VICTORIAN COMPREHENSIVE CANCER CENTRE

JOINT VENTURE

Financial Report

for the year ended

30 June 2014

Contents of the Financial Report

Introduction

This is the Financial Report of the Victorian Comprehensive Cancer Centre joint venture for 2014. 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.

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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
ICT	Information & Communications Technology

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

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

Review of Operations

The manager of the joint venture submits the report for the year ended 30 June 2014.

A year of achievement and consolidation

In its fifth year of operation, the Victorian Comprehensive Cancer Centre (VCCC) is well established as a multi-site, multi-disciplinary program linking the work of eight leading Melbourne-based institutions to provide a critical mass of cancer experts all dedicated to transforming the approach to cancer control in Victoria.

The cancer program is a powerful alliance of: Peter MacCallum Cancer Centre, Melbourne Health (including The Royal Melbourne Hospital), The University of Melbourne, the Walter and Eliza Hall Institute of Medical Research, The Royal Women's Hospital, The Royal Children's Hospital, Western Health and St Vincent's Hospital Melbourne.

The vision for the VCCC is to save lives through the integration of cancer research, education and patient care. Through innovation and collaboration the VCCC uses new research discoveries to accelerate the next generation of improvements in these areas to benefit those affected by cancer and reduce the impact of cancer in our community.

The VCCC aims to accelerate the improvement in cancer outcomes in Victoria by integrating world's best cancer care with new research evidence and education. All VCCC members have agreed to address the Key Performance Indicators set by government and accepted in the original Parkville CCC Business Plan. These benefits and KPIs are:

Benefit 1: Reduce the burden of cancer by:
- Increasing survival.
- Improving the living with cancer experience.

Benefit 2: Build a Centre of Excellence in Cancer by:
- Integrating clinical care, research and education.
- Translating key research evidence into clinical trials, improved care and population programs.

Benefit 3: Increase medical research investment.

2013 has been a year of outstanding achievement for the VCCC, ensuring that — when the building program is complete — VCCC members will already have a record of collaboration in clinical service, research and education, which will place the VCCC at the forefront of comprehensive cancer centres in the world

Benefit 1 - Reduce the Burden of Cancer

The VCCC Living with Cancer Program has been established to deliver outcomes for the key performance indictor 'reducing the burden of cancer'. A representative VCCC working group oversees the Living with Cancer Program, which includes Western & Central Melbourne Integrated Cancer Service (WCMICS) representation. A key achievement this year was the VCCC's first Cancer Patient Experience Survey. Information from cancer patients from VCCC member clinical sites — Melbourne Health, the Royal Women's Hospital (the Women's), Peter Mac, Western Health and St Vincent's Hospital Melbourne will be used to drive quality-improvement initiatives and better models of clinical care.

Review of Operations (continued)

Results have been benchmarked to 70,000 patients in the United Kingdom who completed a similar survey.

Key results from the Cancer Patient Experience Survey

- Overall, patients rated their care as very good or excellent.
- Patients who were managed by a nurse specialist or nurse coordinator had a better experience than those who were not (as identified by more than 50 questions).
- Patients reported a lack of specific written information about their treatment and side effects of their management plan.
- Patients with disabilities, poorer prognosis, central nervous system cancers or sarcomas reported a worse experience.
- Patients felt they needed better access to allied health support, such as financial advice, than they currently receive.

A second survey on Patient Reported Outcomes Measures (PROMs), assessed overall quality of life and experience of cancer survivors with different cancer types and at different time points since diagnosis. PROMs can assess the contribution that their care, demographics and other factors have on their quality of life, and will be used to improve future programs. The results of the Cancer Patient Experience Survey and PROMs will strongly project the patients' voices into our clinical planning.

The VCCC and the Victorian Cancer Registry have nearly completed recruitment for the Patient Reported Outcomes Measures survey (PROMs) for breast, prostate and colorectal cancer, and non-Hodgkin lymphoma. The newly developed VCCC melanoma PROMs has been added to these surveys. Results will be available in the new financial year.

