



The Queen Elizabeth II Medical Centre Trust
Government of Western Australia

ANNUAL REPORT



30 June 2005

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STATEMENT OF COMPLIANCE

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

In accordance with Section 66 of the Financial Administration and Audit Act, 1985 and Section 15 of the Queen Elizabeth II Medical Centre Act, 1966 we hereby submit for your information and presentation to Parliament the Report of the Queen Elizabeth II Medical Centre Trust for the financial year ended 30th June 2005.

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

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

Judge VJ French

Chairperson

The Queen Elizabeth II Medical Centre Trust

Professor I Puddey

Member

The Queen Elizabeth II Medical Centre Trust

INTRODUCTION

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

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

The Medical Centre Reserve (or “site”) covers 28.4749 hectares and accommodates over 30 organisations in 25 buildings. The major site users are Sir Charles Gairdner Hospital, The University of Western Australia, The Western Australian Centre for Pathology and Medical Research (PathCentre), The Western Australian Institute for Medical Research, the Lions Eye Institute and “The Niche”.

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

ENABLING LEGISLATION

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

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

LAND RESERVES

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

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

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

MINISTERIAL DIRECTIVES

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

MEMBERSHIP OF THE TRUST AND TERMS OF APPOINTMENT

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

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

Judge VJ French.

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

Mr A Chuk and Mr RHC Turner AM.

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

Professor I Puddey and Ms G McMath.

The Trust acknowledges the strong commitment and outstanding contributions of Professor L Landau AO and Professor M Seares AO who resigned during the financial year

MEETINGS OF THE TRUST

The Trust met on four (4) occasions during the 2004 / 2005 financial year.

OBJECTIVES

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

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

FUNCTIONS AND SERVICES

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

TRUST DELEGATE

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

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

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

Mr A Roberts, Area Director, Financial Services for the North Metropolitan Health Service continued in the position as the Principal Accounting Officer for the Financial Statements of the Sir Charles Gairdner Hospital Delegate Account.

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

The Secretary
Queen Elizabeth II Medical Centre Trust
R Block 2nd Floor Sir Charles Gairdner Hospital
Hospital Avenue
NEDLANDS WA 6009
Telephone: (08) 9346 3964

SECRETARIAL SUPPORT

The Trust wishes to express its gratitude to the Executive of Sir Charles Gairdner Hospital for continuing to provide it with secretarial support.

The Trust gratefully acknowledges the contribution of Mr A Buckley who has served as honorary Secretary to the Trust since May 2003. Mr Buckley resigned as Secretary, effective 30 June 2005.

The Trust has also endorsed the appointment of a full-time Finance and Business Officer due to the increasing complexity of managing the Trust's affairs. Mr D Sinclair was appointed to the position in December 2004, and will serve as honorary Secretary effective 1 July 2005.

The Trust gratefully acknowledges the contribution made by Mr I Stewart who helped establish the Finance and Business Officer position in November 2003 and acted in the position until a permanent appointment was made.

STATEMENT OF COMPLIANCE WITH PUBLIC SECTOR STANDARDS

- In relation to the Trust itself, members complied with the Code of Conduct that the Trust adopted on 27 July 2000.
- In relation to administrative and operational matters, staff engaged on Trust-related activities are employees of the Metropolitan Health Services and the compliance statement contained in the Metropolitan Health Services' Annual Report applies to these personnel and related activities.

ADVERTISING AND SPONSORSHIP

The Trust had no expenditure in the financial year ended 30 June 2005 on the areas mentioned in Section 175ZE of the Electoral Act, 1907.

DISABILITIES SERVICES PLANNING

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

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

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

- Parking facilities – the Trust provides a total of 42 disabled parking bays (compared to 36 in 2003/2004 and 33 in 2002/2003) at appropriate locations around the site. This revised figure does not include 6 disabled parking bays at “The Niche”, or any disabled parking bays at “Crawford Lodge”. These facilities are on ground leases and are not available for general public parking. Sir Charles Gairdner Hospital also provides an electric passenger vehicle to transport infirm, aged and health-compromised people from the car parks to various points within and around the buildings on the Reserve;
- A total of 7 TransPerth bus routes traverse the Queen Elizabeth II Medical Centre including the Circle Route (routes 98 and 99) and the Subiaco Shuttle (route 97). Most of the TransPerth bus fleet has special provision for disabled access. Tactile surfaces have been installed at some bus stops on Hospital Avenue to facilitate usage by passengers who are visually impaired. The new entry to the hospital's Emergency Department in “G” Block also has tactile surfaces;
- Four hospital lifts have been fitted with disability access controls in “G”, “D” and “E” Blocks;
- In 2004 Sir Charles Gairdner Hospital issued a Signage Standards manual. The manual outlined basic visual and physical criteria for the design, production and installation of signs throughout the site;

- A new visitors' site map has been developed for inclusion in the Sir Charles Gairdner Hospital *Patient Information Booklet*. The visitor's map specifically outlines ACROD parking bays and the graphics are designed for easy reading for visual impaired readers; and
- All new and replaced signs for the Queen Elizabeth II Medical Centre will be in accordance with Australian Standard 1428.1 – 1428.2 - 1992 Design for access and mobility.

