Queen Elizabeth Centre

Annual Report
2020–21

QEC acknowledges all Aboriginal and Torres Strait Islander peoples as traditional owners of the lands on which we walk, live and raise our children.

We pay our respects to traditional owners past, present and future.

We acknowledge the importance of children being raised with connections to culture, community and family.

Contents

1. President and Chief Executive Officer Report

QEC has a long, proud history of developing and sustaining genuine partnerships with families, communities, sector colleagues and beyond. The past year has been no exception, as we continue to work together to enable improved outcomes for children and their families across Victoria. We believe that genuine, effective collaboration works to enable community self-determination and increase system and sector efficiency.

Through our innovative Model of Care and Practice Framework, QEC prioritises partnerships with the families we care for, to ensure that infants and young children are safe, connected, healthy and growing.

Our relationships with Aboriginal and Torres Strait Islander communities have continued to strengthen and thrive, building cultural competence to ensure our services are appropriate for and acceptable to the community, whilst enabling us to better understand and respond to the needs and priorities of Aboriginal and Torres Strait Islander families. Our deep commitment to working with Aboriginal and Torres Strait Islander families, communities and organisations is driven by a passion for improving long-term outcomes for children.

Over the past year, the success of QEC's sector-wide partnerships has resulted from a value base that ensures: a clear shared purpose, careful planning, ongoing monitoring and a strong commitment from all parties. We were exceptionally pleased to extend our partnerships with the Victorian Department of Health, the Department of Fairness, Families and Housing, the Victorian Aboriginal Child Care Agency, Ramahyuck District Aboriginal Corporation and MacKillop Family Services.

We welcomed new collaborations with a range of organisations and communities. A strong partnership with Monash University, co-funded by QEC and the Department of Health is enabling us to lead the development of an Outcomes Framework on behalf of all Victorian Early Parenting Centres. As our sector grows we will clearly and collaboratively demonstrate the impact of services for Victorian families. This project is the first in a number of initiatives that will enable QEC to translate research outcomes and evaluation into service delivery, build internal capability and further improve our services

The Victorian Government's much anticipated expansion of the Early Parenting Centre network has facilitated the development of robust and supportive relationships with Monash Health and Ballarat Health Services. QEC is honoured to be afforded the opportunity to support these services (and their communities) to ensure every child is given the best start in life.

Over the past year, QEC has invested strongly in our people, by ensuring our staff teams and leadership group have the support and resources they need to come to work (onsite or remotely), stay safe and deliver outstanding care to our families. Without the wellbeing, vitality and commitment of our people, we could not implement our strategy to achieve our vision.

Like all years, we farewelled some and welcomed others. At the Board, we farewelled Caroline Mulcahy and Emily Maguire; we welcomed Liz Murdoch and Julie Green.

Sue White, Chief Executive Officer together with the Executive Team of Helen Cunningham, Sam Corrigan, Casey Hepburn and Greg McNally have led QEC through another extraordinary year with commitment and good humour. The QEC Board (ably supported by Dorella Mohun) has provided strong support, strategic direction and leadership.

In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for the Queen Elizabeth Centre for the year ending 30 June 2021, and encourage you to read about the achievements of this year and our planning for the future.

Sandy Bell
Board President
Queen Elizabeth Centre
25h August 2021

Sue White
Chief Executive Officer
Queen Elizabeth Centre
25th August 2021

2. Board, Committees and Executive

Ms Sandy Bell

Board President

BA, MPPM, GAICD

Sandy has more than 30 years' experience in the Victorian health sector and since February 2019 has been Director Strategy, Planning and Performance at the Royal Women's Hospital. Sandy has served on a number of not for profit and public sector Boards in the areas of women, housing, community and health. Sandy joined the Queen Elizabeth Centre Board in 2017 and has been Board President since July 2018. She is a member of the Strategy, Governance & Remuneration Committee and Quality, Risk & Clinical Governance Committee. Board meeting attendance for the period was 100%.

Mr Warwick Spargo

Vice President

FCPA, IIA, CFE

Warwick has a 32-year career in public sector auditing and is currently an Audit Partner at RSM Australia. Warwick specialises in public sector governance, financial reporting and risk management and is a Certified Fraud Examiner. Warwick is an independent member of the Academic Board of the Melbourne Institute of Technology. He joined the QEC Board in 2013 and is currently Chair of the Audit, Finance & Infrastructure Committee. Warwick is also a member of the Wendy Spry & Frank Slutzkin Research Fund Committee. Board meeting attendance for the period was 100%.

Ms Karen Janiszewski

Board Member

B.Sc (Building), Grad Dip (Property), FAICD

Karen has 35 years of construction and development experience in private and public companies, state and local government and not for profit organisations. Karen is a Fellow of the Institute of Company Directors. Karen is a professional non-executive director with positions on government, private and not for profit boards. She has had numerous roles as a non-Executive Director and is the current Chair of Royal Melbourne Showgrounds. She joined the QEC Board in 2015 and is a member of the Audit, Finance & Infrastructure Committee and the Wendy Spry & Frank Slutzkin Research Fund Committee. Board meeting attendance for the period was 100%.

Mr Graham Giannini

Board Member

B.Ec, Grad Dip CDC (AICD), Grad Dip Strat Mktg (IMIA), Grad Dip SIA, Bus Cert Ins, FAICD, FFinSIA, FCLP, Snr Assoc AGSL

Graham is a management consultant and business advisor who has also worked extensively in senior executive roles across the private and public sectors within Australia and abroad. He is an experienced change leader and business improvement practitioner. Graham is also the Deputy Chair of Business Excellence Australia. He joined the QEC Board in 2015 and is a member of the Audit, Finance & Infrastructure Committee and the Strategy, Governance & Remuneration Committee. Board meeting attendance for the period was 83%.

Ms Catherine Ho

Board Member

B Economics, Grad Dip Applied Finance, ACA, GAICD

Catherine's commercial career spans over 22 years in Australia and internationally, working with some of Australia's largest companies including AXA, Members Equity Bank and PricewaterhouseCoopers. Catherine is presently Executive Director Finance and Business Services at CenITex, focusing on transformation, governance and business improvement processes. She is also an independent member of the WNBL Melbourne Deakin Boomers finance committee. She joined the QEC Board in 2017 and is a member of the Audit, Finance & Infrastructure Committee and the Strategy, Governance & Remuneration Committee. Board meeting attendance for the period was 100%.

Ms Rosemary Bryant-Smith

Board Member

BA/LLB (Hons), Postgraduate Banking Law, AICD

Rosemary Bryant-Smith was a Director of Worklogic, a workplace consulting firm with offices in Melbourne and Sydney, and a Senior Fellow of Melbourne Law School. Rose has been a professional non-executive director since 2007 in the healthcare, social housing and women's services sectors. She joined the QEC Board in 2017 and is a member of the Audit, Finance & Infrastructure Committee and the Strategy, Governance & Remuneration Committee. Board meeting attendance for the period was 100%.

Mr Frank Gullone

Board Member

B. Bus. (Acc.), Grad. Dip. SI (App. Fin. & Inv.), AMP (Harvard), FAICD, FCPA

Frank has over 35 years' experience in financial services and a number of other diverse industries. Frank is currently Chair of Indue Limited. He is also Chair of the strategic management consultancy, Gullone Group Consulting and advises leaders of organisations on strategy, leadership and governance. He joined the Board in 2017 and is the Deputy Chair of the Audit, Finance & Infrastructure Committee and a member of the Strategy, Governance & Remuneration Committee. Board meeting attendance for the period was 100%.

Ms Catherine (Cate) Grindlay

Board Member

Grad. Cert. – Health Consumer & Community Engagement, Masters - Healthcare Leadership, Governance Foundations – AICD, Grad. Dip. – Advanced Clinical Practice (Nursing/Midwifery)

Cate is the Executive Director of Nursing and Clinical Services for Marie Stopes Australia. She began her career as a registered nurse and midwife, and has since worked in indigenous health, worker's compensation, private health insurance, medico-legal, community health and primary care sectors. Cate brings to the role extensive experience in stakeholder engagement, change management and clinical quality, safety and governance. Cate joined the QEC Board in 2018 and is the Chair of Quality, Risk & Clinical Governance Committee. Board meeting attendance for the period was 100%.

Ms Colleen Hartland

Board Member

Colleen Hartland was raised in Morwell and has lived in Footscray for the past 30 years; she has been involved in a number of campaigns to improve the lives of residents in her community. Colleen worked in a range semiskilled jobs until she went to Victoria University at the age of 40 to study community development. She then work for Western Region Health Centre in the Older Persons High Rise program. Colleen has been a councillor at the City of Maribyrnong served for 11 years in the Victorian Parliament as a MLC for the Western Region. She joined the QEC Board in 2018 and is a member of the Quality, Risk & Clinical Governance Committee. Board meeting attendance for the period was 100%.

Ms Lesley Podesta

Board Member

BA of Arts, Master of Arts Psycho-Social Research (prelim)

Lesley Podesta was the CEO of the Alannah & Madeline Foundation from 2016 to 2021. In July 2021 Lesley commenced as Head of Government Relations at Phoenix Australia, Centre for Post Traumatic Mental Health, University of Melbourne. She is the Chair of the Advisory Board Young & Resilient Centre at University of Western Sydney and a board member of UNICEF Australia. Prior to joining the not-for-profit sector, Lesley had a long career in State and Commonwealth government and worked extensively across the Commonwealth in a number of senior executive roles. She joined the QEC Board in 2019 and is a member of the Strategy, Governance & Remuneration Committee. Board meeting attendance for the period was 100%

Professor Julie Green

Board Member

PhD, MPH, Grad Dip Adult Ed, Cert Midwifery, Cert Nursing, GAICD

Prof Julie Green has more than four decades of a combination of clinical, research and policy experience in the Australian child and family health and community sector resulting in a deep understanding of the continuum from primary prevention to tertiary health care. Julie was previously Executive Director of raisingchildren.net.au, an Australian government-funded, evidence-based website for parents and professionals working with parents, children and families. Julie is Honorary Research Fellow at the Murdoch Children's Research Institute, Adjunct Professor, School of Social Sciences, Western Sydney University, and Principal Fellow, Department of Paediatrics, University of Melbourne. Julie has also served on a number of committees and advisory groups in the areas of parenting, child safety, child mental health, research and ethics, and digital technologies. Julie joined the QEC Board in July 2020 and is a member of the Quality, Risk & Clinical Governance Committee. Board meeting attendance for the period was 100%.

Ms Liz Murdoch

Board Member

BA, B.Ap.Sc. (Speech Path), Grad Dip Health Services Management, Grad Cert Health Systems Management, GAICD

Liz Murdoch is the Deputy Chief Executive Officer at Goulburn Valley Health. With a background in health that spans over 30 years, Liz has undertaken numerous executive, management and practitioner roles within the health care industry. Trained as a Speech Pathologist, Liz has worked in senior clinical and executive operational management roles at a number of public health services in Melbourne. Prior to her current appointment at Goulburn Valley Health, Liz was the Divisional Director of Medical Services at Austin Health. Liz has also worked as a lecturer and clinical education coordinator, and in a clinical advisory role on the new Royal Children's Hospital. Liz has a strong interest in partnering with consumers – from Board to bedside – to get great outcomes. Liz joined the QEC Board in July 2020 and is Chair of the Quality, Risk & Clinical Governance Committee. Board meeting attendance for the period was 83%.

The work of the QEC Board is well supported by a number of Committees:

Strategy, Governance and Remuneration Committee

Chair	Sandy Bell (Board President)
Members	Rosemary Bryant-Smith Graham Giannini Frank Gullone Catherine Ho Lesley Podesta

Audit, Finance and Infrastructure Committee

Chair	Warwick Spargo
Deputy Chair	Frank Gullone
Members	Karen Janiszewski Catherine Ho Rosemary Bryant-Smith Graham Giannini

Quality, Risk and Clinical Governance Committee

Chair	Cate Grindlay
Members	Colleen Hartland Sandy Bell Liz Murdoch Prof Julie Green

Wendy Spry & Frank Slutzkin Research Fund Committee

Board Members	Warwick Spargo Karen Janiszewski
External Members	Bruce Morley Campbell Paul Ian Ross

The Executive Team make a significant contribution to QEC:

Chief Executive Officer
Sue White

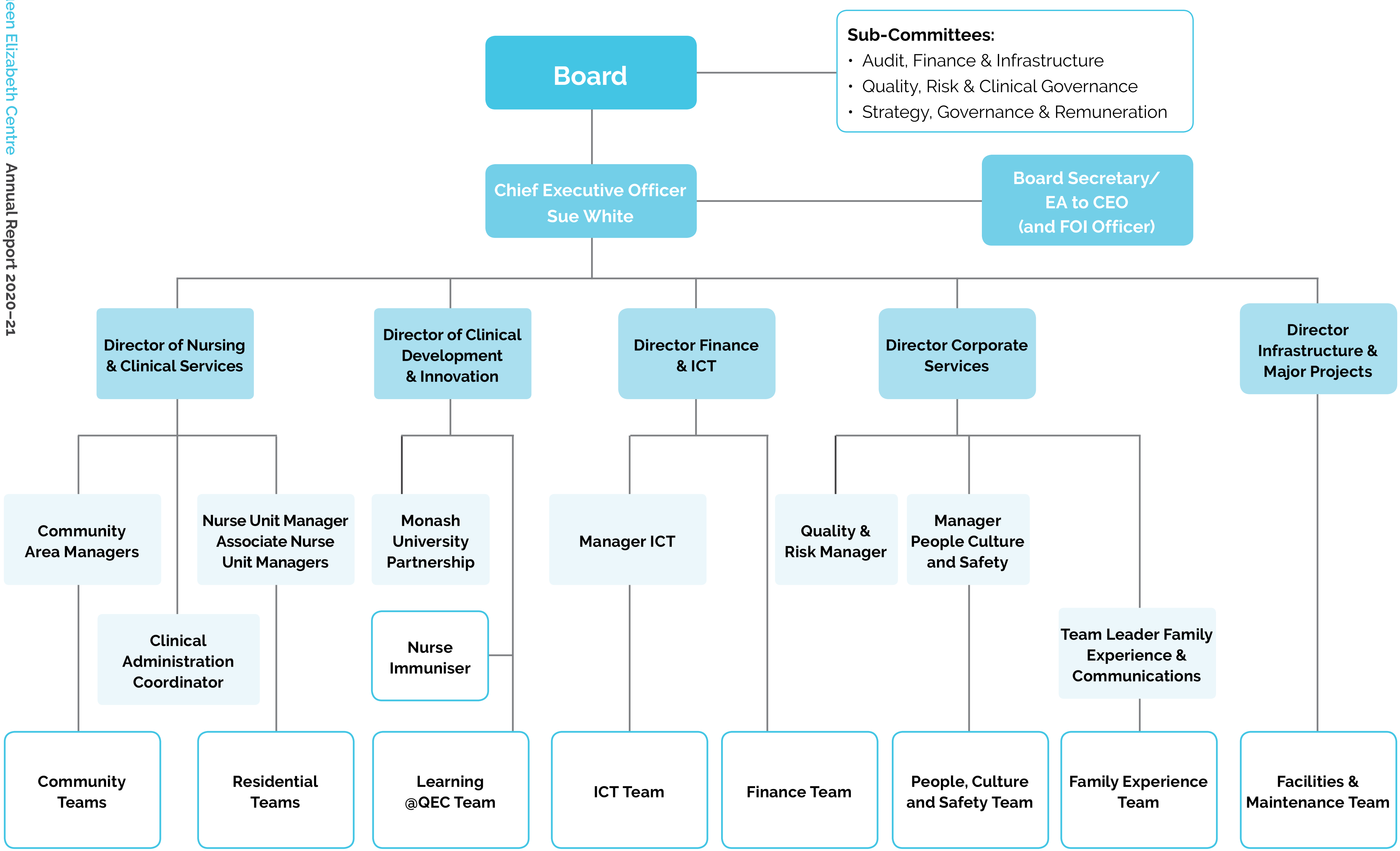
Director of Corporate Services
Casey Hepburn

Director of Finance and ICT
Sam Corrigan (until mid-2021) and Owain Hughes

Director of Infrastructure and Major Projects
Greg McNally

Director of Nursing and Clinical Services
Helen Cunningham

3. Organisational Chart



4. Vision, Mission, Values and Strategic Plan

QEC's vision, mission and values underpin every aspect of our work.

