

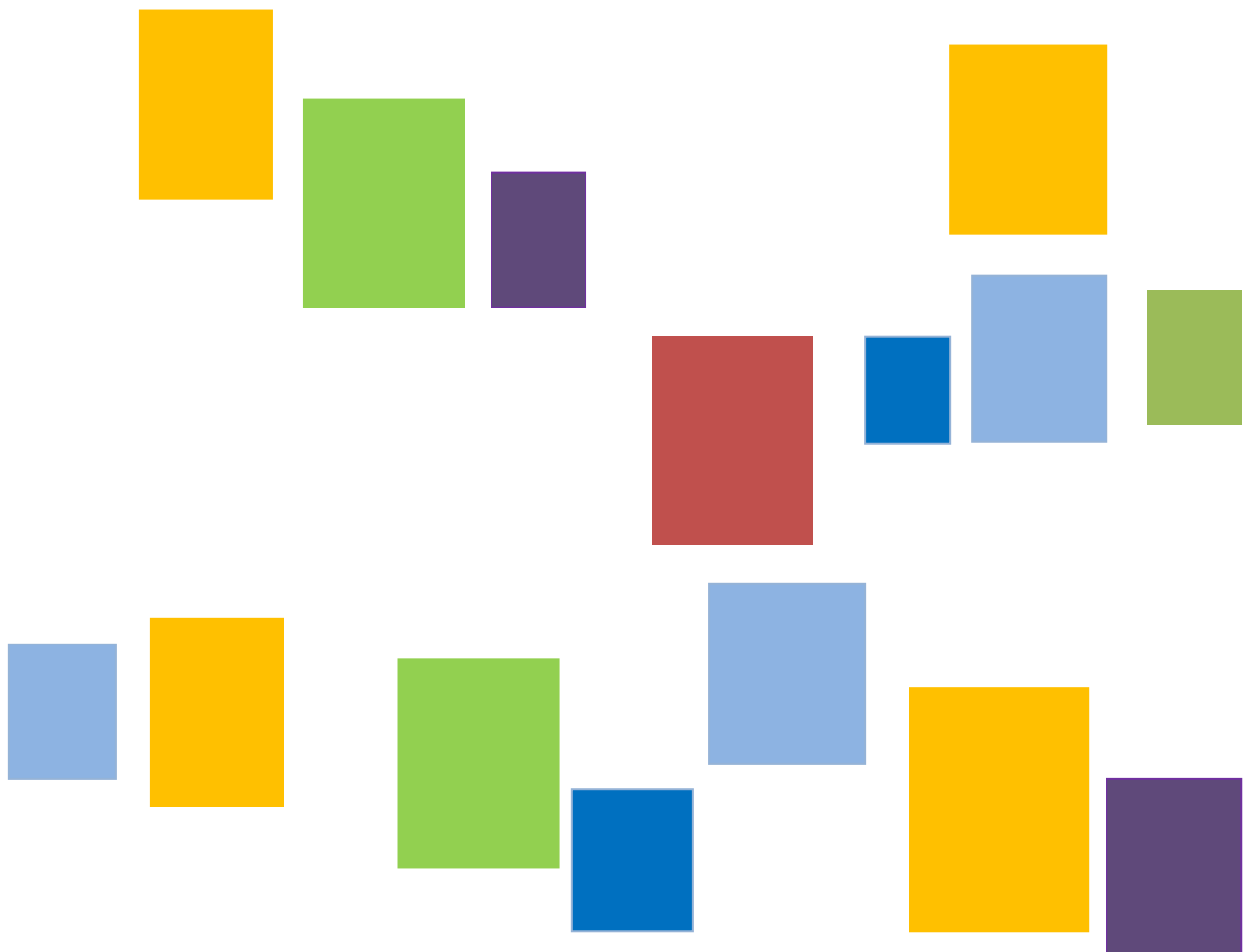


Queen Elizabeth II Medical Centre Trust



Annual Report 2012-13

To be globally recognised as a **centre of excellence** in **health care**,
research and education



The QEII Medical Centre Trust Annual Report 2012/13 has been produced in accordance with the Public Sector Annual Report Framework.

The Annual Report is copyright and may be reproduced provided the source is acknowledge. All photographs within have been used with permission and remain the property of the contributors.

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

Alternative formats are available upon request

QUEEN ELIZABETH II MEDICAL CENTRE TRUST
C/O Sir Charles Gardiner Hospital
Hospital Avenue NEDLANDS WA 6009
Email: qeimctrust@health.wa.gov.au

STATEMENT OF COMPLIANCE

For the year ended 30 June 2013

HON Dr K D HAMES
MINISTER FOR HEALTH


In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Queen Elizabeth II Medical Centre Trust for the financial year 30 June 2013.

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*.



S Cole
Chairman
Queen Elizabeth II Medical Centre Trust
Date 26 Sept 2013



G McMath
Member
Queen Elizabeth II Medical Centre Trust
Date 26 Sept 2013

Contents

Chairman's Report	5
Overview	8
Executive Summary	8
Operational Structure	15
Agency Performance	23
Reports on Operations	23
Significant Issues impacting the QEIMC Trust	31
Current and emerging issues and trends	31
Changes in written law	32
Disclosure and Legal Compliance	35
Certification of Financial Statements	38
Certification of Key Performance Indicators	79
Key Performance Indicators	80
Ministerial Directions	87
Other Financial Disclosures.....	87
Governance Disclosures	88
Other Legal Requirements	88
Government Policy Requirements.....	90

Chairman's Report

The year under review has been one of both challenge and reward for the QEII Medical Centre Trust. The challenge comes as a consequence of the transformational work on the Site with planning, legislation, financial and resourcing pressures. The reward is the fantastic progress on the various major construction projects on the Site and seeing the QEII Medical Centre Trust's vision coming to fruition as a world class facility in health care, research and education.

The new shape and structure of the QEII Medical Centre is now visually emerging with the completion of the Central Energy Plant, Cancer Centre Stage 2, Pathwest and Multi-Deck Car Park – stage 1, as well as the continuing work on the New Children's Hospital, WAIMR and Car Park – stage 2.

Further planning and work has also continued in support of other major social infrastructure investment on the Site which has allowed the board to approve a number of Site related projects including Ronald McDonald House, Western Power substation and the Mental Health Unit.

During the course of the year, the QEII Medical Centre Trust progressed its Strategic Plan, with particular focus on site planning and working towards the Trust's independence, financial security and sound governance. The Trust's systems and controls within the Trust's legislative mandate were enhanced with the development and review of various planning instruments including the Landscaping Master Plan, Urban Design Guidelines, Travel Plan, Branding Plan and various other Site policies.

Significant progress has been made in reviewing and documenting lease arrangements for the Site's QEII Medical Centre's tenants. Such activities primarily centred on the ground leases for the New Children's Hospital, Ronald McDonald House, Western Power and Sir Charles Gairdner Hospital.


With the formalisation of the lease and tenancy arrangements on the Site, has come the commitment to a site service agreement with tenants which allows for the equitable and transparent allocation of utility charges (fixed and variable) and overall Site maintenance and management expenses across all tenants. This initiative will help ensure the QEII Medical Centre Trust's ongoing sustainability, and capability to service the needs of the Site's tenants, consistent with its legislative requirements and principles of good governance.

After a challenging period of significant Site disruption from building and infrastructure work, I commend the QEII Medical Centre Trust's team of dedicated staff and volunteers in the excellent services and facilities now again starting to be offered at the Site as reflected by high satisfaction ratings in the recent Site User Survey and achievement of strong outcomes in access, parking and Site facilities.

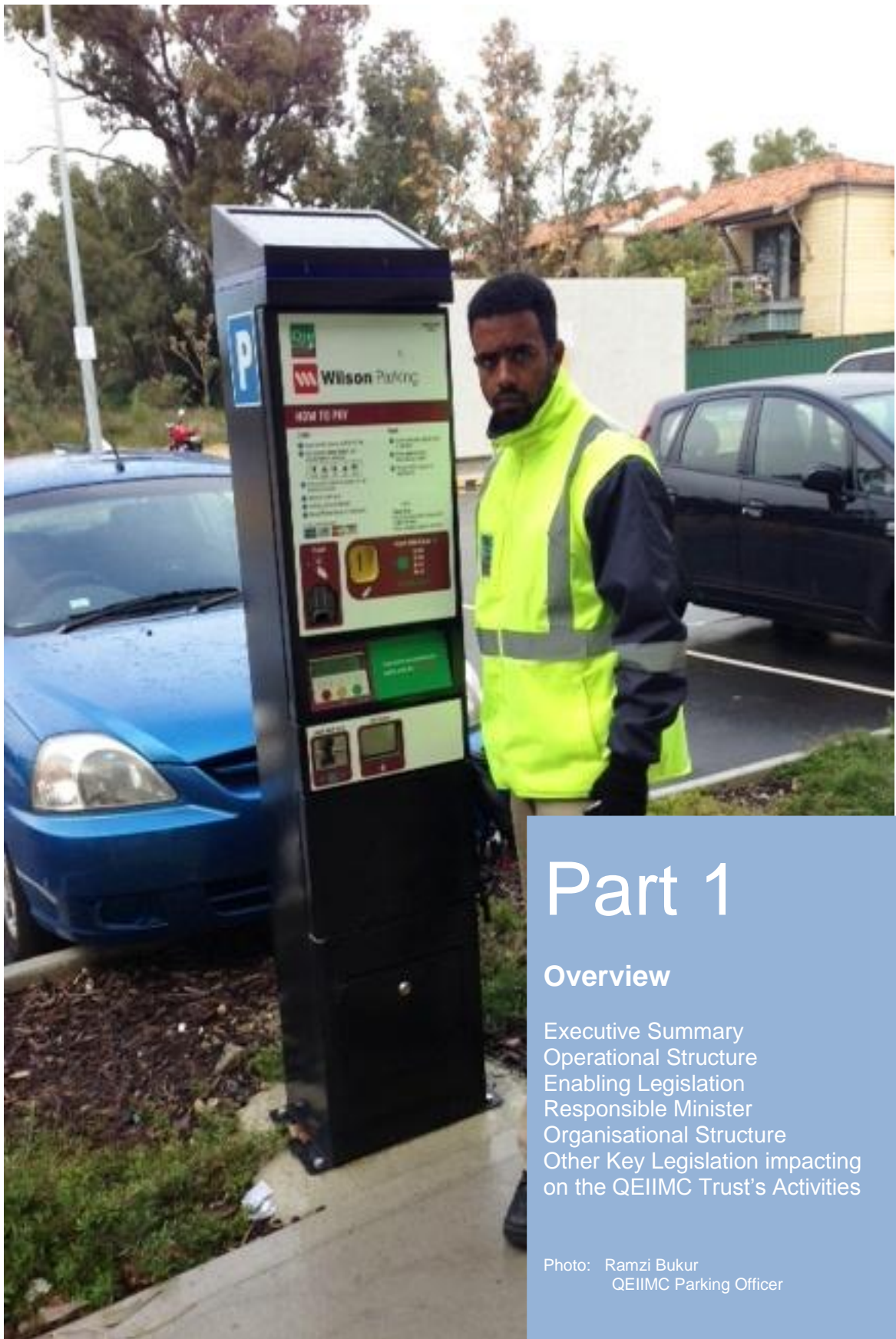
I would like to acknowledge the work of the Trust's "Delegate", North Metropolitan Health Service, and its professional team headed over the year under review initially by Dr David Russell-Weisz, and more recently by Dr Shane Kelly, and ably managed by Paul Hansen. I also acknowledge my fellow Board members for their contribution. Their dedication and professionalism have been invaluable as matters considered by

the Board often have an underlying complexity that requires mature reflection, consideration and sound judgement.

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



S Cole
Chairman of QEIIMC Trust



Part 1

Overview

Executive Summary	9
Operational Structure	15
Enabling Legislation	15
Responsible Minister	16
Organisational Structure	16
Other Key Legislation impacting on the QEIMC Trust's Activities	19

Photo: Ramzi Bukur
QEIMC Parking Officer

Overview

Executive Summary

This Annual Report combines the activities of the Queen Elizabeth II Medical Centre Trust and the Minister for Health incorporated as the board of Sir Charles Gairdner Hospital as its Delegate under section 13 of the *Queen Elizabeth II Medical Centre Act 1966*. The content of this report is deemed by the Trust to satisfy the reporting requirement under subsection 13(2i) of this Act.

The Year in Review

QEIMC REDEVELOPMENT

In 2012/13, we saw four major infrastructure projects completed at QEII Medical Centre – Central Energy Plant, the multi-deck car park stage 1a, the Comprehensive Cancer Centre Stage 2 and Pathwest. With construction works also underway for the New Children's Hospital, WAIMR and commencement of the Mental Health Unit, the QEII Medical Centre is certainly the busiest medical centre in Western Australia.

Extensive planning and management is required to ensure the safety of staff, patients, construction workers and visitors. The QEII Medical Centre Trust would like to acknowledge the patience of visitors, staff, patients and the local neighbours to the QEII Medical Centre and thank them for understanding the process of the construction and accepting changes.

Most importantly, these buildings will ensure the QEII Medical Centre retains its status of a world class facility in medical care, research and education facility in Western Australia. The people of Western Australia will benefit directly with new facilities, co-location of services and better linkages between one of our biggest hospital and medical, education and research facilities.

Multi-deck Car Park

The first stage of the multi-deck car park was completed and operational in October 2012, significantly boosting the availability of parking at the QEII Medical Centre bringing the total number of car parking bays available to nearly 3,000. Stage 1b will open later in the year providing a further 890 staff bays.

The QEII Medical Centre Car Park Project is a Build Own Operate and Transfer (BOOT) public private partnership opportunity and under the contract, the design, construction and operation of the facility is fully financed by Capella Parking.

The Capella Parking consortium comprises Capella Capital as the sponsor and the asset manager, Probuild as the builder and Wilson Parking as the car park operator.

The car park project also introduced a new permit system by using Radio Frequency Identification (RFID) tags or 'e-tags' that carry microchips which use radio waves to communicate with the boom gates allowing the boom gate to automatically rise when approached.

Existing ground level car parks have been reconfigured to increase the efficiency and capacity of existing bays. Parking will increase to more than 5,000 car parking bays upon completion of the new children's hospital in 2015.

New Children's Hospital

The new \$1.2 billion children's hospital has now entered its second year of construction. Work on the new children's hospital is progressing with the foundations well underway and work on the core structures started. Piling work on the project is now completed after almost 40 kilometres of concrete piles were installed into the ground since construction commenced in January 2013.



June 2013 – New Children's Hospital

The 274-bed hospital is on track and will replace Princess Margaret Hospital. Due for completion in 2015, the 274-bed state-of-the-art hospital will be a leading paediatric and research facility housing the Telethon Institute for Child Health Research.

