

# Queen Elizabeth II Medical Centre Trust



## annual report 2008


## **Queen Elizabeth II Medical Centre Trust 2008/09 Annual Report**


In accordance with the State Government Guidelines, this Report has been produced in electronic format and can be viewed on the QEIMC Trust's website [www.qeii.health.wa.gov.au](http://www.qeii.health.wa.gov.au). The Report is available to view or download complete by section and is available in Adobe PDF.

Printed copies and copies in alternative formats are available from the Queen Elizabeth II Medical Centre Trust on request.

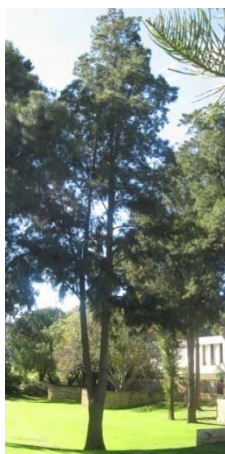
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Think before you print  
Please consider the environment before printing this report

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# Statement of Compliance

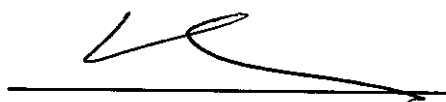
## To The Minister

HON KIM HAMES  
MINISTER FOR HEALTH

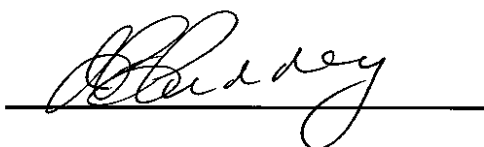
In accordance with section 61 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Queen Elizabeth II Medical Centre Trust for the financial year ended 30 June 2008.

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

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



Judge Valerie French  
Chairman  
Queen Elizabeth II Medical Centre Trust  
Date 12 September 2008



Professor Ian Puddey  
Member  
Queen Elizabeth II Medical Centre Trust  
Date 12 September 2008

# Overview

## Executive Summary

### Performance

The Queen Elizabeth II Medical Centre (QEIMC) Trust is a leader in many fields including services to tenants, staff, patients and visitors; providing a sustainable transport environment and maintaining and enhancing the A Class Reserve. The achievements of the QEIMC Trust along with Sir Charles Gairdner Hospital (SCGH) as the delegate over the last 12 months will continue to enhance its reputation as a leader in each of these fields.

With 19,000 vehicle movements each day and over 30 organisations, QEIMC remains to be the busiest medical centre in the state and is also a significant generator of traffic. In December 2007, the QEIMC Trust launched the QEIMC Travel Plan identifying methods and actions to reduce car commuting to the QEIMC site and improve and encourage greater use of travel alternatives. This will assist to address the impacts of car trips, enhance the site access for employees, patients and visitors.

The QEIMC Trust received a high commendation in the *WA Sustainable Transport Awards* for the QEIMC Travel Plan, reflecting its innovative approach and dedication to promote, encourage and facilitate sustainable transport.

In February 2008, the QEIMC Trust Board approved the QEIMC Master Plan. The QEIMC will undergo a major redevelopment over the next ten years and beyond as part of the State Government's commitment to the ongoing improvement of health services for all Western Australians. Planning has commenced due to the redevelopment, with attention to leases, tenant charges and management of the multi storey car park.

### Performance Highlights

Important performance highlights of the year include:

- The QEIMC Car Parking Policy was reviewed which is now more explicitly linked to the Travel Plan and reflects a sustainable environment.
- A new Parking Branch was opened in March 2007, providing a service to QEIMC employees, visitors and patients. This branch is intended to meet staff, patient and visitor demands on travelling and parking at QEIMC.
- The educational service was further enhanced with new induction and tenant/department educational sessions about the QEIMC Trust, Travel Plan and sustainable travel.
- A new logo for the QEIMC Trust was created giving it a fresh and distinct recognition as the landlord of the QEIMC site.
- Revamped the QEIMC Trust website to provide a user-



One of the many buses that stops through QEIMC



friendly website with information about the QEIIIMC Trust's policies, parking, events, and travelling to the QEIIIMC.

- Implemented the Green Commuter Car Park for car poolers for all QEIIIMC staff.
- A new "easy to read" access site map for all employees, visitor and patients.
- Upgrades to garden reticulation systems to optimise the utilisation of bore water by providing different cycles for lawns and garden areas to allow different scheduled watering days per week.
- Change of employee behaviour on taking alternative transportation to and from work. A Site User Survey was conducted in May 2008 asking employees on how they travel to and from work. The below table details the change of behaviour of staff over the last 12 months.

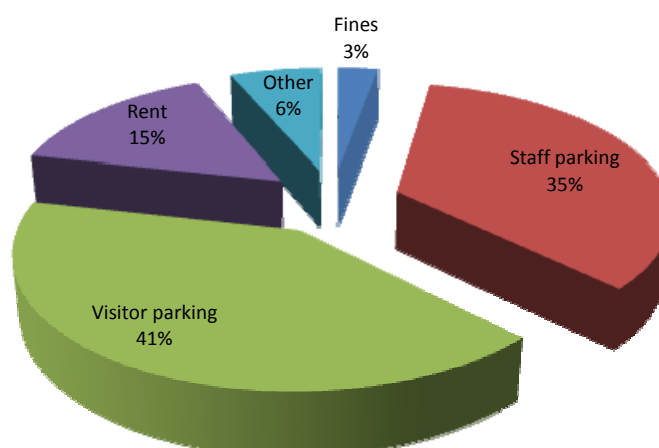
### Travelling to and from work

	2007/08	2006/07
<b>Car drivers (single)</b>	69%	71%
<b>Car Pooling</b>	9%	8%
<b>Public Transport</b>	8%	8%
<b>Cycle</b>	5%	4%
<b>Walk</b>	2%	3%
<b>Other</b>	7%	2%

### Financial Performance

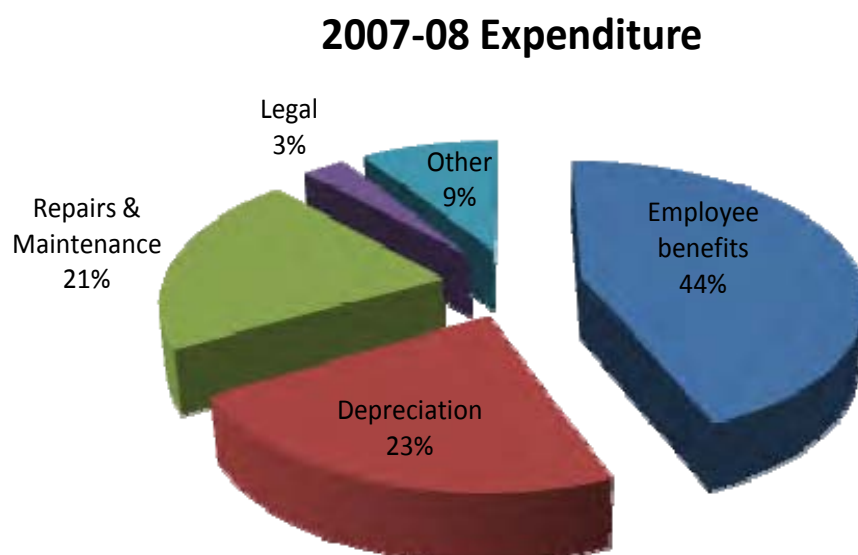
The QEIIIMC Trust's operating revenue is generated through parking fees, fines and penalties and rent from commercial properties.

### 2007-08 Income



Income received by the QEIMC Trust is invested back into the QEIMC infrastructure and transport. Currently, the QEIMC pays for the Subiaco Shuttle Bus (Bus 97) and from 1 July 2008, will pay for the new bus service (Bus 79) and the Graylands Shuttle Buses.

The QEIMC Trust's expenditure breakdown as shown in the pie chart below consists of 44% for employee benefits. A further 23% contributes to depreciation, 21% on repairs and maintenance, 3% for legal services and 2% for external services, such as the Subiaco Shuttle Bus.



## Capital Works

The major project in 2007/08 was the installation of the boom gates and ticket machines at the main visitor car park on Hospital Avenue.

## Major initiatives for 2008/09

Major initiatives for the following year include:

- Amendments to the *QEI Medical Centre Act 1966* and *QEI Medical Centre (Delegated) By-laws 1986* to reflect the current parking and no smoking policies.
- Researching new revenue strategies for QEIMC Trust including the business structure of the multi storey car park.
- Reviewing all tenants' leases as a result of the future redevelopment at QEIMC.
- A new bus service (Bus 79) will be operational from 28 July to transport staff, visitors and patients from the Wellington St Bus Station, the Esplanade Bus Station, the University of Western Australia and the Queen Elizabeth II Medical Centre. This service is funded by the QEIMC Trust and the University of Western Australia.

- 400 parking bays will be made available at Graylands Hospital from 1 July for QEIMC employees who do not receive onsite parking under the new car parking policy. The QEIMC Trust will fund a free Shuttle Bus service to transport workers to QEIMC.
- Reviewing and developing a simplified new tenant charging system.
- Upgrading the parking and infringement systems, allowing the QEIMC Trust to efficiently manage the parking and infringements onsite.
- The continuation review of the QEIMC Travel Plan will develop new innovative sustainable transport actions and behaviour.
- Resurfacing of Hospital Avenue (south). Due to be completed by December 2008. This project will provide a safer area for pedestrians and improve ambulance, vehicle and bus access to the site.
- Enhancing the Green Commuter Car Park by introducing “smart cards” for all Green Commuters.
- Developing an electronic car pooling register, allowing employees to search for a car pooling buddy at the QEIMC site.
- Developing a Travel Smart kiosk to enhance access to travel information and services to staff, visitors and patients at QEIMC.

Some of the 36 tenants at QEIMC





# Operational Structure

## Enabling Legislation

The QEIMC Trust is constituted under the *Queen Elizabeth II Medical Centre Act 1966* to develop, manage and control the medical centre (Reserve 33244).

## Administered Legislation

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

## Trust Delegate

*The Queen Elizabeth II Medical Centre Act 1966*, appointed the Board of Management of SCGH as its delegate to exercise most of its powers in relation to controlling and managing the QEIMC site. The Delegation Instrument was published in the *Government Gazette* on 24 October 1986.

The current Delegate is the Minister for Health as the Board of Management of SCGH.

SCGH is the Accountable Authority for the day to day management of the QEIMC reserve, including general administration, management and other statutory requirements in relation to the Reserve.

## Objectives

The objectives of the QEIMC Trust are to:

- ensure the QEIMC Reserve, as established under Section 6 of the Act, is developed within the existing geographic, environmental and functional constraints in a planned and methodical way and in accordance with the purpose of the Act as a Medical Centre of national and international repute.
- ensure the development of the QEIMC site is achieved through a cooperative approach between the QEIMC 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 onsite facilities for the clinical teaching of undergraduates and graduates in medicine, nursing and allied health professions.



Aerial view of QEIMC

## Board of Management

In accordance with section 7 of the *Queen Elizabeth II Medical Centre Act 1966*, the Trust is the governing body.

The Board consists of five members:

- Chair
- Vice chair
- Three members

The Chairman is appointed by the Governor on the written nomination of the Minister and Senate to hold office during the Governor's pleasure;

Two members are appointed by the Governor on the written nomination of the Minister to hold office during the Governor's pleasure;

Two members are appointed by the Senate to hold office during its pleasure.

