VICTORIAN COMPREHENSIVE CANCER CENTRE

JOINT VENTURE

ABN 84 140 233 790

Financial Report

for the year ended

30 June 2012

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Contents of the Financial Report

Introduction

This is the Financial Report of the Victorian Comprehensive Cancer Centre joint venture for 2012. The Victorian Comprehensive Cancer Centre is an unincorporated entity which was formed when the Member Entities entered into a Joint Venture Agreement on 11 November 2009 for the purpose of establishing a comprehensive cancer centre in Victoria.

A description of the nature of the joint venture operation and its principal activities is included in the Review of Operations.

For enquiries in relation to the Financial Report
please call: + 61 3 8344 8708, or
email to: arudolph@unimelb.edu.au

Glossary

Victorian CCC	Victorian Comprehensive Cancer Centre joint venture
Victorian CCC Ltd, or	
The Company	Victorian Comprehensive Cancer Centre Ltd
AASB	Australian Accounting Standards Board
DH	Department of Health, Victoria
GST	Goods and Services Tax
VAGO	Victorian Auditor-General’s Office
State	The Crown in the right of the State of Victoria

Joint Venture Information

The Member Entities entered into a Joint Venture Agreement on 11 November 2009 for the purposes of establishing a world leading comprehensive cancer centre in Victoria.
The Member Entities in Clause 8 of the Joint Venture Agreement agreed to appoint the Victorian Comprehensive Cancer Centre Ltd (the Company) to manage the joint venture.
Clause 8 of the Joint Venture Agreement provides authority to the Company to exercise all the powers and rights of the Member Entities in respect of joint venture assets.
Further, Clause 8 of the Joint Venture Agreement provides for the Company to hold all joint venture assets as bare trustee for the Member Entities and their respective beneficial interests.

Member Entities

Melbourne Health

Peter MacCallum Cancer Institute (trading as the Peter MacCallum Cancer Centre)

The Royal Women's Hospital

The University of Melbourne

St Vincent's Hospital Melbourne

The Walter and Eliza Hall Institute of Medical Research

The Royal Children's Hospital

Western Health

Withdrawal of Member

On the 23rd August 2011 the Ludwig Institute for Cancer Research wrote to the Chairman (Professor Richard Larkins) notifying him that the Ludwig Institute for Cancer Research would withdraw from the joint venture with effect from 1 March 2012. The right to withdraw is in accord with Clause 30 and 40 of the Joint Venture Agreement.

New Members

On the 22nd of August 2011 the Member Entities agreed (and confirmed by the Board of Victorian CCC Ltd on 24th August 2011) to admit Western Health as a Member Entity of the joint venture with effect from 1 July 2011.

On the 26th of October 2011 the Member Entities agreed (and confirmed by the Board of of Victorian CCC Ltd) to admit the St Vincent's Hospital Melbourne as a Member Entity of the joint venture with effect from 1 July 2011.

Principal Place of Business

Level 3
766 Elizabeth Street
Melbourne, Victoria, 3000
Phone: + 61 3 8344 8708

Mailing Address

PO Box 2148
Royal Melbourne Hospital
Victoria, 3050

Auditors

Victorian Auditor-General’s Office
Level 24, 35 Collins Street
Melbourne, Victoria, 3000
Australia

Review of Operations

The manager of the joint venture submits the report for the year ended 30 June 2012.

The eight member entities have formed a joint venture for the purpose of establishing a world-leading comprehensive cancer centre in Victoria. The vision of the Victorian Comprehensive Cancer Centre is to save lives through the integration of research, education and training and clinical care.

The Victorian Comprehensive Cancer Centre identifies and advances opportunities for innovation and collaboration across its Member Entities, driving the next generation of improvements in the prevention, detection and treatment of cancer. Through the integration of research and education into clinical care, it ensures innovative approaches will rapidly improve outcomes for people with cancer. By facilitating the sharing of resources and information between the Member Entities, it maximises their efficient, effective and complimentary use.

Over the last 12 months the Victorian CCC joint venture has conducted in depth strategic discussions as a Board and with staff members. The resulting strategy has been orientated to the Benefit Management Plan and associated Key Performance Indicators. Actions to realise this strategy are underway with a two year timeline for completion by June 2014. Specifically the strategy will reduce the burden of cancer in our Community, build a centre of excellence in cancer and increase medical research investment.

The Victorian Comprehensive Cancer Centre will engage with and support the broader cancer community in Victoria and beyond. It will develop and promote best practice in cancer prevention, diagnosis, treatment, education and research. Through education and training, it will increase knowledge transfer and knowledge utilisation across the cancer workforce and community in Victoria.

Significant Events after the Balance Date

There are no significant events to report after the balance date.

Signed in accordance with a resolution of the Board of the Victorian Comprehensive Cancer Centre Ltd, the manager of the joint venture.

