



**1859 - 2010**



# **ANNUAL REPORT**

## **2009/2010**

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# Compliance Disclosure Index

The Annual Report of Stawell Regional Health Service is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Health Service's compliance with statutory disclosure requirements.

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## Additional information (FRD 22B Appendix)

The following information is available upon request to the Chief Executive Officer by relevant Ministers, members of Parliament and the public:

1. A statement of pecuniary interest has been completed.
2. Details of shares held by senior officers as nominee or held beneficially.
3. Details of publications produced by the Health Service about the activities of the Board and where they can be obtained.
4. Details of changes in prices, fees, charges, rates and levies charged by the Board.
5. Details of any major external reviews carried out on the Board.
6. Details of major research and development activities undertaken by the Board that are not otherwise cover either in the Report of Operations or in a document that contains the Financial Report and Report of Operations.
7. Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
8. Details of major promotional, public relations and marketing activities undertaken by the Board to develop community awareness of the Board and its services.
9. Details of assessments and measures undertaken to improve the occupational health and safety of employees.
10. General statement on industrial relations within the Board and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations.
11. Details of major committees, purpose of committee and achievements can be obtained.

## Board of Management

On behalf of the Board it is my pleasure to present the Annual Report for the year ending June 30, 2010. This report should be read in conjunction with the 2009/10 Quality of Care Report which provides a comprehensive overview of the services we provide within Stawell Regional Health.

### Our Health Service

The membership of the SRH Board remained static this year with the reappointment by the Minister of two long serving Board members, Mr Howard Cooper and Mr Neville Dunn. We are in an enviable position of having an experienced and balanced Board and the knowledge and experience of these two members, as well as their connection into the community is a tremendous advantage.

On a sad note Mr Graeme McDonough, who has been a serving Board Member for eleven years decided not to renominate to the Board and will complete his term on 30<sup>th</sup> June 2010. Graeme has been a solid contributor to the affairs of the Board and we wish Graeme and his wife Margaret all the very best for their future.

### Grampians Health Alliance

The Grampians Health Alliance (GHA) is an alliance of the four hospitals, Stawell Regional Health (SRH), East Grampians Health Service (EGHS), East Wimmera Health Service (EWHS) and Beaufort & Skipton Health Service (BSHS). There continues to evolve a large number of services which are developed, shared and provided between these four entities.

Apart from the provision of sharing of services these agencies continue to meet formally on a regular basis to discuss matters of mutual interest. On occasions the GHA, as a group, comment on health policy issues or other matters affecting the delivery of health services in the region.

Stawell Regional Health values its association with the GHA for the improvements the Alliance has fostered within our health services and for the fellowship and spirit of co-operation it has generated between the respective Boards.

### Strategic Planning

The Stawell Regional Health Strategic Plan is reaching the end of its cycle. We are about to embark on the next development phase. One of the purposes of planning is to ensure we are working towards providing services which are central to the needs of our local communities. The key elements of the current plan are:

- Maintain Acute Care Services
- Expand Primary Care
- Expand Community based services
- Develop Aged Care
- Develop a Healthier Community
- Develop relationships

- Recruitment and Retention
- Effective Management and utilisation of resources

I doubt whether we will move away from many of these core elements, however we are also aware that the provision of safe and effective health services requires staff and resources. Recruitment and retention of key personnel is a key factor on how we progress forward.

### Medical Support

Stawell Regional Health maintains a close relationship with its local General Practitioners and we are pleased that Dr Obi has remained in Stawell to commence the Patrick Street Family Practice. The growth of this practice and the continued support of the hospital by Stawell Medical Centre has encouraged us to look forward with some optimism to medical service provision in our community.