The Chief Executive, North Metropolitan Area Health Service and Executive Director, Sir Charles Gairdner Hospital attends the Board meetings as ex officio members and are not entitled to vote on matters to be considered by the Board. The Board meets formally on a quarterly basis and has met on four occasions during this reporting period. The current number of meetings attended are outlined below:

### **Judge Valerie French, Chairman**

**(4 out of possible 4)**

Judge Valerie French is the Chairperson of the Prisoners Review Board and has been a Judge of the District Court since 1994 and President of the Children's Court from 1999 to 2001. She has been a Chairperson of the QEIMC Trust since March 2003. She has resigned in October 2007 from her position as Chairman and is currently in a caretaker's role.

### **Mr Ian Anderson**

**(4 out of possible 4)**

Ian Anderson is the Director Capital Management, North Metropolitan Area Health Service. He has been on the board since May 2006. His previous positions include being the General Manager (Performance Consulting) with Gerard Daniels and the Chief Executive Officer of SKG Radiology. He is a Director of Resonance Health Ltd, a Member of the Australian Institute of Management (WA) Advisory Council and Fellow of the Australian Institute of Company Directors.

### **Mr John Leaf**

**(1 out of possible 4)**

John Leaf is the Chief Finance Officer of the Department of Health. John is a fellow of the Institute of Chartered accountants and the institute of Company Directors. Prior to this position John was the Executive Director for the Public Transport Authority. He has been on the board since November 2006.

**Ms Gaye McMath****(4 out of possible 4)**

Gaye McMath is the Executive Director, Finance and Resources at The University of Western Australia. She is a fellow of CPA Australia and Australian Institute of Company Directors. She is currently a Director of the Silver Chain Nursing Association, Home Building Society and the Western Australia Treasury Corporation. She has been on the board since January 2005.

**Professor Ian Puddey****(4 out of possible 4)**

Professor Ian Puddey is the Dean of Dentistry and Medicine at The University of Western Australia. He is a member of the NH&MRC funded Centre for Training in Clinical Cardiovascular and Cerebrovascular Research at Royal Perth Hospital, High Blood Pressure Research Council of Australia, the International Society of Hypertension, the Australian Atherosclerosis Society, the Stroke Society of Australia and Fellow of the Council for High Blood Pressure Research, American Heart Association. He has been on the board since January 2005.

**Legislation impacting on the Trust's activities****Western Australian State Acts**

- Auditor General Act 2006
- Contaminated Sites Act 2003
- Disability Services Act 1993
- Equal Opportunity Act 1984
- Evidence Act 1906
- Financial Management Act 2006
- Freedom of Information Act 1992
- Heritage of Western Australia Act 1990
- Hospitals and Health Services Act 1927
- Land Administration Act 1997
- Library Board of Western Australia Act 1951
- Local Government Act 1995
- Occupational Safety and Health Act 1984
- Public Interest Disclosure Act 2003
- Public Sector Management Act 2003
- Road Traffic Act 1974
- State Records Act 2000
- State Records (Consequential Provisions) Act 2000
- State Supply Commission Act 1991
- Town Planning and Development Act 1928

- Water Corporation Act 1995
- Western Australian Planning Commission Act 1985
- Western Power

#### **Australian Commonwealth Acts**

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

The financial administration of the QEII MC Trust, Health Corporate Network have complied with the requirements of the *Financial Management Act 2006* and every other written law, and exercised controls which provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of public property and incurring of liability have been in accordance with legislative provisions.

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

# Agency Performance

## Overview of QEII MC Trust's operations

Over the last 12 months the QEII MC Trust has been busily developing and implementing many strategies, policies, procedures and public relation strategies that benefited staff, patients and visitors. With the redevelopment coming to fruition, planning and implementing the QEII MC Travel Plan, reviewing and executing tenant leases, reviewing new revenue strategies and corporate governance has been the primary focus for the QEII MC Trust.

## Security and Parking

Parking at QEII MC for many years has been very challenging for visitors, patients and staff as there's only a limited number of parking bays and is unable to meet the parking needs of everyone.

Parking policies were inadequate; limited alternative transport and oversubscription of staff parking permits assisted in the frustrations of all stakeholders which resulted in a review and change of the QEII MC Car Parking Policy. The objective of the policy is to ensure that there would be appropriate, adequate and accessible parking for patients, visitors and staff.

In March 2008, parking was separated from Security creating its own branch to provide high level customer service in parking and traffic management at QEII MC. Its main objective is to educate and assist and managing parking for staff, visitors, contractors and patients.

For the first time, all employees at QEII MC had to reapply for a 2008 parking permit and were prioritised into three groups. Permits to park on-site were issued to staff in each priority group, subject to availability.

Approximately 5,500 parking permit applications were received and processed before the 1 July start date.

An independent Parking Appeals Committee was established for those who felt were unjustly denied a parking permit or were not happy with the permit received. Approximately 900 parking appeals have been received and reviewed.

Three new parking officers were employed at ground level to educate, assist, manage and enforce the new parking policies.

In a time of uncertainty and anxiousness, the Parking team excelled resulting in a positive change of behaviour. Many staff are now volunteering to take alternative transport, i.e. take public transport, cycle, car pool or walk to work.



## Gardens and Grounds

The Gardens and Grounds team have continued to raise the horticultural maintenance and presentation standards throughout the QEIMC site and have been actively involved in the development of maintenance plans. These plans aim to ensure continuity of horticulture development and document strategies to maintain high horticultural standards.

The team have continued their excellent work in maintaining and developing the lawns and gardens. A new reticulation system was replaced to optimise the utilisation of bore water by providing different cycles for lawns and garden areas, to allow different scheduled watering days.

## Maintenance

Ongoing refurbishment is currently occurring at Charles Café, which is to be completed by August. The refurbishment includes: building new external walls; improving the drainage system; removal of asbestos and building an enclosed rubbish area.

With the changes to parking at QEIMC, all the parking and traffic related signs have been replaced in accordance with the Australian Standards. Approximately 200 signs have been removed and 250 signs have been replaced.



A place to reflect and enjoy the surroundings at QEIMC

Many of the maintenance works programme at QEIMC were delayed due to the finalisation of the QEIMC Master Plan and construction timetable. Once finalised the maintenance program will be reviewed.

## Travel Smart

In the last nine months, the QEIMC Trust undertook an aggressive promotional campaign to promote various travel smart initiatives to visitors, patients and especially staff. New and innovative strategies were developed and implemented with a favourable response.

The most exciting and successful project so far has been the creation of the Green Commuter Car Park (GCCP). This is a parking area dedicated to those who car pool to work and are rewarded by receiving free parking. As at June 2008, there were 46 car poolers parking in the GCCP. Due to the success and the review of the new car parking policy, the GCCP has now increased to 300 parking bays where both car poolers and car commuters (staff who take alternative transport three days or more a week) can park at a discounted rate on site.

With the introduction of the Mandurah train line, it was a great opportunity to promote Transperth's Smart Riders especially those who lived on the Mandurah line. With the overwhelming success and the demand of Smart Riders, the QEIMC Trust now sells Smart Riders at a discount. To date over 200 Smart Riders have been sold.



Events such as “Walk to Work” day and “Ride to Work” day has been a great success in raising awareness in walking and cycling to work.

QEIMC Trust has been offering many incentives for cyclists including: a 10% rebate for staff purchasing a new bike; a secured ‘End of Trip’ facility to store bicycles; newly renovated change rooms for men and women with lockers and bath towels; a “buddy” cyclist where a member from the Bicycle User Group will ride with a novelist to demonstrate the quickest and safest way to ride to work from home.

New and informative induction programs are being held fortnightly informing new SCGH staff on parking and alternative transportations. Due to the success of these programs, it will be offered to the other tenants’ onsite.

## **Leases**

The Trust has a number of commercial businesses on the QEIMC site and seeks to balance community service obligations and commercial returns in all leases and licences awarded.

The Trust had the following leases and licences in effect as at 30 June 2008.

### **Leases**

April Flowers

Hairs at Charlies

Juice & Sushi Bar

Charlies Café

QEII Medical Centre Pharmacy

Bank of Queensland

Lions Eye Institute of WA Incorporation

SCGH Chemist

# Significant Issues and Trends

## Current and Emerging Issues and Trends

The QEIIMC completed the Master Plan to undergo a major redevelopment over the next five years and beyond. The redevelopment proposes a world-class facility that will facilitate and support leadership in clinical care, research and education to the state of Western Australia.

The QEIIMC redevelopment will be a landmark project demonstrating excellence in health care, architecture and urban design which will include:

- a world-class facility and a leader in clinical care, research and education, that embraces the latest scientific, technological and medical developments;
- a facility that embraces international best practice design principles to create an uplifting and optimistic environment that is patient-centred, and become an intrinsic part of the healing process;
- a facility that employs best practice design approaches to improve staff productivity, optimise safety, improve opportunities for personal interaction and offers a supportive working and learning environment for staff;
- distinguished works of architecture that contributes positively to its surroundings, the environment and to the community; and
- an operationally, environmentally and socially sustainable development based on an integrated ESD approach.

## Changes in Written Law

There have been no changes to the Act or Regulations administered by the QEIIMC Trust throughout the year.

## Likely Developments and Forecast Results of Operations

Likely developments in the operations of the QEIIMC Trust in the 2008/2009 financial year will be a period of consolidation during which plans and improvements made in 2007/2008 financial year will have a positive impact. Some of the significant areas for change will be in:

- (a) the new redevelopment to enhance the QEIIMC, including building new hospitals, research and teaching facilities which improve the quality of service provided to the public and staff.
- (b) the planning of the business structure for the multi storey car park to ease the pressure on parking at QEIIMC
- (c) continuation of reviewing the QEIIMC Travel Plan. This is expected to deliver significant benefits to the community in terms of promoting efficient access to the QEIIMC site, sustainability transport management, and promoting employee health and well-being.
- (d) the travelsmart events in 2008/09 will reflect improved facilities and staff awareness, on alternative transportation.

# Disclosure and Legal Compliance

## Financial Statements

Refer to **Appendix 1** of the Annual Report for the QEIIMC Trust's completed audited Financial Statements for the year ended 30 June 2008.

## Detailed Key Performance Indicators

Refer to **Appendix 2** of the Annual Report for the QEIIMC Trust's completed audited Key Performance Indicators for the year ended 30 June 2008.

## Ministerial Directives

There were no Ministerial Directives in 2007/08.

## Financial Disclosure

### Pricing policies of services provided

The QEIIIMC Trust charges for goods and services rendered on a full or partial cost recovery basis and in accordance with fees and penalties applied under the *Queen Elizabeth II Medical Centre (Delegated) By-laws 1986*.

### Capital Works

The major project in 2007/08 was the installation of the boom gates and ticket machines to the main visitor car park.

### Staff Development

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

### Workers Compensation

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

## Other Legal Requirements

### Advertising

The QEIIMC Trust did not incur any expenditure on advertising during the financial year.

### Disability Access and Inclusion Plan

In 2004, the *Disability Services Act 1993* was amended to include a requirement for agencies to develop and implement Disability Access and Inclusion Plans. The QEIIMC Trust relies upon SCGH in its role as delegate to achieve the required outcomes.

As the landlord, the QEIIMC Trust achieved the following disability access and inclusion initiatives in 2007/08

**1. People with disabilities have the same opportunities as other people to access the services of and any events organised by the QEIIMC Trust.**

- Parking and set-down areas are provided for people with disabilities and those accompanying them for appointments or visits.
- The Parking Branch actively informs patients and visitors of parking for the disabled.
- There has been an increase of ACROD parking bays throughout the QEIIMC site.
- SCGH also provides an electric passenger vehicle known as Bankwest Buggy, to transport infirm, aged and health-compromised people from the car parks to various points within and around the buildings on the QEIIMC.

