

Queen Elizabeth II Medical Centre Trust

ANNUAL REPORT

2015/2016



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This Report has been produced in electronic format and can be viewed on the QEII Medical Centre website.

Alternative formats are available upon request.

**QUEEN ELIZABETH II
MEDICAL CENTRE TRUST**

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QEIMC Trust

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STATEMENT OF COMPLIANCE

For the year ended 30 June 2016

HON Mr J DAY
MINISTER FOR HEALTH

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Queen Elizabeth II Medical Centre Trust for the financial year ending 30 June 2016.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

A copy of this report is being furnished to the Senate of the University of Western Australia in accordance with section 15(5) of the *Queen Elizabeth II Medical Centre Act 1966*.


S Cole
Chairman
Queen Elizabeth II Medical Centre Trust
Date: 26/8/2016


W Erber
Board Member
Queen Elizabeth II Medical Centre Trust
Date: 26/8/2016



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CHAIRMAN'S REPORT

The transformational work on the Campus has continued to ensure that the year under review was a challenging but constructive one for the QEII Medical Centre Trust.

The new shape and structure of the Campus continues to emerge as one of excellence for health care, research and education, rewarding us with the Campus's dominant built form structures in the Harry Perkins Institute (formerly WAIMR), the Campus Central Energy Plant, the Multi-Deck Car Park and the new Perth Children's Hospital (incorporating The Telethon Kids Institute).


Additional planning and development work this year included the completion of both the Mental Health Unit building and Ronald McDonald House. Construction on the Ralph and Patricia Sarich Neuroscience Research Institute also commenced providing an exciting future addition to the suite of world class facilities on the Campus.

The QEII Medical Centre Trust's strategic planning focus remains on site planning and working towards the long term sustainability of the Campus as well as the Trust's financial security and sound governance. Budgetary constraints across WA public sector agencies, including the Trust's executive arm, the Delegate, required a measured and thoughtful approach to the Trust's strategic goals.

Progress continued in reviewing and consolidating lease arrangements for the Campus's tenants with ground leases for the Ralph and Patricia Sarich Neuroscience Research Institute, Ronald McDonald House, many of the Sir Charles Gairdner Hospital related buildings and the new Perth Children's Hospital having been finalised. Excellent progress is also being made with lease arrangements for the Campus's other tenants.

The formalisation of lease and tenancy arrangements on the Campus has been accompanied by the commitment to a site service agreement with tenants, allowing for the equitable and transparent allocation of overall Campus common area maintenance and management expenses across all tenants. This initiative will support the Trust's ongoing sustainability and capability to service the Campus and the needs of the Campus's tenants, consistent with its legislative mandate and principles of good governance.

The orderly development, management and control of the Campus remain the primary focus for the Trust. Consistent with the Campus Master Plan, Urban Design



The orderly development, management and control of the Campus remain the primary focus for the Trust.

Guidelines and a Campus Landscaping Plan are being developed to provide an integrated holistic approach to deliver and support the diverse community of health care, research and teaching on the Campus. Of note in the Financial Year 2015/2016 the Campus Master Plan was refreshed and contemporized to reflect the current built form structures on the Campus as at June 2016.

I would like to acknowledge the work of the Trust's "Delegate", North Metropolitan Health Service, and its professional team headed over the year under review by Mr Wayne Salvage, Chief Executive North Metropolitan Health Service and ably managed by Mr Bill Anderson.

I gratefully acknowledge the efforts of the retiring Board members, Ms Gaye McMath and Professor John Newnham, who have performed influential roles on the Trust including in the case of Ms McMath as Deputy Chair and Chair of the Audit & Risk Committee over a number of years. Their contributions have been highly valued by the Board. I welcome Professors Peter Davies and Wendy Erber as new members of the Board. Professor Wendy Erber is the

Dean for the Faculty of Medicine, Dentistry and Health Sciences for The University of Western Australia. Professor Peter Davies is the Pro-Vice Chancellor for Research at the University of Western Australia.

Along with the continuing Trust membership of Mr Wayne Salvage and Ms Angela Kelly, the dedication and professionalism of all the members of the Board have been invaluable, as matters considered by the Board often have an underlying complexity with long term visionary implications that require mature reflection, consideration and sound judgement.

I look forward to the Trust continuing to serve the people of Western Australia into the future consistent with its legislative mandate.



S. Cole
Chairman

Queen Elizabeth II Medical Centre Trust
Date: 26 August 2016

OVERVIEW

Executive Summary

This Annual Report combines the activities of the Queen Elizabeth II Medical Centre Trust and the Minister for Health incorporated as the board of Sir Charles Gairdner Hospital as its Delegate under section 13 of the *Queen Elizabeth II Medical Centre Act 1966* (the Act).

Note: From 1 July 2016 the board of Sir Charles Gairdner Hospital will cease to be the Delegate and will be replaced by the North Metropolitan Health Service in accordance with the requirements of the new Health Services Act of July 2016.

The Year in Review

QEIMC Redevelopment

Construction work is nearing completion on the Perth Children's Hospital and its form is becoming a dominant feature of the Campus. Ronald McDonald House was completed during the year and work is well advanced on the Ralph and Patricia Sarich Neuroscience Research Institute on Verdun Street, due for completion in early 2017.

These new buildings contribute to the Queen Elizabeth II Medical Centre's status as a world class facility for medical care, research and education.



Perth Children's Hospital

The new Perth Children's Hospital has entered its fifth year of construction. Work on the hospital building is nearing completion with much of the façade in place displaying the exterior design features and weatherproofing. Work on the interior fit out is also nearing completion, with construction works on the tunnel completed and the bridge works well underway, linking the Perth Children's Hospital with Sir Charles Gairdner Hospital.

The hospital is on track and scheduled to replace Princess Margaret Hospital in late 2016. This state-of-the-art hospital will also be a leading paediatric and research facility housing the Telethon Kids Institute.

It also features an underground car park with 300 parking bays.

Ronald McDonald House

Construction of Ronald McDonald House on Monash Avenue was completed late 2015.

This facility is a home away from home for Western Australia's regional families of seriously ill children. Providing a temporary home to 47 families of children receiving treatment at the Perth Children's Hospital, Ronald McDonald House will feature larger accommodation rooms than the previous 18 room house in Subiaco and communal spaces such as quiet reflection lounges, a recreation area including a gym, a learning centre and rooftop garden.



Neuroscience Research Institute

Construction of a five-storey research facility focussed on neuroscience, the Ralph and Patricia Sarich Neuroscience Research Institute, is well underway and due to be completed early 2017. The new facility is located on Verdun Street near the Lions Eye Institute and it is proposed to house a number of organisations such as Curtin University's Neuroscience Research Laboratory, the Ear Science Institute of Australia (ESIA), the McCusker Alzheimer's Research Foundation (MARF), the Neurofinity Surgical NeuroDiscovery Group, and the Western Australian Neuroscience Research Institute (WANRI).



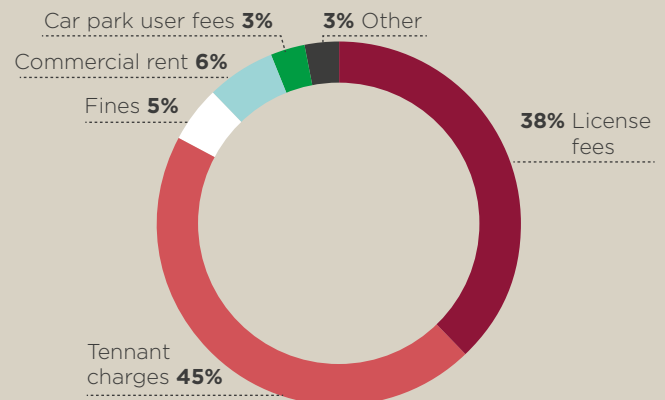
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Temporary homes for families of seriously ill children receiving treatment at Perth Children's Hospital.

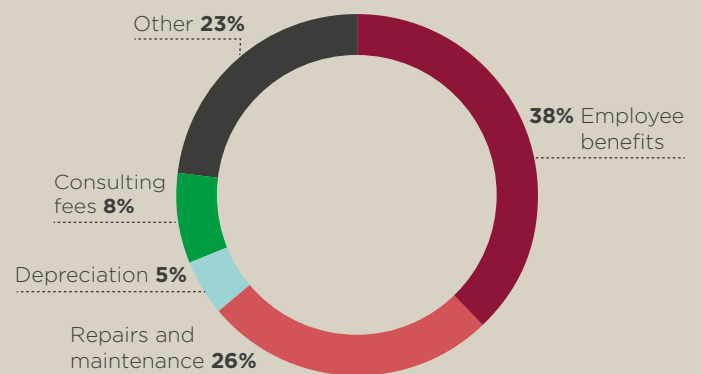
FINANCIAL PERFORMANCE

The QEII Medical Centre Trust generates its own revenue to meet its operating expenditure.

Revenue 2015/16



Expenditure 2015/16



The above charts depict the revenue and expenditure positions less the "daylight" receipts and matching outgoings through the Delegate's account associated with the At-Grade car park agreement. These "daylight" receipts and matching outgoings naturally inflate both the revenue and expenditure components of the financial statements.

The financial statements incorporated in this report contain the full relevant details used to generate these charts.

OPERATIONAL STRUCTURE

The QEII Medical Centre Trust is responsible for the development, management and control of the QEII Medical Centre Reserve.

The objectives of the QEII Medical Centre Trust under its legislative remit are to ensure the:

- QEII Medical Centre Reserve, as established under Section 6 of the Act, is developed within the existing geographic, environmental and functional constraints in a planned and methodical way and in accordance with the purpose of the Act as a medical centre of national and international repute.
- Development, management and control of the QEII Medical Centre Campus and Reserve is achieved through a cooperative approach between the QEII Medical Centre Trust, Campus tenants including the relevant academic and professional schools of learning providing teaching and research resources to the Medical Centre and the State.
- Provision of appropriate on-campus facilities for the clinical teaching of undergraduates and graduates in medicine, nursing and allied health professionals.
- Provision of appropriate ancillary facilities in support of its primary objectives.

The QEII Medical Centre Trust's vision is to be globally recognised as a centre of excellence in health care, research and education.

Enabling Legislation

The Queen Elizabeth II Medical Centre Trust is established under Section 7 of the Act, to undertake the development, management and control of the QEII Medical Centre Reserve for the purposes of the Act.

The Board of Sir Charles Gairdner Hospital (SCGH) has been appointed as the delegate of the QEII Medical Centre Trust to exercise a range of executive powers in relation to controlling and managing the QEII Medical Centre site. A revised Delegation Instrument was published in the Government Gazette in August 2013.

From 1 July 2016 the board of Sir Charles Gairdner Hospital will cease to be the Delegate and will be replaced by the North Metropolitan Health Service, under a new "Instrument of Delegation" proposed as a consequential administrative change resulting out of the new Health Services Act July 2016

The Delegate is responsible for the day to day management and control of the QEII Medical Centre Reserve, including the general administration, management and other statutory requirements in relation to the Reserve land.

Responsible Minister

The statutory responsibility for the QEII Medical Centre Trust is vested with the Minister for Health, The Hon. Mr John Day MLA.

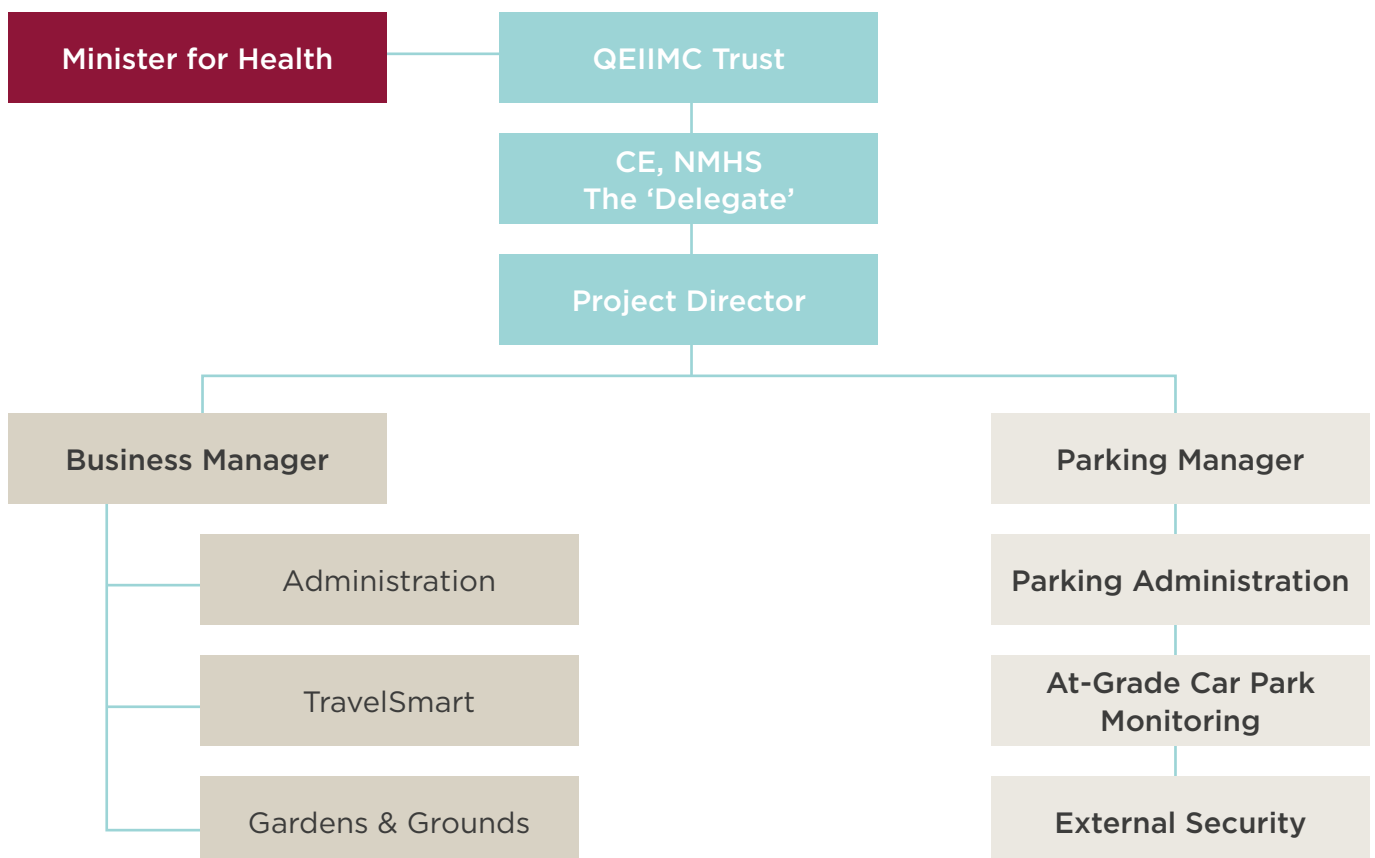
The QEII MC Trust's vision is to be globally recognised as a centre of excellence in health care, research and education.

