supported By Hospital And Community Initiatives**

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

**(t) Comparative Information**

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

**(u) Asset Revaluation Reserve**

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

**(v) Available for Sale Reserve**

The available for sale reserve is used to record increments and decrements of the long term investments. The purpose of the reserve is to maximise long term investment returns subject to a reasonable level of risk as determined by the investment strategy and asset allocation.

**(w) General Purpose Reserve**

The general purpose reserve was created from funds received on the sale of the Carlton Crèche and Day Nursery in 1999. The purpose of the reserve is to provide an income stream from interest on investing the reserve to be used for the continuation of research and development by QEC.

**(x) Contributed Capital**

Consistent with Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD119 *Contributions by Owners*, appropriations for additions to the net asset base have been designated as contributed capital.

**(y) New Accounting Standards and Interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting period. The Queen Elizabeth Centre has not and does not intend to adopt these standards early. We have assessed the impact of the new accounting standards and do not expect them to have a significant impact.

**(z) Correction of Error**

Australian Accounting Standard *FRD103D Non-Current Physical Assets* requires Managerial Revaluations of assets where the movement in fair value of an asset since its last valuation is in excess of 10% of the valuation. For land owned by QEC the Valuer-General Victoria land index at 30 June 2012 for Noble Park has increased by 23.6% and should have been revalued at 30 June 2012. The accounts have included an increase of \$342,218 in the Land valuation for the year ending 30 June 2012.

Operating Statement	30 June 2012	Increase	30 June 2012 (Restated)
Changes in physical asset revaluation surplus	\$nil	\$342,218	\$342,218
Comprehensive result for the year	\$153,636	\$342,218	\$495,854
<b>Balance Sheet</b>			
Property, Plant and Equipment	\$6,634,576	\$342,218	\$6,976,794
Total Non-Current Assets	\$7,804,321	\$342,218	\$8,146,539
Total Assets	\$10,860,650	\$342,218	\$11,202,868
Net Assets	\$8,053,342	\$342,218	\$8,395,560
Asset Revaluation Reserve	\$3,787,355	\$342,218	\$4,129,573
Total Equity	\$8,053,342	\$342,218	\$8,395,560
<b>Note 8</b>			
Crown Land at Valuation	\$1,451,000	\$342,218	\$1,793,218
<b>Note 14(a)</b>			
Revaluation increment	\$nil	\$342,218	\$342,218
Balance at the end of the reporting period	\$3,787,355	\$342,218	\$4,129,573

2013 QEC Annual Report  
Notes to the Financial Statements  
30 June 2013

## Note 2: Revenue

	HSA 2013 \$	HSA 2012 \$	Non HSA 2013 \$	Non HSA 2012 \$	Total 2013 \$	Total 2012 \$
<b>Revenue from Operating Activities</b>						
Government Grants						
- Department of Health					-	-
- Department of Human Services	8,725,322	7,762,186			8,725,322	7,762,186
- Commonwealth Government			129,144	129,144	129,144	129,144
Indirect Contributions by Department of Health						
- Insurance	16,924	18,208	-	-	16,924	18,208
- Long Service Leave	-	-	-	-	-	-
Donations and Bequests	-	-	569,737	56,294	569,737	56,294
Other Revenue from Operating Activities	-	-	506,837	557,086	506,837	557,086
<b>Sub-Total Revenue from Operating Activities</b>	<b>8,742,246</b>	<b>7,780,394</b>	<b>1,205,718</b>	<b>742,524</b>	<b>9,947,964</b>	<b>8,522,918</b>
<b>Revenue from Non-Operating Activities</b>						
Interest and Dividends	138,493	100,909	50,535	67,293	189,028	168,202
<b>Sub-Total Revenue from Non-Operating Activities</b>	<b>138,493</b>	<b>100,909</b>	<b>50,535</b>	<b>67,293</b>	<b>189,028</b>	<b>168,202</b>
<b>Revenue from Capital Purpose Income</b>						
Donations and Bequests	-	-	9,232	-	9,232	-
Capital Earnings on Investments	-	-	-	-	-	-
Other Capital Purpose Income	-	-	-	-	-	-
<b>Sub-Total Revenue from Capital Purpose Income</b>	<b>-</b>	<b>-</b>	<b>9,232</b>	<b>-</b>	<b>9,232</b>	<b>-</b>
<b>Total Revenue (refer Note 2a)</b>	<b>8,880,739</b>	<b>7,881,303</b>	<b>1,265,485</b>	<b>809,817</b>	<b>10,146,224</b>	<b>8,691,120</b>

## Indirect Contributions by Department of Health

Department of Health makes insurance payments on behalf of the Queen Elizabeth Centre (QEC). These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

## Note 2a Analysis of Revenue by Source

(Based on the consolidated view of Note 2)