- Two new studies were funded in psycho-oncology, as well as a pilot project in cancer awareness in our community.
- The VCCC supported member organisations who collaborated to convene a successful gynae-oncology symposium and a breast cancer symposium.

There has been extensive work on cancer symptom awareness — specifically aimed at early diagnosis — in general practice and the community. A funded pilot project reviewed the QCancer general practitioner (GP) decision aid, which aimed to increase GP awareness and evidence-based response to cancer, especially early detection and prevention.

Benefit 2 - Build a Centre of Excellence in Cancer

Looking back at 2013-14, many collaborations and accomplishments within the Victorian Comprehensive Cancer Centre's (VCCC's) member organisations have focused on building a centre of excellence in cancer. In 2013-14 further chairs in cancer were established. Chairs in Melanoma and Skin Cancer, Leukaemia Research and Health Services Research support the already established chairs in cancer medicine, primary care cancer research, medical genomics, providing a national and international focus on these areas, and contributing more than $9 million to our programs.

Review of Operations (continued)

New Chairs:

- Lorenzo Galli Chair of Melanoma and Skin Cancers at UoM and the Peter MacCallum Cancer Centre (Peter Mac).
- Professor Andrew Roberts was appointed as the Metcalf Chair of Leukaemia Research at UoM, a joint appointment with WEHI and Melbourne Health.
- A new Chair in Cancer Health Services Research has been established at the University of Melbourne and is undergoing recruitment

Four new cancer research fellowships have been established, bringing the total established to twelve.

- Dr Michael Dickenson (Peter MacCallum Cancer Centre [Peter Mac]) was awarded the Julie Borschmann Fellowship in Myeloma.
- Three Herman Clinical Research Fellowships were awarded to Dr Kylie Mason (WEHI and Melbourne Heath), and Drs Constantine Tam and Mark Dawson (Peter Mac). A fourth will be awarded in 2014.

Ten staff from our member organisations participated in the Graduate Certificate in Clinical Teaching and the Graduate Certificate in University Teaching.

Nine VCCC PhD prizes, including the Picchi Medal for Excellence for top PhD researcher in cancer, were awarded to:

- Matthew Hong, Royal Melbourne Hospital (RMH) – Picchi Medal
- Nicole Kiss, Peter Mac
- Lucas Dent, Peter Mac
- Sarah Sawyer, Peter Mac
- Chacko Joseph, St Vincent's Hospital
- Farhana Sultana, UoM
- Marcus Lefebure, Peter Mac
- Colin Hockings, Walter and Eliza Hall Institute
- Shankar Siva, Peter Mac

The Master of Cancer Sciences concept proposal was approved by UoM and the first component, the Graduate Certificate in Cancer Sciences, will be launched will enrol students from semester 1, 2015. This contemporary, evidence-based masters program has been designed for health professionals who care for patients with cancer, or who are involved in cancer-oriented research and teaching.

In a study examining the experiences of 347 PhD students in VCCC member organisations demographic data revealed that:

- The ratio of male to female students is 46%:54%.
- The proportion of international students in 28%.
- The proportion of clinical students is 35%.
- The proportion of students in MRI or hospitals is 65%.

Review of Operations (continued)

Key recommendations highlighted in the survey included the need for better customisation of induction packages for students, the need to raise awareness of available activities and support, development of online resources that support ‘just-in-time’ learning, design of professional development programs for effective supervision strategies for better communication and feedback, and support for student independence.

Personalised Medicine Program

Through the establishment of the Molecular Tumour Board (MTB) clinicians and scientists now have a forum to examine and discuss patients’ genomic test results, and how these results may influence clinical care.

The first few patients have now successfully been through the Whole Exome Sequencing project. This is a major groundbreaking collaboration among VCCC members — the Personalised Medicine Program is forward-looking and will become part of the way medicine is practiced in the genomic era.

Implementing research evidence to obtain better cancer outcomes

Clinical trials provide the latest research treatments to patients and translate evidence-based research findings into clinical practice. Cancer Council Victoria data from 2012 reveal that 79% (up from 60% in 2011) of all cancer trials open to accrual in Victoria are offered to patients at VCCC member organisations, and 69% (up from 45% in 2011) of all patients recruited to cancer clinical trials in Victoria participated in a trial at a VCCC member organisation (1200 patients in 2012, up from 836 in 2011). As a result, three key projects were established in 2013 to attract more early-phase cancer trials and increase accrual rates on clinical trials.

