

Local Health Authorities Analytical Committee



ANNUAL REPORT

For the year ended 30 June 2012

Local Health Authorities Analytical Committee

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Local Health Authorities Analytical Committee

STATEMENT OF COMPLIANCE

For the year ended 30 June 2012

**THE HON DR KIM HAMES MB BS JP, MLA.
MINISTER FOR HEALTH.**

In accordance with Section 63 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Local Health Authorities Analytical Committee for the financial year ended 30 June 2012.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006.

R.E. Boardman
Chairman of Accountable Authority

Date:

D.Wilson
Member of Accountable Authority

Date:

T.D Chapman
Coordinator of Accountable Authority

Date:

Peter Sproule CPA
Chief Financial Officer

Date:

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Local Health Authorities Analytical Committee

OVERVIEW

Executive Summary

Performance Highlights

To ensure that our objectives and Agency level Government desired outcomes are achieved, the Local Health Authorities Analytical Committee implemented the following:

- The LHAAC began the process of negotiating a new contract for the provision of analytical services by developing a Request for Tender in association with Department of Finance staff. The tender was advertised in May 2012 and closed in July 2012. Evaluation will be completed in the final quarter of 2012 with a view to commencing the new contract early 2013.
- The LHAAC produced a document entitled a Year in Review which examined the 2010/11 Operational Year and was issued to all Local Governments early in 2011/12.
- During the course of the year four LHAAC Updates were forwarded to all Local Governments participating in the Scheme.
- In June/July 2012 the LHAAC conducted a Satisfaction Survey of all Local Governments. The Committee also conducted direct one on one consultations with a number of individual Local Governments during the operational year and attended two regional forums and addressed the Environmental Health Association (WA) Conference in May 2012.
- In February 2012 the LHAAC appointed a part time Project Officer specialising in statistical analysis. The primary role of the Project Officer is to analyse twenty years of historical sampling data held by LHAAC covering the period 1989 -2009 and the long association with the former appointed analysts, Inman & Farrell.

Operational Structure

The Statutory Authority encompasses the following structural area:

- Administration

Enabling Legislation

In accordance with the provisions of the Health Act 1911 and the Financial Management Act 2006, it is my pleasure to report concerning the operations of the Local Health Authorities Analytical Committee for the 2009-10 financial year.

The Committee is constituted as a body corporate under Section 247A of the Health Act and has as its objective, the provision of analytical services for use by local authorities.

The powers and functions of the Committee are defined in Section 247C of the Health Act and these are:

- (a) to formulate and operate a scheme for the provision of analytical services for use by local authorities, by employing such analysts and other persons as are necessary for the purpose or by entering into contracts with persons for the provision of these services, or by both so employing analysts and other persons and so entering into contracts;
- (b) to fix fees to be paid by local authorities for participation in any scheme referred to in this section, and fees to be paid for analytical services rendered under the scheme; and

Local Health Authorities Analytical Committee

- (c) To do such other acts and things as are necessary or convenient for the purposes of this Part.

Responsible Minister

The Hon Dr Kim Hames MLA MBBS, JP, Minister for Health.

Organisational Structure

Mission

The Committee fulfils its statutory obligations by retaining professional contract analysts to undertake prescribed analyses of food and food products which are forwarded direct from local authorities throughout the State.

Organisational Chart



Board of the Authority

The scheme is managed by the Committee of ten members, appointed in accordance with Section 247A (3) of the Act, and of whom:-

- (a) five shall be persons, one of whom shall be nominated by each of the following local governments:-
- (i) the City of Perth
 - (ii) the City of Fremantle
 - (iii) the City of South Perth
 - (iv) the City of Melville
 - (v) the City of Stirling
- (b) three shall be persons selected by the Minister to represent local governments, other than the local authorities referred to in paragraph (a) of this subsection, the districts of which are wholly or partly situated within forty kilometres of the General Post Office at Perth; and
- (c) two shall be persons selected by the Minister to represent all local governments other than those referred to in paragraphs (a) and (b) of this subsection.

Board Profiles

At the time of reporting, the members of the Committee were:-

Statutory Members

City of Perth	Ms. Elaine Clucas
City of Fremantle	Mr. Joseph Zappavigna
City of South Perth	Mr. Jason Jenke
City of Melville	Mr. John Burton
City of Stirling	Mr Greg Ducas

Local Health Authorities Analytical Committee

Authorities within
40km of the GPO

Mr Rob Boardman (CHAIRMAN)
Mr David Wilson
Mr Phill Oorjitham

Other Authorities

Cr Valerie Ammon
Mr Colin Dent

Mr. Rob Boardman

Mr Boardman is Director of Community Services with the City of Vincent and is one of the three Local Government members within a forty kilometre distance of Perth CBD.

Cr Valerie Ammon

Cr Ammon is a relatively new member to the LHAAC commencing in June 2011 and is a Councillor with the Shire of Gingin. Cr Ammon is the owner/manager of a restaurant in the shire. Cr Ammon is one of the two members representing councils 40 kilometres outside the Perth metropolitan area.

Mr John Burton

Mr Burton is Coordinator Environmental Health Services with the City of Melville, one of the five Local Governments who are statutory members of the LHAAC.

Ms Elaine Clucas

Ms Clucas is Principal Environmental Health Officer with the City of Perth, one of the five Local Governments who are statutory members of the LHAAC.

Mr Colin Dent

Mr Dent is Manager of Health Services with the Shire of Capel and is one of the two members representing councils 40 kilometres outside the Perth metropolitan area

Mr Greg Ducas

Mr Ducas is Coordinator Environment Health Services with the City of Stirling, one of the five Local Governments who are statutory members of the LHAAC.

Mr Jason Jenke

Mr Jenke is Coordinator Environmental Health Services with the City of South Perth, one of the five Local Governments who are statutory members of the LHAAC.

Mr Phill Oorjitham

Mr Oorjitham is Coordinator of Environmental Health with the City of Cockburn and is one of the three Local Government members within a forty kilometre distance of Perth CBD.

Mr David Wilson

Mr Wilson is a Senior Environmental Health Officer with the City of Joondalup and is one of the three Local Government members within a forty kilometre distance of Perth CBD.

Mr Joseph Zappavigna

Mr Zappavigna is Coordinator Environment Health Services with the City of Fremantle, one of the five local Governments who are statutory members of the LHAAC.