	2013 \$	2012 \$
<b>Revenue from Sources Supported by Health Services Agreement</b>		
Government Grants:		
- Department of Health	-	-
- Department of Human Services	8,725,322	7,762,186
Indirect Contributions by Department of Health		
- Insurance	16,924	18,208
Interest and Dividends Received	138,493	100,909
<b>Sub-Total Revenue from Services Supported by Health Services Agreement</b>	<b>8,880,739</b>	<b>7,881,303</b>
<b>Revenue from Services Supported by Hospital and Community Initiatives</b>		
Education Services	94,395	122,884
Conference	267,388	-
Parenting Programs	843,935	619,640
Capital Purpose Income (refer Note 2)	9,232	-
Interest Received - Research and Development	50,535	67,293
<b>Sub-Total Revenue from Services Supported by Hospital and Community Initiatives</b>	<b>1,265,485</b>	<b>809,817</b>
<b>Total Revenue</b>	<b>10,146,224</b>	<b>8,691,120</b>
<b>Reconciliation to Comprehensive Operating Statement</b>		
	2013 \$	2012 \$
Revenue from Operating Activities	9,378,227	8,466,624
Interest Revenue from Investments	189,028	168,202
Capital Purpose Income	9,232	-
<b>Total Revenue</b>	<b>9,576,487</b>	<b>8,634,826</b>

2013 QEC Annual Report  
Notes to the Financial Statements  
30 June 2013

## Note 3: Expenditure

## Note 3a Analysis of Expenses by Source

## Services Supported by Health Services Agreement

	2013 \$	2012 \$
<b>Employee Benefits:</b>		
Salaries & Wages	5,633,458	5,027,351
Work Cover	58,896	54,468
Long Service Leave (refer Note 12a)	84,026	258,351
Superannuation	512,403	466,895
<b>Supplies &amp; Consumables:</b>		
Medical & Pharmacy Supplies & Services	7,741	8,903
Food & Kitchen Supplies	104,646	139,448
Cleaning & Toilet Materials	33,469	20,146
<b>Other Expenses:</b>		
Domestic Service Contracts	307,480	348,044
Administrative Expenses	221,289	225,606
Insurance	16,924	18,208
Repairs & Maintenance	149,682	111,113
Consultants & Contracted Services	213,856	265,185
Computer Services	33,656	22,110
Staff Development	30,433	31,377
Security Services	14,610	14,521
Minor Furniture & Equipment	47,413	40,964
Motor Vehicle and Travel	136,049	164,032
Light, Power & Fuel	71,726	71,226
Waste Removal	14,904	11,663
Transfer of Overheads to Services Supported by Hospital and Community Initiatives	(342,578)	(299,627)
Other	124,266	43,327
<b>Sub-Total Expenses from Services Supported by Health Services Agreement</b>	<b>7,474,349</b>	<b>7,043,311</b>

## Services Supported by Hospital and Community Initiatives

	2013 \$	2012 \$
<b>Employee benefits:</b>		
Salaries & Wages	547,443	586,692
Work Cover	9,985	10,868
Long Service Leave (refer Note 12a)	14,966	27,663
Superannuation	37,148	34,364
<b>Supplies &amp; Consumables:</b>		
Food Supplies	21,864	11,396
<b>Other Expenses:</b>		
Administrative Expenses	19,515	15,642
Consultants & Contracted Services	357,251	116,921
Repairs & Maintenance	422	-
Motor Vehicle & Travel	15,912	39,438
Staff Development	32,044	12,895
Transfer of Overheads from Services Supported by Health Services Agreement	342,578	299,627
Other	19,029	19,179
<b>Sub-Total Expenses from Services Supported by Hospital &amp; Community Initiatives</b>	<b>1,418,157</b>	<b>1,174,685</b>
Depreciation (refer Note 4a)	291,441	315,167
Amortisation (refer Note 4b)	16,656	4,134
Audit Fees - Auditor General	10,000	8,700
Audit Fees - Internal Audit	7,300	9,000
<b>Sub-Total Other Expenses</b>	<b>325,397</b>	<b>337,001</b>
<b>Total Expenses from Continuing Operations</b>	<b>9,217,903</b>	<b>8,554,997</b>

## Reconciliation to Comprehensive Operating Statement

	2013 \$	2012 \$
Employee Benefits	6,898,325	6,466,652
Supplies and Consumables	167,720	179,893
Other Expenses	1,843,761	1,589,151
Capital Items	308,097	319,301
<b>Total Expenses as per Comprehensive Operating Statement</b>	<b>9,217,903</b>	<b>8,554,997</b>

2013 QEC Annual Report  
Notes to the Financial Statements  
30 June 2013

**Note 3b Analysis of Expenses by Internal Specific Purpose Funds for Services Supported by Hospital and Community Initiatives**

	2013	2012
	\$	\$
Research & Development	11,600	10,665
Education Services	456,396	422,784
Conference	308,922	-
Parenting Programs	641,239	741,236
<b>Total</b>	<b>1,418,157</b>	<b>1,174,685</b>

**Note 3c Net Gain/(Loss) on Disposal of Non-Current Assets**

	2013	2012
	\$	\$
Proceeds from Disposal of Non-Current Assets:		
Motor Vehicles	29,117	35,436
Other Equipment	-	-
<b>Total Proceeds from Disposal of Non-Current Assets</b>	<b>29,117</b>	<b>35,436</b>
Less Written Down Value of Assets Sold:		
Motor Vehicles	-	12,749
Other Equipment	-	-
<b>Total Written Down Value of Non-Current Assets Sold</b>	<b>-</b>	<b>12,749</b>
<b>Net Gain/(Loss) on Disposal of Non-Current Assets</b>	<b>29,117</b>	<b>22,687</b>