R. G. Larkins
Chair
Victorian Comprehensive Cancer Centre Ltd

Date 22 August 2012
Melbourne

Declaration by the manager of Joint Venture

In the opinion of the manager of the joint venture:

(i) The Comprehensive Operating Statement is drawn up so as to present fairly the results of the joint venture for the financial year ended 30 June 2012;

(ii) The Balance Sheet is drawn up so as to present fairly the state of affairs of the joint venture as at 30 June 2012;

(iii) The Statement of Changes in Equity is drawn up so as to present fairly the results of the joint venture for the financial year ended 30 June 2012;

(iv) The Cash Flow Statement is drawn up so as to present fairly the cash flows of the joint venture for the financial year ended 30 June 2012;

(v) At the date of this statement there are reasonable grounds to believe that the joint venture will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Board of the Victorian Comprehensive Cancer Centre Ltd, the manager of the joint venture.

R. Larkins
Chairman

J. Bishop
Executive Director

C. Zanker
Business Manager

Melbourne

Dated: 22 August 2012

Comprehensive Operating Statement
for the year ended 30 June 2012

	Note	2012 $	2011 $
Income from transactions			
Contributions from Member Entities	2(a)	1,386,667	599,998
Contributions from Department of Health	2(a)	1,688,125	793,429
Other income	2(a)	22,160	15,300
Interest income	2(b)	46,548	31,147
Total income from transactions		**3,143,500**	**1,439,874**
Expenses from transactions			
Clinical Projects	3(a)	(127,500)	-
Research Projects	3(b)	(504,987)	(152,844)
Education and Training Projects	3(c)	(101,536)	(27,407)
Clinical Research Focus Projects	3(d)	(35,000)	-
Employee benefit expense	3(e)	(1,050,063)	(515,572)
Supplies and services	3(f)	(833,247)	(672,778)
Depreciation expense	3(g)	(9,619)	(5,274)
Total expenses from transactions		**(2,661,952)**	**(1,373,875)**
Net result from transactions (net operating balance)		**481,548**	**66,000**
Comprehensive result		**481,548**	**66,000**

This Comprehensive Operating Statement should be read in conjunction with the accompanying notes included on pages 12 to 30.

Balance Sheet
as at 30 June 2012

	Notes	2012 $	2011 $
Assets			
Current assets			
Cash and deposits	4	1,217,864	588,545
Trade and other receivables	5	260,792	27,033
Prepayments	6	-	26,134
Total Current assets		**1,478,656**	**641,712**
Non-Current assets			
Property, plant and equipment	7	40,899	34,955
Total non-current assets		**40,899**	**34,955**
Total assets		**1,519,555**	**676,667**
Liabilities			
Current liabilities			
Trade and other payables	8	312,033	164,503
Provisions	9	231,267	23,996
Total Current liabilities		**543,300**	**188,499**
Non-Current liabilities			
Provisions	9	22,471	15,932
Total Non-Current liabilities		**22,471**	**15,932**
Total liabilities		**565,771**	**204,431**
Net assets		**953,784**	**472,236**
Equity			
Accumulated Surplus		953,784	472,236
Total equity		**953,784**	**472,236**

Contingent assets and contingent liabilities	17
Commitments for Expenditure	18

This Balance Sheet should be read in conjunction with the accompanying notes included on pages 12 to 30.

Statement of Changes in Equity
for the year ended 30 June 2012

2012	Note	Equity at 1 July 2011	Total comprehensive result	Equity at 30 June 2012
		$	$	$
Accumulated surplus		472,236	481,548	953,784
Total equity at end of financial year		**472,236**	**481,548**	**953,784**

2011	Note	Equity at 1 July 2010	Total comprehensive result	Equity at 30 June 2011
		$	$	$
Accumulated surplus		406,236	66,000	472,236
Total equity at end of financial year		**406,236**	**66,000**	**472,236**

This Statement of Changes in Equity should be read in conjunction with the accompanying notes included on pages 12 to 30.

Cash Flow Statement
for the year ended 30 June 2012

	Note	2012 $	2011 $
Cash flows from operating activities			
Receipts			
Receipts from Members		1,346,667	599,998
Receipts from Department of Health		1,499,715	793,429
Receipts from Customers		24,677	5,350
Goods and Services Tax received from the ATO		104,884	96,895
Interest received		45,477	31,034
Total receipts		**3,021,420**	**1,526,706**
Payments			
Payments to suppliers and employees		(2,376,538)	(1,488,432)
Total Payments		**(2,376,538)**	**(1,488,432)**
Net cash flows from operating activities	11 (b)	**644,882**	**38,275**
Cash flows from investing activities			
Payments for non-financial assets		(15,563)	(24,776)
Net cash flows used in investing activities		**(15,563)**	**(24,776)**
Net increase in cash and cash equivalents		**629,319**	**13,499**
Cash and cash equivalents at the beginning of financial year		588,545	575,045
Cash and cash equivalents at the end of financial year	11 (a)	**1,217,864**	**588,545**

This cash flow statement should be read in conjunction with the accompanying notes included on pages 12 to 30.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies

(a) Basis of preparation of Financial Report

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations and other mandatory requirements. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS).

