

Local Health Authorities Analytical Committee



ANNUAL REPORT

For the year ended 30 June 2010

Local Health Authorities Analytical Committee

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Local Health Authorities Analytical Committee

STATEMENT OF COMPLIANCE

For the year ended 30 June 2010

**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 2010.

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

Cr G. Monks
Chairman of Accountable Authority

Date:

R.E Boardman
Member of Accountable Authority

Date:

T.D Chapman
Coordinator of Accountable Authority

Date:

Peter Sproule CPA
Principle Accounting 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:

- A Revised Sampling Scheme (RSS) was fully implemented 1 June 2009. During the course of the year four RSS Updates were forwarded to all Local Governments participating in the Scheme.
- In December 2009 the committee conducted a midyear review of the RSS, which included a survey of all Local Governments.
- In June 2010 the committee appointed independent consultants to review the performance of the Revised Scheme over its first year and to prepare a five-year Strategic Plan for LHAAC.

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

Responsible Minister

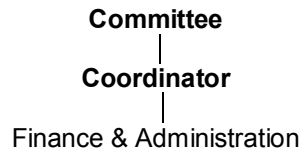
The Hon Dr Kim Hames MB BS JP, MLA, Minister for Health.

Local Health Authorities Analytical Committee

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. Matthew Piggott
City of South Perth	Mr. Sebastian Camillo
City of Melville	Mr. John Burton
City of Stirling	Mr Greg Ducas
Authorities within 40km of the GPO	Mr Mark Bishop Mr Rob Boardman Cr. Glynis Monks (Chairman)
Other Authorities	Cr Terry O'Toole Mr Colin Dent

Local Health Authorities Analytical Committee

Cr Glynis Monks (Chairman)

Cr Glynis Monks is as an elected member on the City of Wanneroo – a position she has held since 1999. She took over as Chairman of the LHAAC in July 2005 having joined the Committee as one of the three members representing Local Governments within forty kilometres of Perth CBD in September 2004.

Mr Mark Bishop

Mr Bishop is Manager Health Services with the City of Swan and is one of the three Local Government members within a forty kilometre distance of Perth CBD.

Mr Sebastian Camillo

Mr Camillo is Manager Environmental Health and Regulatory Services with the City of South Perth, one of the five Local Governments who are statutory members of the LHAAC.

Mr Greg Ducas

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

Mr Matthew Piggott

Mr Piggott is Coordinator Environment Health and Building Services with the City of Fremantle, one of the five Local Governments who are statutory members of the LHAAC.

Mr John Burton

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

Ms Elaine Clucas

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

Mr. Rob Boardman

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

Cr Terry O'Toole

Cr O' Toole is an elected member with the City of Geraldton-Greenough. Prior to the merger of the two councils in 2008, Cr O'Toole was an elected member with the Shire of Greenough. Cr O'Toole is one of the two members 40 kilometres outside the Perth Metropolitan area.

Mr Colin Dent

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

Local Health Authorities Analytical Committee

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 (Prohibition) Act 1999
- Nurses Act 1992
- Occupational Therapists Act 2005

Local Health Authorities Analytical Committee

- 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

<p>Outcome 1:</p> <p>To provide a coordinated Sampling Scheme for the analysis of food products for use by all Local Governments in Western Australia.</p>	<p>Key Effectiveness Indicator 1:</p> <p>The proportion of Local Governments with food manufacturers in their region who use the LHAAC Scheme.</p>
<p>Service 1:</p> <p>Analysis of food and food products</p>	<p>Key Efficiency Indicator 1:</p> <p>Number of units analysed against total expenditure (cost of service) to provide Expenditure per Unit of Sampling.</p> <p>Key Efficiency Indicator 2:</p> <p>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.</p>

From 1 July 2009 the Committee fully implemented the Revised Sampling Scheme which places the onus on manufacturers of food products and the responsibility for sampling those manufacturers rests with the Local Government Authority in which they are located. 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 Committee also reviewed the Key Performance Indicators to reflect a more meaningful measurement between agency and government goals.

Shared Responsibilities with Other Agencies

The Authority did not share any responsibilities with other agencies during 2009-10.