**2. People with disabilities have the same opportunities as other people to access buildings and other facilities.**

- Improvements have been made along Hospital Avenue for easier and safer access for all.
- The Visitor Car Park has been upgraded to provide better access to the public.
- Patients and visitors are able to catch public transport at the five bus stops at QEIIMC.

**3. People with disabilities receive information from a public authority in a format that will enable them to access the information, as readily as other people are able to access it.**

- The Site User Map with all named buildings and services has been produced and is available in hard copy throughout the QEIMC site and on the QEIMC Trust's website.
- ACROD maps are available in hard copy and also on the QEIMC Trust's website.
- Many brochures and documents, such as Annual Reports, are available electronically and in hard copy as well as alternative formats such as large fonts.

**4. People with disabilities receive the same level and quality of service from the staff of the Authority as other people receive from the staff of the Authority.**

- As the QEIMC Trust does not employ staff, other tenants such as SCGHI and the University of Western Australia have provided staff ongoing training to enable them to recognise and assist people with disabilities
- Tenants at QEIMC provide employment and volunteer work for people with disabilities, which in turn increase staff awareness and understanding of people with disabilities.
- Further training is to be provided to the Parking Officers, particularly those who regularly deal with members of the public.

**5. People with disabilities have the same opportunities as other people to make complaints to the Authority.**

- The QEIMC Trust's communications process is available to all members of the community and can be access via the website, the enquiries email address, through Sir Charles Gairdner Hospital or by contacting the QEIMC Trust's Business Manager.

**6. People with disabilities have the same opportunities as other people to participate in any public consultation by the Authority.**

- Public consultation and decision-making opportunities are provided through public consultation process for reviews of key management plans e.g. QEIMC Master Plan.



One of our many volunteer drivers



## **Equal Employment Opportunity, Compliance with Public Sector Standards and Ethical Codes**

The QEIIMC Trust relies upon SCGH in its role as delegate to achieve the required outcomes in the area of Equal Employment Opportunity, Compliance with Public Sector Standards and Ethical Codes.

Equal employment opportunity practices were adhered and are reflected in a workforce that is culturally and linguistically diverse and has a balanced representation of genders at a range of levels and in traditional and non-traditional occupations.

## **Recordkeeping Plans**

The QEIIMC Trust has an ongoing commitment to good records management practices and continues to work towards complying with its Recordkeeping Plan 2004, in accordance with the *State Records Act 2000*.

The QEIIMC Trust relies upon SCGH in its role as delegate to achieve the required outcomes.

The QEIIMC Trust's archival records are held on-site and this area is accessible to authorised staff only. All records are stored in a secure environment.

## Government Policy Requirements

### Corruption Prevention

The QEIIMC Trust does not employ any staff. Staff engaged on Trust related activities are employees of the North Metropolitan Health Service and the compliance statement for Corruption Prevention is contained in the North Metropolitan Health Service Annual Report.

Though within the last 12 months, the QEIIMC Trust has focused on the security of confidential information with improvements made in the information system's security measures, including: better defined computer access and user policies; the ongoing use of cyclic passwords; and adherence to confidentiality and privacy requirements.

New employees are inducted to ensure they are fully aware of acceptable and unacceptable behaviours in the workplace, and of the consequences of misconduct. The organisational values have been frequently emphasised in staff meetings throughout the year. Regular reviews are conducted to ensure good controls and procedures are in place to prevent misconduct or corruption.

### Substantiative Equality

The QEIIMC Trust is not required to report on this issue as it is represented at portfolio level only on the Strategic Management Council.

### Sustainability

The QEIIMC Trust complies with the "*Sustainability Code of Practice*" for Government Agencies under North Metropolitan Health Service.

The QEIIMC Trust is focussed on conservation, sustainability and are major considerations in guiding, planning and decision making in the QEIIMC Trust at all levels. In 2007/08, the QEIIMC Trust has specifically undertaken the following:

- Improving water use efficiency through: mulching on gardens beds to reduce the loss of water through evaporation; lawns not being watered over the winter months and watering time for each reticulation station has been reduced by 25%.
- Developed a Green Commuter Car Park for car poolers.
- Promoting alternative methods of transport (cycling, public transport, car pooling and walking) to staff in travelling to and from the QEIIMC.
- Revenue received from parking supports the QEIIMC Trust's commitment to sustainable transport.
- Active implementation of State Government policies and guidelines regarding procurement including: Common Use Contracts; Buy Local Policy, purchasing procedures; and open public tenders.

# Independent Audit Opinion



Auditor General

## INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### **THE QUEEN ELIZABETH II MEDICAL CENTRE TRUST FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008**

I have audited the accounts, financial statements, controls and key performance indicators of The Queen Elizabeth II Medical Centre Trust.

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement of the Trust for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

#### **Trust's Responsibility for the Financial Statements and Key Performance Indicators**

The Trust is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

#### **Summary of my Role**

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. 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 key 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 key performance indicators.

**The Queen Elizabeth II Medical Centre Trust**  
**Financial Statements and Key Performance Indicators for the year ended 30 June 2008**

**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 2008 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Trust provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key 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 2008.




GLEN CLARKE  
ACTING AUDITOR GENERAL  
22 September 2008

## Appendix 1 Financial Statements

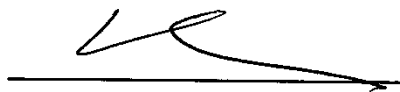
### Certification of Financial Statements

The accompanying financial statements of the QEIIIMC Trust have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2008 and the financial position as at 30 June 2008.

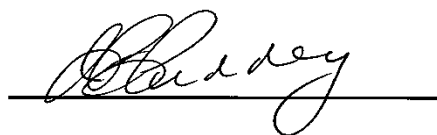
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Carl Cartwright  
Chief Finance Officer  
Date 12/9/08



Judge Valerie French  
Chairman  
Date



Professor Ian Puddey  
Member  
Date

Queen Elizabeth II Medical Centre Trust

**Income Statement**

For the year ended 30th June 2008

	Note	2008 \$	2007 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6	1,084,092	963,690
Depreciation and amortisation expense	7	564,327	498,409
Capital user charge	8	-	1,513,000
Loss on disposal of non-current assets	9	-	2,573
Other expenses	10	797,117	639,780
<b>Total cost of services</b>		<b>2,445,535</b>	<b>3,617,452</b>
<b>INCOME</b>			
<b>Revenue</b>			
Parking revenue	11	1,760,397	1,634,971
Interest revenue		205,090	131,382
Other revenues	12	484,471	365,059
<b>Total revenue</b>		<b>2,449,958</b>	<b>2,131,412</b>
<b>Total income other than income from State Government</b>		<b>2,449,958</b>	<b>2,131,412</b>
<b>NET COST OF SERVICES</b>		<b>(4,422)</b>	<b>1,486,040</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
Service appropriations	13	630,676	1,999,046
<b>Total income from State Government</b>		<b>630,676</b>	<b>1,999,046</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>635,098</b>	<b>513,006</b>

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



Queen Elizabeth II Medical Centre Trust

**Balance Sheet**

As at 30th June 2008

	Note	2008	2007
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	14	2,662,775	2,613,396
Receivables	15	140,071	76,789
<b>Total Current Assets</b>		<b>2,802,846</b>	<b>2,690,185</b>
<b>Non-Current Assets</b>			
Amounts receivable for services	16	4,174,722	3,544,046
Property, plant and equipment	17	19,940,052	18,599,982
Intangible assets	19	17,860	28,066
<b>Total Non-Current Assets</b>		<b>24,132,634</b>	<b>22,172,094</b>
<b>Total Assets</b>		<b>26,935,480</b>	<b>24,862,279</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	20	223,936	27,196
Provisions	21	263,793	215,287
Other current liabilities	22	5,100	30,992
<b>Total Current Liabilities</b>		<b>492,829</b>	<b>273,475</b>
<b>Non-Current Liabilities</b>			
Provisions	21	37,431	54,320
<b>Total Non-Current Liabilities</b>		<b>37,431</b>	<b>54,320</b>
<b>Total Liabilities</b>		<b>530,260</b>	<b>327,795</b>
<b>NET ASSETS</b>		<b>26,405,220</b>	<b>24,534,484</b>
<b>EQUITY</b>			
Reserves	23	22,762,465	21,526,827
Accumulated surplus/(deficiency)	24	3,642,755	3,007,657
<b>TOTAL EQUITY</b>		<b>26,405,220</b>	<b>24,534,484</b>

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

Queen Elizabeth II Medical Centre Trust

**Statement of Changes in Equity**

For the year ended 30th June 2008

	Note	2008 \$	2007 \$
<b>Balance of equity at start of period</b>		24,534,484	21,250,620
<b>RESERVES</b>	23		
<b>Asset Revaluation Reserve</b>			
Balance at start of period		21,526,827	18,755,969
Gains/(losses) from asset revaluation		1,235,638	2,770,858
<b>Balance at end of period</b>		<b>22,762,465</b>	<b>21,526,827</b>
<b>ACCUMULATED SURPLUS</b>	24		
Balance at start of period		3,007,657	2,494,651
Surplus/(deficit) for the period		635,098	513,006
<b>Balance at end of period</b>		<b>3,642,755</b>	<b>3,007,657</b>
<b>Balance of equity at end of period</b>		<b>26,405,220</b>	<b>24,534,484</b>
Total income and expense for the period (a)		1,870,736	3,283,864

(a) The aggregate net amount attributable to each category of equity is: surplus \$635,098 plus gains from asset revaluation \$1,235,638 (2007: surplus \$513,006 plus gains from asset revaluation \$2,770,858).

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

Queen Elizabeth II Medical Centre Trust

**Cash Flow Statement**

For the year ended 30th June 2008

	Note	2008 \$	2007 \$
		Inflows (Outflows)	Inflows (Outflows)
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriations		-	-
Holding account drawdowns		-	-
<b>Net cash provided by State Government</b>	25(c)	-	-
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Supplies and services		(625,688)	(686,572)
Employee benefits		(1,049,349)	(894,414)
<b>Receipts</b>			
Receipts from customers		1,705,865	1,641,808
Interest received		195,370	119,774
Other receipts		481,734	365,059
<b>Net cash (used in) / provided by operating activities</b>	25(b)	707,932	545,655
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of non-current physical assets		(658,553)	-
<b>Net cash (used in) / provided by investing activities</b>		(658,553)	-
<b>Net increase / (decrease) in cash and cash equivalents</b>		49,379	545,655
Cash and cash equivalents at the beginning of period		2,613,396	2,067,741
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	25(a)	2,662,775	2,613,396

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

**Notes to the Financial Statements**  
**For the year ended 30 June 2008**

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**Note 1 Australian equivalents to International Financial Reporting Standards**

**General**

The Trust's financial statements for the year ended 30 June 2008 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Trust has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the Australian Accounting Standards Board (AASB) and formerly the Urgent Issues Group (UIG).

**Early adoption of standards**

The Trust cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by Treasurer's Instruction 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Trust for the annual reporting period 30 June 2008.

**Note 2 Summary of significant accounting policies**

**(a) General Statement**

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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

**(b) Basis of Preparation**

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

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

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

## **(b) Basis of Preparation (continued)**

The judgements that have been made in the process of applying the Trust's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 3 'Judgements made by management in applying accounting policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at note 4 'Key sources of estimation uncertainty'.