The Victorian Comprehensive Cancer Centre is a not for profit entity and therefore applies the additional paragraphs applicable to "not for profit" entities under Australian Accounting Standards.

The reporting period is from 1 July 2011 to 30 June 2012. The reporting period for the 2011 comparative period is from 1 July 2010 to 30 June 2011.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2012, and the comparative information presented in these financial statements for the year ended 30 June 2011.

The financial report is prepared in accordance with the historical cost convention and on the going concern basis.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Victorian Comprehensive Cancer Centre.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Historical cost is based on the fair values of the consideration given in exchange for assets.

In the application of Australian Accounting Standards management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgments made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, are disclosed throughout the Notes to the financial statements.

The nature of significant judgments, estimates and assumptions are described throughout the Notes to the Financial Statements.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (Continued)

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) Revenue Recognition

Revenue from sale of goods

Revenue from the sale of goods is recognised by the joint venture when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the joint venture retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of the revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the joint venture and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the rendering of services

Revenue arising from the provision of services is recognised when the following conditions have been satisfied:

- the amount of the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the joint venture

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

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

Other revenue

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes. Revenue is recognised for each of the joint venture's major activities.

(c) Interest Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(d) Expenses

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

(e) Depreciation

Assets with a cost in excess of $1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost, or valuation, over their estimated useful lives using the straight-line method. Estimates of remaining lives and depreciation method for all assets are reviewed at least annually.

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

	2012	2011
Office Equipment	10 years	10 years
Computer Equipment	3 years	3 years
Computer Software	5 years	5 years

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (Continued)

(f) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(g) Trade and Other Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of statement.
Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(h) Property, Plant and Equipment

All non-current physical assets are measured at cost less accumulated depreciation.

(i) Impairment of Assets

All non financial assets are assessed annually for indications of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off as an expense except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that same class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(j) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the joint venture prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Provisions

Provisions are recognised when the Victorian Comprehensive Cancer Centre 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 provision 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.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (Continued)

(l) Employee Benefits

i. Wages and Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave which are expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee's services up to the reporting date, and are classified as current liabilities and measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities, but are measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

ii. Long Service Leave

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

Current Liability – unconditional LSL (representing 10 or more years of continuous service) is disclosed in the notes to the financial statements as a current liability even where the Victorian Comprehensive Cancer Centre 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.

Non-Current Liability – conditional LSL (representing less than 10 years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

iii. On-costs

Employee benefit on-costs, such as payroll tax, workers compensation and superannuation are recognised together with provisions for employee benefits.

(m) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.
Receivables and payables are stated with the amount of GST included.
The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as an operating cash flow.

(n) Commitments for Expenditure

Commitments for expenditure are not recognised on the balance sheet. Commitments for expenditure are disclosed at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

(o) Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

(p) Reporting Entity

The financial statements include all the controlled activities of the Victorian Comprehensive Cancer Centre.

A description of the nature of the Victorian Comprehensive Cancer Centre's operations is included in the Review of Operations, which does not form part of these financial statements.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (Continued)

(q) Rounding of Amounts

All amounts shown in the financial statements are expressed to the nearest $1. Figures in the financial statements may not equal due to rounding.

(r) Comparative Information

Comparative information for Statutory receivables and payables have been amended to correctly present the outstanding Goods and Services Tax position as a net recoverable amount. The reclassification has resulted in a decrease in Trade and other payables (Statutory Taxes payable) of $226 and a corresponding decrease in Trade and other receivables (Statutory - GST input tax credit recoverable). The amount was reclassified as the net of these two amounts is the recoverable amount and not two seperate amounts to be claimed and paid individually.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