Local Health Authorities Analytical Committee

Senior Officers:

Trevor Chapman BBus

LHAAC Coordinator who has worked in the Local Government sector in England and Australia for more than three decades, including ten years running his own consultancy.

Peter Sproule BCom CPA (Chief Financial Officer)

Peter Sproule has been the contact CFO since 1998 and presently is the principal of Chatto Business Services.

Administered Legislation

The Minister for Health also administers the following Acts:

- Animal Resources Authority
- Animal Resources Authority Act 1981
- Health, Department of Acts Amendment (Abortion) Act 1998
- Anatomy Act 1930
- Blood Donation (Limitation of Liability) Act 1985
- Cannabis Control Act 2003
- Chiropractors Act 1964
- Chiropractors Act 2005
- Co-opted Medical and Dental Services for the Northern Portion of the State Act 1951
- Cremation Act 1929
- Dental Act 1939
- Dental Prosthetists Act 1985
- Fluoridation of Public Water Supplies Act 1966
- Health Act 1911
- Health Legislation Administration Act 1984
- Health Professionals (Special Events Exemption) Act 2000
- Health Services (Conciliation and Review) Act 1995
- Health Services (Quality Improvement) Act 1994
- Hospital Fund Act 1930
- Hospitals and Health Services Act 1927
- Human Reproductive Technology Act 1991
- Human Tissue and Transplant Act 1982
- Medical Act 1894
- Mental Health Act 1996
- Mental Health (Consequential Provisions) Act 1996
- Nuclear Waste Storage and Transportation

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- (Prohibition) Act 1999
- Nurses Act 1992
- Occupational Therapists Act 2005
- Occupational Therapists Registration Act 1980
- Optical Dispensers Act 1966
- Optometrists Act 1940
- Optometrists Act 2005
- Osteopaths Act 1997
- Osteopaths Act 2005
- Perth Dental Hospital Land Act 1942
- Pharmacy Act 1964
- Physiotherapists Act 1950
- Physiotherapists Act 2005
- Podiatrists Act 2005
- Podiatrists Registration Act 1984
- Poisons Act 1964
- Psychologists Act 2005
- Psychologists Registration Act 1976
- Public Dental Hospital Land Act 1934
- Radiation Safety Act 1975
- Tobacco Products Control Act 2006
- University Medical School Act 1955
- University Medical School, Teaching Hospitals Act 1955
- Western Australian Bush Nursing Trust Act 1936
- Western Australian Bush Nursing Trust Act Amendment Act 1947
- White Phosphorus Matches Prohibition Act 1912
- Office of Health Review
- The Queen Elizabeth II Medical Centre Trust
- Queen Elizabeth II Medical Centre Act 1966
- Western Australian Centre for Pathology and Medical Research
- Western Australian Alcohol and Drug Authority
- Alcohol and Drug Authority Act 1974
- Western Australian Health Promotion Foundation
- Tobacco Control Act 1990

Local Health Authorities Analytical Committee

Other Key Legislation Impacting on the Authority's Activities

In the performance of its functions, the Local Health Authorities Analytical Committee complies with the following relevant written laws:

- Auditor General Act 2006
- Contaminated Sites Act 2003
- Disabilities Services Act 1993
- Equal Opportunity Act 1984
- Financial Management Act 2006
- Freedom of Information Act 1992
- Industrial Relations Act 1979
- Minimum Conditions of Employment Act 1993
- Occupational Safety and Health Act 1984
- Public Sector Management Act 1994
- Salaries and Allowances Act 1975
- State Records Act 2000, and
- State Supply Commission Act 1991

Local Health Authorities Analytical Committee

Performance Management Framework

Outcome Based Management Framework

Government Goal: GREATER FOCUS ON ACHIEVING RESULTS IN KEY SERVICE DELIVERY AREAS FOR THE BENEFIT OF ALL WESTERN AUSTRALIANS

Agency level Government desired outcome: To undertake prescribed analyses of food and food products which are forwarded direct from Local Governments throughout the State.

AGENCY

Outcome 1: To provide a coordinated Sampling Scheme for the analysis of food products for use by all Local Governments in Western Australia.	Key Effectiveness Indicator 1: The proportion of Local Governments with food manufacturers in their region who use the LHAAC Scheme.
Service 1: Analysis of food and food products	Key Efficiency Indicator 1: Number of units analysed against total expenditure (cost of service) to provide Expenditure per Unit of Sampling. Key Efficiency Indicator 2: Proportion of reports completed and returned by the Analyst to the submitting Local Government in the specified turnaround time of 14 days for routine samples and 28 days for non-routine samples.

In July 2009 the Committee fully implemented the Revised Sampling Scheme which placed the onus on manufacturers of food products and the responsibility for sampling those manufacturers with the Local Government Authority in which they are located. The Scheme was further revised in July 2010 when the Committee introduced a three-tiered sampling scheme which sought to include both those Local Governments with manufacturers operating in their locality, and also sought to encourage other Local Governments to utilise the scheme in a more structured and coordinated manner.

This has resulted in a more efficient, effective and economical food sampling service for all Western Australians. The changes in the Revised Scheme now more directly address the stated government goal.

Changes to Outcome Based Management Framework

The Authority's Outcome Based Management Framework did not change during 2011-12.

Shared Responsibilities with Other Agencies

The Authority did not share any responsibilities with other agencies during 2011-12.

Local Health Authorities Analytical Committee

AGENCY PERFORMANCE

Report on Operations

Services (goods or services) provided to the public sector in WA

- The LHAAC began the process of negotiating a new contract for the provision of analytical services by developing a Request for Tender in association with staff of the Department of Finance. The tender was advertised in May 2012 and closed in July 2012. Evaluation will be completed in the final quarter of 2012 with a view to commencing the new contract early 2013.
- The LHAAC produced a document entitled a Year in Review which examined the 2010/11 Operational Year and was issued to all Local Governments early in 2011/12.
- During the course of the year four LHAAC Updates were forwarded to all Local Governments participating in the Scheme.
- In June/July 2012 the LHAAC conducted a Satisfaction Survey of all Local Governments The Committee also conducted direct one on one consultations with a number of individual Local Governments during the operational year and attended two regional forums and addressed the Environmental Health Association (WA) Conference in May 2012.
- In February 2012 the LHAAC appointed a part time Project Officer specialising in statistical analysis. The primary role of thje Project Officer was to analyse twenty years of historical sampling data held by LHAAC covering the period 1989 -2009 and the long association with appointed analysts, Inman & Farrell.