It will also accommodate an underground car park with 300 visitor parking bays.

Ronald McDonald House

In June 2013, development approval was received for the construction of the New Ronald McDonald House along Monash Avenue with construction to commence later in the year. The House is due for completion in 2015 and to open simultaneously with the New Children's Hospital.

The 'home away from home' for Western Australia's regional families of seriously ill children will provide a temporary home to 47 families of children who will be receiving treatment at the New Children's Hospital. The house will feature larger accommodation rooms than the existing 18 room house in Subiaco and communal spaces such as, quiet reflection lounges, recreation area including a gym, a learning centre and rooftop garden.

Western Australia Institute of Medical Research (WAIMR)

The ten-storey WAIMR building is close to completion with the façade of the building now cladded and sealed. Fit out work is underway with laboratories and offices now taking shape.

The building will be home to many research organisations such as the Lion Eye Institute, the University of Western Australia and WAIMR. It is anticipated that the building will be operational at the end of the year with six levels of laboratories and clinical research space, two floors of shared facilities and public areas encouraging greater understanding of innovative medical research.

PathWest

The PathWest building is now completed and operational, making the striking façade a landmark on the QEII Medical Centre.

The PathWest building is now the State's largest diagnostic pathology facility. The six-storey building includes highly automated laboratories and state-of-the-art containment facilities for the investigation of high risk infectious diseases.

Cancer Centre Stage 2

The Cancer Centre Stage 2 opened in January 2013 with a full cancer centre services occurring throughout 2013. The Cancer Centre accommodates 140,000 patients per annum and will allow patient access to outpatient cancer services in one location.

The new centre will consolidate Radiation Oncology, Medical Oncology, Haematology, Outpatient Palliative Care, Solaries Care and Allied Health supportive care and services. It also has incorporated a new age appropriate Adolescent and Young Adults (AYA) spaces, a quiet room for reflection and a gym for patients.

The Cancer Centre is patient focused, and includes an underground car park that accommodates 155 cars for patients and visitors visiting the QEII Medical Centre.

Western Power Substation

Work has commenced on the major upgrade of Western Power's Substation facility on the site. The existing substation has ageing infrastructure and is nearing the end of its operational life and needs replacement.

The new substation will supply not only to the Site but also to surrounding suburbs. Pre-construction activities commenced in early February with the construction having commenced in April 2013. The upgrade is to be energised in June 2014.

Following the energising of the new substation, Western Power will begin the removal of the old substation equipment and remediation of the Site. The decommissioning and remediation work is to be completed mid 2017.

As the works are occurring on the car park at the western side of the QEII Medical Centre, a total of 195 parking bays have been removed for the substation upgrade.

Mental Health Unit

Works have commenced early 2013 for the construction of the new Mental Health Unit (MHU) with the demolition of the old Radiation Health building along Verdun Street. The new facility will accommodate 30 beds and provide a modern and pleasant setting for patients and staff. The proposed MHU generally comprises a single storey building with a practical second storey

A key feature of the MHU is that it is designed to have a family and visitor area to improve connections between patients and their families. Being co-located next to Sir Charles Gairdner Hospital will link tertiary level, academic specialty services to promote best practice models of care.

Careful consideration has been given to the selection of materials and massing of the building to provide an architectural solution sensitive to the location and respectful of the close proximity to adjacent residential areas and to Hollywood Hospital.

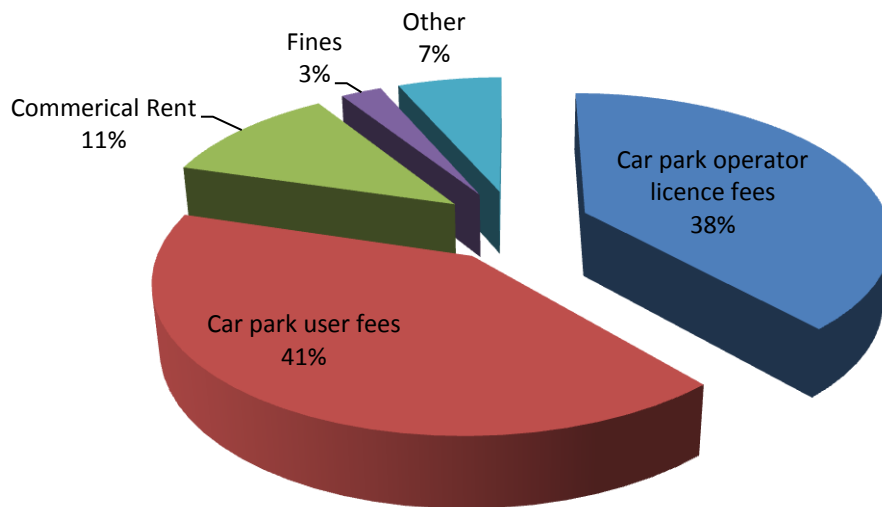
Neuroscience Research Facility

Plans are under way in the development of the new four-storey research facility focussed on neuroscience. The new facility which is to be located along Verdun Street, near the Lions Eye Institute will house a number of research institute such as the Australian Neuro Muscular Research Institute and the Alzheimer's disease Research Centre.

FINANCIAL PERFORMANCE

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

Revenue received in 2012/13



In 2012/13, the QEII Medical Centre grossed \$4.8 million in revenue. The majority of the revenue is generated from a licence fee from Capella Parking which represents 41% of the total revenue. Parking revenue was received from July to October 2013 and represents 38% of the total revenue for the year. The remainder is generated from commercial rents and other recoups.

The QEII Medical Centre Trust's expenditure is summarised in broad categories.

Employee benefits comprise 33% of the total expenditure, which includes salary costs, together with superannuation and leave entitlements.

Management Fees for At-Grade car park represents 17% of the total expenditure. In June 2011, the State entered into a project agreement with Capella Parking Pty Ltd (Capella) to build and operate a multi-deck car park on the QEII Medical Centre. This agreement entitles Capella to retain all parking charges collected from users of the multi-deck car park and all other car parks (known as 'At-Grade Car Parks') on the QEII Medical Centre.

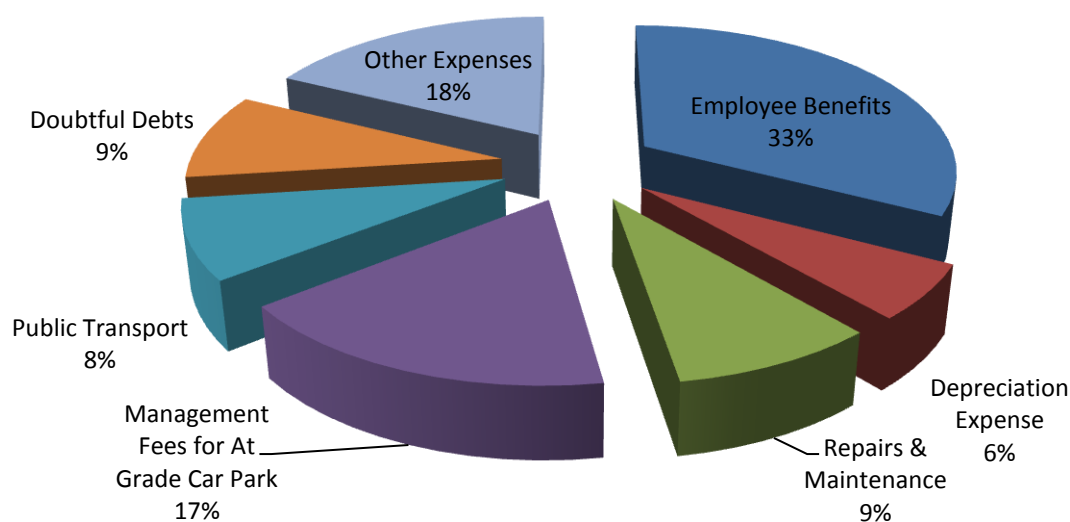
Statutory responsibility for the At-Grade Car Parks remains with the QEII Medical Centre Trust through the Board of Sir Charles Gairdner Hospital as its statutory delegate (Delegate). As part of the project arrangements, the Delegate entered into an 'At-Grade Car Parks Management Agreement' for a period of 26 years with Capella under which Capella is appointed to operate and manage these car parks. Capella collects the fees from the At-Grade Car Parks on behalf of the Delegate and deposits these moneys into the Delegate's bank account to comply with provisions in the *Queen Elizabeth II Medical Centre Act 1966*. The Delegate subsequently pays Capella the equivalent of the parking fees collected in the form of a car park management fee.

Depreciation, impairments and amortisation of 6% primarily reflect the expense incurred on ageing infrastructure and equipment assets under management by the Delegate. The decrease of depreciation from prior year is due to the transfer of certain site works and building works to Health Service.

Repairs and maintenance represented 9% of expenditure, of which approximately half was for the upgrades and works of site infrastructure.

Other expenses make up 18% of total expenses which include legal expenses and consultancy fees to develop and review various planning and leasing documentation.

Expenditure 2012/13



SITE MANAGEMENT

In accordance with provisions in the *Queen Elizabeth II Medical Centre Act 1966*, the QEII Medical Centre Trust has delegated day-to-day management of the QEII Medical Centre to the Minister for Health in his capacity as the board of Sir Charles Gairdner Hospital. The North Metropolitan Health Service undertakes this management on behalf of the Minister.

Chimney comes down, energy plant online

The iconic chimney stack at the QEII Medical Centre came down in November 2012 to make way for the New Children's Hospital and multi-deck car park on Winthrop Avenue.

The 70 metre high chimney took two weeks to demolish and required the use of a hydraulic pulveriser to pulverise the concrete and cut the reinforcement in one action. A 220 tonne crane positioned the pulveriser.

The chimney stack, originally built in the 1970s, was a part of the old Central Energy Plant (CEP) and has been replaced with a new \$225 million facility to meet the increasing demands of current and planned new services on the site.

Construction on the new CEP began in February 2011 at the western end of the site and it was commissioned in October 2012.

The new CEP comprises all mechanical and electrical services to provide high temperature hot water, chilled water, emergency power, medical gases and reverse osmosis water for clinical use.

The CEP has a tri-generation system to generate electricity, cooling and heating; reducing the site's carbon footprint. The tri-generation uses waste heat to power chillers that supply energy to air conditioners.

The CEP is critical to the support of the site. By 2015, the CEP will support the Sir Charles Gairdner Hospital, expanded Cancer Centre, Diagnostic Pathology Centre, Western Australia Institute of Medical Research, New Children's Hospital, and the new Mental Health Unit along with other tenants facilities at the QEII Medical Centre.



Photo: Going...going...gone....chimney stack comes down

Operational Structure

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

The objectives of the QEII Medical Centre Trust are to ensure the:

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

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

Enabling Legislation

The QEII MC Trust is constituted under the *Queen Elizabeth Medical Centre Act 1966*, to develop, manage and control the medical centre.

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

The *Queen Elizabeth Medical Centre Act 1966*, appointed the Board of Management of Sir Charles Gairdner Hospital (SCGH) as the delegate of the QEII MC Trust to exercise a range of executive powers in relation to controlling and managing the QEII MC site. The Delegation Instrument was published in the Government Gazette in October 1986.

Under current WA Health legislative arrangements, the current Delegate is the Minister for Health incorporated as the Board of Management of SCGH. The administration of the Delegate role is undertaken by the North Metropolitan Health Service.

The Delegate is an Accountable Authority for the day to day management of the QEII MC Reserve, including the general administration, management and other statutory requirements in relation to the Reserve.

Responsible Minister

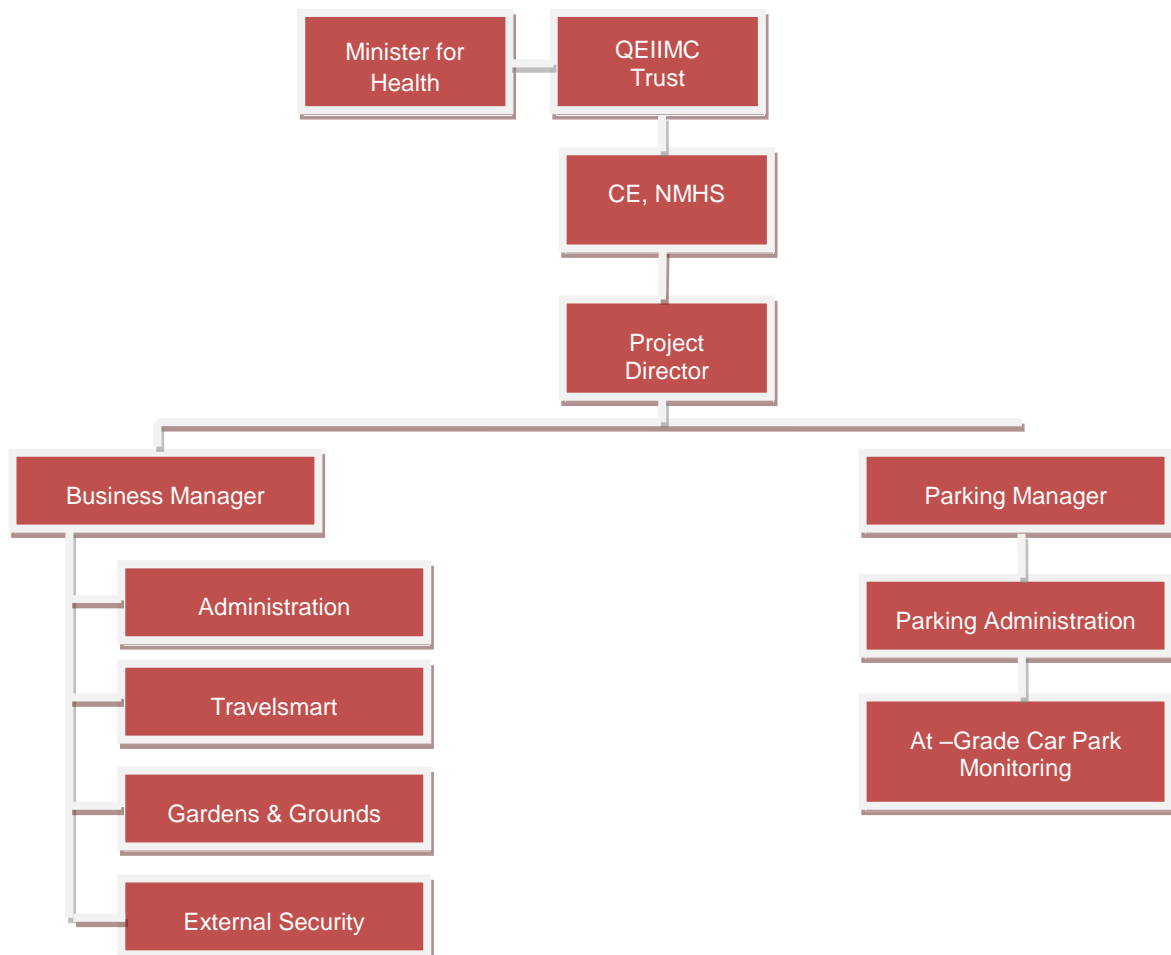
The statutory responsibility for the QEII Medical Centre Trust is vested with the Minister for Health, The Hon. Dr Kim Hames, MB BS JP MLA.