Vision

For children to get the best start in life

Mission

Inspiring confident, capable communities that enable children to thrive

Values

Respect We respect the feelings and beliefs of others

Teamwork We listen to, acknowledge and accept others in our team

Integrity We approach others with fairness, honesty and openness

Excellence We strive for excellence and quality in everything we do

Resilience We are positive in our approach to all challenges

Our Strategic Plan 2019–2022 provides a roadmap for delivering our vision and mission:

Strategic Priorities			
Children, Families & Communities *Infants, children, families and their communities are at the centre of everything we do*	**Leadership & Collaboration** *Our leadership and partnerships ensure all children are afforded the best start in life*	**Sustainability** *We are able to provide enduring support to families now and into the future*	**People & Culture** *Our people are essential to providing, innovative, high quality care that enables children to thrive*
Strategic Goals			
QEC delivers optimal outcomes – ensuring children are safe, secure, connected and healthy. QEC delivers positive service experiences that encompass the diverse needs of all children, families and communities. QEC respects and responds to the unique strengths and experiences of Aboriginal families and children in everything we do.	QEC provides policy leadership, exerts influence and demonstrates best practice. QEC partners effectively with a wide range of stakeholders to: – maximise effectiveness and reach; – increase thought leadership across the sector. QEC programs are informed by families' experiences and other evidence, ensuring innovative, child-centred, program designs.	QEC delivers exceptional care, supported by fit-for-purpose and contemporary systems, services, assets, and infrastructure. QEC is financially viable and resilient, with diversified revenue, and the ability to invest in future priorities. QEC delivers value based care that is: effective, efficient and sustainable into the future.	QEC has a positive culture that is aligned to – and enabling of – our vision, mission and values. QEC staff are supported by a working environment that is inclusive, safe, tolerant, engaging and enabling. QEC has a working environment that embraces learning, sharing new ideas and continuously improving our services.

5. Services and Programs

QEC offers a range of services to meet the needs of families and communities. Our programs are flexible, responsive and evidenced informed, ensuring each family's experience aligns with their needs and goals. Services are available via face to face or telehealth modalities:

Assessment and Intake: Staffed by experienced clinicians providing support and brief interventions for families and linking them to service options, ensuring the right program at the right time.

Day Stay: Single day program incorporating intensive, practical parenting education and support, prioritising families with children up to the age of 14 months with issues relating to feeding, sleep and settling.

Residential: Two to four night residential program prioritising families with children under 4 years of age experiencing challenges with parenting.

PlaySteps: Relationship based parenting program focusing on enhancing interactions between children and their parents, via a weekly, structured group format.

Parenting Plus: Home-based, intensive parenting skills development program.

Parenting Assessment and Skills Development: Intensive parenting assessment and skills development program for families who are referred through the Child Protection system, delivered in residential and / or home based settings.

Individual Child and Family Support: Home based program providing responsive, needs based support to vulnerable children and families that can flex up and down as families' needs change.

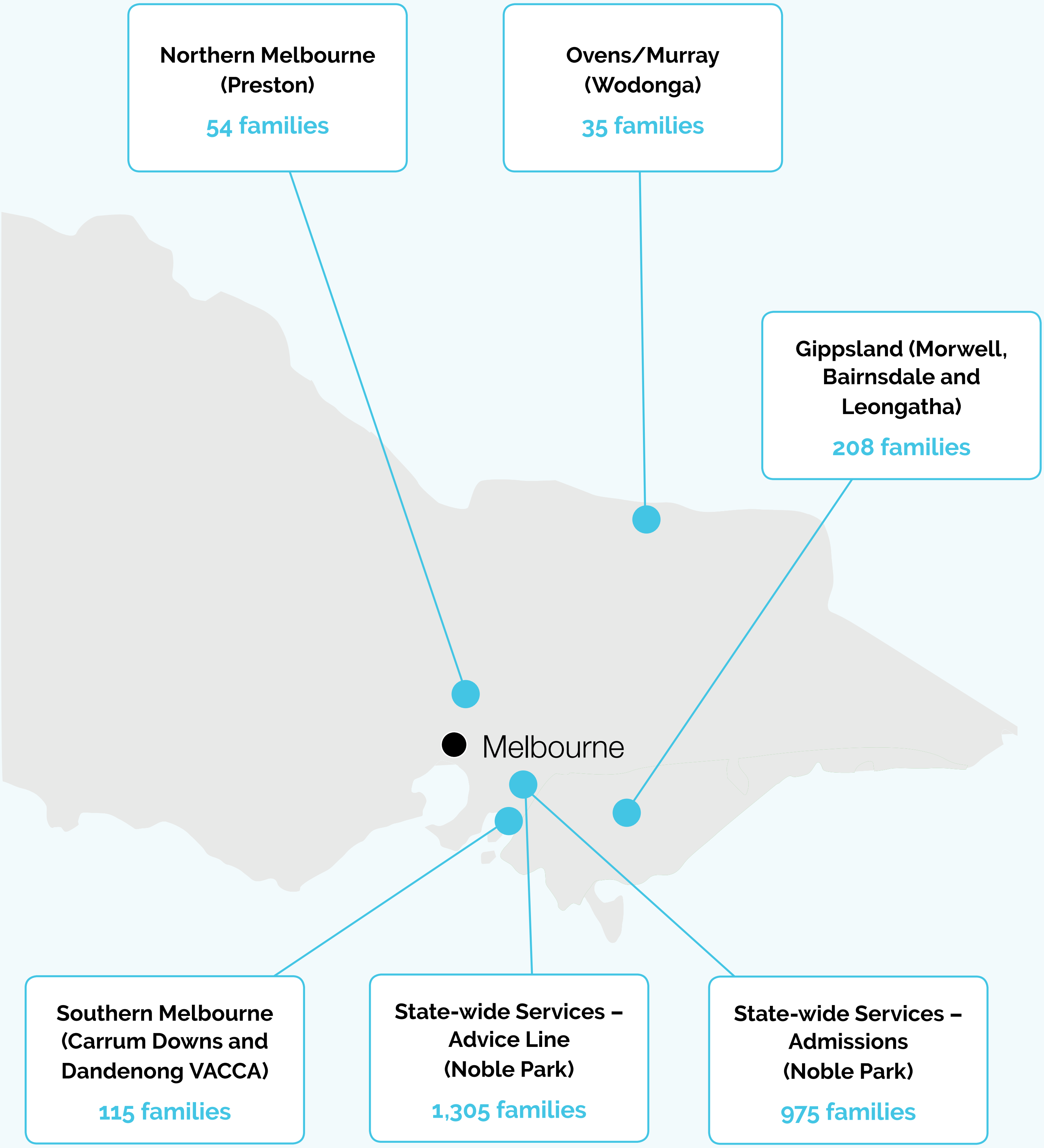
Sleep and Settling Home Visiting: In-home program designed to support families with significant sleep challenges, attachment concerns and other risk factors.

Stronger Families: Intensive home based support service for families with children at risk of (or who have recently been placed in) out of home care.

Cradle to Kinder: Long term ante / postnatal case work service that provides support to young mothers under the age of 25 years and their children.

Family Preservation and Reunification: Pilot program delivered in partnership with MacKillop Family Services, providing intensive support for families with children at risk.

During 202–21, QEC was proud to provide services from a range of locations across Victoria. Over the past year, 2692 families completed a program.



6. Strategic Plan Progress Report

6.1 Children Families and Communities: Infants, children, families and their communities are at the centre of everything we do

a. Model of Care

QEC's Model of Care and Practice Framework provide an innovative, evidence based method of conceptualizing, delivering and measuring QEC's clinical services.

These resources, describing 'what we do' and 'how we do it', are informed by research, evidence, contemporary best practice and relevant legislative and regulatory frameworks. The four pillars in our Model of Care identify key priorities that enable children to have the best start in life:

- **Nurture** All children will be connected
- **Protect** All children will be safe
- **Grow** All children will be healthy
- **Thrive** All children will achieve their potential.

VISION: For children to get the best start in life

MISSION	AIM	APPROACH	PRACTICE	OUTCOMES
To inspire confident, capable communities that enable children to thrive	To build strong relationships between children, caregivers, families and communities that enhance: Capacity Confidence Cultural Safety Opportunity Knowledge Health Safety Security Skills Stability Wellbeing	QEC provides flexible, accessible and responsive care, incorporating the following elements: Duration and intensity adapted to meet individual need Provided across a range of settings: residential, site based, in home or at community agencies. Needs based support, offered via individual or group interventions Supported by a research informed and evidence based practice framework Underpinned by Family Partnership Model	QEC's Practice Framework is centred around four Practice Pillars: Nurture Protect Grow Thrive	All children will be: **Connected:** By enhanced infant/child-parent relationships To culture and community **Safe:** Enhance protective factors and lessen risk **Healthy:** Optimal health and wellbeing **Growing:** Improved cognitive, physical and socio-emotional growth and development

QEC has a skilled, multidisciplinary workforce who work in a child centred, strengths based partnership approach by building genuine and respectful partnerships with parents in order to work towards achieving improved outcomes for children and their families.

VALUES: Respect | Teamwork | Integrity | Excellence | Resilience

Each pillar has its own set of skills, knowledge, evidence, resources and measures. Embedding the Model of Care and Practice Framework has been a key focus of QEC's clinical staff development over the past year, providing a solid base for scalability and expansion of clinical services.

b. Supporting Aboriginal Children and Families

QEC's Reconciliation Action Plan is a formal commitment to reconciliation that recognises the strength, diversity and resilience of Aboriginal and Torres Strait Islander peoples and their families. The majority of actions and deliverables in our first RAP have been achieved, with highlights including:

- ✓ Whole of workforce cultural training
- ✓ Extended partnerships with Aboriginal Community Controlled Organisations
- ✓ Cultural resources purchased for each QEC site and staff member
- ✓ Celebration of key events such as Aboriginal Children's Day and NAIDOC week
- ✓ Aboriginal artwork sourced for all sites
- ✓ Revised Acknowledgement of Country developed and endorsed by the QEC Board.

In 2021, we commenced the development of our next plan – an "Innovate" RAP, through extensive consultation with staff, our leadership team and our board.

c. Family Partnerships

QEC strongly believes that consumers have the right to be included in decisions which impact on their health; we recognise families as valuable partners in improving our services. QEC's Consumer Participation Policy and Plan provide the framework for our approach. In 2020/21, our Consumer Participation initiatives included:

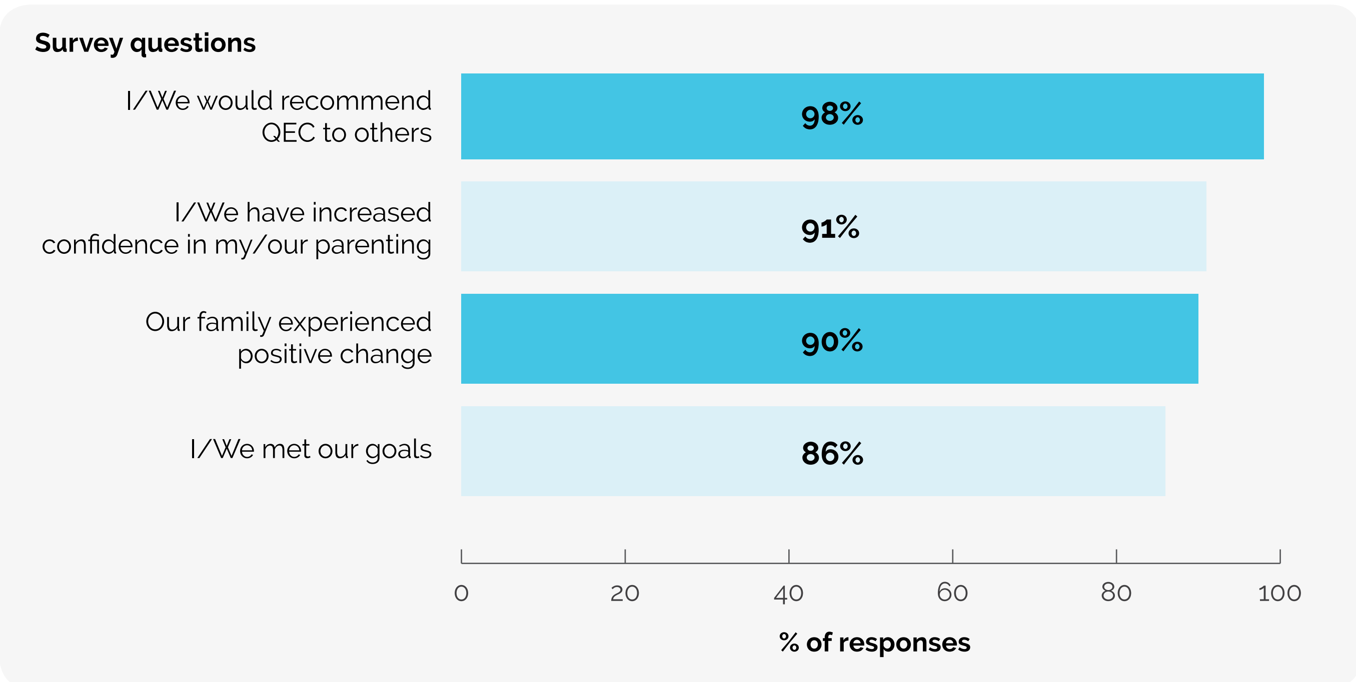
- Consumer advisory group
- Consumer online panel
- Consumer involvement in employee interview panels
- Specific consultations / project involvement
- Consumer feedback and exit surveys.

Over 2020 and 2021, QEC has undertaken formal consumer consultations regarding a range of important issues:

- COVID-19 service adaptations
- Responding to the unique needs of toddlers
- Supporting fathers / male carers in parenting
- Information sharing procedures and processes
- Monash Uni research partnership priorities
- Noble Park refurbishment plans.