Benefit 3 - Increase Medical Research Investment

The Cancer Research Advisory Committee facilitated a number of new, successful cooperative joint grant applications to the National Health and Medical Research Council (NHMRC). We enabled four successful large multisite grants in 2013, realising around $10.5 million for members; the Australian Cancer Research Foundation (ACRF) awarded $2 million to establish the ACRF Translational Proteomic Facility at The University of Melbourne (UoM).

- A clinical trial improvement program was funded to address the identified need for further support and infrastructure for clinical trials.
- A business case for future funding was submitted to the Victorian Government.
- VCCC Members have maintained their research income after another successful year in NHMRC grants. VCCC has conducted two recent Research Activity and Capability censuses. These audits provide vital information about the combined strength of the VCCC member organisations and reinforce the power of effective collaborations.
- A Research Business Development Group was established to optimise industry interactions with VCCC-affiliated researchers. It also developed an industry engagement strategy.

Review of Operations (continued)

Concluding comments

This has been achieved because of the positive and collaborative attitude brought to the Board, and its subcommittees and working parties by all the participants. Much work remains to be done, but the vision of achieving a cancer centre undertaking world-class research at all levels, resulting in reduction of the burden of cancer in our community, will be realised. The research will lead to prevention of many cases of cancer, better treatment with more cures and better management of survivors of cancer. Education will ensure that our health workforce is equipped to take advantage of advances in cancer management and that the community is properly informed. Clinical care will be of the highest quality, benchmarked against the world's best, and coordinated between member institutions so that it is cost-effective and efficient for the patients.

We thank the Victorian and Australian governments for their support for the VCCC and look forward to ongoing commitment for the next five years and beyond.

Significant Events after 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

Dated: 7 August 2014
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 2014;

(ii) The Balance Sheet is drawn up so as to present fairly the state of affairs of the joint venture as at 30 June 2014;

(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 2014;

(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 2014;

(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: 7 August 2014

Comprehensive Operating Statement
for the year ended 30 June 2014

	Note	2014 $	2013 $
Income from transactions			
Contributions from Member Entities	2(a)	1,459,168	1,459,168
Contributions from Department of Health	2(a)	1,459,168	1,694,299
Other income	2(a)	53,885	110,548
Interest income	2(b)	49,846	67,140
Total income from transactions		**3,022,067**	**3,331,155**
Expenses from transactions			
Reduce Cancer Burden			
Survival	3(a)	(198,975)	(79,321)
Living with Cancer	3(a)	(222,233)	(61,345)
Centre of Excellence			
Leaders in Cancer Strategy	3(b)	(49,980)	(280,090)
Clinical Projects	3(b)	(48,680)	(132,656)
Research Projects	3(b)	(456,338)	(595,405)
Education and Training Projects	3(b)	(59,100)	(164,025)
Clinical Research Focus Projects	3(b)	(14,935)	(35,000)
Increased Investment			
Business Development Initiatives	3(c)	(16,591)	(43,280)
New Funding Streams Strategy	3(c)	(125,985)	-
Other expenses			
Employee benefit expense	3(d)	(1,350,600)	(1,328,175)
Supplies and services	3(e)	(350,241)	(507,674)
Depreciation expense	3(f)	(11,602)	(11,540)
Total expenses from transactions		**(2,905,260)**	**(3,238,511)**
Net result from transactions (net operating balance)		**116,807**	**92,644**
Comprehensive result		**116,807**	**92,644**

This Comprehensive Operating Statement should be read in conjunction with the accompanying notes included on pages 15 to 36.