Local Health Authorities Analytical Committee

AGENCY PERFORMANCE

Report on Operations

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

To ensure that our objectives and Agency level Government desired outcomes are achieved, the Authority implemented the following:

- Following the implementation of the Revised Sampling Scheme on 1 July 2009 the Committee engaged in regular communications with Local Governments regarding the performance of the Revised Scheme and operational issues experienced by Local Governments and made changes accordingly.
- A mid year survey was sent to all Local Governments in December 2009.
- Independent consultants were engaged in June 2010 to review the performance of the Revised Scheme over its first year and to prepare a five-year Strategic Plan for LHAAC.

Actual results versus Budget Targets

Financial Targets

	2009-10 Target \$	2009-10 Actual \$	Variation \$
Total cost of services (sourced from Statement of Comprehensive Income)	461,415	473,641	12,226 (a)
Net cost of services (sourced from Statement of Comprehensive Income)	(1,415)	(12,946)	11,531 (b)
Total equity (sourced from Statement of Financial Position)	810,920	799,390	11,530 (c)
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	27,266	17,226	(10,000)
Approved full time equivalent (FTE) Staff level	1	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.

- (a) The variation is due to increases in administration costs relating to the implementation of the revised sampling scheme.
- (b) The variation is due to increase in administration costs and a change of policy resulting in the decrease in excess fee revenue, resulting in a less than expected loss.
- (c) The variation is due to a greater than expected loss during the year compared to targeted expectations.

Local Health Authorities Analytical Committee

Summary of Key Performance Indicators

	2009-10 Target \$	2009-10 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.	80%	79%	(1%)
<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.	12.27	19.60	(7.33)
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.	80%	Not reported	-

- (a) As specified in the Budget Statements for the year in question.
 (b) 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

Implementation of the Revised Sampling Scheme has been the key focus for the Committee for 2009-10, with partial implementation occurring in February 2009 and full implementation on 1 July 2009.

Local Health Authorities Analytical Committee

DISCLOSURES AND LEGAL COMPLIANCE

FINANCIAL STATEMENTS

Certification of Financial Statements For the year ended 30 June 2010

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 2010 and the financial position as at 30 June 2010.

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.

Cr G. Monks
Chairman of Accountable Authority

Date:

R.E Boardman
Member of Accountable Authority

Date:

T. Chapman
Coordinator to Accountable Authority

Date:

Peter Sproule CPA
Principle Accounting Officer

Date:

Local Health Authorities Analytical Committee

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010	2009
		\$	\$
INCOME			
Revenue			
Provision of services	7	420,092	437,370
Interest revenue	8	40,603	41,403
TOTAL INCOME		460,695	478,773
EXPENSES			
Employee benefits expense	9	92,946	33,230
Supplies and services	10	365,344	419,067
Other expenses	11	15,351	4,392
TOTAL EXPENSES		473,641	456,689
PROFIT/(LOSS) FOR THE PERIOD		(12,946)	22,084
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(12,946)	22,084

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 2010

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	18	142,756	115,829
Receivables	12	36,538	67,381
Other financial assets	13,18	669,212	678,873
Other current assets	15	2,787	2,851
Total Current Assets		851,293	864,934
Non-Current Assets			
Intangible Asset	14	-	-
Total Non-Current Assets		-	-
TOTAL ASSETS		851,293	864,934
LIABILITIES			
Current Liabilities			
Payables	16	46,213	50,237
Provisions	17	5,690	2,361
Total Current Liabilities		51,903	52,598
Total Liabilities		51,903	52,598
NET ASSETS		799,390	812,336
EQUITY			
Retained earnings	18	799,390	812,336
TOTAL EQUITY		799,390	812,336

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 2010

	Note	Contributed Equity \$	Reserves \$	Accumulated surplus / (deficit) \$	Total Equity \$
Balance at 1 July 2008	18	-	-	790,274	790,274
Change in accounting policy or correction of prior period errors		-	-	(22)	(22)
Restated balance at 1 July 2008		-	-	790,252	790,252
Total comprehensive income for the year		-	-	22,084	22,084
Total		-	-	22,084	22,084
Balance at 30 June 2009	18	-	-	812,336	812,336
Balance at 1 July 2009	18	-	-	812,336	812,336
Total comprehensive income for the year		-	-	(12,946)	(12,946)
Total		-	-	(12,946)	(12,946)
Balance at 30 June 2010	18	-	-	799,390	799,390