During March / April 2021 our new **Welcome to QEC** video was made. The video was initiated by parents from our Client Advisory Group, when they shared their experiences of apprehension about coming into an unfamiliar residential environment. The video outline, script and edits were overseen by our consumer group.

The feedback below from consumers remains extremely positive, demonstrating consistently high service outcomes and experiences. Satisfaction with new telehealth programs is also positive.



QEC also receives numerous compliments and reviews; a sample of this feedback is provided below:

"I went to QEC with a daughter who woke every hour and required a feed to sleep… I was exhausted, felt like I was failing as a parent, lacked confidence in my parenting, and was wondering how I could continue.

Today, I leave QEC after a full night's sleep, with a confident, happy child who knows the boundaries, feeds, plays, then sleeps!

Words cannot explain how thankful I am for this program and all your lovely staff. This is truly a game changer. Thank you, thank you, thank you QEC!!!"

"WOW! What an amazing experience my 13 month old daughter and I had at QEC! The program is so efficiently run and the staff are extremely knowledgeable, friendly and supportive! You can tell that they really love their job and that they are committed to helping & supporting you to reach your goals.

I went there exhausted, sleep deprived and stressed… and I came out feeling so refreshed and more importantly with a whole lot of tools that I didn't have before! Tools that actually 100% work!

The transformation is life changing for us and I cannot thank the wonderful staff who supported us enough! I only wish that I had known about this centre earlier! Thank you – we are so very grateful."

"When I first heard I had to complete this program, I must admit, as a father, I was hesitant… I thought they would not understand me. However, the staff were absolutely fantastic and very friendly. Not only were they lovely to me and my child, they understood our relationship and really allowed us to just be us.

I now know my parenting is good and I have a lot more confidence in what I'm doing.

I honestly can't recommend this program enough to any parent.

I want to say a big thanks to all the staff at QEC for making our stay so enjoyable and comfortable."

d. Family Preservation and Reunification Pilot Project

The 12 month "Family Preservation and Reunification" pilot was designed by the Department of Families, Fairness and Housing to test new ways of supporting families experiencing high levels of vulnerability. QEC partnered with MacKillop Family Services (consortia lead) to successfully bid for contracts in 5 regions across Victoria. This has enabled an additional 125 vulnerable families to access our expert early parenting supports. In August 2021, the Family Preservation and Reunification pilot was expanded across Victoria.

e. Gippsland Sleep & Settling Pilot

The Gippsland Sleep and Settling program provides early, home-based interventions for children with sleep and settling difficulties, via tailored education to support the family achieve their parenting goals.

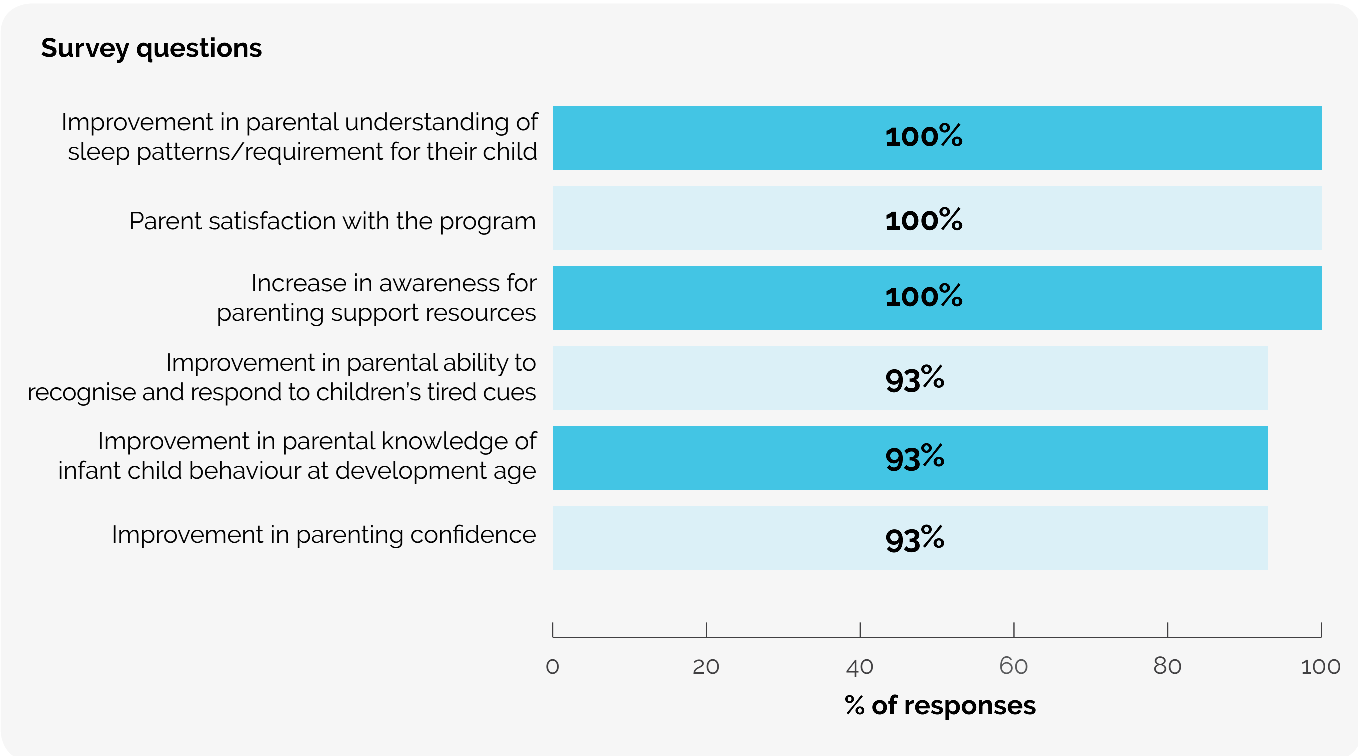
Comprised of 40-hours of home visits over a 7 week period, the aims of the program are to:

- Increase parent understanding of children's sleep requirements
- Increase parent knowledge of children's tired cues
- Increase parenting confidence in preparing children for sleep
- Increase parenting knowledge in responsive settling
- Increase parent confidence in applying an appropriate responsive settling
- Increase parent knowledge of how to access support.

In 2020, a program evaluation was completed by an independent consultant, with the following, extremely positive findings:

The evaluation was provided to the government – the program was successfully refunded for the 2020/21 year.

QEC Gippsland Sleep & Settling Pilot Program Evaluation



f. Improving Access Project

QEC recently contracted a demand management / workflow consultant to scope a variety of process improvements, with a view to increasing access to clinical services. Utilising LEAN methodologies, the project included a review of processes and administration tasks associated with referrals to Noble Park programs, with focus on:

- Identifying processes for admitting and discharging families to Day Stay, Residential and Telehealth programs
- Analysing these processes and identifying the appropriate resources required
- Understanding the inter-dependencies and workflow in the tasks involved.

The project was completed in mid-May; the report made the following key recommendations:

I. Reduce duplication of processes

II. Improve documentation – review existing guidelines to increase clarity re roles and processes

III. Establish a pre-admission process – to reduce workload on admission day

IV. Review and streamline all information collected throughout the family's journey

V. Improve consistency in language and terminology.

An internal working group has been established to work through these proposed improvements.

g. Mental Wellbeing Services

QEC provides mental wellbeing services to families engaged in programs at our Noble Park site. This includes access to in-house Psychologists, Art Therapists and Mindfulness Coaches. In 2020-21:

- 220 families engaged in individual Psychologist appointments
- 276 families engaged in individual Art Therapist and / or Mindfulness Coach sessions

A total of 496 hours of care were provided to families over the past year via these services.

h. COVID-19

The COVID-19 pandemic had a significant impact on the families we serve – many of whom reported increased levels of stress, anxiety and disrupted family functioning.

In response to the pandemic, QEC continues to provide flexible, adaptable service responses that carefully balance community risk and need. A range of measures enable a safe, supportive environment for our employees and the families we support:

- Additional staff training: infection control, hand hygiene, and COVID-19
- Workplace physical distancing and remote working arrangements
- Screening for all staff, families, contractors and visitors
- Increased environmental cleaning
- Additional PPE and hand hygiene resources
- Promotion of immunisation uptake
- Modified group activities and minimise use of communal areas
- Increased communication with stakeholders
- Introduction of new service modalities, such as telehealth.

To augment face to face support, 8939 telehealth appointments were conducted via the Healthdirect video platform and telephone over the past year.

Strategies are regularly reviewed and adjusted in response to pandemic behaviour and Government advice. During 2020-21, there were no known COVID-19 cases at QEC sites.

6.2 Leadership and Collaboration: Our leadership and partnerships ensure all children are afforded the best start in life

a. Monash University Partnership

QEC has made a significant investment in an ongoing relationship with Monash University to enable us to:

- Access to high level research and evaluation expertise
- Undertake evaluation projects in a sustainable, cost efficient way
- Develop implementation science to adopt findings
- Build internal capacity in the research / evaluation arena
- Develop a strategic, longer term approach to research and evaluation
- Participate in research communities of practice
- Access industry partnership grants
- Embed a Monash University Post-Doctoral Research Fellow at QEC 20 hours / week.

This partnership is led by Professor Helen Skouteris and Dr Mandy O'Connor from The Monash University Health and Social Care Unit, Public Health and Preventive Medicine Department.

As part of this partnership, QEC and Monash University have been funded by the Victorian Department of Health and the QEC WSFS Committee to lead the development of an Outcomes Framework on behalf of all Victorian Early Parenting Centres, specifically:

- Develop an outcomes framework to measure the impact of the work of Victorian Early Parenting Centres
- Develop a roadmap to embed implementation science around the outcomes framework – to ensure an effective and sustainable model
- Increase capacity across the sector in building implementation science and outcome measurements.

Key approaches include:

- Utilising a consumer and community involvement framework to guide this work – to ensure we are delivering services and programs that meet the unique needs of the families
- Developing a close alignment between EPCs, M&CH and other service systems and fostering opportunities to ensure a seamless network of support for families
- Engaging the voice of Aboriginal communities, families and organisations throughout the entire project
- Ensuring a diversity and inclusion lens is applied to the project to engage with a variety of communities: specifically LGBTIQ+ families, CALD communities and people with disabilities
- Undertaking extensive qualitative and quantitative work that encompasses: priority setting, needs assessments, program logics and goals – ensuring families experiences and needs are represented and driving the agenda for design and transformation.

b. Research Projects

QEC has been involved in a number of other research projects over the past year:

Delphi Study

The Delphi Study was conducted by the Parenting Research Centre on behalf of the Victorian Department of Families, Fairness and Housing. The project draws on the knowledge and experience of a panel of experts to build consensus on contemporary best practice in telepractice to support vulnerable families. QEC was invited to take part in this research project and participate on the expert panel. The findings from this study are being used to inform the development of a "Best practice guide to tele-practice in family support".

Primary Prevention and Sexual Violence and Harassment Project

Funded by the Federal Department of Social Services, La Trobe University are undertaking this project that aims to produce an evidence base to inform the design of targeted primary prevention activities for sexual violence and harassment, and inform longer term government policy addressing primary prevention. QEC was invited to a project governance group focusing on primary prevention in early education, parenting and young people.

Voice of the Parents Project

Funded by Gandel Philanthropy and Equity Trustees, the Voice of Parents project is a two-year project led by the Centre for Excellence in Child and Family Welfare. The project aims to develop a model for parent voices to be heard and provide a framework and tools to enable government and the child and family services sector to engage with parents in the development, design and delivery of services to support them and their children. Hearing parents' voice, understanding what matters and embedding a model for parents' participation is critical to improving outcomes for families and enabling children to thrive. QEC was appointed to the project Reference Group.

Young parents with experience of the care system

QEC was approached to participate in the Australian Research Alliance for Children and Youth Research Project "Young parents with experience of the care system" research project, as an expert stakeholder. International and Australian research shows that a substantial proportion of young people leaving care become parents under the age of 20 years. The project explores ways to mitigate early parenthood among young people with experience of the care system, as a driver of further contact with the child protection system. This research will be used to inform future policy and the revised National Framework for Protecting Australia's Children.

Mental Health Literacy Project

Raising Children Network is creating a new digital platform that will proactively connect parents with reliable resources on infant and child mental health. The project aims to promote parents' mental health literacy through building knowledge and confidence regarding the social and emotional wellbeing of children from birth to 12 years of age. Raising Children Network has appointed a QEC Executive to the project reference group, as an expert in the field of child and family health, development and wellbeing.

c. Embracing Equality Pledge

On IDAHOBIT Day (17th May, 2021), QEC joined sector partners and signed the Embracing Equality Pledge. The pledge aims to build a better understanding of intersectionality, building relationships with LGBTIQ+ communities, and ensuring safe and culturally appropriate services for LGBTIQ+ people.

d. QEC Sensory Garden – Landscape Architecture Award

The Australian Institute of Landscape Architecture awarded Jeavond Landscape Architects the 2020 Victorian Landscape Architecture Award (Health and Education Category) for their design of QEC's sensory garden. The sensory garden was constructed approximately 4 years ago and remains an important part of our Noble Park program experience.

6.3 People and Culture: Our people are essential to providing, innovative, high quality care that enables children to thrive

a. Leadership Team Development

QEC continues to support employee development at all levels of our organisation, acknowledging this essential component in providing safe, effective quality care to the families we serve. The LIFT (Leadership, Innovation, Family-Focus, Teamwork) was developed to support QEC managers contributing to clinical service delivery. The program provided an engaging and impactful development experience that incorporated a range of targeted leadership and team development strategies. The program outcomes included:

- ✓ Increased self-awareness of leadership style, thinking and behaviours
- ✓ Enhanced professional connections amongst the team and with key stakeholders
- ✓ Enhanced coaching and people development tools and skills
- ✓ Greater understanding of wellbeing and tools to enable resilience in self and others
- ✓ An effective balance of operational and strategic leadership
- ✓ An increasingly aligned and engaged leadership team culture.

b. Family Experience Team

In 2020, the new Family Experience Team was established at QEC. Consisting of a team of experienced Family Liaison professionals, the Family Experience team have contributed to significant service and process improvement, through direct support of clinical teams and providing exceptional customer service to families through:

- ✓ Efficient processing of client family referrals
- ✓ Streamlined administrative support for assessment and intake of referrals
- ✓ Providing close communication and support to families prior to admission to programs, to warmly welcome families and answer any queries pre-admission.

c. Health and Wellbeing Program

QEC's new Health and Wellbeing Program aims to support a healthy and engaged organisational culture; the program includes a range of tangible benefits for employees such as:

- Discounted gym memberships
- Physical activity challenges
- Discounted yoga & meditation
- Healthy meal options
- Subsidised social opportunities
- Links to health information.