Organisational Structure

The functions of the QEII Medical Centre Trust are delivered by its Delegate through the following Branches: Parking and Access; Gardens and Grounds; External Security; Campus Maintenance; TravelSmart and QEII Medical Centre Trust Administration.

The QEII Medical Centre Trust does not employ any staff. Staff members engaged on QEII MC Trust related activities are employed by the North Metropolitan Health Service to perform the delegated activities and to provide support services to the Trust.

QEII Medical Centre Trust Operational Structure as at 30 June 2016



Board of Management

As set out in the *Queen Elizabeth II Medical Centre Act 1966*, the QEII Medical Centre Trust Board consists of five members:

- A Chairman – appointed by the Governor on written nomination of the Minister for Health and the University of Western Australia Senate, to hold office during the Governor's pleasure.
- Two members – appointed by the Governor on the written nomination of the Minister for Health to hold office during the Governor's pleasure.
- Two members – appointed by The University of Western Australia Senate to hold office during its pleasure.

Mr Steven Cole

Appointed as Chairman in November 2008.

Mr Cole has over 40 years of professional, corporate and business experience through senior legal consultancy, as well as a range of executive management and non-executive appointments.

He is currently the Chairman of Brightwater Care Group Inc, Chairman of ASX listed Neometals Limited, board member of Matrix Composites and Engineering Ltd and board member of a number of other corporations and corporate trusts.

Mr Cole has attended all ten board meetings throughout the year.

Mr Cole is also a member of the QEII Medical Centre Trust Audit and Risk Management Sub Committee and has attended all five sub-committee meetings throughout the year.



Ms Gaye McMath

Appointed as a member in January 2005.

Ms McMath also served in the roles of Deputy Chair and Chair of the Audit and Risk Management Sub Committee.

Ms McMath holds the position of Executive Director Education City Project, and previously held the Executive Position of Chief Operating Officer at The University of Western Australia (UWA).

Prior to joining UWA, Ms McMath was Pro Vice-Chancellor (Resource Management) and CFO at Murdoch University after a 23 year career with BHP Billiton in a range of senior financial, commercial and strategy roles. She is currently a Director of Gold Corporation, Perth International Arts Festival, Committee for Perth and Perth Convention Bureau.



Ms McMath is a Fellow of CPA Australia and the Australian Institute of Company Directors. Ms McMath has attended six of a possible eight board meetings and all three Audit and Risk Management Sub Committee meetings throughout the year prior to her retirement.

Ms McMath retired from the Trust in March 2016.

Professor Peter Davies

Appointed as a member in March 2016, Professor Davies also serves in the roles of Deputy Chair and Chair of the Audit and Risk Management Sub Committee.



Professor Davies is currently the Pro Vice-Chancellor (Research) at The University of Western Australia (UWA). Professor Davies also holds the position of Foundation Director and Professor of Freshwater Ecology of the Centre of Excellence and is a co-founder of the International Water Centre.

Professor Davies has attended two of a possible three board meetings and has attended all two Audit and Risk Management Sub Committee meetings throughout the year since his appointment.

Mr Wayne Salvage

Appointed as a member in October 2009.

Mr Salvage was appointed Chief Executive of the North Metropolitan Health Service in May 2016 following a period of acting in the role.



Prior to Mr Salvage's appointment in this capacity he held a number of senior appointments in the Department of Health, involving managing resource acquisition, internal resource allocation within WA Health and co-ordination of infrastructure.

Mr Salvage has attended eight of a possible ten board meetings throughout the year.

Mr Salvage is also a member of the QEII Medical Centre Trust Audit and Risk Management Sub Committee and has attended all five sub-committee meetings throughout the year.

Ms Angela Kelly

Appointed as a member in August 2015.

Ms Angela Kelly has held the role of Assistant Director General Purchasing and System Performance since its creation in April 2015.



A graduate in Economics from the University of Western Australia, and with more than 20 years' experience in the public health system, Ms Kelly has held a number of senior executive positions within the Department of Health. These include Executive Director Resourcing and Performance, Director Health Infrastructure Unit and Director of Program Integration for the Fiona Stanley Hospital Project.

Ms Kelly has attended seven of a possible ten board meetings throughout the year.

Professor Wendy Erber

Appointed as a member in March 2016.

Professor Erber took up her current appointment as Dean of the Faculty of Medicine, Dentistry and Health Sciences at The University of Western Australia (UWA) in December 2015.

Professor Erber graduated in Medicine from the University of Sydney and undertook her Haematology training at the Royal North Shore Hospital of Sydney and the University of Oxford (as a Rhodes Scholar). In Oxford her research led to a Doctorate of Philosophy. She has held Consultant Haematologist posts in Western Australia and in Cambridge, UK.

Professor Erber has attended two of a possible three board meetings throughout the year since her appointment.

**Professor John Newnham AM**

Appointed as a member in January 2015.

Professor John Newnham AM is the Professor of Obstetrics at The University of Western Australia (UWA) and is a sub-specialist in Maternal-Fetal Medicine. He is Head of the UWA School of Women's and Infants' Health based at King Edward Memorial Hospital.

Professor John Newnham AM is also the Deputy Dean of the UWA Faculty of Medicine, Dentistry and Health Sciences; and Executive Director of the Women and Infants Research Foundation. He is also an Adjunct Professor at Peking University, Beijing, and Honorary Director of Obstetrics and Gynaecology at the Drum Tower Hospital, Nanjing, China.

Professor Newnham AM attended five of a possible seven board meetings throughout the year prior to his retirement.

Professor Newnham AM retired from the Trust in March 2016.



Other Key Legislation impacting on the QEII MC Trust

Western Australian State Acts

- Auditor General Act 2006
- Contaminated Sites Act 2003
- Disability Services Act 1993
- Electricity Corporations Act 2005
- Energy Operators (Powers) Act 1979
- Equal Opportunity Act 1984
- Evidence Act 1906
- Financial Management Act 2006
- Freedom of Information Act 1992
- Heritage of Western Australia Act 1990
- Hospitals and Health Services Act 1927
- Land Administration Act 1997
- Library Board of Western Australia Act 1951
- Local Government Act 1995
- Occupational Safety and Health Act 1984
- Public Interest Disclosure Act 2003
- Public Sector Management Act 1994
- Road Traffic Act 1974
- State Records Act 2000
- State Records (Consequential Provisions) Act 2000
- State Supply Commission Act 1991
- Water Corporation Act 1995

Australian Commonwealth Acts

- A New Tax System (Goods and Services Tax) Regulations 1999
- Copyright Act 1968
- Fringe Benefits Tax Act 1986
- Trade Practices Act 1975

The financial administration of the QEII Medical Centre Trust and its Delegate are undertaken by Health Support Services and has complied with the requirements of the *Financial Management Act 2006* and every other written law, and exercised controls which provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of public property and incurring of liability have been in accordance with legislative provisions.

At the date of signing, the Trust is not aware of any circumstances which would render the particulars included in this statement misleading or inaccurate.





AGENCY PERFORMANCE

Reports on Operations

Campus Management and Planning

Master planning

A suite of drawings updating the current QEII MC Trust Master Plan documentation has been produced to provide a clear, concise “slice in time” summary of the current QEII MC buildings and infrastructure, as at June 2016. This reflects the current QEII MC Campus building configuration and Master Planning precincts and takes into consideration the incorporation of Light Rail.

The updated suite of Master Plan Drawings sets out the current arrangement of precincts across the Campus, which are based on the collective grouping of similar functions and principally relate to the organisations that occupy those precincts.

The updated Master Plan drawings close off the current Master Plan and prepare for implementation of a new Master Planning process for the QEII MC Reserve looking into the next, perhaps 40 years and scheduled to commence early in the next financial year.

A great deal of consultation will be required to refine the next Master Plan in order to consider long term development opportunities such as the location of the New Women’s Hospital on the campus along with future developments of the Education Precinct as well as supporting services.

Leases

Progress continued in reviewing and consolidating lease arrangements for the Campus’s tenants with ground leases for a number of tenants now finalised.

The agreement for the ground lease for the new Perth Children’s Hospital was executed in the prior financial year and the lease itself is due to commence late 2016.

The ground lease for Ronald McDonald House on Monash Avenue was put in place and the facility is now open and operational. An agreement for lease has also been finalised for the Ralph and Patricia Sarich Neuroscience Research Institute on the Campus.

Lease negotiations with the North Metropolitan Health Service regarding the premises occupied by Sir Charles Gairdner



40

Year plan for the QEIIMC Reserve scheduled to commence early in the next financial year.

Hospital and other North Metropolitan Health Service operations have progressed with the majority of the 18 ground leases executed in the 2015/16 financial year.

Preliminary discussions have also commenced with UWA and other tenants with regards to formalising their leasehold entitlements.

Wayfinding

The significant developments on the already large and complex QEII Medical Centre Campus drive the need for an improved and clear way for patients, visitors and staff to navigate their way around the site and reach their destination with a minimum of fuss.

The QEII Medical Centre Trust engaged professional consultants, Minale Tattersfield, to undertake a review of the Campus, and develop a set of wayfinding guidelines that will provide a framework for effective solutions for people to find their way around the Campus. The approved guidelines include a staged implementation plan according to priority elements and resourcing. Stakeholders across the Campus have been engaged and a forum has been provided for these stakeholders to discuss any wayfinding matters.

The roll out of the first stage of the implementation plan has commenced with most major perimeter and Hospital Avenue signage now in place.

The next stage of the implementation plan, which includes “progressive disclosure” signage, is expected to commence during the 2016/17 financial year.

Tenant Charging

The staged implementation of the QEII Medical Centre Trust’s tenant “outgoings” charging model where tenants actively contribute to the cost of providing common area facilities and services continues.

The 2015/16 financial year has seen the tenant charge rise to a full recovery basis for the first time. A standard Site Services Agreement (SSA) has been developed to formalise this process and has been included in all lease negotiations. The SSA will be the basis of the contractual agreement for the Trust/tenant relationship regarding tenant charging.

The SSA and tenant charging regime enables the QEII Medical Centre Trust to provide appropriate common onsite facilities and services on a sustainable basis.

Parking and sustainable access

Parking

Since the QEII Medical Centre redevelopment began in 2010, access to the Campus and Campus parking has changed significantly. The completion of the multi-deck car park in late 2013 saw the total number of parking bays on-Campus for patients, visitors and staff exceed 4700.

The Office of Strategic Projects transferred contract management of the QEII Medical Centre Car Parking Project to North Metropolitan Health Service from 1 July 2014. The QEII Medical Centre Parking Branch has been working closely with the North Metropolitan Health Service and Capella Parking Pty Limited to ensure the smooth operation of parking continues.

The opening of the new Perth Children's Hospital on the Campus, including an additional 300 parking bays, will see utilisation increase. The Parking Department is engaging stakeholders and obtaining assistance from external consultants to ensure a sustainable solution for parking on the Campus is achieved.

In the interests of continuous improvement, the Parking Branch has also implemented and streamlined various parking processes, including payment and infringement appeal processes, designed to enhance the experience of staff and visitor parking at QEII Medical Centre.

QEII Medical Centre Volunteer Buggy Drivers

The QEII Medical Centre Trust provides an internal buggy transport service. Staffed by a group of over ten volunteers, the two electric powered buggies operate Monday to Friday providing a much needed service for patients and members of the general public needing help to get around the 28 hectare site. The volunteers contribute a combined total of over 1700 hours of service per year and individually, hold volunteering experience varying from one year, to over twenty years at the QEII Medical Centre. The service is constantly reviewed to improve customer service.

Travel Plan

With major redevelopment projects due for completion the number of staff and visitors travelling to the QEII Medical Centre will rise. The QEII Medical Centre Trust's goal of achieving a sustainable access environment will become more important than ever, and preparations are underway to meet this new demand.

The adoption of a new Travel Plan will lay out a range of actions to be carried out over the next five years, with the aims of educating staff and visitors about alternative modes of transport, encouraging their use, improving infrastructure and raising awareness of alternative travel options to the Campus to make them more appealing.

4700

On-campus parking
bays for patients,
visitors and staff
completed in 2013.

10

Volunteer buggy drivers helping patients and visitors move around the QEIMC.





QEI Medical Centre
YOU ARE NOW ENTERING
A SMOKE FREE ZONE

The QEII Medical Centre Trust is committed to providing a healthy, supportive environment and continues to explore options for achieving smoke free campus status.

Smoke free campus

WA Health policy requires all its sites to be smoke free. The sprawling 28 hectare QEIMC Campus has a turnover of approximately 10,000 people in a 24 hour period. Achieving and maintaining a smoke free QEII Medical Centre is a significant challenge given its size and the lack of convenient access to appropriate off-campus areas for those who smoke.

The QEII Medical Centre Trust is committed to providing a healthy, supportive environment and continues to explore options for achieving smoke free campus status.

Public Transport

Utilisation of public transport to access the QEII Medical Centre has increased, particularly amongst staff members.

Route 950 is a frequent service, with peak hour services to and from the QEII Medical Centre leaving every four minutes, and with an earlier start and a later finish than the previous 79 service. This regularity allows public transport services to cope with the high demand from the many patients, visitors, staff members, students and construction workers that visit the QEII Medical Centre every day.

Representatives from the QEII Medical Centre Trust and the North Metropolitan Health Services are working with the Department of Transport on planning to further improve public transport to and from the QEII Medical Centre. In addition to this, staff members at Princess Margaret Hospital have been engaged to assist with transport queries in relation to the transition to the new Perth Children's Hospital.

Communications

Maps, brochures and publications

The QEII Medical Centre Trust provides an extensive suite of maps and published material, in both printed and electronic format, to inform the community of organisations, facilities and services on the Campus.

The QEII Medical Centre maps are available in print and on the QEII Medical Centre website. The web site map is interactive enabling users to highlight specific items of interest.

A number of cycling and TravelSmart brochures have been developed primarily to increase staff and student awareness of initiatives, programs and services regarding alternative commuting options. Visitors have also found the information useful.

These resources are reviewed and updated regularly to include new developments on the Campus and to address user feedback.

On-line Communications

The QEII Medical Centre website provides a range of information about the Campus to visitors, patients, students, staff and tenants. Since its launch in 2013/14, the website has gone through multiple reviews and updates – the most substantial of these were alterations made to bring it into line with the Web Content Accessibility Guidelines (WCAG) 2.0. The website has now reached the AA level of conformance required by the Website Governance Framework. Website content is kept up-to-date and relevant through regular assessment and through feedback from users via a comment box provided on the website.

Regular electronic news bulletins are sent to QEII Medical Centre's tenants, providing short, targeted and timely information and updates regarding services and service disruptions around the Campus.

The QEII Medical Centre Trust's communications strategy is being updated in anticipation of additional staff and visitors post commissioning of the new Perth Children's Hospital.