Actual results versus Budget Targets

Financial Targets

	2011-12 Target \$	2011-12 Actual \$	Variation \$
Total Expenses (sourced from Statement of Comprehensive Income)	504,118	532,488	28,370 (a)
Total Income (sourced from Statement of Comprehensive Income)	480,559	508,907	28,348 (b)
Total equity (sourced from Statement of Financial Position)	788,480	788,528	48
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	(23,629)	281,750	305,379 (c)
Approved full time equivalent (FTE) Staff level	1	2	1

As specified in the Budget Statements for the year in question.
Further explanations are also contained in Note 23 'Explanatory statement' to the financial statements.

Local Health Authorities Analytical Committee

- (a) The variation is due to increased number of employees and the first year of recording long service leave liability.
- (b) The variation is due to a higher than expected interest revenue.
- (c) The variation is due to the increased usage of short term deposits of less than three months to maturity date being more frequently used during the year.

Summary of Key Performance Indicators

	2011-12 Target \$	2011-12 Actual \$	Variation \$
<i>Outcome 1: To provide a coordinated Sampling Scheme for the analysis of food products for use by all Local Governments in Western Australia</i>			
Key Effectiveness Indicator(s): The proportion of Local Governments with food manufacturers in their region who use the LHAAC Scheme.	85%	65%	(20)
<i>Service 1: Analysis of food and food products</i>			
Key Efficiency Indicator(s): Number of units analysed against total expenditure (cost of service) to provide Expenditure per Unit of Sampling.	19.01	21.83	(2.82)
Proportion of reports completed and returned by the Analyst to the submitting Local Government in the specified turnaround time of two weeks for routine samples and four weeks for non-routine samples.	R: 85% NR: 85%	83% 84%	(2%) (1%)

1. As specified in the Budget Statements for the year in question.
2. Explanations for the variations between target and actual results are presented in note 23 'Explanatory statement' to the financial statements.

Significant Issues Impacting the Agency

LHAAC continued with changes to the sampling scheme to achieve greater improvements in the level of service delivered and the overall effectiveness of the sampling program. The main action to help achieve these improvements in 2011/12 was the continuation of a three-tiered sampling program. The Coordinated Sampling component of this three-tiered approach increased in 2011/12 and concentrated spells of Coordinated Sampling had a negative impact on turnaround times due to large numbers of samples being submitted together.

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DISCLOSURES AND LEGAL COMPLIANCE

FINANCIAL STATEMENTS

Certification of Financial Statements For the year ended 30 June 2012

The accompanying financial statements of the Local Health Authorities Analytical Committee have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2012 and the financial position as at 30 June 2012.

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

R.E. Boardman
Chairman of Accountable Authority

Date:

D. Wilson
Member of Accountable Authority

Date:

T. Chapman
Coordinator to Accountable Authority

Date:

Peter Sproule CPA
Chief Financial Officer

Date:

Local Health Authorities Analytical Committee

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012	2011
		\$	\$
INCOME			
Revenue			
Provision of services	7	459,558	431,669
Interest revenue	8	49,349	46,601
TOTAL INCOME		508,907	478,270
EXPENSES			
Employee benefits expense	9	147,523	103,836
Supplies and services	10	384,366	361,715
Other expenses	11	599	-
TOTAL EXPENSES		532,488	465,551
PROFIT/(LOSS) FOR THE PERIOD		(23,581)	12,719
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(23,581)	12,719

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

Local Health Authorities Analytical Committee

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	2012	2011
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	19	281,750	73,175
Receivables	12	16,832	36,864
Other financial assets	13	555,627	743,433
Other current assets	14	3,297	2,911
Total Current Assets		857,506	856,383
Non-Current Assets			
Intangible Asset	15	-	-
Total Non-Current Assets		-	-
TOTAL ASSETS		857,506	856,383
LIABILITIES			
Current Liabilities			
Payables	16	53,728	40,045
Provisions	17	4,661	4,229
Total Current Liabilities		58,389	44,274
Non Current Liabilities			
Provisions	17	10,589	-
Total Non Current Liabilities		10,589	-
Total Liabilities		68,978	44,274
NET ASSETS		788,528	812,109
EQUITY			
Retained earnings	18	788,528	812,109
TOTAL EQUITY		788,528	812,109

Term deposits of \$743,433 in 2011 have been reclassified to "Other Financial Assets" (Note 13) to be comparable with figures presented in the current financial year.

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

Local Health Authorities Analytical Committee

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Note	Contributed Equity \$	Reserves \$	Retained earnings \$	Total Equity \$
Balance at 1 July 2010	18	-	-	799,390	799,390
Change in accounting policy or correction of prior period errors		-	-	-	-
Restated balance at 1 July 2010		-	-	799,390	799,390
Total comprehensive income for the year		-	-	12,719	12,719
Total		-	-	12,719	12,719
Balance at 30 June 2011	18	-	-	812,109	812,109
Balance at 1 July 2011	18	-	-	812,109	812,109
Total comprehensive income/ (loss) for the year		-	-	(23,581)	(23,581)
Total		-	-	788,528	788,528
Balance at 30 June 2012	18	-	-	788,528	788,528

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

Local Health Authorities Analytical Committee

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Provision of services		459,658	431,669
Interest received		5,859	6,184
GST receipts on sales		45,955	43,167
GST receipts from taxation authority		-	-
Proceeds from term deposits		-	82,649
Payments			
Employee benefits		(126,188)	(112,044)
Supplies and services		(382,313)	(360,606)
Finance costs		(227)	(233)
GST payments on purchases		(38,198)	(36,713)
GST payments to taxation authority		(3,951)	(3,654)
Proceeds to term deposits		-	(120,000)
Net cash provided by/(used in) operating activities	19	(39,406)	(69,581)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Interest received on term deposits		60,176	36,870
Proceeds from term deposits		243,441	-
Payments			
Payments to term deposits		(55,636)	(36,870)
Net cash provided by/(used in) investing activities		247,981	-
Net increase/(decrease) in cash and cash equivalents	19	208,575	(69,581)
Cash and cash equivalents at the beginning of period	19	73,175	142,756
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	19	281,750	73,175