(s) New Accounting Standards and Interpretations

Certain new Australian accounting standards and interpretations have been published that are not mandatory for the 30 June 2012 reporting period. As at 30 June 2012, the following standards and interpretations had been issued but were not mandatory for the reporting periods ending 30 June 2012. The joint venture has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for Annual Reporting periods beginning on	Impact on Financial Statements
AASB 9 *Financial instruments*	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement* (AASB 139 *Financial Instruments: Recognition and Measurement*).	1-Jan-13	Detail of impact is still being assessed.
AASB 10 *Consolidated Financial Statements*	This Standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities and supersedes those requirements in AASB 127 *Consolidated and Separate Financial Statements* and Interpretation 112 *Consolidation – Special Purpose Entities*.	1-Jan-13	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 10 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 11 *Joint Arrangements*	This Standard requires entities that have an interest in arrangements that are controlled jointly to assess whether the arrangement is a joint operation or joint venture. AASB 11 shall be applied for an arrangement that is a joint operation. It also replaces parts of requirements in AASB 131 *Interests in Joint Ventures*.	1-Jan-13	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 11 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 12 *Disclosure of Interests in Other Entities*	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 and AASB 131.	1-Jan-13	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 12 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 13 *Fair Value Measurement*	This Standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other AASs. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities; other observable inputs; and unobservable inputs.	1-Jan-13	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures for entities that have assets measured using depreciated replacement cost.
AASB 119 *Employee Benefits*	In this revised Standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows – other movements in equity') reported on the comprehensive operating statement.	1-Jan-13	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions.
AASB 127 *Separate Financial Statements*	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1-Jan-13	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 127 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

AASB 128 *Investments in Associates and Joint Ventures*	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1-Jan-13	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 128 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 1053 *Application of Tiers of Australian Accounting Standards*	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	1-Jul-13	The Victorian CCC has decided against adoption of the Reduced Disclosure Requirements (RDRs), but may choose this to take up the reduced requirements in the future.
AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]*	This Standard gives effect to consequential changes arising from the issuance of AASB 9.	1-Jan-13	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	1-Jul-13	The VCCC has decided against adoption of the Reduced Disclosure Requirements (RDRs), but may choose this to take up the reduced requirements in the future.
AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]*	These consequential amendments are in relation to the introduction of AASB 9.	1-Jan-13	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2010-8 *Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]*	This amendment provides a practical approach for measuring deferred tax assets and deferred tax liabilities when measuring investment property by using the fair value model in AASB 140 *Investment Property.*	Beginning 1-Jan-12	This amendment provides additional clarification through practical guidance.
AASB 2010-10 *Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]*	The amendments ultimately affect AASB 1 *First-time Adoption of Australian Accounting Standards* and provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.	1-Jan-13	No significant impact is expected on entity reporting.
AASB 2011-2 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & AASB 1054]*	The objective of this amendment is to include some additional disclosure from the Trans-Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.	1-Jul-13	The Victorian CCC has decided against adoption of the Reduced Disclosure Requirements (RDRs), but may choose this to take up the reduced requirements in the future.
AASB 2011-3 *Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]*	This amends AASB 1049 to clarify the definition of the ABS GFS Manual, and to facilitate the adoption of changes to the ABS GFS Manual and related disclosures.	1-Jul-12	This amendment provides clarification to users preparing the whole of government and general govovernment sector financial reports on the version of the GFS Manual to be used and what to disclose if the latest GFS Manual is not used. No impact on departmental or entity reporting.
AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This Standard amends AASB 124 *Related Party Disclosures* by removing the disclosure requirements in AASB 124 in relation to individual key management personnel (KMP).	1-Jul-13	No significant impact is expected from these consequential amendments on entity reporting.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

AASB 2011-6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, AASB 128 & AASB 131]	The objective of this Standard is to make amendments to AASB 127 *Consolidated and Separate Financial Statements*, AASB 128 *Investments in Associates* and AASB 131 *Interests in Joint Ventures* to extend the circumstances in which an entity can obtain relief from consolidation, the equity method or proportionate consolidation.	1-Jul-13	The Victorian CCC has decided against adoption of the Reduced Disclosure Requirements (RDRs), but may choose this to take up the reduced requirements in the future.
AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]*	This Standard outlines consequential changes arising from the issuance of the five 'new Standards' to other Standards. For example, references to AASB 127 *Consolidated and Separate Financial Statements* are amended to AASB 10 *Consolidated Financial Statements* or AASB 127 *Separate Financial Statements*, and references to AASB 131 *Interests in Joint Ventures* are deleted as that Standard has been superseded by AASB 11 and AASB 128 (August 2011).	1-Jan-13	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	This amending Standard makes consequentical changes to a range of Standards and Interpretations arising from the issuance of AASB 13. In particular, this Standard replaces the existing definition and guidance of fair value measurements in other Australian Accounting Standards and Interpretations.	1-Jan-13	Disclosures for fair value measurements using unobservable inputs is potentially onerous, and may increase disclosures for assets measured using depreciated replacement cost.
AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	The main change resulting from this Standard is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). These amendments do not remove the option to present profit or loss and other comprehensive income in two statements, nor change the option to present items of OCI either before tax or net of tax.	1-Jul-12	This amending Standard could change the current presentation of 'Other economic flows-other movements in equity' that will be grouped on the basis of whether they are potentially reclassifiable to profit or loss subsequently. No other significant impact will be expected.
AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)[AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]	This Standard makes consequential changes to a range of other Australian Accounting Standards and Interpretaion arising from the issuance of AASB 119 *Employee Benefits*.	1-Jan-13	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	This Standard makes amendments to AASB 119 *Employee Benefits* (September 2011), to incorporate reduced disclosure requirements into the Standard for entities applying Tier 2 requirements in preparing general purpose financial statements.	1-Jul-13	The Victorian CCC has decided against adoption of the Reduced Disclosure Requirements (RDRs), but may choose this to take up the reduced requirements in the future.
2012-1 *Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]*	This amending Standard prescribes the reduced disclosure requirements in a number of Australian Accounting Standards as a consequence of the issuance of AASB 13 *Fair Value Measurement*.	1-Jul-13	The Victorian CCC has decided against adoption of the Reduced Disclosure Requirements (RDRs), but may choose this to take up the reduced requirements in the future.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 2. Income from transactions