Gardens and Grounds

The QEII Medical Centre Trust is committed to providing a high quality public environment that supports the activities and aspirations of the QEII Medical Centre's diverse community of health care, research and educational organisations. A review of the QEII Medical Centre Trust's Landscape Master Plan has been undertaken. This has been modified to incorporate the current landscape plans for ongoing and new development on Campus to ensure consistency with the Trust's vision.

Although not part of the QEII Medical Centre, the Trust utilises the adjacent Water Corporation compensating basin on Aberdare Road to provide a filtered source of water for its grounds reticulation system. The Trust also landscapes the area surrounding this "lake" for patient, visitor and staff recreational purposes. Stormwater drainage is supplemented by bore water extracted on the Campus. In 2013/14 a major works exercise was undertaken to remove silt and vegetation build up in the compensation basin. This task needs to be performed on a periodic basis as necessary. Steps have now been taken to replace the relatively expensive weed removal with an environmentally friendly enzyme application process for weed suppression. The enzyme application process will be trialled and monitored to establish its success factor.



SIGNIFICANT ISSUES IMPACTING THE QEIMC TRUST

Current and emerging issues and trends

Services, Facilities and Infrastructure

The QEII Medical Centre remains an extremely vibrant and busy medical centre with an estimated over 1.8 million vehicle traffic movements at the campus annually and over 8,000 employees working daily on the Campus.

The number of people travelling to and using the QEII Medical Centre facilities continues to rise. It is anticipated that the new Perth Children's Hospital, for example, will generate an additional 3000 staff movements alone per day. Pressure on existing operations and infrastructure, require ongoing upgrades and review where regular maintenance programs are undertaken and assets are refurbished as funding allows.

The opening of the new Perth Children's Hospital along with other Campus developments in line with the QEII Medical Centre Trust Master Plan, highlight the likelihood of increased congestion on Hospital Avenue, a private road under the

8,000

Employees
working daily
on the Campus.

control of the QEIMC Trust and the main thoroughfare for the medical centre. In this regard, the Trust has sought release of capital reserves to perform civil works to upgrade Hospital Avenue, (which includes expansion to a dual carriage roadway), to help address the anticipated increase in congestion and improve safety and operational requirements surrounding the major hospitals and other Campus facilities.



1.8

Million vehicle
traffic movements
on-campus each year.

Funding and Revenue

One of the QEII Medical Centre Trust's main objectives is to work towards being financially sustainable and secure, and soundly governed.

The QEII Medical Centre Trust is strategically positioning and managing its funding and revenue within the following key parameters:

- License fees from the multi deck car park will meet underlying corporate overheads, service and outgoing expenses.
- Revenue from its Campus "outgoings" tenant charging arrangements will meet routine campus management, maintenance and gardening expenses as well as minor capital work expenses for the Campus on an equitable allocation basis.

The QEII Medical Centre Trust continues its business development program focusing on implementing sustainable funding strategies for the short through to the long term enhancement of the QEII Medical Centre.

Sufficient staff resources in a constrained environment continue to impact the timely completion of some activities and projects. The Trust recently undertook a prioritisation of activities and projects to ensure available resources are focussed on high priority projects and essential activities.

Servicing a sustainable environment

The availability of funds and resources places prudential limitations on the capacity of the QEII Medical Centre Trust to expeditiously meet some of its Campus objectives.

The QEII Medical Centre Trust has liaised with the Department of Planning as part of the Government's "Direction 2031" project to ensure the QEII Medical Centre will be able to respond to traffic demands in a sustainable way in the medium and long term.

The QEII Medical Centre Trust continues to be involved as a critical stakeholder along with local councils, with the planning of light rail to assist in transporting people to and from the QEII Medical Centre Campus.



DISCLOSURE AND LEGAL COMPLIANCE





Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

THE QUEEN ELIZABETH II MEDICAL CENTRE TRUST

Report on the Financial Statements

I have audited the accounts and financial statements of The Queen Elizabeth II Medical Centre Trust.

The financial statements comprise the Statement of Financial Position as at 30 June 2016, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of The Queen Elizabeth II Medical Centre Trust at 30 June 2016 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Trust's Responsibility for the Financial Statements

The Trust is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Trust, as well as evaluating the overall presentation of the financial statements.

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

Report on Controls

I have audited the controls exercised by The Queen Elizabeth II Medical Centre Trust during the year ended 30 June 2016.

Controls exercised by The Queen Elizabeth II Medical Centre Trust are those policies and procedures established by the Trust to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Opinion

In my opinion, in all material respects, the controls exercised by The Queen Elizabeth II Medical Centre Trust are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2016.

Trust's Responsibility for Controls

The Trust is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility for the Audit of Controls

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by The Queen Elizabeth II Medical Centre Trust based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Trust complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

Report on the Key Performance Indicators

I have audited the key performance indicators of The Queen Elizabeth II Medical Centre Trust for the year ended 30 June 2016.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Opinion

In my opinion, in all material respects, the key performance indicators of The Queen Elizabeth II Medical Centre Trust are relevant and appropriate to assist users to assess the Trust's performance and fairly represent indicated performance for the year ended 30 June 2016.

Trust's Responsibility for the Key Performance Indicators

The Trust is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Trust determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility for the Audit of Key Performance Indicators

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Trust's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

Independence

In conducting the above audits, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of The Queen Elizabeth II Medical Centre Trust for the year ended 30 June 2016 included on the Trust's website. The Trust's management is responsible for the integrity of the Trust's website. This audit does not provide assurance on the integrity of the Trust's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators 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 statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.




DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
1 September 2016

Certification of Financial Statements


For the year ended 30 June 2016

The accompanying financial statements of the Queen Elizabeth II Medical Centre Trust have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2016 and the financial position as at 30 June 2016.

As the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



S Cole
Chairman
Queen Elizabeth II Medical Centre Trust
Date: 26/8/2016



W Erber
Board Member
Queen Elizabeth II Medical Centre Trust
Date: 26/8/2016.



A St. Flour
Chief Finance Officer
Queen Elizabeth II Medical Centre Trust
Date: 26/8/2016

The Queen Elizabeth II Medical Centre Trust

Statement of Comprehensive Income

For the year ended 30 June 2016

	Note	2016 \$	Restated 2015 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	7	1,677,181	1,567,454
Board member remuneration	27	54,126	55,231
Depreciation expense	8	231,440	237,040
Repairs, maintenance and consumable equipment	9	1,190,237	890,782
Management fees	10	1,949,168	2,023,471
Other expenses	11	1,406,396	643,314
Total cost of services		6,508,548	5,417,292
INCOME			
Revenue			
Car park user fees and fines	12	2,470,132	2,470,707
Car park operator licence fees	13	2,682,902	2,656,788
Other revenue	14	3,849,499	1,989,923 ^(a)
Total revenue		9,002,533	7,117,418 ^(a)
Total income other than income from State Government		9,002,533	7,117,418 ^(a)
NET INCOME/(COST) OF SERVICES		2,493,985	1,700,126 ^(a)
INCOME FROM STATE GOVERNMENT			
Service appropriations	15	231,442	258,075
Total income from State Government		231,442	258,075
SURPLUS FOR THE PERIOD		2,725,427	1,958,201 ^(a)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation reserve	24	3,493,604	-
Total other comprehensive income		3,493,604	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		6,219,031	1,958,201 ^(a)

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

^(a) Restated amounts for 2015 (see note 6 'Prior years' restatements').

The Queen Elizabeth II Medical Centre Trust

Statement of Financial Position

As at 30 June 2016

	Note	2016 \$	Restated 2015 \$
ASSETS			
Current Assets			
Cash assets	26	9,692,823	7,025,553
Receivables	16	129,025	351,788
Total Current Assets		9,821,848	7,377,341
Non-Current Assets			
Amounts receivable for services	17	8,320,597	8,089,155
Property, plant and equipment	18	11,376,379	8,114,215
Total Non-Current Assets		19,696,976	16,203,370
Total Assets		29,518,824	23,580,711
LIABILITIES			
Current Liabilities			
Payables	21	271,598	215,462
Provisions	22	174,302	171,913
Other current liabilities	23	107,727	466,454 ^(a)
Total Current Liabilities		553,627	853,829^(a)
Non-Current Liabilities			
Provisions	22	79,276	59,992
Total Non-Current Liabilities		79,276	59,992
Total Liabilities		632,903	913,821^(a)
NET ASSETS		28,885,921	22,666,890^(a)
EQUITY			
Reserves	24	33,058,508	29,564,904
Accumulated deficit	25	(4,172,587)	(6,898,014) ^(a)
TOTAL EQUITY		28,885,921	22,666,890^(a)

The Statement of Financial Position should be read in conjunction with the accompanying notes.

^(a) Restated amounts for balances as at 30 June 2015 (see note 6 'Prior years' restatements').

The Queen Elizabeth II Medical Centre Trust

Statement of Changes in Equity

For the year ended 30 June 2016

	Note	2016 \$	Restated 2015 \$
RESERVES	24		
Asset Revaluation Reserve			
Balance at start of period		29,564,904	29,564,904
Comprehensive income for the period		3,493,604	-
Balance at end of period		<u>33,058,508</u>	<u>29,564,904</u>
ACCUMULATED SURPLUS/(DEFICIT)	25		
Balance at start of period		(6,898,014)	(8,856,215)
Surplus for the period		2,725,427	1,958,201 ^(a)
Balance at end of period		<u>(4,172,587)</u>	<u>(6,898,014) ^(a)</u>
TOTAL EQUITY			
Balance at start of period		22,666,890	20,708,689
Total comprehensive income for the period		6,219,031	1,958,201 ^(a)
Balance at end of period		<u>28,885,921</u>	<u>22,666,890 ^(a)</u>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

(a) Restated amounts for balances as at 30 June 2015 (see note 6 'Prior years' restatements').

The Queen Elizabeth II Medical Centre Trust

Statement of Cash Flows

For the year ended 30 June 2016

	Note	2016 \$ Inflows/ (Outflows)	2015 \$ Inflows/ (Outflows)
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriations		-	-
Net cash provided by State Government	26	-	-
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,693,722)	(1,616,315)
Board member remuneration		(54,126)	(55,231)
Supplies and services		(4,456,740)	(3,626,618)
Receipts			
Receipts from customers		2,538,012	2,712,110
Car park operator licence fees		2,682,902	4,086,902
Other receipts		3,650,944	3,367,832
Net cash provided by operating activities	26	2,667,270	4,868,680
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Payments for purchase of non-current physical assets		-	(16,266)
Net cash used in investing activities		-	(16,266)
Net increase in cash assets		2,667,270	4,852,414
Cash assets at the beginning of the period		7,025,553	2,173,139
CASH ASSETS AT THE END OF PERIOD	26	9,692,823	7,025,553

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 1 Australian Accounting Standards

General

The Queen Elizabeth II Medical Centre Trust's ("Trust") financial statements for the year ended 30 June 2016 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Trust has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Trust cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction 1101 '*Application of Australian Accounting Standards and Other Pronouncements*'. Partial exemption permitting early adoption of AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* has been granted. Aside from AASB 2015-7, there has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the Trust for the annual reporting period ended 30 June 2016.

Note 2 Summary of significant accounting policies

(a) General Statement

The Trust is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Management Act* 2006 and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land and site infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar (\$).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Trust's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting Entity

The reporting entity comprises the Trust's accounts and Delegate's accounts maintained under section 13 of the Queen Elizabeth II Medical Centre Act 1966. See note 36 'Reporting Entity's Accounts'.

The Board of Management of the Sir Charles Gairdner Hospital was appointed in 1986 as the 'Delegate' under section 13 of the Queen Elizabeth II Medical Centre Act to perform the functions of the Trust. Subsequent changes in the Western Australian Health system saw the demise of hospital boards and, consequently, under provisions in the Hospital and Health Services Act 1927, the Minister for Health is the de facto Board of Management of Sir Charles Gairdner Hospital. As it is impractical for the Minister to exercise this role, the responsibility for Delegate's activities has been placed with the Chief Executive of the North Metropolitan Health Service (the North Metropolitan Health Service has administrative responsibility for the Sir Charles Gairdner Hospital). The Delegate undertakes transactions and holds assets and liabilities on behalf of the Trust.

Following advice from the State Solicitor's Office, the Delegate prepared the financial statements for the first time in the 2014-15 financial year on the basis that it is a non-reporting entity because there are no users dependent on a general purpose financial report. The financial report furnished to the Trust under section 13 (2i) of the Queen Elizabeth II Medical Centre Act is therefore a special purpose financial report.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 2 Summary of significant accounting policies (continued)

(d) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised as follows:

Provision of services

Revenue is recognised on delivery of the service to the customer.

Service Appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the Trust gains control of the appropriated funds. The Trust gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

See also note 15 'Service appropriations' for further information.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Trust obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

(e) Property, Plant and Equipment

Capitalisation/expensing of assets

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land and site infrastructure and historical cost for all other property, plant and equipment. Land and site infrastructure are carried at fair value less accumulated depreciation (site infrastructure) and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

The fair value of land and site infrastructure is determined on the basis of existing use as the assets are specialised, land use is restricted and no market based evidence of value is available. Fair value for site infrastructure is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

When site infrastructure is revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Land are independently valued by the Western Australian Land Information Authority (Valuation Services) and the revalued amounts are recognised to ensure that the carrying amounts do not differ materially from the fair values of the assets at the end of the reporting period.

Site infrastructure are independently valued by the Rider Levett Bucknall WA Pty Ltd (Quantity Surveyor) and recognised to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

See also note 18 'Property, plant and equipment' for further information on revaluation.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 2 Summary of significant accounting policies (continued)

(e) Property, Plant and Equipment (continued)

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation reserve.

Asset revaluation reserve

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

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

In order to apply this policy, the following methods are utilised :

- * Land - not depreciated
- * Site Infrastructure - diminishing value
- * Plant and equipment - straight line

The assets' useful lives are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Site Infrastructure	50 years
Plant and equipment	10 years

(f) Impairment of Assets

Property, plant and equipment are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised as expense in the Statement of Comprehensive Income. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Trust is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

See also note 20 'Impairment of assets' for the outcome of impairment reviews and testing.

Refer also to note 2(k) 'Receivables' and note 16 'Receivables' for impairment of receivables.

(g) Financial Instruments

In addition to cash, the Trust has two categories of financial instrument:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

Financial assets

- * Cash assets
- * Receivables
- * Amounts receivable for services

Financial liabilities

- * Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 2 Summary of significant accounting policies (continued)

(h) Cash Assets

For the purpose of the Statement of Cash Flows, cash assets comprise of cash on hand and cash at bank.

(i) Accrued Salaries

Accrued salaries (see note 21 'Payables') represent the amount due to employees but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Trust considers the carrying amount of accrued salaries to be equivalent to its fair value.

(j) Amounts Receivable for Services (holding account)

The Trust receives service appropriation funding from the State Government as an asset (holding account receivable). The holding account receivable balance is accessible on the emergence of the cash funding requirement to cover asset replacement.