### Capital Works Program

The continued refurbishment of our assets can only be achieved through maintaining a surplus and through our fundraising efforts. Once again we have been well supported in the past year by our various fundraising groups and a summary of their activities is provided in detail within the Quality of Care Report. Our sincere appreciation is extended to these groups being the Hospital Ladies Auxiliary, Y-Zetts, Murray to Moyne Committee, and lastly the Stawell Hospital Foundation. The Foundation supported the purchase of the new Diagnostic Ultrasound Unit for radiology at a cost of \$137,800 as well as 12 Baxter Infusion pumps at a value of \$35,000. During the year we also received a significant grant from the Department of Health's targeted equipment program towards endoscopic equipment for the operating theatre suite. This was an amount of \$125,000 which was supplemented by a further \$50,000 of hospital funds.

### Quality programs

2009/10 was a busy period for quality management at Stawell Regional Health. In September 2009 the Macpherson Smith Nursing Home successfully completed an Aged Care Audit and a spot visit was undertaken in April 2010. Also in April 2010 the Surveyors from the Australian Council on Health Care Standards conducted an audit of the acute care facility. We were pleased to have been awarded a further four years Accreditation and within the report there was an acknowledgement the service has achieved EA (Extensive Achievement) status in eleven of the criteria surveyed. This is an excellent achievement, in fact the highest accreditation SRH has

## Board of Management

ever received and a positive reflection on all staff involved and upon the high standards the health Service has set for itself. Our congratulations to all involved.

### Finances

In our report last year I alluded to what will be a difficult financial road ahead. This has proven to be true with the health service reporting a small operating deficit of \$20,000. As predicted the reduction in our operating budget to accommodate productivity savings and a loss of income in our nursing home were major contributors to our overall loss. One unexpected outcome in 2009/10 was the increase in activity which has consumed more resources than we anticipated. Whilst it is pleasing to note our activity was up, it is a fact of life that once certain targets are met the additional activity is unfunded.

One aspect of our work this year was our involvement in the Rural Patient Initiative through Ballarat Health Services. This project allowed for persons who were waiting for long periods in Ballarat to have their surgery in Stawell. We are sure these patients enjoyed their stay in our wonderful hospital and this increased our overall patient activity.

### Staffing

The past year has been stable in terms of senior staff in the organisation. However as with many small rural health services there are from time to time shortages in key nursing and Allied Health positions. We have been successful in recruiting to several roles this year and are pleased to have a vibrant Allied Health unit with the positions in Podiatry, Physiotherapy and Social Work filled during the year. We also welcome for a short term, Ben Sung to the role of Pharmacist. Ben has impressed us all with his attention to detail, work ethic and preparedness to implement new systems.

My personal thanks to our Executive team for their support over the last twelve months. We welcomed Mike Finch to the role of Director of Finance in October 2010.

Mike replaced Mark Knights who left to take up the role as Director of Corporate Services at Wimmera Health Care Group. Mark was a trail blazer at Stawell and was the instigator of the joint finance service across Stawell and East Grampians Health Services.

We valued Mark's innovative flair and the reporting and compliance systems he implemented across both services were a great assistance in enabling both Boards and executive teams to effectively manage the services we provide. We are certain Mike, who had ably assisted in this process will carry on this tradition.

### Community

SRH enjoys a very close relationship with the communities it serves. We appreciate the honest and open feedback from all sectors and welcome all comments in the knowledge that this is a shared endeavour to keep improving our performance. We especially appreciate those members of our community who elect to utilise their private health insurance. We guarantee that by choosing to do so this does not translate to any additional financial burden.

### Health Precinct

After a protracted process we are about to relocate some of our services into the newly opened Health and Community Precinct. We acknowledge there are many advantages for service delivery when collocating with other community services. However it will also require ensuring that these very important departments remain embedded and connected to our organization. The recently vacated Grampians Community Care premises along with other vacated areas within the Hospital precinct will need to be re-evaluated and utilized.

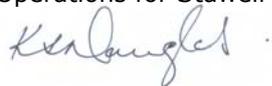
Thank you to all the staff, medical officers, volunteers and supporters of Stawell Regional Health for your continuous support for what we do. I also take this opportunity to thank my fellow Board Members for their tireless contribution over the past twelve months.