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

Local Health Authorities Analytical Committee

INDEX OF NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Subject	Policy Note	Disclosure Note	Title of the Policy
General	1		Australian Accounting Standards
General	1		General
General	1		Early Adoption of Standards
General	2		Summary of significant accounting policies
General	2(a)		General statement
General	2(b)		Basis of preparation
General	2(c)		Reporting Entity
Income	2(d)		Income
Income	2(d)	7	Provision of services
Income	2(d)	8	Interest
Assets	2 (e)	15	Intangible assets
Assets	2(f)		Impairment of assets
Assets/Liabilities	2(g)	24	Financial instruments
Assets	2(h)	19,24	Cash and Cash Equivalents
Assets/Liabilities	2(i)		Accrued Salaries
Assets	2(j)	12	Receivables
Assets	2(k)	13	Investments and Other Financial Assets
Liabilities	2(l)	16	Payables
Liabilities	2(m)	17	Provisions – Employee Benefits
Expense	2(n)		Superannuation expense
General	2(o)		Comparative figures
General	3		Other Policies that are not included in this model
General	4		Judgements made by management in applying accounting policies
General	5		Key sources of estimation uncertainty
General	6		Disclosure of changes in accounting policy and estimates
Income		7	Provision of services
Income		8	Interest revenue
Expense	2(m)	9	Employee benefit expense
Expense		10	Supplies and services
Expense		11	Other expenses
Asset		19,24	Restricted cash and cash equivalents
Asset		12	Receivables
Asset	2 (e)	15	Intangible assets
Asset		14	Other current assets
Liabilities	2(l)	16	Payables
Liabilities	2(m)	17	Provisions
Equity		18	Equity
Cash Flow		19	Notes to the statement of Cash Flows
General		20	Commitments
General		21	Contingent liabilities and contingent assets
General		22	Events occurring after balance date
General		23	Explanatory statement
General	2(g)	24	Financial instruments <i>Financial risk management objectives and policies</i> <i>Categories of financial instruments</i> <i>Financial instrument disclosures</i>
General		25	Remuneration of accountable authority and senior officers
General		26	Remuneration of auditor
General		27	Related bodies
General		28	Supplementary financial information <i>Write offs</i>

This index does not form part of the financial statements

Local Health Authorities Analytical Committee

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 1. Australian Accounting Standards

The Authority's financial statements for the year ended 30 June 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. No Australian Accounting Standards that have been issued or amended but (not operative) by the Authority for the annual reporting period ended 30 June 2012.

Note 2. Summary of significant accounting policies

(a) General Statement

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

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

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

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention. The Committee does not hold any tangible assets.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollars (\$).

Note 4 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Authority's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Local Health Authorities Analytical Committee

Note 5 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting Entity

The reporting entity comprises the Authority and the Related Bodies listed at note 27 'Related bodies'.

(d) Income

Revenue Recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Provision of services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

(e) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the diminishing value basis using rates which are reviewed annually. All intangible assets controlled by the Authority have a finite useful life and zero residual value.

The expected useful lives for each class of depreciable asset are:

Intangible assets – Software	2.5 years
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Local Health Authorities Analytical Committee

(f) Impairment of Assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Authority is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

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

See note 2(j) receivables and note 12 "Receivables" for impairment of receivables.

(g) Financial Instruments

In addition to cash, term deposits and bank overdraft, the Authority has three categories of financial instrument:

- Loans and receivables;
- Held-to-maturity investments (commercial bills); and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Receivables
- Other financial assets - Term deposits

Financial Liabilities

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

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The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

See note 2(k) for 'Investment and other financial assets'

(h) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

(i) Accrued Salaries

Accrued salaries (refer note 16 'Payables') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Authority considers the carrying amount of accrued salaries to be equivalent to its net fair value.

(j) Receivables

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

See note 2(g) 'Financial Instruments' and notes 12 'Receivables' and 24 'Financial Instruments'.

(k) Investments and Other Financial Assets

The Authority classifies its investments into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of each reporting period. Investments not at fair value are initially recognised at cost being the fair value of consideration given, including directly attributable transaction costs.

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as held-to-maturity when management has a positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Loans and receivables and held-to-maturity investments, such as commercial bills, are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at mortised cost, gains and losses are recognised in the Statement of Comprehensive Income when the investments are derecognised or impaired, as well as through the amortisation process.

The Authority assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

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(l) Payables

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

See note 2(g) 'Financial Instruments' and note 16 'Payables'

(m) Provisions

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

See note 17 'Provisions'.

Provisions - Employee Benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual Leave

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

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

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

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

Long Service Leave

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

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

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national

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government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

Superannuation

Is paid to the employees chosen fund and the expense is recognised as and when the contributions fall due.

See also note 2(n) 'Superannuation expense'.

Employment On-Costs

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

See note 11 'Other expenses' and note 17 'Provisions'.

(n) Superannuation Expense

The superannuation expense of the defined contribution plans is recognised as and when the contributions fall due.

Refer to note 2(m) 'Provisions – Employee Benefits' under Superannuation

(o) Comparative Figures

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

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Note 3. Other policies not included in this model

Segment Information

Segment information has not been disclosed by service. As the Authority has only one key area of service, Finance and Administration, therefore the Authority believes that the financial statements and notes to the financial statements adequately disclose all information.

Note 4. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Authority evaluates these judgements regularly.

Note 5. Key sources of estimation uncertainty

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

Note 6. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Authority has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2011 that impacted on the Authority.

- | | |
|---------------------|---|
| <i>AASB 1054</i> | <i>Australian Additional Disclosures</i>
This Standard, in conjunction with AASB 2011-1 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i> , removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact. |
| <i>AASB 2009-12</i> | <i>Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Int 2, 4, 16, 1039 & 1052]</i>

This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact. |
| <i>AASB 2010-4</i> | <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Int 13]</i>
The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is no longer required to be disclosed. There is no financial impact.

The amendments to AASB 101 clarify the presentation of the statement of changes in equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity is no longer required. There is no financial impact. |

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- AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Int 112, 115, 127, 132 & 1042]*
- This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.
- AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Int 2, 112 & 113]*
- This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

Voluntary changes in Accounting Policy

There has been no change in accounting policy for the 2011-12 year.

