



The Queen Elizabeth II Medical Centre Trust
Government of Western Australia

ANNUAL REPORT



30 June 2006

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STATEMENT OF COMPLIANCE

**TO THE HONOURABLE JIM McGINTY MLA
MINISTER FOR HEALTH**

In accordance with Section 66 of the Financial Administration and Audit Act, 1985 and Section 15 of the Queen Elizabeth II Medical Centre Act, 1966 we hereby submit for your information and presentation to Parliament the Report of the Queen Elizabeth II Medical Centre Trust for the financial year ended 30th June 2006.

The Report has been prepared as far as practicable in accordance with the provisions of the Financial Administration and Audit Act, 1985.

A copy of this Report is being furnished to the Senate of the University of Western Australia in accordance with Section 15(2) of the Queen Elizabeth II Medical Centre Act, 1966.

Judge VJ French

Chairperson

The Queen Elizabeth II Medical Centre Trust

Professor I Puddey

Member

The Queen Elizabeth II Medical Centre Trust

INTRODUCTION

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

The establishment of the Queen Elizabeth II Medical Centre Trust (previously known as the Perth Medical Centre Trust), arose out of the need for an independent body to monitor and control the usage of land previously owned by the University of Western Australia, upon which the Government of the day wished to establish a medical centre.

The Medical Centre Reserve (or “site”) covers 28.4749 hectares and accommodates over 34 organisations in 25 buildings. The major site users are Sir Charles Gairdner Hospital, The University of Western Australia, The Western Australian Centre for Pathology and Medical Research (PathWest), The Western Australian Institute for Medical Research, the Lions Eye Institute and “The Niche”.

The Trust plays no active part in the management of the respective facilities and operations of site users unless any activity is detrimental to the Reserve or adversely affects the facilities and/or operations of other site users.

ENABLING LEGISLATION

The Queen Elizabeth II Medical Centre Trust was established under Section 7 of the Queen Elizabeth II Medical Centre Act, 1966 to undertake the development, control and management of the Queen Elizabeth II Medical Centre Reserve established under Section 6 of the Act.

The Minister for Health is responsible for the Queen Elizabeth II Medical Centre Act, 1966 and consequently, the Queen Elizabeth II Medical Centre Trust.

LAND RESERVES

The land known as the Queen Elizabeth II Medical Centre is a Class “A” Reserve Number 33244, Swan Location 9075.

The Reserve is generally bounded by Aberdare Road to the North, Winthrop Avenue and Kings Park to the East, Monash Avenue to the South, and Hollywood Private Hospital and residential areas to the West.

A Water Corporation of Western Australia compensating / drainage area (Swan Location 8448) is landscaped and maintained in part by the Trust to form a useful adjunct amenity to the Reserve itself.

MINISTERIAL DIRECTIVES

There were no Ministerial Directives issued during the period covered by this report.

MEMBERSHIP OF THE TRUST AND TERMS OF APPOINTMENT

The Queen Elizabeth II Medical Centre Trust has 5 members being:

A person appointed by the Governor on the written nomination of the Minister for Health and the Senate of the University of WA, and holding office during the Governor's pleasure. The Act provides that this member shall be Chairman of the Trust.

Judge VJ French.

Two persons appointed by the Governor on the written nomination of the Minister for Health, and holding office during the Governor's pleasure.

Mr I Anderson and Mr P King

The Trust acknowledges the strong commitment and outstanding contributions of Mr RHC Turner AM AO and Mr A Chuk who were replaced during the financial year.

Two persons appointed by the Senate of the University of WA and holding office during the Senate's pleasure.

Professor I Puddey and Ms G McMath.

The strong personal commitment and contributions of Professor I Puddey and Ms G McMath are gratefully acknowledged.

MEETINGS OF THE TRUST

The Trust met on four (4) occasions during the 2005 / 2006 financial year.

OBJECTIVES

The objectives of the Queen Elizabeth II Medical Centre Trust are to:

- Ensure the Queen Elizabeth II 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 purposes of the Act as a Medical Centre of national and international repute.
- Ensure the development of the Medical Centre site is achieved through a cooperative approach between the Trust, site tenants, and the relevant academic and professional schools of learning providing teaching and research resources to the Medical Centre and the State.
- Ensure the provision of appropriate on-site facilities for the clinical teaching of undergraduates and graduates in medicine, nursing and allied health professions.

FUNCTIONS AND SERVICES

The Queen Elizabeth II Medical Centre Trust provides the means by which all existing and future facilities on the Reserve can be monitored and assessed so as to ensure compliance with the general objectives of the Act and with the intended utilisation of the Queen Elizabeth II Medical Centre Reserve.

TRUST DELEGATE

The Queen Elizabeth II Medical Centre Act, 1966 enables the Trust to appoint a Delegate to exercise most of its powers in relation to controlling and managing the site. A Delegation Instrument was published in the *Government Gazette* on 24 October 1986 in favour of the Board of Management of Sir Charles Gairdner Hospital.

The current Delegate is the Minister for Health as the Board of Management of Sir Charles Gairdner Hospital.

Under the instrument of delegation, Sir Charles Gairdner Hospital is the Accountable Authority for the day-to-day management of the Queen Elizabeth Medical Centre Reserve, including general administration, management and other statutory requirements in relation to the Reserve. All staff engaged in Trust activities are employed by the Minister for Health as the Board of the Sir Charles Gairdner Hospital under Section 7 of the *Hospitals and Health Services Act, 1927*.

The Area Director Financial Services for the North Metropolitan Health Service was appointed to the position as the Principal Accounting Officer for the Financial Statements of the Sir Charles Gairdner Hospital Delegate Account for the 2005/2006 financial year.

The business address and telephone number of the Queen Elizabeth II Medical Centre Trust are:

The Secretary
Queen Elizabeth II Medical Centre Trust
R Block 1st Floor Sir Charles Gairdner Hospital
Hospital Avenue
NEDLANDS WA 6009
Telephone: (08) 9346 3964
Mobile: 0404818571

SECRETARIAL SUPPORT

The Trust gratefully acknowledges the continuing contribution of Mr D Sinclair who has served as Finance & Business Officer since February 2005 and Honorary Secretary since July 2005.

STATEMENT OF COMPLIANCE WITH PUBLIC SECTOR STANDARDS

- In relation to the Trust itself, members complied with the Code of Conduct that the Trust adopted on 27 July 2000.
- In relation to administrative and operational matters, staff engaged on Trust-related activities are employees of the Metropolitan Health Services and the compliance

statement contained in the Metropolitan Health Services' Annual Report applies to these personnel and related activities.

ADVERTISING AND SPONSORSHIP

The Trust had no expenditure in the financial year ended 30 June 2006 on the areas mentioned in Section 175ZE of the Electoral Act, 1907.

DISABILITIES SERVICES PLANNING

The Trust and Sir Charles Gairdner Hospital recognise that people with disabilities are valued members of the community who make contributions to social, economic and cultural life.

Planning to improve access to and facilities for the disabled is largely the responsibility of Sir Charles Gairdner Hospital in its role as Delegate.

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

- Parking facilities – the Trust provides a total of 48 disabled parking bays (compared to 42 in 2004/2005, 36 in 2003/2004 and 33 in 2002/2003) at appropriate locations around the site. This revised figure does not include 6 disabled parking bays at “The Niche”, or any disabled parking bays at “Crawford Lodge”. These facilities are on ground leases and are not available for general public parking. Sir Charles Gairdner Hospital also provides an electric passenger vehicle to transport infirm, aged and health-compromised people from the car parks to various points within and around the buildings on the Reserve;
- A total of 7 TransPerth bus routes traverse the Queen Elizabeth II Medical Centre including the Circle Route (routes 98 and 99) and the Subiaco Shuttle (route 97). Most of the Public Transport Authority bus fleet has special provision for disabled access.
- The Queen Elizabeth II Medical Centre Trust also has information on the Trust's web page.
- A new visitors' site map is now included in the Sir Charles Gairdner Hospital *Patient Information Booklet*. The visitor's map specifically outlines ACROD parking bays and the graphics are designed for easy reading for visual impaired readers; and
- All new and replacement signs for the Queen Elizabeth II Medical Centre are being installed in accordance with Australian Standard 1428.1 – 1428.2 - 1992 Design for access and mobility.

INFORMATION STATEMENT

An Information Statement complying with the requirements of the Freedom of Information Act, 1992 is appended to this report.

OPERATIONAL PERFORMANCE

Principal Operations

The principal day-to-day operations undertaken by Sir Charles Gairdner Hospital on the Trust's behalf are:

- Maintenance of the Reserve (gardens & grounds);
- Provision of parking facilities and control of traffic movement on site;
- Site Structure planning and master planning issues associated with the current reforms of the Western Australian Health system;
- Management of tenancy agreements; and
- Security.

Financial aspects of these operations are contained in the financial statements attached to this report.

Parking fees apply to both staff and visitors bringing vehicles on to the Reserve. These fees are established under Delegate By-Laws and were unchanged in 2005/2006, pending finalisation of the Site Structure Plan and the associated Parking Management and Access Plan.