See also note 15 'Service appropriations' and note 17 'Amounts receivable for services'.

(k) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Trust will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

Accounting procedure for Goods and Services Tax (GST)

Rights to collect amounts receivable from the Australian Taxation Office (ATO) and responsibilities to make payments for GST have been assigned to the Department of Health. This accounting procedure was a result of application of the grouping provisions of "A New Tax System (Goods and Services Tax) Act 1999" whereby the Department of Health became the Nominated Group Representative (NGR) for the GST Group as from 1 July 2012. The 'Minister for Health in his Capacity as the Deemed Board of the Metropolitan Public Hospitals' (Metropolitan Health Services) was the NGR in previous financial years. The entities in the GST group include the Department of Health, Mental Health Commission, Metropolitan Health Services, WA Country Health Service, QE II Medical Centre Trust, and Health and Disability Services Complaints Office.

GST receivables on accrued expenses are recognised by the Trust. Upon the receipt of tax invoices, GST receivables for the GST group are recorded in the accounts of the Department of Health.

See also note 2(g) 'Financial Instruments' and note 16 'Receivables'.

(l) Payables

Payables are recognised when the Trust becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value as they are generally settled within 30 days.

See also note 2(g) 'Financial instruments' and note 21 'Payables'.

(m) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

See also note 22 'Provisions'.

Provisions - employee benefits

All employees are provided to the Trust by the North Metropolitan Health Service in its capacity as the Delegate (see note 2(c) 'Reporting Entity'). All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual Leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Trust does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 2 Summary of significant accounting policies (continued)

(m) Provisions (continued)

Long Service Leave

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period. The long service leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Trust does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Trust has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Sick Leave

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income for this leave as it is taken.

Superannuation

The Government Employees Superannuation Board (GESB) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The Trust makes contributions to GESB or other fund providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Trust's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Trust to GESB extinguishes the Trust's obligations to the related superannuation liability.

The Trust has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Trust to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS transfer benefits, and is recouped from the Treasurer for the employer's share.

See also note 2(n) 'Superannuation Expense'.

Employment on-costs

Employment on-costs (workers' compensation insurance) are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Trust's 'Employee benefits expense'. Any related liability is included in 'Employment on-costs provision'.

See also note 11 'Other expenses' and note 22 'Provisions'.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 2 Summary of significant accounting policies (continued)

(n) Superannuation Expense

Superannuation expense is recognised in the profit and loss of the statement of comprehensive income and comprises employer contributions paid to the GSS (concurrent contributions), WSS, GESBS and other superannuation funds.

(o) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

Note 3 Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Trust evaluates these judgements regularly. The judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

Employee benefits provision

An average turnover rate for employees has been used to calculate the non-current long service leave provision. This turnover rate is representative of the Health public authorities in general.

Note 4 Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Employee benefits provision

In estimating the non-current long service leave liabilities, employees are assumed to leave the Trust each year on account of resignation or retirement at 7.5%. This assumption was based on an analysis of the turnover rates exhibited by employees over a five year period. Employees with leave benefits to which they are fully entitled are assumed to take all available leave uniformly over the following five years or to age 65 if earlier.

Several estimations and assumptions used in calculating the Trust's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Note 5 Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Trust has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2015 that impacted on the Trust.

Title	
AASB 2013-9	<i>Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments.</i> Part C of this Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Trust has not yet determined the application or the potential impact of AASB 9.
AASB 2014-8	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]</i> This Standard makes amendments to AASB 9 <i>Financial Instruments</i> (December 2009) and AASB 9 <i>Financial Instruments</i> (December 2010), arising from the issuance of AASB 9 <i>Financial Instruments</i> in December 2014. The Trust has not yet determined the application or the potential impact of AASB 9.
AASB 2015-3	<i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i> This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 5 Disclosure of changes in accounting policy and estimates (continued)

Future impact of Australian Accounting Standards not yet operative

The Trust cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI 1101. By virtue of a limited exemption, the Trust has early adopted AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Where applicable, the Trust plans to apply the following Australian Accounting Standards from their application date.

Title	Operative for reporting periods beginning on/after
<p>AASB 9 <i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>. The Trust has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p>AASB 15 <i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Trust shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Trust has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p>AASB 16 <i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Trust has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
<p>AASB 1057 <i>Application of Australian Accounting Standards</i></p> <p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.</p>	1 Jan 2019
<p>AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Trust has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p>AASB 2014-1 <i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Trust to determine the application or potential impact of the Standard</p>	1 Jan 2018
<p>AASB 2014-4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i></p> <p>The adoption of this Standard has no financial impact for the Trust as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.</p>	1 Jan 2016
<p>AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The Trust has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 5 Disclosure of changes in accounting policy and estimates (continued)

Future impact of Australian Accounting Standards not yet operative (continued)

Title	Operative for reporting periods beginning on/after
<p>AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Trust has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p>AASB 2015-1 <i>Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle (AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140)</i></p> <p>These amendments arise from the issuance of International Financial Reporting Standard <i>Annual Improvements to IFRSs 2012-2014 Cycle</i> in September 2014, and editorial corrections. The Trust has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2016
<p>AASB 2015-2 <i>Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 (AASB 7, 101, 134 & 1049)</i></p> <p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.</p>	1 Jan 2016
<p>AASB 2015-6 <i>Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (AASB 10, 124 & 1049)</i></p> <p>The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.</p>	1 Jul 2016
<p>AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 <i>Revenue from Contracts with Customers</i> so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Trust has not yet determined the application or the potential impact of AASB 15.</p>	1 Jan 2017
<p>AASB 2016-2 <i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i></p> <p>This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1 Jan 2017
<p>AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Trust has not yet determined the application or the potential impact.</p>	1 Jan 2018
<p>AASB 2016-4 <i>Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities</i></p> <p>This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 <i>Fair Value Measurement</i>. The Department has not yet determined the application or the potential impact.</p>	1 Jan 2017

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 6 Prior years' restatements

Incorrect revenue recognition

Receipts of tenant charges amounting to \$416,990 were incorrectly recognised as revenue in the 2014-15 financial statements, as they were excess amounts received in advance for the 2015-16 financial year.

The impact of the prior years' restatements on the Trust's individual line items in the financial statements is summarised as follows:

30 June 2015 comparative year

		2015 (Previously stated)	Increase/ (decrease) due to prior period restatements	2015 (Restated)
	Note	\$	\$	\$
<u>Statement of Comprehensive Income (Extract)</u>				
Revenue				
Other revenue				
Tenant charges	14	1,901,770	(416,990)	1,484,780
Total other revenue	14	2,406,913	(416,990)	1,989,923
Total Revenue		7,534,408	(416,990)	7,117,418
Surplus for the period		2,375,191	(416,990)	1,958,201
<u>Statement of Financial Position (Extract)</u>				
Current Liabilities				
Other current liabilities				
Income received in advance	23	49,084	416,990	466,074
Total other liabilities	23	49,464	416,990	466,454
Total Current Liabilities		436,839	416,990	853,829
Equity				
Accumulated surplus/ (deficit)				
Balance at start of the period 1 July 2014	25	(8,856,215)	-	(8,856,215)
Result for the period	25	2,375,191	(416,990)	1,958,201
Balance at end of period 30 June 2015	25	(6,481,024)	(416,990)	(6,898,014)
TOTAL EQUITY		23,083,880	(416,990)	22,666,890

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

	2016 \$	2015 \$
Note 7 Employee benefits expense		
Salaries and wages (a)	1,560,437	1,468,544
Superannuation - defined contribution plans (b)	116,744	98,910
	<u>1,677,181</u>	<u>1,567,454</u>

Salaries and wages are paid to employees provided to the Trust by the North Metropolitan Health Service in its capacity as the Delegate. See note 2(c) 'Reporting Entity' and 2(m) 'Provisions'.

(a) Includes the value of the fringe benefits to employees and the value of superannuation contribution component for leave entitlements. The Trust did not pay any fringe benefits tax during the reporting period.

(b) Defined contribution plans include West State, Gold State and GESB Super and other eligible funds.

Note 8 Depreciation expense

Site infrastructure	229,285	236,376
Plant and equipment	2,155	664
	<u>231,440</u>	<u>237,040</u>

Note 9 Repairs, maintenance and consumable equipment

Repairs and maintenance	1,162,762	855,607
Consumable equipment	27,475	35,175
	<u>1,190,237</u>	<u>890,782</u>

Note 10 Management fees

Management fees for At-Grade Car Parks (a)	<u>1,949,168</u>	<u>2,023,471</u>
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(a) See note 12 'Car park user fees and fines' for further information.

Note 11 Other expenses

Communications	11,407	7,520
Computer services	34,728	35,136
Consultancies	352,427	30,670
Direct invoice parking bays (a)	214,698	193,354
Chargeable parking bays for user groups (a)	109,812	118,052
Doubtful debts expense (note 16)	21,547	-
Reversal of impairment for receivables (note 16)	-	(65,240)
Employee related expenses (b)	10,061	3,456
Legal expenses	65,601	36,483
Motor vehicle expenses	7,086	5,627
Operating lease expenses	18,000	18,000
Printing and stationery	26,628	15,735
Purchase of outsourced services	314,724	75,593
Public transport expenses	74,075	77,093
Other	145,602	91,835
	<u>1,406,396</u>	<u>643,314</u>

(a) Capella charges for the use of the Direct Invoice Parking Bays by staff and the use of non-exempt bays by specific user groups.

(b) Includes staff development and transport costs. The Trust does not record any employment on-costs expenses and liability (workers' compensation insurance) as these costs are borne by North Metropolitan Health Service which provides employees to the Trust (see note 2(c) 'Reporting Entity'). Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

	2016 \$	2015 \$
Note 12 Car park user fees and fines		
Parking fees received under the Capella Parking Agreement (a)	1,949,168	2,023,179
Other parking fees	190,336	153,505
Fines and penalties	330,628	294,023
	<u>2,470,132</u>	<u>2,470,707</u>
<p>(a) In June 2011, the State entered into a project agreement with Capella Parking Pty Ltd (Capella) to build and operate a multi-deck car park on the Queen Elizabeth II Medical Centre. This agreement entitles Capella to retain all parking charges collected from users of the multi-deck car park and all other car parks (known as "At-Grade Car Parks") on the Medical Centre site.</p> <p>Statutory responsibility for the At-Grade Car Parks remains with the Trust through the North Metropolitan Health Services as the Delegate (see note 2(c) 'Reporting Entity'). As part of the project arrangements, the Delegate entered into an 'At-Grade Car Parks Management Agreement' for a period of 26 years with Capella under which Capella is appointed to operate and manage these car parks (see also note 13 below). In this context, Capella collects the fees from the At-Grade Car Parks on behalf of the Delegate and deposits these moneys into the Delegate's bank account to comply with provisions in the Queen Elizabeth II Medical Centre Act 1966. The Delegate then subsequently pays Capella the equivalent of the parking fees collected in the form of a car park management fee (see note 10).</p>		
Note 13 Car park operator licence fees (a)		
	<u>2,682,902</u>	<u>2,656,788</u>
<p>(a) In June 2011, the Trust's statutory delegate entered into an 'At-Grade Car Parks Management Agreement' for a period of 26 years with Capella Parking Pty Limited. From 10 October 2012, Capella is responsible for the operations and management of at-grade car parking on the site (see also note 12 above). In consideration for the grant of the licence to access, use and occupy the at-grade car parks, Capella (car park operator) is obliged to make licence fee payments to the Trust (as beneficiary to the agreement).</p>		
Note 14 Other revenue		
		Restated
Tenant charges (b)	3,211,633	1,484,780 (a)
Rent from commercial properties	427,440	427,127
Services to external organisations (c)	173,518	57,623
Other	36,908	20,393
	<u>3,849,499</u>	<u>1,989,923 (a)</u>
<p>(a) See note 6 'Prior years' restatements' with respect to the incorrect revenue recognition in the 2014-15 financial year.</p> <p>(b) Comprises of tiered cost recovery for services charged to tenants (2016: 100% cost recovery rate; 2015: 75% cost recovery rate).</p> <p>(c) Includes collection of money for provision of Government fleet parking to WA Health agencies and services rendered for property maintenance.</p>		
Note 15 Service appropriations		
Appropriation revenue received via the Department of Health:	<u>231,442</u>	<u>258,075</u>
<p>Appropriation revenue of the Trust comprises a receivable (asset) component only. The receivable (holding account) comprises the budgeted depreciation expense for the year (2016: \$231,442; 2015: \$258,075).</p> <p>See note 2(d) 'Income' and note 26 'Notes to the statement of cash flows'.</p>		

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

	2016 \$	2015 \$
Note 16 Receivables		
Current		
Fines and penalties receivables	78,555	102,643
Other receivables	40,802	225,175
Allowance for impairment of receivables	(38,734)	(17,187)
Accrued rental revenue	32,264	33,855
GST receivable	16,138	7,302
	<u>129,025</u>	<u>351,788</u>
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of year	17,187	82,427
Doubtful debts expense (see note 11)	21,547	-
Impairment losses reversed during the period	-	(65,240)
Balance at end of year	<u>38,734</u>	<u>17,187</u>

The Trust does not hold any collateral as security or other credit enhancements relating to receivables.

See also note 2(k) 'Receivables' and note 38 'Financial instruments'.

Note 17 Amounts receivable for services (holding account)

Non-current

Amounts receivable for services	<u>8,320,597</u>	<u>8,089,155</u>
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Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liabilities. See note 2(j) 'Amounts receivable for services'.

Note 18 Property, plant and equipment

Land

At fair value (a)	<u>452,000</u>	<u>452,000</u>
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Site infrastructure

At fair value (b)	<u>10,907,143</u>	<u>7,642,824</u>
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Plant and equipment

At cost	22,260	22,260
Accumulated depreciation	(5,024)	(2,869)
	<u>17,236</u>	<u>19,391</u>

Total property, plant and equipment	<u>11,376,379</u>	<u>8,114,215</u>
--------------------------------------------	-------------------	------------------

(a) Land was revalued as at 1 July 2015 by the Western Australian Land Information Authority (Valuation Services). The valuation was performed during the year ended 30 June 2016 and recognised at 30 June 2016. There has not been a change in valuation amounts between 2014-15 and 2015-16. In undertaking the revaluation, fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land). See note 2(e) 'Property, plant and equipment'.

(b) Site infrastructure was revalued as at 1 July 2015 by Rider Levett Bucknall WA Pty Ltd (Quantity Surveyor). The valuation was performed during the year ended 30 June 2016 and recognised at 30 June 2016. Fair value of site infrastructure was determined on the basis of depreciated replacement cost. See note 2(e) 'Property, plant and equipment'.

Site Infrastructure include roads, footpaths, paved areas, at-grade car parks, boundary walls, boundary fencing, boundary gates, covered ways, landscaping and improvements.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 18 Property, plant and equipment (continued)

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out below.