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 2010

	Note	2010	2009
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Provision of services		458,444	421,046
Interest received		37,492	48,562
GST receipts on sales		45,602	42,271
GST receipts from taxation authority		29,865	20,935
Payments			
Employee benefits		(99,701)	(26,126)
Supplies and services		(372,917)	(389,189)
Finance costs		(215)	(93)
GST payments on purchases		(35,843)	(40,556)
GST payments to taxation authority		(45,461)	(22,164)
Net cash provided by/(used in) operating activities	18	17,266	54,686
Net increase/(decrease) in cash and cash equivalents	18	17,266	54,686
Cash and cash equivalents at the beginning of period	18	794,702	740,016
CASH AND CASH EQUIVALENTS ASSETS AT THE END OF PERIOD	18	811,968	794,702

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 2010

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
General			Contributed equity
Income	2(d)		Income
Income	2(d)	7	Provision of services
Income	2(d)	8	Interest
Assets	2 (e)	14	Intangible assets
Assets	2(f)	11	Impairment of assets
Assets/Liabilities	2(g)	23	Financial instruments
Assets	2(h)	19,24	Cash and Cash Equivalents
Assets/Liabilities	2(i)		Accrued Salaries
Assets	2(j)	11	Receivables
Assets	2(k)	12	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
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		13	Other financial assets
Asset		15	Other 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 2010

Note 1. Australian Accounting Standards

The Authority's financial statements for the year ended 30 June 2010 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to 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 have been early adopted by the Authority for the annual reporting period ended 30 June 2010.

Note 2. Summary of significant accounting policies

(a) General Statement

The financial statements constitute general purpose financial statements that have been prepared 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 (\$).

The judgements that have been made in the process of applying the Authority's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 4 'Judgements made by management in applying accounting policies'.

Local Health Authorities Analytical Committee

The 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, are disclosed at note 5 'Key sources of estimation uncertainty'.

(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 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 (depreciated/amortised) over their useful life. Costs incurred of less than \$5000 are immediately expensed directly to the Income Statement.

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

Depreciation/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 and bank overdraft, the Authority has three categories of financial instrument:

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

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Receivables
- 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.

Local Health Authorities Analytical Committee

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 short-term 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. 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'.

(1) Provisions - Employee Benefits

Annual Leave and Long Service Leave

The liability for annual and 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 liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the reporting period is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the end of the reporting period.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

All annual leave and 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.

Superannuation

Is paid to the employees chosen fund and the expense is recognised as and when 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'.

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(n) Superannuation Expense

The superannuation expense of the defined benefit plans is made up of the following elements:

- Current service cost

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 2009 that impacted on the Authority.

AASB 101 Presentation of Financial Statements (September 2007)

This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised Standard.

AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101*

This Standard changes the term 'general purpose financial report' to 'general purpose financial statements', where appropriate in Australian Accounting Standards and the *Framework* to better align with IFRS terminology. There is no financial impact resulting from the application of this Standard.

AASB 2008-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110]*

This Standard amends AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* in respect of the classification, presentation and measurement of noncurrent assets held for distribution to owners in their capacity as owners. This may impact on the presentation and classification of Crown land held by the Department where the Crown land is to be sold by the Department of Regional Development and Lands (formerly Department for

Local Health Authorities Analytical Committee

Planning and Infrastructure). The Authority does not expect any financial impact when the Standard is first applied prospectively.

AASB 2009-2 *Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]*

This Standard amends AASB 7 *Financial Instruments: Disclosures* and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. There is no financial impact resulting from the application of this Standard.

Voluntary changes in Accounting Policy

There has been no change in accounting policy for the 2009/10 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>AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12].</i></p> <p>The amendment to AASB 7 <i>Financial Instruments: Disclosures</i> requires modification to the disclosure of categories of financial assets. The Authority does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.</p>	1 Jan 2013
<p>AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i></p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on the Authority. However it may affect disclosures in the financial statements of the Authority if the reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies.</p>	1 July 2013

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AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* 1 July 2013

This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities.

The Standard is not expected to have any financial impact on the Authority. However this Standard may reduce some note disclosures in financial statements of the Authority. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.

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.