Balance Sheet
as at 30 June 2014

	Notes	2014 $	2013 $
Assets			
Current assets			
Cash and cash equivalents	4	1,783,608	1,349,333
Trade and other receivables	5	26,851	105,808
Prepayments	6	40,288	134,071
Total Current assets		**1,850,747**	**1,589,212**
Non-Current assets			
Property, plant and equipment	7	35,465	41,189
Total non-current assets		**35,465**	**41,189**
Total assets		**1,886,212**	**1,630,401**
Liabilities			
Current liabilities			
Trade and other payables	8	375,067	246,844
Provisions	9	300,729	296,961
Total Current liabilities		**675,796**	**543,805**
Non-Current liabilities			
Provisions	9	47,181	40,168
Total Non-Current liabilities		**47,181**	**40,168**
Total liabilities		**722,977**	**583,973**
Net assets		**1,163,235**	**1,046,428**
Equity			
Accumulated Surplus		1,163,235	1,046,428
Total equity		**1,163,235**	**1,046,428**

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 15 to 36.

Statement of Changes in Equity
for the year ended 30 June 2014

2014	Note	Equity at 1 July 2013	Total comprehensive result	Equity at 30 June 2014
		$	$	$
Accumulated surplus		1,046,428	116,807	1,163,235
Total equity at end of financial year		**1,046,428**	**116,807**	**1,163,235**

2013	Note	Equity at 1 July 2012	Total comprehensive result	Equity at 30 June 2013
		$	$	$
Accumulated surplus		953,784	92,644	1,046,428
Total equity at end of financial year		**953,784**	**92,644**	**1,046,428**

This Statement of Changes in Equity should be read in conjunction with the accompanying notes included on pages 15 to 36.

Cash Flow Statement
for the year ended 30 June 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Receipts			
Receipts from Members		1,459,168	1,499,168
Receipts from Department of Health		1,459,168	1,900,608
Receipts from Customers		138,392	64,901
Goods and Services Tax received from the ATO		120,683	103,589
Interest received		50,283	69,615
Total receipts		**3,227,694**	**3,637,881**
Payments			
Payments to suppliers and employees		(2,787,541)	(3,494,341)
Total payments		**(2,787,541)**	**(3,494,341)**
Net cash flows from operating activities	11	**440,153**	**143,540**
Cash flows from investing activities			
Payments for non-financial assets		(5,878)	(12,071)
Net cash flows used in investing activities		**(5,878)**	**(12,071)**
Net increase in cash and cash equivalents		**434,275**	**131,469**
Cash and cash equivalents at the beginning of financial year		1,349,333	1,217,864
Cash and cash equivalents at the end of financial year	4	**1,783,608**	**1,349,333**

This cash flow statement should be read in conjunction with the accompanying notes included on pages 15 to 36.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014

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 2013 to 30 June 2014. The reporting period for the 2013 comparative period is from 1 July 2012 to 30 June 2013.

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 2014, and the comparative information presented in these financial statements for the year ended 30 June 2013.

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 2014

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) Income Recognition

Income from sale of goods
Income 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 Income 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.

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

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

(c) Interest Income

Interest income 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.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (Continued)

(e) Employee Expenses

Employee Expenses Include wages and salaries, annual leave, sick leave, long service leave and superannuation expenses.

Employees of the Victorian Comprehensive Cancer Centre are entitled to receive superannuation benefits and contributions are made to defined contribution superannuation plans which are expensed when incurred.

The name and details of the major employee superannuation funds and contributions made by the Victorian Comprehensive Cancer Centre are disclosed in Note 14: Superannuation.

(f) 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.

	2014	2013
Office Equipment	10 years	10 years
Computer Equipment	3 years	3 years
Computer Software	5 years	5 years

(g) 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.

(h) 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.

(i) Property, Plant and Equipment

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

(j) 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.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (Continued)

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.

(k) 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.

(l) 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.

(m) Employee Benefits

i. Wages and Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave which are wholly 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 because the entity does not have an unconditional right to defer settlement of theses liabilities.

Those liabilities that are not expected to be wholly 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.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (Continued)

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 workers compensation and superannuation are recognised together with provisions for employee benefits.

(n) 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.

(o) Commitments for Expenditure

Commitments for future expenditure are not recognised on the balance sheet but are disclosed by way of a note 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. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

(p) 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.

(q) 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.