Rental levels for leaseholders are established by:

- (a) the Trust's property management contractor for the retail/commercial tenants (based on market prices); and
- (b) the Trust, based on indicative rental rates for representative areas as advised by the Valuer General's Office for non-commercial tenants such as research institutes.

Review of the Provisions of The Queen Elizabeth II Medical Centre Act, 1966

Section 21 of The Queen Elizabeth II Medical Centre Act, 1966 (the Act) requires the Minister for Health to review the operation and effectiveness of the Act every 5 years calculated from 1 January 1991, and to present the report before each House of Parliament.

A report outlining the operation and effectiveness of the Act was provided to the Minister for Health in January 2006 for tabling in Parliament.

The Queen Elizabeth II Medical Centre Trust's records confirm that this requirement was met and a report was tabled in Parliament.

Health System Reform

In July 2004, Dr N Fong was appointed as Executive Chairman of the Health Reform and Implementation Taskforce. The Taskforce's primary function is to implement recommendations from the report of the Health Reform Committee chaired by Professor M Reid entitled " *A Healthy Future for Western Australians*".

A Steering Group was established to drive the implementation of the report's recommendations and to oversee the development of a Clinical Services Framework following an extensive consultation phase. The Clinical Services Plan is expected to be completed by June 2006. The plan will determine how clinical services across the health system will be delivered over the next five to ten year period.

As part of the process a " *New Vision for the North*" has been outlined and Sir Charles Gairdner Hospital is designated to become the Adult Tertiary Hospital for the North Metropolitan Area Health Service.

Access & Structure Planning

The Trust is continuing to work closely with the Department for Planning and Infrastructure and the State Planning Commission.

The Sir Charles Gairdner Group Project Control Group (PCG) together with the SCGH Capital Redevelopment Working Group were formed in September 2005 to finalise the Site Structure Plan for the Queen Elizabeth II Medical Centre Site.

A comprehensive Traffic and Transport Assessment has been completed for the site. A Public Transport Master Plan will be prepared to develop the required infrastructure and operational requirements for a future public transport system to meet the needs of Queen Elizabeth II Medical Centre, Hollywood Private Hospital and the University of Western Australia.

The Project Control Group has representatives from the SCGH, Department for Planning and Infrastructure, City of Nedlands, City of Subiaco the Department of Housing and Works, and the Queen Elizabeth Medical Centre Trust.

In June 2006 the QEII MC Trust Board endorsed the QEII MC Access and Site Structure Plan for the site.

In April 2006 the Master Planning Project Working Group was formed and it is envisaged that the draft Master Plan will be completed by August 2006.

Parking

The Queen Elizabeth II Medical Centre Trust is acutely aware of public and staff concerns about the parking situation on site and has acted to improve the car-parking situation and encourage alternative means of accessing the site.

The Queen Elizabeth II Medical Centre Site Structure Plan identifies areas where multi-storey car parks could be constructed.

The Parking Policy was revised and from the 1st May 2006 Parking Permits are issued on

priority basis accordance to need. Most employees who work from 7.30am – 5.30pm will not be provided with a Parking Permit. The policy is consistent with other WA Metropolitan Teaching Hospitals.

The Finance & Business Officer and the Travel Smart Coordinator are members of the Parking Permit Committee and the Parking Infringements Committees.

Green Transport Plan

In August 2005 a part time Travel Smart Coordinator was appointed to lead the development and implementation of the Green Transport Plan for the Queen Elizabeth II Medical Centre.

The Queen Elizabeth II Medical Centre Trust is taking part in the Travel Smart Workplace Program to develop a Green Transport Plan. A Green Transport Plan assists employers to reduce car trips to workplaces and seek other transport alternatives. Several successful lunchtime forums were conducted during the 2005/2006 financial year highlighting various modes of travel to work.

An inaugural Big Bike Breakfast was held on the 16 March 2006 to encourage staff to ride to work. The breakfast was held during Bike Week. The event promoted the health and environmental benefits of cycling.

The Queen Elizabeth II Medical Centre Trust has encouraged the use of alternative transport options, such as the Subiaco Shuttle Bus Service, the Circle Route, and using bicycles to ride to work, where possible. The Trust has confirmed its ongoing contribution of 10% towards the cost of operating the Subiaco Shuttle Bus Service.

The Finance and Business Officer and Travel Smart Coordinator attended Travel Smart seminars throughout the year to remain conversant with the latest developments and initiatives regarding alternative modes of travel to work.

Each fortnight at the Sir Charles Gairdner Hospital orientation day the Finance and Business Officer presents parking and access information and the Travel Smart Coordinator presents alternative travel information to the new employees to the site.

Community and Site User Liaison

The Trust has continued to publish a quarterly Campus Bulletin. This bulletin which is distributed internally and externally, provides readers with an update of issues of interest on the Queen Elizabeth II Medical Centre site.

The Trust also arranges bi-monthly Site User Liaison Meetings to discuss site and hospital-related issues.

The Trust has continued to upgrade The Queen Elizabeth II Medical Centre intranet website and this can be accessed by www.qeii.health.wa.gov.au

Information about the Trust's activities, links to other site users and site maps are also available through this website.

CAPITAL PROJECTS

The Queen Elizabeth II Medical Centre Trust itself did not undertake any major capital projects on the Reserve during the year, pending finalisation of the Site Structure Plan and Master Plan.

The North Metropolitan Area Health Service – Sir Charles Gairdner Hospital awarded a contract for a new \$12 Million Cancer Centre at the northern end of Car Park 5, adjacent to D Block. Construction commenced in April 2005 and was completed in 2006. This required the relocating of Special Rights Car Park 5 to the rear of R Block.

The site cooling system was upgraded to meet the increase demand across the site for chilled water, which is required for air conditioning and cooling of sterilisation and medical equipment.

The University of Western Australia completed upgrades to Research facilities in M Block.

The AH Crawford Lodge also completed construction of on-site accommodation units for patients and a new recreation lounge within Crawford Lodge.

The following minor works were undertaken to improve accessibility to the site, to discourage illegal parking and address safety issues:

- A temporary car park was created for Visitor Overflow Car Parking located in front of R Block. This area was strictly developed to accommodate the overflow of visitors' parking to the Queen Elizabeth II Medical Centre Site.
- An undercover motorbike facility was completed near Car Park Five. The sheltered area is extremely popular and as an incentive to employees, motorcyclists are not charged for parking on the Queen Elizabeth II Medical Centre Site. Additional undercover parking facilities for motorbikes will be completed during 2006.
- The entry and exit points to the Hospital Avenue Visitors' Car Park One were modified to improve traffic flow and the number of visitor bays was increased. The modifications included the installation of pedestrian traffic lights and the relocation of the bus shelter closer to Aberdare Road.

- Loose stones are being progressively removed from traffic islands within car parking areas and the surface bituminised to eliminate a potentially dangerous tripping hazard for car park users. Work will be completed during 2006.
- The Retail areas in E Block were upgraded and the improvements to the floor surface have made the floors easier to maintain.
- Numerous directional signs throughout the Queen Elizabeth II Medical Centre Site have been replaced to ensure that visitors can conveniently access the site.

OTHER MATTERS OF RELEVANCE TO THE TRUST'S OPERATIONS

Sir Charles Gairdner Hospital provides a range of services to other site tenants as an adjunct to its own operations. These services include gas, normal and essential electricity supplies, chilled water for air conditioning, high temperature hot water, steam as well as filtered water for laboratories using reverse osmosis.

In accordance with Department of Health policy, smoking is banned within five metres of entrances to all Department of Health buildings, hospitals and similarly, within 10 metres of air-conditioning intakes. Smoker's areas have been relocated away from building entry points and air conditioning inlets across the site.

PERFORMANCE INDICATORS

Performance indicator information is provided on pages 14 – 19.

PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2006

CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the accompanying Performance Indicators are based on proper records, are relevant and appropriate for assisting end users to assess the Queen Elizabeth II Medical Centre Trust's performance, and fairly represent the performance of the Trust for the year ended 30 June 2006.

Signed at Perth this: _____

Judge VJ French

Chairperson
The Queen Elizabeth II Medical Centre Trust

Professor I Puddey

Member
The Queen Elizabeth II Medical Centre Trust



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**THE QUEEN ELIZABETH II MEDICAL CENTRE TRUST
FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2006**

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of The Queen Elizabeth II Medical Centre Trust at 30 June 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the Trust provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key effectiveness and efficiency performance indicators of the Trust are relevant and appropriate to help users assess the Trust's performance and fairly represent the indicated performance for the year ended 30 June 2006.

Scope

The Trust is responsible for keeping proper accounts and maintaining adequate systems of internal control, for preparing the financial statements and performance indicators, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the Notes to the Financial Statements.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Act, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and performance indicators.

D D R PEARSON
AUDITOR GENERAL
25 September 2006

Outcome of the Trust (External)

Appropriate site facilities are provided for Queen Elizabeth II Medical Centre site users.