	2010 \$	2009 \$
Note 7. Provision of services		
User charges	420,092	437,370
	420,092	437,370
Note 8. Interest revenue		
Interest revenue	40,603	41,403
	40,603	41,403
Interest is earned from term deposits with terms 12 months or less		
Note 9. Employee benefits expense		
Wages and salaries	82,195	28,426
Superannuation	7,832	2,503
Annual Leave ^(a)	2,919	2,301
	92,946	33,230
<small>(a) Includes a superannuation contribution component. Employment of costs such as workers compensation insurance are included in the note 11 "Other expenses" The employment on cost liability included at note 16 "Provisions"</small>		
Note 10. Supplies and services		
Consultants and contractors	312,360	365,449
Other	52,984	53,618
	365,344	419,067
Note 11. Other Expenses		
Employment on costs	12,027	4,392
Bad debts expense	3,324	-
	15,351	4,392

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	2010 \$	2009 \$
Note 12. Receivables		
<u>Current</u>		
Receivables	34	4,154
Accrued Income	-	39,049
Accrued Interest	22,318	19,208
GST receivable	14,185	4,970
Total current	36,537	67,381

See also note 2(j) 'Receivables' and note 23 'Financial Instruments'.

Note 13. Other financial assets

<u>Current</u>		
at cost:		
Term deposits	669,212	678,873
Total current	669,212	678,873

Note 14. Intangible assets

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

Note 15. Other assets

<u>Current</u>		
Other – Prepayments	2,788	2,851
Total current	2,788	2,851

Note 16. Payables

<u>Current</u>		
Trade payables	35,868	41,834
Other payables	9,279	7,785
Accrued salaries	1,006	618
Accrued Allowance	60	-
Total current	46,213	50,237

See also note 2(l) 'Payables' and note 23 'Financial instruments'.

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	2010 \$	2009 \$
Note 17. Provisions		
<u>Current</u>		
Employee benefit provision		
Annual Leave (a)	5,690	2,301
	5,690	2,301
Other Provisions		
Employee on costs (b)	-	60
	-	60
Total current	5,690	2,361

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

Within 12 months of balance sheet date	5,690	2,301
More than 12 months after balance sheet date	-	-
	5,690	2,301

- (b) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation premiums and payroll tax. The provision is measured at the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at note 11 'Other expenses'

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	2010 \$	2009 \$
Note 18. Equity		
Accumulated surplus/(deficit)		
Balance at start of year	812,336	790,274
Result for the period	(12,946)	22,084
Income and expense recognised directly in equity	-	(22)
Balance at end of the year	799,390	812,336

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	142,756	115,829
Other financial assets – Term Deposits	669,212	678,873
	811,968	794,702

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

Profit after equivalents	(12,946)	22,084
<u>Non-cash items:</u>		
Depreciation and amortisation expense	-	-
<u>(Increase)/decrease in assets:</u>		
Current receivables	40,058	(8,968)
Other current assets	63	(204)
<u>Increase/(decrease) in liabilities:</u>		
Current payables	(4,024)	38,362
Provisions	3,329	2,361
Net GST receipts/(payments)(a)		
Change in GST in receivables/payables(b)	(9,214)	1,051
Net cash provided by/(used in) operating activities	17,266	54,686

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Note 20. Commitments

Purchase

As at 30 June 2010 the Committee had no purchase commitments.

Note 21. Contingent liabilities and contingent assets.

As at 30 June 2010 the Committee did not have any contingent liabilities or assets.

Note 22. Events occurring after the balance sheet date

No material events occurred after balance date.

Note 23. Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2010 and between the actual results for 2009 and 2010. Significant variations are considered to be those greater than 10% and \$1,000.

Significant variances between estimate and actual for the financial year

	2010 Estimate \$	2010 Actual \$	Variance \$
Total Revenue			
Provision of services	440,000	420,092	(19,908)
Interest Income	20,000	40,603	20,603
Expenses			
Employee benefit expense	99,965	92,945	(7,020)
Supplies and services			
Analyst and consultants fees	320,000	312,359	(7,641)
Goods and services	37,950	52,984	15,034
Other Expenses	3,500	15,351	11,851

Provision of Services:

Decrease is due to the impact of the full implementation of the Revised Sampling Scheme during the year, and particularly the shift towards manufacturers located in each LGA and a reduction in the number of units allocated for local sampling. Many LGAs saw the shift towards manufacturers as a reason to cease local sampling completely. The Committee also approved a change in accounting policy to waive excess fee charges in regards to 2009/2010 usage, given that total sampling for the year was a little over 24,000 units but LGAs were charged on anticipated usage of 33,000 units. Only ten councils exceeded their allocation for 09/10 and one of those accounted for 75% of the excess units calculated.