(r) 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.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (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 2014 reporting period. As at 30 June 2014, the following standards and interpretations had been issued but were not mandatory for the reporting periods ending 30 June 2014. 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-17	The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. An assessment has not identified any material impact arising from AASB 9.

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2013-14 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2013-14 reporting period and is considered to have insignificant impacts on public sector reporting.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.
- 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements.
- 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.
- 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting.
- 2013-5 Amendments to Australian Accounting Standards – Investment Entities
- 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements
- 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policy holders
- 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
- AASB Interpretation 21 Levies.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (continued)

Note 2. Income from transactions

		2014 $	2013 $
(a)	**Income from transactions**		
	Contributions from Member Entities		
	Melbourne Health	182,396	182,396
	Peter MacCallum Cancer Institute (trading as the Peter MacCallum Cancer Centre)	182,396	182,396
	The Royal Women's Hospital	182,396	182,396
	The University of Melbourne	182,396	182,396
	St Vincent's Hospital Melbourne	182,396	182,396
	The Walter and Eliza Hall Institute of Medical Research	182,396	182,396
	The Royal Children's Hospital	182,396	182,396
	Western Health	182,396	182,396
	Total Contributions from Member Entities	1,459,168	1,459,168
	Contributions from Department of Health	1,459,168	1,694,299
	Other Income	53,885	110,548
		2,972,221	**3,264,015**
(b)	**Interest income**		
	On bank deposits	49,846	67,140
		49,846	**67,140**
	Total income from transactions	**3,022,067**	**3,331,155**

Note 3. Expenses from transactions

		2014 $	2013 $
(a)	**Reduce Cancer Burden**		
	Survival	198,975	79,321
	Living with Cancer	222,233	61,345
		421,208	**140,666**
(b)	**Centre of Excellence**		
	Leaders in Cancer Strategy	49,980	280,090
	Clinical Projects	48,680	132,656
	Research Projects	456,338	595,405
	Education & Training Projects	59,100	164,025
	Clinical Research Focus Projects	14,935	35,000
		629,033	**1,207,176**
(c)	**Increased Investment**		
	Business Development Initiatives	16,591	43,280
	New Funding Streams Strategy	125,985	-
		142,576	**43,280**

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (continued)

Note 3. Expenses from transactions (continued)

	2014 $	2013 $
(d) Employee benefits		
Salary and wages	1,220,877	1,153,815
Superannuation	118,942	90,969
Annual leave and long service leave expense	1,509	75,884
Other on-costs - recognised in provision	9,272	7,507
	1,350,600	**1,328,175**
(e) Supplies and services		
Professional fees and consultants	97,818	16,177
ICT Project costs	-	235,131
Strategic planning	30,000	400
Insurance expense	26,551	29,834
Travel expense	34,011	68,847
Legal expense	-	3,301
Rent	79,675	64,257
External and internal audit fees	26,049	24,133
Other expenses	56,137	65,594
	350,241	**507,674**
(f) Depreciation		
Office equipment	4,074	3,492
Computer equipment and software	7,528	8,048
	11,602	**11,540**

Note 4. Cash and cash equivalents

	2014 $	2013 $
Cash on hand	500	442
Cash at bank	765,457	344,049
Cash on deposit	1,017,651	1,004,842
Total Cash and cash equivalents	**1,783,608**	**1,349,333**

Note 5. Trade and Other Receivables

	2014 $	2013 $
Contractual		
Trade receivables [(i)]	5,500	70,508
Other receivables	5,902	17,839
	11,402	**88,347**

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (continued)

Note 5. Trade and Other Receivables (continued)

	2014 $	2013 $
Statutory		
GST input tax credit recoverable	15,449	17,461
	15,449	**17,461**
Total trade and other receivables (ii)	**26,851**	**105,808**

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

	2014 $	2013 $
Prepayments		
Prepayments (i), (ii)	40,288	134,071
Total prepayments	**40,288**	**134,071**

Notes:

(i) The 2014 prepayments relate to insurance expenses and secondment costs for 2014/15 paid prior to 30 June 2014.

(ii) The 2013 prepayments relate to initial project payments due to commence post, but paid prior to 30 June 2013.