Service Plan (Site Facilities)

The Trust/Delegate provides the following services:

- *Construction, where required, and maintenance of roads, paths, parking areas, lighting, sewerage and drainage and like facilities;*
- *Landscaping and maintenance of gardens and grounds on the Reserve;*
- *Security of persons and property on and around the Reserve;*
- *Control of vehicular movement and parking on the Reserve;*
- *Control measures related to ingress to and egress from the Reserve.*

Indicators

Effectiveness Indicators

1. The percentage of positive responses ('excellent', 'very good' and 'good') on the customer (Queen Elizabeth II Medical Centre site users) satisfaction survey covering:

- *Standard of maintenance and repair of roads, paths, parking areas and grounds/gardens on Reserve;*
- *Timeliness of maintenance and repair of roads, paths, parking areas and grounds/gardens on Reserve;*
- *Standard of lighting on Reserve;*
- *Standard of Security control for vehicular movement on and around Reserve and illegal parking;*
- *Timeliness of Security response; and*
- *Appropriateness of parking facilities provided to staff and visitors.*

As the outcome of the Trust is to provide appropriate facilities to site users (customers), a key measure of effectiveness needs to include the customers' views on the service provided. Performance Indicator 1 provides information on how well the Queen Elizabeth II Medical Centre Trust meets customer needs.

The Queen Elizabeth II Medical Centre Trust

Performance Indicators

For the year ended 30th June 2006

A Site Users' Satisfaction Survey was issued in June 2006 for the 2005/2006 financial year. To maximise coverage and ensure that customers could be followed up if a proportional response had not been received, particularly from the larger site user groups, the following process was used for the 2005/2006 survey:

- A spreadsheet was developed listing the 25 major site user groups and key contact details;
- Survey forms for each of the 25 major site user groups had different footers to enable the various response rates to be assessed;
- Where a proportional response rate had not been received, or where there had been a nil response, a follow-up email was sent to the key contacts requesting that more responses be encouraged from their respective groups;
- The questions used for the 2005/2006 Site User's Satisfaction Survey were unchanged from the 2004/2005 financial year to allow a direct comparison of Key Performance Indicators from the previous survey.
- Additional questions were included to assist in the development of the Green Transport Plan.

A total of 294 responses to the survey were received by the due date (compared to 406 in 2004/2005 and compared to 260 in 2003/2004) with the results being recorded below.

Responses were received from 6 the 25 major site user groups, giving a response rate of 24%.

The levels of satisfaction are recorded as the percentage of respondents indicating "fair" to "excellent" on the survey form.

The level of satisfaction with the standard of maintenance and repair of roads, paths, parking areas and grounds/gardens on the Reserve were:

Maintenance Area	2005/2006	2004/2005	2003/2004
Roads	92%	89%	93%
Footpaths	92%	89%	94%
Parking Areas	66%	44%	71%
Grounds/Gardens	96%	93%	98%

The Queen Elizabeth II Medical Centre Trust

Performance Indicators

For the year ended 30th June 2006

In relation to the timeliness of this maintenance repair, the satisfaction levels were:

Maintenance Area	2005/2006	2004/2005	2003/2004
Roads	85%	81%	90%
Footpaths	85%	81%	92%
Parking Areas	74%	59%	82%
Grounds/Gardens	90%	87%	94%

78% of respondents were satisfied with the standard of lighting on the Reserve compared with 78% in 2004/2005, 84% in 2003/2004 and 83% in 2002/2003.

The standard of security control in relation to vehicular movement on and around the Reserve received a satisfaction level of 76% (69% in 2004/2005, 73% in 2003/2004 and 72% in 2002/2003). The management of illegal parking was rated as 57% (44% in 2004/2005, 56% in 2003/2004 and 55% in 2002/2003).

59% of respondents were satisfied with the timeliness of security response after requesting assistance compared with 43% in 2004/2005 and 52% in 2003/2004. This year 38% of respondents considered they were unable to respond to this indicator compared with 49% in 2004/2005 and 45% in 2003/2004, which still significantly affects the outcome of this response.

55% of respondents were satisfied with the staff parking facilities (44% in 2004/2005, 74% in 2003/2004 and 54% in 2002/2003) and 66% with the parking facilities provided for patients/visitors (43% in 2004/2005 in 2003/2004 and 47% in 2002/2003).

Staff are not satisfied with the parking arrangements due to new services coming to the site that have reduced parking opportunities.

In addition to Car Park improvements the Trust and the Sir Charles Gairdner Hospital acknowledge that parking capacity remains an issue on the site. While this is being addressed in various site-planning processes, provision of increased parking requires substantial capital investment and options for funding such developments need to be pursued. Alternative transit programs are also being considered to reduce the amount of traffic, especially single occupant vehicles, coming to the site.

Traffic, parking and access planning will be progressed as part of Structural Planning for the current health reform process.

The Queen Elizabeth II Medical Centre Trust

Performance Indicators

For the year ended 30th June 2006

2. The total number of Motor Vehicles stolen from car parks/year on the Reserve in comparison to the total number of car parking bays

An outcome of the Trust is to provide a security service to property on the Reserve. Performance Indicator 2 identifies the ratio of cars stolen from the site in relation to the number of car parking bays available. This provides a measure of the effectiveness of car park security over time.

In the financial year ended 30 June 2006 a total of 4 cars were stolen from Reserve car parks compared to 2 in the previous year and 2 in 2003/2004. The total number of car bays on the Reserve is 2910. These figures exclude the significant oversubscription of parking on the site occurring at peak times.

The proportion of vehicles stolen to car bays is 1.26 compared to 0.66 in 2004/2005, 0.66 vehicles per 1000 bays in 2003/2004, compared with 2.89 vehicles per 1000 bays in 2002/2003.

Efficiency Indicators

3. Overall Operating Expense per Hectare

The Trust incurs costs related to repairs and maintenance of the Queen Elizabeth II Medical Centre Reserve, site security, car parking management, legal costs, depreciation and general administrative/management functions. This performance indicator is a measure of the total costs incurred per hectare in developing, controlling and managing the Reserve. The notional Capital User Charge shown in the Financial Statements is excluded for the purposes of this indicator

In 2005/2006 the total operating expense per hectare was \$77,140 compared to \$88,455 in 2004/2005, \$80,095 in 2003/2004 and \$73,268 in 2002/2003.

3.1 Maintenance Cost per Hectare

An outcome of the Trust is to provide appropriate site facilities and a major component of the service is maintenance and repairs (roads, paths, car parks, lighting, grounds and gardens) on the Reserve. The expenses incurred are part of the overall operating expense but separately reported on for management purposes. This Performance Indicator is a measure of the cost per hectare directly related to provision of this maintenance service.

The total area of the Reserve is 28.4749ha. In 2005/2006, the cost per hectare was \$37,912 compared to \$28,670 in 2004/2005, \$24,127 in 2003/2004 and \$20,625 in 2002/2003.

The increase in this indicator is driven by increased expenditure on salaries and wages, repairs, maintenance and the upgrading of car parks. Work also includes repairs to ageing surfaces on footpaths, roads and kerbing as well as addressing public safety and disabled access requirements.

**SEE PAGE 15
FOR INDEPENDENT AUDIT OPINION
ON FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30TH JUNE 2006**

FINANCIAL STATEMENTS

The Queen Elizabeth II Medical Centre Trust

**Certification of financial statements
For the year ended 30 June 2006**

The accompanying financial statements of the Queen Elizabeth II Medical Centre Trust have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2006 and the financial position as at 30 June 2006.

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

Judge VJ French
Chairperson
The Queen Elizabeth II
Medical Centre Trust
Date:

Professor I Puddey
Member
The Queen Elizabeth II
Medical Centre Trust
Date:

Carl Cartwright
A/ Director Finance
North Metropolitan Health Service
Principal Accounting Officer
Date:

The Queen Elizabeth II Medical Centre Trust

Balance Sheet

As at 30th June 2006

	Note	2006 \$	2005 \$
ASSET			
Current Assets			
Cash and cash equivalents	15	2,067,741	1,845,735
Receivables	16	75,177	117,119
Total Current Assets		<u>2,142,918</u>	<u>1,962,854</u>
Non-Current Assets			
Amounts receivable for services	17	3,058,000	2,546,000
Property, plant and equipment	18	16,316,968	16,827,522
Intangible assets	20	41,204	48,477
Total Non-Current Assets		<u>19,416,172</u>	<u>19,421,999</u>
Total Assets		<u>21,559,090</u>	<u>21,384,853</u>
LIABILITIES			
Current Liabilities			
Payables	21	60,823	84,893
Provisions	22	161,650	0
Other current liabilities	23	42,328	93,956
Total Current Liabilities		<u>264,801</u>	<u>178,849</u>
Non-Current Liabilities			
Provisions	22	43,669	0
Total Non-Current Liabilities		<u>43,669</u>	<u>0</u>
Total Liabilities		<u>308,470</u>	<u>178,849</u>
NET ASSETS		<u>21,250,620</u>	<u>21,206,004</u>
EQUITY			
Reserves	24	18,755,969	18,755,969
Accumulated surplus	25	2,494,651	2,450,035
TOTAL EQUITY		<u>21,250,620</u>	<u>21,206,004</u>

The Balance Sheet should be read in conjunction with the notes to the financial statements.