**Note 4: Depreciation and Amortisation**

**Note 4a Depreciation**

	2013	2012
	\$	\$
Buildings	112,927	111,231
Plant & Equipment:		
-Motor Vehicles	129,549	150,961
-Computers & Communication	31,100	25,877
-Other Equipment	2,969	13,210
Furniture & Fittings	14,896	13,888
<b>Total Depreciation (refer Note 8)</b>	<b>291,441</b>	<b>315,167</b>

**Note 4b Amortisation**

Computer Software	16,656	4,134
<b>Total Amortisation (refer Note 9)</b>	<b>16,656</b>	<b>4,134</b>
<b>Total Depreciation and Amortisation</b>	<b>308,097</b>	<b>319,301</b>

**Note 4c Allocation of Depreciation and Amortisation:**

Services Supported by Health Services Agreement	306,039	318,143
Services Supported by Hospital and Community Initiatives	2,058	1,158
<b>Total Depreciation and Amortisation</b>	<b>308,097</b>	<b>319,301</b>

Receipts from the Department of Health and Department of Human Services do not include Depreciation.

2013 QEC Annual Report  
Notes to the Financial Statements  
30 June 2013

**Note 5: Cash and Cash Equivalents**

A reconciliation of the amounts classified as cash and cash equivalents for the balance sheet purposes and cash flow statement purposes is as follows:

	2013	2012
	\$	\$
Cash on Hand	1,320	920
Cash at Bank	709,465	876,411
Term Deposits with maturity date < 90 days	1,671,619	1,552,599
Cash held for investment purposes	171,101	360,602
<b>Total</b>	<b>2,553,505</b>	<b>2,790,532</b>
<b>Represented by:</b>		
Cash for health service operations	2,382,404	2,429,930
Cash held for investment purposes - available for sale	171,101	360,602
<b>Total</b>	<b>2,553,505</b>	<b>2,790,532</b>

**Note 6: Receivables**

**CURRENT**

**Contractual**

Trade Debtors	139,694	194,585
Accrued Investment Income	2,449	20,214
Prepayment	-	20,000
<b>Total</b>	<b>142,143</b>	<b>234,799</b>

**Statutory**

GST Receivable

	49,034	30,998
<b>Total Current Receivables</b>	<b>191,177</b>	<b>265,797</b>

**NON CURRENT**

**Statutory**

Accrued Revenue - DHS Long Service Leave

	346,143	390,878
<b>Total Non-Current Receivables</b>	<b>346,143</b>	<b>390,878</b>
<b>Total Receivables</b>	<b>537,320</b>	<b>656,675</b>

**6a Allowance for Doubtful Debts**

At 30 June 2013 there is no doubtful debt provision, due to the low level of risk for receivables.

At 30 June 2012 there was no doubtful debt provision, due to the low level of risk for receivables.

There have been no bad debts during the financial year.

**6b Ageing Analysis of Receivables**

Please refer to Note 16 (b) for the ageing analysis of receivables.

**6c Nature and Extent of Risk Arising from Receivables**

Please refer to Note 16 (b) for the nature and extent of credit risk arising from receivables.

**Note 7: Investments**

**NON-CURRENT**

Available for Sale Financial Assets

	1,926,702	634,224
<b>Total Non-Current Investments</b>	<b>1,926,702</b>	<b>634,224</b>

**Non Current Asset**

**Listed Investments at fair value**

- Shares in listed corporations	1,405,828	445,879
- Fixed income investment	384,521	146,914
- Units in listed trusts	136,353	41,431
<b>Total listed investments at fair value</b>	<b>1,926,702</b>	<b>634,224</b>

**(a) Ageing analysis of investments and other financial assets**

Refer note 16(a) for the ageing analysis of investments and other financial assets

**(b) Nature and extent of risk arising from investments and other financial assets**

Refer note 16(b) for the nature and extent of risk arising from investments and other financial assets



**Note 8: Property, Plant and Equipment**

	2013	2012
	\$	\$
<b>Land</b>		
Crown Land at Valuation (i)	1,793,218	1,793,218
<b>Total Land</b>	<b>1,793,218</b>	<b>1,793,218</b>
<b>Buildings</b>		
Buildings at valuation (i)	4,769,000	4,769,000
Building Improvements at Cost	54,226	47,909
Less Accumulated depreciation	(436,419)	(323,492)
<b>Total Buildings</b>	<b>4,386,807</b>	<b>4,493,417</b>
<b>Equipment at Fair Value</b>		
Equipment	1,277,427	1,216,504
Less Accumulated depreciation	(955,653)	(908,451)
<b>Total Equipment</b>	<b>321,774</b>	<b>308,053</b>
<b>Motor Vehicles at Fair Value</b>		
Motor Vehicles	793,932	780,237
Less Accumulated depreciation	(447,585)	(398,131)
<b>Total Motor Vehicles</b>	<b>346,347</b>	<b>382,106</b>
<b>TOTAL</b>	<b>6,848,146</b>	<b>6,976,794</b>

Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

**Land and Buildings at Valuation:**

(i) The Noble Park land, buildings and improvements were revalued at its fair value by independent valuer The Market Line Property Group Pty Ltd dated 30 June 2009. FRD 103D dictates that the next revaluation occur on 30 June 2014. Managerial revaluation as at 30 June 2012 and 30 June 2013

**Reconciliations of the Carrying Amounts of each Class of Assets at the Beginning and End of the Previous and Current Financial Year**

	Crown Land	Buildings	Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2011</b>	<b>1,451,000</b>	<b>4,604,648</b>	<b>222,405</b>	<b>445,052</b>	<b>6,723,105</b>
Additions	-	-	138,623	100,764	239,387
Disposals	-	-	-	(12,749)	(12,749)
Revaluation Increments	342,218	-	-	-	342,218
Depreciation (refer Note 4a)	-	(111,231)	(52,975)	(150,961)	(315,167)
<b>Balance at 1 July 2012</b>	<b>1,793,218</b>	<b>4,493,417</b>	<b>308,053</b>	<b>382,106</b>	<b>6,976,794</b>
Additions	-	6,317	62,686	93,790	162,793
Disposals	-	-	-	-	-
Depreciation (refer Note 4a)	-	(112,927)	(48,965)	(129,549)	(291,441)
<b>Balance at 30 June 2013</b>	<b>1,793,218</b>	<b>4,386,807</b>	<b>321,774</b>	<b>346,347</b>	<b>6,848,146</b>

**Note 9: Intangible Assets**

	2013	2012
	\$	\$
<b>Intangible Assets at Cost</b>		
Intangible Assets (Software)	454,092	402,067
Less Accumulated amortisation	(274,080)	(257,424)
<b>Total Intangible Assets</b>	<b>180,012</b>	<b>144,643</b>

**Reconciliation of the Carrying Amounts of Intangible Assets at the Beginning and End of the Previous and Current Financial Year**

	Software Development	Total
	\$	\$
<b>Balance at 1 July 2011</b>	-	-
Additions	148,777	148,777
Amortisation (refer Note 4b)	(4,134)	(4,134)
<b>Balance at 30 June 2012</b>	<b>144,643</b>	<b>144,643</b>
Additions	52,025	52,025
Amortisation (refer Note 4b)	(16,656)	(16,656)
<b>Balance at 30 June 2013</b>	<b>180,012</b>	<b>180,012</b>

**Note 10: Payables****CURRENT**

	2013	2012
	\$	\$
<b>Contractual</b>		
Trade Creditors	260,128	195,060
Accrued Expenses	17,661	23,691
	<b>277,789</b>	<b>218,751</b>
<b>Statutory</b>		
Trade Creditor	77,550	95,744
<b>Total Current</b>	<b>355,339</b>	<b>314,495</b>

**10a Ageing Analysis of Payables**

Please refer to Note 16 (b) for the ageing analysis of payables

**10b Nature and Extent of Risk Arising from Payables**

Please refer to Note 16 (b) for the nature and extent of credit risk arising from payables

**Note 11: Interest Bearing Liabilities**

	2013	2012
	\$	\$
Credit Card National Australia Bank	9,783	3,662
<b>Total Interest Bearing Liabilities</b>	<b>9,783</b>	<b>3,662</b>

**Note 12: Employee Benefits and Related On-Costs Provisions****Current**

Employee Benefits  
- Unpaid wages  
- Annual Leave  
- Long Service Leave

**Total Current****Non-Current**

Employee Benefits  
**Total Non-Current**

	2013 \$	2012 \$
Employee Benefits		
- Unpaid wages	232,028	338,197
- Annual Leave	648,846	676,714
- Long Service Leave	824,568	749,532
<b>Total Current</b>	<b>1,705,442</b>	<b>1,764,443</b>
Employee Benefits	181,848	281,417
<b>Total Non-Current</b>	<b>181,848</b>	<b>281,417</b>

**Note 12a Employee Benefits****Current**

Employee Benefits  
- Unconditional and expected to be settled within 12 months after the end of the period  
- Unconditional that do not fall due within 12 months after the end of the period

**Total Current****Non-Current**

Employee Benefits  
- Conditional Long Service Leave entitlements measured at present value  
**Total Non-Current**

	2013 \$	2012 \$
Employee Benefits		
- Unconditional and expected to be settled within 12 months after the end of the period	1,559,593	1,704,473
- Unconditional that do not fall due within 12 months after the end of the period	145,849	59,970
<b>Total Current</b>	<b>1,705,442</b>	<b>1,764,443</b>
Employee Benefits	181,848	281,417
<b>Total Non-Current</b>	<b>181,848</b>	<b>281,417</b>

**Movement in Long Service Leave:**

**Balance at the beginning of the reporting period**  
Provision made during the year  
Settlement made during the year  
**Balance at end of the reporting period**

	2013 \$	2012 \$
<b>Balance at the beginning of the reporting period</b>	1,030,949	912,722
Provision made during the year	98,992	286,014
Settlement made during the year	(123,525)	(167,787)
<b>Balance at end of the reporting period</b>	<b>1,006,416</b>	<b>1,030,949</b>

**Note 13: Commitments for Expenditure****Revenue Received in Advance**

Not later than one year  
Later than one year and not later than 5 years  
**Total**