## **(c) Income**

### **Revenue recognition**

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

#### *Sale of goods*

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

#### *Interest*

Revenue is recognised as the interest accrues. The effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset, is used where applicable.

#### *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 appropriated funds at the time those funds are deposited to the bank account or credited to the holding account held at Treasury (See note 13 'Service Appropriation').

#### *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 particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet 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 revaluation of non-current assets.

## **(d) Property, Plant and Equipment**

### *Capitalisation/Expensing of assets*

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

## **(d) Property, Plant and Equipment (continued)**

### *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 Site works and the cost model for all property, plant and equipment. Land and Site works are carried at fair value less accumulated depreciation on Site works and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

The fair value of land and Site work is determined on the basis of existing use. This normally applies where Site works 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, it. The depreciated replacement cost.

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

Independent valuations of land and Site works are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

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

Refer to note 17 'Property, plant and equipment' for further information on revaluations.

### *Derecognition*

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

### *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.

Land is not depreciated. Depreciation on Site works is calculated using the diminishing value method. Depreciation on plant and equipment is calculated using the diminishing value with a straight-line switch method under which the cost amounts of the assets are allocated on average on a diminishing value bases over the first half of their useful lives and a straight line basis for the second half of their useful lives.

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

Site works	50 years
Other plant and equipment	8 to 10 years

## **(e) Intangible Assets**

### *Capitalisation /Expensing of Assets*

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$5,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

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

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the diminishing value 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 assets are:

Computer Software	10 years
-------------------	----------

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

## **(f) Impairment of Assets**

Property, plant and equipment and intangible assets are tested for any indication of impairment at each balance sheet 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 and an impairment loss is recognised. As the Trust is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

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

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

## **(g) Non-current Assets Classified as Held for Sale**

Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell and are presented separately from other assets in the Balance Sheet. Assets classified as held for sale are not depreciated or amortised.



## **(h) Financial Instruments**

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

- Loans and receivables (cash and cash equivalents, receivable); and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

### **Financial Assets**

- Cash and cash equivalents
- Receivables
- Amounts receivable for services

### **Financial Liabilities**

- Payables

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

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

## **(i) Cash and Cash Equivalents**

For the purpose of the Cash Flow Statement, cash and cash equivalent (and restricted cash and cash equivalent) 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.

## **(j) Accrued Salaries**

Accrued salaries (refer note 20) represent the amount due to employees but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Trust considers the carrying amount of accrued salaries to be equivalent to its net fair value.

## **(k) 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 13 'Service appropriations' and note 16 'Amounts receivable for services'.

## **(l) Receivables**

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectable are written-off. The allowance for uncollectable amounts (doubtful debts) is raised when there is objective evidence that the Trust will not be able to collect the debts.

## **(l) Receivables (continued)**

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(h) 'Financial instruments' and note 15 'Receivables')

## **(m) 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(h) 'Financial instruments' and note 20 'Payables'.

## **(n) Provisions**

### *Annual Leave and Long Service Leave*

The liability for annual and long service leave expected to be settled within 2 months after the balance sheet 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 balance sheet 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 balance sheet 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 balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflow.

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 balance sheet 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 the 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.

### *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 does not have any current employees who are members of the Pension or the GSS Schemes.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation

Scheme (WAA). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Trust make concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

(See also not 2(o) 'Superannuation Expenses')

## **Provisions – Other**

### *Employment on-costs*

Employment on-costs, including worker's compensation insurance, are not employee benefits and are recognised separately as liability and expenses when the employment to which they related 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 10 'Other expenses' and note 21 'Provisions'.)

## **(o) Superannuation Expense**

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

- (a) Defined benefit plans – Change in the unfunded employer's liability (i.e. current service cost and, actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold state Superannuation Scheme (GSS); and
- (b) Defined contribution plans – Employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

Defined benefit plans – The Trust does not have any current employees who are members of the defined benefit plans.

The GSS Scheme is a defined benefit scheme for the purposes 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 agency to GESB extinguishes the agency's obligations to the related superannuation liability.

## **(p) Resources Received Free of Charge or for Nominal Cost**

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

## **(q) Comparative Figures**

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

## **Note 3 Judgements made by management in applying accounting policies**

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:

*Employee benefits provision*

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

#### **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 balance sheet 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;

*Employee benefits provision*

In estimating the non-current long service leave liabilities, employees are assumed to leave the Trust each on account of resignation or retirement at 10.6%. This assumption was based on an analysis of the turnover rates exhibited by employees over a five years period. Employees with leave benefits to which they are fully entitled are assumed to take all available leave uniformly over the following five years to age 65 or earlier.

#### **Note 5 Disclosure of changes in accounting policy and estimates**

Initial application of an Australian Accounting Standard

The Trust has applied the following Australian Accounting Standards and Australian Accounting interpretations effective for annual reporting periods beginning on or after 1 July 2007 that impacted on the Trust:

1) AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in ASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments and while there is no financial impact, the changes have resulted in increased disclosures, both quantitative and qualitative, of the Trust's exposure to risks, including enhanced disclosure regarding components of the Trust's financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements.

The following Australian Accounting Standards and Interpretations are not applicable to the Trust as they have no impact or do not apply to not-for-profit entities:

AASB Standards and Interpretations	
101	'Presentation of Financial Statements' (relating to the changes made to the Standard issued in October 2006)
2005-10	Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB4, AASB 1023 & AASB 1038)'
2007-1	'Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]'
2007-4	'Amendments to Australian Accounting Standards arising from EF 151 and Other Amendments (AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038)'. The amendments arise as a result of the AASB decision to make available all options that currently exist under IFRSs

and that certain additional Australian disclosures should be eliminated. The Treasurer's instructions have been amended to maintain the existing practice when the Standard was first applied and as a consequence there is no financial impact.

2007-5	'Amendments to Australian Accounting Standard – Inventories Held for Distribution by Not-for-Profit Entities [AASB 102]'
2007-7	Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB128]
ERR	Erratum 'Proportionate Consolidation [AASB 101, AASB 107, AASB 121, AASB 127, Interpretation 113]'
Interpretation 10	'Interim Financial Reporting and Impairment'
Interpretation 11	'AASB 2 – Group and Treasury Share Transactions'
Interpretation 1003	'Australian Petroleum Resource Rent Tax'

### **Voluntary changes in accounting policy**

Effective from 1 July 2007, the Trust has increased its asset capitalisation threshold from \$1,000 to \$5,000 for plant and equipment and intangible assets. The change in asset capitalisation policy does not apply to land and Site works.

Assets below the \$5,000 threshold amounting to \$1,866 were written off against the opening balance of accumulated surplus/(deficiency) as at 1 July 2006. The comparatives for property, plant and equipment, intangible assets and depreciation and amortisation expense have been restated accordingly.

### **Future impact of Australian Accounting Standards not yet operative**

The Trust cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by Treasurer's Instruction 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Trust has not applied the flowing Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the trust but are not yet effective. Where applicable, the Trust plans to apply these Standards and Interpretations from their application date:

Title	Operative for reporting periods beginning on/after 1 January 2009
AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will required that owner changes in equity are presented separately from non-owner changes in equity. The Trust does not expect any financial impact when the Standard is first applied.	
Review of AAS 27 'Financial Reporting by Local Governments', 29 'Financial Reporting by Government Departments' and 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS31:	
AASB 1004 'Contributions' (December 2007).	1 July 2008

AASB 1050 'Administered Items' (December 2007)	1 July 2008
AASB 1051 'Land Under Roads' (December 2007)	1 July 2008
AASB 1052 'Disaggregated Disclosures' (December 2007)	1 July 2008
AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137] (December 2007)	1 July 2008
Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities (revised) (December 2007).	1 July 2008
<p>The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and existing topic-based Standards and Interpretation. These requirements remain substantively unchanged. AASB 1050, AASB 1051, and AASB 1052 only apply to government departments. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance (for example, Australian Guidance to AASB 116 'Property, Plant and equipment' in relation to heritage and cultural assets has been introduced), otherwise, there will be no financial impact.</p>	
AASB 3 'Business Combinations' (March 2008)	1 July 2009
AASB 8 'Operating Segments'	1 January 2009
AASB 123 'Borrowing Costs' (June 2007). This Standard has been revised to mandate the capitalisation of all borrowing costs attributable to the acquisition, construction or production of qualifying assts. The Trust already capitalises borrowing costs directly attributable to Site works under construction, therefore, this will be no impact on the financial statements when the Standard is first applied.	1 January 2009
AASB 127 'Consolidated and separate Financial Statements (March 2008)	1 July 2009
AASB 1049 'Whole of Government and General Government Sector Financial Reporting'	1 July 2009
AASB 2007-2 'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' – paragraphs 1 to 8	1 January 2008
AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023,& AASB 1038]'	1 January 2009
AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]'	1 January 2009
AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101'	1 January 2009
AASB 2008-01 'Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations'	1 January 2009
AASB 2008-02 'Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]'	1 January 2009

AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138, 139 and Interpretations 9 & 107]'	1 July 2009
Interpretation 4 'Determining whether an Arrangement contains a Lease' (February 2007)	1 January 2008
Interpretation 12 'Service Concession Arrangements'	1 January 2008
Interpretation 13 'Customer Loyalty Programmes'	1 July 2008
Interpretation 14 'AASB 119 – The Limit on a Defined Benefit Asset, Minimum funding Requirements and their Interaction'	1 January 2008
Interpretation 129 'Service Concession Arrangements: Disclosures'	1 January 2008



<b>Note 6 Employee benefits expense</b>	<b>2008 \$</b>	<b>2007 \$</b>
Salaries and wages	897,779	776,803
Superannuation - defined contribution plans (a)	52,339	47,995
Annual leave and time off in lieu leave (b)	104,406	97,456
Long service leave (b)	29,568	41,436
	<u>1,084,092</u>	<u>963,690</u>

(a) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

(b) Includes a superannuation contribution component.

Employment on-costs expense is included at note 10 'Other expenses'. The employment on-costs liability is included at note 21 'Provisions'.

#### **Note 7 Depreciation and amortisation**

##### **Depreciation**

Site works	547,746	480,876
Other plant and equipment	6,375	4,395
	<u>554,121</u>	<u>485,271</u>

##### **Amortisation**

Intangible assets	10,206	13,138
Total depreciation and amortisation	<u>564,327</u>	<u>498,409</u>

#### **Note 8 Capital user charge**

	<u>-</u>	<u>1,513,000</u>
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The charge was a levy applied by Government for the use of its capital. The final charge was levied in 2006-07.

#### **Note 9 Net gain / (loss) on disposal of non-current assets**

##### **Cost of disposal of non-current assets**

Property, plant and equipment	-	(2,573)
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##### **Net gain/(loss)**

	<u>-</u>	<u>(2,573)</u>
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See note 2(g) 'Non-current assets held for sale', and note 17 'Property, plant and

#### **Note 10 Other expenses**

Communications	1,036	1,301
Computer services	3,706	1,362
Employment on-costs (a) (b)	1,950	1,966
Legal expenses	73,289	-
Motor vehicle expenses	2,548	540
Operating lease expenses	-	3,574
Printing and stationery	50,888	48,425
Rental of property	-	350
Repairs, maintenance and consumable equipment expense	519,444	494,750
Purchase of external services	32,483	23,490
Other (b)	111,773	64,022
	<u>797,117</u>	<u>639,780</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 21 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not

(b) The costs of shuttle bus services amounting to \$13,834 was included in employment on-costs for 2006-07. This amount has been reclassified to 'other' in this note so as to be comparable with the figures presented in 2007-08.