The Queen Elizabeth II Medical Centre Trust

Income Statement

For the year ended 30th June 2006

	Note	2006 \$	2005 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	6	1,028,09	901,21
Patient support costs	7	30,27	0
Depreciation and amortisation expense	8	517,82	851,73
Asset revaluation decrement	24	0	24,756,00
Capital user charge	10	1,700,00	7,062,00
Loss on disposal of non-current assets	9	0	53
Other expenses	11	999,23	765,82
Total cost of services		<u>4,275,43</u>	<u>34,337,30</u>
INCOME			
Revenue			
Parking revenue	12	1,604,61	1,463,51
Interest revenue		101,49	109,01
Other revenues	13	401,94	315,12
Total revenue		<u>2,108,05</u>	<u>1,887,66</u>
Total income other than income from State Government		<u>2,108,05</u>	<u>1,887,66</u>
NET COST OF SERVICES		<u>2,167,38</u>	<u>32,449,64</u>
INCOME FROM STATE GOVERNMENT			
Service appropriations	14	2,212,00	7,908,00
Total income from State Government		<u>2,212,00</u>	<u>7,908,00</u>
SURPLUS/(DEFICIT) FOR THE PERIOD		<u>44,61</u>	<u>(24,541,643)</u>

The Income Statement should be read in conjunction with the notes to the financial

The Queen Elizabeth II Medical Centre Trust

Cash Flow Statement

For the year ended 30th June 2006

	Note	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment			
Supplies and services		(1,023,851)	(710,839)
Employee benefits		(836,613)	(925,038)
GST payments on purchases		0	(239,833)
GST payments to taxation authority		(7,718)	(15,884)
Receipts			
Receipts from customers		1,538,401	1,437,232
Interest received		100,551	111,596
GST receipts on sales		0	205,350
GST receipts from taxation authority		49,288	26,624
Other receipts		401,948	428,411
Net cash provided by operating activities	26(b)	<u>222,006</u>	<u>317,619</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of non-current physical assets	18	<u>0</u>	<u>(550,056)</u>
Net cash (used in) investing activities		<u>0</u>	<u>(550,056)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Parking fee deposit increase/ (decrease)		<u>0</u>	<u>(49)</u>
Net cash (used in) financing activities		<u>0</u>	<u>(49)</u>
Net increase / (decrease) in cash and cash equivalents		222,006	(232,486)
Cash and cash equivalents at the beginning of period		1,845,735	2,078,221
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	26(a)	<u>2,067,741</u>	<u>1,845,735</u>

The Cash Flow Statement should be read in conjunction with the notes to the financial statements.

The Queen Elizabeth II Medical Centre Trust

Statement of Changes in Equity

For the year ended 30th June 2006

	Note	2006 \$	2005 \$
Balance of equity at start of period		21,206,004	86,622,550
RESERVES	24		
Asset Revaluation Reserve			
Balance at start of period		18,755,969	59,630,872
Gains/(losses) from asset revaluation		0	(40,874,903)
Balance at end of period		<u>18,755,969</u>	<u>18,755,969</u>
ACCUMULATED SURPLUS	25		
Balance at start of period		2,450,035	26,991,678
Surplus/(deficit) for the period		44,616	(24,541,643)
Balance at end of period		<u>2,494,651</u>	<u>2,450,035</u>
Balance of equity at end of period		<u>21,250,620</u>	<u>21,206,004</u>
Total income and expense for the period		<u>44,616</u>	<u>(65,416,546)</u>

The Statement of Changes in Equity should be read in conjunction with the notes to the financial

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

Not 1 First time adoption of Australian equivalents to International Financial Reporting

General

This is the Trust's first published financial statement prepared under Australian equivalent to International Financial Reporting Standards.

Accounting Standard AASB 'First time Adoption of Australian Equivalent to International Financial Reporting Standards' has been applied in preparing these financial statements. Until 30 June 2005 the financial statement of the Trust has been prepared under the previous Australian Generally Accepted Accounting Principles.

The Australian Accounting Standard Board (AASB) adopted the Standard of the International Accounting Standard Board (IASB) for application to reporting period beginning on or after 1 January 2006 by issuing AIFR which comprises a Framework for the Preparation and Presentation of Financial Statements Australia Accounting Standard and the Urgent Issue Group (UIG) Interpretations.

In accordance with the option provided by AASB paragraph 36 an exercise by Treasurer's Instruction 110 'Application of Australia Accounting Standard and Other Pronouncements' financial instrument information prepared under AASB 13 an AASB 13 will apply from 1 July 2006 and consequent comparative information for financial instrument is presented on the previous AGAAP basis. All other comparative information has been prepared under the AIFRS.

Early adoption of

The Trust cannot adopt a Australia Accounting Standard or UIG Interpretation early unless specifically permitted by T 110 'Application of Australia Accounting Standard and Other Pronouncements'. This Trust requires the early adoption of revised AASB 11 'Employee Benefits' issued in December 2004 AASB 2004- 'Amendment to Australia Accounting Standards AASB 2005 3 'Amendment to Australia Accounting Standard [AAS 119]' AASB 2005- 'Amendment to Australia Accounting Standard [AAS 139 AASB 132 AASB 1 AASB 102 & AASB 1038] an AASB 2005- 'Amendment to Australia Accounting Standard [AAS 3] to the annual reporting period beginning 1 July 2005 AASB 2005- amend AASB 13 'Financial Instruments Recognition and Measurement' so that the ability to designate financial asset and financial liabilities at fair value in restricted AASB 2005-6 excludes business combinations involving common control from the scope of AASB 3 'Business

Reconciliation explaining the transition to AIFRS as at 1 July 2006 and 30 June 2006 are provided in note 3 'Reconciliation explaining the transition to

Not 2 Summary of significant accounting

(a) General

The financial statement constitutes a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards the Framework Statement of Accounting Concept and other authoritative pronouncement of the Australian Accounting Standard Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and

The Financial Administration and Audit Act and the Treasurer's Instruction are legislative provisions governing the preparation of financial statement and take precedence over the Accounting Standards the Framework Statement of Accounting Concept and other authoritative pronouncements of the Australian Accounting Standards.

Where modification is required and has a material or significant financial effect upon the reported results detail of the modification and the resulting financial effect are disclosed in the notes to the financial

(b) Basis of

The financial statement have been prepared on the accrual basis of accounting using the historical cost convention modified by the revaluation of land and buildings which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statement have been consistently applied throughout the period presented unless otherwise

The financial statements are presented in Australian

The judgement that has been made in the process of applying the Trust's accounting policies that have the most significant effect on the amount recognised in the financial statement are disclosed in a note 'Judgement made by management in applying accounting

The key assumption made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of asset and liabilities within the next financial year are disclosed at note 4 'Key sources of estimation

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

(c) Income

Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised as follows:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser.

Rendering of services

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

Interest

Revenue is recognised as the interest accrues.

Service Appropriations

Service Appropriations are recognised as revenues at nominal value in the period in which the Trust gains control of the appropriated funds. The Trust gains control of the appropriated funds at the time those funds are deposited to the bank account or credited to the holding account held at the Department of Treasury and Finance. See also note 14 'Service Appropriations'.

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.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(d) Property, Plant and Equipment

Capitalisation/Expensing of assets

Items of property, plant and equipment costing above \$1,000 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 \$1,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of 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

After recognition as an asset, the revaluation model is used for the measurement of land and buildings, and the cost model for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation on buildings and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions.

Where market evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost.

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

The revaluation of land and buildings is provided independently by the Department of Land Information (Valuation Services).

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

Refer to note 18 'Property, plant and equipment' for further information on revaluations.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

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.

Lands are not depreciated. Depreciation of other assets is calculated using the reducing balance method using rates which are reviewed annually. Expected useful lives for each class of depreciable asset

Building	33
Other plant and	5 to 7

(e) Intangible

Capitalisation/Expensing of

Acquisition of intangible assets costing over \$1,000 and internally generated intangible assets costing over \$1,000 are capitalised. The cost of utilising the asset is expense (amortised over their useful life). Costs incurred below this threshold are immediately expensed directly to the Income Statement.

All internally developed intangible assets are initially recognised at cost. For assets acquired at a nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied to subsequent measurements requiring the asset to be carried at the cost less any accumulated amortisation and accumulated impairment losses.

The carrying value of intangible assets is reviewed for impairment annually when there are indicators of impairment or more frequently when an indicator of impairment arises during the reporting period indicating that the carrying value may not be recoverable.

Amortisation of intangible assets with finite useful lives is calculated for the period of the expected benefits (estimated useful life) on the reducing balance basis using rates which are reviewed annually. All intangible assets controlled by the Trust have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset

Computer	5 year
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Software that is an integral part of related hardware is treated as a property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset.

(f) Impairment of

Property, plant and equipment and intangible assets are tested for an indication of impairment at each reporting date. 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. An impairment loss is recognised if the Trust is a not-for-profit entity unless the 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 or where the replacement cost is falling. Each relevant class of asset is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of an asset's future economic benefits and to evaluate an impairment risk from falling replacement cost.