This initiative continues to build QEC's strong culture – and support employee satisfaction, engagement, attraction and retention.

d. People Matter Survey

QEC's 2020 survey, conducted during the Covid-19 pandemic, focused on employee support and wellbeing. QEC employees contributed feedback to further increase the overall response rate, demonstrating that employees are engaged with QEC and keen to have a say:

2017:	32% response rate
2018:	56% response rate
2019:	61% response rate
2020	**69% response rate**

A snapshot of the key results indicates that QEC is tracking extremely well across major culture domains and continues to respond to employee feedback and suggestions:

Indicator	QEC Score 2020	Difference from Public Sector organisations	Difference from comparator group
Employee engagement index	74	+4	+4
Job satisfaction	71%	+3	+2
Workgroup support	80%	+2	+6
Meaningful work	92%	+6	+6
Providing updates on changes due to Covid-19	90%	+4	+12
Senior leadership support	79%	+13	+16

QEC also received a significant amount of written feedback from the People Matter Survey:

"The knowledge and expertise of practitioners is second to none and our greatest asset."

"Having only joined this organisation within the past 12 months, I have been very pleased with the level of support, respect and positivity that appears to be inbuilt into the organisational culture"

"We deliver consistent care to our families and this is reflected in the success of each family and how they express their experience with us."

"Vision and values of QEC reflect the needs of the community. Always striving to engage in projects that support vulnerable families and children."

"QEC is monitoring pandemic changes/requirements amazingly, we have stayed on top of safety processes and audits as well as actively promoting employee mental health and support during this difficult time.

"Through the Covid 19 pandemic I have been particularly impressed with the info sharing and communication between management and staff on all things for Covid safe practices and processes. I have also been really impressed the flexibility offered to staff in order to keep their levels of stress and Covid safety paramount with flexible work arrangements both in office and working from home. Management have listened to the concerns of staff and not minimized issues that have been important. QEC management have made flexible work plans with staff according to staff need and requirements which has enabled staff to be more productive and safe with various competing needs such as health and family."

We sincerely thank everyone at QEC for your incredible commitment to giving every child the best start in life.

e. Learning Week

For the past 2 years, QEC has held an annual Learning Week – an initiative to foster our organisational culture of inquiry, best practice and continual improvement. The 2020 event format was adapted to a shortened, online format, with a key focus on employee support, health and wellbeing. Titled "A Time For Us," the event's activities included:

- ✓ Reconciliation and NAIDOC week
- ✓ CPR training
- ✓ OHS / Manual Handling training
- ✓ Fostering clinical excellence
- ✓ Workplace resilience, wellbeing and self-care
- ✓ Mental health promotion.

An evaluation measured high levels of staff satisfaction and outcomes from this initiative.

f. Workforce Data

The following data demonstrates a positive, healthy and sustainable culture at QEC.

Hospitals labour category	June Current Month FTE*		Average Monthly FTE**	
	2020	2021	2020	2021
Nursing (including Registered Nurses, Enrolled Nurses, Early Parenting Practitioners and Clinical Educators)	55.3	56.7	60.9	62.8
Administration and Clerical	13.9	13.4	15.7	13.6
Executive and Managers	10.7	9.6	11.1	11.1
Medical Support	N/A	N/A	N/A	N/A
Medical Officers	0.5	0.5	0.5	0.5
Hospital Medical Officers	N/A	N/A	N/A	N/A
Sessional Clinicians	N/A	N/A	N/A	N/A
Allied Health Professionals	8.6	13.0	8.4	11.9
Total	**89**	**93.2**	**96.6**	**99.9**

Occupational Health and Safety Statistics	2020–21	2019–20	2018–19
The number of reported hazards/incidents for the year per 100 FTE	30	29	24
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0	0	0
The average cost per WorkCover claim for the year ('000)	$0	$0	$0

Occupational violence statistics	2020–21
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported	1
Number of occupational violence incidents reported per 100 FTE	1
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

6.4 Sustainability: We are able to provide enduring support to families now and into the future

a. Infrastructure Projects

In 2018, the Victorian Government committed funds to a major refurbishment of QEC's Noble Park site. The commitment also saw funds allocated for 7 additional Early Parenting Centres across Victoria – more than tripling the number of EPCs in Victoria and supporting 5,000+ extra families each year. The seven new centres will be built in Ballarat, Bendigo, Geelong, Frankston, Casey, Wyndham and Whittlesea.

Planning is well underway for these developments, with construction expected to commence in the coming months.

b. Financial Information

The following snapshot of QEC's financial results demonstrate positive and sustainable operations.

Operating Result	2021 $'000	2020 $'000	2019 $'000	2018 $'000	2017 $'000
Total revenue	13,246	12,469	12,478	12,301	11,108
Total expenses	(12,448)	(11,946)	(11,276)	(11,875)	(10,795)
Net result from transactions	**798**	**523**	**1,202**	**426**	**313**
Total other economic flows	776	(192)	(7)	103	13
Net result	**1,574**	**331**	**1.195**	**529**	**326**
Total assets	21,450	18,816	17,550	16,142	15,380
Total liabilities	3,623	3,498	2,563	2,424	2,414
Net assets/Total equity	**17,827**	**15,318**	**14,987**	**13,718**	**12,966**

This summary of the financial results must be consistent with the audited financial statements.

c. Reconciliation of Net Result from Transactions and Operating Result

2021	$'000
Net operating result	**1,574**
Capital purpose income	0
Specific income	0
State supply items consumed up to 30 June 2021	0
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	(48)
Depreciation and amortisation	(704)
Impairment of non-financial assets	0
Finance costs (other)	(27)
Net result from transactions	**798**

d. Consultancy Expenditure

QEC continues to invest in organisational and services delivery improvements, in order to meet the needs of families into the future.

In 2020-21, there were 19 consultancies engaged during the year, where the total fees payable to the individual consultancies was less than $10,000. The total expenditure incurred during 2020-21 in relation to these consultancies was $53,000 (excl. GST).

In 2020-21, the following consultancies were undertaken where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2020-21 in relation to these consultancies is $306,000 (excluding GST). Details of individual consultancies are outlined below:

Consultant	Purpose	Start Date	End Date	Total Project Fee (excl GST) $' 000	Expenditure 2020-21 (excl GST) $'000	Future Expenditure (excl GST) $'000
Monash University	Research Program	2021	ongoing	410	150	260
Powernet	ICT Consultant	Pre 2020	ongoing	53	53	ongoing
Ross Bird Photography	Multimedia development	2020	2021	26	26	nil
Wendy Fromhold Consulting	Information Sharing Project	2021	2021	18	18	nil
Alecto Australia	Clinical Billing Review	2020	2020	18	18	nil
Midnightsky	Board Strategy	2020	2021	15	15	nil
Cyclone	Communications Development	2021	2021	15	15	nil
Whanau Tahi	Clinical Data Reporting	Pre 2020	ongoing	11	11	ongoing

e. ICT expenditure

ICT Expenditure	Total $'000	Business as usual ICT expenditure $'000	Non-business as usual ICT expenditure $'000
Operational expenditure	930	814	116
Capital expenditure	nil	nil	nil

f. Performance Priorities

Key performance indicator	Target	Result
Health service accreditation	Full compliance	Full compliance
Compliance with the Hand Hygiene Australia program	80%	100%
Percentage of healthcare workers immunised for influenza	75%	86%
People Matter Survey – percentage of staff with a positive response to safety culture questions	80%	85%

7. Attestations and Declarations

Established in 1917, the Queen Elizabeth Centre is a registered Public Hospital in accordance with the Victorian Health Services Act 1988 and a registered Community Service Organisation in accordance with the Children, Youth and Families Act 2005.

The responsible Minister is the Minister for Health:

From 1 July 2020 to 26 September 2020

Jenny Mikakos MP
Minister for Health
Minister for Ambulance Services

From 26 Sept 2020 to 30 June 2021

The Hon Martin Foley MP
Minister for Health
Minister for Ambulance Services

QEC would also like to acknowledge the Minister for Mental Health:

From 1 July 2020 to 26 September 2020

The Hon Martin Foley MP

From 26 Sept 2020 to 30 June 2021

The Hon James Merlino MP

Financial Management Compliance

I, Sandy Bell, on behalf of the Responsible Body, certify that the Queen Elizabeth Centre has no material compliance deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.

Sandy Bell
Board President
Queen Elizabeth Centre
25th August, 2021

Warwick Spargo
Chair, Audit, Finance and Infrastructure Committee
Queen Elizabeth Centre
25th August, 2021

Data Integrity

I, Sue White, certify that the Queen Elizabeth Centre has put it place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. The Queen Elizabeth Centre has critically reviewed these controls and processes during the year.

Sue White
Chief Executive Officer
Queen Elizabeth Centre
25th August, 2021

Conflict of Interest

I, Sue White, certify that the Queen Elizabeth Centre has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular "07/2017 Compliance reporting in health portfolio entities (revised)" and has implemented a Conflict of Interest policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by executive staff and members of the Board within the Queen Elizabeth Centre, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each Board meeting.

Sue White
Chief Executive Officer
Queen Elizabeth Centre
25th August, 2021

Integrity, Fraud and Corruption Declaration

I, Sue White, certify that the Queen Elizabeth Centre has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at the Queen Elizabeth Centre during the year.

Sue White
Chief Executive Officer
Queen Elizabeth Centre
25th August, 2021

Asset Management Accountability Framework

QEC has met our target maturity level under the majority of requirements within the Victorian Government Asset Management Accountability Framework. A plan for improvement is in place in the areas of: allocating asset management responsibility, monitoring asset performance, evaluation of asset performance, monitoring preventative actions and information management. This work will continue following the current major redevelopment of our Noble Park site.

Building Act

QEC assets and facilities (including buildings) are monitored via a range of mechanisms based on the Victorian Asset Management Accountability Framework and the Victorian Government Risk Management framework. Regular audits and maintenance programs are undertaken by specialist contractors. QEC facilities comply with the minimum requirements of relevant building and emergency services legislation, including fire safety.

Carers Recognition Act

The Queen Elizabeth Centre acknowledges the important contribution made by carers; we are committed to valuing and supporting people in a care relationship. QEC endeavours to be aware of the needs of carers and take their views and into account when providing services.

Environmental Performance

QEC recognizes the link between the health of the environment, and the wellbeing of children and their families. We acknowledge that the effects of climate change will impact future generations. As part of our commitment to the best start for every child, QEC makes a strong commitment to minimising our environmental impact via a suite of environmental initiatives. The results of these initiatives over the past financial year have been:

- 63% reduction in energy consumption from the previous year
- Diverted 46% of waste (excl. clinical and related waste) to recycling
- Continued to transition fleet vehicles to hybrid vehicles
- Embedded sustainability in all our business processes
- Continued to monitor, improve and report on our environmental performance.

Freedom of Information Act

The Freedom of Information Act ensures the right to request access to information held by QEC. Procedure and application forms are available through the QEC website or in hard copy on request. Whilst QEC endeavours to minimise costs, fees resulting from archiving retrieval and copying documents may occur. From time to time, access may be denied due to exemptions stated in the Act. QEC undertakes to ensure that decisions are made in line with the applicants' rights and best interests. QEC supports applicants' rights to request to appeal decisions. The QEC FOI and Privacy Officer is Ms Dorella Mohun. In 2020-21 there were 6 FOI requests made to QEC; the majority were acceded to.

Gender Equality Act 2020

QEC are undertaking workplace gender auditing activities and data collection in preparation for development of a 4-year Gender Equality Action Plan. In June 2021, QEC employees participated in the People Matter Employee Survey to help inform QEC's workplace gender audit and assist to identify any gaps or opportunities to improve gender equality at QEC.

Protected Disclosure Act

In accordance with the Protected Disclosure Act 2012, there were no matters referred to the Independent Broad-Based Anti-corruption Commission.

Safe Patient Care Act

QEC has no matters to report in relation to obligations under Section 40 of the Safe Patient Care Act 2015.

Additional Information Available on Request

Details in respect of the items listed below have been retained by the health service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- Declarations of pecuniary interests have been duly completed by all relevant officers
- Details of shares held by senior officers as nominee or held beneficially
- Details of publications produced by the entity about itself, including annual Aboriginal cultural safety reports and plans, and how these can be obtained
- Details of changes in prices, fees, charges, rates and levies charged by the Health Service
- Details of any major external reviews carried out on the Health Service
- Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services
- Details of assessments and measures undertaken to improve the occupational health and safety of employees
- A general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations
- A list of major committees sponsored by the Health Service, including any Aboriginal advisory or governance committees, the purposes of each committee and the extent to which those purposes have been achieved
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

8. Partners and Supporters

QEC would like to acknowledge the generous support of:

- Victorian Government Department of Health
- Victoria Government Department of Families, Fairness and Housing
- The Wendy Spry and Frank Slutzkin Committee
- The Estate of the late Ernest Findlay Burns
- The Estate of the late Walter Leitch
- Pethard Tarax Charitable Trust
- The Edwin and Elizabeth Batchelder Trust
- Country Women's Association

We are fortunate to collaborate with the following partners:

- Anglicare Victoria
- Gippsland Lakes Community Health
- MacKillop Family Services
- Monash Health
- Ballarat Health Service
- Quantum Support Services
- Ramahyuck District Aboriginal Corporation
- Uniting (Victoria & Tasmania)
- Upper Murray Family Care
- Victorian Aboriginal Child Care Agency
- Monash University

Our Life Governors have made significant contributions over many years:

- Mr David Dyer AM
- Mrs Patti Fellows
- Mrs Nan Harrison
- Mrs Susan Harper OAM
- The Honourable Walter Jona AM
- Mr Graeme McRae
- Mr Bruce Morley
- Assoc Professor Campbell Paul
- Ms Wendy Spry
- Mr Frank Slutzkin
- Mrs Judy Watson
- Ms Kym Forrest
- Ms Mary Sayers
- Ms Jenny Fairbain
- Dr Ian Ross

9. Financial Report 2020–21

How this report is structured

The Queen Elizabeth Centre (QEC) presents its audited general purpose financial statements for the financial year ended 30 June 2021 in the following structure to provide users with the information about QEC's stewardship of the resources entrusted to it.

Board Declaration

The Queen Elizabeth Centre

Financial Statements
Financial Year ended 30 June 2021

Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration

The attached financial statements for The Queen Elizabeth Centre have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and the financial position of The Queen Elizabeth Centre at 30 June 2021.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 25 August 2021.

Warwick Spargo
Board Member

Noble Park
25 August 2021

Sue White
Chief Executive Officer

Noble Park
25 August 2021

Owain Hughes
Chief Finance & Accounting Officer

Noble Park
25 August 2021

Auditor's Report

Independent Auditor's Report

VAGO
Victorian Auditor-General's Office

To the Board of The Queen Elizabeth Centre

Opinion	I have audited the financial report of The Queen Elizabeth Centre (the health service) which comprises the: • Balance Sheet as at 30 June 2021 • Comprehensive Operating Statement for the year then ended • Statement of Changes in Equity for the year then ended • Cash Flow Statement for the year then ended • Notes to the Financial Statements, including significant accounting policies • Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's Report

Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board • conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

DRyan

MELBOURNE
7 September 2021

Dominika Ryan
as delegate for the Auditor-General of Victoria

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The Queen Elizabeth Centre

Comprehensive Operating Statement

For the Financial Year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Revenue and Income from Transactions			
Operating Activities	2.1	12,976	12,190
Non-Operating Activities	2.1,2.3	270	279
Total Revenue and Income from Transactions		**13,246**	**12,469**
Expenses from Transactions			
Employee Expenses	3.1	(9,467)	(9,190)
Supplies and Consumables	3.1	(26)	(24)
Finance Costs	3.1	(27)	(24)
Depreciation and Amortisation	3.1, 4.4	(704)	(608)
Other Administrative Expenses	3.1	(1,946)	(1,779)
Other Operating Expenses	3.1	(278)	(321)
Total Expenses from Transactions		**(12,448)**	**(11,946)**
Net Result from Transactions – Net Operating Balance		**798**	**523**
Other Economic Flows included in Net Result			
Net Gain on Sale of Non-Financial Assets	3.4	–	108
Net Gain / (Loss) on Financial Instruments at Fair Value	3.4	776	(300)
Total Other Economic Flows included in Net Result		**776**	**(192)**
NET RESULT FOR THE YEAR		**1,574**	**331**
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.2 (b)	935	-
Total Other Comprehensive Income		**935**	**-**
COMPREHENSIVE RESULT FOR THE YEAR		**2,509**	**331**

This Statement should be read in conjunction with the accompanying notes.

