

34 Collocation arrangements

Collocation (refer note 2(m)) arrangements in operation as at 30 June 2004 are:

Facility	Health Service District	Counterparty	Term of Agreement	Commencement Date
Holy Spirit Northside Private Hospital	The Prince Charles Hospital	The Holy Spirit Northside Private Hospital Limited	25 years	July 2001
Logan Private Hospital	Logan-Beaudesert	HCOA Holdings Pty Limited	25 years	February 1998
Redlands Private Hospital	Bayside	Sisters of Mercy	25 years	August 1999
Caboolture Private Hospital	Redcliffe-Caboolture	Mayne Nickless Limited	25 years	September 1997

35 Financial Instruments
(a) Terms conditions and accounting policies

Financial Instrument	Accounting Policies	Terms and Conditions
Cash	Cash includes cash on hand and cash at bank. Cash at bank represents deposits at call which are readily convertible to cash and which are used in the daily cash management function of the department.	General trust fund cash balances are deposited with Queensland Treasury Corporation and earn interest at a rate of 5.63%. Other cash balances held by the Department do not earn interest.
Receivables (trade debtors)	Trade debtors are carried at nominal amounts less any provision for doubtful debts.	Trade sales are settled within 60 days after an invoice is issued.
Receivables (other than trade debtors)	Amounts other than trade debtors are carried at nominal amounts.	Other than receivables from Government, employees and other specific agreements, settlement is within 60 days. Loans and advances settle from three to fifteen months. No collateral is held for loans and advances made and no interest is charged on outstanding amounts

Financial Liabilities

Financial Instrument	Accounting Policies	Terms and Conditions
Creditors	Creditors are recognised upon receipt of goods and services, irrespective of whether an invoice has been received. Creditors are measured based on agreed purchase/contract price.	The amounts are unsecured and are usually settled within 30 days or sooner depending on the availability of settlement discounts.
QTC Borrowings	Borrowings from the Queensland Treasury Corporation (QTC) are recorded at book value. Interest is charged as an expense as it accrues.	Borrowings are from QTC's Government Debt Pool with varying maturity dates. Periodic repayments are made quarterly in arrears. The average fixed rate is 7.60%

(b) interest rate risk exposure

The department's exposure to interest rate risk and effective interest rates of financial assets and liabilities are shown in the following table. All assets and liabilities are shown by maturity or contract repricing dates and at face value.

Parent Entity	Contractual Repricing/ Maturity Date:			Non Interest Bearing	Total	Weighted Average Rate:
	1 year or less	1 to 5 years	Greater than 5 years			
	\$'000	\$'000	\$'000			
Financial Assets						
Cash	36,069	-	-	191,019	227,088	5.63
Receivables	-	-	-	112,876	112,876	
Total	36,069	-	-	303,895	339,964	
Financial Liabilities						
Payables	-	-	-	192,869	192,869	
Borrowings	57,523	124,342	311,565	-	493,430	7.60
Total	57,523	124,342	311,565	192,869	686,299	
Consolidated	Contractual Repricing/ Maturity Date:			Non Interest Bearing	Total	Weighted Average Rate:
	1 year or less	1 to 5 years	Greater than 5 years			
	\$'000	\$'000	\$'000			
Financial Assets						
Cash	36,069	-	-	201,925	237,994	5.63
Receivables	-	-	-	113,387	113,387	
Total	36,069	-	-	315,312	351,381	
Financial Liabilities						
Payables	-	-	-	196,237	196,237	
Borrowings	57,523	124,342	311,565	-	493,430	7.60
Total	57,523	124,342	311,565	196,237	689,667	

(c) credit risk exposure

Credit risk exposure represents the extent of credit related losses that the department may be subject to on amounts to be exchanged under loans and accounts receivable from financial assets.

The carrying amount of financial assets in the Statement of Financial Position represents the maximum credit risk exposure as at 30 June 2004.

Concentrations of credit risk on trade and other debtors are summarised as General Public \$33.078 Million; Public Sector \$80.309 Million.

Queensland Health has some exposure to foreign exchange risk through its capital works program and purchase of supplies required as part of providing health services. Management of foreign exchange risk is being addressed as part of Queensland Health's business risk management framework currently under development.

(d) net fair value

The carrying amount of all financial assets and liabilities equates to net fair value, except for QTC borrowings and finance leases which are recognised at book rate. Refer Note 22.

36 Joint venture operations

In August 2001, Queensland Health entered into a joint venture operation with the University of Queensland for the operation of a Magnetic Resonance Imaging (MRI) facility. Both participants in the venture have a fifty per cent interest and are entitled to fifty percent of its output. The term of the agreement has been set at five years from the date at which the MRI equipment met the specifications of both parties – 2 January 2002.

Queensland Health's interest in the assets employed in the joint venture are included in the Statement of Financial Position under the following classifications:

	Consolidated		Parent Entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Non-current assets				
Property, plant and equipment	<u>1,026</u>	<u>1,175</u>	<u>1,026</u>	<u>1,175</u>

37 Administered transactions and balances

Administered transactions and balances as at 30 June 2004 are:

Total administered revenues	<u>85</u>	<u>42</u>	<u>85</u>	<u>42</u>
Total administered expenses	<u>85</u>	<u>42</u>	<u>85</u>	<u>42</u>
Total administered assets	<u>55</u>	<u>44</u>	<u>55</u>	<u>44</u>
Total administered liabilities	<u>55</u>	<u>44</u>	<u>55</u>	<u>44</u>