<b>Note 11 Parking revenues</b>	<b>2008 \$</b>	<b>2007 \$</b>
Staff parking fees	775,615	879,102
Other parking fees	921,128	720,099
Fines and penalties	63,654	35,770
	<u>1,760,397</u>	<u>1,634,971</u>

**Note 12 Other revenues**

Rent from commercial properties	340,802	245,350
Other	143,669	119,709
	<u>484,471</u>	<u>365,059</u>

**Note 13 Service appropriations**

Appropriation revenue received during the year:		
Service appropriations	<u>630,676</u>	<u>1,999,046</u>

Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue comprises a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year.

**Note 14 Cash and cash equivalents**

Cash on hand	200	200
Cash at bank	140,756	872,161
Deposits at call	2,521,819	1,741,035
	<u>2,662,775</u>	<u>2,613,396</u>

**Note 15 Receivables**

**Current**

Accrued Parking Revenue	38,638	25,283
Accrued Fines Revenue	22,715	7,430
Accrued Rental	34,876	26,843
Accrued Interest	21,328	11,608
Other receivables	22,514	5,625
	<u>140,071</u>	<u>76,789</u>

**Credit Risk**

Ageing of receivables past due but not impaired based on the information provided to senior management, at the balance sheet date:

Not more than 3 months	44,219	10,350
More than 3 months but less than 6 months	360	1,325
More than 6 months but less than 1 year	650	1,380
More than 1 year	-	-
	<u>45,229</u>	<u>13,055</u>

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

See also note 2(l) 'Receivables' and note 36 'Financial instruments'.

**Note 16 Amounts receivable for services**

Non-current	4,174,722	3,544,046
	<u>4,174,722</u>	<u>3,544,046</u>

This asset represents the non-cash component of service appropriations which is held in a holding account at the Department of Treasury and Finance. It is restricted in that it can only be used for asset replacement. See note 2(k) 'Amounts receivable for services'.

<b>Note 17 Property, plant and equipment</b>	<b>2008 \$</b>	<b>2007 \$</b>
Land		
<i>At fair value (a)</i>	305,000	305,000
	<u>305,000</u>	<u>305,000</u>
Site works		
<i>At fair value</i>	18,946,076	18,739,060
<i>Accumulated depreciation</i>	-	(480,876)
	<u>18,946,076</u>	<u>18,258,184</u>
Motor vehicles		
<i>At cost</i>	14,256	-
<i>Accumulated depreciation</i>	-	-
	<u>14,256</u>	<u>-</u>
Other plant and equipment		
<i>At cost</i>	723,230	78,932
<i>Accumulated depreciation</i>	(48,510)	(42,134)
	<u>674,720</u>	<u>36,798</u>
<b>Total of property, plant and equipment</b>	<b><u>19,940,052</u></b>	<b><u>18,599,982</u></b>

(a) Land and site works were revalued as at 1 July 2007 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2008 and recognised at 30 June 2008. In undertaking the revaluation, fair value of land and site works was determined on the basis of depreciated replacement cost. See note 2(d) 'Property, Plant and Equipment'.

The Valuation Services, the Office of the Auditor General and the Department of Treasury and Finance assessed the valuations globally to ensure that the valuations provided (as at 1 July 2007) were compliant with fair value at 30 June 2008.

#### Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year are set out below.

##### Land

Carrying amount at start of year	305,000	244,000
Revaluation increments / (decrements)	-	61,000
Carrying amount at end of year	<u>305,000</u>	<u>305,000</u>

##### Site works

Carrying amount at start of year	18,258,184	16,029,202
Revaluation increments / (decrements)	1,235,638	2,709,858
Depreciation	(547,746)	(480,876)
Carrying amount at end of year	<u>18,946,076</u>	<u>18,258,184</u>

##### Motor vehicles

Carrying amount at start of year	-	-
Additions	14,256	-
Carrying amount at end of year	<u>14,256</u>	<u>-</u>

##### Other plant and equipment

Carrying amount at start of year	36,798	43,766
Additions	644,297	-
Disposals	-	(2,573)
Depreciation	(6,375)	(4,395)
Carrying amount at end of year	<u>674,720</u>	<u>36,798</u>

##### Total property, plant and equipment

Carrying amount at start of year	18,599,982	16,316,968
Additions	658,553	-
Disposals	-	(2,573)
Revaluation increments / (decrements)	1,235,638	2,770,858
Depreciation	(554,121)	(485,271)
Carrying amount at end of year	<u>19,940,052</u>	<u>18,599,982</u>

<b>Note</b>	<b>18 Impairment of Assets</b>	<b>2008 \$</b>	<b>2007 \$</b>
	There were no indications of impairment to property, plant and equipment, and intangible assets at 30 June 2008.		
	The Trust held no goodwill or intangible assets with an indefinite useful life during the reporting period and at balance sheet date there were no intangible assets		
	All surplus assets at 30 June 2008 have either been classified as assets held for sale or written off.		
<b>Note</b>	<b>19 Intangible assets</b>		
	Computer software		
	<i>At cost</i>	113,513	113,513
	<i>Accumulated amortisation</i>	(95,653)	(85,447)
		<u>17,860</u>	<u>28,066</u>
	<b>Reconciliation</b>		
	Reconciliation of the carrying amount of intangible assets at the beginning and end of the current financial year is set out below.		
	<b>Computer software</b>		
	Carrying amount at start of year	28,066	41,204
	Amortisation expense	(10,206)	(13,138)
	Carrying amount at end of year	<u>17,860</u>	<u>28,066</u>
<b>Note</b>	<b>20 Payables</b>		
	<b>Current</b>		
	Trade creditors	116,772	5,856
	Accrued expenses	90,873	8,175
	Accrued salaries	16,291	13,165
		<u>223,936</u>	<u>27,196</u>
	(See also note 2(m) 'Payables' and note 36 'Financial instruments')		
<b>Note</b>	<b>21 Provisions</b>		
	<b>Current</b>		
	Employee benefits provision		
	Annual leave (a)	169,162	147,690
	Time off in lieu leave (a)	9,129	6,794
	Long service leave (b)	85,502	60,803
		<u>263,793</u>	<u>215,287</u>
	<b>Non-current</b>		
	Employee benefits provision		
	Long service leave (b)	37,431	54,320
		<u>37,431</u>	<u>54,320</u>
	<b>Total Provisions</b>	<u>301,224</u>	<u>269,607</u>
	(a) Annual leave liabilities and time off in lieu leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
	Within 12 months of balance sheet date	115,419	95,443
	More than 12 months after balance sheet date	62,872	59,041
		<u>178,291</u>	<u>154,484</u>
	(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
	Within 12 months of balance sheet date	20,563	15,947
	More than 12 months after balance sheet date	102,370	99,176
		<u>122,933</u>	<u>115,123</u>

		2008	2007
		\$	\$
<b>Note 22 Other liabilities</b>			
<b>Current</b>			
Income received in advance		5,100	30,992
		<u>5,100</u>	<u>30,992</u>
<b>Note 23 Reserves</b>			
<b>Asset revaluation reserve (a)</b>			
Balance at start of year	21,526,827	18,755,969	
Net revaluation increments / (decrements) (b) (c) :			
Land	-	61,000	
Site works	1,235,638	2,709,858	
Balance at end of year	<u>22,762,465</u>	<u>21,526,827</u>	
(a) The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.			
(b) Any increment is credited directly to the asset revaluation reserve, except to the extent that any increment reverses a revaluation decrement previously			
(c) Any decrement is recognised as an expense in the Income Statement, except to the extent that any decrement reverses a revaluation increment previously credited to the asset revaluation reserve.			
<b>Note 24 Accumulated surplus/(deficit)</b>			
Balance at start of year	3,007,657	2,494,651	
Result for the period	635,098	513,006	
Balance at end of year	<u>3,642,755</u>	<u>3,007,657</u>	
<b>Note 25 Notes to the Cash Flow Statement</b>			
<b>a) Reconciliation of cash</b>			
Cash assets at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:			
Cash and cash equivalents (see note 14)		2,662,775	2,613,396
		<u>2,662,775</u>	<u>2,613,396</u>
<b>b) Reconciliation of net cash flows to net cost of services used in operating activities</b>			
Net cash used in operating activities (Cash Flow Statement)	707,932	545,655	
Increase/(decrease) in assets:			
Other current receivables	63,282	1,612	
Decrease/(increase) in liabilities:			
Payables	(196,740)	41,804	
Current provisions	(48,506)	(53,637)	
Non-current provisions	16,889	(10,651)	
Income received in advance	25,892	3,159	
Non-cash items:			
Depreciation expense (note 7)	(564,327)	(498,409)	
Net gain / (loss) from disposal of non-current assets (note 9)	-	(2,573)	
Capital user charge paid by Department of Health (note 8)	-	(1,513,000)	
Adjustment for other non-cash items	(0)	-	
Net cost of services (Income Statement)	<u>4,422</u>	<u>(1,486,040)</u>	
<b>c) Notional cash flows</b>			
Service appropriations as per Income Statement	630,676	1,999,046	
	<u>630,676</u>	<u>1,999,046</u>	
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	-	(1,513,000)	
Accrual appropriations	(630,676)	(486,046)	
	<u>(630,676)</u>	<u>(1,999,046)</u>	
<b>Cash Flows from State Government as per Cash Flow Statement</b>	<u>-</u>	<u>-</u>	

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

**Note 26 Voluntary changes in accounting policy**

Effective from 1 July 2007, the Authority has increased its asset capitalisation threshold from \$1,000 to \$5,000 for plant and equipment and intangible assets (See note 5 'Voluntary changes in accounting policy'). The adjustments relating to the 2006-07 financial year are as follows:

**Reconciliation of equity at the end of the last reporting period under previous asset capitalisation policy : 30 June 2007**

	Before policy change 30th June 2007	Adjustment	After policy change 30th June 2007
	\$	\$	\$
<b>Assets</b>			
Current Assets	2,690,185	-	2,690,185
Non-Current Assets (a)	22,173,960	(1,866)	22,172,094
<b>Total Assets</b>	<u>24,864,145</u>	<u>(1,866)</u>	<u>24,862,279</u>
<b>Liabilities</b>			
Current Liabilities	273,475	-	273,475
Non-Current Liabilities	54,320	-	54,320
<b>Total Liabilities</b>	<u>327,795</u>	<u>-</u>	<u>327,795</u>
<b>Total Equity (b)</b>	<u>24,536,350</u>	<u>(1,866)</u>	<u>24,534,484</u>
<b>Accumulated surplus/(deficiency)</b>			
Opening balance	2,494,651	-	2,494,651
Surplus/(Deficit) for the period	514,872	(1,866)	513,006
Closing balance	<u>3,009,523</u>	<u>(1,866)</u>	<u>3,007,657</u>
(a) Property, plant and equipment	18,601,848	(1,866)	18,599,982
(b) Accumulated surplus/(deficiency)	3,009,523	(1,866)	3,007,657

**Reconciliation of income statement for the year ended 30 June 2007**

	Before policy change 30th June 2007	Adjustment	After policy change 31st June 2007
	\$	\$	\$
Expenses (a)	3,615,586	1,866	3,617,452
Total income other than income from State Government	2,131,412	-	2,131,412
<b>Net cost of services</b>	<u>1,484,174</u>	<u>1,866</u>	<u>1,486,040</u>
<b>Income from State Government</b>	1,999,046	-	1,999,046
<b>Surplus/(Deficit) for the period</b>	<u>514,872</u>	<u>(1,866)</u>	<u>513,006</u>
(a) Depreciation and amortisation expense	498,409	-	498,409
Repairs, maintenance and consumable equipment	492,884	1,866	494,750

**Reconciliation of cash flow statement for the year ended 30 June 2007**

	Before policy change 30th June 2007	Adjustment	After policy change 31st June 2007
	\$	\$	\$
<b>Cash flows from State Government</b>	-	-	-
<b>Utilised as follows:</b>			
<b>Net cash (used in) / provided by -</b>			
Operating activities (a)	547,521	(1,866)	545,655
Investing activities (b)	(1,866)	1,866	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>545,655</u>	<u>-</u>	<u>545,655</u>
<b>Cash and cash equivalents at the beginning of period</b>	2,067,741	-	2,067,741
<b>Cash and cash equivalents at the end of period</b>	<u>2,613,396</u>	<u>-</u>	<u>2,613,396</u>
(a) Payments for supplies and services	(684,706)	(1,866)	(686,572)
(b) Payments for purchase of non-current physical assets	(1,866)	1,866	-

	2008 \$	2007 \$
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**Note 27 Remuneration of members of the Accountable Authority and senior offi**

Remuneration of members of the Accountable Authority

The members of the Accountable Authority are appointed on a voluntarily basis and do not receive any remuneration.