The Queen Elizabeth Centre

Balance Sheet as at 30 June 2021

	Note	2021 $'000	2020 $'000
Current Assets			
Cash and Cash Equivalents	6.2	3,084	1,882
Receivables and Contract Assets	5.1	111	147
Other Assets	5.3	67	73
Total Current Assets		**3,262**	**2,102**
Non-Current Assets			
Receivables and Contract Assets	5.1	483	436
Investments and Other Financial Assets	4.1	7,253	6,222
Property, Plant and Equipment	4.2	10,401	9,982
Intangible Assets	4.3	51	74
Total Non-Current Assets		**18,188**	**16,714**
TOTAL ASSETS		**21,450**	**18,816**
Current Liabilities			
Payables and Contract Liabilities	5.2	721	361
Borrowings	6.1	223	191
Provisions	3.3	1,458	1,511
Total Current Liabilities		**2,402**	**2,063**
Non-Current Liabilities			
Borrowings	6.1	751	880
Provisions	3.2	470	555
Total Non-Current Liabilities		**1,221**	**1,435**
TOTAL LIABILITIES		**3,623**	**3,498**
NET ASSETS		**17,827**	**15,318**
EQUITY			
Property, Plant and Equipment Revaluation Surplus	4.2 (f)	6,928	5,993
Contributed Capital		4,894	4,894
Accumulated Surplus		6,005	4,431
TOTAL EQUITY		**17,827**	**15,318**

This Statement should be read in conjunction with the accompanying notes.

The Queen Elizabeth Centre

Statement of Changes in Equity

For the Financial Year ended 30 June 2021

	Note	Property, Plant and Equipment Revaluation Surplus	Contributed Capital	Accumulated Surplus	Total
		$'000	$'000	$'000	$'000
Balance at 1 July 2019		**5,993**	**4,894**	**4,100**	**14,987**
Net result for the year		-	-	331	331
Other comprehensive income for the year		-	-	-	-
Balance at 30 June 2020		**5,993**	**4,894**	**4,431**	**15,318**
Net result for the year		-	-	1,574	1,574
Other comprehensive income for the year					
- Land Revaluation		935	-	-	935
Balance at 30 June 2021		**6,928**	**4,894**	**6,005**	**17,827**

This Statement should be read in conjunction with the accompanying notes.

The Queen Elizabeth Centre

Cash Flow Statement

For the Financial Year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Cash Flows from Operating Activities			
Operating Grants from Government		11,898	11,801
Donations and Bequests Received		35	3
GST Received from ATO		5	5
Interest and Investment Income Received		10	73
Other Receipts		990	522
Total Receipts		**12,938**	**12,404**
Employee Expenses Paid		(9,511)	(9,270)
Payments for Supplies and Other Expenses		(1,811)	(2,060)
Payments for Repairs and Maintenance		(125)	(117)
Total Payments		**(11,447)**	**(11,447)**
Net Cash Flows from Operating Activities	8.1	**1,491**	**957**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Disposal of Investments		-	4,603
Purchase of Investments		-	(6,153)
Purchase of Property, Plant and Equipment		(25)	(494)
Proceeds from Disposal of Property, Plant and Equipment		-	114
Net Cash Flows used in Investing Activities		**(25)**	**(1,930)**
Cash Flows from Financing Activities			
Repayment of Borrowings		(264)	(206)
Net Cash Flows used in Financing Activities		**(264)**	**(206)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**1,202**	**(1,179)**
Cash and Cash Equivalents at Beginning of Year		**1,882**	**3,061**
CASH AND CASH EQUIVALENTS AT END OF YEAR	6.2	**3,084**	**1,882**

This Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Financial Year ended 30 June 2021

Note 1: Basis of Preparation

Structure

1.1 Basis of preparation of the financial statements
1.2 Impact of COVID-19 pandemic
1.3 Abbreviations and terminology used in the financial statements
1.4 Key accounting estimates and judgements
1.5 Accounting standards issued but not yet effective
1.6 Goods and Services Tax (GST)
1.7 Reporting Entity

Note 1: Basis of Preparation

These annual financial statements represent the audited general purpose financial statements for The Queen Elizabeth Centre (QEC) for the year ended 30 June 2021. The report provides users with information about QEC's stewardship of resources entrusted to it.

This section explains the basis of preparing the financial statements and identifies the key accounting estimates and judgements.

Note 1.1: Basis of preparation of the financial statements

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements.*

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance (DTF), and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

QEC is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared on a going concern basis (refer to Note 8.9 Economic Dependency).

The financial statements are in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest thousand dollars. Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Board of QEC on 25 August 2021.

Note 1.2 Impact of COVID-19 pandemic

In the previous financial year, a global pandemic caused by the COVID-19 Coronavirus (COVID-19) was declared. To contain the spread of COVID-19 and prioritise the health and safety of our community, QEC was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which QEC operates.

QEC introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors
- greater utilisation of telehealth services
- implementing reduced visitor hours
- implementing work from home arrangements where appropriate.

The financial impacts of the pandemic are disclosed at:

- Note 2: Funding Delivery of Our Services
- Note 3: The Cost of Delivering Services
- Note 4: Key Assets to Support Service Delivery
- Note 5: Other Assets and Liabilities
- Note 6: How We Finance Our Operations
- Note 8: Other Disclosures

Note 1.3 Abbreviations and terminology used in the financial statements

The following table sets out the common abbreviations used throughout the financial statements:

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
DFFH	Department of Families, Fairness and Housing
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
SD	Standing Direction
VAGO	Victorian Auditor General's Office
QEC	The Queen Elizabeth Centre

Note 1.4 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and best available current information and assume any reasonable expectation of future events. Actual results may differ.

Revisions to key estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and are disclosed in further detail throughout the accounting policies.

Note 1.5 Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to QEC and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	
AASB 17: *Insurance Contracts*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*	Reporting periods on or after 1 January 2021.	Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to QEC in future periods.

Note 1.6 Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Balance Sheet are stated inclusive of the amount of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis, except for the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, which are disclosed as operating cash flows.

Commitments and contingent assets and liabilities are presented on a gross basis.

Note 1.7 Reporting Entity

The financial statements include all the controlled activities of QEC.

Its principal address is:

53 Thomas Street
Noble Park
Victoria 3174

A description of the nature of QEC's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Note 2: Funding Delivery of Our Services

QEC's overall objective is to provide quality health services that help young children living in vulnerable situations get the best start in life, by providing families with specialised services, guidance and education.

QEC is predominantly funded by accrual based grant funding for the provision of outputs.

QEC also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions

2.2 Fair value of assets and services received free of charge or for nominal consideration

2.3 Other income

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services during the financial year was not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

Key judgements and estimates	Description
Identifying performance obligations	QEC applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring QEC to recognise revenue as or when the health service transfers promised services to customers. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	QEC applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.

Note 2.1: Revenue and Income from Transactions

	2021 $'000	2020 $'000
Operating Activities		
Revenue from Contracts with Customers		
Government Grants (State) – Operating	11,961	11,806
Total Revenue from Contracts with Customers	**11,961**	**11,806**
Other Sources of Income		
Government grants (State) - Capital	75	-
Other Revenue from Operating Activities (Including Non-Capital Donations)	940	384
Total Other Sources of Income	**1,015**	**384**
Total Revenue and Income from Operating Activities	**12,976**	**12,190**
Non-operating activities		
Income from other sources		
Other Interest	10	28
Other Income from Non-Operating Activities	255	243
Other Non-operating Income	5	8
Total Other Sources of Income	**270**	**279**
Total Income from Non-Operating Activities	**270**	**279**
Total revenue and income from transactions	**13,246**	**12,469**

How we recognise revenue and income from transactions

Government operating grants

To recognise revenue, QEC assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: Revenue from Contracts with Customers.

When both these conditions are satisfied, QEC:

- identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfied its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, in accordance with AASB 1058 – Income for not-for-profit entities, QEC:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

The types of government grants recognised under AASB 15: Revenue from Contracts with Customers includes:

Government grant	Performance obligation
Assessment and Intake	Assessment and Intake: the central intake point for all Early Parenting Centre referrals, staffed by experienced clinicians offering assessments and brief consultations to ensure families are provided with the right program at the right time. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
Day Stay	Day Stay: Single day program incorporating intensive, practical parenting education and support, targeting families with children up to the age of 14 months with issues relating to feeding, sleep and settling. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
Residential	Residential: Two to four night residential program for parents and caregivers experiencing challenges with parenting. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
PlaySteps	PlaySteps: Relationship based parenting program focusing on enhancing interactions between children and their parents, via a weekly, structured group format. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
Parenting Plus	Parenting Plus: Home-based, intensive parenting skills development program. QEC is required to provide service delivery for a set number of hours. Revenue is recognised over time, as and when the services are delivered.
Parenting Assessment and Skills Development	Parenting Assessment and Skills Development: Intensive parenting assessment and skills development program for families who are referred through the Child Protection system, delivered in residential and/or home based settings. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
Individual Child and Family Support Services	Individual Child and Family Support services: Responsive, needs based support to vulnerable children and families, that can flex up and down as families' needs change. QEC is required to provide service delivery for a set number of hours. Revenue is recognised over time, as and when the services are delivered.
Sleep and Settling Home Visiting	Sleep and Settling Home Visiting Program: In-home program designed to support Gippsland families with significant sleep challenges, attachment concerns and other risk factors. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.
Stronger Families	Stronger Families: Intensive home based support service for families with children at risk of (or who have recently been placed in) out of home care. QEC is required to provide service delivery for a set number of hours. Revenue is recognised over time, as and when the services are delivered.
Cradle to Kinder	Cradle to Kinder: Long term ante/postnatal case work service that provides support to young mothers under the age of 25 years and their children. QEC is required to provide service delivery to a set number of clients. Revenue is recognised over time, as and when the services are delivered.

Other Revenue from Operating Activities

This income includes revenue from partnership agreements held by QEC and is recognised when services are delivered.

Note 2.2 Fair value of assets and services received free of charge or for nominal consideration

	2021 $'000	2020 $'000
Cash Donations	35	3
Other Services [i]	16	5
Total fair value of assets and services received free of charge or for nominal consideration	**51**	**8**

i The Victorian Managed Insurance Authority insurance payments are recognised as revenue following advice from the Department of Health.

How we recognise the fair value of assets and services received free of charge or for nominal consideration

Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when QEC usually obtains control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

Personal protective equipment

In order to meet the State of Victoria's health system supply needs during the COVID-19 pandemic, arrangements were put in place to centralise the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment.

The general principles of the State Supply Arrangement were that Health Share Victoria sourced, secured and agreed terms for the purchase of the PPE products, funded by the Department of Health, while Monash Health took delivery, and distributed an allocation of the products to QEC as resources provided free of charge. Health Share Victoria and Monash Health were acting as an agent of the Department of Health under this arrangement.

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of QEC as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for QEC which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health Hospital Circular.

Note 2.3 Other income

	2021 $'000	2020 $'000
Interest	10	28
Distribution Income from Investments	255	243
Other Non-operating income	5	8
Total Other Income	**270**	**279**

How we recognise other income

Interest Income

Interest income is recognised on a time proportionate basis that takes into account the effective yield of the financial asset, which allocates interest over the relevant period.

Distribution Income

Distribution income is recognised when the right to receive payment is established. Distributions represent the income arising from QEC's investments in financial assets.

Note 3: The Cost of Delivering Our Services

This section provides an account of the expenses incurred by QEC in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

3.1 Expenses from Transactions
3.2 Provisions
3.3 Superannuation
3.4 Other Economic Flows Included in Net Result

Telling the COVID-19 story

Expenses incurred to deliver services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	QEC applies significant judgment when measuring and classifying its employee benefit liabilities.
	Employee benefit liabilities are classified as a current liability if QEC does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.
	Employee benefit liabilities are classified as a non-current liability if QEC has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
	QEC also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if QEC does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.

Note 3.1: Expenses from Transactions

	Note	2021 $'000	2020 $'000
Salaries and Wages		8,480	8,270
On-costs		773	742
Agency Expenses		90	50
Workcover Premium		124	128
Total Employee Expenses		**9,467**	**9,190**
Other Supplies and Consumables		26	24
Total Supplies and Consumables		**26**	**24**
Finance Costs		27	24
Total Finance Costs		**27**	**24**
Other Administrative Expenses		1,946	1,779
Total Other Administrative Expenses		**1,946**	**1,779**
Fuel, Light, Power and Water		105	118
Repairs and Maintenance		125	117
Expenditure for Capital Purposes		48	86
Total Other Operating Expenses		**278**	**321**
Total Operating Expense		**11,744**	**11,338**
Depreciation and Amortisation	4.4	704	608
Total Depreciation and Amortisation		**704**	**608**
Total Expenses from Transactions		**12,448**	**11,946**

Note 3.1: Expenses from Transactions (continued)

How we recognise expenses from transactions

Expense recognition

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Employee expenses

Employee expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments)
- On-costs
- Agency expenses
- Workcover premiums and
- Superannuation expenses.

Supplies and consumables

Supplies and consumables costs are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

Finance costs

Finance costs include:

- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases.*

Other Operating Expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include such things as:

- Fuel, light, power and water
- Repairs and maintenance
- Other administrative expenses
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of $1,000).

The Department of Health and the Department of Families, Fairness and Housing also make certain payments on behalf of QEC. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense.

Non-operating expenses

Other non-operating expenses generally represent expenditure outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

Note 3.2: Provisions

	2021 $'000	2020 $'000
CURRENT PROVISIONS		
Employee Benefits [i]		
Unpaid salaries and wages		
Unconditional and expected to be settled wholly within 12 months [ii]	6	9
	6	**9**
Annual leave		
Unconditional and expected to be settled wholly within 12 months [ii]	629	596
Unconditional and expected to be settled wholly after 12 months [iii]	-	-
	629	**596**
Long Service Leave		
Unconditional and expected to be settled wholly within 12 months [ii]	61	77
Unconditional and expected to be settled wholly after 12 months [iii]	489	561
	550	**638**
Other Leave		
Unconditional and expected to be settled within 12 months [ii]	43	43
Unconditional and expected to be settled after 12 months [ii]	-	-
	43	**43**
Provisions related to Employee Benefit On-Costs		
Unconditional and expected to be settled within 12 months [ii]	174	163
Unconditional and expected to be settled after 12 months [iii]	56	62
	230	**225**
TOTAL CURRENT PROVISIONS	**1,458**	**1,511**
NON-CURRENT PROVISIONS		
Conditional Long Service Leave	422	500
Provisions Related to Employee Benefit On-Costs	48	55
TOTAL NON-CURRENT PROVISIONS	**470**	**555**
TOTAL EMPLOYEE PROVISIONS	**1,928**	**2,066**

i Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.

ii The amounts disclosed are nominal amounts.

iii The amounts disclosed are discounted to present values.