INFORMATION STATEMENT

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

OPERATIONAL PERFORMANCE

Principal Operations

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

- Maintenance of the Reserve (gardens & grounds);
- Provision of parking facilities and control of traffic movement on site;
- Management of tenancy agreements; and
- Security.

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

Parking fees apply to both staff and visitors bringing vehicles on to the Reserve. These fees are established under Delegate By-Laws and were unchanged in 2004/2005, pending finalisation of the Structure Plan and the associated Parking Management and Access Plan.

Rental levels for leaseholders are established by:

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

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

Section 21 of The Queen Elizabeth II Medical Centre Act, 1966 (the Act) requires the Minister for Health to review the operation and effectiveness of the Act every 5 years calculated from 1 January 1991, and to present the report before each House of Parliament. Checks of Hansard and of the Queen Elizabeth II Medical Centre Trust's records confirm that this requirement has not been met, however, an interim report was provided in the Trust's 2003/2004 annual report.

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

Health System Reform

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

A Steering Group was established to drive the implementation of the report's recommendations and to oversee the development of a Clinical Services Framework following an extensive consultation phase.

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

Structure Planning

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

On the 22 December 2004 the State Planning Commission approved the development application for the State Cancer Centre. The Commission granted approval on the basis that the Trust and the Department of Health commit to a program for finalisation of the Structure Plan for the QEII Medical Centre site, which is to include a comprehensive Parking Management and Access Plan.

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

The Queen Elizabeth II Medical Centre draft Structure Plan identifies two possible areas where multi-storey car parks could be constructed to more effectively address car-parking pressures on the site.

A number of short-term measures have been completed by the Trust, including converting grassed areas to parking areas and reconfiguring car parks.

Over 300 additional temporary and permanent car-parking bays have been provided over the past three years. Planning is finalised for an additional 80 car parking bays throughout the site to be constructed in the new financial year.

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

The Queen Elizabeth II Medical Centre Trust has expressed interest in taking part in the Travel Smart Workplace Program to develop a Green Transport Plan. A Green Transport Plan assists employers to reduce car trips to workplaces and seek other transport alternatives. A successful lunchtime forum was conducted in April 2005 highlighting various modes of travel to work. The Finance and Business Officer attended Travel Smart seminars throughout the year regarding modes of travel to work.

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

Community and Site User Liaison

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

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

The Trust also created The Queen Elizabeth II Medical Centre Intranet Website and this can be accessed by www.qeii.health.wa.gov.au

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

CAPITAL PROJECTS

The Queen Elizabeth II Medical Centre Trust itself did not undertake any major capital projects on the Reserve during the year.

A permanent Consultant Car Park has been established to the western End of "L" and "M" Blocks (University of Western Australia). The emergency helicopter landing area was relocated from the rear of "R" Block closer and adjacent to the hospital's Emergency Department during the 2004/2005 financial year.

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

The proposed Stage 2 of the Cancer Centre includes a 165 bay basement car park to ensure that adequate visitors and staff car parking can be retained in this vicinity.

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

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

The AH Crawford Lodge obtained planning approval to commence construction of on-site accommodation units for patients and a new recreation lounge within Crawford Lodge.

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

- Traffic flow through the ambulance canopy was reversed to a north – south direction and a cable gate was installed at the south end of the ambulance canopy to prevent the general public from accessing the area by vehicle;
- The Taxi Rank was relocated to the central plant building opposite G Block, and closer to the Emergency Department;

- A car park was created for Medical Consultants on the area east of J & K Blocks that was previously reserved for helicopter landings;
- The slip road outside E Block was re-aligned. This has created a safer entry to Hospital Avenue for traffic travelling north. Additional “pick up” and “set down” parking has also been incorporated; and
- Timber bollards have been installed along Monash Avenue, Hospital Avenue, Aberdare Road and Gairdner Drive to stop vehicles from damaging reticulation and for the protection of site gardens and systems.