We all look forward to the opportunities and challenges ahead.

*Karen Douglas : Chair*

## Responsible Bodies Declaration

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for Stawell Regional Health for the year ending 30 June 2010.



Karen Douglas  
Chair : Stawell Regional Health, Stawell  
1<sup>st</sup> September, 2010

# Board of Management

## 2009/10 major acquisitions and projects include:

<b>Building Works</b>	
Water Collection and Recycling	11,300
Nursing Home Sensory Garden	13,800
Air conditioning plant	17,800

<b>Medical Equipment</b>	
Rotary Heat Sealer	4,000
Surgical Drill	40,544
Surgical Instrumentation	39,000
IV Pumps for Wards and Oncology	35,000
Syringe Pumps	9,760
Scope system for Theatre	190,024
Ultrasound (Radiology)	158,900
Vital Signs Monitors	6,200
Hi/Lo Recliner beds (Nursing Home)	11,850

<b>Other Plant &amp; Equipment</b>	
Computer replacements	42,737
Soft Ware systems	113,000
Alladin base heating system for kitchen	10,409
Nursing Home call system	9,821

## Board of Management



**Karen Douglas, Primary Producer**

Board Representation on Executive, Quality Improvement, Grampians Alliance and Governance Committees

**David Stanes, Business Manager**

Board Representation on Quality Improvement and Risk Committees



**Joan Brilliant, Postal Manager, Australia Post Stawell**

Board Representation on Fundraising, Foundation and Quality Committees

**Kay Harris, Business Manager**

Board Representation on Governance and Fundraising Committees



**Howard Cooper, Primary Producer**

Board Representation on Audit and Project Control Group (Health Precinct) Committees.

**Peter Martin, Retired School Principal**

Board Representation on Executive, Audit, Governance and Risk Management Committees



**Neville Dunn, Branch Real Estate Manager**

Board Representation on Audit and Project Control Group (Health Precinct) Committees.