Organisational Structure

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

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

QEII Medical Centre Trust Structure as at 30 June 2013



Board of Management

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

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

MR STEVEN COLE Appointed as Chairman in November 2008.



Mr Cole has over 35 years of professional, corporate and business experience through senior legal consultancy, as well as a range of executive management and non executive appointments.

He is currently the Chairman of Brightwater Care Group Inc, Deputy Chairman of ASX listed Reed Resources Limited and board member of a number of other corporations and corporate trusts.

Mr Cole has attended all 12 board meetings throughout the year.

Mr Cole is also a member of the QEII Medical Centre Trust Audit and Risk Management Sub Committee.

MS GAYE McMATH Appointed as a member in January 2005 and is also the Deputy Chairman.



Ms McMath is the Executive Director, Finance and Resources at the University of Western Australia.

Ms McMath is a Fellow of CPA Australia and Australian Institute of Company Directors. She is currently a Director of Western Australia Treasury Corporation and Gold Corporation.

Ms McMath also chairs the QEII Medical Centre Trust Audit and Risk Management Sub Committee. Ms McMath has attended all 12 board meetings throughout the year.

**PROFESSOR IAN
PUDDY**



Appointed as a member in January 2005.

Professor Ian Puddey is the Dean of the Faculty of Medicine, Dentistry and Health Sciences at the University of Western Australia.

Professor Puddey is a Fellow of the Royal Australasian College of Physicians, and member of the High Blood Pressure Research Council of Australia, Australian Medical Association and International Society for Hypertension.

Professor Puddey has attended nine board meetings throughout the year.

MR IAN ANDERSON



Mr Anderson is the Chief Executive Officer for St John of God, Midland Public and Private Hospitals.

Mr Anderson's previous positions include Director Capital Management and Executive Director, Finance and Corporate Services both for North Metropolitan Area Health Services, Chairman of Resonance Health Ltd, Director of Leadership WA, General Manager (Performance Consulting) with Gerard Daniels Australia and Chief Executive Officer of SKG Radiology.

Mr Anderson has an MBA from the UWA and is a Fellow of the Australian Institute of Company Directors.

Mr Anderson has attended eight board meetings throughout the year.

**MR WAYNE
SALVAGE**



Appointed as a member in October 2009. Mr Salvage is the Executive Director of Resource Strategy in the Department of Health. The role involves managing resource acquisition and internal resource allocation within WA Health, co-ordination of infrastructure, and the provision of a range of corporate services, including legal services, corporate governance and communications.

Prior to this current role, Mr Salvage has held a number of senior positions within the Department.

Mr Salvage is also a member of the QEII Medical Centre Trust Audit and Risk Management Sub Committee. Mr Salvage has attended 11 board meetings throughout the year.

Other Key Legislation impacting on the QEIMC Trust

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
- Electricity Corporations Act 2006
- Energy Operators (Powers) Act 1979

Australian Commonwealth Acts

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

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

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

Assisting our clients innovatively

The QEII Medical Centre TravelSmart Junction won the Western Australia's TravelSmart Award in the Innovated category which was presented by the Hon. Bill Marmion, Minister for the Environment.

The TravelSmart Junction is the QEII Medical Centre innovative transport information centre, which opened in May 2012 and is situated at the heart of Sir Charles Gairdner Hospital making it easy for all to access.

The TravelSmart Junction offers a variety of resources and services to assist outpatients, visitors, staff and students with planning public transport, walking and cycling to and from the Site including Transperth information, journey planning, subsidised SmartRiders for staff, cycling maps and information, an electric bike fleet and local walking maps.

The TravelSmart Junction has been receiving an average of 200 queries per week.



Photo: Hon Bill Marion with TravelSmart Officer, Claire White



Part 2

Agency Performance

Reports on Operations

23

Photo: Hair at Charlies
Servicing patients, staff and visitors

Agency Performance

Reports on Operations

Site Management and Planning

Leases

The QEII Medical Centre Trust executed a lease with Western Power for the land assigned for the construction of the new substation near the boundary with Hollywood Hospital. This significantly larger facility will cater for the increased demand on the QEII Medical Centre as well as the grid supplying surrounding areas.

A major variation to the lease for the Western Australian Institute for Medical Research was agreed and executed during the year.

The lease arrangements with the Minister for Health for the New Children's Hospital are largely complete and the document is expected to be executed early in the coming financial year. Negotiations are reaching completion for the Ronald McDonald House development on Monash Avenue which is timed to open simultaneously with the New Children's Hospital.

Hospital Avenue Study

Hospital Avenue is the main access road on the QEII Medical Centre, and consequently it has a number of competing demands including the proposed light rail service and concentrated hospital activity. Work is underway to analyse those demands and the associated traffic and pedestrian safety issues to form a view about appropriate planning and design solutions that satisfy the demands whilst providing a safe environment.

Some immediate solutions especially around safety will be implemented as a priority with the outcomes of the study informing the QEII Medical Centre Trust's revision of the Site Master Plan.

Wayfinding

The significant developments on the QEII Medical Centre have driven the need to urgently review the ability for patients, visitors and staff to navigate their way around the site and reach their destination points with a minimum of fuss.

Towards the end of the last year, and following a competitive tender process, the QEII Medical Centre Trust appointed Minale Tattersfield to undertake a review of the site and develop a set of wayfinding guidelines that will provide a framework that will provide effective solutions to people finding their way around the site.

Following negotiations with Main Roads WA, the approach signage to the QEII Medical Centre from surrounding areas was recently upgraded as a precursor to linking into enhanced internal wayfinding.

Tenant Charging

The QEII Medical Centre Trust Board approved the tenant charging model and the Common Area Facilities Fund to recoup services and infrastructure costs, which is to be implemented from 1 July 2013. Service Level Agreements are in the process of being developed to ensure all recurrent site services are captured.

A Common Area Facilities Fund is to be set up for future significant infrequent expenditure on refurbishing or enhancing site facilities such as lighting, footpaths etc.

Having these agreements in place it will allow the QEII Medical Centre Trust to provide appropriate common onsite facilities and attract suitable tenants consistent with the operation of the Site as a medical centre.

Furthermore, it will ensure the tenancy arrangements adequately provide for the QEII Medical Centre's Trust's ongoing sustainability, consistent with its legislative requirements and principles of good governance.

Parking and sustainable access

Parking

Since the QEII Medical Centre redevelopment began in 2010, access and parking on site has changed significantly. The completion of Stage 1a of the multi-deck car park in October 2012 saw the winding down of off-site parking at Graylands Hospital and Royal Perth Shenton Park Hospital and additional 1,500 on-site parking bays for patients, visitors and staff.

The QEII Medical Centre Parking Branch has been working closely with the Office of Strategic Projects and Capella Pty Limited within the last 12 months to ensure the smooth transition parking operations.

Over the last 12 months, the Parking Branch have implemented and streamlined various parking processes which has allowed parkers to park at QEII Medical Centre efficiently and stress free.

With new technology, QEII Medical Centre staff and contractors can now apply online which allows QEII Medical Centre tenants, managers and staff being accountable for the 6,000 applications processed annually.

The Branch has also been heavily involved in implementing the staff site return parking strategy for QEII Medical Centre staff to park back on site. With over 1,100 staff parking offsite, the staff site return strategy had to be developed fairly and equitably.

The Parking Branch is currently exploring better parking technology in managing and utilising the 150 exempt parking bays at the QEII Medical Centre. These exempt bays include loading, pick up and drop off, 15 minutes bay and emergency bays.

QEII Medical Centre Volunteer Buggy Drivers

In early February 2013, the QEII Medical Centre Trust accepted responsibility for Buggy Service staffed by volunteers and previously operated by Sir Charles Gairdner Hospital. The volunteer group with over ten volunteers drive two electric powered buggies on weekdays providing a much needed service to patients and members of the general public needing help to get around the 28 hectare Site. The service is constantly reviewed to maximise customer service.

Travel Plan

The behaviour of staff and visitors travelling to the QEII Medical Centre has changed throughout the last five years through a number of significant initiatives. These changes have allowed the QEII Medical Centre Trust to work towards achieving a sustainable access environment.

Significant steps have been made towards achieving mode shift away from driving alone and with the review of the 2007 Travel Plan, the significant challenges that the QEII Medical Centre will need to deal with in the future include:

- providing incentives to staff to choose alternative modes of transportation rather than driving in to work; and
- further mode shift to accommodate additional development on the site and therefore additional workers.

Public Transport

Due to the demands of parking and travelling to the QEII Medical centre, more and more staff and visitors are now catching public transport.

Currently the QEII Medical Centre Trust is partly funding the 79 and 97 bus services which transport over 45,000 people a month.

The QEII Medical Centre Trust has been working with other major organisations around the Nedlands and Subiaco area to resolve transport and access demands in a sustainable manner in the medium and long term. The area is designated in State planning documents as a specialised activity centre generating significant demand for enhanced public transport services.

Representatives from the QEII Medical Centre Trust and the North Metropolitan Health Services are working with the Department of Transport on the light rail project to further improve public transport to and from the QEII Medical Centre.

Smoke Free initiatives

Smoking at QEII Medical Centre has always been a contentious issue. The QEII Medical Centre Trust along with its tenants acknowledge a continued commitment to maintain a smoke free environment on the QEII Medical Centre site that has a turn over of approximately 10,000 people over a 24 hour period.

The QEII Medical Centre Trust is committed to provide a healthy, supportive environment and continue to encourage a smoke free workplace, which includes the following initiatives:

- Endorsement of the QEII MC Smoke Free Policy by the QEII Medical Centre Trust Board in November 2012.
- Installation of smoking bins along Monash Avenue and Verdun Street at the boundary of the Site.
- New signage strategically placed throughout the Site.
- Ongoing QEII Medical Centre Smoke Free Committees with representatives from each Site tenants.
- All publication and websites detailing that QEII MC is a smoke free site.
- Encouraging tenants to implement their own smoke free policy and initiatives to their staff and visitors.

A smoking survey is currently being undertaken at the QEII Medical Centre to measure the smoking levels and to develop and implement initiatives to deter smokers from smoking on site.



One of the many smoke free signs throughout the QEII Medical Centre

Communications

Maps, brochures and publications

The QEII Medical Centre Trust continues to maintain an extensive suite of maps and signs as well as both printed and online information to inform the community of organisations, facilities and services on the site.

The QEII Medical Centre maps are available in print and on the QEII Medical Centre website and are updated quarterly to include the latest buildings and services at the QEII Medical Centre. The web site map is interactive enabling users to highlight specific items of interests

A number of cycling and TravelSmart brochures have been developed to assist visitors, staff and students with the latest initiatives, programs and services.

On-line Communications

Significant work was undertaken to enhance the QEII Medical Centre website. The website provides additional information for visitors, patients, staff and QEII Medical Centre's tenants. The QEII Medical Centre Trust is committed to meet the requirements of the Website Governance Framework and aims to achieve Web Content Accessibility guidelines v2. Level AA compliance before the stipulated December 2013 deadline.

Regular electronic news are sent to QEII Medical Centre's tenants providing short targeted and timely information about services and disruptions on the QEII Medical Centre site.

Branding

Although called the QEII Medical Centre since the 1970s, most people refer to the site as the Sir Charles Gairdner Hospital as it was the largest and most prominent organisation.

With the substantial redevelopment creating a mix of significant and high profile tenants (including Sir Charles Gairdner Hospital, the New Children's Hospital, PathWest, the Western Australian Institute for Medical Research, the Telethon Institute for Child Health Research and the University of Western Australia) the QEII Medical Centre Trust has embarked on a branding strategy that places greater focus on the QEII Medical Centre.

Gardens and Grounds

As construction of many major site projects are completed or reaching completion we are now seeing new and more landscaped and green spaces available to visitors, patients and staff. The new landscaped areas have been designed to ensure it accommodates the needs of different users by incorporating the use of native flora

species to promote biodiversity, reduce reliance on the site's bore water reticulation system and minimise maintenance activity.

The QEII Medical Centre Trust is committed to provide leadership to deliver a high quality public realm that supports the aspirations of the QEII Medical Centre's diverse community of health care, research, teaching and learning.

The team has also been involved in assisting in the implementing the principles of the draft Landscape Master Plan and is working to develop a maintenance and reticulation plan and schedule over the next five years.

As more parking has become available, some areas used for contractor parking such as the Water Corporation Compensation Basin are now being restored to their natural parkland state including features from the natural environment.

QEII Medical Centre working towards a sustainable access environment

Six years after launching the QEII Medical Centre Travel Plan and implementing various initiatives has seen a positive change of employee behaviour on taking alternative transportation to and from work. A Site User Survey was conducted in June 2013 asking QEII Medical Centre employees, visitors and patients on how they travel to and from the QEII Medical Centre.

The below table details the change of behaviour since 2006.

		2006 Est	2008 Est	2009 Act	2010 Est	2012 Est	2013 Act
Sustainable transport management embedded with culture	Employee awareness that sustainable transport initiatives being driven by CEO or equivalent and senior executives)		100%	N/A	100%	100%	70%
	Implementation of actions with Travel Plan		60%	N/A	80%	100%	60%
Reduce single occupant car driver trips to the site	Percentage standard working day employees arriving as car drivers	85%	70%	70%	65%	62%	42%
	Percentage standard working day employees arriving as car passenger	3%	7%	3%	7%	8%	6%
	Percentage patients and visitors arriving in private care	78%	75%	73%	72%	68%	75%
Increase public transport usage	Percentage standard working day employees arriving by public transport	6%	15%	12%	16%	20%	35%
	Percentage patients and visitors arriving by public transport	10%	13%	12%	16%	20%	16%
Increase cycling and walking	Percentage standard working day employees arriving by walking and cycling	6%	6%	11%	9%	10%	17%



Part 3

Significant Issues impacting the QEII Medical Centre Trust

Current and emerging issues
and trends

31

Photo: David McGregor
QEII MC Volunteer Buggy Driver

Significant Issues impacting the QEIMC Trust

Current and emerging issues and trends

Services, Facilities and Infrastructure

The QEII Medical Centre remains as the State's busiest medical centre with over 300,000 visitors visiting the site annually with over 8,000 employees.