Future impact of Australian Accounting Standards not yet operative

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

Title	Operative for reporting periods beginning on/after
<p><i>AASB 9 Financial Instruments</i> This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued in December 2010. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
<p><i>AASB 13 Fair Value Measurement</i> This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.</p>	1 Jan 2013
<p><i>AASB 119 Employee Benefits</i> This Standard supersedes AASB 119 <i>Employee Benefits</i>, introducing a number of changes to accounting treatments. The Standard was issued in September 2011. The Authority has not yet determined the application or</p>	1 Jan 2013

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the potential impact of the Standard.

- | | | |
|--------------|--|-------------|
| AASB 2010-2 | <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</i> | 1 July 2013 |
| | This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact. | |
| AASB 2010-7 | <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i> | 1 Jan 2013 |
| | This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Authority has not yet determined the application or the potential impact of the Standard. | |
| AASB 2011-8 | <i>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 Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i> | 1 Jan 2013 |
| | This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact. | |
| AASB 2011-9 | <i>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]</i> | 1 July 2012 |
| | This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Authority has not yet determined the application or the potential impact of the Standard. | |
| AASB 2011-10 | <i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1,</i> | 1 Jan 2013 |

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8, 101, 124, 134, 1049 & 2011-8 and Int 14]

This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 Employee Benefits in September 2011. The Authority has not yet determined the application or the potential impact of the Standard.

Changes in Accounting Estimates

The Authority has made no change to the nature and amount of any accounting estimates that has an effect in the current period.

	2012 \$	2011 \$
Note 7. Provision of services		
User charges	459,558	431,669
	459,558	431,669
Note 8. Interest revenue		
Interest revenue	49,349	46,601
	49,349	46,601
Interest is earned from term deposits with terms 12 months or less		
Note 9. Employee benefits expense		
Wages and salaries (a)	118,062	86,165
Superannuation	10,746	7,725
Allowances	8,125	9,946
Long service leave provision	10,589	-
	147,523	103,836
(a) Includes the value of leave entitlements including superannuation contribution component.		
Employment on-costs such as workers compensation insurance are included in the note 11 "Other expenses" .		
Employment on-cost liability included at note 17 "Provisions"		
Note 10. Supplies and services		
Consultants and contractors	341,184	316,423
Other	43,182	45,292
	384,366	361,715
Note 11. Other Expenses		
Bad debts expense	31	-
Employment on costs	568	-
	599	-

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	2012 \$	2011 \$
Note 12. Receivables		
<u>Current</u>		
Receivables	-	35
Accrued Interest	9,181	25,865
GST receivable	7,651	10,964
Total current	16,832	36,864

The Authority does not hold any collateral or other credit enhancements as security for receivables.

See also note 2(j) 'Receivables' and note 24 'Financial Instruments'.

Note 13. Other financial assets

<u>Current</u>		
At cost:		
Term Deposits	555,627	743,433
Total current	555,627	743,433
<u>Non-current</u>		
At cost:		
Term deposit	-	-
Total non-current	-	-

Term deposits of \$743,433 in 2011 have been reclassified from "Cash and cash equivalents" to "Other financial assets" (Statement of Financial Position) to be comparable with figures presented in the current financial year.

Note 14. Other current assets

<u>Current</u>		
Other – Prepayments	3,297	2,911
Total current	3,297	2,911

Note 15. Intangible assets

Computer Software Development and Services		
At cost	39,466	39,466
Accumulated amortisation	(39,466)	(39,466)
	-	-

Reconciliations:

<u>Computer software</u>		
Carrying amount at start of year	-	-
Amortisation expense	-	-
Carrying amount at end of year	-	-

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	2012 \$	2011 \$
Note 16. Payables		
<u>Current</u>		
Trade payables	36,639	31,246
Other payables	13,801	7,378
Accrued salaries	3,238	1,341
Accrued Allowance	50	80
Total current	53,728	40,045

See also note 2(l) 'Payables' and note 24 'Financial instruments'.

Note 17. Provisions

Current

<u>Employee benefit provision</u>		
Annual Leave (a)	4,661	4,229
	4,661	4,229
<u>Other Provisions</u>		
Employee on costs (b)	-	-
	-	-
Total current	4,661	4,229

Non - Current

<u>Employee benefit provision</u>		
Long service leave (b)	10,589	-
	10,589	-
Total non - current	10,589	-

- (a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows :

Within 12 months of the reporting period	4,661	4,229
More than 12 months after the reporting period	-	-
	4,661	4,229

- (b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the reporting period	-	-
More than 12 months after the reporting period	10,589	-
	10,589	-

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	2012 \$	2011 \$
Note 18. Equity		
The Government holds the equity interest in the Authority on behalf of the community. Equity represents the residual interest in the net assets of the Authority. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.		
Retained Earnings		
Balance at start of period	812,109	799,390
Result for the period	(23,581)	12,719
Income and expense recognised directly in equity	-	-
Balance at end of the period	788,528	812,109

Note 19. Notes to the Statement of Cash Flows

Reconciliation of cash

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

Cash and cash equivalents	281,750	73,175
	281,750	73,175

Term deposits of \$743,433 in 2011 have been reclassified from "Cash and cash equivalents" to "Other financial assets" (Statement of Cash Flows) to be comparable with figures presented in the current financial year.

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Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

Profit / (Loss)	(23,581)	12,719
<u>Non-cash items:</u>		
Expense recognised directly in Equity	-	-
<u>(Increase)/decrease in assets:</u>		
Current receivables(a)	16,720	(3,548)
Other financial assets	(60,176)	(74,220)
Other current assets	(386)	(123)
<u>Increase/(decrease) in liabilities:</u>		
Current payables(a)	13,682	(6,167)
Provisions	434	(1,462)
Non-current provisions	10,589	-
Net GST receipts/(payments)(b)		
Change in GST in receivables/payables(c)	3,312	3,221
Net cash provided by/(used in) operating activities	(39,406)	(69,580)

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid/received, ie. cash transactions.

(c) This reverses out the GST in receivables and payables.

Note 20. Commitments

Purchase

As at 30 June 2012 the Committee had no commitments.

Note 21. Contingent liabilities and contingent assets.