**Graeme McDonough, Retired**

Board Representation on Quality Improvement, Governance and OH&S Committees



**Lynn Jenz, Accountant**

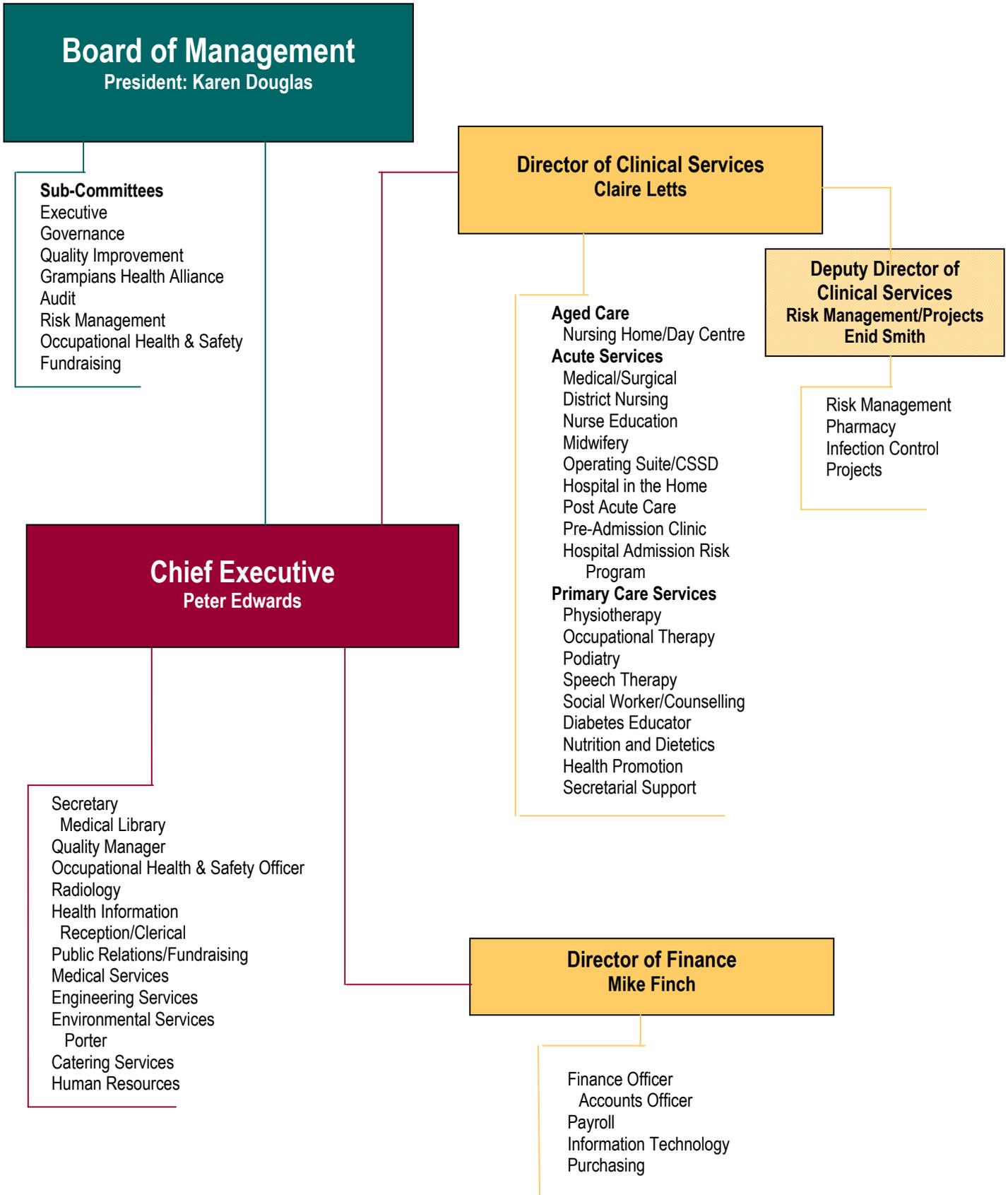
Board Representation on Risk Management and Audit Committees

**Ross Hatton, Retired**

Board Representation on Executive, OH&S, Grampians Alliance and Risk Management Committees



# Organisational Structure



## Finance

Stawell Regional Health is established under the Health Services Act 1988. The responsible Minister during the reporting period is the Hon Daniel Andrews MLA.

### Financial Performance 2009/10

Stawell Regional Health aims to increase service provision in a financially sustainable manner and utilises several key result areas to monitor performance. These key result areas include:

- Operating Performance - achieving activity targets and a break even result
- Liquidity - maintaining sufficient cash assets to meet financial commitments as they fall due and a current asset ratio in excess of 0.7 in line with Department of Health requirements
- Asset Management – ensuring that sufficient levels of investment are undertaken to maintain the fixed asset base.

Stawell Regional Health (excluding the Stawell Regional Health Foundation) made a \$20,000 deficit prior to capital and specific items. The operating result was down on last years \$153,000 operating surplus which was in line with budget expectations. The consolidated entity recorded a surplus of \$53,000 prior to capital and specific items and a net deficit of \$1,047,000.

The Health Service invested \$894,000 in new and replacement equipment which included new ultrasound equipment, a suite of scopes and orthopaedic equipment for the operating theatre and upgraded software for patient information and financial management. Depreciation expense was \$1,821,000, a significant rise from \$743,000 in the prior year due to the revaluation increment in June 2009 and adjusted depreciation rates resulting from changes in Australian Accounting Standards. Fixed assets net of depreciation decreased by \$1,189,000 or 5.4% during the financial year as a result of the increased depreciation expense.

The Health Service's short term assets to short term liabilities ratio reduced only marginally over the past twelve months indicating the organisation has maintained its ability to meet its commitments in the short to medium term. The current asset ratio, a measure of the organisation's ability to meet its liabilities over the longer term, remained stable at 0.89 compared to 0.87 in 2008/09 and remains comfortably above the Department of Health benchmark of 0.7.