Note 7. Property, plant and equipment

	2014 $	2013 $
Office equipment		
At cost	42,249	37,321
Less accumulated depreciation	(13,534)	(9,460)
	28,715	27,861

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (continued)

Note 7. Property, plant and equipment (continued)

	2014 $	2013 $
Computer equipment - including software		
At cost	33,953	33,003
Less accumulated depreciation	(27,203)	(19,675)
	6,750	13,328
Total Property, plant and equipment	**35,465**	**41,189**

	Office Equipment	Computer equipment - including software	Total
2014	$	$	$
Balance at beginning of year	27,861	13,328	41,189
Additions	4,928	950	5,878
Depreciation Expense	(4,074)	(7,528)	(11,602)
Balance at end of year	**28,715**	**6,750**	**35,465**
2013			
Balance at beginning of year	26,225	14,674	40,899
Additions	5,369	6,702	12,071
Disposals	(241)	-	(241)
Depreciation Expense	(3,492)	(8,048)	(11,540)
Balance at end of year	**27,861**	**13,328**	**41,189**

Note 8. Trade and other Payables

	2014 $	2013 $
Contractual		
Unsecured liabilities		
Trade Creditors (i)	108,291	116,941
Accruals	266,776	125,547
	375,067	**242,488**
Statutory		
Superannuation payable	-	4,356
	-	**4,356**
Total Trade and other Payables (ii)	**375,067**	**246,844**

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.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (continued)

Note 9. Provisions

	2014 $	2013 $
Current		
Employee benefits (i)		
Unconditional and expected to be settled within 12 months (ii)	266,931	271,209
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months (ii)	33,798	25,752
Total current provisions	**300,729**	**296,961**
Non-current		
Employee benefits (i)		
Conditional and expected to be settled after 12 months (iii)	42,532	36,746
Provisions related to employee benefit on-costs		
Conditional and expected to be settled after 12 months (iii)	4,649	3,422
Total non-current provisions	**47,181**	**40,168**
Total provisions	**347,910**	**337,129**

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

	2014 $	2013 $
Current employee benefits		
Annual leave entitlements	93,884	91,149
Long service leave entitlements	173,047	180,060
Non-current employee benefits		
Conditional long service leave entitlements	42,532	36,746
Total employee benefits	**309,463**	**307,955**
Current on-costs	33,798	25,752
Non-current on-costs	4,649	3,422
	38,447	**29,174**
Total employee benefits and related on-costs	**347,910**	**337,129**

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (continued)

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	
		2014 $	2013 $
Financial assets			
Cash and deposits	*Note 4*	1,783,608	1,349,333
Trade and other receivables	*Note 5*	11,402	88,347
Total financial assets [(i)]		**1,795,010**	**1,437,680**
Financial liabilities			
Trade and other payables	*Note 8*	375,067	242,488
Total financial liabilities [(ii)]		**375,067**	**242,488**

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.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (continued)

Note 10. Financial instruments (continued)

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. The table below represents the joint venture's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Credit quality of contractual financial assets

	Financial Institutions (triple-A credit rating)	Other (unknown credit rating)	Total
	$	$	$
2014			
Cash and deposits (excluding cash on hand)	1,782,108	1,000	1,783,108
Trade Receivables (i)	-	5,500	5,500
Accrued income	-	5,902	5,902
Total contractual financial assets	**1,782,108**	**12,402**	**1,794,510**

	Financial Institutions (triple-A credit rating)	Other (unknown credit rating)	Total
	$	$	$
2013			
Cash and deposits (excluding cash on hand)	1,347,892	1,000	1,348,892
Trade Receivables (i)	-	70,508	70,508
Accrued income	-	17,839	17,839
Total contractual financial assets	**1,347,892**	**89,347**	**1,437,238**

Notes:

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit recoverable).