	2016 \$	2015 \$
Land		
Carrying amount at start of period	452,000	452,000
Revaluation increments	-	-
Carrying amount at end of period	452,000	452,000
Site Infrastructure		
Carrying amount at start of period	7,642,824	7,879,200
Revaluation increments / (decrements)	3,493,604	-
Depreciation	(229,285)	(236,376)
Carrying amount at end of period	10,907,143	7,642,824
Plant and equipment		
Carrying amount at start of period	19,391	3,789
Additions	-	16,266
Depreciation	(2,155)	(664)
Carrying amount at end of period	17,236	19,391
Total property, plant and equipment		
Carrying amount at start of period	8,114,215	8,334,989
Additions	-	16,266
Revaluation increments / (decrements)	3,493,604	-
Depreciation	(231,440)	(237,040)
Carrying amount at end of period	11,376,379	8,114,215

Note 19 Fair value measurements

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- 1) quoted prices (unadjusted) in active markets for identical assets (level 1).
- 2) input other than quoted prices included within level 1 that are observable for the asset either directly or indirectly (level 2); and
- 3) inputs for the asset that are not based on observable market data (unobservable input) (level 3).

Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets measured at fair value 2016				
<u>Land</u>				
Specialised	18	-	-	452,000
				452,000
<u>Site Infrastructure</u>				
Specialised	18	-	-	10,907,143
				10,907,143
				11,359,143
				11,359,143
Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets measured at fair value 2015				
<u>Land</u>				
Specialised	18	-	-	452,000
				452,000
<u>Site Infrastructure</u>				
Specialised	18	-	-	7,642,824
				7,642,824
				8,094,824
				8,094,824

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 19 Fair value measurements (continued)

(b) Valuation techniques used to derive level 3 fair values

The Trust obtains independent valuations of land from the Western Australian Land Information Authority (Landgate Valuation Services). The independent valuations of site infrastructure are performed in this financial year by Rider Levett Buchnall WA Pty Ltd (Quantity Surveyor) and by Landgate Valuation Services in previous financial years. The valuation techniques applied to the measurement of fair values are the cost approach.

Cost approach

Properties of a specialised nature that are rarely sold in an active market or are held to deliver public services are referred to as non-market or current use type assets. These properties do not normally have a feasible alternative use due to restrictions or limitations on their use and disposal. The existing use is their highest and best use.

For current use land assets, fair value is measured firstly by establishing the opportunity cost of public purpose land, which is termed the hypothetical alternate land use value. This approach assumes unencumbered land use based upon potential highest and best alternative use as represented by surrounding land uses and market analysis.

Fair value of the land is then determined on the assumption that the site is rehabilitated to a vacant marketable condition. This requires costs associated with rehabilitation to be deducted from the hypothetical alternate land use value of the land. Costs may include building demolition, clearing, planning approvals and time allowances associated with realising that potential.

In some instances the legal, physical, economic and socio-political restrictions on a land results in a minimal or negative current use land value. In this situation the land value adopted is the higher of the calculated rehabilitation amount or the amount determined on the basis of comparison to market corroborated evidence of land with low level utility. Land of low level utility is considered to be grazing land on the urban fringe of the metropolitan area with no economic farming potential or foreseeable development or redevelopment potential at the measurement date.

The Trust's site infrastructure are valued under the cost approach. This approach uses the depreciated replacement cost method which estimates the current cost of reproduction or replacement of the site infrastructure, on its current site, less deduction for physical deterioration and relevant forms of obsolescence. Depreciated replacement cost is the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Although the buildings at the Queen Elizabeth II Medical Centre site are not the Trust's assets, the valuation of site infrastructure is undertaken together with the valuation of the buildings. The techniques involved in the determination of the current replacement costs include:

- a) Review and updating of the 'as-constructed' drawing documentation;
- b) Categorisation of the drawings using the Building Utilisation Categories (BUC's) which designate the functional areas typically provided by the clinical buildings at the site. Each BUC has different cost rates which are calculated from the historical construction costs of similar clinical buildings and are adjusted for the year-to-year change in building costs using building cost index. The building cost index is published by the Department of Finance's Building Management and Works.
- c) Measurement of the general floor areas;
- d) Application of the BUC cost rates per square meter of general floor areas to derive the current replacement costs of buildings on site; and
- e) Calculations of the current replacement costs of site infrastructure in accordance with the types of improvements and area measurement and in proportion to the current replacement costs of buildings on the site.

The maximum effective age used in the valuation of site infrastructure is 50 years. The effective age of the site infrastructure is initially calculated from the commissioning date, and is reviewed after the site infrastructure have undergone substantial renewal, upgrade or expansion.

The straight line method of depreciation is applied to derive the depreciated replacement cost, assuming a uniform pattern of consumption over the initial 37 years of asset life (up to 75% of current replacement costs). The site infrastructure are assumed to have a residual value of 25% of their current replacement costs.

The valuations are prepared on a going concern basis until the year in which the current use is discontinued.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 19 Fair value measurements (continued)

(c) Fair value measurements using significant unobservable inputs (Level 3)

	Land \$	Site Infrastructure \$
2016		
Fair value at start of period	452,000	7,642,824
Revaluation increments/(decrements)	-	3,493,604
Depreciation	-	(229,285)
Fair value at end of period	452,000	10,907,143
	Land \$	Site Infrastructure \$
2015		
Fair value at start of period	452,000	7,879,200
Depreciation	-	(236,376)
Fair value at end of period	452,000	7,642,824

(e) Valuation processes

The Department of Health manages the valuation processes for the Trust. These include the provision of property information to quantity surveyor and Landgate Valuation Services and the review of the valuation reports. Valuation processes and results are discussed with the Trust at least once every year.

The Landgate Valuation Service determines the fair values of the Trust's land, and prior to 1 July 2014, also determined the fair values of site infrastructure. A quantity surveyor is engaged by the Department of Health to provide an update of the current replacement costs as at 1 July 2015 for site infrastructure.

Note 20 Impairment of assets

There were no indications of impairment to property, plant and equipment at 30 June 2016.

The Trust held no goodwill during the reporting period.

Note 21 Payables

Current

	2016 \$	2015 \$
Trade creditors	117,178	70,265
Accrued expenses	139,974	92,537
Accrued salaries	14,446	52,660
	271,598	215,462

See also note 2(l) 'Payables' and note 38 'Financial instruments'.

Note 22 Provisions

Current

Employee benefits provision

Annual leave (a)	156,741	149,643
Long service leave (b)	17,561	22,270
	174,302	171,913

Non-current

Employee benefits provision

Long service leave (b)	79,276	59,992
	253,578	231,905

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

	2016 \$	2015 \$
Note 22 Provisions (continued)		
(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	114,421	112,232
More than 12 months after the end of the reporting period	42,320	37,411
	<u>156,741</u>	<u>149,643</u>
(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	2,810	2,895
More than 12 months after the end of reporting period	94,027	79,367
	<u>96,837</u>	<u>82,262</u>
(c) North Metropolitan Health Service provide its employees to the Trust in its capacity as the Delegate (see note 2(c) 'Reporting Entity').		
Note 23 Other liabilities		
Current		Restated
Income received in advance	107,292	466,074 (a)
Refundable deposits held for TravelSmart bicycle hire	435	380
	<u>107,727</u>	<u>466,454 (a)</u>
(a) See note 6 'Prior years' restatements' with respect to the incorrect revenue recognition in the 2014-15 financial year.		
(b) Includes tenant charges of \$106,450 received in advance (\$416,990 for 2015).		
Note 24 Reserves		
Asset revaluation reserve (a)		
Balance at start of the period	29,564,904	29,564,904
Net revaluation increments/(decrements) (b):		
Site infrastructure	3,493,604	-
Balance at end of the period	<u>33,058,508</u>	<u>29,564,904</u>
(a) The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.		
(b) Any increment is credited directly to the asset revaluation reserve, except to the extent that any increment reverses a revaluation decrement previously recognised as an expense.		
Note 25 Accumulated surplus/(deficit)		
Balance at start of the period	(6,898,014)	(8,856,215)
Result for the period	2,725,427	1,958,201 (a)
Balance at end of the period	<u>(4,172,587)</u>	<u>(6,898,014) (a)</u>
(a) See note 6 'Prior years' restatements' with respect to the incorrect revenue recognition in the 2014-15 financial year.		

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

	2016 \$	Restated 2015 \$
Note 26 Notes to the Statement of Cash Flows		
Reconciliation of cash		
Cash assets at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash assets	9,692,823	7,025,553
Reconciliation of net cost of services to net cash flows provided by operating activities		
Net cash provided by/(used in) operating activities (Statement of Cash Flows)	2,667,270	4,868,680
<u>Increase/(decrease) in assets:</u>		
GST receivable	8,836	4,274
Receivables	(210,052)	(2,588,675)
<u>Decrease/(increase) in liabilities:</u>		
Payables	(56,136)	(12,515)
Current provisions	(2,389)	85,002
Non-current provisions	(19,284)	(24,030)
Income received in advance	358,782	(460,750) ^(a)
Other liabilities	(55)	(60)
<u>Non-cash items:</u>		
Doubtful debts expense (note 11)	(21,547)	-
Reversal of impairment for receivables (note 11)	-	65,240
Depreciation expense (note 8)	(231,440)	(237,040)
Net income/(cost) of services (Statement of Comprehensive Income)	2,493,985	1,700,126 ^(a)
(a) See note 6 'Prior years' restatements' with respect to the incorrect revenue recognition in the 2014-15 financial year.		
Reconciliation of income from State Government to cash flows from State Government		
Service appropriations as per Statement of Comprehensive Income	231,442	258,075
Less: <u>Non-cash items</u>		
Accrual appropriations	(231,442)	(258,075)
Cash Flows from State Government as per Statement of Cash Flows	-	-
At the end of the reporting period, the Trust had fully drawn on all financing facilities, details of which are disclosed in the financial statements.		
Note 27 Remuneration of members of the accountable authority		
The number of members of the accountable authority, whose total remuneration for the financial year fall within the following bands are:		
\$1 - \$10,000	-	1
\$50,001 - \$60,000	1	1
Total	1	2
	\$	\$
The total remuneration of members of the accountable authority is:	54,126	55,231
The total remuneration includes the superannuation expense incurred by the Trust in respect of members of the accountable authority.		

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

	2016 \$	2015 \$
Note 28 Remuneration of auditor		
Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:		
Auditing the accounts, financial statements and key performance indicators	17,400	20,000
Note 29 Operating lease rental receivables		
The future minimum lease payments receivable under non-cancellable operating leases are as follows:		
Within 1 year	2,680,800	2,654,400
Later than 1 year, and not later than 5 years	9,047,700	9,401,000
Later than 5 years	38,536,500	40,369,000
Total operating lease rental receivables (excluding GST)	50,265,000	52,424,400
All operating lease rental receivables relate to the licence fees receivable from Capella Parking Pty Limited under the 'At-Grade Car Parks Management Agreement'. See note 13 'Car park operator licence fees' for further information. The Agreement requires that the licence fee payments shall be increased by the most recently published Consumer Price Index (CPI) on the licence fee payment dates.		
Note 30 Commitments		
Operating lease commitments:		
Commitments in relation to non-cancellable leases (contracted by the Delegate) at the end of the reporting period but not recognised as liabilities are payable as follows:		
Within 1 year	13,200	19,800
Later than 1 year, and not later than 5 years	-	13,200
Total operating lease commitments (including GST)	13,200	33,000
Expenditure commitments:		
Expenditure commitments (contracted by the Delegate) at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	291,878	57,450
Total expenditure commitments (including GST)	291,878	57,450
Note 31 Contingent liabilities and contingent assets		
Contingent liabilities		
At the reporting date, the Trust is not aware of any contingent liabilities or contingent assets.		
Contaminated Sites		
Under the Contaminated Sites Act 2003, the Trust is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as <i>contaminated – remediation required</i> or <i>possibly contaminated – investigation required</i> , the Trust may have a liability in respect of investigation or remediation expenses.		
At the reporting date, the Trust does not have any suspected contaminated sites.		
Note 32 Events occurring after the end of the reporting period		
No subsequent events have occurred that would require recognition or disclosure in the financial statements.		

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 33 Related bodies

A related body is a body which receives more than half its funding and resources from the Trust and is subject to operational control by the Trust. The Trust had no related bodies during the financial year.

Note 34 Affiliated bodies

An affiliated body is a body which receives more than half its funding and resources from the Trust but is not subject to operational control by the Trust. The Trust had no affiliated bodies during the financial year.

Note 35 Not for profit leases

A number of not-for-profit organisations lease spaces from the Trust on a peppercorn rental basis.

Based on indicative market rental rates from the Landgate Valuation Services as at June 2016, the total net rental values of the not-for-profit leases for the financial year is \$1,880,000 (2015: \$2,050,000).

Tenant	Area (sqm)	Net Rent per annum \$
Cancer Foundation – Crawford Lodge (land only)	6,300	280,000
Lions Eye Institute (land only)	2,600	450,000
The Niche – Cystic Fibrosis WA (land only)	6,200	700,000
WA Institute for Medical Research (land only)	2,486	450,000
		<u>1,880,000</u>

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note	36 Reporting Entity's Accounts	Restated				Restated	
		2016	2015	2016	2015	2016	2015
		\$	\$	\$	\$	\$	\$
		Trust	Trust	Delegate	Delegate	Total	Total
Statement of Comprehensive Income							
COST OF SERVICES							
Expenses							
	Employee benefit expense	-	-	1,677,181	1,567,454	1,677,181	1,567,454
	Board member remuneration	54,126	55,231	-	-	54,126	55,231
	Depreciation expense	231,440	237,040	-	-	231,440	237,040
	Repairs, maintenance and consumable equipment	-	-	1,190,237	890,782	1,190,237	890,782
	Management fees	-	-	1,949,168	2,023,471	1,949,168	2,023,471
	Other expenses	122,926	49,088	1,283,470	594,226	1,406,396	643,314
	Total cost of services	408,492	341,359	6,100,056	5,075,933	6,508,548	5,417,292
Income							
	Car park user fees and fines	-	-	2,470,132	2,470,707	2,470,132	2,470,707
	Car park operator licence fees	2,682,902	2,656,788	-	-	2,682,902	2,656,788
	Other revenue	-	-	3,849,499	1,989,923 (a)	3,849,499	1,989,923 (a)
	Total income other than income from State Government	2,682,902	2,656,788	6,319,631	4,460,630 (a)	9,002,533	7,117,418 (a)
	NET INCOME / (COST) OF SERVICES	2,274,410	2,315,429	219,575	(615,303) (a)	2,493,985	1,700,126 (a)
INCOME FROM STATE GOVERNMENT							
	Service appropriations	231,442	258,075	-	-	231,442	258,075
	Total income from State Government	231,442	258,075	-	-	231,442	258,075
	SUPPLUS / (DEFICIT) FOR THE PERIOD	2,505,852	2,573,504	219,575	(615,303) (a)	2,725,427	1,958,201 (a)
OTHER COMPREHENSIVE INCOME / (LOSS)							
	Items not reclassified subsequently to profit or loss						
	Changes in asset revaluation reserve	3,493,604	-	-	-	3,493,604	-
	TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	5,999,456	2,573,504	219,575	(615,303) (a)	6,219,031	1,958,201 (a)

(a) Restated amounts for 2015 (see note 6 'Prior years' restatements').