OTHER MATTERS OF RELEVANCE TO THE TRUST’S OPERATIONS

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

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

PERFORMANCE INDICATORS

Performance indicator information is provided on pages 14 – 18.

PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005

CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the accompanying Performance Indicators are based on proper records, are relevant and appropriate for assisting end users to assess the Queen Elizabeth II Medical Centre Trust's performance, and fairly represent the performance of the Trust for the year ended 30 June 2005.

Signed at Perth this: _____

Judge VJ French

Chairperson

The Queen Elizabeth II Medical Centre Trust

Professor I Puddey

Member

The Queen Elizabeth II Medical Centre Trust



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

THE QUEEN ELIZABETH II MEDICAL CENTRE TRUST PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of The Queen Elizabeth II Medical Centre Trust are relevant and appropriate to help users assess the Trust's performance and fairly represent the indicated performance for the year ended 30 June 2005.

Scope

The Trust's Role

The Trust is responsible for developing and maintaining proper records and systems for preparing performance indicators.

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

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

D D R PEARSON
AUDITOR GENERAL
9 November 2005

PERFORMANCE INDICATORS 2004/2005

Outcome of the Trust (External)

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

Service Plan (Site Facilities)

The Trust/Delegate provides the following services:

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

Indicators

Effectiveness Indicators

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

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

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

A Site Users' Satisfaction Survey was issued in June 2005 for the 2004/2005 financial year. To maximise coverage and ensure that customers could be followed up if a proportional response had not been received, particularly from the larger site user groups, the following process was used for the 2004/2005 survey:

- A spreadsheet was developed listing the 26 major site user groups and key contact details;
- Survey forms for each of the 26 major site user groups had different footers to enable the various response rates to be assessed;
- Where a proportional response rate had not been received, or where there had been a nil response, a follow-up email was sent to the key contacts requesting that more responses be encouraged from their respective groups;
- The questions used for the 2004/2005 Site User's Satisfaction Survey were unchanged from the 2003/2004 financial year to allow a direct comparison of Key Performance Indicators from the previous survey.

A total of 406 responses to the survey were received by the due date (compared to 260 in 2003/2004 and compared to 376 in 2002/2003) with the results being recorded below.

Responses were received from 9 of the 30 major site user groups, giving a response rate of 30%.

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

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

Maintenance Area	2004/2005	2003/2004	2002/2003
Roads	89%	93%	90%
Footpaths	89%	94%	92%
Parking Areas	44%	71%	50%
Grounds/Gardens	93%	98%	96%

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

Maintenance Area	2004/2005	2003/2004	2002/2003
Roads	81%	90%	84%
Footpaths	81%	92%	86%
Parking Areas	59%	82%	63%
Grounds/Gardens	87%	94%	91%

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

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

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

44% of respondents were satisfied with the staff parking facilities (74% in 2003/2004 and 54% in 2002/2003) and 43% with the parking facilities provided for patients/visitors (60% in 2003/2004 and 47% in 2002/2003).

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

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

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

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

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

In the financial year ended 30 June 2005, a total of 2 cars were stolen from Reserve car parks compared to 2 in the previous year and 8 in 2002/2003. The total number of car bays on the Reserve is 3212. These figures exclude the significant oversubscription of parking on the site occurring at peak times.

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

Efficiency Indicators

3. Overall Operating Expense per Hectare

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

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

The main contributing factors to the increase are the rising cost of labour and creation of temporary car parks.

3.1 Maintenance Cost per Hectare

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

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

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

OFFICE OF THE AUDITOR GENERAL
4TH FLOOR
DUMAS HOUSE
2 HAVELOCK STREET
WEST PERTH WA 6005

The accompanying financial statements of the Queen Elizabeth II Medical Centre Trust have been prepared in accordance with the provisions of the Financial Administration and Audit Act, 1985, from proper accounts and records to represent fairly the financial transactions for the financial year ending 30 June 2005 and the financial position as at 30 June 2005.

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

Judge VJ French

Chairperson

The Queen Elizabeth
II Medical Centre Trust

Professor I Puddey

Member

The Queen Elizabeth II
Medical Centre Trust

Mr A Roberts

Area Director Financial Services

North Metropolitan Health Service
Principal Accounting Officer
Queen Elizabeth II Medical
Centre Trust Delegate Account



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

THE QUEEN ELIZABETH II MEDICAL CENTRE TRUST FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Audit Opinion

In my opinion,

- (i) the controls exercised by The Queen Elizabeth II Medical Centre Trust provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Trust at 30 June 2005 and its financial performance and cash flows for the year ended on that date.