As at 30 June 2012 the Committee did not have any contingent liabilities or assets.

Note 22. Events occurring after the end of the reporting period

No material events occurred after the end of the reporting period.

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Note 23. Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2012 and between the actual results for 2011 and 2012. Significant variations are considered to be those greater to be those greater than 10% or \$1,000.

Significant variances between estimate and actual for the financial year

	2012 Estimate \$	2012 Actual \$	Variance \$
Total Revenue			
Interest revenue	21,000	49,349	28,349
Expenses			
Supplies and services			
Employee benefits expense	109,018	147,523	38,505
Analyst and consultants fees	339,600	341,184	1,584
Goods and services	55,570	43,182	(12,388)

Provision of Services:

Interest revenue

The Committee expected to utilise some of the term deposit reserves on operational expenses but this did not occur to the extent expected.

Supplies and services

Employee Benefits Expense

The appointment of a Project Officer in February 2012 (non budgeted item) added to the costs of Employee Benefits and the inclusion of Long Service Leave.

Analyst and consultants fees

The increased expense is due to the increased number of units processed by the analyst.

Goods and services

Expected promotional and consultant costs did not occur in the 2011/12 year.

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Significant variances between actual results for actual and prior year actual

	2012 \$	2011 \$	Variance \$
Income			
Provision of services	459,558	431,669	27,889
Interest revenue	49,349	46,601	2,748
Expenses			
Supplies and services			
Employee benefits expense	147,523	103,836	43,687
Analyst and consultants fees	341,184	316,422	24,762
Goods and services	43,182	45,293	(2,111)

Provision of services

The Committee applied a CPI increase on the cost of units to LGA's.

Interest revenue

Increase due to several Term Deposits being rolled over for a second or third investment period and interest being incorporated into principal amount.

Supplies and services

Employee Benefits Expense

The appointment of a Project Officer in February 2012 (non budgeted item) added to the costs of Employee Benefits and the inclusion of Long Service Leave.

Analyst and consultants fees

Cost of sampling units has increased compared to last year.

Goods and services

Expected promotional and consultant costs did not occur in the 2011/12 year.

Note 24. Financial instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Authority are cash and cash equivalents, other financial assets, receivables and payables. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Authority's receivables defaulting on their contractual obligations resulting in financial loss to the Authority.

The maximum exposure to credit risk at end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at note 24(c) 'Financial instruments disclosures' and note 12 'Receivables'.

The Authority has policies in place to ensure that sales of services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing

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basis with the result that the Authority's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Authority is unable to meet its financial obligations as they fall due. The Authority is exposed to liquidity risk through its trading in the normal course of business.

The Authority's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and term deposits. The Authority has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

(b) Categories of Financial Instruments

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

	2012	2011
	\$	\$
Financial Assets		
Cash and cash equivalents	281,750	73,175
Receivables (a)	9,180	25,900
Other financial assets	555,627	743,433
Financial Liabilities		
Payables (a)	53,728	40,045

(a) The amount of financial assets and liabilities measured at amortised cost excludes GST receivable / payable to the ATO (statutory receivable/payable).

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(c) Financial instrument disclosures

Credit Risk

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

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

Aged analysis of financial assets

	Carrying Amount \$	Not past due and not impaired \$	<u>Past due but not impaired</u>					Impaired Financial assets \$
			Up to 1 Months \$	1-3 months \$	3 months to 1 year	1 - 5 Years \$	More than 5 Years \$	
Financial Assets								
2012								
Cash and Cash Equivalents	281,750	281,750	-	-	-	-	-	-
Receivables (a)	9,180	9,180	-	-	-	-	-	-
Other financial assets	555,627	555,627	-	-	-	-	-	-
	846,557	846,557	-	-	-	-	-	-
2011								
Cash and Cash Equivalents	73,175	73,175	-	-	-	-	-	-
Receivables(a)	25,900	25,900	-	-	-	-	-	-
Other financial assets	743,433	743,433	-	-	-	-	-	-
	842,508	842,508	-	-	-	-	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable)

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Liquidity risk and interest rate exposure

The following table details the Authority's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section included interest and principal cash flows. The interest rate exposure rate section analyses only the carrying amount of each item

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

	Weighted Average Effective Interest Rate %	<u>Interest rate exposure</u>				Nominal Amount \$	Up to 1 Months \$	1-3 months \$	3 months to 1 years \$	1 - 5 Years \$	More than 5 Years \$
		Carrying Amount \$	Fixed interest rate \$	Variable Interest rate \$	Non- Interest bearing \$						
2012											
<u>Financial Assets</u>											
Cash and Cash Equivalents	5.61	281,750	247,981	33,769	-	281,750	33,769	247,981	-	-	
Receivables (a)		9,180	-	-	9,180	9,180	-	-	-	-	
Other financial assets	5.76	555,627	555,627	-	-	555,627	-	555,627	-	-	
		846,557	803,608	33,769	9,180	846,557	42,949	247,981	555,627	-	
<u>Financial Liabilities</u>											
Payables		53,728	-	-	53,728	53,728	-	-	-	-	
		53,728	-	-	53,728	53,728	-	-	-	-	

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable)

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

	Weighted Average Effective Interest Rate %	<u>Interest rate exposure</u>				Nominal Amount \$	Up to 1 Months \$	1-3 months \$	3 months to 1 years	1 - 5 Years \$	More than 5 Years \$
		Carrying Amount \$	Fixed interest rate \$	Variable Interest rate \$	Non- Interest bearing \$						
2011											
<u>Financial Assets</u>											
Cash and Cash Equivalents		73,175	-	-	73,175	73,175	-	-	-	-	-
Receivables (a)		25,900	-	-	25,900	25,900	-	-	-	-	-
Other financial assets	5.02	743,433	743,433	-	-	743,433	-	-	643,432	100,000	-
		842,508	743,433	-	25,900	842,508	25,900	-	643,432	100,000	-
<u>Financial Liabilities</u>											
Payables		40,045	-	-	40,045	40,045	40,045	-	-	-	-
		40,045	-	-	40,045	40,045	40,045	-	-	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable)