The high number of people travelling and using the QEII Medical Centre facilities has continued to apply pressure on existing operations and infrastructure, requiring ongoing upgrades and review. Regular maintenance programs are undertaken and assets are refurbished as funding allows.

Funding and Revenue

One of the QEII Medical Centre Trust's main objectives is to work towards being independent, financially secure and soundly governed. There have been challenges to this objective with the increasing usage demands and patronage of the QEII Medical Centre Site. Additional funding is required for ongoing renewal and the review of facilities has various financial implications:

- Higher maintenance requirements on aging infrastructure and assets.
- Increased pressure on resources to ensure the facilities and services provided by the QEII Medical Centre Trust are maintained and are at a high standard.
- Increasing expenses to manage, maintain and sustain the Site.

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

Legislation

The Queen Elizabeth II Medical Centre Amendment Bill 2012 lapsed with the proroguing of Parliament before the 2013 election. It was tabled again for the current session, passed the Legislative Assembly and undergoing debate in the Legislative Council at year end.

Servicing a sustainable environment

The availability of funds and resources places prudential limitations on the capacity on the QEII Medical Centre Trust in expeditiously meeting some of its Site objectives. Implementation of the QEII MC Landscape Master Plan has been modified pending the funding of the Plan's major elements being identified.

Long term funding for public transportation is being reviewed.

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

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

Changes in written law

There were no changes in any written law that affected the QEII MC Trust during the financial year.

Prestigious Awards for Central Energy Plant



The team behind the new Central Energy Plant at the QEII Medical Centre has been recognised with two awards at the prestigious Master Builders Association Awards, winning the Best State Government Building and the Best Civil Engineering Works.

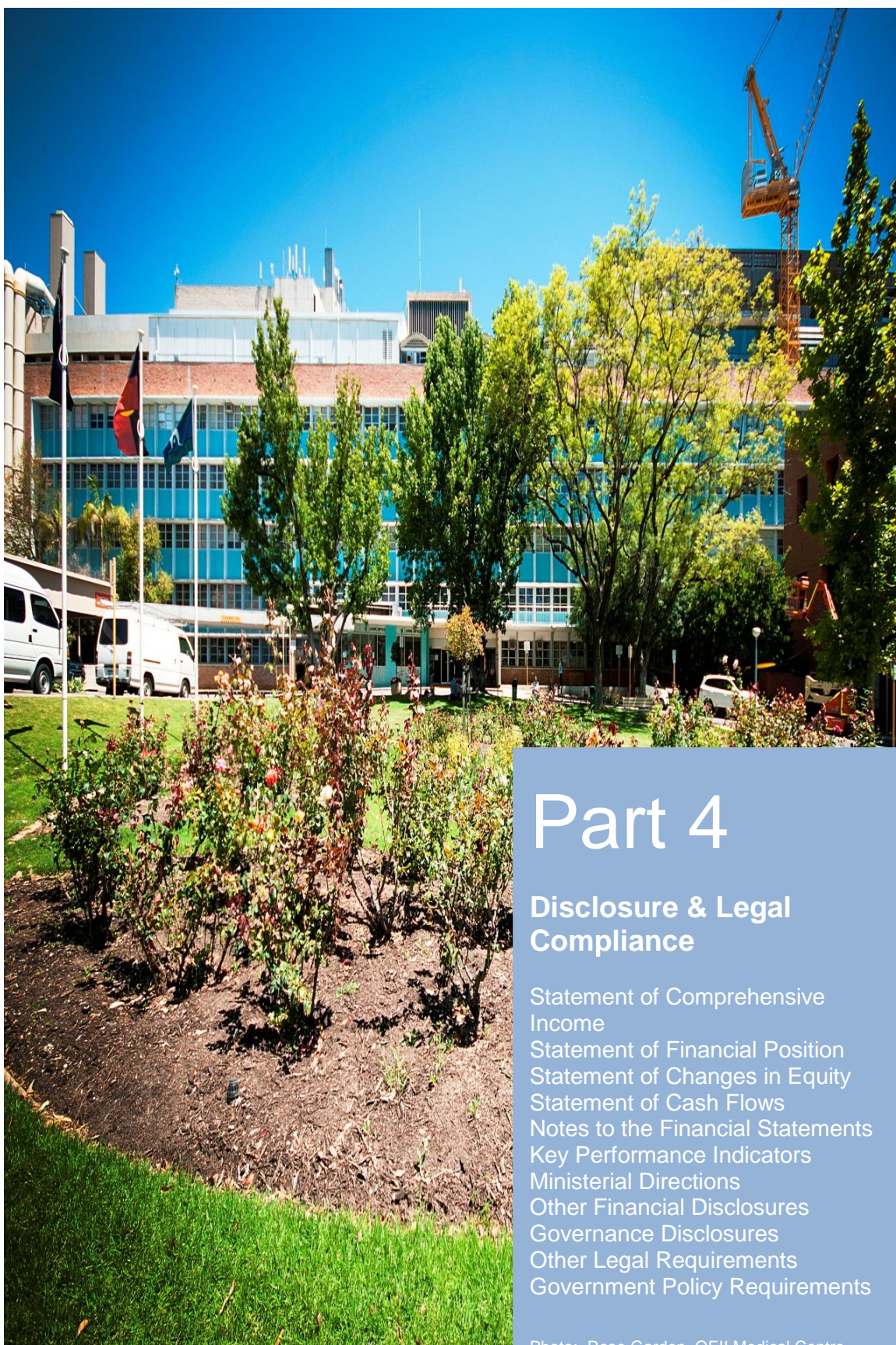
The Central Energy Plant will go on to be a contender for the Master Builders Association National Excellence Awards being held in Canberra in November 2013.

The Central Energy Plant built by Brookfield Multiplex and was commissioned in October 2012.

The new Central Energy Plant was designed to be more efficient with lower greenhouse gases per unit of energy produced than the existing plant.

It provides high temperature hot water, chilled water, emergency power, medical gases and reverse osmosis water for clinical use.

The facility uses an effective method of recycling heat – a tri-generation system – to generate electricity and heating and utilises waste heat to power the chillers of the air conditioners.



Part 4

Disclosure & Legal Compliance

Statement of Comprehensive Income	39
Statement of Financial Position	40
Statement of Changes in Equity	41
Statement of Cash Flows	42
Notes to the Financial Statements	43
Key Performance Indicators	80
Ministerial Directions	87
Other Financial Disclosures	87
Governance Disclosures	88
Other Legal Requirements	88
Government Policy Requirements	90

Photo: Rose Garden, QEII Medical Centre



Disclosure and Legal Compliance



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

THE QUEEN ELIZABETH II MEDICAL CENTRE TRUST

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Trust's Responsibility for the Financial Statements

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

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of The Queen Elizabeth II Medical Centre Trust at 30 June 2013 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by The Queen Elizabeth II Medical Centre Trust during the year ended 30 June 2013.

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

Trust's Responsibility for Controls

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the controls exercised by The Queen Elizabeth II Medical Centre Trust are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2013.

Report on the Key Performance Indicators

I have audited the key performance indicators of The Queen Elizabeth II Medical Centre Trust for the year ended 30 June 2013.

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

Trust's Responsibility for the Key Performance Indicators

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the key performance indicators of The Queen Elizabeth II Medical Centre Trust are relevant and appropriate to assist users to assess the Trust's performance and fairly represent indicated performance for the year ended 30 June 2013.

Independence

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

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

This auditor's report relates to the financial statements and key performance indicators of The Queen Elizabeth II Medical Centre Trust for the year ended 30 June 2013 included on the Trust's website. The Trust's management is responsible for the integrity of the Trust's website. This audit does not provide assurance on the integrity of the Trust's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.






DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL ASSURANCE SERVICES
Delegate of the Auditor General for Western Australia
Perth, Western Australia
27 September 2013

Certification of Financial Statements

For the year ended 30 June 2013

The accompanying financial statements of the Queen Elizabeth II Medical Centre have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2013 and the financial position as at 30 June 2013.

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

 A St Flour Chief Finance Officer Date 26/9/2013	 G McMath Member of QEII MC Trust Date 26/9/2013
 S Cole Chairman of QEII MC Trust Date 26/9/2013	

Statement of Comprehensive Income

For the year ended 30 June 2013

	Note	2013 \$	Restated 2012 \$	
COST OF SERVICES				
Expenses				
Employee benefits expense	6	1,806,509	1,460,519	
Depreciation expense	7	325,871	584,890	
Asset impairment losses	19	-	406,966	
Repairs, maintenance and consumable equipment	8	489,585	768,181	
Other expenses	9	2,900,170	1,113,731	
Total cost of services		5,522,135	4,334,287	
INCOME				
Revenue				
Car park user fees and fines	10	2,106,686	3,911,958	(a)
Car park operator licence fees	11	1,855,626	-	
Other revenue	12	860,648	550,708	
Total revenue		4,822,960	4,462,666	(a)
Total income other than income from State Government		4,822,960	4,462,666	(a)
NET COST OF SERVICES		699,175	(128,379)	(a)
INCOME FROM STATE GOVERNMENT				
Service appropriations	13	921,484	683,272	
Assets transferred	14	(15,079,336)	28,500	
Total income from State Government		(14,157,852)	711,772	
SURPLUS/(DEFICIT) FOR THE PERIOD		(14,857,027)	840,151	(a)
OTHER COMPREHENSIVE INCOME/(LOSS)				
Items not reclassified subsequently to profit or loss				
Changes in asset revaluation reserve	23	86,073	7,776,293	
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(14,770,954)	8,616,444	(a)

(a) Restated amount for 2012

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

Statement of Financial Position

For the year ended 30 June 2013

	Note	2013 \$	Restated 2012 \$	
ASSETS				
Current Assets				
Cash and cash equivalents		4,667,363	4,216,531	
Receivables	15	256,471	783,527	(a)
Other current assets	17	-	277	
Total Non-Current Assets		4,923,834	5,000,335	
Non-Current Assets				
Amounts receivable for services	16	7,546,080	6,716,353	
Property, plant and equipment	18	9,251,997	24,571,131	
Total Non-Current Assets		16,798,077	31,287,484	
Total Assets		21,721,911	36,287,819	(a)
LIABILITIES				
Current Liabilities				
Payables	20	442,242	351,203	
Provisions	21	241,208	153,327	
Other current liabilities	22	5,836	-	
Total Current Liabilities		689,286	504,530	
Non-Current Liabilities				
Provisions	21	35,817	15,527	
Total Non-Current Liabilities		35,817	15,527	
Total Liabilities		725,103	520,057	
NET ASSETS		20,996,808	35,767,762	(a)
EQUITY				
Reserves				
Accumulated surplus/(deficit)	23	30,214,932	30,128,859	(a)
	24	(9,218,124)	5,638,903	(a)
TOTAL EQUITY		20,996,808	35,767,762	

(a) Restated amount for 2012

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

Statement of Changes in Equity

For the year ended 30 June 2013

	Note	2013 \$	Restated 2012 \$	
RESERVES	23			
Asset Revaluation Reserve				
Balance at start of period		30,128,859	22,352,566	
Comprehensive income for the period		86,073	7,776,293	
Balance at end of period		<u>30,214,932</u>	<u>30,128,859</u>	
ACCUMULATED SURPLUS	24			
Balance at start of period		5,997,158	4,798,752	
Correction of prior period errors		(358,255)	-	
Restated balance at start of period		5,638,903	4,798,752	
Surplus/(deficit) for the period		(14,857,027)	840,151	(a)
Balance at end of period		<u>(9,218,124)</u>	<u>5,638,903</u>	(a)
TOTAL EQUITY				
Balance at start of period		35,767,762	27,151,318	
Total comprehensive income/(loss) for the period		(14,770,954)	8,616,444	(a)
Balance at end of period		<u>20,996,808</u>	<u>35,767,762</u>	(a)

(a) Restated amount for 2012

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

Statement of Cash Flows

For the year ended 30 June 2013

	Note	2013 \$ Inflows (Outflows)	2012 \$ Inflows (Outflows)
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		91,757	97,000
Net cash provided by State Government	25	91,757	97,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,682,534)	(1,458,775)
Supplies and services		(3,314,245)	(1,767,174)
Receipts			
Receipts from customers		2,044,149	3,476,435
Car park operator licence fees		1,855,626	-
Interest received		-	7,248
Other receipts		1,456,079	550,707
Net cash provided by/(used in) operating activities	25	359,075	808,441
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of non-current physical assets		-	(24,144)
Net cash provided by/(used in) investing activities		-	(24,144)
Net increase/(decrease) in cash and cash equivalents		450,832	881,297
Cash and cash equivalents at the beginning of the period		4,216,531	3,335,234
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	25	4,667,363	4,216,531

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

Notes to the Financial Statements

For the year ended 30 June 2013

Note 1 Australian Accounting Standards

General

The Trust's financial statements for the year ended 30 June 2013 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The Trust cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction 1101 'Application of Australian Accounting Standards and Other Pronouncements'. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Trust for the annual reporting period ended 30 June 2013.

Note 2 Summary of significant accounting policies

(a) General Statement

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

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

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

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land, site works and building external services 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 (\$).

Notes to the Financial Statements

For the year ended 30 June 2013

(b) Basis of Preparation (continued)

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

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

(c) Reporting Entity

The reporting entity comprises the Trust only.

(d) Contributed Equity

AASB Interpretation 1038 '*Contributions by Owners Made to Wholly-Owned Public Sector Entities*' requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfer can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by Treasurer's Instruction 955 '*Contributions by Owners made to Wholly Owned Public Sector Entities*' and have been credited directly to the Contributed Equity.

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfer are non-discretionary and non-reciprocal.

(e) Income

Revenue recognition

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

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership are transferred to the purchaser and can be measured reliably.

Provision of services

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

Interest

Revenue is recognised as the interest accrues.

Notes to the Financial Statements

For the year ended 30 June 2013

(e) Income (continued)

Service Appropriations

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

See also note 13 'Service appropriations' for further information.

Grants, donations, gifts and other non-reciprocal contributions

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

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

Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Property, Plant and Equipment

Capitalisation/expensing of assets

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

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

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

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land and site works and building external services and historical costs for all other property, plant and equipment. Land, site works and building external services are carried at fair value less accumulated depreciation (site works and building external services) 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 works and building external services is determined on the basis of existing use. This normally applies where site works and building external services are specialised or where land use is restricted. Fair value for existing use

Notes to the Financial Statements

For the year ended 30 June 2013

(f) Property, Plant and Equipment (continued)

assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost.

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

Land and site works and building external services are independently valued annually by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

The most significant assumptions 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.