Scope

The Trust's Role

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

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

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

D D R PEARSON
AUDITOR GENERAL
9 November 2005

The Queen Elizabeth II Medical Centre Trust
Statement of Financial Position
As At 30 June 2005

	Notes	2005 \$	2004 \$
Current Assets			
Cash assets	8	1,845,735	2,078,221
Receivables	9	117,119	182,726
Total Current Assets		1,962,854	2,260,947
Non-Current Assets			
Land	10	244,000	55,000,000
Site Improvements	10	16,524,951	27,720,263
Plant and equipment	10	58,571	88,848
Software	10	48,477	
Amounts receivable for services	11	2,546,000	1,700,000
Total Non-Current Assets		19,421,999	84,509,111
Total Assets		21,384,853	86,770,058
Current Liabilities			
Payables	12	84,893	52,719
Unearned revenue	13	32,719	33,503
Parking control card	18	61,237	61,286
Total Current Liabilities		178,849	147,508
Total Liabilities		178,849	147,508
NET ASSETS		21,206,004	86,622,550
Equity			
Asset revaluation reserve	15	18,755,969	59,630,872
Retained profits	15	2,450,035	26,991,678
TOTAL EQUITY		21,206,004	86,622,550

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

The Queen Elizabeth II Medical Centre Trust
Statement of Financial Performance
For The Year Ended 30 June 2005

	Notes	2005 \$	2004 \$
REVENUE			
Revenues from ordinary activities			
Revenue from operating activities			
Parking fees	2	1,457,457	1,453,095
Fines and penalties		6,056	5,558
Other revenue from ordinary activities	3	315,128	405,140
Revenue from non-operating activities			
Interest revenue		109,019	92,030
Total revenues from ordinary activities		1,887,660	1,955,823
EXPENSES			
Expenses from ordinary activities			
Labour expenses	4	901,216	747,238
Administration expenses	5	206,994	123,757
Repairs and maintenance expenses		558,829	438,472
Depreciation and amortisation expense	6	851,734	872,143
Other expenses from ordinary activities	7	-	97,975
Capital User Charge	28	7,062,000	6,559,920
Carrying amount of non-current assets disposed	29	530	1,126
Revaluation decrement	10	24,756,000	-
Total expenses from ordinary activities		34,337,303	8,840,631
Loss from ordinary activities before grants and subsidies from Government		(32,449,643)	(6,884,808)
GRANTS AND SUBSIDIES FROM STATE GOVERNMENT			
Resources received free of charge	14	-	9,500
Service appropriations	30	7,908,000	8,259,920
Total revenues from State Government		7,908,000	8,269,420
NET PROFIT/(LOSS)	15	(24,541,643)	1,384,612
Net decrease in asset revaluation reserve	15	(40,874,903)	5,000,000
Total revenues, expenses and valuation adjustments recognised directly in equity		(40,874,903)	5,000,000
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS			
		(65,416,546)	6,384,612

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

The Queen Elizabeth II Medical Centre Trust
Statement of Cash Flows
For The Year Ended 30 June 2005

	Notes	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from customers		1,653,322	1,624,902
Interest received		111,596	92,368
Other operating revenue		428,411	306,123
Payments			
Payments to suppliers		(950,672)	(727,080)
Payments for labour		(925,038)	(703,419)
Net cash provided by operating activities	16	317,619	592,894
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(550,056)	(18,340)
Net cash used in investing activities		(550,056)	(18,340)
CASH FLOWS FROM FINANCING ACTIVITIES			
Parking fee deposit increase/(decrease)	18	(49)	(40)
Net cash used in financing activities		(49)	(40)
Net increase in cash held		(232,486)	574,514
Cash at the beginning of the reporting period		2,078,221	1,503,707
Cash assets at the end of the financial year	17	1,845,735	2,078,221

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

**The Queen Elizabeth II Medical Centre Trust
Notes To The Financial Statements
For the Year Ended 30 June 2005**

NOTE 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

(a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views 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 Administration And Audit Act and The Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

Subject to the exceptions noted in paragraph 1(b) below dealing with valuation of fixed assets, the accounts have been drawn up on the basis of historical cost principles.

Salaries and wages expenses of the Trust are paid by Sir Charles Gairdner Hospital in the first instance (the Trust utilises hospital employees) and then recouped from the Trust. These are shown as "Labour expenses" in the financial statements.

(b) Revaluation of Land and Improvements

The Trust has a policy of valuing land and improvements at fair value. The annual revaluation of the Trust's land undertaken by the Valuer General's Office for the Government Property Register are recognised in the financial statements.