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Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Authority's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 100 basis point in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying Amount \$	-100 basis points		+100 basis points	
		Surplus \$	Equity \$	Surplus \$	Equity \$
2012					
<u>Financial Assets</u>					
Cash and cash equivalents	281,750	(2,818)	(2,818)	2,818	2,818
Other financial assets	555,627	(5,556)	(5,556)	5,556	5,556
<u>Financial Liabilities</u>					
	-	-	-	-	-
Total Increase/(Decrease)		(8,374)	(8,374)	8,374	8,374
	Carrying Amount \$	-100 basis points		+100 basis points	
		Surplus \$	Equity \$	Surplus \$	Equity \$
2011					
<u>Financial Assets</u>					
Cash and cash equivalents	73,175	(732)	(732)	732	732
Other financial assets	743,433	(7,434)	(7,434)	7,434	7,343
<u>Financial Liabilities</u>					
	-	-	-	-	-
Total Increase/(Decrease)		(8,166)	(8,166)	8,166	8,166

Local Health Authorities Analytical Committee

Fair Values

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

Note 25. Remuneration of members of the accountable authority and senior officers

Remuneration of members of the accountable authority

The number of members of the accountable authority, whose total of fees, salaries superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	2012	2011
	\$	\$
\$		
\$0 – \$10,000	10	9
The total remuneration of members of the accountable authority is:	0	0

Remuneration of Senior Officers

The number of senior officers, other than senior officers reported as members of the accountable authority, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	2012	2011
	\$	\$
\$		
\$100,001 - \$110,000	-	1
--		
\$120,001 - \$130,000	1	-
The total remuneration of senior officers is:	122,256	103,937

The superannuation included here represents the superannuation expense incurred by the Authority in respect of senior officers other than senior officers reported as members of the accountable authority.

No senior officers are members of the Pension Scheme.

Note 26. Remuneration of auditor

The total of fees paid or due and payable to the Auditor General for the financial year, is as follows:

	2012	2011
	\$	\$
Auditing the accounts, financial statements and performance indicators	19,910	18,700

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Note 27. Related bodies

The Authority has no related bodies.

Note 28. Supplementary financial information

	2012	2011
	\$	\$
Write-Offs		
Public property written-off by the Executive during the financial year – Bad Debts	32	-

**Local Health Authorities
Analytical Committee**

Additional Key Performance Indicator Information

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Local Health Authorities Analytical Committee's performance, and fairly represent the performance of the Local Health Authorities Analytical Committee for the financial year ended 30 June 2012.

Date: _____

R.E. Boardman
Chairman of Accountable Authority

Date: _____

D. Wilson
Member of Accountable Authority

DATE: _____

T.D. Chapman
Coordinator

DATE: _____

P. C. Sproule CPA
Chief Accounting Officer

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Detailed Information in Support of Key Performance Indicators

Section 61 of the Financial Management Act requires statutory authorities to prepare performance indicators and such other information as required by the Treasurer's Instructions.

The following performance indicators have been formulated in the light of the Committee's obligation under the Health Act of 1911 to "provide analytical services for use by local authorities".

The following performance indicators have been formulated to provide an indication of the effectiveness and efficiency of the Committee's operations.

Section 61 of the Financial Management Act requires statutory authorities to prepare performance indicators and such other information as required by the Treasurer's Instructions.

NOTE: The Revised Sampling Scheme

On 1 July 2009 the Revised Sampling Scheme, formulated around food manufacturers located in each Local Government Authority who actively distributed food outside of the region in which they were located, was fully implemented by the LHAAC. The new Scheme placed a much greater onus on a smaller number of Local Governments (those with manufacturers) and reduced the need for sampling on many other Local Governments, particularly those small Local Governments in rural and remote areas. The Revised Scheme actively targeted 69 Local Governments with known food manufacturers.

The LHAAC used the implementation of the Revised Sampling Scheme as an opportunity to review its Outcome Based Management Structure in the 2009/2010 Annual Report and as a consequence revised the Key Performance Indicators it reports on from that point on.

On 1 July 2010 the Committee revised the sampling program further, after detailed consultation with Local Government users. A three-tiered sampling program was introduced consisting of an allocation for Coordinated Sampling projects (to be determined by the Committee and targeting LGAs with food manufacturers predominantly); Non-Compliance sampling (where a history of non-compliance, either by product or manufacturer, was known); and an allocation for Discretionary Sampling, which gave some power to each LGA to determine its own choice of sampling and allowed them to continue to monitor local suppliers. Western Australian Local Governments have expressed widespread support for the new sampling program.

The following performance indicators have been formulated to provide an indication of the effectiveness and efficiency of the Committee's operations.

OUTCOME

TO PROVIDE A COORDINATED SAMPLING SCHEME FOR THE ANALYSIS OF FOOD PRODUCTS FOR USE BY LOCAL GOVERNMENTS IN WESTERN AUSTRALIA.

A AUDITED INDICATORS

i) Performance Indicator: Effectiveness

Local Health Authorities Analytical Committee

KPI 1.1

The proportion of Local Governments with food manufacturers in their region who use the LHAAC Scheme.

Target is 90% for Year Three of the Scheme (2011/12) an increase of 10% from the 2009/10 target of 80% of qualifying Local Governments using the Scheme.

MEASUREMENT	2011/12	2010/11
	No.	No.
Number of LGAs with manufacturers who were requested to collect samples as a part of the Scheme.	69	69
Number of LGAs with manufacturers who participated in the Scheme	45	56
% of LGAs with manufacturers who participated in the scheme	65	81

Comment

Two reasons for a decline in the number of LGAs participating in 2011/12 were firstly the continued claims by LGAs that food sampling is less of an urgent task when placed alongside other key duties of the modern day EHO. 66.7% of survey respondents cited this as the reason for not undertaking sampling in 2011/12. The second reason was the increase in Coordinated Sampling activities which resulted in the same LGAs participating in the coordinated projects. If more discretionary sampling had been undertaken more LGAs may well have participated.

The LHAAC Scheme format changed again this year (see previous page) and in moving towards a three-tiered sampling program – with an indicative allocation to each LGA - the LHAAC recognised that some of the smaller LGAs with food manufacturers were not always given an allocation of samples, even though they were invited to participate in the Coordinated Sampling Programs.

The Environmental Health profession specifically, and Local Government in general, continues to struggle to attract people to the workforce and human resource issues were cited as the major factor in some councils being unable to meet their scheduled sampling.