Note 3.2: Provisions (continued)

How we recognise employee benefits

Employee Benefit Recognition

Provision is made for benefits accruing to employees in respect of salaries and wages, accrued days off, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

Provisions

Provisions are recognised when QEC has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Unpaid Salaries and Wages, Annual Leave and Accrued Days Off

Liabilities for unpaid salaries and wages, annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because QEC does not have an unconditional right to defer settlement of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for unpaid salaries and wages, annual leave and accrued days off are measured at:

- Nominal value – if QEC expects to wholly settle within 12 months; or
- Present value – if QEC does not expect to wholly settle within 12 months.

Long Service Leave

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where QEC does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- Nominal value – if QEC expects to wholly settle within 12 months; or
- Present value – if QEC does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

On-Costs Related to Employee Expense

Provision for on-costs such as workers compensation and superannuation are recognised together with provisions for employee benefits.

Note 3.2: Provisions (continued)

Note 3.2 (a) Employee Benefits and Related On-Costs

Current Employee Benefits and Related On-Costs	2021 $'000	2020 $'000
Unconditional long service leave entitlements	613	708
Annual leave entitlements	792	746
Unpaid salaries and wages	6	9
Accrued days off	47	48
Total Current Employee Benefits and Related On-Costs	**1,458**	**1,511**
Conditional long service leave entitlements	470	555
Total Non-Current Employee Benefits and Related On-Costs	**470**	**555**
TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS	**1,928**	**2,066**

Movement in Long Service Leave	2021 $'000	2020 $'000
Carrying Amount at Start of Year	**1,263**	**1,290**
Additional provisions recognised	197	21
Unwinding of discount and effect of changes in the discount rate	(162)	40
Settlement made during the year	(216)	(88)
Carrying amount at end of year	**1,082**	**1,263**

Note 3.3: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Defined Benefit Plans:[i]				
First State Super	19	18	4	2
Defined Contribution Plans:				
First State Super	291	297	52	21
Hesta	338	313	73	26
Other	312	249	68	21
Total	**960**	**877**	**197**	**70**

i The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

How we recognise superannuation

Employees of QEC are entitled to receive superannuation benefits and QEC contributes to both defined benefit and defined contribution plans.

Defined Benefit Superannuation Plans

The defined benefit plan provides benefits based on years of service and final average salary.

The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by QEC to the superannuation plans in respect of the services of current QEC staff during the reporting period.

Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

QEC does not recognise any unfunded defined benefit liability in respect of the plans because QEC has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items. Nevertheless, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of QEC.

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by QEC are disclosed above.

Defined Contribution Superannuation Plans

In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by QEC are disclosed above.

Note 3.4: Other Economic Flows Included in Net Result

	2021 $'000	2020 $'000
Net gain on disposal of property plant and equipment	-	108
Total Net Gain on Non-Financial Assets	**-**	**108**
Net Gain/(Loss) on Financial Instruments	776	(300)
Total Net Gain/(Loss) on Financial Instruments	**776**	**(300)**
Total Gains/(Losses) From Other Economic Flows	**776**	**(192)**

How we recognise other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- changes in the fair value of investments and other financial instruments as measured at fair value through the net result (or profit or loss).

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

- revaluation gains/(losses) of non-financial physical assets (Refer to Note 4.2 Property plant and equipment;
- net gain/(loss) on disposal of non-financial assets; and
- any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments at fair value includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 4.1 Investments and Other Financial Assets; and
- disposals of financial assets and derecognition of financial liabilities.

Amortisation of non-produced intangible assets

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a systematic basis over the asset's useful life. Amortisation begins when the asset is available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Impairment of non-financial assets

Intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired.

Note 4: Key Assets to Support Service Delivery

QEC controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to QEC to be utilised for delivery of those outputs.

Structure

4.1 Investments and Other Financial Assets
4.2 Property, Plant and Equipment
4.3 Intangible Assets
4.4 Depreciation and Amortisation

Telling the COVID-19 story

Expenses incurred to deliver services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	QEC obtains independent valuations for its non-current assets at least once every five years.
	If an independent valuation has not been undertaken at balance date, QEC estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices.
	Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.
Estimating useful life and residual value of property, plant and equipment	QEC assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset.
	QEC reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where QEC is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.
	QEC applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires QEC to restore a right-of-use asset to its original condition at the end of a lease, QEC estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.
Estimating the useful life of intangible assets	QEC assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.

Key judgements and estimates continued

Key judgements and estimates	Description
Identifying indicators of impairment	At the end of each year, QEC assesses impairment by evaluating the conditions and events specific to QEC that may be indicative of impairment triggers. Where an indication exists, QEC tests the asset for impairment.
	QEC considers a range of information when performing its assessment, including considering: • If an asset's value has declined more than expected based on normal use • If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset • If an asset is obsolete or damaged • If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life • If the performance of the asset is or will be worse than initially expected.
	Where an impairment trigger exists, QEC applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1: Investments and Other Financial Assets

	2021 $'000	2020 $'000
NON-CURRENT		
Managed Investments	7,253	6,222
TOTAL NON-CURRENT	**7,253**	**6,222**
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	**7,253**	**6,222**
Represented by:		
Investments	**7,253**	**6,222**

How we recognise investments and other financial assets

QEC's investments and other financial assets are made in accordance with Standing Direction 3.7.2 *Treasury Management, including the Central Banking System.*

QEC manages its investments and other financial assets in accordance with an investment policy approved by the Board.

Investments are recognised when QEC enters into a contract to either purchase or sell the investment (i.e. when it becomes a party to the contractual provisions to the investment). Investments are initially measured at fair value, net of transaction costs.

QEC classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset.

QEC assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.

Note 4.2: Property, Plant and Equipment

Note 4.2 (a): Gross carrying amount and accumulated depreciation

	2021 $'000	2020 $'000
Land at Fair Value	4,321	3,386
TOTAL LAND AT FAIR VALUE	**4,321**	**3,386**
Buildings at Fair Value	**5,022**	**5,013**
Less Accumulated Depreciation	(369)	(185)
Total Buildings at Fair Value	**4,653**	**4,828**
Right of Use Buildings at Fair Value	1,001	861
Less Accumulated Depreciation	(334)	(160)
Total Right of Use Buildings at Fair Value	**667**	**701**
Leasehold Improvements at Cost	14	5
Less Accumulated Depreciation	(6)	(3)
Total Leasehold Improvements at Cost	**8**	**2**
TOTAL LAND AND BUILDINGS	**9,649**	**8,917**
Plant and Equipment at Fair Value	407	407
Less Accumulated Depreciation	(308)	(256)
TOTAL PLANT AND EQUIPMENT at Fair Value	**99**	**151**
Motor Vehicles at Fair Value	382	382
Less Accumulated Depreciation	(310)	(261)
TOTAL MOTOR VEHICLES at Fair Value	**72**	**121**
Computers and Communication Equipment at Fair Value	557	557
Less Accumulated Depreciation	(310)	(176)
TOTAL COMPUTERS AND COMMUNICATION EQUIPMENT	**247**	**381**
Furniture and Fittings at Fair Value	155	155
Less Accumulated Depreciation	(106)	(100)
TOTAL FURNITURE AND FITTINGS at Fair Value	**49**	**55**
Cultural Assets at Fair Value	5	5
Less Accumulated Depreciation	-	-
TOTAL CULTURAL ASSETS at Fair Value	**5**	**5**
Right of Use Plant, Equipment, Furniture and Fittings and Motor Vehicles at Fair Value	392	392
Less Accumulated Depreciation	(119)	(40)
TOTAL RIGHT OF USE – PLANT, EQUIPMENT, FURNITURE AND FITTINGS, AND MOTOR VEHICLES	**273**	**352**
Works in Progress at Fair Value	**7**	**-**
Total Plant, Equipment, Furniture, Fittings, Motor Vehicles and Works in Progress at fair value	**752**	**1,065**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**10,401**	**9,982**

Note 4.2: Property, Plant and Equipment (continued)

Note 4.2 (b) Reconciliation of the carrying amounts of each class of asset

	Note	Land	Buildings	Right of Use – Buildings	Leasehold Improvements	Plant & Equipment	Motor Vehicle	Computers & Communication Equipment	Furniture & Fittings	Cultural Assets	Right of Use – Plant, Equipment, Furniture & Fittings, Motor Vehicles	Assets Under Construction	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2019		**3,386**	**5,013**	**-**	**3**	**127**	**218**	**54**	**10**	**5**	**-**	**8**	**8,824**
Recognition of right-of-use assets on initial application of AASB 16		-	-	861	-	-	-	-	-	-	392	-	1,253
Additions		-	-	-	-	67	-	368	59	-	-	-	494
Disposals		-	-	-	-	-	(6)	-	-	-	-	-	(6)
Net Transfers between classes		-	-	-	-	8	-	-	-	-	-	(8)	-
Depreciation	4.4	-	(185)	(160)	(1)	(51)	(91)	(41)	(14)	-	(40)	-	(583)
Balance at 30 June 2020	4.2 (a)	**3,386**	**4, 828**	**701**	**2**	**151**	**121**	**381**	**55**	**5**	**352**	**-**	**9,982**
Additions		-	9	12	9	-	-	-	-	-	-	7	37
Fair Value Adjustment		-	-	128	-	-	-	-	-	-	-	-	128
Revaluation increments		935	-	-	-	-	-	-	-	-	-	-	935
Depreciation	4.4	-	(184)	(174)	(3)	(52)	(49)	(134)	(6)	-	(79)	-	(681)
Balance at 30 June 2021	4.2 (a)	**4,321**	**4,653**	**667**	**8**	**99**	**72**	**247**	**49**	**5**	**273**	**7**	**10,401**

Note 4.2: Property, Plant and Equipment

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by QEC in the supply services, or for administration purposes, and are expected to be used during more than one financial year.

Initial recognition

Items of property, plant and equipment (excluding right-of-use assets) are initially measured at cost. Where an asset is acquired for nil or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/ machinery of government change are transferred at their carrying amounts.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

Fair value is determined with reference to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Further information regarding fair value measurement is disclosed below.

Revaluation

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

Where an independent valuation has not been undertaken at balance date, QEC performs a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, QEC would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of QEC's property, plant and equipment was performed by the VGV in June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2021 indicated an overall increase in fair value of land of 28% ($935k).

Note 4.2: Property, Plant and Equipment (continued)

As the cumulative movement was greater than 10% for land since the last revaluation a managerial revaluation adjustment was required as at 30 June 2021. Approval to undertake the managerial revaluation was approved by the Chief Reporting Officer, Department of Health.

As the cumulative movement for buildings was less than 10% since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2021.

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount. Revaluation increments and revaluation decrements relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, in which case the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

The revaluation reserve included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

Impairment

At the end of each financial year, QEC assesses if there is any indication that an item of property, plant and equipment may be impaired by considering internal and external sources of information. If an indication exists, QEC estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. An impairment loss of a revalued asset is treated as a revaluation decrease as noted above.

QEC has concluded that the recoverable amount of property, plant and equipment which are regularly revalued is expected to be materially consistent with the current fair value. As such, there were no indications of property, plant and equipment being impaired at balance date.

Note 4.2: Property, Plant and Equipment (continued)

How we recognise right-of-use assets

Where QEC enters a contract, which provides QEC with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. QEC presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by QEC.

Right-of-use assets and their respective lease terms include:

Class of right-of-use asset	Lease term
Leased buildings	1 to 8 years
Leased plant, equipment, furniture, fittings and vehicles	1 to 3 years

Presentation of right-of-use assets

QEC presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they would have been disclosed as 'investment property' in the balance sheet.

Initial recognition

When a contract is entered into, QEC assesses if the contract contains or is a lease. If a lease is present, a right-of-use asset and corresponding lease liability is recognised. The definition and recognition criteria of a lease is disclosed at Note 6.1.

The right-of-use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:

- any lease payments made at or before the commencement date
- any initial direct costs incurred and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement

Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses where applicable. Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Impairment

At the end of each financial year, QEC assesses if there is any indication that a right-of-use asset may be impaired by considering internal and external sources of information. If an indication exists, QEC estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised.

QEC performed an impairment assessment and noted there were no indications of its right-of-use assets being impaired at balance date.

Note 4.2: Property, Plant and Equipment (continued)

Note 4.2 (c) Fair value measurement hierarchy for assets

	Note	Consolidated Carrying Amount	Fair value measurement at end of reporting period using: Level 1 [i]	Level 2 [i]	Level 3 [i]
Balance at 30 June 2021		**$'000**	**$'000**	**$'000**	**$'000**
Specialised Land	4.2 (a)	4,321	-	-	4,321
Total Land at Fair Value		**4,321**	**-**	**-**	**4,321**
Specialised Buildings	4.2 (a)	4,653			4,653
Leasehold Improvements	4.2 (a)	8	-	-	8
Total Buildings at Fair Value		**4,661**	**-**	**-**	**4,661**
Plant and Equipment at Fair Value	4.2 (a)	99	-	-	99
Motor Vehicles at Fair Value	4.2 (a)	72	-	-	72
Computers and Communication Equipment at Fair Value	4.2 (a)	247	-	-	247
Furniture and Fittings at Fair Value	4.2 (a)	49	-	-	49
Cultural Assets at Fair Value	4.2 (a)	5	-	-	5
Total Plant, Equipment, Furniture, Fittings and Motor Vehicles at Fair Value		**472**	**-**	**-**	**472**
Total property, plant and equipment at fair value		**9,454**	**-**	**-**	**9,454**
Right of Use Buildings	4.2 (a)	667	-	-	667
Right of Use PPE, Furniture & Fittings and Motor Vehicles	4.2 (a)	273	-	-	273
Total Right of Use Assets at Fair Value		**940**	**-**	**-**	**940**
Total Property, Plant and Equipment		**10,394**	**-**	**-**	**10,394**

There have been no transfers between levels during the period.

i Classified in accordance with the fair value hierarchy.