		2012 $	2011 $
(a)	**Income from transactions**		
	Contributions from Member Entities		
	Melbourne Health	160,000	85,714
	Peter MacCallum Cancer Institute (trading as the Peter MacCallum Cancer Centre)	160,000	85,714
	The Royal Women's Hospital	160,000	85,714
	The University of Melbourne	160,000	85,714
	Ludwig Institute for Cancer Research Limited	106,667	85,714
	St Vincent's Hospital Melbourne	160,000	-
	The Walter and Eliza Hall Institute of Medical Research	160,000	85,714
	The Royal Children's Hospital	160,000	85,714
	Western Health	160,000	-
	Total Contributions from Member Entities	1,386,667	599,998
	Contributions from Department of Health	1,688,125	793,429
	Other Income	22,160	15,300
		3,096,952	**1,408,727**
(b)	**Interest**		
	On bank deposits	46,548	31,147
		46,548	**31,147**
	Total income from transactions	**3,143,500**	**1,439,874**

Note 3. Expenses from transactions

		2012 $	2011 $
(a)	**Clinical Projects**		
	Clinical Integration	82,500	-
	Development and Enhancement Projects	45,000	-
		127,500	**-**
(b)	**Research Projects**		
	Baseline Studies	188,236	-
	Business Case Development	-	15,773
	Communications and Scholarships	-	35,639
	Tumour Stream Strategy	121,051	101,432
	Development and Enhancement Projects	195,700	-
		504,987	**152,844**
(c)	**Education and Training Projects**		
	Baseline Studies	86,550	-
	Strategy Development	-	16,712
	Communication and Program Support	14,986	10,695
		101,536	**27,407**
(d)	**Clinical Research Focus Projects**		
	Clinical Trial Development	35,000	-
		35,000	**-**
(e)	**Employee benefits**		
	Salary and wages	905,775	437,760
	Superannuation	83,034	40,285
	Annual leave and long service leave expense	44,857	32,546
	Other on-costs - recognised in provision	16,397	4,981
		1,050,063	**515,572**
(f)	**Supplies and services**		
	Professional fees and consultants	334,870	528,312
	ICT Project costs	218,988	-
	Strategic planning	64,953	-
	Insurance expense	25,914	31,589
	Travel expense	40,458	20,726
	Legal expense	14,093	18,235
	Rent	51,912	-
	External and internal audit fees	25,206	9,930
	Other expenses	56,853	63,985
		833,247	**672,777**
(g)	**Depreciation**		
	Office equipment	3,070	1,600
	Computers	6,549	3,674
		9,619	**5,274**

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 4. Cash and cash equivalents

	2012 $	2011 $
Cash on hand	500	382
Cash at bank	817,364	188,163
Cash on deposit	400,000	400,000
Total Cash and cash equivalents	**1,217,864**	**588,545**

Note 5. Trade and Other Receivables

	2012 $	2011 $
Contractual		
Trade receivables (i)	209,599	1,580
Other receivables	42,475	-
	252,074	**1,580**
Statutory		
GST input tax credit recoverable	8,718	25,453
	8,718	**25,453**
Total trade and other receivables (ii)	**260,792**	**27,033**

Notes:

(i) The average credit period on sales of goods is 30 days. No interest has been charged on trade receivables. No allowance for doubtful debts has been recognised as all amounts have been determined recoverable by reference to past default experience.

(ii) All receivables balances held at reporting date are classified as current.

For details of ageing analysis of contractual receivables and the nature and extent of risk arising from contractual receivables, please refer to Note 10.