Interest Income

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

Employee benefit expense

Decrease is due to employee on cost allowances being allocated to the employee benefit expenses rather than in other expenses in the forward estimates figures.

Supplies and services

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Analyst and consultants fees

Decrease is due to a slow take up in the application of the New Scheme. Local Governments in many cases struggled to meet the schedule of samples required, as directed by the Department of Health. Several reminders were sent to Local Governments throughout the year and RSS Updates were sent to all member councils summarising the status of the Scheme at different times of the year. Consequently payments to the analyst were slightly lower than expected for the year. Associated costs relating to the administration of the Scheme and possible consultancy costs in anticipated independent reviews were not expended in 2009/10.

Goods and services

Accounting, advertising and audit costs higher than anticipated resulting from the implementation of the Revised Sampling Scheme expenditure.

Other expenses

Increase is due to employee on cost allowances being allocated to other expenses employee benefit expenses as in the forward estimates figures. Also bad debts from the old scheme were written off during the year.

Significant variances between actual results for actual and prior year actual

	2010 Actual \$	2009 Actual \$	Variance \$
Income			
Provision of services	420,092	437,370	(17,278)
Interest revenue	40,603	41,403	(800)
Expenses			
Employee benefit expense	92,945	33,230	59,715
Supplies and services			
Analyst and consultants fees	312,359	365,448	(53,089)
Other expense	15,351	4,392	10,959

Provision of services

Decrease is due to the reduction in excess fee income accrued. The committee took the decision not to invoice excess units charged on the old sampling system, as a result of the full implementation of the Revised Sampling Scheme.

Interest revenue

Decreased due to a reduction in interest rates during the year on cash being held in term deposits.

Employee benefit expense

The secretary, overseeing the implementation of the Revised Sampling Scheme work a full year, compared to 4 months in 2008/09.

Supplies and services

Analyst and consultants fees

Decrease due to less samples being tested after the full implementation of the Revised Sampling Scheme.

Other Expense

Increase due to employee related costs on the employment of a full time employee and the committee's decision to write off of Bad Debts pertaining to the old sampling scheme.

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Note 24. Financial instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Authority are cash and cash equivalents, restricted cash and cash equivalents, borrowings, finance leases, Treasurer's advances, loans and 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 23(c) 'Financial instruments disclosures' and note 12 'Receivables'.

The Authority has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing 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 bank overdrafts, loans and finance leases. 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 balance sheet date are as follows

	2010	2009
	\$	\$
Financial Assets		
Cash and cash equivalents	142,756	115,829
Receivables (a)	22,352	62,410
Held-to-maturity investments	669,212	678,872
Financial Liabilities		
Payables (a)	46,213	50,237

(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 and Interest Rate Risk Exposures

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 balance sheet date 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.

The Authority does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Interest rate exposures and ageing analysis of financial assets ^(a)

	Weighted Average Effective Interest Rate %	Interest rate Exposure			Past due but not impaired							Impaired Financial assets \$
		Carrying Amount \$	Variable Interest Rate \$	Non- Interest Bearing \$	Up to 3 Months \$	3 – 12 months \$	1-2 years	2- 3 Years \$	3-4 Years \$	4-5 Years \$	More than 5 Years \$	
Financial Assets												
2010												
Cash and Cash Equivalents	0.30	142,756	142,756	-	-	-	-	-	-	-	-	-
Other financial assets	5.86	669,212	669,212	-	-	-	-	-	-	-	-	-
Receivables (a)		36,538	-	22,352	-	-	-	-	-	-	-	-
		<u>848,506</u>	<u>811,968</u>	<u>22,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2009												
Cash and Cash Equivalents	0.30	115,829	115,829	-	-	-	-	-	-	-	-	-
Other financial assets	6.13	678,873	678,873	-	-	-	-	-	-	-	-	-
Receivables(a)		62,410	-	62,410	-	-	-	-	-	-	4,154	-
		<u>857,112</u>	<u>794,702</u>	<u>62,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,154</u>	<u>-</u>

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

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Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the balance sheet date. The table includes both interest and principal cash flows. An adjustment has been made where material.