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

Derecognition

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

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in note 18 'Property, plant and equipment'.

Depreciation

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

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

- Land – not depreciated
- Site works and building external services – diminishing value
- Plant and equipment – diminishing value with a straight line switch

Under the diminishing value with a straight line switch method, the cost amounts of the assets are allocated on average on a diminishing value basis 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 and building external services | 50 years |
| • Motor vehicles | 4 years |
| • Other plant and equipment | 8 to 10 years |

Notes to the Financial Statements

For the year ended 30 June 2013

(g) Impairment of Assets

Property, plant and equipment are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Trust is a not-for-profit entity, unless 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 a 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.

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

See also note 19 'Impairment of assets' for the outcome of impairment reviews and testing.

Refer also to note 2(l) 'Receivables' and note 15 'Receivables' for impairment of receivables.

(h) Financial Instruments

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

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

Financial instruments have been disaggregated into the classes:

Financial assets

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

Financial liabilities

- Payables

Notes to the Financial Statements

For the year ended 30 June 2013

(h) Financial Instruments (continued)

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 the 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 Statement of Cash Flows, 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.

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

(j) Accrued Salaries

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

(k) Amounts Receivable for Services (holding account)

The Trust receives income from the State Government as an asset (holding account receivable). The accrued amount appropriated is accessible on the emergence of the cash funding requirement to cover asset replacement.

See also note 13 'Service appropriation' and note 16 'Amounts receivable for services'.

(l) Receivables

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

See also note 2(h) 'Financial Instruments' and note 15 'Receivables'.

Notes to the Financial Statements

For the year ended 30 June 2013

(l) Receivables (continued)

Accounting procedure for Goods and Services Tax (GST)

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

GST receivables from and payables to ATO for the GST group are recovered in the accounts of the Department of Health. GST payable are recognised upon the receipt of tax invoices for purchases of goods and services. Accordingly, accrued expense amount are generally exclusive of GST.

(m) Payables

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

See also note 2(h) 'Financial instruments' and note 20 'Payables'.

(n) Provisions

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

See also note 21 'Provisions'.

Provisions – employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period. All employees are seconded to the Trust from the North Metropolitan Health Service.

Annual Leave

The liability for annual leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measure at the undiscounted amounts expected to be paid when the liability is settled.

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

Notes to the Financial Statements

For the year ended 30 June 2013

(n) Provisions (continued)

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

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

Long Service Leave

The liability for long service leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

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

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

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

Sick Leave

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

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

Notes to the Financial Statements

For the year ended 30 June 2013

(n) Provisions (continued)

Superannuation

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

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

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

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

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

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

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

Employment on-costs

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

See also note 9 'Other expenses' and note 21 'Provisions'.

Notes to the Financial Statements

For the year ended 30 June 2013

(o) Superannuation Expense

The superannuation expenses in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, GESBS and other superannuation funds.

(p) Assets Transferred between Government Agencies

Discretionary transfer of assets between State Government agencies free of charge, are reported under Income from State Government at the fair value of those assets that the Trust would otherwise pay for. Transfers of assets and liabilities in relation to a restructure of administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004 in respect of net assets transferred.

(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

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

Employee benefits provision

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

Note 4 Key sources of estimation uncertainty

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

Employee benefits provision

In estimating the non-current long service leave liabilities, employees are assumed to leave the Trust each year on account of resignation or retirement at 7.2%. This assumption was based on an analysis of the turnover rates exhibited by employees over a five year period. Employees with leave benefits to which they are fully entitled are assumed to take all available leave uniformly over the following five years or to age 65 if earlier.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 4 Key sources of estimation uncertainty (continued)

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

Note 5 Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Trust has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2012 that impacted on the Trust.

AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of items of Other Comprehensive Income [AASB 1,5,7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]*

This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

The Trust cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction 1101 '*Application of Australian Accounting Standards and Other Pronouncements*'. Consequently, the Trust has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Trust. Where applicable, the Trust plans to apply these Australian Accounting Standards from their application date.

Title		Operative for reporting periods beginning on/after
AASB9	<i>Financial Instruments</i>	1 Jan 2015
This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments.		
AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i> amended the mandatory application date of this Standard to 1 January 2015. The Trust has not yet determined the application or the potential impact of the Standard.		

Notes to the Financial Statements

For the year ended 30 June 2013

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

Title	Operative for reporting periods beginning on/after
<p>AASB 10 <i>Consolidated Financial Statements</i></p> <p>This Standard supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10 <i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</i>. The Trust has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
<p>AASB11 <i>Joint Arrangements</i></p> <p>This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Trust has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
<p>AASB 12 <i>Disclosure of Interests in Other Entities</i></p> <p>This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statement</i> and AASB 131 <i>Interests in Joint Ventures</i>.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Trust has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
<p>AASB 13 <i>Fair Value Measurement</i></p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. There is no financial impact.</p>	1 Jan 2013

Notes to the Financial Statements

For the year ended 30 June 2013

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

Title	Operative for reporting periods beginning on/after
AASB 119 <i>Employee Benefits</i>	1 Jan 2013
<p>This Standard supersedes AASB 119, making changes to the recognition, presentation and disclosure requirements.</p> <p>The Trust does not have any defined benefit plans, and therefore the financial impact will be limited to the effect of discounting annual leave and long service leave liabilities that were previously measured at the undiscounted amounts.</p>	
AASB 127 <i>Separate Financial Statements</i>	1 Jan 2014
<p>This Standard supersedes AASB 127, <i>Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Trust has not yet determined the application or the potential impact of the Standard.</p>	
AASB 128 <i>Investments in Associates and Joint Ventures</i>	1 Jan 2014
<p>This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of changes to the accounting treatments.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Trust has not yet determined the application or the potential impact of the Standard.</p>	
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	1 Jul 2013
<p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	

Notes to the Financial Statements

For the year ended 30 June 2013

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

Title	Operative for reporting periods beginning on/after
AASB 1055 <i>Budgetary Reporting</i>	1 July 2014
<p>This Standard specifies the nature of budgetary disclosures, the circumstances in which they are to be included in the general purpose financial statements of not-for-profit entities within the GGS. The Trust will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p>	
<p>AASB 2010-2</p> <p>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 1234, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129, 1052]</p>	1 Jul 2013
<p>This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	
<p>AASB 2010-7</p> <p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p>	1 Jan 2015
<p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p>	
<p>AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The Trust has not yet determined the application or the potential impact of the Standard.</p>	
<p>AASB 2011-2</p> <p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i></p>	1 Jul 2013
<p>This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.</p>	

Notes to the Financial Statements

For the year ended 30 June 2013

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

Title	Operative for reporting periods beginning on/after
<p>AASB 2011-6 <i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
<p>AASB 2011-7 <i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. For not-for-profit entities it applies to annual reporting periods beginning on or after 1 January 2014. The Trust has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
<p>AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 2013

Notes to the Financial Statements

For the year ended 30 June 2013

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

Title	Operative for reporting periods beginning on/after
<p>AASB 2011-10 <i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 <i>Employee Benefits</i> in September 2011. There is no financial impact.</p>	1 Jan 2013
<p>AASB 2011-11 <i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 Jul 2013
<p>AASB 2012-1 <i>Amendment to Australian Accounting Standards – Fair Value Measurement – Reduced disclosure Requirements [AASB 3, 7, 13, 140 & 141]</i></p> <p>This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.</p>	1 July 2013
<p>AASB 2012-2 <i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]</i></p> <p>This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.</p>	1 Jul 2013

Notes to the Financial Statements

For the year ended 30 June 2013

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

Title	Operative for reporting periods beginning on/after
<p>AASB 2012-3 <i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i></p> <p>This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.</p>	1 Jan 2014
<p>AASB 2012-5 <i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]</i></p> <p>This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.</p>	1 Jan 2013
<p>AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9 2009-11, 2010-7, & 2011-8]</i></p> <p>This Standard amends the mandatory effective date of AASB 9 <i>Financial Instruments</i> to 1 January 2015. Further amendments are also made to consequential amendments arising from AASB 9 that will now apply from 1 January 2015 and to consequential amendments arising out of the Standards that will still apply from 1 January 2013. There is no financial impact.</p>	1 Jan 2013
<p>AASB 2012-7 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, 12, 101 & 127]</i></p> <p>This Standard adds to or amends the Australian Accounting Standards to provide further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general financial statements. There is no financial impact.</p>	1 Jul 2013

Notes to the Financial Statements

For the year ended 30 June 2013

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

Title	Operative for reporting periods beginning on/after
<p>AASB 2012-10 <i>Amendments to Australian Accounting Standards – Transition guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1023, 1038, 1039, 1049 & 2011-7 and Int 12]</i></p> <p>This Standard makes amendments to AASB 10 and related Standards to revise the transition guidance relevant to the initial application of those Standards, and to clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.</p> <p>The Standard was issued in December 2012. The Trust has not yet determined the application or the potential impact of the Standards.</p>	1 Jan 2013
<p>AASB 2012-11 <i>Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, 2, 8, 10, 107, 128, 133, 134, & 2011-4]</i></p> <p>This Standard makes various editorial corrections to Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2). These corrections ensure that the Standards reflect decisions of the AASB regarding the Tier 2 requirements.</p> <p>The Standard also extends the relief from consolidation and the equity method (in the new Consolidation and Joint Arrangement Standards) to entities complying with Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013

Notes to the Financial Statements

For the year ended 30 June 2013

	2013 \$	2012 \$
--	------------	------------

Note 6 Employee benefits expense

Salaries and wages (a)	1,703,354	1,382,065
Superannuation – defined contribution plans (b)	103,155	78,454
	<u>1,806,509</u>	<u>1,460,519</u>

All employees are seconded to the Trust from the North Metropolitan Health Service. See note 2(n) 'Provisions'.

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

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

Note 7 Depreciation expense

<u>Depreciation</u>		
Site works and building external services	298,198	504,743
Motor vehicles	-	2,580
Other plant and equipment	27,673	77,567
	<u>325,871</u>	<u>584,890</u>

Note 8 Repairs, maintenance and consumable equipment

Repairs and maintenance	467,788	719,660
Consumable equipment	21,797	48,521
	<u>489,585</u>	<u>768,181</u>

Note 9 Other expenses

Communications	4,141	9,642
Computer services	12,993	163
Consultancies	408,458	157,562
Direct invoice parking bays (a)	113,828	-
Doubtful debts expense (d)	516,036	9,883
Employee related expenses (b)	1,566	2,096
Legal expenses	77,804	120,920
Management fees for at-grade car parks (c)	935,781	-
Motor vehicle expenses	9,166	4,535
Printing and stationery	57,464	51,176
Purchase of outsourced services	196,991	75,150
Public transport expenses	472,877	450,518
Other	93,065	232,086
	<u>2,900,170</u>	<u>1,113,731</u>

(a) Capella charges for use of the Direct Invoice Parking Bays by staff.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 9 Other expenses (continued)

- (b) Includes staff development and transport costs. The Trust does not record any employment on-cost expenses and liability (workers compensation insurance), as all employees are seconded to the Trust from the North Metropolitan Health Service who bears those costs. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.
- (c) See note 10 'Car park user fees and fines' for further information.
- (d) Includes the doubtful debt (\$0.514 million) relating to the claims for the loss of parking revenue due to the site redevelopment.

	2013 \$	2012 \$ Restated
Staff parking fees	204,489	1,617,664 (a)
Other parking fees	1,778,328	2,213,113 (a)
Fines and penalties	123,869	81,181
	<u>2,106,686</u>	<u>3,911,958</u>

In June 2011, the State entered into an agreement with Capella Parking Pty Ltd (Capella) to build and operate a multi-deck car park on the Queen Elizabeth II Medical Centre. The agreement entitles Capella to retain all parking charges collected from users of the multi-deck car park and other car parks (known as "At-Grade Car Parks") on the Medical Centre site.

Statutory responsibility for the At-Grade Car Parks remains with the Trust through the Board of Sir Charles Gairdner Hospital as its statutory delegate (Delegate). As part of the project arrangements, the Delegate entered into an 'At-Grade Car Parks Management Agreement' for a period of 26 years with Capella under which Capella is appointed to operate and manage these car parks (see also note 11 below). In this context, Capella collects the fees from the At-Grade Car Park on behalf of the Delegate and deposits these moneys into the Delegate's bank account to comply with provisions in the Queen Elizabeth II Medical Centre Act 1966. The Delegate then subsequently pays Capella the equivalent of the parking fees collected in the form of a car park management fee (see note 9).

- (a) Staff parking fees amounting to \$286,604 and other parking fees amounting to \$71,651 were incorrectly recognised as revenues and receivables in the 2011-12 financial year. Revenue have been restated as below:

Staff parking fees	1,904,268
Staff parking fees incorrectly recognised as revenue in 2012	(286,604)
Restated staff parking fees	<u>1,617,664</u>
Other parking fees	2,284,764
Other parking fees incorrectly recognised as revenue in 2012	(71,651)
Restated other parking fees	<u>2,213,113</u>

Notes to the Financial Statements

For the year ended 30 June 2013

	2013 \$	2012 \$
Note 11 Car park operator licence fees (a)	1,855,626	-

(a) In June 2011 the Trust's statutory delegate entered into an 'At-Grade Car Parks Management Agreement' for a period of 26 years with Capella Parking Pty Limited. From 10 October 2012 Capella is responsible for the operations and management of at-grade car parking on the site (see also note 10 above). In consideration for the grant of the licence to access, use and occupy the at-grade car parks, Capella (car park operator) is obliged to make licence fee payments to the Trust (as beneficiary to the agreement).

Note 12 Other revenue

Services to external organisations	240,141	83,417
Rent from commercial properties	545,727	419,765
Other	74,780	47,526
	<u>860,648</u>	<u>550,708</u>

Note 13 Service appropriations

Appropriation revenue received during the period:	<u>921,484</u>	<u>683,272</u>
---	----------------	----------------

Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the budgeted depreciation expense of \$829,727 for the year (2012: \$586,272) and the agreed increase in leave liabilities of \$17 during the year (2012: \$nil).

See note 2(e) 'Income' and note 25 'Notes to the statement of cash flows'.

Note 14 Assets transferred

Assets transferred from/(to) other State government agencies during the period:

Transfer of site works to the North Metropolitan Health Services	2,297,413	-
Transfer of building external services to the North Metropolitan Health Services	(17,376,749)	-
Transfer of land from the North Metropolitan Health Services	-	28,500
	<u>(15,079,336)</u>	<u>28,500</u>

Discretionary transfers of assets between State Government agencies free of charge, are reported under Income from State Government. Transfers of assets and liabilities in relation to a restructure of administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004 'Contributions' in respect of the net assets transferred.