Note 4.2: Property, Plant and Equipment (continued)

Note 4.2 (c) Fair value measurement hierarchy for assets (continued)

	Note	Consolidated Carrying Amount	Fair value measurement at end of reporting period using:		
			Level 1 [i]	Level 2 [i]	Level 3 [i]
Balance at 30 June 2020		**$'000**	**$'000**	**$'000**	**$'000**
Specialised Land	4.2 (a)	3,386	-	-	3,386
Total Land at Fair Value		**3,386**	**-**	**-**	**3,386**
Specialised Buildings	4.2 (a)	4,828			4,828
Leasehold Improvements	4.2 (a)	2	-	-	2
Total Buildings at Fair Value		**4,830**	**-**	**-**	**4,830**
Plant and Equipment at Fair Value	4.2 (a)	151	-	-	151
Motor Vehicles at Fair Value	4.2 (a)	121	-	-	121
Computers and Communication Equipment at Fair Value	4.2 (a)	381	-	-	381
Furniture and Fittings at Fair Value	4.2 (a)	55	-	-	55
Cultural Assets at Fair Value	4.2 (a)	5	-	-	5
Total Plant, Equipment, Furniture, Fittings and Motor Vehicles at Fair Value		**713**	**-**	**-**	**713**
Total property, plant and equipment at fair value		**8,929**	**-**	**-**	**8,929**
Right of Use Buildings	4.2 (a)	701	-	-	701
Right of Use PPE, Furniture & Fittings and Motor Vehicles	4.2 (a)	352	-	-	352
Total Right of Use Assets at Fair Value		**1,053**	**-**	**-**	**1,053**
Total Property, Plant and Equipment		**9,982**	**-**	**-**	**9,982**

There have been no transfers between levels during the period.

i Classified in accordance with the fair value hierarchy.

Note 4.2: Property, Plant and Equipment (continued)

4.2 (d): Reconciliation of level 3 fair value measurement

	Note	Land $'000	Buildings $'000	Right of Use – Buildings $'000	Leasehold Improvements $'000	Plant & Equipment $'000	Motor Vehicle $'000	Computers & Communication Equipment $'000	Furniture & Fittings $'000	Cultural Assets $'000	Right of Use – Plant, Equipment, Furniture & Fittings, Motor Vehicles $'000
Balance at 1 July 2019		**3,386**	**5,013**	**-**	**3**	**127**	**218**	**54**	**10**	**5**	**-**
Recognition of right-of-use assets on initial application of AASB 16	4.2 (b)	-	-	861	-	-	-	-	-	-	392
Additions/(Disposals)	4.2 (b)	-	-	-	-	67	-	368	59	-	-
Net Transfers between classes	4.2 (b)	-	-	-	-	8	-	-	-	-	-
Gains/(Losses) recognised in Net Result											
Depreciation and Amortisation	4.4	-	(185)	(160)	(1)	(51)	(91)	(41)	(14)	-	(40)
Balance at 30 June 2020	4.2 (c)	**3,386**	**4, 828**	**701**	**2**	**151**	**121**	**381**	**55**	**5**	**352**
Additions/(Disposals)	4.2 (b)	-	9	12	9	-	-	-	-	-	-
Fair Value Adjustment	4.2 (b)	-	-	128	-	-	-	-	-	-	-
Gains/(Losses) recognised in Net Result											
Depreciation and Amortisation	4.4	-	(184)	(174)	(3)	(52)	(49)	(134)	(6)	-	(79)
Items recognised in Other Comprehensive Income											
Revaluation	4.2 (b)	935	-	-	-	-	-	-	-	-	-
Balance at 30 June 2021	4.2 (c)	**4,321**	**4,653**	**667**	**8**	**99**	**72**	**247**	**49**	**5**	**273**

[i] Classified in accordance with the fair value hierarchy, refer Note 4.2(c).

Note 4.2: Property, Plant and Equipment (continued)

Note 4.2 (e): Fair value determination

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Specialised Land (Freehold)	Market approach	Community Service Obligations Adjustments [i]
Specialised buildings	Market approach and subsequently depreciated replacement cost approach	- Cost per square metre - Useful life
Leasehold Improvements	Depreciated replacement cost approach	- Cost per unit - Useful life
Plant and equipment	Depreciated replacement cost approach	- Cost per unit - Useful life
Motor Vehicles	Market approach	N/A
	Depreciated replacement cost approach	- Cost per unit - Useful life
Computers and Communication Equipment	Depreciated replacement cost approach	- Cost per unit - Useful life
Furniture and Fittings	Depreciated replacement cost approach	- Cost per unit - Useful life
Cultural assets	Market approach	N/A

i A community service obligation (CSO) of 20% was applied to QEC specialised land classified in accordance with the fair value hierarchy.

How we measure fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For the purpose of fair value disclosures, QEC has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

In addition, QEC determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There have been no transfers between levels during the period.

The Valuer-General Victoria (VGV) is QEC's independent valuation agency.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Note 4.2: Property, Plant and Equipment (continued)

Valuation hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Identifying unobservable inputs (level 3) fair value measurements

Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgement and assumptions in deriving fair value for both financial and non-financial assets.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Consideration of highest and best use (HBU) for non-financial physical assets

Judgements about highest and best use must take into account the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractual arrangements.

In accordance with AASB 13 Fair Value Measurement paragraph 29, QEC has assumed the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

Specialised land and specialised buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

During the reporting period, QEC held Freehold Land. Nevertheless, the nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

The market approach is also used for specialised land and specialised buildings although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 under the market based direct comparison approach.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally

Note 4.2: Property, Plant and Equipment (continued)

applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For QEC, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of QEC's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2019.

Motor Vehicles

QEC acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the health service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at carrying amount (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying amount.

There were no changes in valuation techniques throughout the period to 30 June 2021.

Note 4.2 (f): Property, Plant and Equipment Revaluation Surplus

	Note	2021 $'000	2020 $'000
Balance at the beginning of the reporting period		5,993	5,993
Revaluation Increment			
Land	4.2(b)	935	-
Balance at the end of the reporting period*		**6,928**	**5,993**
***Represented by:**			
Land		4,321	3,386
Buildings		2,602	2,602
Cultural Assets		5	5
		6,928	**5,993**

Note 4.3: Intangible Assets

Note 4.3 (a) Intangible assets – Gross carrying amount and accumulated amortisation

	2021 $'000	2020 $'000
Intangible Assets – Software	424	424
Less Accumulated Amortisation	(373)	(350)
TOTAL INTANGIBLE ASSETS	**51**	**74**

4.3 (b) Intangible assets - Reconciliation of the carrying amount by class of asset

	Note	Software $'000	Total $'000
Balance at 1 July 2019		99	99
Amortisation	4.4	(25)	(25)
Balance at 1 July 2020	4.3 (a)	**74**	**74**
Amortisation	4.4	(23)	(23)
Balance at 30 June 2021	4.3 (a)	**51**	**51**

How we recognise intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software.

Initial recognition

Purchased intangible assets are initially recognised at cost.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is also recognised at cost if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Impairment

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

Note 4.4: Depreciation and Amortisation

	2021 $'000	2020 $'000
Depreciation		
Buildings	184	185
Right of Use Buildings	174	160
Leasehold Improvements	3	1
Plant and Equipment	52	51
Motor Vehicles	49	91
Computers and Communication Equipment	134	41
Furniture and Fittings	6	14
Right of Use – Plant, Equipment, Furniture, Fittings and Motor Vehicles	79	40
Total Depreciation	**681**	**583**
Amortisation		
Software	23	25
Total Amortisation	**23**	**25**
TOTAL DEPRECIATION AND AMORTISATION	**704**	**608**

How we recognise depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for sale, land and investment properties) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that QEC anticipates to exercise a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.useful life.

How we recognise amortisation

Amortisation is the systematic allocation (typically straight line) of the depreciable amount of an asset over its useful life. QEC has computer software that is capitalised.

The following table indicates the expected useful lives of non-current assets on which the depreciation and amortisation charges are based.

	2021	2020
Buildings	50 years	50 years
Leasehold Improvements	2 to 4 years	2 to 4 years
Plant and Equipment	5 to 10 years	5 to 10 years
Motor Vehicles	4 to 5 years	4 to 5 years
Computers and Communication Equipment	3 to 10 years	3 to 10 years
Furniture and Fittings	5 to 10 years	5 to 10 years
Right of Use Assets	1 to 8 years	1 to 8 years
Intangible Assets	5 years	5 years

Note 5: Other Assets and Liabilities

This section sets out those assets and liabilities that arose from QEC's operations.

Structure

5.1 Receivables and Contract Assets
5.2 Payables and Contract Liabilities
5.3 Other Assets

Telling the COVID-19 story

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

Key judgements and estimates	Description
Estimating the provision for expected credit losses	QEC uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring contract liabilities	QEC applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, QEC assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

Note 5.1: Receivables and Contract Assets

	Note	2021 $'000	2020 $'000
Current Receivables and Contract Assets			
Contractual			
Trade Debtors		35	77
Accrued Revenue		28	17
Total Contractual Receivables		**63**	**94**
Statutory			
GST Receivable		48	53
Total Statutory Receivables		**48**	**53**
TOTAL CURRENT RECEIVABLES AND CONTRACT ASSETS		**111**	**147**
Non-Current Receivables and Contract Assets			
Contractual			
Long Service Leave – Department of Health and Human Services		483	436
Total Contractual Receivables		**483**	**436**
TOTAL NON-CURRENT RECEIVABLES AND CONTRACT ASSETS		**483**	**436**
TOTAL RECEIVABLES AND CONTRACT ASSETS		**594**	**583**
Total Receivables and Contract Assets		594	583
GST Receivable		(48)	(53)
Total Financial Assets	7.1 (a)	**546**	**530**

How we recognise receivables

Receivables consist of:

* **Contractual receivables,** which mostly includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. QEC holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.

* **Statutory receivables,** which mostly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. QEC applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets* .

QEC is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

Note 5.2: Payables and Contract Liabilities

	Note	2021 $'000	2020 $'000
Current Payables and Contract Liabilities			
Contractual			
Trade Creditors		304	125
Accrued Salaries and Wages		113	66
Accrued Expenses		94	93
Contract Liabilities – Income Received in Advance	5.2 (a)	7	-
Other		6	7
Total Contractual Payables		**524**	**291**
Statutory			
Superannuation Payable		197	70
Total Statutory Payables		**197**	**70**
TOTAL CURRENT PAYABLES AND CONTRACT LIABILITIES		**721**	**361**
TOTAL PAYABLES AND CONTRACT LIABILITIES		**721**	**361**
Total Payables and Contract Liabilities		721	361
Superannuation Payable		(197)	(70)
Total Financial Liabilities	7.1 (a)	**524**	**291**

How we recognise payables and contract liabilities

Payable consist of:

* **Contractual payables,** which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to QEC prior to the end of the financial year that are unpaid.

* **Statutory payables** include withholding tax and superannuation payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for accounts payable are usually net 30 days.

Note 5.2: Payables and Contract Liabilities (continued)

Note 5.2 (a): Contract Liabilities

	2021 $'000	2020 $'000
Opening Balance of Contract Liabilities	-	3
Payments received for performance obligations not yet fulfilled	7	-
Income recognised for the completion of a performance obligation	**-**	**(3)**
Total Contract Liabilities	**7**	**-**

Note 5.2 (b): Commitments

Monash University is partnering with QEC to deliver an Outcomes Framework to aid future service delivery. This agreement represents a $260k commitment by QEC in the year ending 30 June 2022 and is dependent on Monash University reaching agreed project milestones.

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of services yet to be provided. Invoices are raised according to agreement schedules and if a service component (eg part of a training package) falls into the next reporting period that portion will be classified as income in advance.

The balance of contract liabilities was similar to the previous reporting period.

Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 2.1.

Maturity analysis of payables

Please refer to Note 7.2 (b) for the maturity analysis of contractual payables.

Note 5.3: Other Assets

	2021 $'000	2020 $'000
CURRENT		
Prepayments	67	73
TOTAL CURRENT OTHER ASSETS	**67**	**73**
TOTAL OTHER ASSETS	**67**	**73**

How we recognise other assets

Other assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Note 6: How We Finance Our Operations

This section provides information on the sources of finance utilised by QEC during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of QEC.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

Structure

Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

Key judgements and estimates	Description
Determining if a contract is or contains a lease	QEC applies significant judgement to determine if a contract is or contains a lease by considering if the health service: • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	QEC applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. QEC estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, QEC applies the low-value lease exemption. QEC also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months QEC applies the short-term lease exemption.
Discount rate applied to future lease payments	QEC discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for QEC's lease arrangements, QEC uses its incremental borrowing rate, which is the amount QEC would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if QEC is reasonably certain to exercise such options. QEC determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: • If there are significant penalties to terminate (or not extend), QEC is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, QEC is typically reasonably certain to extend (or not terminate) the lease. • QEC considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	Note	2021 $'000	2020 $'000
Current Borrowings			
Lease liability (i)	6.1 (a)	223	191
Total Current Borrowings		**223**	**191**
Non-Current Borrowings			
Lease liability (i)	6.1 (a)	751	880
Total Non-Current Borrowings		**751**	**880**
TOTAL BORROWINGS		**974**	**1,071**

(i) Secured by the assets leased.

How we recognise borrowings

Borrowings refer to interest bearing liabilities mainly raised through lease liabilities.

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether QEC has categorised its liability as either

'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

Subsequent measurement

Subsequent to initial recognition, interest bearing borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method. Non-interest bearing borrowings are measured at 'fair value through profit or loss'.

Maturity analysis

Please refer to Note 7.2 (b) for the maturity analysis of borrowings.

Defaults and Breaches

During the current and prior year, there were no defaults and breaches of any of the leases.

Note 6.1: Borrowings (continued)

Note 6.1 (a) Lease liabilities

QEC' lease liabilities are summarised below:

	2021 $'000	2020 $'000
Total undiscounted lease liabilities	1,041	1,134
Less unexpired finance expenses	(67)	(63)
Net lease liabilities	**974**	**1,071**

The following table sets out the maturity analysis of lease liabilities, showing the undiscounted lease payments to be made after the reporting date.

	2021 $'000	2020 $'000
Not longer than one year	260	215
Longer than one year but not longer than five years	734	873
Longer than five years	47	46
Minimum future lease liability	**1,041**	**1,134**
Less unexpired finance expenses	(67)	(63)
Present value of lease liability	**974**	**1,071**
* Represented by:		
- Current liabilities	223	191
- Non-current liabilities	751	880
	974	**1,071**

How we recognise lease liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for QEC to use an asset for a period of time in exchange for payment.

To apply this definition, QEC ensures the contract meets the following criteria:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to QEC and for which the supplier does not have substantive substitution rights
- QEC has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and QEC has the right to direct the use of the identified asset throughout the period of use and
- QEC has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

QEC's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased buildings	1 to 8 years
Leased plant, equipment, furniture, fittings and vehicles	1 to 3 years

Note 6.1: Borrowings (continued)

All leases are recognised on the balance sheet, with the exception of low value leases (less than $10,000 AUD) and short term leases of less than 12 months. The following low value, short term and variable lease payments are recognised in profit or loss:

Type of payment	Description of payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than $10,000	Washing machine and dryer rental agreement
Short-term lease payments	Leases with a term less than 12 months	Nil
Variable lease payments not based on an index or rate	Payments which are not based on an index or rate	Nil

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or QEC incremental borrowing rate. QEC's lease liabilities have been discounted by rates of between [1.05%] to [2.57%].

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee and
- payments arising from purchase and termination options reasonably certain to be exercised.

The following types of lease arrangements, contain extension and termination options:

- Leased buildings: QEC's Hume Office lease, Preston office lease and Carrum Downs office lease, incorporate options to renew further terms.