Ageing analysis of contractual financial assets

2014	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1- 3 months	3 months - 1 year	1 - 5 years
	$	$	$	$	$	$
Cash at bank	765,457	765,457	-	-	-	-
Cash on deposit	1,017,651	1,017,651	-	-	-	-
Trade receivables	5,500	5,500	-	-	-	-
Accrued income	5,902	5,902	-	-	-	-
Total financial assets	**1,794,510**	**1,794,510**	**-**	**-**	**-**	**-**

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (continued)

Note 10. Financial instruments (continued)

2013	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1- 3 months	3 months - 1 year	1 - 5 years
	$	$	$	$	$	$
Cash at bank	344,049	344,049	-	-	-	-
Cash on deposit	1,004,842	1,004,842	-	-	-	-
Trade receivables	70,508	65,008	-	5,500	-	-
Accrued income	17,839	17,839	-	-	-	-
Total financial assets	**1,437,238**	**1,431,738**	**-**	**5,500**	**-**	**-**

Note (i): The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

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.

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.

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

2014	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	375,067	375,067	375,067	-	-	-
Total Financial Liabilities	**375,067**	**375,067**	**375,067**	**-**	**-**	**-**

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (continued)

Note 10. Financial instruments (continued)

2013	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	242,488	242,488	242,488	-	-	-
Total Financial Liabilities	**242,488**	**242,488**	**242,488**	**-**	**-**	**-**

Note (i): The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

(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:

2014	Weighted average effective interest rate	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
	%	$	$	$	$
Financial assets					
Cash and deposits	3.00	1,783,608	1,017,651	762,568	3,389
Receivables	-	11,402	-	-	11,402
		1,795,010	**1,017,651**	**762,568**	**14,791**
Financial liabilities					
Trade creditors and other payables	-	375,067	-	-	375,067
		375,067	**-**	**-**	**375,067**

2013	Weighted average effective interest rate	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
	%	$	$	$	$
Financial assets					
Cash and deposits	3.77	1,349,333	1,004,842	341,174	3,317
Receivables	-	88,347	-	-	88,347
		1,437,680	**1,004,842**	**341,174**	**91,664**
Financial liabilities					
Trade creditors and other payables	-	242,488	-	-	242,488
		242,488	**-**	**-**	**242,488**

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 2014 (continued)

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 +0.75 per cent and -0.75 per cent in market interest rates from the weighted average rate of 2.93% is 'reasonably possible' over the next 12 months. Rates are sourced from Westpac Banking Corporation.

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:

2014	Carrying amount	Interest rate risk			
		+ 75 basis points		-75 basis points	
		Net result	Equity	Net result	Equity
	$	$	$	$	$
Financial assets					
Cash and deposits	1,783,608	13,713	13,713	(13,713)	(13,713)
	1,783,608	**13,713**	**13,713**	**(13,713)**	**(13,713)**

2013	Carrying amount	Interest rate risk			
		+ 125 basis points		-125 basis points	
		Net result	Equity	Net result	Equity
	$	$	$	$	$
Financial assets					
Cash and deposits	1,349,333	15,825	15,825	(15,825)	(15,825)
	1,349,333	**15,825**	**15,825**	**(15,825)**	**(15,825)**

(e) Fair value

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

Level 1 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

Level 2 The fair value is determined using imputs other than quoted prices that are observable for the financial asset, or liability, either directly or indirectly; and

Level 3 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 using observable market inputs.

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.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (continued)

Note 11. Cash flow information

	2014 $	2013 $
Reconciliation of the net result for the year to net cash flows from operating activities		
Net result for the year	116,807	92,644
Non cash movements		
Depreciation	11,602	11,540
Movements in assets and liabilities		
(Increase)/decrease in current receivables	78,957	154,984
(Increase)/decrease in other current assets	93,783	(134,071)
Increase/(decrease) in current payables	128,223	(65,189)
Increase/(decrease) in current provisions	3,768	65,694
Increase/(decrease) in non-current provisions	7,013	17,697
(Increase)/decrease in asset values	-	241
Net cash flows from operating activities	**440,153**	**143,540**