### Operating Performance

Recurrent funding provided by the Department of Health excludes any contribution towards the costs of depreciation. Therefore fixed asset

purchases are funded by once off capital grants, residential aged care funding and resident fees and community fundraising and donations. In this financial year the Health Service received \$772,000 in capital funding including \$181,000 in capital grants from the Department of Health, \$239,000 from the Commonwealth and aged care residents and \$350,000 from the community via fundraising and donations. The SRH Foundation received \$264,000 in donations and bequests and passed \$255,000 to the Health Service to fund medical equipment purchases.

Operating revenue supported by the Health Services Agreement increased by \$799,000 or 4.6% compared to the prior year. This was primarily due to further operating grants (\$727,000) as a result of increased acute patient activity.

Operating revenue supported by Hospital & Community Initiatives increased by \$393,000 or 22.8% compared to the prior year due to the increased donations received.

Operating expense incurred by the services supported by the Health Service Agreement increased by \$962,000 or 5.8%. Labour related costs increased by \$489,000 or 4.1%, operating supplies by 11.6% and other expenses by 8.9%. Drug costs, medical consumables, utilities, patient transport and additional once off costs in the indigenous program contributed to the increases.

Operating expense incurred by the services supported by the Hospital & Community Initiatives increased by \$139,000 or 8.6% compared to the prior year due to the donations paid by the SRH Foundation to the Health Service.

### Financial Position

The Health Service (excluding the SRH Foundation) financial position remains viable in the short to medium term with cash assets and receivables of \$3,676,000 compared to current payables and monies held in trust of \$2,129,000. To remain financially viable the Health Service must consistently achieve a break even operating result and generate sufficient capital revenue to fund the maintenance of the fixed asset base. These two conditions must be achieved so the Health Service does not need to draw on its limited cash reserves.

The Health Service has capital commitments of \$16,000 which is to complete the implementation of the financial management system being implemented under the Department of Health's Health Smart information technology policy, a statewide

program aimed at standardising software systems across the health sector.

The 2010/11 financial year is expected to be a challenging one financially. Continuing to meet a wide range of service demands in a cost effective manner is becoming increasingly

difficult as funding increases fail to keep up with the rising cost of providing safe, quality services. This places increasing demand on generating revenue from patient fees, the community and limited business opportunities.

Mike Finch  
Director of Finance  
12/08/2010

## Performance Indicators

### Stawell Regional Health Comparative Financial Results for the Past Five Financial Years

	2010	2009	2008	2007	2006
		\$000	\$000	\$000	\$000
Total Expenses	21,199	19,021	17,852	16,745	15,820
Total Revenue	20,152	18,960	18,309	16,601	15,247
Operating Surplus/(Deficit)	(1,047)	(61)	457	(144)	(573)
Retained Surplus	5,845	6,769	6,830	6,400	6,610
Total Assets	26,587	27,653	23,464	22,722	20,514
Total Liabilities	4,668	4,687	4,470	4,423	3,468
Net Assets	21,919	22,966	18,994	18,299	17,046
Total Equity	21,919	22,966	18,994	18,299	17,046

## Revenue Indicators

	2010	Average Collection Days	
		2009	2008
Private	35	56	58
TAC	0	0	0
NHT	0	31	3
Psychiatric	0	0	0
Nursing Home	7	7	5

## Debtors Outstanding as at 30 June 2009

	Under 30 days	31-60 days	61-90 days	Over 90 days	Total 30/06/10	Total 30/06/09
Private	50,646	15,806	910	329	67,691	154,676
TAC	--	--	--	--	--	--
Workcover	4,760	--	--	--	4,760	--
NHT	379	--	--	1,501	1,880	408
Psychiatric	--	--	--	--	--	--
Nursing Home	5,227	3,522	--	1	8,750	8,354

Staff	2010	2009	2008
Nursing	77.28	78.30	76.97
Administration	27.08	25.71	24.97
Medical Support	4.84	6.57	11.17
Hotel Allied	29.24	30.98	26.72
Medical	1.37	1.42	1.05
Allied Health	13.12	11.09	9.91
Total Staff Employed EFT	152.93	154.07	150.79

## Occupational Health and Safety (OH&S)

The Occupational Health and Safety Programs conducted at SRH continue to improve the working environment within the organisation facilities and support those working in and accessing services.