**Note 28 Remuneration of auditor**

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

Auditing the accounts, financial statements and performance indicators	16,550	15,500
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**Note 29 Commitments**

The Trust had no commitments for expenditure at the balance sheet date.

**Note 30 Contingent liabilities and contingent assets**

At the balance sheet date, the Trust is not aware of any contingent liabilities and contingent assets.

*Contaminated Sites*

Under the Contaminated Sites Act 2003, the Trust is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated – remediation required or possibly contaminated – investigation required, the Trust may have a liability in respect of investigation or remediation expenses.

At the balance sheet date, the Trust does not have any suspected contaminated

**Note 31 Events occurring after balance sheet date**

There were no events occurring after the balance sheet date which had significant financial effects on these financial statements.

**Note 32 Related bodies**

A related body is a body which receives more than half its funding and resources from the Trust and is subject to operational control by the Trust.

The Trust had no related bodies during the financial year.

**Note 33 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 financial year.

**Note 34 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 in 2007 and escalated by the Perth CPI for 2007/08 of 4.5 % as per ABS this represents

Tenant	Area (sqm)	Annual Value \$
Allergy & Asthma Research Institute	103	13,585
Australian Neuromuscular Research Institute	3,279	308,275
Cancer Foundation - Crawford Lodge (land)	6,300	271,700
Heart Research Institute	491	143,688
Institute of Radiochemical Engineering	31	4,389
Keogh Institute for Medical Research - A blo	705	88,825
Lions Ear & Hearing - A block	2,964	276,925
Lions Eye Institute - AA (land)	2,600	188,100
State Head Injuries Unit	313	41,800
The Niche - Cystic Fibrosis WA (land)	6,200	454,575
WA Institute for Medical Research	1,508	438,900
WA Sleep Disorders Research Institute	281	39,710
		<u>\$2,270,472</u>



## Note 35 Explanatory Statement

### (A) Significant variances between actual results for 2007 and 2008

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 10% or more of the current year's Total Cost of Services.

	Note	2008 Actual \$	2007 Actual \$	Variance \$
<b>Expenses</b>				
Employee benefits expense	(a)	1,084,092	963,690	120,402
Depreciation and amortisation expense	(b)	564,327	498,409	65,918
Capital user charge	(c)	-	1,513,000	(1,513,000)
Loss on disposal of non-current assets	(d)	-	2,573	(2,573)
Other expenses	(e)	797,117	639,780	157,337
<b>Income</b>				
Parking revenue	(f)	1,760,397	1,634,971	125,426
Interest revenue	(g)	205,090	131,382	73,708
Other revenues	(h)	484,471	365,059	119,412
Service appropriations	(i)	630,676	1,999,046	(1,368,370)

(a) Employee benefits expense  
Salaries expenses increased primarily due to two factors:  
- industrial agreement negotiated escalations; and  
- establishment and recruitment of additional staff into a new Parking branch in March 2008 to support significant parking policy changes on QEIMC site.

(b) Depreciation and amortisation expense  
Increased depreciation due to revaluation of existing assets and capitalisation of works increasing total asset base.

(c) Capital user charge  
The Department of Treasury and Finance abolished the capital user charge on 1 July 2007.

(d) Loss on disposal of non-current assets  
No items disposed of in 2007/08.

(e) Other expenses  
Other expenses were higher than previous year due to:  
- legal costs associated with the facilitation of establishing leases including the WAIMR ground lease and progressing amendments to by-laws;  
- additional repairs on grounds and maintenance of car parks were undertaken throughout the year.

(f) Parking revenue  
Parking revenue increased due to the implementation and enforcement of the new parking policy.

(g) Interest revenue  
The 2006/07 year had \$1.67m invested at an average interest rate of 6.2%, while the 2007/08 year had an average of \$2.58m invested at an average interest rate of 7.18%. This combination of higher rates and higher principal resulted in an increase in overall interest revenue.

(h) Other revenues  
Other revenues increased as a result of the recoup of site services costs from Pathwest not recouped in 2006/07 and increases in rental revenues from onsite tenants.

(i) Service appropriations  
Decrease due to offset with removal of capital user charge.

**Note 35 Explanatory Statement (continued)**

**(B) Significant variations between estimates and actual results for 2008**

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 the budget estimates.

	Note	2008 Actual \$	2008 Estimates \$	Variance \$
<b>Operating expenses</b>				
Employee benefits expense	(a)	1,084,092	1,050,000	34,092
Other goods and services	(b)	1,361,444	1,593,000	(231,556)
<b>Total expenses</b>		<u>2,445,536</u>	<u>2,643,000</u>	<u>(197,464)</u>
Less: Revenues	(c)	<u>(2,449,958)</u>	<u>(2,292,000)</u>	<u>(157,958)</u>
<b>Net cost of services</b>		<u>(4,421)</u>	<u>351,000</u>	<u>(355,421)</u>

(a) Employee benefits expense

Salaries expenses increased primarily due to the establishment and recruitment of additional staff into a new Parking branch in March 2008 to support the significant parking policy changes on QEII MC site.

(b) Other goods and services

Original estimate included a greater program of repairs and maintenance than was actually implemented. The extent of this program was amended following a revised planning and needs assessment.

(c) Revenues

Revenues were estimated based on set increases in tenant rentals and increased parking revenues from the introduction of a new boomgate arrangement. While the new boomgates were not implemented during the year, revised parking arrangements did contribute to the increased revenues raised. Increases in investment income were also achieved due to higher interest rates.

**Note 36 Financial instruments**

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

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

*Credit risk*

Credit risk arises when there is the possibility of the Trust's receivables defaulting on their contractual obligations resulting in financial loss to the Trust. The Trust measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

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

*Liquidity risk*

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

The Trust 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.

*Market risk*

The Trust does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes).

The Trust's exposure to interest rate risk is detailed in the interest rate sensitivity analysis table at Note 36(c).

b) **Categories of financial instruments**

In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>		
Cash and cash equivalents	2,662,775	2,613,396
Loans and receivables	4,314,794	3,620,835
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	223,936	27,196

**Note 36 Financial instruments (continued)**

**c) Financial instrument disclosures**

*Credit risk, liquidity risk and interest rate risk exposure*

The following table details the exposure to liquidity risk and interest rate risk as at the balance sheet date. The Trust's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of the Trust. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date. An adjustment for discounting has been made where material.

	<u>Weighted average effective interest rate</u>	<u>Variable interest rate</u>	<u>Non- interest bearing</u>	<u>Contractual maturity dates</u>					<u>More than 5 years</u>	<u>Total</u>
<b>As at 30th June 2008</b>	%	\$	\$	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>3-4 years</u>	<u>4-5 years</u>	\$	\$
<b>Financial Assets</b>										
Cash and cash equivalents	7.5%	140,756	200	2,521,819						2,662,775
Receivables			140,072							140,072
Amounts receivable for services			4,174,722							4,174,722
		140,756	4,314,994	2,521,819	-	-	-	-	-	6,977,569
<b>Financial Liabilities</b>										
Payables			223,936							223,936
		-	223,936	-	-	-	-	-	-	223,936

	<u>Weighted average effective interest rate</u>	<u>Variable interest rate</u>	<u>Non- interest bearing</u>	<u>Contractual maturity dates</u>					<u>More than 5 years</u>	<u>Total</u>
<b>As at 30th June 2007</b>	%	\$	\$	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>3-4 years</u>	<u>4-5 years</u>	\$	\$
<b>Financial Assets</b>										
Cash and cash equivalents	6.2%	2,613,196	200							2,613,396
Receivables			76,789							76,789
Amounts receivable for services			3,544,046							3,544,046
		2,613,196	3,621,035	-	-	-	-	-	-	6,234,231
<b>Financial Liabilities</b>										
Payables			27,196							27,196
		-	27,196	-	-	-	-	-	-	27,196

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

**Note 36 Financial instruments (continued)**

*Interest rate sensitivity analysis*

The following table represents a summary of the interest rate sensitivity of the Trust's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	<u>Carrying Amount</u>	<u>-1% change</u>		<u>+1% change</u>	
	\$	<u>Profit</u> \$	<u>Equity</u> \$	<u>Profit</u> \$	<u>Equity</u> \$
<b>As at 30th June 2008</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	2,662,775	(26,628)	(26,628)	26,628	26,628
Total Increase/(Decrease)		<u>(26,628)</u>	<u>(26,628)</u>	<u>26,628</u>	<u>26,628</u>

	<u>Carrying Amount</u>	<u>-1% change</u>		<u>+1% change</u>	
		<u>Profit</u>	<u>Equity</u>	<u>Profit</u>	<u>Equity</u>
As at 30th June 2007	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	2,613,396	(26,134)	(26,134)	26,134	26,134
Total Increase/(Decrease)		<u>(26,134)</u>	<u>(26,134)</u>	<u>26,134</u>	<u>26,134</u>

*Fair values*

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

## Appendix 2 – Key Performance Indicators

### Certification of Key Performance Indicators

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the QEII MC Trust's performance, and fairly represent the performance of the QEII MC Trust for the financial year ended 30 June 2008.



Judge Valerie French  
Chairman  
Queen Elizabeth II Medical Centre Trust  
Date



Professor Ian Puddey  
Member  
Queen Elizabeth II Medical Centre Trust  
Date

# Key Performance Indicators

## Outcome 1

This outcome is achieved through improving, maintaining the Reserve, providing safe and accessible facilities and by actively seeking to improve and provide additional staff and visitor facilities and services.

A Site User Survey was conducted over a 40 day period in May and June 2008. For the first time the survey was conducted electronically and anonymously and was made available to all QEIMC employees on the QEIMC Trust's website.

In preparing the survey results, the QEIMC Trust used a software package "Vanguard Software" which examined all the questions in pairs to see if there are any correlations between answers. Whenever a significant correlation was found, it was noted and is used in determining what demographic or experience characteristics tend to drive key measures such as overall satisfaction.