	2013 \$	2012 \$
Not later than one year	387,609	443,291
Later than one year and not later than 5 years	-	-
<b>Total</b>	<b>387,609</b>	<b>443,291</b>

**Note 14: Equity & Reserves****(a) Reserves****Asset Revaluation Reserve**

Balance at the beginning of the reporting period  
Revaluation increment  
**Balance at the end of the Reporting Period**

**Represented by:**

- Land  
- Buildings  
- Equipment

**Available for Sale Reserve**

Balance at the beginning of the reporting period  
Net Result for the year  
**Balance at the end of the Reporting Period**

**General Purpose Reserve**

Balance at the beginning of the reporting period  
**Balance at the end of the Reporting Period**  
**Total Reserves**

**(b) Contributed Capital**

Balance at the beginning of the reporting period  
**Balance at the end of the Reporting Period**

**(c) Accumulated Surpluses/(Deficits)**

Balance at the beginning of the reporting period  
Net Result for the year  
**Balance at the end of the Reporting Period**

**(d) Total Equity at the end of Financial Year**

	2013 \$	2012 \$
<b>Asset Revaluation Reserve</b>		
Balance at the beginning of the reporting period	4,129,573	3,787,355
Revaluation increment	-	342,218
<b>Balance at the end of the Reporting Period</b>	<b>4,129,573</b>	<b>4,129,573</b>
<b>Represented by:</b>		
- Land	1,793,218	1,793,218
- Buildings	2,331,355	2,331,355
- Equipment	5,000	5,000
<b>Available for Sale Reserve</b>		
Balance at the beginning of the reporting period	(5,174)	-
Net Result for the year	52,666	(5,174)
<b>Balance at the end of the Reporting Period</b>	<b>47,492</b>	<b>(5,174)</b>
<b>General Purpose Reserve</b>		
Balance at the beginning of the reporting period	990,000	990,000
<b>Balance at the end of the Reporting Period</b>	<b>990,000</b>	<b>990,000</b>
<b>Total Reserves</b>	<b>5,167,065</b>	<b>5,114,399</b>
<b>(b) Contributed Capital</b>		
Balance at the beginning of the reporting period	4,894,538	4,894,538
<b>Balance at the end of the Reporting Period</b>	<b>4,894,538</b>	<b>4,894,538</b>
<b>(c) Accumulated Surpluses/(Deficits)</b>		
Balance at the beginning of the reporting period	(1,613,377)	(1,772,187)
Net Result for the year	957,438	158,810
<b>Balance at the end of the Reporting Period</b>	<b>(655,939)</b>	<b>(1,613,377)</b>
<b>(d) Total Equity at the end of Financial Year</b>	<b>9,405,664</b>	<b>8,395,560</b>

**Note 15: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities****Net Result for the Year**

(Profit)/Loss from Sale of Property, Plant and Equipment  
Depreciation and Amortisation

**Changes in assets and liabilities**

(Increase)/Decrease in Receivables  
Increase/(Decrease) in Payables  
Increase/(Decrease) in Revenue Received in Advance  
Increase/(Decrease) in Employee Benefits

**Net Cash Inflow/(Outflow) from Operating Activities**

	2013 \$	2012 \$
<b>Net Result for the Year</b>	957,438	158,810
(Profit)/Loss from Sale of Property, Plant and Equipment	(29,117)	(22,687)
Depreciation and Amortisation	308,097	319,301
<b>Changes in assets and liabilities</b>		
(Increase)/Decrease in Receivables	119,355	(286,724)
Increase/(Decrease) in Payables	46,965	96,676
Increase/(Decrease) in Revenue Received in Advance	(55,682)	111,436
Increase/(Decrease) in Employee Benefits	(158,570)	237,494
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>1,188,486</b>	<b>614,306</b>

**Note 16: Financial Instruments****(a) Financial Risk Management Objectives and Policies**

The Queen Elizabeth Centre's principal financial instruments comprise of:

- cash assets
- term deposits
- receivables (excluding statutory receivables)
- investments in equities and managed investment schemes
- payables (excluding statutory payables)

Details of the significant accounting policies and methods adopted, including 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 are disclosed in note 1 to the financial statements.

The Queen Elizabeth Centre's main financial risks include, liquidity risk, interest rate risk and equity price risk. The Queen Elizabeth centre manages these financial risks in accordance with its financial risk management policies.

The Queen Elizabeth Centre uses different methods to measure and manage different risks to which it is exposed.

Primary responsibility for the identification and management of financial risks rests with the finance committee of the Queen Elizabeth Centre.

The main purpose in holding financial instruments is to prudently manage the Queen Elizabeth Centre's financial risks within the government policy parameters.

**Categorisation of Financial Instruments**

Details of each category of financial instrument held by the Queen Elizabeth Centre are disclosed in the table below.