Interest rate exposure and maturity analysis of financial liabilities

	Weighted Average Effective Interest Rate %	Interest rate exposure					Total Notional Amount \$	Maturity date						
		Carrying Amount \$	Fixed Interest rate \$	Variable Interest Rate \$	Non- Interest Bearing \$	Adjustment for discounting \$		Up to 3 Months \$	3 – 12 months \$	1-2 years \$	2- 3 Years \$	3-4 Years \$	4-5 Years \$	More than 5 Years \$
Financial Liabilities														
2010														
Payables(a)		46,213	-	-	46,213	-	46,213	46,213	-	-	-	-	-	-
		46,213	-	-	46,213	-	46,213	46,213	-	-	-	-	-	-
2009														
Payables(a)		50,237	-	-	50,237	-	50,237	50,237	-	-	-	-	-	-
		50,237	-	-	50,237	-	50,237	50,237	-	-	-	-	-	-

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

Local Health Authorities Analytical Committee

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 \$
2010					
<u>Financial Assets</u>					
Cash and cash equivalents	142,756	(1,427)	(1,427)	1,427	1,427
Other financial assets	669,212	(6,692)	(6,692)	6,692	6,692
<u>Financial Liabilities</u>					
	-	-	-	-	-
Total Increase/(Decrease)		(8,119)	(8,119)	8,119	8,119
	Carrying Amount \$	-100 basis points		+100 basis points	
		Profit \$	Equity \$	Profit \$	Equity \$
2009					
<u>Financial Assets</u>					
Cash and cash equivalents	115,829	(1,158)	(1,158)	1,158	1,158
Other financial assets	678,873	(6,788)	(6,788)	6,788	6,788
<u>Financial Liabilities</u>					
		-	-	-	-
Total Increase/(Decrease)		(7,946)	(7,946)	7,946	7,946

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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 accountable authority and senior officers

Remuneration on 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:

	2010	2009
	\$	\$
\$ \$0 – \$10,000	9	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:

	2010	2009
	\$	\$
\$ \$30,001 - \$40,000	-	1
\$100,001 - \$110,000	1	-
The total remuneration of senior officers is:	104,972	33,320

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:

	2010	2009
	\$	\$
Auditing the accounts, financial statements and performance indicators	18,700	19,400

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Note 27. Related bodies

The Authority has no related bodies.

Note 28. Supplementary financial information

	2010	2009
	\$	\$
<u>Write-Offs</u>		
Public property written-off by the Committee during the financial year – Bad Debts	3,324	-

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 2010.

CR G. MONKS
CHAIRMAN

DATE: _____

R.E. BOARDMAN
COMMITTEE MEMBER

DATE: _____

T.D. CHAPMAN
COORDINATOR

DATE: _____

P. C. SPROULE CPA
PRINCIPAL ACCOUNTING OFFICER

DATE: _____

Local Health Authorities Analytical Committee

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

At the commencement of 2007/2008 the LHAAC Committee made a concerted effort to increase the number of Local Government members using the service and improve the turnaround times on samples and the level of satisfaction of the service compared to 2006/2007. The Committee continued with this objective in 2008/2009, and at the same time commenced the implementation of the Revised Sampling Scheme in February 2009. 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. 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 68 Local Governments with known food manufacturers.

The LHAAC used the implementation of the Revised Sampling Scheme as an opportunity to review our Outcome Based Managements Structure for the 2009/2010 Annual Report and as a consequence revised the Key Performance Indicators it reports on.

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

New Indicator KPI 1.1

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

(Target is 80% for Year One of the Scheme (2009/10) increasing by 5% each year until all qualifying Local Governments use the Scheme).

Local Health Authorities Analytical Committee

MEASUREMENT	2009/10	
	No	%
Number of LGAs with manufacturers who were requested to collect samples as a part of the Scheme.	68	100
Number of LGAs with manufacturers who participated in the Scheme	54	79

Comment

Whilst almost meeting our target of 80% usage in our first year, the Committee were still disappointed with the participation rates of those Local Governments with food manufacturers.

The processes and procedures of the new scheme need further improvement, particularly in terms of reporting responsibilities of Local Governments, the appointed Analyst and the delineation of duties between Department of Health staff and the LHAAC Coordinator.