Notes to the Financial Statements

For the year ended 30 June 2013

	2013 \$	2012 \$
Note 15 Receivables		
Current		Restated
Receivables	596,017	676,211 (a)
Allowance for impairment of receivables	(525,919)	(9,883)
Accrued parking revenue	853	13,281
Accrued fines revenue	141,305	65,680
Accrued rental	44,215	38,238
	<u>256,471</u>	<u>783,527</u>

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of year	9,883	-
Doubtful debts expense recognised in the Statement of Comprehensive Income	516,036	9,883
Balance at end of year	<u>525,919</u>	<u>9,883</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'.

- (a) Staff parking fees amounting to \$286,604 and other parking fees amounting to \$71,651 were incorrectly recognised as revenues and receivables in the 2011-12 financial year.

Receivables	1,034,466
Incorrect recognition of receivables in 2012	(358,255)
Restated receivables	<u>676,211</u>

Note 16 Amounts receivable for services (holding account)

Non-current

Amounts receivable for services	7,546,080	6,716,353
---------------------------------	-----------	-----------

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement.

See note 2(k) 'Amounts receivable for services'.

Note 17 Other current assets

Prepayments	-	277
-------------	---	-----

Notes to the Financial Statements

For the year ended 30 June 2013

	2013 \$	2012 \$
Note 18 Property, plant and equipment		
Land		
<i>At fair value (a)</i>	370,500	353,500
Site works and building external services (b)		
<i>At fair value (a)</i>	8,877,039	24,185,500
Motor vehicles		
<i>At cost</i>	-	14,257
<i>Accumulated depreciation</i>	-	(14,257)
	-	-
Other plant and equipment		
<i>At cost</i>	5,994	865,471
<i>Accumulated depreciation</i>	(1,536)	(426,374)
<i>Accumulated impairment losses</i>	-	(406,966)
	4,458	32,131
Total property, plant and equipment	9,251,997	24,571,131

- (a) Land and site works were revalued as at 1 July 2012 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2013 and recognised at 30 June 2013. In undertaking the revaluation, fair value of land and site works and building external services was determined on the basis of depreciated replacement cost. See note 2(f) 'Property, plant and equipment'.

- (b) Site works include roads, footpaths, paved areas, car parks, boundary walls, boundary fencing, boundary gates, covered ways, landscaping and improvements.

Building external services include external stormwater drainage, external sewer drainage, external water supply, external gas, external fire protection, external electric light and power, external communications, external special services, service tunnels, ducts, conduits and the systems for the provision of chilled water, high temperature water and steam to buildings on the site.

All building external services have been transferred to North Metropolitan Health Services during the 2012-13 financial year.

Notes to the Financial Statements

For the year ended 30 June 2013

	2013 \$	2012 \$
Note 18 Property, plant and equipment (continued)		
Reconciliations		
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out below:		
Land		
Carrying amount at start of period	353,500	325,000
Transfer from/(to) Health Service (see note 14)	-	28,500
Revaluation increments/(decrements)	17,000	-
Carrying amount at end of period	370,500	353,500
Site works and building external services		
Carrying amount at start of period	24,185,500	16,895,800
Additions	-	18,150
Transfer from/(to) Health Services (see note 14)	(15,079,336)	-
Revaluation increments / (decrements)	69,073	7,776,293
Depreciation	(298,198)	(504,743)
Carrying amount at end of period	8,877,039	24,185,500
Motor vehicles		
Carrying amount at start of period	-	2,580
Depreciation	-	(2,580)
Carrying amount at end of period	-	-
Other plant and equipment		
Carrying amount at start of period	32,131	510,670
Additions	-	5,994
Impairment losses	-	(406,966)
Depreciation	(27,673)	(77,567)
Carrying amount at end of period	4,458	32,131
Total property, plant and equipment		
Carrying amount at start of period	24,571,131	17,734,050
Additions	-	24,144
Transfer from /(to) other reporting entities	(15,079,336)	28,500
Revaluation increments / (decrements)	86,073	7,776,293
Impairment losses	-	(406,966)
Depreciation	(325,871)	(584,890)
Carrying amount at end of period	9,251,997	24,571,131

Notes to the Financial Statements

For the year ended 30 June 2013

2013
\$

2012
\$

Note 19 Impairment of Assets

The Trust identified impairment to parking equipment totalling \$406,966 as at 30 June 2012. The parking equipment were scrapped in October 2012, when the Capella Parking Pty Limited took over the operations of the at-grade car parks.

There were no indications of impairment to property, plant and equipment and intangible assets at 30 June 2013.

The Trust held no goodwill during the reporting period.

Note 20 Payables

Current

Trade creditors	45,193	133,477
Accrued expenses	349,258	185,739
Accrued salaries	47,791	31,987
	<u>442,242</u>	<u>351,203</u>

See note 2(m) 'Payables and note 36 'Financial instruments'.

Note 21 Provisions

Current

Employee benefits provisions

Annual leave (a)	125,024	80,262
Time off in lieu leave (a)	135	129
Long service leave (b)	116,049	72,936
	<u>241,208</u>	<u>153,327</u>

Non-current

Employee benefit provision

Long service leave (b)	35,817	15,527
	<u>277,025</u>	<u>168,854</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 the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	92,618	58,686
More than 12 months after the end of the reporting period	32,541	21,705
	<u>125,159</u>	<u>80,391</u>

Notes to the Financial Statements

For the year ended 30 June 2013

	2013 \$	2012 \$
Note 21 Provisions (continued)		
(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	20,889	15,317
More than 12 months after the end of the reporting period	130,977	73,146
	<u>151,866</u>	<u>88,463</u>
(c) All employees are seconded to the Trust from the North Metropolitan Health Service.		

Note 22 Other liabilities

Current

Income received in advance	<u>5,836</u>	-
----------------------------	--------------	---

Note 23 Reserves

Asset revaluation reserve (a)

Balance at start of the period	30,128,859	22,352,566
Net revaluation increments/(decrements) (b):		
Land	17,000	-
Site works and building external services	69,073	7,776,293
Balance at end of the period	<u>30,214,932</u>	<u>30,128,859</u>

- a) The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.
- b) Any increment is credited directly to the asset revaluation reserve, except to the extent that any increment reverses a revaluation decrement previously recognised as an expense.

Notes to the Financial Statements

For the year ended 30 June 2013

	2013 \$	2012 \$	
Note 24 Accumulated surplus/(deficit)			
Balance at start of the period	5,997,158	4,798,752	
Correction of prior period errors	(358,255)	-	
Restated balance at start of the period	5,638,903	4,798,752	
Result for the period	(14,857,027)	840,151	(a)
Balance at end of the period	(9,218,124)	5,638,903	(a)

(a) Staff parking fees amounting to \$286,604 and other parking fees amounting to \$71,651 were incorrectly recognised as revenues and receivables in the 2011-12 financial year and have been adjusted here.

Note 25 Notes to the Statement of Cash Flows

Reconciliation of cash

Cash assets at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	4,667,363	4,216,531
---------------------------	-----------	-----------

Reconciliation of net cost of services to net cash flows used in operating activities

Net cash used in operating activities (Statement of Cash Flows)	359,075	808,441	
<u>Increase/(decrease) in assets:</u>			
Receivables	(11,020)	437,561	(a)
Prepayments and other current assets	(277)	277	
<u>Decrease/(increase) in liabilities:</u>			
Payables	(91,039)	(117,014)	
Current provisions	(87,881)	(5,060)	
Non-current provisions	(20,290)	5,316	
Income received in advance	(5,836)	597	
<u>Non-cash items:</u>			
Doubtful debts expense (note 9)	(516,036)	(9,883)	
Depreciation expense (note 7)	(325,871)	(584,890)	
Asset impairment losses	-	(406,966)	
Net cost of services (Statement of Comprehensive Income)	(699,175)	128,379	(a)

(a) Staff parking fees amounting to \$286,604 and other parking fees amounting to \$71,651 were incorrectly recognised as revenues and receivables in the 2011-12 financial year and have been adjusted have been adjusted here.

Notes to the Financial Statements

For the year ended 30 June 2013

	2013 \$	2012 \$
Note 25 Notes to the Statement of Cash Flows (continued)		
Reconciliation of income from Statement Government to cash flows from State Government		
Service appropriations as per Statement of Comprehensive Income	921,484	683,272
Less: Non-cash items		
Accrual appropriations	(829,727)	(586,272)
Cash Flows from State Government as per Statement of Cash Flows	<u>91,757</u>	<u>97,000</u>

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

Note 26 Remuneration of members of the accountable Authority and senior officers

Remuneration of members of the accountable authority

The members of the accountable authority are appointed on a voluntary basis and do not receive any remuneration.

Note 27 Remuneration of auditor

Remuneration payable to the Auditor General in respect to the audit for the current financial year is as follows:

Auditing the accounts, financial statements and key performance indicators.	<u>14,850</u>	<u>14,300</u>
---	---------------	---------------

Note 28 Operating lease rental receivables

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

Within 1 year	2,561,658	1,874,611
Later than 1 year, and not later than 5 years	9,926,425	9,997,927
Later than 5 years	<u>43,227,979</u>	<u>44,365,803</u>
	<u>55,716,062</u>	<u>56,238,342</u>

All operating leases rental receivables relate to the licence fees receivable from Capella Parking Pty Limited under the 'At Grade Car Parks Management Agreement'. See note 11 'Car park operator licence fees' for further information. The Agreement requires that the licence fee payments shall be increased by the most recently published Consumer Price Index (CPI) on the licence fee payment dates.

Notes to the Financial Statements

For the year ended 30 June 2013

	2013 \$	2012 \$
Note 29 Commitments		
Expenditure commitments:		
Expenditure commitments contracted for at the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	-	1,683
Total expenditure commitments (including GST)	-	1,683

Note 30 Contingent liabilities and contingent assets

Contingent liabilities

At the reporting date, the Trust is not aware of any contingent liabilities or contingent assets.

Contaminated Site

Under the Contaminated Sites Act 2003, the Trust is reported 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 liabilities in respect of investigation or remediation expenses.

At the reporting period, the Trust does not have any suspected contaminated sites.

Note 31 Events occurring after the end of the reporting period

No subsequent events have occurred that would require recognition or disclosure in the 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.

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.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 34 Not for profit leases

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

Based on indicative market rental rates from the Landgate Valuation Services as at June 2013, the total net rental values of the not-for profit leases for the financial year is \$1,715,000 (2012: \$1,670,000).

The net rental values of \$2,943,500 disclosed in the note to the 2011-12 financial statements also included \$1,273,500 for organisations that did not have leases with the Trust. \$1,670,000 was the total net rental values for organisations that had leases with the Trust.

	Area (sqm)	Net Rent Per Annum \$
Tenant		
Cancer Foundation Crawford Lodge (land only)	6,300	225,000
Lions Eye Institute (land only)	2,600	300,000
The Niche (land only)	6,200	550,000
WA Institute for Medical Research	1,508	640,000
		<u>1,715,000</u>

Note 35 Explanatory Statement

Significant variances between actual results for 2012 and 2013

Significant variations between actual results with the corresponding items of the preceding reporting period are detailed below. Significant variation are those greater than 10%

	Note	2013 Actual \$	2012 Actual \$	Variance \$
Expenses				
Employee benefits expenses	(a)	1,806,509	1,460,519	345,990
Depreciation expenses	(b)	325,871	584,890	(259,019)
Asset impairment losses	(c)	-	406,966	(406,966)
Repairs, maintenance and consumable equipment	(d)	489,585	768,181	(278,596)
Other expenses	(e)	2,900,170	1,113,731	1,786,439
Income				
Car park user fees and fines	(f)	2,106,686	3,911,958	(1,805,272)
Car park operator licence fees	(g)	1,855,626	-	1,855,626
Other revenue	(h)	860,648	550,708	309,940
Service appropriations	(i)	921,484	683,272	238,212
Assets assumed /(transferred)	(j)	(15,079,336)	28,500	(15,107,836)

Notes to the Financial Statements

For the year ended 30 June 2013

Note 35 Explanatory Statement (continued)

(a) Employee benefits expenses

Majority of the increase is due to higher administration salaries as a result of increased leave taken and additional staff costs for this financial year in view of transition to new business operations.

(b) Depreciation expense

The decrease in depreciation expense is mainly due to the discretionary transfers of building external services to North Metropolitan Health Service amounting to \$17.377 million during the year.

(c) Asset impairment losses

For the current financial year, there are no assets impairment losses.

(d) Repairs, maintenance and consumable equipment

Majority of this expense is for site and gardens maintenance such as lighting, kerbs and drainage. The decrease is partially due to less maintenance of parking equipment required, due to Capella taking over operations of the car parks.

(e) Other expenses

Major increases are due to Doubtful Debts expense of \$0.516 million, purchase of external services such as contract staff and in consultant fees for site studies, \$0.6 million and payment of management fees for At-Grade car parks and Direct invoice parking bays totalling \$1.05 million.

(f) Car park user fees and fines

Parking revenue has substantially been reduced with the take over of all parking revenue by Capella since 10 October 2012.

(g) Car park operator licence fees

As part of the Management Agreement with Capella Parking Pty Ltd, the Trust received \$1.856 million of licence fee for the period from 10 October 2012 to 30 June 2013.

(h) Other revenue

The major increase is from internal recoups of site services provided to tenants, of which the Trust contributes a portion to the salary costs of NMHS maintenance staff.

(i) Service appropriations

The increase is due to increment in accrual appropriation which was allocated to the Trust at the beginning of the year.

(j) Assets transferred

The variance is due to the Trust's transfer of building external services of \$17.377 million to North Metropolitan Health Service and the receipt of site works surrounding the new Central Energy Plant amounting to \$2.297 million.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 35 Explanatory Statement (continued)

Significant variances between estimates and actual results for 2013

Significant variations are considered to be those greater than 10%. There were no significant variances between estimates and actual results for 2013.

	Note	2013 Actual \$	2013 Estimates \$	Variance \$
Operating Expenses				
Employee benefits expenses		1,803,509	1,671,000	135,509
Other goods and services	(a)	3,715,626	2,370,000	1,345,626
Total expenses		5,522,135	4,041,000	1,481,135
Less: Revenue		(4,822,960)	(5,223,000)	400,040
Net cost of services		699,175	(1,182,000)	1,881,175

(a) Other goods and services

Current year actuals included an abnormal amount of doubtful debts expense (\$0.5m) arising from parking receivables which was not budgeted for. The change in administrative processes for car park management from October 2012 had resulted in an increase in management fee expense for At-Grade car parks with a corresponding increase in revenue. These increases were not factored into the estimates.

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 maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 36(c) 'Financial Instrument Disclosures' and note 15 'Receivables'.