Notes to the Financial Statements

For the year ended 30 June 2016

Note 36 Reporting Entity's Accounts (continued)

Statement of Financial Position

ASSETS

Current Assets

Cash assets

Receivables

Amounts due from the Delegate

Total Current Assets

Non-Current Assets

Amounts receivable for services

Property, plant and equipment

Total Non-Current Assets

Total Assets

LIABILITIES

Current Liabilities

Payables

Amounts due to the Trust

Provisions

Other current liabilities

Total Current Liabilities

Non-Current Liabilities

Provisions

Total Non-Current Liabilities

Total Liabilities

NET ASSETS

EQUITY

Reserves

Accumulated surplus / (deficit)

TOTAL EQUITY

(a) Restated amounts for balances as at 30 June 2015 (see note 6 'Prior years' restatements').

(b) Elimination of balance between the Trust and the Delegate.

	2016 \$ Trust	Restated 2015 \$ Trust	2016 \$ Delegate	Restated 2015 \$ Delegate	2016 \$ Elimination (b)	Restated 2015 \$ Elimination (b)	2016 \$ Total	Restated 2015 \$ Consolidated
ASSETS								
Current Assets								
Cash assets	7,966,111	5,283,209	1,726,712	1,742,344	-	-	9,692,823	7,025,553
Receivables	-	36	129,025	351,752	-	-	129,025	351,788
Amounts due from the Delegate	1,222,834	1,180,275 (a)	-	-	(1,222,834)	(1,180,275) (a)	-	-
Total Current Assets	9,188,945	6,463,520 (a)	1,855,737	2,094,096	(1,222,834)	(1,180,275) (a)	9,821,848	7,377,341
Non-Current Assets								
Amounts receivable for services	8,320,597	8,089,155	-	-	-	-	8,320,597	8,089,155
Property, plant and equipment	11,376,379	8,114,215	-	-	-	-	11,376,379	8,114,215
Total Non-Current Assets	19,696,976	16,203,370	-	-	-	-	19,696,976	16,203,370
Total Assets	28,885,921	22,666,890 (a)	1,855,737	2,094,096	(1,222,834)	(1,180,275) (a)	29,518,824	23,580,711
LIABILITIES								
Current Liabilities								
Payables	-	-	271,598	215,462	-	-	271,598	215,462
Amounts due to the Trust	-	-	1,222,834	1,180,275 (a)	(1,222,834)	(1,180,275) (a)	-	-
Provisions	-	-	174,302	171,913	-	-	174,302	171,913
Other current liabilities	-	-	107,727	466,454 (a)	-	-	107,727	466,454 (a)
Total Current Liabilities	-	-	1,776,461	2,034,104	(1,222,834)	(1,180,275) (a)	553,627	853,829 (a)
Non-Current Liabilities								
Provisions	-	-	79,276	59,992	-	-	79,276	59,992
Total Non-Current Liabilities	-	-	79,276	59,992	-	-	79,276	59,992
Total Liabilities	-	-	1,855,737	2,094,096	(1,222,834)	(1,180,275) (a)	632,903	913,821 (a)
NET ASSETS	28,885,921	22,666,890 (a)	-	-	-	-	28,885,921	22,666,890 (a)
EQUITY								
Reserves	33,058,508	29,564,904	-	-	-	-	33,058,508	29,564,904
Accumulated surplus / (deficit)	(4,172,587)	(6,898,014) (a)	-	-	-	-	(4,172,587)	(6,898,014) (a)
TOTAL EQUITY	28,885,921	22,666,890 (a)	-	-	-	-	28,885,921	22,666,890 (a)

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements
For the year ended 30 June 2016

		2016	2015	2016	2015	2016	2015
		\$	\$	\$	\$	\$	\$
		Trust	Trust	Delegate	Delegate	Total	Total
Note 36 Reporting Entity's Accounts (continued)							
Statement of Cash Flows							
CASH FLOWS FROM THE TRUST							
Cash transferred from the Trust to the Delegate		-	(1,185,000)	-	1,185,000	-	-
Cash transferred from the Delegate to the Trust		-	731,130	-	(731,130)	-	-
Net cash provided by the Trust		-	(453,870)	-	453,870	-	-
Utilised as follows							
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits		-	-	(1,693,722)	(1,616,315)	(1,693,722)	(1,616,315)
Supplies and services		-	-	(4,333,814)	(3,577,529)	(4,333,814)	(3,577,529)
Receipts							
Receipts from customers		-	-	2,538,012	2,712,110	2,538,012	2,712,110
Car park operator licence fees		2,682,902	3,956,891	-	-	2,682,902	3,956,891
Other receipts		-	-	3,650,944	3,367,832	3,650,944	3,367,832
Net cash provided by / (used in) operating activities		2,682,902	3,956,891	161,420	886,098	2,844,322	4,842,989
CASH FLOWS FROM ACTIVITIES OF THE TRUST							
Payments							
Board member remuneration		-	-	(54,126)	(55,231)	(54,126)	(55,231)
Supplies and services		-	-	(122,926)	(49,089)	(122,926)	(49,089)
Payments for purchase of non-current physical assets		-	-	-	(16,266)	-	(16,266)
Receipts							
GST refund on car park operator licence fees		-	-	-	130,011	-	130,011
Net cash provided by/(used in) investing activities		-	-	(177,052)	9,425	(177,052)	9,425
Net increase / (decrease) in cash assets		2,682,902	3,503,021	(15,632)	1,349,393	2,667,270	4,852,414
Cash assets at the beginning of the period		5,283,209	1,780,188	1,742,344	392,951	7,025,553	2,173,139
CASH ASSETS AT THE END OF PERIOD		7,966,111	5,283,209	1,726,712	1,742,344	9,692,823	7,025,553

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 37 Explanatory Statement

Significant variances between actual results for 2015 and 2016

Significant variations between actual results with the corresponding items of the preceding reporting period are detailed below. Significant variations are those greater than 10% and that are 4% or more of the current year's Total Cost of Services.

	Note	2016 Actual \$	Restated 2015 Actual \$	Variance \$
Expenses				
Employee benefits expense	(a)	1,677,181	1,567,454	109,727
Board member remuneration		54,126	55,231	(1,105)
Depreciation expense		231,440	237,040	(5,600)
Repairs, maintenance and consumable equipment	(b)	1,190,237	890,782	299,455
Management fees		1,949,168	2,023,471	(74,303)
Other expenses	(c)	1,406,396	643,314	763,082
Income				
Car park user fees and fines		2,470,132	2,470,707	(575)
Car park operator licence fees		2,682,902	2,656,788	26,114
Other revenue	(d)	3,849,499	1,989,923 (f)	1,859,576
Service appropriations	(e)	231,442	258,075	(26,633)

(a) Employee benefits expense

Employee benefits expense has increased due to slightly higher average full time equivalent employees (FTE's) in 2016 versus 2015, in addition to an award rate increment of 3% for the 2016 financial year.

(b) Repairs, maintenance and consumable equipment

The increase in repairs and maintenance is primarily due to further landscape maintenance works across the Campus in addition to updating of wayfinding signage.

(c) Other expenses

The increase in other expenses is largely due to increased spend on consultancies to facilitate maintenance and other planning activities across the Campus, in addition to increased external security costs.

(d) Other revenue

The increase in other revenue is largely attributable to the tiered increase in tenant charging fees and reflective of increased activity for the 2016 financial year (2016: 100% recovery; 2015: 75% recovery). Tenant charges cover the costs of maintaining the common areas and facilities on the QEII Medical Centre Campus.

(e) Service appropriations

The Trust did not receive any service appropriations in cash this financial year. The decrease in appropriations is largely due to decreased depreciation.

(f) Restated amounts for 2015 (see note 6 'Prior years' restatements').

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

Note 37 Explanatory Statement (continued)

Significant variances between estimates and actual results for 2016

Significant variations are considered to be those greater than 10%.

		2016 Actual \$	2016 Estimates \$	Variance \$
Operating expenses				
Employee benefits expense	(a)	1,677,181	2,264,000	(586,819)
Other goods and services		4,831,367	5,101,000	(269,633)
Total expenses		6,508,548	7,365,000	(856,452)
Less: Revenues	(b)	(9,002,533)	(7,072,000)	(1,930,533)
Net income/ (cost) of services		2,493,985	(293,000)	2,786,985

(a) Employee benefits expense

The 2016 estimates include an expectation of 24.5 full time equivalent employees (FTE's) in the proposed new structure. However only an average of 20 FTE's were employed as of June 2016. The lower than expected cost is predominantly due to unfilled positions pending finalisation of the new organisation.

(b) Revenue

Increase in actual revenue against estimate is largely due to increased tenant charges at 100% recovery for the 2016 financial year. Original estimates were based off a lower cost recovery.

Notes to the Financial Statements

Note 38 Financial instruments

Financial instruments held by the Trust are cash assets, receivables and payables. The Trust has limited exposure to financial risks. The Trust's overall risk management program focuses on managing the risks identified below.

Credit risk arises when there is the possibility of the Trust's receivables defaulting on their contractual obligations resulting in financial loss to the Trust.

Credit risk associated with the Trust's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). Parking fines are the only receivables that may take more than 30 days to collect. For commercial property rentals, the Trust has policies in place to ensure that the tenants have an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is minimal. At the end of the reporting period, there were no significant concentrations of credit risk.

Liquidity risk arises when the Trust is unable to meet its financial obligations as they fall due. The Trust is exposed to liquidity risk through its normal course of operations.

Market risk

b) Categories of financial instruments

2016	\$
2015	\$

Cash assets
Loans and receivables (a)

Financial liabilities measured at amortised cost

215,462

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

c) Financial Instrument disclosures

Credit risk

The following table discloses the Trust's maximum exposure to credit risk and the ageing analysis of financial assets. The Trust's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Trust.

The Trust does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

Ageing analysis of financial assets

	Carrying amount	Not past due and not impaired	Past due but not impaired				More than 5 years	Impaired Financial assets
			Up to 3 months	3-12 months	1-5 years			
	\$	\$	\$	\$	\$	\$	\$	\$
2016								
Cash assets	9,692,823	9,692,823	-	-	-	-	-	-
Receivables (a)	112,887	45,636	37,123	30,128	-	-	-	-
Amounts receivable for services	8,320,597	8,320,597	-	-	-	-	-	-
	18,126,307	18,059,056	37,123	30,128	-	-	-	-
2015								
Cash assets	7,025,553	7,025,553	-	-	-	-	-	-
Receivables (a)	344,486	150,437	139,084	54,965	-	-	-	-
Amounts receivable for services	8,089,155	8,089,155	-	-	-	-	-	-
	15,459,194	15,265,145	139,084	54,965	-	-	-	-

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

c) Financial Instrument disclosures (continued)

Liquidity risk and interest rate exposure

The following table details the Trust's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure	Nominal Amount	Maturity dates				
					Up to 3 months	3-12 months	1-5 years	More than 5 years	
		\$	\$	\$	\$	\$	\$	\$	\$
2016									
<u>Financial Assets</u>									
Cash assets	-	9,692,823	9,692,823	9,692,823	9,692,823	-	-	-	-
Receivables (a)	-	112,887	112,887	112,887	112,887	-	-	-	-
Amounts receivable for services	-	8,320,597	8,320,597	8,320,597	-	-	-	8,320,597	-
		<u>18,126,307</u>	<u>18,126,307</u>	<u>18,126,307</u>	<u>9,805,710</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,320,597</u>
<u>Financial Liabilities</u>									
Payables	-	271,598	271,598	271,598	271,598	-	-	-	-
		<u>271,598</u>	<u>271,598</u>	<u>271,598</u>	<u>271,598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30 June 2016

c) Financial Instrument disclosures (continued)

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure	Nominal Amount	Maturity dates				
					Up to 3 months	3-12 months	1-5 years	More than 5 years	
		\$	\$	\$	\$	\$	\$	\$	\$
2015									
Financial Assets									
Cash assets	-	7,025,553	7,025,553	7,025,553	7,025,553	-	-	-	-
Receivables (a)	-	344,486	344,486	344,486	344,486	-	-	-	-
Amounts receivable for services	-	8,089,155	8,089,155	8,089,155	-	-	-	8,089,155	-
		15,459,194	15,459,194	15,459,194	7,370,039	-	-	8,089,155	-
Financial Liabilities									
Payables	-	215,462	215,462	215,462	215,462	-	-	-	-
		215,462	215,462	215,462	215,462	-	-	-	-

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

Interest rate sensitivity analysis

A change in banking arrangement effective from 1 July 2011 in accordance with the State Government's direction has resulted in the loss of interest earning capacity for the Trust's bank account.

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

Note 39 Schedule of income and expenses by services


The Trust has only one service which is the development, management and administration of the Queen Elizabeth II Medical Centre site.

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Queen Elizabeth II Medical Centre Trust's performance, and fairly represent the performance of the Queen Elizabeth II Medical Centre Trust for the financial year ended 30 June 2016.



S Cole
Chairman
Queen Elizabeth II Medical Centre Trust
Date: 26/8/2016



W Erber
Board Member
Queen Elizabeth II Medical Centre Trust
Date: 26/8/2016



A St. Flour
Chief Finance Officer
Queen Elizabeth II Medical Centre Trust
Date: 26/8/2016

Key Performance Indicators

The Trust Key Performance Indicators were revised in 2013/14 and are now in their third year of measurement.

Government Goal

Results based service delivery: Greater focus on achieving results in key service areas for the benefit of all Western Australians.

Agency Level Government Desired Outcomes

The agency level government desired outcomes for the Queen Elizabeth II Medical Centre Trust are:

1. The Queen Elizabeth II Medical Centre is developed as a well planned, world-class healthcare, research and education centre.
2. The Queen Elizabeth II Medical Centre is controlled and managed in a way that supports and facilitates a world-class healthcare, research and education centre.

Outcome 1: The Queen Elizabeth II Medical Centre is developed as a well planned, world-class healthcare, research and education centre.

Key Effectiveness Indicators

The 2015/2016 survey examines satisfaction levels across staff, visitors and other stakeholders (including patients), and benchmarks these against the two previous year's survey results.

The 2015/2016 period survey examines stakeholder satisfaction levels of the Trust's statutory responsibilities relating to planning and development of the reserve and management of the shared facilities and services.

The QEII Medical Centre Trust's annual survey was completed by 512 respondents from various groups including medical, nursing, allied health, research, and administrative and support staff; as well as visitors and other stakeholders (including patients).



The survey requested feedback relating to the two outcomes including reference to site planning and development, the sustainability of the reserve, TravelSmart, parking, gardens and grounds, paths and roads.