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		
Health and Ageing	The Hon. David Davis MLC	1 July 2013 to 30 June 2014
Board of Directors		
Chairman	R. G. Larkins	1 July 2013 to 30 June 2014
Deputy Chairman	G. Morstyn	1 July 2013 to 30 June 2014
Director	J. A. Angus	1 July 2013 to 19 August 2013
Director	S. K. Smith	17 September 2013 to 30 June 2014
Director	A. M. Cockram	1 July 2013 to 30 June 2014
Director	D. A. Fisher	1 July 2013 to 30 June 2014
Director	D. J. Hilton	1 July 2013 to 30 June 2014
Director	C. J. Kilpatrick	1 July 2013 to 30 June 2014
Director	P. R. M. O'Rourke	1 July 2013 to 27 March 2014
Director	G. J. Goodier	1 July 2013 to 30 June 2014
Director	R. Thomas	1 July 2013 to 7 August 2013
Director	B. J. Fielding	28 March 2014 to 30 June 2014
Director	G. J. McColl	20 August 2013 to 16 September 2013
Director	L. A. Dunlop	8 August 2013 to 23 February 2014
Director	S. M. Matthews	24 February 2014 to 30 June 2014

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (continued)

Note 12. Responsible persons (continued)

Accountable Officers		
Executive Director	J Bishop	1 July 2013 to 30 June 2014
Company Secretary	C Zanker	1 July 2013 to 30 June 2014

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**	
	2014 No.	2013 No.	**2014 No.**	2013 No.
$0	13	10	13	10
$1 – 49,999	2	2	2	2
$50,000 – 99,999	-	-	-	-
$100,000 – 149,999	1	1	1	1
$150,000 – 199,999	-	-	-	-
$200,000 – and above	1	1	1	1
Total numbers	**17**	14	**17**	14
AEE (i)	2	1.96	2	1.96
Total amount	**$ 532,954**	$ 503,921	**$ 487,830**	$ 462,313

(i) Annualised Employee Equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period

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 2014 (continued)

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	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2014 $	2013 $	2014 $	2013 $
Australian Super	5,926	5,186	139	552
G & R Morstyn Super	1,592	1,509	38	30
Health Super	1,246	1,403	-	276
HESTA Super	32,331	35,497	551	834
UniSuper	56,185	27,007	1,090	2,877
Axa	11,630	9,172	274	1,019
SuperWrap	7,756	4,885	182	722
	116,666	**84,659**	**2,274**	**6,310**

Note 15. Remuneration of auditors

	2014 $	2013 $
Victorian Auditor-General's Office		
Audit of the financial statements	11,100	10,800
	11,100	**10,800**

Note 16. Significant events after Balance Date

There have been no significant events after Balance Date.

Note 17. Contingent Assets and Contingent Liabilities

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

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (continued)

Note 18. Commitments for Expenditure

The Victorian CCC 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.

	2014 $	2013 $
Other expenditure commitments		
Not later than one year	147,237	396,013
Later than one year but not later than 5 years	-	57,404
Total expenditure commitments	**147,237**	**453,417**
Total commitments (inclusive of GST)	147,237	453,417
less GST recoverable from the ATO	13,385	33,341
Total commitments (exclusive of GST)	**133,852**	**420,076**

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.

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

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (continued)

Note 20. Glossary of terms (continued)

(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'.

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.

Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2014 (continued)

Note 20. Glossary of terms (continued)

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, Victoria Comprehensive Cancer Centre Joint Venture

The Financial Report

The accompanying financial report for the year ended 30 June 2014 of the Victoria Comprehensive Cancer Centre Joint Venture which comprises 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 made by the manager of the Joint Venture has been audited.

The Directors' Responsibility for the Financial Report

The Directors of the Victoria Comprehensive Cancer Centre Joint Venture are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, 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 Victoria Comprehensive Cancer Centre Joint Venture as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Victoria Comprehensive Cancer Centre Joint Venture for the year ended 30 June 2014 included both in the Victoria Comprehensive Cancer Centre Joint Venture's annual report and on the website. The Directors of the Victoria Comprehensive Cancer Centre Joint Venture are responsible for the integrity of the Victoria Comprehensive Cancer Centre Joint Venture's website. I have not been engaged to report on the integrity of the Victoria Comprehensive Cancer Centre Joint Venture'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
8 August 2014

John Doyle
Auditor-General