These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by QEC and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows of $335k have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of $128k.

Note 6.1: Borrowings (continued)

Subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

Leases with significantly below market terms and conditions

QEC does not hold lease arrangements which contain significantly below-market terms and conditions.

Note 6.2: Cash and Cash Equivalents

	2021 $'000	2020 $'000
Cash on Hand	2	2
Cash at Bank	3,082	1,880
TOTAL CASH AND CASH EQUIVALENTS	**3,084**	**1,882**

How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, which is held for the purpose of meeting short term cash commitments rather than for investment purposes. These are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Note 7: Risks, Contingencies and Valuation Uncertainties

QEC is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for QEC is related mainly to fair value determination.

Structure

7.1 Financial Instruments

7.2 Financial Risk Management Objectives and Policies

7.2 Contingent Assets and Contingent Liabilities

Note 7.1: Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of QEC's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation.*

Note 7.1 (a) Categorisation of financial instruments

30 June 2021	Note	Financial Assets at Amortised Cost $'000	Financial Assets at Fair Value Through Net Result $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	3,084	-	-	3,084
Receivables and contract assets	5.1	546	-	-	546
Investments and Other Financial Assets	4.1	-	7,253	-	7,253
Total Financial Assets [i]		**3,630**	**7,253**	**-**	**10,883**
Financial Liabilities					
Payables and Contract Liabilities	5.2	-	-	524	524
Borrowings	6.1	-	-	974	974
Total Financial Liabilities [i]		**-**	**-**	**1,498**	**1,498**

[i] The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. Withholding taxes and Superannuation payable).

Note 7.1: Financial Instruments (continued)

30 June 2020	Note	Financial Assets at Amortised Cost $'000	Financial Assets at Fair Value Through Net Result $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	1,882	-	-	1,882
Receivables and contract assets	5.1	530	-	-	530
Investments and Other Financial Assets	4.1	-	6,222	-	6,222
Total Financial Assets [i]		**2,412**	**6,222**	**-**	**8,634**
Financial Liabilities					
Payables and Contract Liabilities	5.2	-	-	291	291
Borrowings	6.1	-	-	1,071	1,071
Total Financial Liabilities [i]		**-**	**-**	**1,362**	**1,362**

[i] The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. Withholding taxes and Superannuation payable).

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when QEC becomes party to the contractual provisions to the instrument. For financial assets, this is at the date QEC commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through net result, in which case transaction costs are expensed to profit or loss immediately.

Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15 para 63.

Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by QEC solely to collect the contractual cash flows and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

These assets are initially recognised at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method less any impairment.

QEC recognises the following assets in this category:

- cash
- receivables (excluding statutory receivables).

Note 7.1: Financial Instruments (continued)

Financial assets at fair value through net result

QEC initially designates a financial instrument as measured at fair value through net result if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or recognising the gains and losses on them, on a different basis
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial asset can be managed and evaluated consistently on a fair value basis or
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through net result is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

QEC recognises listed equity securities as mandatorily measured at fair value through net result and has designated all managed investments as fair value through net result.

Categories of financial liabilities

Financial liabilities are recognised when QEC becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Financial liabilities at fair value through net result

A financial liability is measured at fair value through net result if the financial liability is:

- held for trading or
- initially designated as at fair value through net result.

Changes in fair value are recognised in the net results as other economic flows, unless the changes in fair value relate to changes in QEC's own credit risk. In this case, the portion of the change attributable to changes in QEC's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised.

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

QEC recognises the following liabilities in this category:

- payables (excluding statutory payables and contract liabilities)
- borrowings.

Note 7.1: Financial Instruments (continued)

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, QEC has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where QEC does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired or
- QEC retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement or
- QEC has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where QEC has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of QEC's continuing involvement in the asset.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments

A financial asset is required to be reclassified between fair value between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, QEC's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

Note 7.2: Financial Risk Management Objectives and Policies

As a whole, QEC's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, included the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed throughout the financial statements.

QEC's main financial risks include credit risk, liquidity risk, interest rate risk, and equity price risk. QEC manages these financial risks in accordance with its financial risk management policy.

QEC uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

Note 7.2 (a) Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. QEC's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to QEC. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with QEC's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, QEC is exposed to credit risk associated with other debtors.

In addition, QEC does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on managed investments, except for cash at bank. As with the policy for debtors, QEC's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that QEC will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents QEC's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to QEC's credit risk profile in 2020-21.

Impairment of financial assets under AASB 9

QEC records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes QEC's contractual receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Note 7.2: Financial Risk Management Objectives and Policies (continued)

Contractual receivables at amortised cost

QEC applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates.

QEC has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on QEC's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, QEC determines the closing loss allowances at the end of this financial year as $nil (2020 $nil).

Statutory receivables at amortised cost

QEC's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Statutory receivables is considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, no loss allowance has been recognised.

Note 7.2: Financial Risk Management Objectives and Policies (continued)

Note 7.2 (b): Liquidity Risk

Liquidity risk arises from being unable to meet financial obligations as they fall due.

QEC is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. QEC manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding investments and other contractual financial assets that are readily tradeable in the financial markets and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

QEC's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of investments and other financial assets.

The following table discloses the contractual maturity analysis for QEC's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

Maturity analysis of Financial Liabilities as at 30 June

				Maturity Dates				
		Carrying Amount	Nominal Amount	Less than 1 Month	1–3 Months	3 Months – 1 Year	1–5 Years	Over 5 Years
	Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2021								
Payables and Contract Liabilities (i)	5.2	524	524	523	1	-	-	-
Borrowings	6.1	974	1,041	22	43	195	734	47
Total Financial Liabilities		**1,498**	**1,565**	**545**	**44**	**195**	**734**	**47**
30 June 2020								
Payables and Contract Liabilities (i)	5.2	291	291	291	-	-	-	-
Borrowings	6.1	1,071	1,134	19	39	157	873	46
Total Financial Liabilities		**1,362**	**1,425**	**310**	**39**	**157**	**873**	**46**

(i) Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e GST payable, Withholding taxes and Superannuation payable).

Note 7.2: Financial Risk Management Objectives and Policies (continued)

Note 7.2 (c) Market risk

QEC's exposures to market risk are primarily through interest rate risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

QEC's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. QEC's fund managers cannot be expected to predict movements in market rates and prices. The following movements are 'reasonably possible' over the next 12 months:

- a change in interest rates of 1% up or down and
- a change in the top ASX 200 index of 15% up or down.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. QEC does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. QEC has minimal exposure to cash flow interest rate risks through cash at floating rate.

Equity risk

QEC is exposed to equity price risk through its managed investments. Such investments are allocated and traded to match QEC's investment objectives.

QEC's sensitivity to equity price risk is set out below.

	Carrying amount $'000	-15% Net result $'000	15% Net result $'000
2021			
Contractual Financial Assets			
Investments and Other Contractual Financial Assets	7,253	(1,088)	1,088
Total Impact	**7,253**	**(1,088)**	**1,088**
2020			
Contractual Financial Assets			
Investments and Other Contractual Financial Assets	6,222	(933)	933
Total Impact	**6,222**	**(933)**	**933**

Note 7.3: Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

There were no contingent assets and no contingent liabilities for QEC as at 30 June 2021 or 30 June 2020.

Note 8: Other Disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

Telling the COVID-19 story

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Note 8.1: Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities

	Note	2021 $'000	2020 $'000
Net Result for the Year		1,574	331
Non-Cash Movements:			
Depreciation and Amortisation of Non-Current Assets	4.4	704	608
Finance Costs – Lease Liabilities	3.1	27	24
Income from Managed Funds Reinvested		(255)	(198)
Movements included in Investing and Financing Activities:			
Net Gain from Disposal of Non-Financial Physical Assets	3.4	-	(108)
Net Loss on Financial Instruments at Fair Value	3.4	(776)	300
Movements in Assets and Liabilities:			
(Increase)/Decrease in Receivables and Contract Assets	5.1	(11)	130
(Increase)/Decrease in Prepaid Expenses	5.3	6	5
Increase/(Decrease) in Payables and Contract Liabilities	5.2	360	11
Increase/(Decrease) in Employee Benefits	3.2	(138)	(146)
NET CASH INFLOW FROM OPERATING ACTIVITIES		**1,491**	**957**

Note 8.2: Responsible Persons Disclosure

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994* , the following disclosures are made regarding responsible persons for the reporting period.

		Period
The Honourable Martin Foley:		
Minister for Mental Health		1 Jul 2020 - 29 Sep 2020
Minister for Health		26 Sep 2020 - 30 Jun 2021
Minister for Ambulance Services		26 Sep 2020 - 30 Jun 2021
Minister for the Coordination of Health and Human Services: COVID-19		26 Sep 2020 - 9 Nov 2020
The Honourable Jenny Mikakos:		
Minister for Health		1 Jul 2020 - 26 Sep 2020
Minister for Ambulance Services		1 Jul 2020 - 26 Sep 2020
Minister for the Coordination of Health and Human Services: COVID-19		1 Jul 2020 - 26 Sep 2020
The Honourable Luke Donnellan:		
Minister for Child Protection		1 Jul 2020 - 30 Jun 2021
Minister for Disability, Ageing and Carers		1 Jul 2020 - 30 Jun 2021
The Honourable James Merlino:		
Minister for Mental Health		29 Sep 2020 - 30 Jun 2021
Governing Boards		
Ms Sandra Bell	President of the Board	01/07/2020 - 30/06/2021
Mr Warwick Spargo	Vice President of the Board	01/07/2020 - 30/06/2021
Mr Graham Giannini		01/07/2020 - 30/06/2021
Mr Frank Gullone		01/07/2020 - 30/06/2021
Ms Catherine Ho		01/07/2020 - 30/06/2021
Ms Karen Janiszewski		01/07/2020 - 30/06/2021
Ms Rosemary Bryant-Smith		01/07/2020 - 30/06/2021
Ms Catherine Grindlay		01/07/2020 - 30/06/2021
Ms Colleen Hartland		01/07/2020 - 30/06/2021
Ms Lesley Podesta		01/07/2020 - 30/06/2021
Dr Julie Green		01/07/2020 - 30/06/2021
Ms Elizabeth Murdoch		01/07/2020 - 30/06/2021
Accountable Officers		
Ms Susan White (Chief Executive Officer)		01/07/2020 - 30/06/2021

Remuneration of Responsible Persons

The number of Responsible Persons are shown in their relevant income bands:

Income Band	**2021 No.**	**2020 No.**
$1 - $9,999	12	12
$210,000 - $219,999	1	1
Total Numbers	**13**	**13**

	2021 $'000	**2020 $'000**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**254**	**240**

* QEC had 12 board members for period 1/7/2020 – 30/6/2021.

Amounts relating to the Governing Board Members and Accountable Officer of QEC's financial statements. Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

Note 8.3: Remuneration of Executives

The number of executive officers, other than Ministers and Accountable Officers, their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration of Executive Officers (including Key Management Personnel Disclosed in Note 8.4)	Total Remuneration	
	2021 $ '000	2020 $ '000
Short-term Benefits	506	411
Other Long-term Benefits	-	-
Post Employment Benefits	47	39
Total Remuneration [i]	**553**	**450**
Total Number of Executives	**4.0**	**4.0**
Total Annualised Employee Equivalent [ii]	**3.8**	**3.4**

i The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of QEC under AASB 124 Related Party Disclosures and are also reported within Note 8.4 Related Parties.

ii Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories:

Short-term Employee Benefits

Salaries and wages, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment Benefits

Pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other Long-term Benefits

Long service leave, other long-service benefit or deferred compensation.

Termination Benefits

Termination of employment payments, such as severance packages.

Note 8.4: Related Parties

QEC is a wholly owned and controlled entity of the State of Victoria. Related parties of QEC include:

- all key management personnel (KMP) and their close family members and personal business interests
- cabinet ministers (where applicable) and their close family members and
- all hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of QEC, directly or indirectly.

Key management personnel

The Board of Directors and the Chief Executive Officer of QEC are deemed to be KMPs.

Entity	KMPs	Position Title
The Queen Elizabeth Centre	Ms Sandra Bell	President of the Board
The Queen Elizabeth Centre	Mr Warwick Spargo	Vice President of the Board
The Queen Elizabeth Centre	Mr Graham Giannini	Board Member
The Queen Elizabeth Centre	Mr Frank Gullone	Board Member
The Queen Elizabeth Centre	Ms Catherine Ho	Board Member
The Queen Elizabeth Centre	Ms Karen Janiszewski	Board Member
The Queen Elizabeth Centre	Ms Rosemary Bryant-Smith	Board Member
The Queen Elizabeth Centre	Ms Catherine Grindlay	Board Member
The Queen Elizabeth Centre	Ms Colleen Hartland	Board Member
The Queen Elizabeth Centre	Ms Lesley Podesta	Board Member
The Queen Elizabeth Centre	Dr Julie Green	Board Member
The Queen Elizabeth Centre	Ms Elizabeth Murdoch	Board Member
The Queen Elizabeth Centre	Ms Susan White	Chief Executive Officer

The compensation detailed below is reported in $'000 and excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968*, and is reported within the Department of Parliamentary Services' Financial Report.

Compensation – KMPs	2021 $'000	2020 $'000
Short-term Employee Benefits [i]	233	221
Other Long-term Benefits	-	-
Post Employment Benefits	21	19
Total [ii]	**254**	**240**

i Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.

ii KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Note 8.4: Related Parties (continued)

Significant Transactions with Government Related Entities

QEC received funding from the Department of Health and the Department of Families, Fairness and Housing of $12.0 m (2020: $11.8 m).

Expenses incurred by QEC in delivering services and outputs are in accordance with HealthShare Victoria requirements. Goods and services including procurement, client meals and multi-site operational support are provided by other Victorian Health Service Providers on commercial terms.

Professional medical indemnity insurance and other insurance products are obtained from the Victorian Managed Insurance Authority.

The Standing Directions require QEC to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victorian unless an exemption has been approved by the Minister for Health and Human Services and the Treasurer.

Transactions with KMPs and Other Related Parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with QEC, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

There were no related party transactions with Cabinet Ministers required to be disclosed in 2021 (2020: none).

There were no related party transactions required to be disclosed for QEC Board of Directors and Chief Executive Officer in 2021 (2020: none).

Note 8.5: Remuneration of Auditors

	2021 $'000	2020 $'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	12	12
TOTAL REMUNERATION OF AUDITORS	**12**	**12**

Note 8.6: Ex gratia Payments

There were no ex gratia payments made by QEC to 30 June 2021 or 30 June 2020.

Note 8.7: Events Occurring after the Balance Sheet Date

There are no events occurring after the Balance Sheet date.

Note 8.8: Equity

Contributed capital

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of QEC.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Other transfers that are in the nature of contributions or distributions or that have been designated as contributed capital are also treated as contributed capital.

Note 8.9: Economic Dependency

QEC is wholly dependent on the Department of Health and the Department of Families, Fairness and Housing for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors has no reason to believe the Department of Health and the Department of Families, Fairness and Housing will not continue to support QEC.

10. Disclosure Index

The Annual Report of the Queen Elizabeth Centre is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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