Intangible assets with an indefinite useful life and intangible assets not available for use are tested for impairment at each reporting date irrespective of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its 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 when fair value is determined by reference to market 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 are tested for indications of impairments at each reporting date.

Refer note 19 'Impairment of assets' for the outcome of impairment reviews and

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

(g) Financial

The Trust has two categories of financial

- Loans and receivables (cash and cash equivalents, receivables);
- Non trading financial liabilities (finance leases),

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.

(h) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents (and restricted cash and cash equivalents) assets comprise cash on hand and short-term deposits with original maturities of three months or less, that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

(i) Accrued Salaries

Accrued salaries (refer to note 23) represent the amount due to staff 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 the net fair value.

(j) Amounts Receivable for Services (Holding Account)

The Trust receives funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

See also note 14 'Service appropriations' and note 17 'Amounts receivable for services'.

(k) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off. 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 from the date of recognition. See note 2(g) 'Financial instruments' and note 16 'Receivables'.

(l) Payables

Payables are recognised at the amounts payable 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 note 2(g) 'Financial instruments' and note 21 'Payables'.

(m) Provisions

Provisions are liabilities of uncertain timing and amount, and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance date. See note 22 'Provisions'.

Provisions have been disclosed for the first time this financial year as employees wages are direct costed and not recouped through the Metropolitan Health Service

Provisions - Employee Benefits

Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the end of the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the reporting date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the reporting date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and 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 reporting date.

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 Income Statement for this leave as it is taken.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members.

The Trust has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Trust to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees who are not members of either the Pension or the GSS Schemes become non-contributory members of the West State Superannuation Scheme (WSS), an accumulation scheme. The Trust makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. The WSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the WSS Scheme.

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share.

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

Deferred Salary Scheme

With the written agreement of the Trust, an employee may elect to receive, over a four-year period, 80% of the salary they would otherwise be entitled to receive. On completion of the fourth year, an employee will be entitled to 12 months leave and will receive an amount equal to 80% of the salary they were otherwise entitled to in the fourth year of deferment. An employee may withdraw from this scheme prior to completing a four-year period by written notice. The employee will receive a lump sum payment of salary forgone to that time.

The liability for deferred salary scheme represents the amount which the Trust is obliged to pay to the employees participating in the deferred salary scheme. The liability has been calculated on current remuneration rates in respect of services provided by the employees up to the reporting date and includes related on-costs.

Gratuities

The Trust is obliged to pay the medical practitioners and nurses for gratuities under Medical Practitioners (WA Country Trust – North West) AMA Industrial Agreement and the Nurses (WA Government Trusts) Agreement 2001. These groups of employees are entitled to a gratuity payment for each completed year of continuous service in specified regions in Western Australia.

The liability for gratuity payments is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash flows.

Provisions - Other

Employment on-costs

Employment on-costs, including 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 note 11 'Other expenses' and note 22 'Provisions'.

(n) Superannuation Expense

The following elements are included in calculating the superannuation expense in the Income Statement:

The GSS Scheme is a defined benefit scheme for purpose of employees and whole-of-government reporting. However apart from the transfer benefit, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the trust to GESB extinguishes the agencies obligations to the related superannuation liability.

(o) Resources Received Free of Charge or for Nominal Cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as revenues and as assets or expenses as appropriate, at fair value.

(P) Reporting Entity

The reporting entity is comprised of the Trust only

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

As at 30th June 2006

(q) Comparative Figures

Comparative figures have been restated on the AIFRS basis except for financial instruments which have been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. The transition date to AIFRS for financial instruments is 1 July 2005 in accordance with AASB 1, paragraph 36A and Treasurer's Instruction 1101.

Note 3 Judgements made by management in applying accounting policies

Judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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:

Buildings

A number of buildings that are located on the land of local government agencies have been recognised in the financial statements. The Trust believes that, based on past experience, its occupancy in these buildings will continue to the end of their useful life.

Note 4 Key sources of estimation uncertainty

The key estimates and assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Buildings

In order to estimate fair value on the basis of existing use, the depreciated replacement costs are determined on the assumption that the buildings will be used for the same functions in the future. A major change in utilisation of the buildings may result in material adjustment to the carrying amounts.

Employee benefits provision

A staff retention factor representing the experience of employee departures and periods of service is used to estimate the non-current long service leave liabilities. This is an average of probabilities that current employees will remain employed until completion of their partially completed LSL cycles (being either 7 years or 10 years). This does not make a distinction between employees have differing terms to full entitlement. The same average probability is equally applied to an employee who is very close to attaining full entitlement as it is to a new employee. The actuarial assessment of the staff retention factor was undertaken in July 2003 and it will be due for re-assessment by the next reporting date.

Note 5 Disclosure of changes in accounting policy and estimates

Future impact of Australian Accounting Standards not yet operative

The Trust cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. As referred to in Note 1, TI 1101 has only mandated the early adoption of revised AASB 119, AASB 2004-3, AASB 2005-3, AASB 2005-4 and AASB 2005-6. Consequently, the Trust has not applied the following Australian Accounting Standards and UIG Interpretations that have been issued but are not yet effective. These will be applied from their application date:

- 1) AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007. The Standard is considered to result in increased disclosures of an entity's risks, enhanced disclosure about components of an financial position and performance, and changes to the way of presenting financial statements, but otherwise there is no financial impact.
- 2) AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and Measurement'. The Trust does not undertake these types of transactions resulting in no financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2006.
- 3) UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease'. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At reporting date, the Trust has not entered into any arrangements as specified in the Interpretation resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2006.

The following amendments are not applicable to the Trust as they will have no impact:

AASB Amendment	Affected Standards
2005-1	AASB 139 (Cash flow hedge accounting of forecast intragroup transactions).
2005-5	'Amendments to Australian Accounting Standards [AASB 1 & AASB 139]'
2006-1	AASB 121 (Net investment in foreign operations).
UIG 5	'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'.
UIG 6	'Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment'.
UIG 7	'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

As at 30th June 2006

Not 6 Employee benefits	200	200
	\$	\$
Salaries and wages	999,09	901,21
Superannuation - defined contribution plans	22,51	0
Annual leave (5,59	0
Long service leave (89	0
	<u>1,028,09</u>	<u>901,21</u>

(a) Includes the value of the fringe benefit to the

(b) Defined contribution plans include West State and Gold State (contributions paid). This only represents a portion of the year

(c) This only represents a portion of the financial

Employment on- expenses include a note 1 'Other expenses' The employment on- liability is included at note 22

Not 7 Patient support

Medical supplies and	1,71	0
Domestic	2,29	0
Fuel, light and	12,40	0
Food	10	0
Patient transport	13,27	0
Purchase of external	48	0
	<u>30,27</u>	<u>0</u>

Not 8 Depreciation and amortisation

Depreciation

Building	495,74	835,47
Other plant and	14,80	7,70
	<u>510,55</u>	<u>843,17</u>

Amortisation

Intangible	7,27	8,55
Total depreciation and	<u>517,82</u>	<u>851,73</u>

Not 9 Net gain / (loss) on disposal of non-current

Cost of disposal of non-current

Other plant and	<u>0</u>	<u>53</u>
	<u>0</u>	<u>53</u>

Proceeds from disposal of non-current

Other plant and	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

Net

	<u>0</u>	<u>(53)</u>
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See note 18 'Property, plant and

Not 1 Capital user

	<u>1,700,00</u>	<u>7,062,00</u>
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The Government applies a levy for the use of its capital for the delivery of services. It applies a 8% per annum on the net asset of the Trust excluding exempt assets. Payment is made to the Department of Treasury and Finance on a quarterly basis by the Department of Health on behalf of the

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

As at 30th June 2006

Note 11 Other expenses

Communications	95	0
Employment on-costs (a)	24,968	25,973
Motor vehicle expenses	719	0
Printing and stationery	17,830	27,960
Rental of property	1,100	0
Repairs, maintenance and consumable equipment expense	859,353	558,830
Other	95,174	153,060
	<u>999,239</u>	<u>765,823</u>

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 22 'Provisions'. 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 30th June 2006