The OHS Officer provides resources and support to the Occupational Health and Safety Committee, Health and Safety Representatives, employees and managers in all aspects of OHS. Our Human Resource Manager (HRM), joined SRH in February 2010 and brings to the organisation experience in OHS in the health industry and is able to complement the services provided to SRH employees. Our HRM is also a Return to Work Coordinator, and is active in rehabilitating injured staff and providing preventative injury management. The Chief Executive Officer continues to promote OHS initiatives that enable SRH to maintain and improve systems across the service.

SRH conducts all OHS Programs within the requirements of the relevant Acts, Regulations, Industry Standards and Guidelines.

OHS Programs managed at SRH include Orientation and Induction; 'No lift' and Manual Handling; Falls Prevention; Safety Inspections; Return to Work; Risk Assessments; Emergency Management; Security; Hazardous Substances and Education and Training.

### Incident Reporting

In 2009/10, 281 incidents were reported, with 20% of incidents resulting in injury. In 2008/09, 187 incidents were reported, with 35% resulting in injury.

Table 1 below shows the reduction in both Category 2 Incidents and Category 3 incidents, with numbers of incidents almost halved.

Table 1	2008/09	2009/10
Category 2 (First Aid)	90	59
Category 3 (Lost Time)	9	5

Figure 1 shows the number of reported incidents and how many of those reported incidents resulted in an injury. Over the past three years, the number of reported incidents continues to rise, with a reduction in the number of injuries sustained in the last year. Staff are continuing to utilise the reporting systems, and reporting numbers continue to rise with the newly introduced electronic VIHMS system.

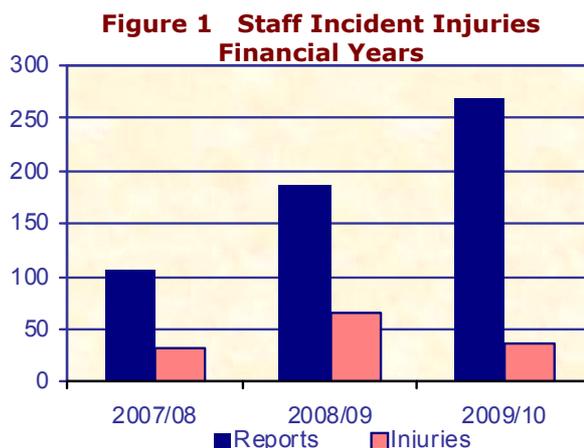
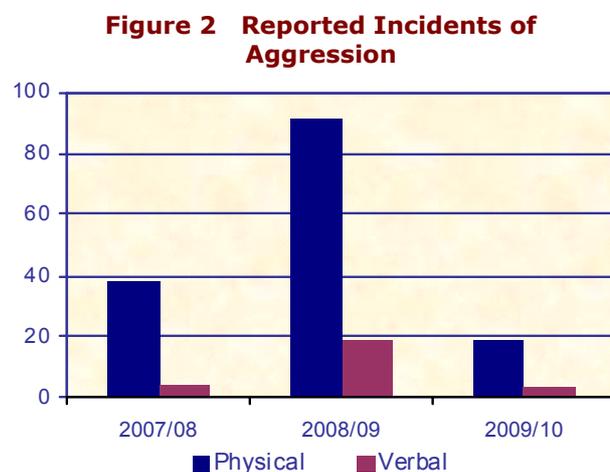


Figure 2 shows reported incidents of aggression, both physical and verbal, over the past three years. There is a significant reduction in both types of aggression during the last year. These results highlight the implementation of education, system supports and staff management of incidents of occupational violence experienced across the service. This continues to be an area of focus for SRH as occupational violence, in any form, contributes to staff illness and injury, workplace dissatisfaction and impacts on quality of care.