Respondents from the stakeholder groups were invited to complete an online survey on the QEII Medical Centre Trust's website. The QEII Medical Centre Trust utilised a survey engine, Survey Monkey, to collect the responses and analyse the data from the completed surveys. The surveys were completed during the months of May and June 2016.

The scale used to measure the performance levels according to stakeholders was as follows: Outstanding, Very Good, Good, Fair, Poor, Unable to answer and No response. For the purposes of the survey results all responses of Outstanding, Very Good, Good and Fair are measured as Satisfied responses.

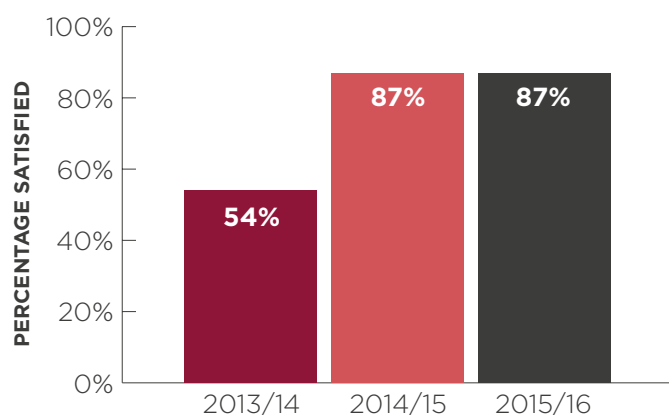
3

Years measuring stakeholder satisfaction levels at the QEII MC.



Key Performance Indicator 1.1:

Satisfaction levels of the QEIMC Trust planning for and development of the Campus.



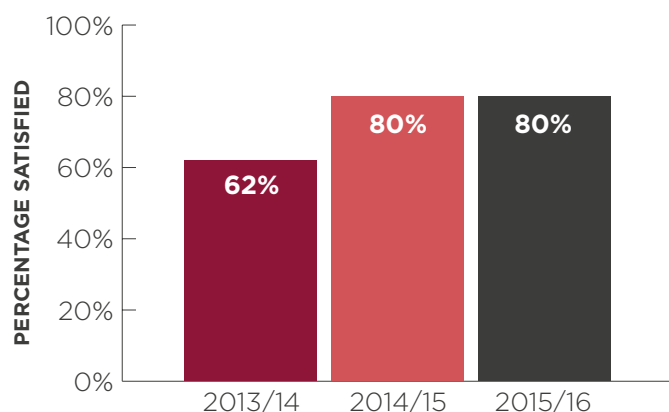
This key indicator measures the satisfaction levels of planning and development of the QEII Medical Centre campus.

The target of greater than 75% of respondents being satisfied was met.

The large variance to the 2013/14 results can be largely attributed to the poor response rate in 2013/14 with 33% of respondents unable to answer or registering no responses. Only 13% of respondents in 2013/14 were actually dissatisfied.

Key Performance Indicator 1.2:

Satisfaction levels of the QEIMC Trust maintaining a sustainable access environment.



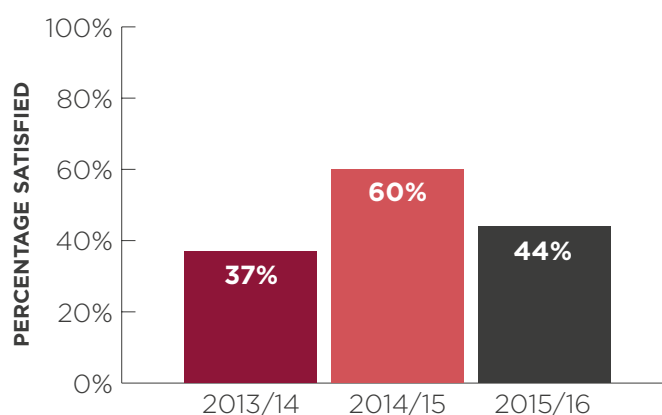
This key indicator measures the satisfaction levels of the QEII Medical Centre in maintaining a sustainable access environment.

The target of greater than 75% of respondents being satisfied was met.

The large variance to the 2013/14 results can be largely attributed to the poor response rate in 2013/14 with 34% of respondents unable to answer or registering no responses. Only 4% of respondents in 2013/14 were actually dissatisfied.

Key Performance Indicator 1.2(a):

Satisfaction levels of the QEIMC Trust TravelSmart initiatives.



This key indicator measures the satisfaction levels of the QEII Medical Centre Travel Smart initiatives.

The target of greater than 75% of respondents being satisfied was not met.

The large variances in all years to the targeted satisfaction levels can be largely attributed to the poor response rates and lack of awareness of TravelSmart initiatives, with 40% of 2015/16 respondents unable to answer or registering no responses (2014/15: 22%; 2013/14: 59%). Only 16% of respondents in 2015/16 were actually dissatisfied (2014/15: 17%; 2013/14: 4%). The QEII Medical Centre Trust is planning to ramp up TravelSmart initiative awareness in the 2016/17 financial year with the addition of the new Perth Children's Hospital on campus expected to place strain on transport infrastructure surrounding the campus.



Key Efficiency Indicator

Timeliness in the consideration of development submissions received by the QEIMC Trust.

This indicator is measured in terms of the percentage of development submissions addressed within 90 days of receipt by the Trust. It is based on statistical evidence from Trust records (date of receipt of proposal; date submitted to Trust meeting; date proposal approved).

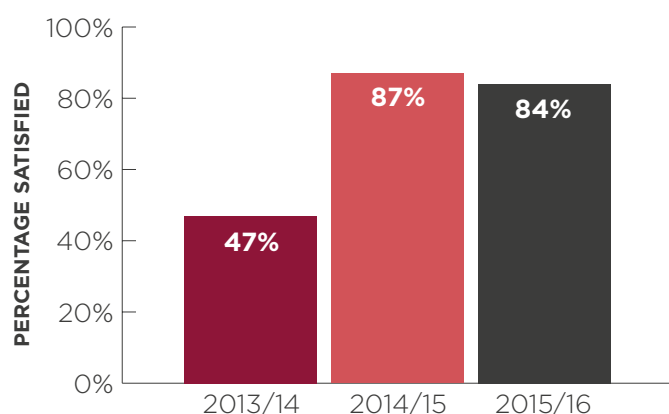
There were no development submissions considered by the Trust in the 2015/16 Financial Year.

Outcome 2: The Queen Elizabeth II Medical Centre is controlled and managed in a way that supports and facilitates a world-class healthcare, research and education centre.

Key Effectiveness Indicators

Key Performance Indicator 2.1:

Satisfaction levels of the implementation and upkeep of landscaping and gardens and grounds at QEIMC.



This key indicator measures satisfaction levels of the implementation and upkeep of landscaping and gardens and grounds at the QEII Medical Centre.

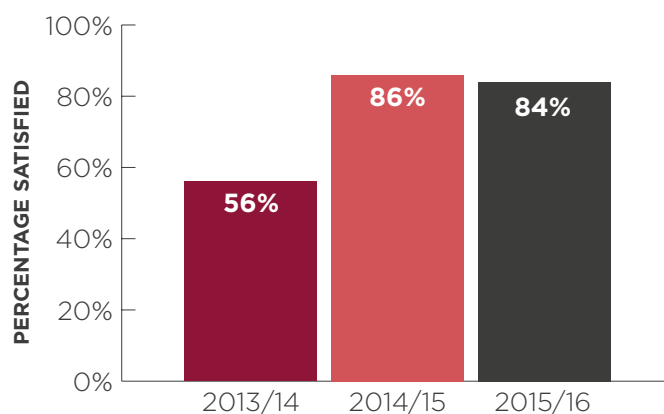
The target of greater than 75% of respondents being satisfied was met.

The large variance to the 2013/14 results against the targeted satisfaction levels can be largely attributed to the poor response rate in 2013/14 with 39% of respondents unable to

answer or registering no responses. Only 14% of respondents in 2013/14 were actually dissatisfied.

Key Performance Indicator 2.2(a):

Satisfaction levels of the repair and maintenance of paths and roads at QEIMC.



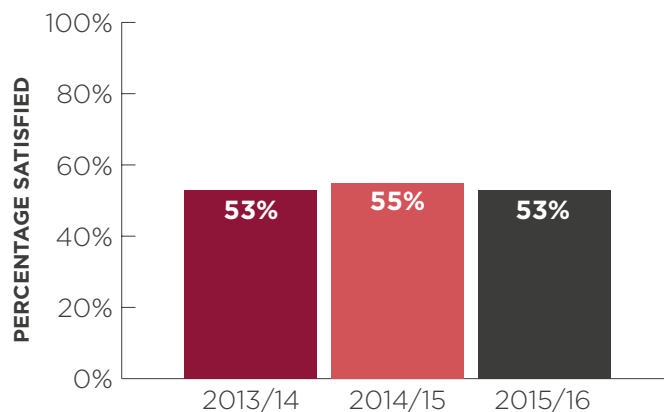
This key indicator measures satisfaction levels of the repairs and maintenance of paths and roads at the QEII Medical Centre.

The target of greater than 75% of respondents being satisfied was met.

The large variance to the 2013/14 results can be largely attributed to the poor response rate in 2013/14 with 33% of respondents unable to answer or registering no responses. Only 11% of respondents in 2013/14 were actually dissatisfied.

Key Performance Indicator 2.2(b):

Satisfaction levels of the repair and maintenance of At Grade parking areas at QEIMC.



This key indicator measures satisfaction levels of the repairs and maintenance of At Grade parking areas at the QEII Medical Centre.

The target of greater than 75% of respondents being satisfied was not met.

The large variances in all years to the targeted satisfaction levels can be largely attributed to the poor response rates with 39% of 2015/16 respondents unable to answer or registering no responses (2014/15: 33%; 2013/14: 39%). Only 8% of respondents in 2015/16 were actually dissatisfied (2014/15: 12%; 2013/14: 8%). The responses are also negatively impacted by the misconception that the multi-deck car park maintenance is included in this indicator and performed by the Trust. The multi-deck car park is managed by Capella Parking Pty Ltd.

Key Performance Indicator 2.3

Provision of a safe and secure environment on the QEII MC

This outcome is achieved by providing a security service to property on the QEII Medical Centre. This indicator refers to the ratio of cars stolen from the QEII Medical Centre in relation to the number of car parking bays available.

As at 30 June 2016, QEII Medical Centre had a total of 4773 parking bays (3067 staff, 1595 visitors and 111 exempt).

Key Effectiveness Indicators

The total number of motor vehicles stolen from the QEII Medical Centre car parks in comparison to the total number of car bays. This key indicator measures ratio of cars stolen from the QEII Medical Centre car parks. This measure provides a measure of the effectiveness of the car parks, grounds and security over time.

Target: <0.05%

The target of less than 0.05% was met.

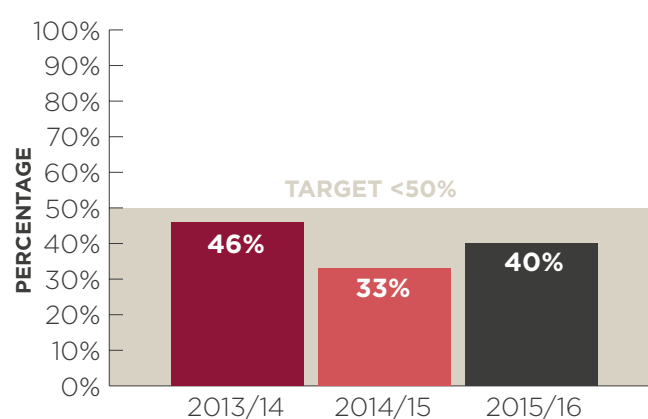
	2015/16	2014/15	2013/14
Percentage of vehicles stolen in comparison to the number of car parking bays	0.00%	0.02%	0.00%

Key Efficiency Indicators

1. Administration costs as a % of total income

Note: The Parking fee revenue associated with the Capella and At-Grade car park agreement is excluded from the calculation of total income as it is offset by management fees paid under the Capella Parking Agreement.

Administration cost as a percentage of total revenue



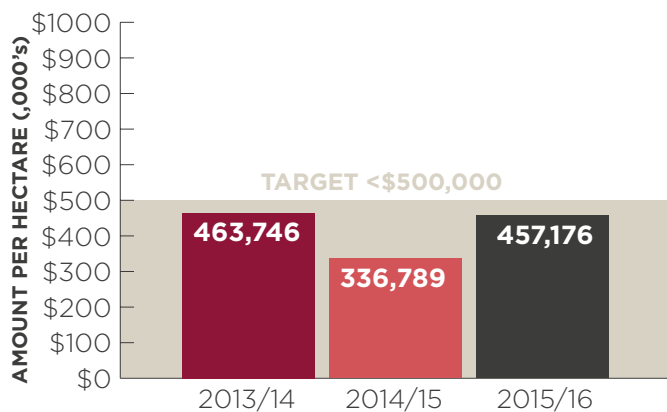
The increase in administration costs as a percentage of total revenue for 2015/16 versus 2014/15 is largely driven by an increase in consultancy and legal spend. The reduction since 2013/14 is largely attributed to the increased collection of tenant charge revenue in the subsequent years.

2. Operating cost per hectare of common area

This indicator is to measure the cost of developing, controlling, managing the QEII Medical Centre campus.

Note: The Management fee associated with the Capella and At-Grade car park agreement is excluded from the calculation of the operating cost as it is offset by the Parking Fee revenue under the Capella Parking agreement.

Operating cost per hectare of common area

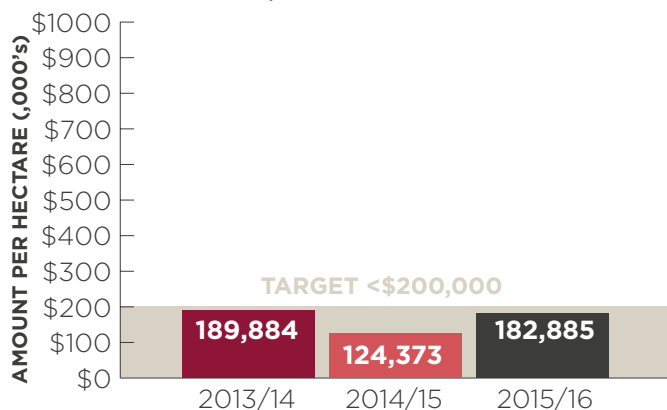


The increase in operating costs per hectare of common area for 2015/16 versus 2014/15 is largely driven by higher spend on repairs and maintenance, external security, consultancies and legal expenses in the 2015/16 year. Costs in 2013/14 were inflated owing to the remedial works on the compensation basin.

3. Maintenance cost per hectare of common area

This indicator is to measure the cost of maintenance and repairs of campus facilities including roads, paths, car parks, lighting and gardens and grounds around the QEII Medical Centre.