The valuation of land has moved from a "market use" valuation to "current use value" in line with the Department of Land Information valuation definitions.

The valuation of land improvements (including car parks, pavements and landscaping) was carried out by the Department of Health's Asset Management Directorate during 2004/05.

The valuation was based on "Replacement Capital Value"(RCV). This is defined as the cost to replace buildings constructed at current building costs with current materials on a green-field site. All costs are Perth based and include elements of electrical, mechanical and hydraulic services.

(c) Revenue Recognition

Revenue from the rendering of services is recognised when the Trust has delivered the service to the customer.

(d) Depreciation of Non-current Assets

Property and plant and equipment are depreciated over their estimated useful lives using the reducing balance method.

Depreciation and amortisation rates are:

Site Improvements	3%
Plant and equipment	15% -18.75%
Software	15%
Computer equipment	30%

The Queen Elizabeth II Medical Centre Trust
Notes To The Financial Statements
For the Year Ended 30 June 2005

(e) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets. These include short-term deposits that are readily convertible to cash on hand and subject to insignificant risk of changes in value.

(f) Receivables and Payables

Accounts Receivable are generally settled within 30 days and are carried at amounts due.

Accounts Payable, including accruals not yet billed, are recognised when the economic entity becomes obliged to make future payments as a result of a purchase of assets or services. Accounts payable are generally settled within 30 days.

(g) Investments

Investments are brought to account at the lower of cost and recoverable amount. Interest revenues are recognised as they are accrued.

(h) Net Fair Values of Financial Assets and Liabilities

Net fair values of financial instruments are determined on the following basis:

- * Monetary financial assets and liabilities not traded in an organised financial market - cost basis carrying amounts of accounts receivable, accounts payable and accruals (which approximates net market value).

(i) Resources Received Free of Charge or For Nominal Value

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

(j) Rounding of Amounts

Amounts in the financial statements have been rounded to the nearest dollar.

(k) Comparative Figures

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

The Queen Elizabeth II Medical Centre Trust
Notes To The Financial Statements
For the Year Ended 30 June 2005

	2005 \$	2004 \$
NOTE 2		
PARKING FEES		
Staff parking fees	832,091	732,313
Other parking fees	625,366	720,782
	<u>1,457,457</u>	<u>1,453,095</u>

NOTE 3		
OTHER REVENUE		
Rental from mobile phone towers	22,771	53,339
Rental from retail centre	290,487	251,816
Replacement parking control cards	1,870	2,010
Other rental		97,975
	<u>315,128</u>	<u>405,140</u>

NOTE 4		
LABOUR EXPENSES		
Security	616,782	458,707
Gardens and grounds	257,558	248,531
Administration	26,876	40,000
	<u>901,216</u>	<u>747,238</u>

NOTE 5		
ADMINISTRATION EXPENSES		
Professional fees	16,394	10,000
Printing & stationery	27,960	15,491
Subiaco Shuttle	40,559	42,800
Workers compensation	25,973	21,218
Administration fee	71,100	-
Other	25,008	34,248
	<u>206,994</u>	<u>123,757</u>

NOTE 6		
DEPRECIATION AND AMORTISATION		
Site improvements	835,470	857,327
Plant and equipment	7,709	14,333
Computing equipment/software	8,555	483
	<u>851,734</u>	<u>872,143</u>

NOTE 7		
OTHER EXPENSES FROM ORDINARY ACTIVITIES		
Doubtful debts expense	-	97,975
	<u>-</u>	<u>97,975</u>

The Queen Elizabeth II Medical Centre Trust
Notes To The Financial Statements
For the Year Ended 30 June 2005

	2005 \$	2004 \$
NOTE 8		
CASH ASSETS		
Cash at bank	352,571	88,194
Bank Bills/Term Deposits	1,493,164	1,990,027
Total Cash Assets	<u>1,845,735</u>	<u>2,078,221</u>

NOTE 9		
RECEIVABLES		
Parking revenue due	66,400	47,040
Fines revenue due	1,380	940
Interest due	1,823	4,400
Rental due	7,086	25,368
Rental from WA Pain Management Clinic		97,975
Refund of Pain Management Clinic from SCGH		97,975
GST Receivable	40,430	7,003
	<u>117,119</u>	<u>280,701</u>
Less Provision for doubtful debts	-	(97,975)
Total Receivables	<u>117,119</u>	<u>182,726</u>