	200	200
	\$	\$
Not 1 Parking		
Staff parking	868,25	832,09
Other parking	693,56	625,36
Fines and	42,79	6,05
	<u>1,604,61</u>	<u>1,463,51</u>
Not 1 Other		
Rent from	294,02	290,48
Othe	107,91	24,64
	<u>401,94</u>	<u>315,12</u>
Not 1 Service		
Appropriation revenue received during the Service	<u>2,212,00</u>	<u>7,908,00</u>
<p>Service appropriation ar accrua amount reflectin th ne cos o service delivered Th appropriatio revenu comprise a cas componen an a receivabl (asset) Th receivabl (holdin account comprise th depreciatio expens fo th yea an an agree increas i leav liability during the</p>		
Not 1 Cash and cash		
Cash on	20	0
Cash at bank -	324,73	352,57
Deposits at	1,742,81	1,493,16
	<u>2,067,74</u>	<u>1,845,73</u>
Not 1		
Curren		
Parking revenue	38,55	66,40
Fines revenue	8,03	1,38
Rental	23,61	7,08
Other	4,97	1,82
Less: Allowance for impairment of	0	0
	<u>75,17</u>	<u>76,68</u>
GST	0	40,43
	<u>75,17</u>	<u>117,11</u>
<p>See also note 2(k) 'Receivables' and note 33 'Financial</p>		
Not 1 Amounts receivable for		
Curren	0	0
Non-	<u>3,058,00</u>	<u>2,546,00</u>
	<u>3,058,00</u>	<u>2,546,00</u>
Balance at start of the	2,546,00	0
Credit to holding	0	0
Less holding account	<u>512,00</u>	<u>2,546,00</u>
Balance at end of the	<u>3,058,00</u>	<u>2,546,00</u>
<p>This asse represent th non- componen o servic appropriation whic i hel i a holdin accoun a th Departmen o Treasur an Finance I i restricte i tha i ca onl b use fo asset replacement or payment of leave</p>		
Not 1 Property, plant and		
Lan		
At fair	244,00	244,00
	<u>244,00</u>	<u>244,00</u>
Building		
<u>Clinical</u>		
At fair	16,524,95	16,524,95
Accumulated	(495,749)	0
	<u>16,029,20</u>	<u>16,524,95</u>
Total land and	<u>16,273,20</u>	<u>16,768,95</u>

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

	200 \$	200 \$
Other plant and At	85,23	85,23
Accumulated	(41,468)	(26,664)
Accumulated impairment	<u>0</u>	<u>0</u>
	43,76	58,57
	<u>16,316,96</u>	<u>16,827,52</u>

Total of property, plant and
The revaluations of land and buildings were performed in June 2005 in accordance with independent valuation by the Department of Land Information (Valuation Services). See note 'Property, Plant and

A 3 Jun 200 n independen valuatio ha bee performed Th member o th Trus hav performe thei ow valuatio an believ th carryin o land building a 3 Jun 200 equate t fair

Reconciliation

Reconciliation o th carryin amount o property plan an equipmen a th beginnin an en of the current financial year are set out

	200 \$	200 \$
Lan		
Carrying amount at start of	244,00	55,000,00
Addition	0	0
Disposal	0	0
Revaluation	0	(54,756,000)
Carrying amount at end of	<u>244,00</u>	<u>244,00</u>
Building		
Carrying amount at start of	16,524,95	27,720,26
Addition	0	515,06
Disposal	0	0
Revaluation	0	(10,874,903)
Depreciatio	(495,749)	(835,470)
Carrying amount at end of	<u>16,029,20</u>	<u>16,524,95</u>
Other plant and		
Carrying amount at start of	58,57	31,81
Addition	0	34,99
Disposal	0	(531)
Depreciatio	(14,804)	(7,709)
Carrying amount at end of	<u>43,76</u>	<u>58,57</u>
Total property, plant and		
Carrying amount at start of	16,827,52	82,752,07
Addition	0	550,05
Disposal	0	(531)
Revaluation	0	(65,630,903)
Depreciatio	(510,553)	(843,179)
Carrying amount at end of	<u>16,316,96</u>	<u>16,827,52</u>

(a Recognise i Incom Statement Where a asse measure a cos i writte dow t recoverabl amount a impairmen los i recognise i th Incom Statement Where a asse a fair value is written down to recoverable amount, the loss is accounted for as a

Not 1 Impairment of

Ther wer n indication o impairmen t property plan an equipment an intangibl asset a 30 June

Th Trus hel n goodwill o intangibl asset wit a indefinit usefu lif durin th reportin period and at reporting date there were no intangible assets not yet available for

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

Not 2 Intangible	200 \$	200 \$
Computer		
At	113,51	113,51
Accumulated	(72,309)	(65,036)
Accumulated impairment	0	0
	<u>41,20</u>	<u>48,47</u>

Reconciliatio

Reconciliatio o th carryin amoun o intangibl asset a th beginnin an en o th curren financial year is set out

Computer

Carrying amount at start of	48,47	57,03
Amortisation	(7,273)	(8,555)
Carrying amount at end of	<u>41,20</u>	<u>48,47</u>

Not 2

Curren

Trade	20,58	12,39
Accrued	40,23	72,50
	<u>60,82</u>	<u>84,89</u>

See also note 2(l) Payables and note 33 'Financial

Not 2

Curren

Employee benefits		
Annual leave	106,61	0
Time off in lieu leave	11,23	0
Long service leave	43,80	0
Other		
Employment on-costs	0	0
	<u>161,65</u>	<u>0</u>

Non-

Employee benefits		
Long service leave	43,66	0
	<u>43,66</u>	<u>0</u>

Total	<u>205,31</u>	<u>0</u>
-------	---------------	----------

(a) Annua leav liabilitie hav bee classifie a curren a ther i n unconditiona righ t defe settlemen fo a leas 12 month afte reportin date Assessment indicat tha actua settlemen of the liabilities will occur as

Within 12 months of reporting	65,49	0
More than 12 months after reporting	41,11	0
	<u>106,61</u>	<u>0</u>

(b) Lon servic leav liabilitie hav bee classifie a curren wher ther i n unconditiona righ t defe settlemen fo a leas 12 month afte reportin date Assessment indicat tha actual settlement of the liabilities will occur as

Within 12 months of reporting	10,99	0
More than 12 months after reporting	76,47	0
	<u>87,47</u>	<u>0</u>

(c) Time of i lie leav liabilitie hav bee classifie a curren wher ther i n unconditiona righ t defe settlemen fo a leas 12 month afte reportin date Assessment indicat tha actual settlement of the liabilities will occur as

Within 12 months of reporting	6,90	0
More than 12 months after reporting	4,33	0
	<u>11,23</u>	<u>0</u>

(d) Th settlemen o annua an lon servic leav liabilitie giv ris t th paymen o employem on- includin worker compensatio premiums Th provisio i th presen valu o expecte futur payments Th associate expense apar fro th unwindin o th discoun (finance cost), is included at note 11 'Other

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

	200	200
	\$	\$
Not 2 Other		
Current		
Accrued	8,17	0
Income received in Refundable	34,15	32,71
	<u>0</u>	<u>61,23</u>
	<u>42,32</u>	<u>93,95</u>
Not 2		
Asset revaluation reserve		
Balance at start of	18,755,96	59,630,87
Net revaluation increments / (decrements)	<u>0</u>	<u>(40,874,903)</u>
Balance at end of	<u>18,755,96</u>	<u>18,755,96</u>
Asset revaluation decrements recognised as an expense	<u>0</u>	<u>24,756,00</u>
	<u>0</u>	<u>24,756,00</u>
(a An increment i credite directl t th asse revaluatio reserve excep t th exten tha an increment reverses a revaluation decrement previously recognised as an		
(b An decrement i recognise a a expens i th Incom Statement excep t th exten tha any decrement reverses a revaluation increment previously credited to the asset		
Not 2 Accumulated		
Balance at start of	2,450,03	26,991,67
Result for the	<u>44,61</u>	<u>(24,541,643)</u>
Balance at end of	<u>2,494,65</u>	<u>2,450,03</u>
Not 2 Notes to the Cash Flow		
	200	200
	\$	\$
a Reconciliation of		
Cas asset a th en o th financia yea a show i th Cas Flo Statemen i reconcile t the related items in the Balance Sheet as		
Cash and cash equivalents (see note	<u>2,067,74</u>	<u>1,845,73</u>
	<u>2,067,74</u>	<u>1,845,73</u>
b Reconciliation of net cost of services to net cash flows used in operating		
Net cash used in operating activities (Cash Flow)	222,00	317,61
Increase/(decrease) in		
GST	(40,430)	33,42
Other current	(1,512)	(99,035)
Decrease/(increase) in		
Payable	24,07	(32,174)
Accrued	(8,177)	0
Current	(161,650)	0
Non-current	(43,669)	0
Income received in	(1,432)	0
Other	61,23	78
Non-cash		
Depreciation and amortisation expense (note	(517,827)	(851,734)
Net gain / (loss) from disposal of non-current assets (note	0	(530)
Capital user charge paid by Department of Health (note	(1,700,000)	(7,062,000)
Asset revaluation decrements (note	0	(24,756,000)
Net cost of services (Income	<u>(2,167,384)</u>	<u>(32,449,643)</u>

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

	2006 \$	2005 \$
c) Notional cash flows		
Service appropriations as per Income Statement	2,212,000	7,908,000
Holding account drawdowns credited to Amounts Receivable for Services (Refer Note 17)	<u>(512,000)</u>	<u>(2,546,000)</u>
	1,700,000	5,362,000
Less notional cash flows:		
Items paid directly by the Department of Health for the Trust and are therefore not included in the Cash Flow Statement:		
Capital user charge	(1,700,000)	(7,062,000)
Other non cash adjustments to service appropriations	<u>0</u>	<u>1,700,000</u>
	(1,700,000)	(5,362,000)
Cash Flows from State Government as per Cash Flow Statement	<u>0</u>	<u>0</u>

At the reporting date, the Trust had fully drawn on all financing facilities, details of which are disclosed in the financial statements.