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 propriety rentals, the Trust has policies in place to ensure that the tenants have an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is minimal. At the end of the reporting period, there were no significant concentrations of credit risk.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 36 Explanatory Statement (continued)

Liquidity risk

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

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

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Trust's income or the value of its holding of financial instruments. The Trust does not trade in foreign currency and is not materially exposed to other price risks.

(b) Categories of financial instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	2013 \$	Restated 2012 \$
Financial Assets		
Cash and cash equivalents	4,667,363	4,216,531
Loans and receivables	7,802,551	7,499,880
Financial Liabilities		
Financial liabilities measured at amortised cost	442,242	351,203

Notes to the Financial Statements

For the year ended 30 June 2013

Note 36 Explanatory Statement (continued)

(c) Financial instruments disclosure

Credit risk

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

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

		<u>Aged analysis of financial assets</u>					
		<u>Past due but not impaired</u>					
	Carrying amount	Not past due and not impaired	Up to 3 months	3-12 months	1-5 years	More than 5 years	Impaired Financial Assets
	\$	\$	\$	\$	\$	\$	\$
2013							
Cash and cash equivalents	4,667,363	4,667,363	-	-	-	-	-
Receivables	256,471	74,533	45,219	59,307	76,402	1,010	-
Amounts Receivable for services	7,546,080	7,546,080	-	-	-	-	-
	12,469,914	12,287,976	45,219	59,307	76,402	1,010	-
2012							
Cash and cash equivalents	4,216,531	4,216,531	-	-	-	-	-
Receivables	783,527	699,660	31,507	52,360	-	-	-
Amounts Receivable for services	6,716,353	6,716,353	-	-	-	-	-
	11,716,411	11,632,544	31,507	52,360	-	-	-

Notes to the Financial Statements

For the year ended 30 June 2013

c) Financial instruments disclosure (continued)

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

	Weighted average effective interest rate %	<u>Interest rate exposure</u>				Nominal Amount \$	<u>Maturity dates</u>			
		Carrying amount \$	Fixed interest rate %	Variable interest rate %	Non-interest bearing \$		Up to 3 months \$	3-12 months \$	1-5 years \$	More than 5 years \$
2013										
<u>Financial Assets</u>										
Cash and cash equivalents	-	4,667,363	-	-	4,667,363	4,667,363	4,667,363	-	-	-
Receivables	-	256,471	-	-	256,471	256,471	256,471	-	-	-
Amounts receivable for services	-	7,546,080	-	-	7,546,080	7,546,080	-	-	-	7,546,080
	-	12,469,914			12,469,914	12,469,914	5,413,546	-	-	7,456,080
<u>Financial Liabilities</u>										
Payables	-	442,242	-	-	442,242	442,242	442,242	-	-	-
		442,242			442,242	442,242	442,242	-	-	-

Notes to the Financial Statements

For the year ended 30 June 2013

c) Financial instruments disclosure (continued)

	Weighted average effective interest rate %	<u>Interest rate exposure</u>				Nominal Amount \$	<u>Maturity dates</u>			
		Carrying amount \$	Fixed interest rate %	Variable interest rate %	Non-interest bearing \$		Up to 3 months \$	3-12 months \$	1-5 years \$	More than 5 years \$
2012										
<u>Financial Assets</u>										
Cash and cash equivalents		4,216,531	-	-	4,216,531	4,216,531	4,216,531			
Receivables		783,527	-	-	783,527	783,527	783,527			
Amounts receivable for services		6,716,353			6,716,353	6,716,353				6,716,353
		11,716,411			11,716,411	11,716,411	5,000,058			6,716,353
<u>Financial Liabilities</u>										
Payables		351,203	-	-	351,203	351,203	351,203	-	-	-
		351,203			351,203	351,203	351,203	-	-	

Interest rate sensitivity analysis

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

Fair values

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

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Queen Elizabeth II Medical Centre Trust's performance, and fairly represent the performance of the Queen Elizabeth II Medical Centre Trust for the financial year ended 30 June 2013.



S. Cole
Chairman, QEII MC Trust
Date 26/9/2013



G McMath
Member, QEII MC Trust
Date 26 Sept 2013

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, visitor and student facilities and services.

Two Site User Surveys were conducted. The first survey was conducted over an eight day period in June 2013. The second survey was conducted over three days in July 2013, asking in particular the convenience of staff parking facilities and the external security response time. The survey was conducted electronically and anonymously which was available to all QEII Medical Centre employees.

In preparing the survey results, the QEII Medical Centre 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 was used in determining what demographic or experience characteristics tend to drive key measures such as overall satisfaction.

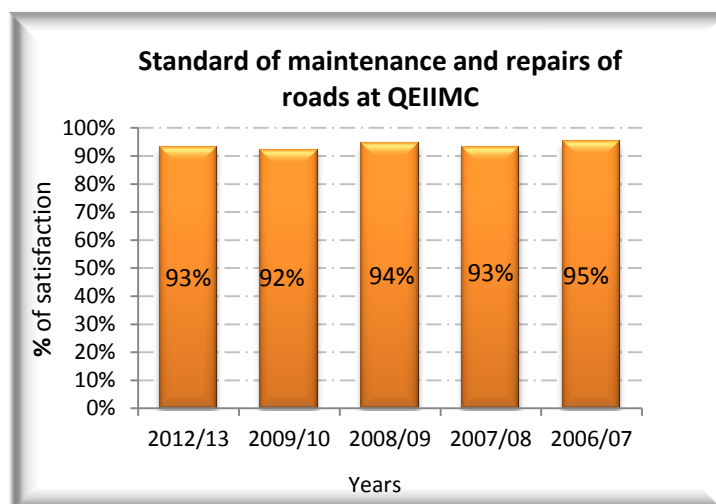
The QEII Medical Centre Trust received an exemption to not include the effectiveness indicators for 2010-11 due to the QEII Medical Centre Redevelopment which commenced in 2010 and affected approximately half of the site. In 2011-12, no survey was conducted and this is reflected in the graphs.

In 2013, the scale used to measure the satisfaction included Fair, Good, Very Good and Excellent, which is consistent with the methodology of prior years.

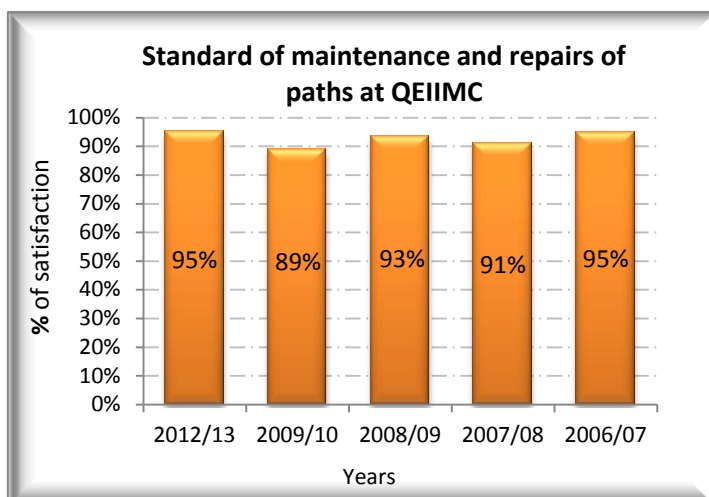
A total of 368 responded to the first survey in June 2013 and a total of 542 responded to the second survey in July 2013 compared to 463 in 2009/2010.

Key Effectiveness Indicators

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

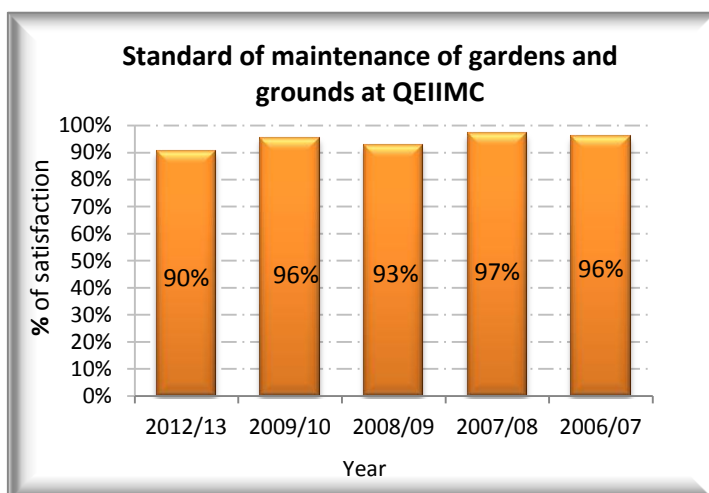


This key indicator measures the level of standard of maintenance and repairs of the roads at the QEII Medical Centre site.



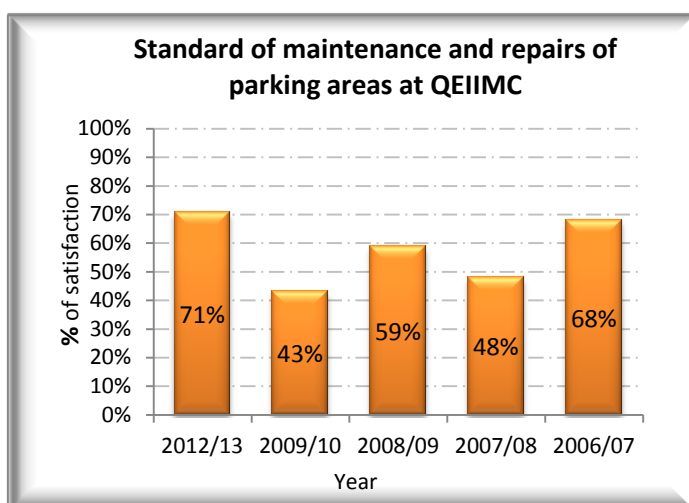
This indicator measures the level of standard of maintenance and repairs of paths at the QEII Medical Centre.

The increase in 2012/13 is primarily due to the completion of buildings such as Cancer Centre, Multideck car park and Pathwest whereby new pathways and access routes have been built.



This indicator measures the level of standard of maintenance of gardens and grounds at the QEII Medical Centre.

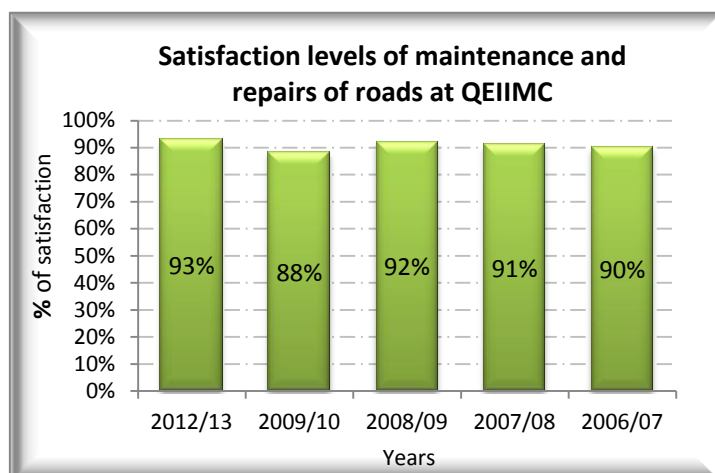
The decrease in 2012/13 is primarily due to the extensive redevelopment works on Site.



This indicator measures the level of standard of maintenance and repairs of the parking areas at the QEII Medical Centre.

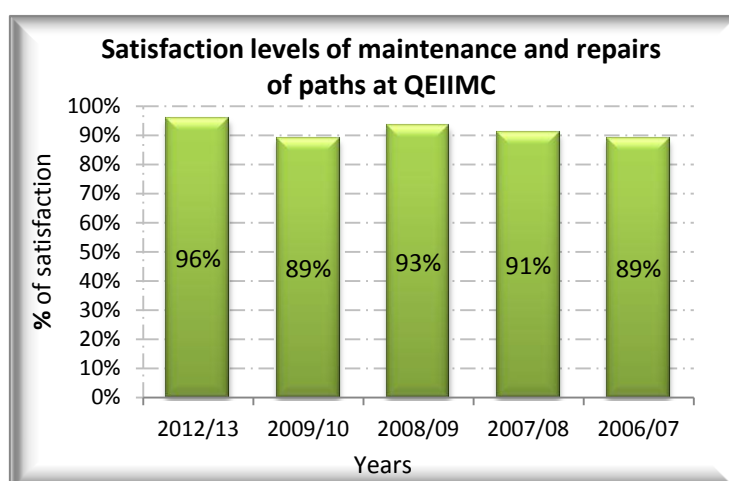
The significant increase in 2012/13 is due to the new multi deck car parks and the upgrade of all At-grade car park throughout the Site.

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



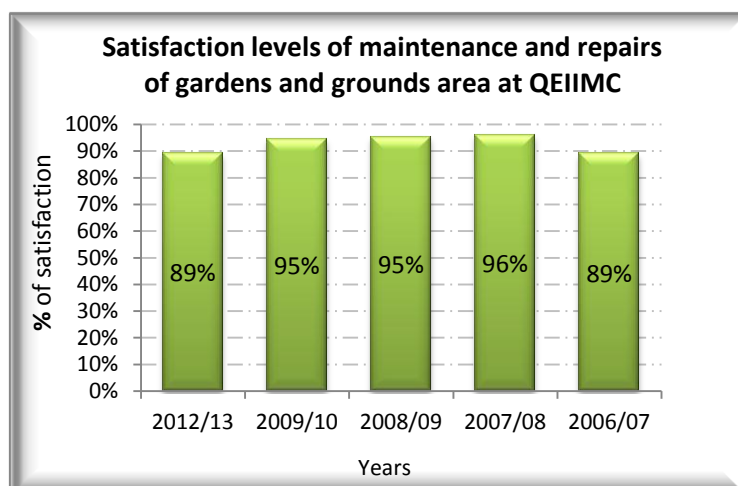
This key indicator measures the satisfaction level of the timeliness of maintaining and repairing of the roads on the QEII Medical Centre.

The significant increase is due to the new roads around the Site due to the completion of four major infrastructure projects on Site.