### OHS Committee

The OHS Committee, comprising staff representing individual work areas as Health and Safety Representatives (HSR), Board Members and Management, met regularly to review safety data and reports from all areas of SRH. Safety initiatives supported by the committee included a review of the trolley requirements of Ambulance Victoria in utilising the Helipad, supporting safety education and compliance in the workplace, review of District Nursing Vehicles, Summer Preparedness

Policies and Procedures and managing occupational violence and aggression in areas of risk including our Emergency Department and the nursing home. The meetings provide a valuable network for communication and consultation in managing the challenging demands of the facilities within SRH. Both Board of Management representatives and staff provide key input to improvements in overseeing the SRH OHS Systems. The HSR role, recording of minutes and OHS noticeboards provide information to all staff of ongoing initiatives and improvements.

### **Safety Inspection**

All areas of SRH undergo inspection during each six month period, to review hazards and consult with staff regarding the workplace. These audits seek to identify and improve aspects of the workplace. As well as this inspection program, other audits are initiated for individual areas to seek improvement due to incidents or identified risks that require immediate intervention and planning.

In the past year, several investigations have been undertaken to improve identified risks, including Security Management in Accident and Emergency and Occupational Violence and Aggression Policy and Procedure. This audit was undertaken by Richard Murray, and identified improvements required to the Monitoring and Durex systems and a recommendation to implement Code Grey, which is currently under review.

Other investigations include the reduction in height of the hot water urn in the main kitchen, manual handling in work areas, vehicle management, office ergonomics in desk and workstation requirements, reviewing food production processes to reduce risks, compliance audits and noise assessments. All of these investigations have led to improvements or changes to work practices, through consultation, review and evaluation.

External notification by the Dept of Health and Aging, consultation with the Manager and resident assessment by SRH Physiotherapists has led to the removal of KA542 bed poles from the nursing home, as these have been identified as a high risk to residents for neck entrapment.

### **Staff Education & Training**

SRH supports quality education for all staff and has provided ongoing education in aspects of safety that meet the diverse needs of its workforce. The Orientation Program, educates new staff in safety systems including Fire Safety, Risk Management, incident reporting and OHS responsibilities. No Lift remains a key focus for OHS and is a mandatory program run by SRH. No Lift Trainers endeavour to maintain safe systems of transferring patients and

residents, ensuring nursing staff health and wellbeing.

Online education through the Grampians Loddon Mallee Portal provides education in manual handling, office ergonomics, occupational violence and aggression and dementia education (challenging behaviours). To improve staff access to Safety Education, SRH has purchased VOCAM, which provides additional online education in areas that are difficult for staff to access without travel and time away from work. These have included Fork Lift Essentials, Working Safely at Heights, Risk Management and Risk Assessment and Shift Work Safety Essentials.

Emergency management education continues with annual mandatory fire and evacuation sessions for all staff, fire drills provided in the nursing home and extensive training for key personnel involved in managing Code Red periods across the service.

### **Injury Management and Return to Work**

The Rehabilitation Policy was reviewed and seeks to provide clear direction to staff as to their rights and SRH responsibilities under current legislation. One staff member (Category 3), absent from the workplace for more than 10 days, was provided with a successful Return to Work Plan involving consultation with the employee, their manager and the GP to ensure safe graduated return to normal duties. Minor claims investigated sought to ensure support for staff was provided, including access to treatment and alterations to workplace systems where practicable to allow the employee to continue to work. Our early indication for 2009/10 is that the Workcover Premium for that year will have reduced reflecting our low level of claims in the past three years as a result of the achievements of all involved in the OHS program.