	Category	Carrying Amount	Carrying Amount
		2013	2012
		\$	\$
<b>Financial Assets</b>			
Cash and Cash Equivalents (refer Note 5)	Cash	2,553,505	2,790,532
Trade Debtors (refer Note 6)	Loans and Receivables	139,694	194,585
Other Receivables (refer Note 6)	Loans and Receivables	2,449	20,214
Investments (refer Note 7)	Available for Sale	1,926,702	634,224
	<b>Total Financial Assets (i)</b>	<b>4,622,350</b>	<b>3,639,555</b>
<b>Financial Liabilities</b>			
Interest Bearing Liabilities (refer Note 10)	Credit Cards	9,783	3,662
Current Payables (refer Note 11)	Financial liabilities (at amortised cost)	277,789	314,495
	<b>Total Financial Liabilities (ii)</b>	<b>287,572</b>	<b>318,157</b>

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit recoverable)

(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable)

**(b) Credit Risk**

Credit risk arises from the contractual financial asset of QEC, which comprise cash and deposits, non-statutory receivables and available for sale contractual financial assets. 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.

It is QEC's policy to only deal with entities with high credit ratings of a minimum Triple B rating.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements represents QEC's maximum exposure to credit risk.

	Financial Institutions	Other	Total
	(AAA credit rating)	(minimum BBB credit rating)	
<b>2013</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	2,553,505	2,553,505	
Trade Debtors	139,694	139,694	
Other Receivables	2,449	2,449	
Investments	1,926,702	1,926,702	
	<b>4,622,350</b>	<b>4,622,350</b>	
<b>2012</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	2,790,532	2,790,532	
Trade Debtors	194,585	194,585	
Other Receivables	20,214	20,214	
Investments	634,224	634,224	
	<b>3,639,555</b>	<b>3,639,555</b>	

The Queen Elizabeth Centre's exposure to credit risk and weighted average effective interest rate is set out in the following table.

**Interest Rate Exposure and Analysis of Financial Assets**

	Interest Rate Exposure					
	Weighted Average Effective Interest Rate %	Carrying Amount \$	Fixed Interest Rate \$	Variable Interest rate \$	Non Interest Bearing \$	Past Due and Not Impaired (> 30 days) \$
<b>2013</b>						
<b>Financial Assets</b>						
Cash	2.5	881,886	-	880,566	1,320	881,886
Cash Equivalents (Term deposits)	4.1	1,671,619	1,671,619	-	-	1,671,619
Trade Debtors (i)	0.0	139,694	-	-	139,694	129,069
Other Receivables	0.0	2,449	-	-	2,449	-
Investments	0.0	1,926,702	-	1,926,702	-	1,926,702
		<b>4,622,350</b>	<b>1,671,619</b>	<b>2,807,268</b>	<b>143,463</b>	<b>4,611,725</b>
						<b>10,625</b>
<b>2012</b>						
<b>Financial Assets</b>						
Cash	4.2	1,237,933	-	1,237,013	920	1,237,933
Cash Equivalents (Term deposits)	5.6	1,552,599	1,552,599	-	-	1,552,599
Trade Debtors (ii)	0.0	194,585	-	-	194,585	192,543
Other Receivables	0.0	20,214	-	-	20,214	20,214
Investments	0.0	634,224	-	634,224	-	634,224
		<b>3,639,555</b>	<b>1,552,599</b>	<b>1,871,237</b>	<b>215,719</b>	<b>3,637,513</b>
						<b>2,042</b>

(i) Past due and not impaired includes 1 month to 3 months \$10,573, and 3 months to 1 year \$52

(ii) Past due and not impaired includes 1 month to 3 months \$1,431, and 3 months to 1 year \$611

The Queen Elizabeth Centre's exposure to credit risk arises from the potential default of counterparties to their contractual obligation resulting in financial loss to the organisation.

The Queen Elizabeth Centre manages the credit risk by assessing potential clients and utilising revenue contracts, investing surplus funds with an Australian bank and reviewing ageing analysis in a timely manner.

The objective of managing credit risk is to minimise the possibility of defaulting on repayments.

**(c) Liquidity Risk**

The following table discloses the contractual maturity analysis for the Queen Elizabeth Centre's financial liabilities.

The Queen Elizabeth Centre manages liquidity risk by maintaining some investments at call and by budgeting and projecting cash flows to meet contractual commitments.

**Interest Rate Exposure and Analysis of Financial Liabilities**

	Interest Rate Exposure						
	Weighted Average Effective Interest Rate %	Carrying Amount \$	Fixed Interest Rate \$	Variable Interest rate \$	Non Interest Bearing \$	Contractual Cash Flows \$	Not Past Due \$
<b>2013</b>							
<b>Payables</b>							
Interest bearing liabilities	15.0	9,783	-	9,783	-	9,783	9,783
Trade creditors and accruals	0.0	277,789	-	-	277,789	277,789	277,789
		<b>287,572</b>	<b>-</b>	<b>9,783</b>	<b>277,789</b>	<b>287,572</b>	<b>287,572</b>
<b>2012</b>							
<b>Payables</b>							
Interest bearing liabilities	15.5	3,662	-	3,662	-	3,662	3,662
Trade creditors and accruals	0.0	314,495	-	-	314,495	314,495	314,495
		<b>318,157</b>	<b>-</b>	<b>3,662</b>	<b>314,495</b>	<b>318,157</b>	<b>318,157</b>

(i) The Queen Elizabeth Centre settles financial obligations within 30 days, all financial liabilities have a maturity of less than 1 month.