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. Others cited financial constraints in regard to the purchase costs of the samples.

Efforts were made by the Committee to address both these issues through the employment of contract EHOs direct to the Committee to collect samples from some Local Governments citing lack of an EHO to collect samples.

In light of surveys of Local Governments conducted in December 2009 and June/July 2010 further amendments have been made to the sampling program to generate increased efficiencies and an improved level of effectiveness to the service in 2010/2011.

Local Health Authorities Analytical Committee

SERVICE

ANALYSIS OF FOOD AND FOOD PRODUCTS

A AUDITED INDICATORS

ii) Performance Indicator: Efficiency

Service 1

Existing Indicator KPI 1.1

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

	2010	2009	2008	2007
No of units analysed	24,166	38,350	19,626	33,193
Total expenditure	473,641	456,689	285,882	406,350
Expenditure per work unit	19.60	11.91	14.57	12.24

Comment

The low number of overall samples submitted for the year (RSS and local units) is of great concern to the Committee and has been addressed with proposed changes to the sampling scheme in 2010/2011. The new scheme had a number of additional costs associated with its implementation – not least of which was the appointment of a full time Coordinator - which inevitably affected cost per unit, but the major issue is the low number of units sampled relative to the many high fixed costs of the LHAAC operation.

There was a slow, or gradual acceptance of the Revised Scheme (as there inevitably is to any new system) and this was reflected in the number of samples submitted. Local Governments were allowed to continue to submit local units (randomly selected from the local butcher, baker etc) but there was a substantial difference in the number of units allocated and the number submitted. A failing on behalf of some Local Governments to provide Sample Submission Sheets to the Department of Health has raised doubts about the accuracy of the breakdown in types of units analysed (RSS v local units). It is the view of the Committee that by placing the onus on those Local Governments with manufacturers, many Local Governments (outside of that structure) chose to cease sampling completely. The changes proposed for 2010/2011 will encourage all Local Governments to participate in at least one initiative.

Whilst the new scheme takes some of the pressure away from smaller Local Governments given its focus is on those councils with food manufacturers in their locality, the fact remains that even some of the more attractive parts of rural and remote Western Australia (e.g. the South West) struggle to attract staff into the Local Government industry and HR shortages were cited as the major reason for councils being unable to meet their sampling workload. Indeed, two of the largest South West councils were unable to complete their sampling due to HR shortages resulting in the Committee employing contract EHOs to clear the sampling backlog in the region at a substantial cost to the Committee.

The Committee is confident the changes it will implement in 2010/2011 will result in a much more effective and efficient sampling scheme with a much greater emphasis on high-risk food products. This will result in a shift to more coordinated and strategic sampling – less numbers but more

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benefits – which may continue to show a higher cost per unit than the former scheme, which had a simpler focus on an allocation to each Local Government and little direction from the LHAAC in terms of the type of produce to be sampled.

New 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 for routine samples and four weeks for non-routine samples;

(Target is 80% for Year One of the Scheme (2009) increasing by 5% each year until all submitted samples are processed in scheduled timeframe).

Comment

As this is a new KPI which reflects changes to the new Sampling Scheme implemented on 1 July 2010, the Committee feels it has insufficient data to report on this to the required degree of accuracy for 2009/2010. The information provided by the appointed analyst and the Department of Health is incomplete and not considered reliable.

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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.

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

	2010	2009
Full-time permanent	1	0.4
Full-time contract	1	1
Part-time contract	0	1.6
On secondment	0	0
	<u>2</u>	<u>3</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 2009/10 was \$3,203.

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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	2008/09
Revenues from operating activities	
Goods and Services	418,000
Revenue from non operating activities	
Interest Revenue	18,000
Total Revenue from ordinary activities	436,000
Expenses	
Expenses from operating activities	
Supplies and services	414,500
Total expenses from operating activities	414,500
Net Profit / (Loss)	21,500
Budget	2009/10
Revenues from operating activities	
Goods and Services	440,000
Revenue from non operating activities	
Interest Revenue	20,000
Total Revenue from ordinary activities	460,000
Expenses	
Expenses from operating activities	
Employee Services	99,965
Supplies and services	361,450
Total expenses from operating activities	461,415
Net Profit / (Loss)	(1,415)