NOTE 10		
FIXED ASSETS		
Land		
At Valuer General Valuation - (dated July 2004), Reserve 33244, Lot 9075		
Fair value - current use (Class A Reserve)	244,000	55,000,000
Site Improvements		
At Fair value	16,524,951	63,090,000
Less: restated accumulated depreciation	-	(35,369,737)
Depreciated replacement capital value	16,524,951	27,720,263
Carrying amount at year end	<u>16,524,951</u>	<u>27,720,263</u>
Plant & Equipment		
At cost	85,234	165,775
Less: accumulated depreciation	(26,663)	(76,927)
Net carrying amount of plant and equipment	<u>58,571</u>	<u>88,848</u>
Computing software		
At cost	113,513	
Less: accumulated depreciation	(65,036)	
Net carrying amount of computing software	<u>48,477</u>	-
Total property, plant and equipment, software	16,967,698	118,255,775
Accumulated depreciation	(91,699)	(35,446,664)
Total fixed assets	<u>16,875,999</u>	<u>82,809,111</u>

The Queen Elizabeth II Medical Centre Trust
Notes To The Financial Statements
For the Year Ended 30 June 2005

- | | 2005 | 2004 |
|--|------|------|
| | \$ | \$ |
| (i) The valuation of freehold land was performed in 2004/05 in accordance with an independent valuation by the Department of Land Information. Fair value has been determined on the basis of current land use. The valuation was made in accordance with a policy of periodic revaluation. | | |
| (ii) Site improvements have been shown as fair value. Fair value has been determined on the basis of replacement capital value. A revaluation of site improvements was undertaken by The Department of Health in 2005, by reference to the Building Cost Index (119.2) and Locality Index (100). | | |

Reconciliations

Land

Carrying amount at start of year	55,000,000
Additions	-
Disposals	-
Revaluation decrements	(54,756,000)
Carrying amount at end of year	<u>244,000</u>

Site Improvements

Carrying amount at start of year	27,720,263
Additions	515,061
Disposals	-
Revaluation decrements	(10,874,903)
Depreciation	(835,470)
Carrying amount at end of year	<u>16,524,951</u>

Plant and equipment

Carrying amount at start of year	88,848
Additions	34,994
Disposals	(530)
Transfers between categories	(57,032)
Revaluation increments	-
Depreciation	(7,709)
Carrying amount at end of year	<u>58,571</u>

Computing Software

Carrying amount at start of year	-
Additions	-
Disposals	-
Transfers between categories	57,032
Revaluation increments	-
Depreciation	(8,555)
Carrying amount at end of year	<u>48,477</u>

Total Assets

Carrying amount at start of year	82,809,111
Additions	550,055
Disposals	(530)
Revaluation increments	-
Revaluation decrements	(65,630,903)
Depreciation	(851,734)
Carrying amount at end of year	<u>16,875,999</u>

The Queen Elizabeth II Medical Centre Trust
Notes To The Financial Statements
For the Year Ended 30 June 2005

	2005 \$	2004 \$
NOTE 11		
AMOUNTS RECEIVABLE FOR SERVICES	2,546,000	1,700,000

This asset represents the non-cash component of output appropriations which is held in a holding account at the Department of Treasury and Finance. It is restricted in that it can only be used for asset replacement or payment of leave liability.

NOTE 12

PAYABLES

Payables represent liabilities for goods and services received, but as yet invoices have not been received. Payables at 30 June 2005 are comprised of:

Labour recoup	22,015	45,837
Workers compensation	320	175
Administration expenses	3,987	
Repairs & maintenance	50,853	
GST Payable	7,718	6,707
	<u>84,893</u>	<u>52,719</u>

NOTE 13

UNEARNED REVENUE

Unearned revenue represents the portion of parking fees and mobile phone tower rentals paid in advance that will be earned after 30 June.

32,719	33,503
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NOTE 14

RESOURCES RECEIVED FREE OF CHARGE

Resources received free of charge has been determined on the basis of the following estimates provided by agencies.

Office of the Auditor General - audit services	-	9,500
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Commencing with the 2004-05 audit, the Office of the Auditor General will be charging a fee for auditing the accounts, financial statements and performance indicators. The fee for the 2004-05 audit (\$11,000) will be due and payable in the 2005-06 financial year.

NOTE 15

EQUITY

Asset revaluation reserve:		
- Opening balance	59,630,872	54,630,872
- Net revaluation increments/(decrements):		
Land	(30,000,000)	5,000,000
Site Improvements	(10,874,903)	
- Closing balance	<u>18,755,969</u>	<u>59,630,872</u>

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(b).