Local Health Authorities Analytical Committee

SERVICE

ANALYSIS OF FOOD AND FOOD PRODUCTS

A *AUDITED INDICATORS*

ii) Performance Indicator: Efficiency

Service 1

Indicator KPI 1.1

Number of units analysed against total expenditure (cost of service) to provide Expenditure per Unit of Sampling.

	2012	2011	2010	2009
No of units analysed	24,389	24,484	24,166	38,350
Total expenditure	532,488	465,551	473,641	456,689
Expenditure per work unit	21.83	19.01	19.60	11.91

Comment

The number of units analysed in the year (24,389) is consistent with the 2011 figure but still well below where the Committee target. The annual budget and the annual sampling program is based on an estimated 30,000 units, so there is a significant shortfall in where the Committee would like to be.

The new scheme continues to have a number of relatively new costs associated with its operation including the ongoing cost of a full time coordinator (which is an additional cost from February 2009), and the appointment of a part-time Project Officer from February 2012. This significantly increases our level of fixed costs, which, coupled with a reduced number of units analysed, inevitably increases the cost per work unit.

Indicator KPI 1.2

Proportion of reports completed and returned by the Analyst to the submitting Local Government in the specified turnaround time of two weeks (14 working days) for routine samples and four weeks (28 working days) for non-routine samples;

(Target is 85% for 2011/12, increasing by a minimum 5% per year until 100% is achieved).

The reporting and collection of results in 2010/11 was different to the system used in 2011/12.

2010/11 results were as follows:

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ITEM	TARGET		ACTUAL	
	NO	%	NO	%
Reports analysed within two weeks – 1 July 2010 to 30 June 2011	1,161	80%	710	49
Reports analysed within two weeks – 1 Jan 2011 to 30 June 2011	544	80%	516	76%

Results for 2011/12 are as follows:

ITEM	TARGET		ACTUAL	
	NO	%	NO	%
Routine Reports analysed within two weeks – 1 July 2011 to 30 June 2012	529	85%	515	82.8
Non-Routine Reports analysed within four weeks – 1 July 2011 to 30 June 2012	647	85%	642	84.4

Comment

Agrifood Technology took over full control of the former Inman & Farrell on 1 June 2010. It took several weeks to move all operations to their premises in Bibra Lake and several months before sampling and reporting procedures were fully functional in the new premises. LHAAC therefore provided two results in 2010/11 – up to December 2010 and January to June 2011. This year LHAAC were able to provide results over a full year using the same operating environment. Pleasingly LHAAC came very close to its target of 85% of routine samples processed in less than 14 working days and 85% of Non Routine processed in less than 28 working days, with results of 82.8% and 84.4% respectively.

Average number of working days for Routine samples was 10.93 days. Average number of working days to process Non Routine samples was 15.88 days. Both of these were very pleasing results.

The Committee undertook a survey of users at the end of June 2012 to seek feedback on the operation of LHAAC Scheme in 2011/12 and the results were very positive.

89.6% of respondents rated the LHAAC Scheme 3 or higher in terms of Value for Money and 66.7% rated either 4 or 5 where 5 is high.

100% of respondents rated 3 or higher (on a scale of 1 to 5, where 5 is high) regarding their level of satisfaction with Agrifood Technology and 85% rated 4 or higher.

97.9% of respondents rated 3 or higher (compared to 88% in 2011) on a scale of 1 to 5, where 5 is high when asked to rate their level of satisfaction of turnaround times of Agrifood Technology. 81% rated 4 or higher (compared to 55% in 2011).

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Ministerial Directives

No Ministerial Directives were received during the financial year.

Other Financial Disclosures

Pricing policies on services

At the time the LHAAC implemented the Revised Sampling Scheme (in July 2009) a commitment was given to all Local Government users of the Scheme that annual charges would not increase by more than CPI rates and the level of charges in 2008/2009. Consequently, whilst the cost of the service has increased due to the employment of a full time Coordinator, as distinct from a part time Secretary, the Committee have honoured their commitment to Local Governments and charged the same charges as 2008/2009 adjusted for CPI increases to both the 2009/10 and 2010/11 operational years.

In 2011/12 fees charged to Local Governments increased by 6.5%.

The Committee derives its revenue from local authorities based on:-

1. an assessment calculated on the proportion of the population of the local authority to the population of the State of Western Australia;
2. the cost of processing units in excess of the unit allowance included in the assessment;
3. a minimum assessment for authorities with a population less than 1,500.

Employment and Industrial Relations

Staff Profile

	2012	2011
Full-time permanent	2	1
Full-time contract	1	1
Part-time contract	0	0
On secondment	0	0
	<u>3</u>	<u>2</u>

Staff Development

The Statutory Authority has a commitment to the development of its employees. Our strategies are to build a highly skilled, professional and fair workforce with the ability to adapt to changing business technology and the environment.

Workers Compensation

No compensation claims were recorded during the financial year.

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Governance Disclosures

Contract with Senior Officers

At the date of reporting, other than the normal contract of services provided, no Senior Officer, of firms of which Senior Officers are members, or entities in which Senior Officers have substantial interests had any interest in existing or proposed contracts with the Authority and Senior Officers.

Insurance Premiums paid to indemnify members of the Board

An insurance policy has been taken out to indemnify members of the Board against and liability incurred under sections 13 or 14 of the Statutory Corporations (Liability of Directors) Act 1996. The amount of the insurance premium paid for 2011/12 was \$3,811.

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Other Legal Requirements

Annual Estimates

Section's 40 and 61 of the Financial Management Act 2006 provided that the Authority submit annual estimates of the annual operations for both the current and preceding financial year of the Authority to the Minister of Health for approval.

Budget	2010/11
Revenues from operating activities	
Goods and Services	441,000
Revenue from non operating activities	
Interest Revenue	20,000
Total Revenue from ordinary activities	461,000
Expenses	
Expenses from operating activities	
Employee Services	93,000
Supplies and services	444,000
Total expenses from operating activities	537,000
Net Profit / (Loss)	(76,000)
Budget	2011/12
Revenues from operating activities	
Goods and Services	459,559
Revenue from non operating activities	
Interest Revenue	21,000
Total Revenue from ordinary activities	480,559
Expenses	
Expenses from operating activities	
Employee Services	109,018
Supplies and services	395,170
Total expenses from operating activities	504,188
Net Profit / (Loss)	(23,629)