Note 6. Prepayments

	2012 $	2011 $
Prepayments		
Prepayments (i)	-	26,134
Total prepayments	**-**	**26,134**

Notes:

(i) The 2011 prepayment relates to insurance premiums with coverage from 1 July 2011 but paid before 30 June 2011.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 7. Property, plant and equipment

	2012 $	2011 $
Office equipment		
At cost	32,256	27,094
Less accumulated depreciation	(6,031)	(2,053)
	26,225	25,041
Computer equipment - including software		
At cost	26,301	15,901
Less accumulated depreciation	(11,627)	(5,986)
	14,674	9,915
Total Property, plant and equipment	**40,899**	**34,955**

	Office Equipment	Computer equipment - including software	Total
2012	$	$	$
Balance at beginning of year	25,041	9,914	34,955
Additions/(Disposals)	5,163	10,400	15,563
Reclassification	(908)	908	0
Depreciation Expense	(3,070)	(6,549)	(9,619)
Balance at end of year	**26,225**	**14,673**	**40,899**
2011			
Balance at beginning of year	19,599	17,348	36,947
Additions/(Disposals)	7,042	(3,760)	3,282
Depreciation Expense	(1,600)	(3,674)	(5,274)
Balance at end of year	**25,041**	**9,914**	**34,955**

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 8. Trade and other Payables

	2012 $	2011 $
Contractual		
Unsecured liabilities		
Trade Creditors (i)	124,355	101,291
Accruals	187,678	54,255
	312,033	**155,546**
Statutory		
Superannuation payable	-	8,957
	-	**8,957**
Total Trade and other Payables (ii)	**312,033**	**164,503**

Notes:
(i) The average credit period is 30 days. No interest is charged on late payments.
(ii) All payables balances at reporting date are classified as current.

For maturity analysis and nature and extent of risks arising from payables, refer to Note 10.

Note 9. Provisions

	2012 $	2011 $
Current		
Employee benefits (i)		
Unconditional and expected to be settled within 12 months (ii)	211,518	20,329
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months (ii)	19,749	3,667
Total current provisions	**231,267**	**23,996**
Non-current		
Employee benefits (i)		
Conditional and expected to be settled after 12 months (iii)	20,552	14,329
Provisions related to employee benefit on-costs		
Conditional and expected to be settled after 12 months (iii)	1,919	1,603
Total non-current provisions	**22,471**	**15,932**
Total provisions	**253,738**	**39,928**

Notes:
(i) Provisions for employee benefits consists of 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 value.

(a) Employee benefits and related on-costs

	2012 $	2011 $
Current employee benefits		
Annual leave entitlements	46,957	20,329
Long service leave entitlements	164,561	-
Non-current employee benefits		
Conditional long service leave entitlements	20,552	14,329
Total employee benefits	**232,070**	**34,658**
Current on-costs	19,749	3,667
Non-current on-costs	1,919	1,603
	21,668	**5,271**
Total employee benefits and related on-costs	**253,738**	**39,928**

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 10. Financial instruments

(a) Financial risk management objectives and policies

The joint venture's principal financial instruments comprise:
- cash assets including deposits;
- receivables (excluding statutory receivables);
- payables (excluding statutory payables).

Details of the significant accounting policies and methods adopted, including 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, are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the joint venture's financial risks within the requirements of the Government's policy parameters.

The carrying amounts of the joint venture's financial assets and liabilities by category are as follows:

		Carrying Amount	
		2012	**2011**
		$	**$**
Financial assets			
Cash and deposits	*Note 4*	1,217,864	588,545
Trade and other receivables	*Note 5*	252,074	1,580
Total financial assets (i)		**1,469,938**	**590,125**
Financial liabilities			
Trade Creditors and other payables	*Note 8*	312,033	155,546
Total financial liabilities (ii)		**312,033**	**155,546**

Notes:
(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit recoverable).
(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. taxes and superannuation payables).

(b) Credit Risk

Credit risk arises from the financial assets of the joint venture, which comprise cash and cash equivalents, trade and other receivables. The joint venture's exposure to credit risk arises from the potential default of counter parties on their contractual obligations resulting in financial loss to the joint venture. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the joint venture's financial assets is minimal because it is the joint venture's policy to only deal with entities with high credit ratings. In addition, the joint venture does not engage in hedging for its financial assets and mainly obtains financial assets that are on fixed interest.

Provision of impairment for financial assets is calculated based on expected changes in client credit ratings.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the joint venture's maximum exposure to credit risk.

Financial assets that are either past due or impaired

Currently, the joint venture does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

As at reporting date, there are no events to indicate that a provision for impairment is required on the joint venture's financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

(c) Liquidity risk

Liquidity risk arises when the joint venture is unable to meet its financial obligations as they fall due. The joint venture continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

The joint venture's exposure to liquidity risk is deemed insignificant based on the current assessment of risk. Cash for unexpected events is generally sourced from its cash and cash equivalents balance.