Retained profits:		
- Opening balance	26,991,678	25,607,066
- Net profit/(loss)	(24,541,643)	1,384,612
- Closing balance	<u>2,450,035</u>	<u>26,991,678</u>

The Queen Elizabeth II Medical Centre Trust
Notes To The Financial Statements
For the Year Ended 30 June 2005

	2005 \$	2004 \$
NOTE 16		
RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO NET OPERATING PROFIT BEFORE GRANTS AND SUBSIDIES FROM GOVERNMENT		
Operating profit before grants and subsidies from government	(32,449,643)	(6,884,808)
Depreciation	851,734	872,143
(Decrease)/ increase in unearned revenue	(784)	(138)
(Increase)/decrease in accrued interest	2,577	338
(Increase)/decrease in accounts receivable	63,031	(9,720)
(Decrease)/ increase in accounts payable	32,174	44,533
Loss on disposal of non-current assets	530	1,126
Resources received free of charge	-	9,500
Capital User Charge	7,062,000	6,559,920
Revaluation decrement	24,756,000	-
Net cash (used in) from operating activities	317,619	592,894

NOTE 17

RECONCILIATION OF CASH

For the purpose of Statement of Cash Flows, cash includes cash at bank and investments in money market instruments. Cash 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	352,571	88,194
Investments	1,493,164	1,990,027
	1,845,735	2,078,221

NOTE 18

RECONCILIATION OF PARKING CONTROL CARD DEPOSITS

Opening balance	61,286	61,326
Less refunds	(49)	(40)
Add new cards issued	-	-
Closing balance	61,237	61,286

NOTE 19

CAPITAL COMMITMENTS

Nil

The Queen Elizabeth II Medical Centre Trust
Notes To The Financial Statements
For the Year Ended 30 June 2005

2005	2004
\$	\$

NOTE 20

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Nil

NOTE 21

EVENTS OCCURRING AFTER REPORTING DATE

There were no material events which occurred after reporting date which will have an effect on these accounts.

NOTE 22

SERVICE INFORMATION

This account has only one output and that is the development, control and management of the reserve as defined in the Queen Elizabeth II Medical Centre Trust Act 1966.

NOTE 23

RELATED BODIES

Nil

NOTE 24

AFFILIATED BODIES

Nil

The Queen Elizabeth II Medical Centre Trust
Notes To The Financial Statements
For the Year Ended 30 June 2005

	2005 \$	2004 \$
NOTE 25		
COMPARISON OF RESULTS		
(A) COMPARISON OF ACTUAL RESULTS WITH THOSE OF THE PRECEDING YEAR		
Details and reasons for significant variations between actual revenue (income) and expenditure and the corresponding item of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$50,000.		
<u>Parking fees</u>	1,457,457	1,453,095
Variance \$4,362		
<u>Other revenue</u>	315,128	405,140
Variance -\$90,012		
Recognition of amounts due from Sir Charles Gairdner Hospital following the closure of the WA Pain Management Centre in 2003/04. Not applicable in 2004/05.		
<u>Labour expenses</u>	901,216	747,238
Variance \$153,978		
Increased security staff and cost of award increases.		
<u>Administration expenses</u>	206,994	123,757
Variance \$83,237		
Introduction of administration charge by Sir Charles Gairdner Hospital.		
<u>Repairs and maintenance</u>	558,829	438,472
Variance \$120,357		
Greater level of maintenance works than last year.		

**The Queen Elizabeth II Medical Centre Trust
Notes To The Financial Statements
For the Year Ended 30 June 2005**

(B) COMPARISON OF ESTIMATES AND ACTUAL RESULTS

	Estimate \$	Actual \$
Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than 10% or \$50,000.		
<u>Parking fees</u>	1,460,000	1,457,457
Variance -\$2,543		
<u>Other revenue</u>	416,500	430,203
Variance \$13,703		
<u>Labour Expenses</u>	813,000	901,216
Variance \$88,216		
Increased security staff - 1.5 fte		
<u>Other goods and services</u>	660,000	765,823
Variance \$105,823		
Increased site maintenance and administration charges levied by Sir Charles Gairdner Hospital.		
<u>Depreciation</u>	846,000	851,734
Variance \$5,734		

NOTE 26

A number of not-for-profit organisations lease space from the Queen Elizabeth II Medical Centre on a peppercorn rental basis.
Based on indicative rental rates from the Valuer General's Office this represents \$1.67 million per annum of foregone/subsidised rental.