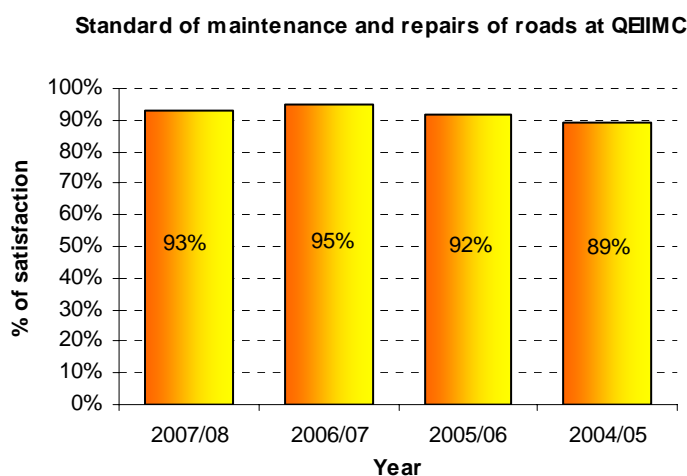
In 2008, the scale used to measure the satisfaction is include Fair, Good, Very Good and Excellent, which is consistent with the methodology of prior years.

A total of 659 responses to the survey were received compared to 316 in 2006/07 and 294 in 2005/06.

The survey was conducted at a time where the new parking policy was to be implemented at QEIMC on 1 July 2008. The survey results reflect the disapproval and poor parking conditions on the QEIMC site.

## Key Effectiveness Indicators

### 1.1 Standard of maintenance and repair of roads paths, parking areas and grounds and gardens on the Reserve.

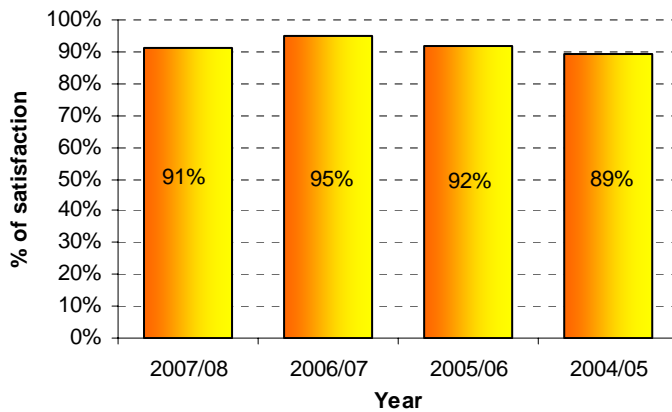


This key indicator measures the level of standard of maintenance and repairs of the roads at the QEIMC site.

In 2007/08 the standard slightly dropped due to the delays of road maintenance whilst finalising the QEIMC Master Plan and construction timetable.



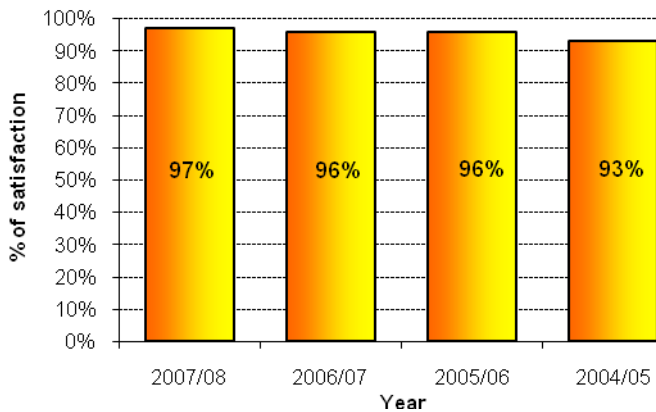
#### Standard of maintenance and repairs of paths at QEIMC



This key indicator measures the level of standard of maintenance and repairs of the paths at the QEIMC site.

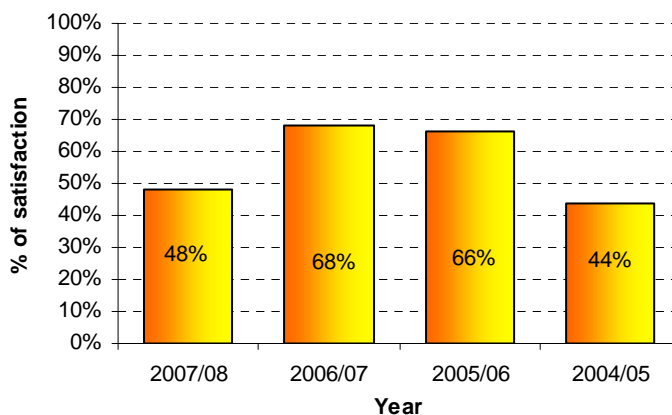
In 2007/08 the standard slightly dropped due to the delays of road maintenance whilst finalising the QEIMC Master Plan and construction timetable.

#### Standard of maintenance of gardens and grounds at QEIMC



This key indicator measures the level of standard of maintenance of gardens and grounds at the QEIMC site.

#### Standard of maintenance and repairs of parking areas at QEIMC



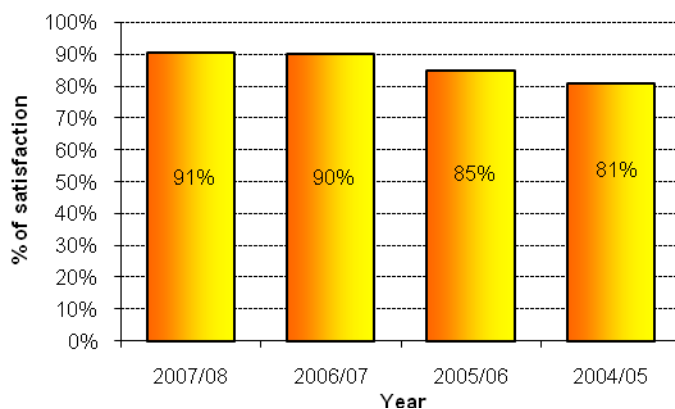
This key indicator measures the level of standard of maintenance and repairs of the parking areas at the QEIMC site.

In 2007/08 the standard slightly dropped due to the delays of road maintenance whilst finalising the QEIMC Master Plan and construction timetable.

Furthermore, the timing of the Site User Survey was being conducted at time where the new parking policy was coming into effect. Many employees were anxious about their parking situation.

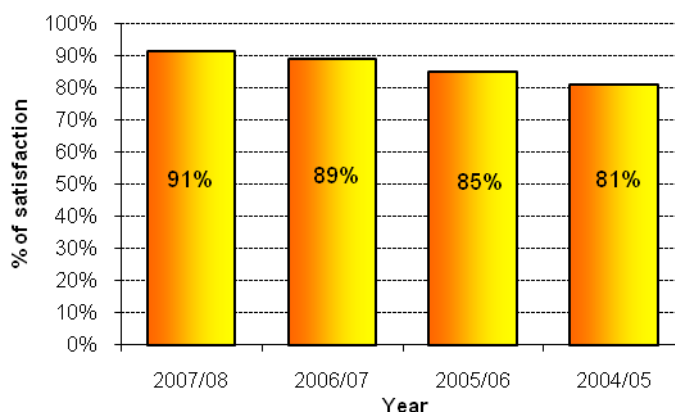
## 1.2 Timeliness of maintenance and repair of roads, paths, parking areas and grounds and gardens on the Reserve.

Satisfaction levels of or maintenance and repairs of roads at QEIMC



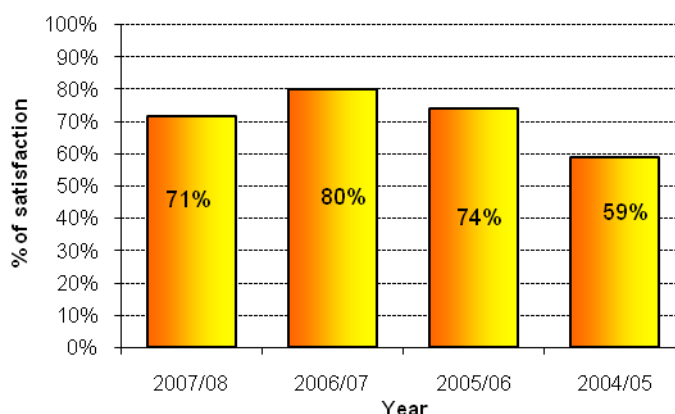
This key indicator measures the satisfaction level of timeliness of maintaining and repairing of the roads at the QEIMC site.

Satisfaction levels of or maintenance and repairs of paths at QEIMC



This key indicator measures the satisfaction level of timeliness of maintaining and repairing of the paths at the QEIMC site.

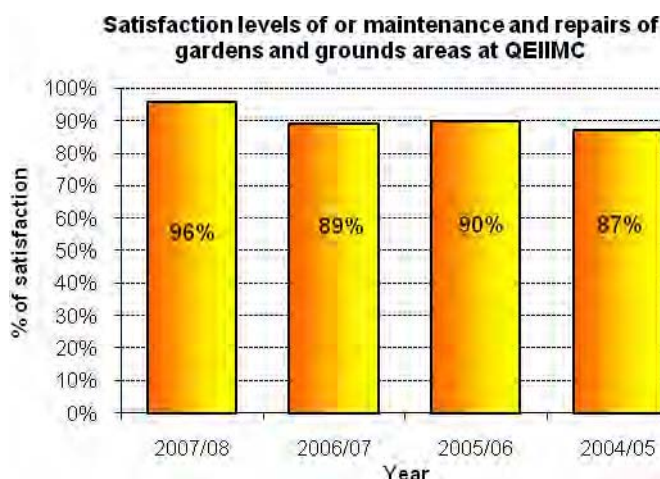
Satisfaction levels of or maintenance and repairs of parking areas at QEIMC



This key indicator measures the satisfaction level of timeliness of maintaining and repairing of the parking areas at the QEIMC site.

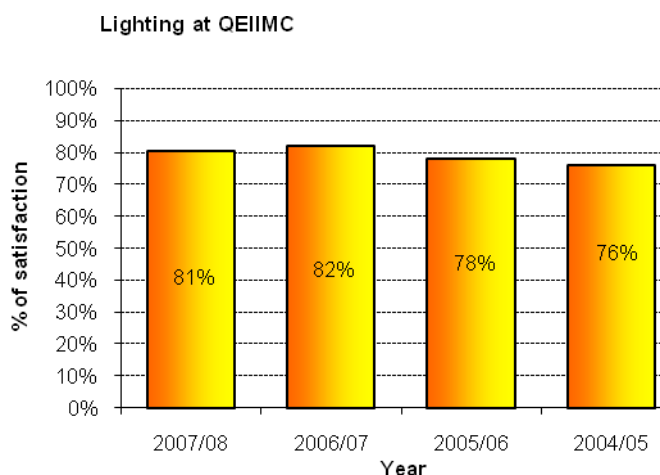
The decrease is due to the dissatisfaction of parking on the QEIMC site.

Furthermore, the timing of the Site User Survey was being conducted at time where the new parking policy was coming into effect. Many employees were anxious about their parking situation.