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the Balance Sheet.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 10. Financial instruments (continued)

The contractual maturity analysis for the joint venture's financial liabilities is as follows:

2012	Carrying amount	Nominal amount	Maturity dates (i) Less than 1 month	1- 3 months	3 months - 1 year	1 - 5 years
	$	$	$	$	$	$
Trade Creditors and other payables	312,033	312,033	312,033	-	-	-
Total Financial Liabilities	**312,033**	**312,033**	**312,033**	**-**	**-**	**-**

2011	Carrying amount	Nominal amount	Maturity dates (i) Less than 1 month	1- 3 months	3 months - 1 year	1 - 5 years
	$	$	$	$	$	$
Trade Creditors and other payables	155,546	155,546	142,179	13,367	-	-
Total Financial Liabilities	**155,546**	**155,546**	**142,179**	**13,367**	**-**	**-**

Note (i): The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.
The total amount of financial liabilities disclosed here excludes statutory payables (i.e. GST and superannuation payable).

(d) Market risk

The joint venture’s exposures to market risk are primarily through interest rate risk.

Interest rate risk may arise primarily through the joint venture's floating rate bank deposits maturity profiles.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are as follows:

2012	Weighted average effective interest rate	Carrying amount	Interest rate exposure Fixed interest rate	Variable interest rate	Non-interest bearing
	%	$	$	$	$
Financial assets					
Cash and deposits	3.90	1,217,864	400,000	813,427	4,437
Receivables	-	252,074	-	-	252,074
		1,469,938	**400,000**	**813,427**	**256,511**
Financial liabilities					
Trade creditors and other payables	-	312,033	-	-	312,033
		312,033	**-**	**-**	**312,033**

2011	Weighted average effective interest rate	Carrying amount	Interest rate exposure Fixed interest rate	Variable interest rate	Non-interest bearing
	%	$	$	$	$
Financial assets					
Cash and deposits	4.65	588,545	400,000	186,049	2,497
Receivables	-	1,580	-	-	1,580
		590,125	**400,000**	**186,049**	**4,077**
Financial liabilities					
Trade creditors and other payables	-	155,546	-	-	155,546
		155,546	**-**	**-**	**155,546**

The joint venture is not exposed to currency, market price or other market risks.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 10. Financial instruments (continued)

Sensitivity disclosure analysis

Taking into account future expectations, economic forecasts and management's knowledge and experience of financial markets, management believes that a parallel shift of +1.25 per cent and -1.25 per cent in market interest rates is 'reasonably possible' over the next 12 months.

The impact on net result and equity for each category of financial instrument held by the joint venture at year end if the above movements were to occur is as follows:

2012	Carrying amount	Interest rate risk			
		+ 125 basis points		-125 basis points	
		Net result	Equity	Net result	Equity
	$	$	$	$	$
Financial assets					
Cash and deposits	1,217,864	14,565	14,565	(14,565)	(14,565)
	1,217,864	**14,565**	**14,565**	**(14,565)**	**(14,565)**

2011	Carrying amount	Interest rate risk			
		+ 100 basis points		-100 basis points	
		Net result	Equity	Net result	Equity
	$	$	$	$	$
Financial assets					
Cash and deposits	588,545	1,860	1,860	(1,860)	(1,860)
	588,545	**1,860**	**1,860**	**(1,860)**	**(1,860)**

(e) Fair value

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets is determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The joint venture considers the carrying amount of financial assets and financial liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

Note 11. Cash flow information

		2012 $	2011 $
(a) Reconciliation of cash and cash equivalents			
Cash and deposits	*Note 4*	**1,217,864**	**588,545**
(b) Reconciliation of the net result for the year to net cash flows from operating activities			
Net result for the year		481,548	66,000
Non cash movements			
Depreciation		9,619	5,274
Movements in assets and liabilities			
(Increase)/decrease in current receivables		(233,759)	11,174
(Increase)/decrease in other current assets		26,134	(5,228)
Increase/(decrease) in current payables		147,530	(97,965)
Increase/(decrease) in current provisions		207,271	21,595
Increase/(decrease) in non-current provisions		6,539	15,932
(Increase)/decrease in asset values		-	21,494
Net cash flows from operating activities		**644,882**	**38,275**

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 12. Responsible persons

The following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Ministers and Accountable Officers in the joint venture are as follows:

Minister		
Minister for Health and Ageing	The Hon. David Davis MLC	1 July 2011 to 30 June 2012
Board of Directors		
Chairman	R. G. Larkins *Chairman*	1 July 2011 to 30 June 2012
Deputy Chairman	G. Morstyn *Deputy Chairman*	1 July 2011 to 30 June 2012
Director	J. A. Angus	1 July 2011 to 30 June 2012
Director	C. A. Bennett	1 July 2011 to 30 June 2012
Director	A. M. Cockram	17 August 2011 to 30 June 2012
Director	K. J. Cook	1 July 2011 to 30 June 2012
Director	D. A. Fisher	1 July 2011 to 30 June 2012
Director	D. J. Hilton	1 July 2011 to 30 June 2012
Director	C. J. Kilpatrick	1 July 2011 to 30 June 2012
Director	P. R. M. O'Rourke	1 July 2011 to 30 June 2012
Director	A.W. Burgess	1 July 2011 to 1 March 2012
Director	L.M. Sorrell	1 July 2011 to 11 August 2011
Accountable Officer		
Executive Director	J Bishop	1 July 2011 to 30 June 2012
Company Secretary	M Roger	1 July 2011 to 13 June 2012
Company Secretary	C Zanker	13 June 2012 to 30 June 2012