Tenant	Area (sqm)	Annual Value \$
Allergy & Asthma Research Institute	103	11,000
Australian Neuromuscular Research Institute	3279	257,500
Cancer Foundation - Crawford Lodge (land)	6300	185,000
Heart Research Institute	491	125,000
Keogh Institute for Medical Research - 3rd floor A Block	705	68,500
Lions Ear & Hearing - 2nd floor A Block	2964	232,500
Lions Eye Institute - AA (land)	2600	105,000
State Head Injuries Unit	313	33,500
The Niche - Cystic Fibrosis WA (land)	6200	235,000
WA Institute for Medical Research	1508	385,000
WA Sleep Disorders Research Institute	281	34,500
		1,672,500

The Queen Elizabeth II Medical Centre Trust
Notes To The Financial Statements
For the Year Ended 30 June 2005

	2005 \$	2004 \$
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NOTE 27

FINANCIAL INSTRUMENTS

The Trust's exposure to interest rate risk and the effective interest rates on financial instruments at the reporting date are:

	Weighted Average Rate		
Financial Assets			
<u>Cash resources</u>			
Floating		352,571	88,194
Fixed:			
- Less than 1 year	5.57%	1,493,164	1,990,027
- 1 to 5 years			
- More than 5 years			
<u>Accounts receivable</u>			
Fixed:			
- Less than 1 year		117,119	182,726
- 1 to 5 years			
- More than 5 years			
Total financial assets		1,962,854	2,260,947

Financial Liabilities

Accounts payable

Fixed:			
- Less than 1 year		84,893	52,719
- 1 to 5 years			
- More than 5 years			
Total financial liabilities		84,893	52,719

Credit risk

All financial assets are unsecured. Amounts owing by other government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of other financial assets the carrying amounts represent the Accountable Authority's maximum exposure to credit risk in relation to those assets.

Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

NOTE 28

CAPITAL USER CHARGE

7,062,000	6,559,920
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A capital user charge rate of 8% has been set by the Government for 2004/05 and represents the opportunity cost of capital invested in the net assets of the Trust. used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis by the Department of Health on behalf of the Trust.

The Queen Elizabeth II Medical Centre Trust
Notes To The Financial Statements
For the Year Ended 30 June 2005

	2005	2004
	\$	\$

NOTE 29

NET LOSS ON DISPOSAL OF NON-CURRENT ASSETS

Loss on disposal of non-current assets

Plant & equipment	530	
Computing equipment	-	1,126
Net Loss	530	1,126

NOTE 30

SERVICE APPROPRIATIONS

7,908,000 8,259,920

Service appropriations are accrual amounts reflecting the full cost of services delivered. The appropriation revenue comprises revenue for the capital user charge and a receivable (asset). The receivable comprises the estimated depreciation expense for the year.

NOTE 31

IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

Australia is adopting the Australian equivalents to International Financial Reporting Standards (AIFRS) for reporting periods beginning on or after 1 January 2005. The Queen Elizabeth II Medical Centre Trust will adopt these standards for the first time for the year ended 30 June 2006.

AASB 1047 'Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards' requires disclosure of any known or reliably estimable information about the impacts on the financial statements had they been prepared using AIFRSs.

The information provided below discloses the main areas impacted due to effects of adopting AIFRSs. Management have determined the quantitative impacts using their best estimates available at the time of preparing 30 June 2005 financial statements. These accounts may change in circumstances where the accounting standards and/or interpretations applicable to the first AIFRS financial statements are amended or revised.

(a) Reconciliation of total equity as presented under previous AGAAP to that under AIFRS:

	30 June 2005	1 July 2004
	\$	\$
Total equity under previous AGAAP	21,206,004	86,622,550
Nil adjustments		
Total equity under AIFRS	21,206,004	86,622,550

(b) Reconciliation of surplus/(deficit) for the period as presented under previous AGAAP to that under AIFRS:

	30 June 2005
	\$
Surplus/(deficit) for the period under previous AGAAP	-65,416,546
Nil adjustments	
Surplus/(deficit) for the period under AIFRS	-65,416,546

(c) Statement of Cash Flows

No material impacts are expected from adopting AIFRS with respect to the Statement of Cash Flows.

Queen Elizabeth II Medical Centre Trust

ESTIMATES OF FINANCIAL OPERATIONS 2005/2006

In accordance with Section 42 of the FAAA, the following estimates for 2005/06 are to be submitted to the Minister for approval.

	\$
Salaries and Wages	1,030,000
Other Goods & Services	901,500
Depreciation	512,000
Capital User Charge	1,800,000
Total Expenditure	4,243,500
Parking Fees	1,480,000
Other Revenue	451,500
Capital User Charge	1,800,000
Appropriation	512,000
Total Revenue	4,243,500

STAFFING (FTE's)

Number

All Staff FTE's	19.0
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