Note 27 Remuneration of auditor

Remuneration to the Auditor General for the financial year is as follows:

Auditing the accounts, financial statements and performance indicators	<u>11,800</u>	<u>11,000</u>
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Note 28 Events occurring after reporting date

There were no events occurring after reporting date which have significant financial effects on these financial statements.

Note 29 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 reporting period.

Note 30 Affiliated bodies

An affiliated body is a body which receives more than half its funding and resources from the Trust and is not subject to operational control by the Trust.

The Trust had no affiliated bodies during the reporting period.

Note 31 Not for profit leases

A number of not-for profit organisations lease space from the Queen Elizabeth II Medical Centre on a peppercorn rental basis.

Based on indicative rental rates from the Valuer General's Office this represents \$1,841,900.

Tenant	Area (sqm)	Annual Value \$
Allergy & Asthma Research Institute	103	11,500
Australian Neuromuscular Research Institute	3,279	260,000
Cancer Foundation - Crawford Lodge (land)	6,300	200,000
Heart Research Institute	491	130,000
Institute of Radiochemical Engineering	31	3,900
Keogh Institute for Medical Research - 3rd floor A block	705	70,000
Lions Ear & Hearing - 2nd floor A block	2,964	237,000
Lions Eye Institute - AA (land)	2,600	135,000
State Head Injuries Unit	313	34,500
The Niche - Cystic Fibrosis WA (land)	6,200	325,000
WA Institute for Medical Research	1,508	400,000
WA Sleep Disorders Research Institute	281	<u>35,000</u>
		<u>\$1,841,900</u>

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

Note 32 Explanatory Statement

(A) Significant variances between actual results for 2005 and 2006

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

	Note	2006 Actual \$	2005 Actual \$	Variance \$
Expenses				
Employee benefits expense	(a)	1,028,094	901,216	126,878
Patient support costs		30,275	-	30,275
Depreciation and amortisation expense	(b)	517,827	851,734	(333,907)
Asset revaluation decrement	(c)	-	24,756,000	(24,756,000)
Capital user charge	(d)	1,700,000	7,062,000	(5,362,000)
Loss on disposal of non-current assets		-	530	(530)
Other expenses	(e)	999,239	765,823	233,416
Revenues				
Parking revenue		1,604,611	1,463,513	141,098
Interest revenue		101,492	109,019	(7,527)
Other revenues	(f)	401,948	315,128	86,820
Service appropriations	(g)	2,212,000	7,908,000	(5,696,000)

(a) Employee benefits expense

The trust's payment for Salaries and Wages was undertaken in a new way for part of the financial year and this has resulted in expenses being higher as all expenses are direct costed including accrual employee entitlements. Previously recoups have been made for the actual cash expenditure for employees wages only.

(b) Depreciation and amortisation expense

Depreciation expense decreased significantly due to the asset revaluation decrement in the 2004/2005 financial.

(c) Asset revaluation decrement

No asset revaluation decrement was required during the 2004/2005 financial year.

(d) Capital user charge

Capital user charge expense decreased significantly due to the asset revaluation decrement in the 2004/2005 financial year.

(e) Other expenses

Additional costs for repairs and maintenance relating to the resurfacing and relocating of temporary carparks.

(f) Other revenue

Other revenues are higher than expected due to an adjustment for parking fee deposits no longer repayable.

(g) Service appropriations

The service appropriation includes an appropriation for capital user charge and this has significantly reduced due to the reduced asset based resulting from the asset revaluation decrement in the 2004/2005 financial year.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

Note 32 Explanatory Statement

(B) Significant variations between estimates and actual results for 2006

Significant variations between the estimates and actual results for income and expenses are detailed below. Significant variations are considered to be those greater than 10% of budget.

	Note	2006 Actual \$	2006 Estimates \$	Variance \$
Operating expenses				
Employee benefits expenses		1,028,094	1,030,000	(1,906)
Other goods and services		3,247,341	3,542,000	(294,659)
Total expenses		4,275,435	4,572,000	(296,565)
Less: Revenues		(2,108,051)	(1,931,500)	(176,551)
Net cost of services		2,167,384	2,640,500	(473,116)

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

Note 33 Financial instruments

a) **Financial risk management objectives and policies**

Financial instruments held by the Health Service are cash and cash equivalents, loans, finance leases, receivables and payables. The Health Service has limited exposure to financial risks. The Health Service's overall risk management program focuses on managing the risks identified below.

Credit risk

The Health Service trades only with recognised, creditworthy third parties. The Health Service has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Health Service's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Liquidity risk

The Health Service has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Cash flow interest rate risk

The Health Service is not exposed to interest rate risk because cash and cash equivalents and restricted cash are non-interest bearing and have no borrowings.

b) **Financial instrument disclosures**

Financial instrument information for the year ended 2005 has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. Financial instrument information from 1 July 2005 has been prepared under AASB 132 'Financial Instruments: Presentation' and AASB 139 'Financial instruments: Recognition and Measurement'. See also note 2 (q) 'Comparative figures'.

Interest rate risk exposure

The following table details the Health Service's exposure to interest rate risk as at the reporting date:

	<u>Weighted</u>	<u>Variable</u>	<u>Fixed interest rate maturities</u>					<u>Non-</u>	<u>Total</u>
	<u>average</u>	<u>interest</u>	<u>Within</u>	<u>1-2</u>	<u>2-3</u>	<u>3-4</u>	<u>4-5</u>		
	<u>effective</u>	<u>rate</u>	<u>1 year</u>	<u>years</u>	<u>years</u>	<u>years</u>	<u>years</u>	<u>bearing</u>	
2006	<u>interest rate</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
	<u>%</u>								
Financial Assets									
Cash and cash equivalents	5.9%	325	1,743	0				0	2,068
Receivables								75	75
Amounts receivable for services								0	0
		325	1,743	0	0	0	0	75	2,143
Financial Liabilities									
Payables								61	61
		0	0	0	0	0	0	61	61
Net financial assets / (liabilities)		325	1,743	0	0	0	0	14	2,082

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

Note 33 Financial instruments (continued)

	<u>Weighted average effective interest rate</u>	<u>Variable interest rate</u>	<u>Fixed interest rate maturities</u>			<u>Non- interest bearing</u>	<u>Total</u>
			<u>1 year or less</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>		
2005	%	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets							
Cash and cash equivalents	5.6%	353	1,493	0		0	1,846
Receivables						117	117
		<u>353</u>	<u>1,493</u>	<u>0</u>	<u>0</u>	<u>117</u>	<u>1,963</u>
Financial Liabilities							
Payables						85	85
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>85</u>	<u>85</u>
Net financial assets / (liabilities)		<u>353</u>	<u>1,493</u>	<u>0</u>	<u>0</u>	<u>32</u>	<u>1,878</u>

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

Note 34 Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS)

Reconciliation of equity at the date of transition to AIFRS: 1 July 2004

	Previou AGAA 1 July	Adjustments Employe benefit	Asse Impairmen	Reclassification compute softwar	Reclassification Othe	Adjustments Land Building	Tota Adjustment	AIFR 1 July
	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS								
Current Assets								
Cash and cash equivalents	2,078,221	0	0	0	0	0	0	2,078,221
Restricted cash and cash equivalents	0	0	0	0	0	0	0	0
Restricted other financial assets	0	0	0	0	0	0	0	0
Receivables	182,726	0	0	0	0	0	0	182,726
Amounts receivable for services	0	0	0	0	0	0	0	0
Inventories	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0
Non-current assets classified as held for sale	0	0	0	0	0	0	0	0
Total Current Assets	2,260,947	0	0	0	0	0	0	2,260,947
Non-Current Assets								
Amounts receivable for services	1,700,000	0	0	0	0	0	0	1,700,000
Property, plant and equipment	82,809,111	0	0	0	0	0	0	82,809,111
Intangible assets	0	0	0	0	0	0	0	0
Other financial assets	0	0	0	0	0	0	0	0
Total Non-Current Assets	84,509,111	0	0	0	0	0	0	84,509,111
Total Assets	86,770,058	0	0	0	0	0	0	86,770,058

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

LIABILITIES

Current Liabilities

Payables	52,719	0	0	0	0	0	0	52,719
Borrowings	0	0	0	0	0	0	0	0
Provisions	0	0	0	0	0	0	0	0
Other current liabilities	94,789	0	0	0	0	0	0	94,789
Total Current Liabilities	147,508	0	0	0	0	0	0	147,508

Non-Current Liabilities

Borrowings	0	0	0	0	0	0	0	0
Provisions	0	0	0	0	0	0	0	0
Total Non-Current Liabilities	0	0	0	0	0	0	0	0

Total Liabilities

Total Liabilities	147,508	0	0	0	0	0	0	147,508
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NET ASSETS

NET ASSETS	86,622,550	0	0	0	0	0	0	86,622,550
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EQUITY

Contributed equity	0	0	0	0	0	0	0	0
Reserves	59,630,872	0	0	0	0	0	0	59,630,872
Accumulated surplus /(deficiency)	26,991,678	0	0	0	0	0	0	26,991,678
TOTAL EQUITY	86,622,550	0	0	0	0	0	0	86,622,550