**(d) Market Risk Exposure**

The Queen Elizabeth Centre's exposure to market risk is mainly through interest rate risks, and equity price risks for investments.

The Queen Elizabeth Centre assess the currency risk and other prices as insignificant, because the Queen Elizabeth Centre undertakes all transactions in Australian dollars and have no financial assets or financial liabilities subject to changes due to volatility in the market. Objectives, policies and processes used to manage each of these risks are disclosed as follows.

**Policy on Managing the Interest Rate Risk**

The objective of managing market risk is to minimise negative impacts on financial assets value due to the volatility of variables, mainly due to changes in the interest rates.

**Policy on Managing the Equity Price Risks**

Queen Elizabeth Centre's exposure to equity price risks is through investments in equity with an investment manager for long term investments.

**Sensitivity Analysis on the Return, to Interest Rate Exposure**

	Carrying Amount \$	Interest Rate Risk / Equity Price Risk			
		-1% or -10%		+1% or +10%	
		Profit	Equity	Profit	Equity
<b>2013</b>					
<b>Financial Assets</b>					
Cash and cash equivalents (i)	2,553,505	(25,535)	(25,535)	25,535	25,535
Investments (ii)	1,926,702	(192,670)	(192,670)	192,670	192,670
<b>Financial Liabilities</b>					
Interest bearing liabilities (iii)	9,783	98	98	(98)	(98)

(i) Sensitivity of cash and cash equivalents to a -1% movement in rates: ie  $(2,553,504 \times 4.1\% - 2,553,504 \times 3.1\%) = (\$25,535)$ . Similarly for a +1% movement the impact is \$25,535.

(ii) Sensitivity of Investments to a -10% movement in equity prices: ie  $(1,926,702 \times 10\%) = (\$192,670)$ . Similarly for a +10% movement the impact is \$192,670

(iii) Sensitivity of interest bearing liabilities to a -1% movement in rates: ie  $(9,783 \times 15.0\% - 9,783 \times 14.0\%) = \$98$ . Similarly for a +1% movement the impact is (\$98).

**(e) Fair Value**

The carrying value of all financial assets and financial liabilities equates to their fair value.

**Note 17: Contingent Assets and Liabilities**

There were no contingent assets for the Queen Elizabeth Centre as at 30 June 2013

There were no contingent assets for the Queen Elizabeth Centre as at 30 June 2012

Details of estimates of maximum amounts of Contingent Liabilities are as follows:

	2013 \$	2012 \$
<b>Contingent Liabilities</b>		
DHS - Brokerage	136,421	-
<b>Total Quantifiable Contingent Liability</b>	<b>136,421</b>	

As at 30 June 2013 the above contingent liability was repayable to Department of Human Services for unspent brokerage.

Accordingly this amount is included as Revenue in 2012/13. QEC is in detailed discussions with DHS to enable QEC to spend the above funds during 2013/14 and this expenditure or the repayment of the brokerage will be recorded as expenses in the Comprehensive Operating Statement in 2013/14.

**Note 18: Segment Reporting****Business Segment**

Early Parenting Services

**Services**

Provider of Early Parenting Services and Education

**Geographical Segment**

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

**Note 19: Responsible Persons and Executive Officer Disclosures**

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

**Note 19a Responsible Persons Disclosures****Responsible Ministers**

The Honourable Mary Wooldridge, MLA

**Board Members**

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

Ms Susan Harper OAM - President

Mr Mark Dunphy - Vice President

Ms Kym Forrest - Vice President

Mr Phillip Davies

Ms Selina Lightfoot

Assoc Prof Campbell Paul

Ms Shelley Racine

Ms Mary Sayers

Mr Timothy Staker

Ms Karen Wells

Mr David Howlett (Resigned 16th January 2013)

Period
1/7/2012 - 30/6/2013
1/7/2012 - 30/6/2013
1/7/2012 - 30/6/2013
1/7/2012 - 30/6/2013
7/8/2012 - 30/6/2013
7/8/2012 - 30/6/2013
1/7/2012 - 30/6/2013
1/7/2012 - 30/6/2013
1/7/2012 - 30/6/2013
1/7/2012 - 30/6/2013
1/7/2012 - 16/1/2013

**Accountable Officer**

Ms Athina Georgiou - Chief Executive Officer

**Remuneration of Responsible Persons**

The number of accountable officers and their total remuneration during the reporting period are shown in the table below.

Base remuneration is shown in the third and fourth columns, excluding bonus payments.

	Total Remuneration		Base Remuneration	
	2013	2012	2013	2012
\$180,000 - \$189,999	1	0	0	0
\$170,000 - \$179,999	0	1	0	0
\$160,000 - \$169,999	0	0	1	1
\$Nil	11	12	11	12
<b>Total numbers</b>	<b>12</b>	<b>13</b>	<b>12</b>	<b>13</b>
<b>Total Remuneration</b>	<b>\$182,600</b>	<b>\$179,407</b>	<b>\$166,000</b>	<b>\$162,807</b>

Note (a) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period

**Remuneration of Responsible Persons**

Total remuneration received or due or receivable by Responsible Persons

-

Amounts relating to the Responsible Minister are reported in the Financial Statements of the Department of Premier and Cabinet.