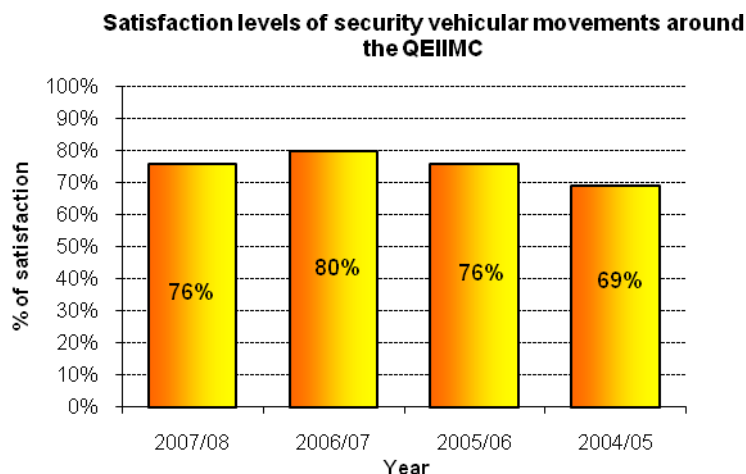
This key indicator measures the satisfaction level of timeliness of maintaining gardens and grounds at the QEIIIMC site.

### 1.3 Standard of lighting on the Reserve.



This key indicator measures the standard of external lighting at the QEIIIMC site.

### 1.4 Standard of security (external) for vehicular movement around the Reserve and illegal parking.

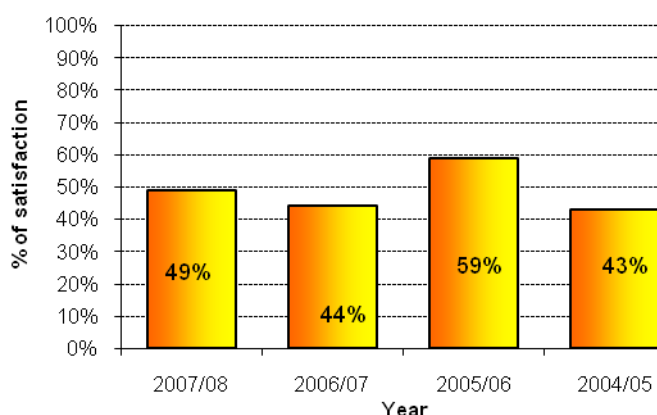


This key indicator measures the satisfaction level of employees of providing vehicular movements around the QEIIIMC site.

From May 2008, three new parking officers have been employed, which will increase the security on site.

## 1.5 Timeliness of Security response time after requesting assistance.

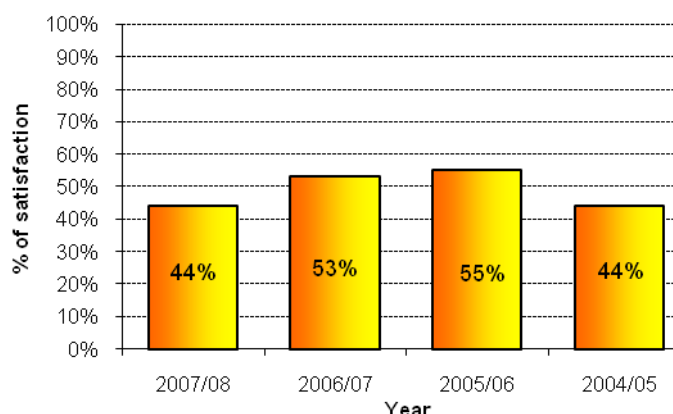
**Satisfaction levels of security response at QEIMC**



This key indicator measures the satisfaction level of timeliness of security (external) responses at QEIMC site.

## 1.6 Convenience of the parking facilities provided to staff members.

**Satisfaction levels of convenience of staff parking at QEIMC**



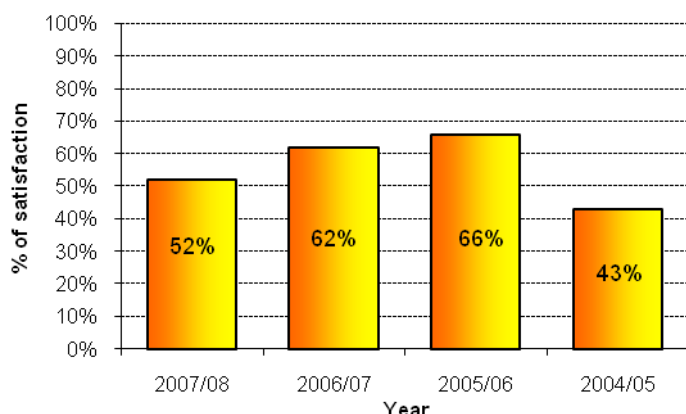
This key indicator measures the satisfaction level of parking facilities provided to staff.

The decrease is primarily due to the oversubscription of parking permits and the limited staff bays at QEIMC.

A new parking policy has come into effect from 1 July 2008. From April 08, all employees had to reapply for a 2008/09 parking permit and only those who met the criteria received a parking permit. This has significantly reduced the oversubscription of permits.

## 1.7 Convenience of parking facilities to visitors.

**Satisfaction levels of convenience of visitor parking at QEIMC**



This key indicator measures the satisfaction level of parking facilities provided to visitors.

The decrease is primarily due to the oversubscription of staff parking permits resulting in staff parking in the visitors car parks leaving limited parking bays for visitors and patients.

This has been addressed as a new parking policy has come into effect from 1 July 2008. Also, three Parking Officers have been employed to enforce the By-laws and prevent staff from parking in the Visitor's Car Park.

## Outcome 2

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

As at 30 June 2008, the QEIMC had a total of 3,073 parking bays (982 visitors and 2,091 staff).

### Key Effectiveness Indicators

#### 2.1 Total number of motor vehicles stolen from the QEIMC car parks in comparison to the total number of car parking bays.

This key indicator measures the number of vehicles have been broken into from the QEIMC car parks. This provides a measure of the effectiveness of the car park and grounds security over time.

	2007/08	2006/07	2005/06	2004/05
Percentage of vehicles stolen in comparison to the number of car parking bays	0%	0.33%	1.26%	0.066%

No vehicles were stolen on site for the year 2007/08. Three new Parking Officers have been hired from May 2008 which will assist with the monitoring of vehicles on the QEIMC site.

### Key Efficiency Indicators

The Trust's main function is to undertake the development, control and management of the Reserve. The total area of the Reserve is 28.4749 hectares.

#### 1 Operating cost per hectare

This indicator is to measure the success of developing, controlling and managing the QEIMC site.

	2007/08	2006/07	2005/06
Operating cost per hectare	\$86,663	\$73,840	\$90,446

Note: The Capital User Charge is excluded in the above calculations

The increase is primarily due to: salaries and wages award increase of 4%; creation of a new parking branch (six new employees were employed to maintain the administration and control of parking on the QEIMC site); extensive additional legal fees were incurred to establish a ground lease for WAIMR.

## 2 Maintenance cost per hectare

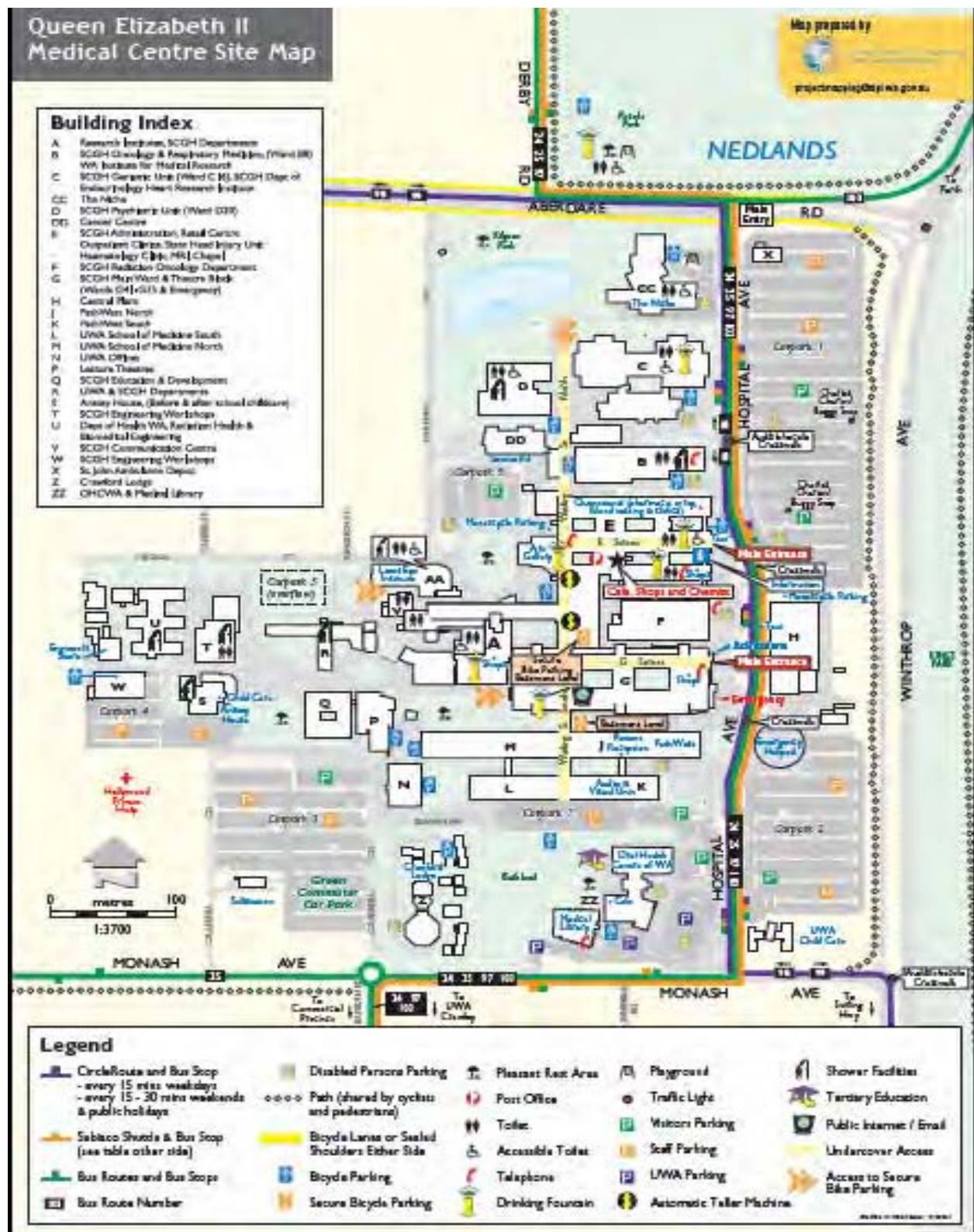
This indicator is to measure the success of maintenance and repairs of site facilities including roads, paths, car parks, lighting and garden and grounds at the QEIIIMC site.

	2007/08	2006/07	2005/06
Operating cost per hectare	\$41,312	\$38,357	\$37,912

The increase is primarily due to the salaries and wages award increase of 4% and the additional costs of upgrading the reticulation system.



# Site Map



## QEIMC Tenants

- Animal Care Unit (UWA)
- April Flowers
- Australian Neuromuscular Research Institute
- Bank of Queensland
- Biomedical Engineering
- The Cancer Council Western Australia
- Cystic Fibrosis Western Australia
- Charlies Chemist
- Charlies Garden Café
- Hair at Charlies
- Independent Living Centre of WA Incorporated
- Keogh Institute for Medical Research
- Lions Optic
- Lions Hearing Clinic
- Lions Eye Institute
- Lungs Institute of WA Incorporated
- Neurological Council of WA
- Oral Health Centre of WA
- Pathwest
- Radiation Health
- Sir Charles Gairdner Hospital
- Sushi Bar
- State Head Injuries Unit
- St John Ambulance
- University of Western Australia (Faculty of Medicine and Dentistry)
- WA Sleep Disorders Research Institute
- WA Heart Research Institute
- WAIMR
- Women's Auxiliary