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

Note 34 Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS) (continued)

Reconciliation of equity at the end of the last reporting period under previous AGAAP : 30 June 2005

	AGAA 30 June	Adjustments Employe benefit	Asse Impairmen	Reclassification compute softwar	Reclassification Othe	Adjustments Land Building	Tota Adjustment	AIFR 30 June
	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS								
Current Assets								
Cash and cash equivalents	1,845,735	0	0	0	0	0	0	1,845,735
Receivables	117,119	0	0	0	0	0	0	117,119
Total Current Assets	1,962,854	0	0	0	0	0	0	1,962,854
Non-Current Assets								
Amounts receivable for services	2,546,000	0	0	0	0	0	0	2,546,000
Property, plant and equipment	16,875,999	0	0	(48,477)	0	0	(48,477)	16,827,522
Intangible assets	0	0	0	48,477	0	0	48,477	48,477
Total Non-Current Assets	19,421,999	0	0	0	0	0	0	19,421,999
Total Assets	21,384,853	0	0	0	0	0	0	21,384,853
LIABILITIES								
Current Liabilities								
Payables	84,893	0	0	0	0	0	0	84,893
Other current liabilities	93,956	0	0	0	0	0	0	93,956
Total Current Liabilities	178,849	0	0	0	0	0	0	178,849
Total Liabilities	178,849	0	0	0	0	0	0	178,849
NET ASSETS	21,206,004	0	0	0	0	0	0	21,206,004
EQUIT								
Reserves	18,755,969	0	0	0	0	0	0	18,755,969
Accumulated surplus /(deficiency)	2,450,035	0	0	0	0	0	0	2,450,035
TOTAL EQUITY	21,206,004	0	0	0	0	0	0	21,206,004

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

Note 34 Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS) (continued)

Reconciliation of Income Statement for the year ended 30 June 2005

	AGAAP 30 June 2005	Adjustments, Employee benefits	Impairment losses	Adjustment, Depreciation	Adjustment, Other	Total Adjustments	AIFRS 30 June 2005
	\$	\$	\$	\$	\$	\$	\$
COST OF Expenses							
Employee benefits expense	901,216	0	0	0	0	0	901,216
Depreciation and amortisation expense	851,734	0	0	0	0	0	851,734
Asset revaluation decrement	24,756,000	0	0	0	0	0	24,756,000
Capital user charge	7,062,000	0	0	0	0	0	7,062,000
Carrying amount of non-current assets disposed of	530	0	0	0	(530)	(530)	0
Loss on disposal of non-current assets	0	0	0	0	530	530	530
Other expenses	765,823	0	0	0	0	0	765,823
Total cost of services	34,337,303	0	0	0	0	0	34,337,303
INCOME							
Revenue							
Parking revenue	1,463,513	0	0	0	0	0	1,463,513
Interest revenue	315,128	0	0	0	0	0	109,019
Other revenues	109,019	0	0	0	0	0	315,128
Total Income other than income from State Government	1,887,660	0	0	0	0	0	1,887,660
NET COST OF	32,449,643	0	0	0	0	0	32,449,643
INCOME FROM STATE GOVERNMENT							
Service appropriations	7,908,000	0	0	0	0	0	7,908,000
Total income from State Government	7,908,000	0	0	0	0	0	7,908,000
SURPLUS/(DEFICIT) FOR THE	(24,541,643)	0	0	0	0	0	(24,541,643)

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

For the year ended 30th June 2006

Not 3 Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS)

Reconciliation of Cash Flow Statement for the year ended 30 June

	AGAA 30 June 2005	Adjustment	AIFR 30 June 2005
	\$	\$	\$
CASH FLOWS FROM OPERATING			
Payment			
Supplies and	(710,839)	0	(710,839)
Employee	(925,038)	0	(925,038)
GST payments on	(239,833)	0	(239,833)
GST payments to taxation	(15,884)	0	(15,884)
Receipt			
Receipts from	1,437,23	0	1,437,23
Interest	111,59	0	111,59
GST receipts on	205,35	0	205,35
GST receipts from taxation	26,62	0	26,62
	428,41	0	428,41
Net cash (used in) / provided by operating	<u>317,61</u>	<u>0</u>	<u>317,61</u>
CASH FLOWS FROM INVESTING			
Payments for purchase of non-current physical	(550,056)	0	(550,056)
Net cash (used in) / provided by investing	<u>(550,056)</u>	<u>0</u>	<u>(550,056)</u>
CASH FLOWS FROM FINANCING			
Parking Fee deposit	(49)	0	(49)
Net cash (used in) / provided by financing	<u>(49)</u>	<u>0</u>	<u>(49)</u>
Net increase / (decrease) in cash and cash	(232,486)	0	(232,486)
Cash and cash equivalents at the beginning of the	2,078,22	0	2,078,22
CASH AND CASH EQUIVALENTS AT THE END OF THE	<u>1,845,73</u>	<u>0</u>	<u>1,845,73</u>

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

As at 30th June 2006

Not 3 Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (continued)

Notes to the

(a) Employee

AASB 11 require that all employee benefit expected to be settled more than 12 months after the reporting date is measured at the present value of amount expected to be paid when the liabilities are settled. Under AASB, annual leave and long service leave entitlements (unconditional long service leave) were measured at nominal.

Employment on- are not included in employee benefit under AASB or AIFRS. However, under AASB, employee benefit and on- are disclosed together on the face of the Income Statement as Employee costs. Under AIFRS, employee benefit will be the equivalent item disclosed on the face. On-costs are transferred to other.

Adjustments to opening Balance Sheet (1 July)

No adjustment has been.

Adjustments to 30 June 2005 Balance

No adjustment has been.

Adjustments to the Income Statement for the period ended 30 June

No adjustment has been.

Adjustments to the Cash Flow Statement for the period ended 30 June

No adjustment has been.

(b) Impairment of

An impairment loss occurs where the depreciated replacement costs were higher than the carrying.

Adjustments to 30 June 2005 Balance

No adjustment has been.

Adjustments to the Income Statement for the period ended 30 June

No adjustment has been.

(c) Intangible

AASB 13 require that software, no integral part of the operation of a computer, must be disclosed as intangible assets. Intangible asset must be disclosed on the balance sheet. All software has previously been classified as property, plant and equipment (computer equipment) and.

Adjustments to 30 June 2005 Balance

The Health Service has transferred 48,47 in software from property, plant and equipment to intangible.

Adjustments to the Income Statement for the period ended 30 June

There was no net impact on the surplus for the.

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

As at 30th June 2006

(d) Revaluation of land and buildings

The measurement of land and buildings was changed from the cost basis to the fair value basis in June 2005 under Australian GAAP. Under AIFRS, the Health Service is required to apply the fair value basis throughout all periods presented in the first IFRS financial statements.

Adjustments to 30 June 2005 Balance Sheet

No adjustment has been required.

Adjustments to the Income Statement for the period ended 30 June 2005

No adjustment has been required.

(e) Non-current assets classified as held for sale

AASB 5 requires non-current assets available for sale to be disclosed as a separate class of asset on the balance sheet. Assets classified as non-current assets classified as held for sale are not depreciated and are measured at the lower of carrying amount (prior to reclassification) and fair value less selling costs.

The Health Service has not identified items of plant, equipment and vehicles that are required to be classified as non-current assets classified as held for sale.

Accumulated depreciation (property, plant and equipment) has been reduced by \$ (enter amount) with a corresponding increase in accumulated surplus.

Adjustments to 30 June 2005 Balance Sheet

No adjustment has been required.

Adjustments to the Income Statement for the period ended 30 June 2005

No adjustment has been required.

(f) Net gain on disposal of non-current assets

Under AGAAP the disposal of non-current assets is disclosed on the gross basis. That is, the proceeds of disposal are revenue and the carrying amounts of assets disposed of are expense. The disposal of non-current assets is disclosed on the net basis (gains or losses) under AIFRS.

Adjustments to the Income Statement for the period ended 30 June 2005

The carrying amounts of assets disposed of was previously recognised as expense. This has been derecognised \$ 530.

A loss on the disposal of non-current assets of \$ 530 has been recognised as an expense.

Note 35 Contingent liabilities and contingent assets

There are no contingent assets or liabilities as at 30 June 2006

The Queen Elizabeth II Medical Centre Trust

Notes to the Financial Statements

As at 30th June 2006

Queen Elizabeth II Medical Centre Trust

ESTIMATES OF FINANCIAL OPERATIONS 2006/2007

In accordance with Section 42 of the FAAA, the following estimates for 2006/07 are to be submitted to the Minister for approval.

	\$
Salaries and Wages	1,000,000
Other Goods & Services	931,000
Depreciation	486,046
Capital User Charge	1,696,599
Total Expenditure	4,113,645
Parking Fees	1,480,000
Other Revenue	451,000
Capital User Charge	1,696,599
Total Revenue	3,627,599
Net Operating Cost	486,046

STAFFING (FTE's)	Number
All Staff FTE's	19.0