**Retirement Benefits of Responsible Persons**

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

-

**Other Transactions of Responsible Persons and their Related Parties**

Related party transactions

-

**Note 19b Executive Officer Disclosures****Executive Officers' Remuneration**

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below.

	Total Remuneration		Base Remuneration	
	2013	2012	2013	2012
\$120,000 - \$129,999	0	1	0	1
\$110,000 - \$119,999	1	0	1	0
<b>Total number of executives</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Total annualised employee equivalents (AEE) (a)</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Total Remuneration</b>	<b>\$117,121</b>	<b>\$121,049</b>	<b>\$117,121</b>	<b>\$121,049</b>

Note (a) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period

**Note 19c Payments to Other Personnel**

The Queen Elizabeth Centre has not engaged any contractor with significant management responsibilities.

**Note 20: Events Occurring after the Balance Sheet Date**

There are no known events occurring after the balance sheet date that would impact the financial statements.

**Note 21: Economic Dependency**

The Queen Elizabeth Centre is wholly dependent on the continued financial support of the State Government.

**Note 22: Remuneration of Auditors**

The following table discloses the fees paid or payable for auditing of the financial statements and other internal audits.

	2013 \$	2012 \$
<b>Victorian Auditor-General's Office</b>		
Audit or review of financial statements	10,000	8,700
<b>Bell Partners</b>		
Internal audits	7,300	9,000
	<b>17,300</b>	<b>17,700</b>

**QUEEN ELIZABETH CENTRE****Attachment A:****Financial Summary 2008-2013**

SUMMARY OF FINANCIAL RESULTS	2012-13 \$	2011-12 \$	2010-11 \$	2009-10 \$	2008-09 \$
<b>Total Revenue</b>	10,146,224	9,033,338	8,777,851	7,693,661	7,712,961
<b>Total Expenses</b>	9,136,120	8,537,484	8,776,731	7,791,334	8,093,810
<b>Comprehensive Result for the Year</b>	1,010,104	495,854	1,120	(97,673)	(380,849)
<b>Retained Surplus / (Accumulated Deficit)</b>	(655,939)	(1,613,377)	(1,772,187)	(1,773,307)	(1,675,634)
<b>Total Assets</b>	12,045,685	11,202,868	10,261,408	10,280,334	10,078,244
<b>Total Liabilities</b>	2,640,021	2,807,308	2,361,702	2,381,748	2,081,985
<b>Net Assets</b>	9,405,664	8,395,560	7,899,706	7,898,586	7,996,259
<b>Total Equity</b>	9,405,664	8,395,560	7,899,706	7,898,586	7,996,259

**Disclosure Index**

The Annual Report of QEC is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
<b>Ministerial Directions</b>		
<b>Report of Operations</b>		
<b>Charter and purpose</b>		
FRD 22C	Manner of establishment and the relevant Ministers	1
FRD 22C	Objectives, functions, powers and duties	2
FRD 22C	Nature and range of services provided	5
<b>Management and structure</b>		
FRD 22C	Organisational structure	7, 9
<b>Financial and other information</b>		
FRD 10	Disclosure index	40
FRD 22C	Workforce data disclosures	8
FRD 22C	Occupational health and safety	11
FRD 22C	Summary of the financial results for the year	39
FRD 22C	Application and operation of <i>Freedom of Information Act 1982</i>	11
FRD 22C	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	11
FRD 22C	Application and operation of the <i>Protected Disclosure Act 2012</i>	11
FRD 22C	Statement on National Competition Policy	12
FRD 22C	Details of consultancies over \$100,000	12
FRD 22C	Details of consultancies under \$100,000	12
<b>Financial Statements</b>		
<b>Financial statements required under Part 7 of the FMA</b>		
SD 4.2(a)	Compliance with Australian accounting standards and other authoritative pronouncements	20
SD 4.2(b)	Comprehensive Operating Statement	16
SD 4.2(b)	Balance Sheet	17
SD 4.2(b)	Statement of Changes in Equity	18
SD 4.2(b)	Cash flow Statement	19
SD 4.2(c)	Accountable officer's declaration	15
SD 4.2(c)	Compliance with Ministerial Directions	20
SD 4.2(d)	Rounding of amounts	21
<b>Financial and other information</b>		
FRD 21B	Responsible person and executive officer disclosures	38
<b>Legislation</b>		
	<i>Financial Management Act 1994</i>	15

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, The Queen Elizabeth Centre

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2013 of The Queen Elizabeth Centre which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a statement of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited.

#### *The Board Members' Responsibility for the Financial Report*

The Board Members of The Queen Elizabeth Centre are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

## **Independent Auditor's Report (continued)**

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of The Queen Elizabeth Centre as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

### *Matters Relating to the Electronic Publication of the Audited Financial Report*

This auditor's report relates to the financial report of The Queen Elizabeth Centre for the year ended 30 June 2013 included both in The Queen Elizabeth Centre's annual report and on the website. The Board Members of The Queen Elizabeth Centre are responsible for the integrity of The Queen Elizabeth Centre's website. I have not been engaged to report on the integrity of The Queen Elizabeth Centre's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE  
4 September 2013



for John Doyle  
Auditor-General