Remuneration

The number of responsible persons, other than Ministers, and their total remuneration in connection with the management of the joint venture during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of responsible persons is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

Income Band	**Total Remuneration**		**Base Remuneration**	
	2012 No.	**2011 No.**	**2012 No.**	**2011 No.**
$0	10	7	10	7
$1 – 49,999	3	3	3	3
$50,000 – 99,999	1	-	1	-
$100,000 – 149,999	-	-	-	-
$150,000 – 199,999	-	1	-	1
$200,000 – and above	1	-	1	-
Total numbers	**15**	**11**	**15**	**11**
Total amount	**$ 461,313**	**$ 211,774**	**$ 433,259**	**$ 211,774**

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

Other Transactions

Other related transactions and loans requiring disclosure under the Ministerial Directions issued by the Minister for Finance have been considered and there are no matters to report.

Note 13. Remuneration of executives

At balance date the there were no other executive officers appointed to manage the joint venture, other than the Ministers and Accountable Officers identified in Note 12.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 14. Superannuation

Employees of the Company and working on behalf of the joint venture are entitled to receive superannuation benefits and the Company contributes to defined contribution plans.

The name and details of the employee superannuation funds are as follows:

Fund Name	**Number of Employees**		**Contribution rate%**	
	2012	**2011**	**2012**	**2011**
Australian Super	1	1	9%	9%
G & R Morstyn Super	1	1	9%	9%
Health Super	1	1	9%	9%
HESTA Super	2	2	9% to 13%	9% to 13%
UniSuper	3	3	9% to 17%	9% to 17%
Axa	1	-	9%	9%
SuperWrap	1	-	9%	9%
			$ 83,034	**$ 40,285**

Note 15. Remuneration of auditors

	2012 **$**	**2011** **$**
Victorian Auditor-General's Office		
Audit of the financial statements	10,470	9,930
	10,470	**9,930**

Note 16. Significant events after Balance Date

There have been no significant events after Balance Date.

Note 17. Contingent Assets and Liabilities

The Victorian Comprehensive Cancer Centre has no known contingent assets or liabilities.

Note 18. Commitments for Expenditure

The Victorian Comprehensive Cancer Centre has no capital commitments at balance date.

The Victorian CCC has non-cancellable, contractual obligations at balance date for expenditure on projects that have been commissioned and not yet completed.

	2012 **$**	**2011** **$**
Other expenditure commitments		
Not later than one year	492,225	-
Total expenditure commitments	**492,225**	**-**
Total commitments (inclusive of GST)	492,225	-
less GST recoverable from the ATO	11,470	-
Total commitments (exclusive of GST)	**480,755**	**-**

All amounts shown in the commitments note are nominal amounts inclusive of GST.

Note 19. Operating Segments

The joint venture operates in one segment and one geographical region - being the establishment of a world leading comprehensive cancer centre in Victoria, Australia.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 20. Glossary of terms

Comprehensive result

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Employee benefits expense

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

Financial asset

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:
- to receive cash or another financial asset from another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

(d) a contract that will or may be settled in the entity's own equity instruments and is:
- a non derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (Sept 2007), which means it may include the main financial statements and the notes.

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write offs, impairment write downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner changes in equity'.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2012

Note 20. Glossary of terms (continued)

Payables

Includes short and long term trade debt and accounts payable, grants and interest payable.

Receivables

Includes short and long term trade credit and accounts receivable, grants, taxes and interest receivable.

Sales of goods and services

Refers to revenue from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services revenue.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the joint venture.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

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INDEPENDENT AUDITOR'S REPORT

To the Directors of the Victorian Comprehensive Cancer Centre

The Financial Report

The accompanying financial report for the year ended 30 June 2012 of the Victorian Comprehensive Cancer Centre which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration by the manager of the Joint Venture has been audited.

The Directors' Responsibility for the Financial Report

The Directors of the Victorian Comprehensive Cancer Centre are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victorian Comprehensive Cancer Centre as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Victorian Comprehensive Cancer Centre for the year ended 30 June 2012 included both in the Victorian Comprehensive Cancer Centre's annual report and on the website. The Directors of the Victorian Comprehensive Cancer Centre are responsible for the integrity of the Victorian Comprehensive Cancer Centre's website. I have not been engaged to report on the integrity of the Victorian Comprehensive Cancer Centre's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
23 August 2012

for D D R Pearson
Auditor-General