Maintenance cost per hectare of common area



The increase in maintenance costs per hectare of common area for 2015/16 versus 2014/15, is largely driven by higher spend on repairs and maintenance in the 2015/16 year. Costs in 2013/14 were inflated owing to the remedial works on the compensation basin.

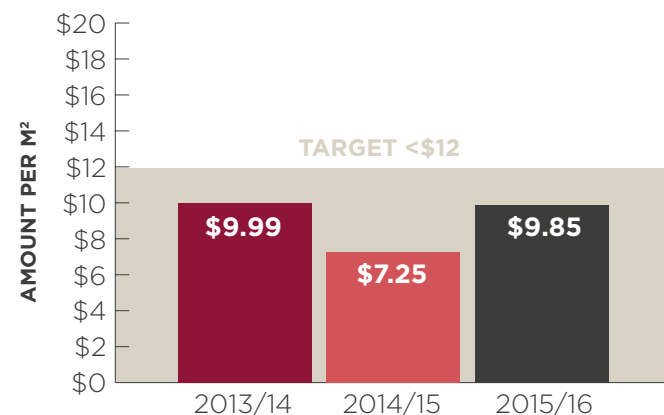
Note: The common area is approximately ten hectares of the twenty eight hectares of land.

4. Operating cost per gross floor area of tenant premises

This indicator is another measure of the cost of developing, controlling, managing the QEII Medical Centre campus.

Note: The Management fee associated with the Capella and At-Grade car park agreement is excluded from the calculation of the operating cost as it is offset by the Parking Fee revenue under the Capella Parking agreement.

Operating cost per gross floor area (square metre) of tenant premises



The increase in operating costs per gross floor area of tenant premises for 2015/16 versus 2014/15, is largely driven by higher spend on repairs and maintenance, external security, consultancies and legal expenses in the 2015/16 year. Costs in 2013/14 were inflated owing to the remedial works on the compensation basin.

OTHER DISCLOSURE REQUIREMENTS

Ministerial Directives

There were no Ministerial Directives in 2015/16.

Capital Works

No material capital works funded by the QEIMC Trust were undertaken in 2015/16.

Employment and Industrial Relations

The QEIMC Trust does not employ any staff. Staff engaged on QEIMC Trust related activities are employees of North Metropolitan Health Service.

Staff Development

The QEIMC Trust does not employ any staff. Staff engaged on the QEIMC Trust related activities are employees of North Metropolitan Health Service.

Workers Compensation

As the QEIMC Trust does not employ any staff, workers compensation is not relevant.

Governance Disclosures

Contracts with Senior Officers

At the date of reporting, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interest, had any interests in existing or proposed contracts with the QEIMC Trust other than normal contracts of employment of service.

Other Legal Requirements

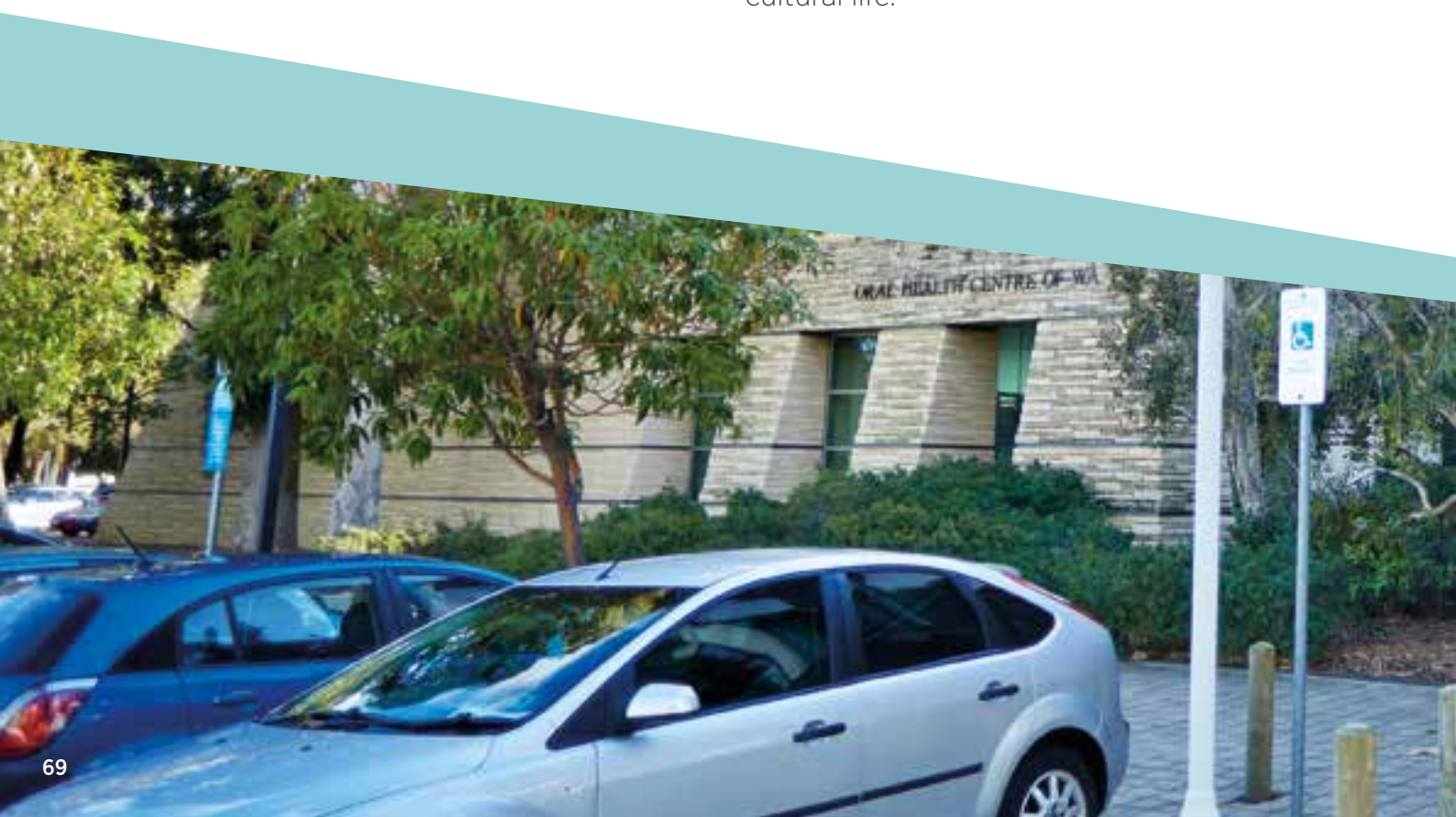
Expenditure on advertising, market research and direct mail

Nil

Disability access and inclusion plan outcomes

In relation to disability access and inclusion planning, the QEII Medical Centre Trust relies upon the Delegate to achieve the disability access and inclusion plan outcomes.

However the QEII Medical Centre Trust recognises that people with disabilities are valued members of the community who make contributions to social, economic and cultural life.



Specific disability service planning issues pertaining to the QEII Medical Centre Trust's area of responsibility include:

- Provision of ample designated parking bays for ACROD permit holders in the multi-deck car park and at various other locations around the site for people experiencing difficulty walking long distances.
- Provision of a site buggy service for people experiencing difficulty walking long distances.
- Continuous improvements throughout the QEII Medical Centre for easier and safer access for all.
- The QEII Medical Centre website has been designed to assist those who are visually impaired with alternative formats.
- A QEII Medical Centre Guide has been designed to assist people with disability and is available in hard and electronic copy.
- ACROD parking maps are available in hard and electronic copies.
- Ongoing training as to how to assist people with disabilities has been provided to the QEII Medical Centre Parking Officers.
- Public consultation and decision-making opportunities including people with disabilities are provided through public consultation process for reviews of key management plans, such as QEII Master Plan, Landscape Master Plan and the Urban Design Guidelines.

Compliance with Public Sector Standards and ethical codes

As the QEII Medical Centre Trust does not employ any staff, it relies upon the Delegate, through the North Metropolitan Health Service, to achieve the required outcomes in the area of Equal Employment Opportunity, public sector standards and ethical codes for staff.

The QEII Medical Centre Trust complies with the relevant Public Sector Standards and Ethical Codes.

Recordkeeping Plans

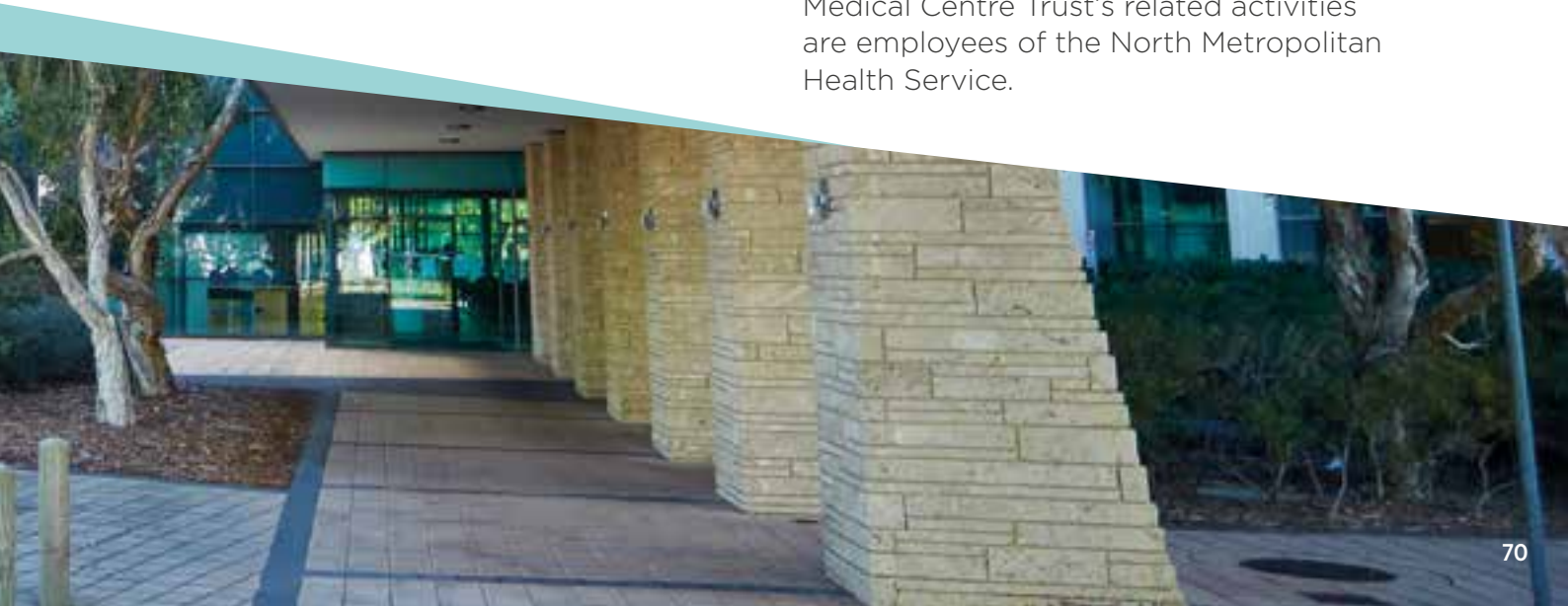
In the past the QEII Medical Centre Trust has relied on the WA Health Recordkeeping Plan. The Trust approved its own Recordkeeping Plan in compliance with the provisions of the *State Records Act 2000* and this will be implemented via the North Metropolitan Health Service as the Trust's Delegate. Appropriate record management systems and processes are now being developed.

The QEII Medical Centre Trust's archival records are held onsite and this area is accessible to authorised staff only. All records are stored in a secured environment.

Government Policy Requirements

Occupational Safety, Health and Injury Management

The QEII Medical Centre Trust does not employ any staff. Staff engaged on QEII Medical Centre Trust's related activities are employees of the North Metropolitan Health Service.





2016-17 Annual Estimates

The Queen Elizabeth II Medical Centre Trust

Statement of Comprehensive Income

For the year ended 30 June 2017

Annual Estimates

	Annual Estimates
	2017 \$
COST OF SERVICES	
Expenses	
Employee benefits expense	2,244,653
Board member remuneration	55,935
Depreciation expense	224,562
Repairs, maintenance and consumable equipment	2,550,000
Other expenses	4,435,767
Total cost of services	9,510,917
INCOME	
Revenue	
Car park user fees and fines	3,105,620
Car park operator licence fees	2,656,788
Other revenue	3,400,000
Total revenue	9,162,408
Total income other than income from State Government	9,162,408
NET INCOME/(COST) OF SERVICES	(348,509)
INCOME FROM STATE GOVERNMENT	
Service appropriations	343,413
Total income from State Government	343,413
SURPLUS/(DEFICIT) FOR THE PERIOD	(5,096)
OTHER COMPREHENSIVE INCOME/(LOSS)	
Items not reclassified subsequently to profit or loss	
Changes in asset revaluation reserve	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	(5,096)

The Queen Elizabeth II Medical Centre Trust

Statement of Financial Position

As at 30 June 2017

Annual Estimates

	Annual Estimates
	2017 \$
ASSETS	
Current Assets	
Cash and cash equivalents	6,170,823
Receivables	129,025
Total Current Assets	<u>6,299,848</u>
Non-Current Assets	
Amounts receivable for services	8,545,159
Property, plant and equipment	14,673,817
Total Non-Current Assets	<u>23,218,976</u>
Total Assets	<u>29,518,824</u>
LIABILITIES	
Current Liabilities	
Payables	276,695
Provisions	174,302
Other current liabilities	107,727
Total Current Liabilities	<u>558,724</u>
Non-Current Liabilities	
Provisions	79,276
Total Non-Current Liabilities	<u>79,276</u>
Total Liabilities	<u>638,000</u>
NET ASSETS	<u>28,880,824</u>
EQUITY	
Reserves	33,058,508
Accumulated surplus/ (deficit)	(4,177,684)
TOTAL EQUITY	<u>28,880,824</u>

The Queen Elizabeth II Medical Centre Trust

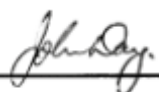
Statement of Cash Flows

For the year ended 30 June 2017


Annual Estimates

	Annual Estimates
	2017
	\$
	Inflows/ (Outflows)
CASH FLOWS FROM STATE GOVERNMENT	
Service appropriations	-
Net cash provided by State Government	-
Utilised as follows:	
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments	
Employee benefits	(2,244,653)
Board member remuneration	(55,935)
Supplies and services	(6,985,767)
Receipts	
Receipts from customers	3,105,620
Car park operator licence fees	2,656,788
Other receipts	3,523,946
Net cash provided by / (used in) operating activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments	
Payments for purchase of non-current physical assets	(3,522,000)
Net cash provided by/(used in) investing activities	(3,522,000)
Net increase / (decrease) in cash and cash equivalents	(3,522,000)
Cash and cash equivalents at the beginning of the period	9,692,823
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	6,170,823

Approved by the Minister for Health:



Date:





QEI Medical



Centre