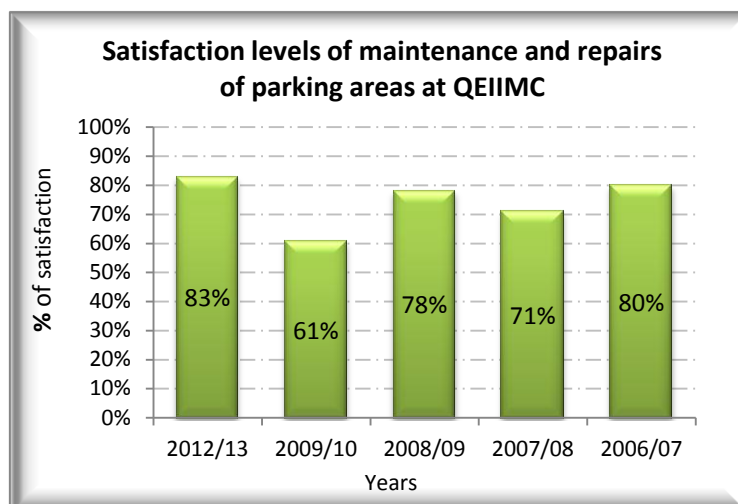
This key indicator measures the satisfaction level of timeliness of maintaining and repairing the paths at the QEII Medical Centre.

The significant increase is due to the new paths around the Site due to the completion of four major infrastructure projects on Site.



This key indicator measures the satisfaction level of timeliness of maintaining and repairing the garden and grounds at the QEII Medical Centre.

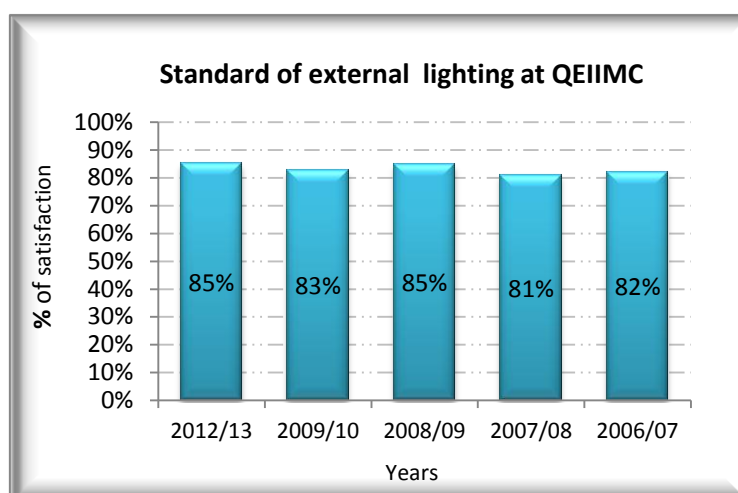
The decrease in 2012/13 is primarily due to the extensive redevelopment works on Site.



This key indicator measures the satisfaction level of timeliness of maintaining the parking areas at the QEII Medical Centre.

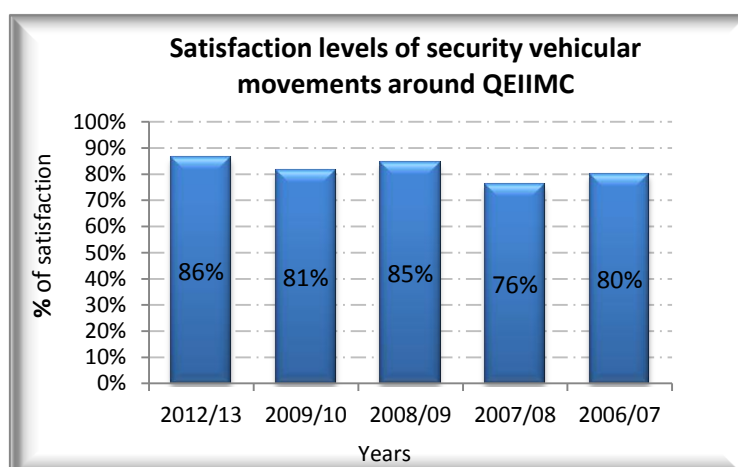
The significant increase in 2012/13 is due to the new multi deck car parks and the upgrade of all At-grade car park throughout the Site.

1.3 Standard of lighting on the Reserve



This key indicator measures the standard of external lighting at the QEII Medical Centre.

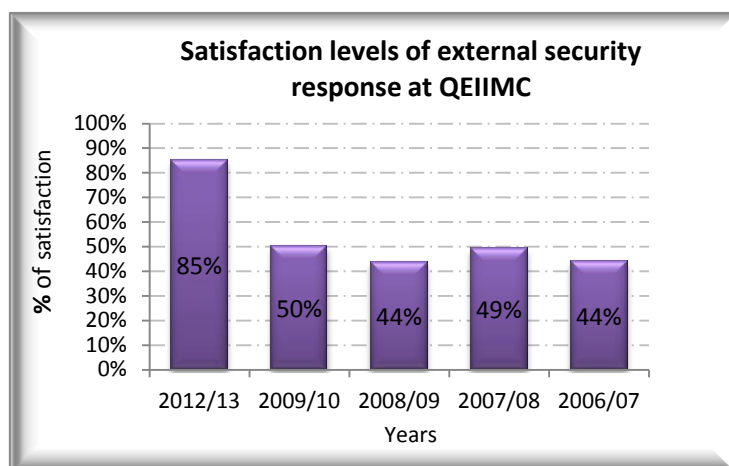
1.4 Standard of security (external) for vehicular movement around the Reserve and illegal parking



This key indicator measures the satisfaction level of QEII Medical Centre employees of providing vehicular movements around the QEII Medical Centre.

The increase is due to increase number of parking officers managing the At Grade car parks and the multi-deck car park.

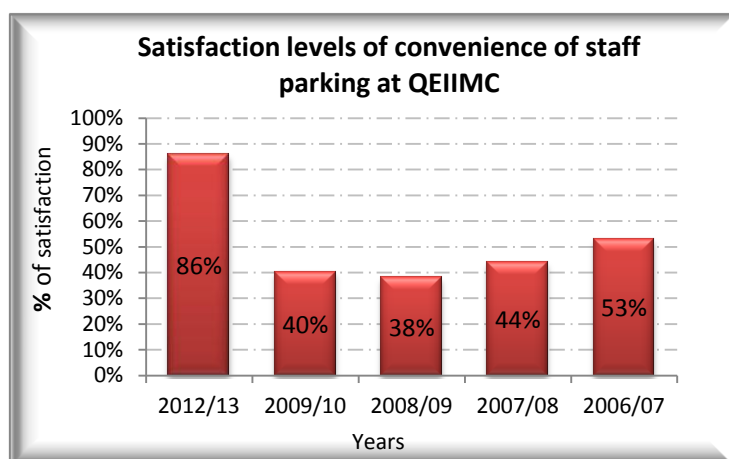
1.5 Timeliness of external security response time after requesting assistance



This key indicator measures the satisfaction level of timeliness of external security responses at the QEII Medical Centre.

The increase is due to dedicated parking officers monitoring the At Grade car parks and the multi-deck car park.

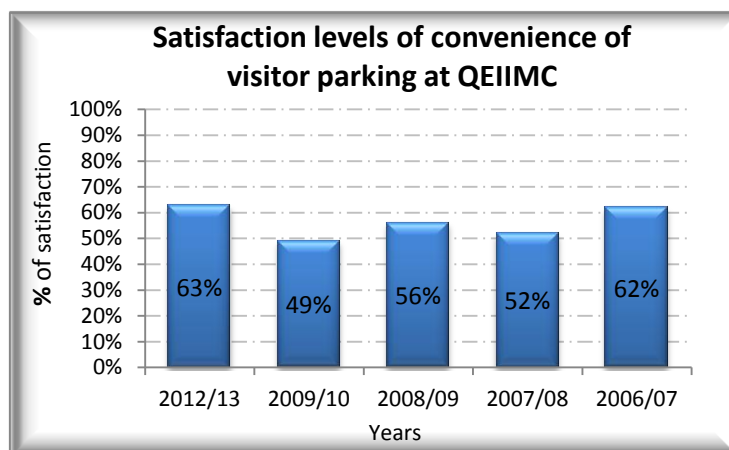
1.6 Convenience of parking facilities provided to QEII Medical Centre staff members



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

The significant increase is due to the construction of the multi-deck car park, Cancer Centre car park and the upgrade of the At Grade parking areas.

1.7 Convenience of parking facilities to visitors at QEII Medical Centre



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

The significant increase in 2012/13 is due to the new multi deck car parks and the upgrade of all At-grade car parks throughout the Site.

Outcome 2

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

As at 30 June 2013, QEII Medical Centre had a total of 3,280 parking bays (2,180 staff and 1,100 visitors).

Key Effectiveness Indicators

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

	2012/13	2011/12	2010/11
Percentage of vehicles stolen in comparison to the number of car parking bays	0.03%	0%	0%

One motorcycle was stolen in 2012/13.

Key Efficiency Indicators

The QEII Medical Centre Trust's main function is to undertake the development, control and management area of the Reserve. The total area of the Reserve is 28.66 hectares.

1 Operating cost per hectare

This indicator is to measure the success of developing, controlling, managing the QEII Medical Centre site.

	2012/13	2011/12	2010/11
Operating cost per hectare	\$137,976	\$151,231	\$123,473

The decrease is primarily due to the limited maintenance and repairs due to the redevelopment.

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 gardens and grounds around the QEII Medical Centre

	2012/13	2011/12	2010/11
Maintenance cost per hectare	\$25,986	\$27,935	\$36,346

The slight decrease is primarily due to the limited maintenance and repairs due to the redevelopment.

Ministerial Directions

There was no Ministerial Directive in 2012/13.

Other Financial Disclosures

Pricing policies of services provided

From 1 July to 10 October 2012, the QEII Medical Centre Trust charges for parking services were rendered on a full cost recovery basis and in accordance with fees and penalties applied under the *Queen Elizabeth II Medical Centre (Delegated Site) By-laws 1986*.

From 10 October 2012, the QEII Medical Centre Trust no longer receives parking revenue as Wilson Parking manages the operation of parking at the QEII Medical Centre.

Capital Works

No material capital works funded by the QEIIMC Trust were undertaken in 2012/13.

Employment and Industrial Relations

The QEIIMC Trust does not employ any staff. Staff engaged on the QEIIMC Trust related activities are employees of North Metropolitan Health Services and are seconded for the progress of the QEIIMC Trust via instrumentally of the Delegate.

Staff Development

The QEIIMC Trust does not employ any staff. Staff engaged on the QEIIMC Trust related activities are employees of North Metropolitan Health Services and are seconded for the progress of the QEIIMC Trust via instrumentally of the Delegate.

Workers Compensation

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

Governance Disclosures

Contracts with Senior Officers

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

Other Legal Requirements

Expenditure on advertising, market research and direct mail

The QEII Medical Centre Trust reports that it incurred the following expenditures for the financial year ended 30 June 2013.

Advertising Medium	Expenditure \$
Advertising Agencies	
Advertising Design Services	4,450
Marketforce	16,618
Total Expenditure	21,068

Disability access and inclusion plan outcomes

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

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

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

- Additional ACROD parking and set-down areas have been provided for people with disabilities and those accompanying them for appointments or visits throughout the Site.
- The QEII Medical Centre Trust along with its tenants actively promotes ways on how outpatients and visitors can park at and travel to the Site, through communication, via website, leaflets, posters and pamphlets.
- Continuous improvements have been made throughout the QEII Medical Centre for easier and safer access for all.

- The QEII Medical Centre Trust has endeavoured to minimise, to the best extent possible any adverse impact the redevelopment may have on people with disabilities.
- The QEII Medical Centre Trust's website has been designed to assist those who are visually impaired with alternative formats.
- A QEII Medical Centre Guide has been designed to assist people with disability and is available in hard and electronic copy.
- ACROD parking maps are available in hard and electronic copies.
- A QEII Medical Centre tenants provide employment and volunteer work for people with disability which in turn increases staff awareness and understanding of people with disabilities.
- Ongoing training as to how to assist people with disabilities has been provided to the QEII Medical Centre Parking Officers.
- The QEII Medical Centre Trust's communication process is available to all members of the community and can be assessed via the website, Sir Charles Gairdner Hospital or by contacting the QEII Medical Centre Trust's Business Manager.
- Public consultation and decision-making opportunities including people with disabilities are provided through public consultation process for reviews of key management plans, such as QEII Master Plan, Landscape Master Plan and the Urban Design Guidelines.

Compliance with Public Sector Standards and ethical codes

As the QEII Medical Centre Trust does not employ any staff, it relies upon the Delegate to achieve the required outcomes in the area of Equal Employment Opportunity with reflect to those persons seconded for its purposes. The QEII Medical Centre Trust complies with the 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 balance representation of gender.

Recordkeeping Plans

In the past the QEII Medical Centre Trust has relied on the WA Health Recordkeeping Plan. In 2012/13 the Trust approved its own Recordkeeping Plan in compliance with the provisions of the State Records Act 2000 and this will be implemented via the Trust's Delegate. Appropriate record management systems and processes are now being developed.

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

Government Policy Requirements

Occupational Safety, Health and Injury Management

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

Australian Neuromuscular Research Institute

4th Floor, A Block
Hospital Avenue
Nedlands WA 6009

Keogh Institute for Medical Research

3rd Floor, A Block
Hospital Avenue
Nedlands WA 6009

Lions Hearing Clinic

3rd Floor, A Block
Hospital Avenue
Nedlands WA 6009

Lung Institute of Western Australia

Ground Floor, E Block
Hospital Avenue
Nedlands WA 6009

Oral Health Centre of WA

Ground Floor, E Block
Hospital Avenue
Nedlands WA 6009

Sir Charles Gairdner Hospital

Hospital Avenue
Nedlands WA 6009

St John Ambulance

Nedlands Depot
Hospital Avenue
Nedlands WA 60009

WA Sleep Disorders Research Institute

5th Floor, G Block
Hospital Avenue
Nedlands WA 6009

SCGH Auxiliary

Ground Floor, E & G Block
Hospital Avenue
Nedlands WA 6009

Charlies Garden Coffee Lounge

Ground Floor, E Block
Hospital Avenue
Nedlands WA 6009

Sushi Bar

Ground Floor, E Block
Hospital Avenue
Nedlands WA 6009

Crawford Lodge

55 Monash Avenue
Nedlands WA 6009

Lions Optic

Ground Floor, A Block
Hospital Avenue
Nedlands 6009

Lions Eye Institute

AA Block
W Verdun Street
Nedlands WA 6009

The Niche

11 Aberdare Road
Nedlands WA 6009

Pathwest

J Block
Hospital Avenue
Nedlands WA 6009

State Head Injuries Unit

Ground Floor, E Block
Hospital Avenue
Nedlands WA 6009

UWA (Faculty of Medicine & Dentistry)

N Block
Caladenia Crescent
Nedlands WA 6009

WA Heart Research Institute

R Block
Verdun Street
Nedlands WA 6009

April's Flowers

Ground Floor, G Block
Hospital Avenue
Nedlands WA 6009

Hair at Charlies

Ground Floor, E Block
Hospital Avenue
Nedlands WA 6009

Medical Centre Chemist

Ground Floor, E Block
Hospital Avenue
Nedlands WA 6009