## **Attestation on Compliance with Australian/New Zealand Risk Management Standard**

I, Peter Edwards certify that Stawell Regional Health has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executives to understand, manage and satisfactorily control risk exposures. The Audit Committee verifies this assurance and that the risk profile of Stawell Regional Health Service has been critically reviewed within the last 12 months.



*Peter Edwards*  
Chief Executive Officer  
Stawell  
1<sup>st</sup> September 2010

## Disability Action Plan (DAP)

It is a requirement of Section 38 of the Disability Act that public bodies report on the progress of their DAP in their Annual Reports. The SRH Disability Action Plan (DAP) has been developed internally by key staff utilising the outcome areas identified through education and training provided by the Victorian Office for Disability. The Chief Executive Officer has overall responsibility for managing the Plan working with Executive to promote and imbed

the Plans actions and outcomes, utilising Departmental Managers to support the implementation and imbed the identified changes in the Organisation through education programs to be held in 2010/11. Performance Indicators will be developed to evaluate the Plan outcomes at identified dates with a full review and evaluation of the Plan to be held annually.

## Objectives, Functions, Powers and Duties of Stawell Regional Health

Stawell Regional Health is a public Agency established under the Health Services Act 1988. It is authorised to provide public health and ancillary services as authorised under the Act, and operate Residential Care Services under the Aged Care Act 1997.

The Board of Management consists of persons appointed by the Minister for Health under the Act who are empowered to provide strategic direction for the organisation. Whilst the board provide directions for the Agency and determine what must be done, the responsibility for determining how services are delivered is invested in the Chief Executive Officer.

## Services we provide

### Accident and Emergency Services

- Shared weekend on call Obstetric & Surgical Services with East Grampians Health Services

### Medical

- Day Oncology Unit
- Acute Care

### Surgical and Anaesthetic Services

- Pre Admission Clinic
- Day Procedure Unit
- Operating Suite/CSSD

### Specialities include

- General
- Endoscopy
- Gynaecology
- Obstetric
- Ear, nose and throat
- Urology
- Orthopaedic
- Ophthalmology

### Medical Imaging (x-ray, CT & ultrasound)

### St John of God Pathology

### Maternity Care

- Early Pregnancy Assessment and Care Coordination Services
- Antenatal Booking In
- Shared Care Model

- Post natal – Domiciliary visits

### Primary Care

- Audiology (visiting audiologist)
- Continence Clinic
- Diabetes Education
- Nutrition & Dietetics
- HARP (Health Independence Program)
- Health Promotion
- Occupational Therapy
- Physiotherapy
- Podiatry
- Social Work
- Speech Pathology
- Stomal Therapy

### Commonwealth Regional Health Services Program

- Allied Health/Community Services to outlying communities
- Support for the Budja Budja Aboriginal health service at Halls Gap

### Residential Aged Care

- High Care facility

### Community Services

- Planned Activities Group (Bennett Centre for Community Activities)
- District Nursing Service
- Hospital in the Home
- Post Acute Care

## Activity Indicators

<b>Hospital Inpatient Activity</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Inpatients treated	2,692	2,891	2,799	2,981	3,189
Casemix adjusted (WIES)	2,112	2,075	2,035	2,065	2,058
Average Length of Stay (days)	2.94	2.61	2.64	2.41	2.40
Total Bed Days	7,927	7,535	7,376	7,187	7,644
"Hospital in the Home" Bed Days	125	153	194	43	5
Nursing Home Type Bed Days	223	131	97	51	65
Operations	1,237	1,278	1,318	1,475	1,582
Births	80	78	75	70	65
Occupancy Rate	61.07%	57.78%	55.93%	56.79%	59.84%

<b>Nursing Home Activity</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Residents Accommodated	46	56	62	72	63
Resident Bed Days	12,710	12,629	12,606	11,582	12,173
Occupancy Rate	99.49%	98.82%	98.08%	88.14%	92.64%

<b>Outpatient (non-admitted) Occasions of Service</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Accident & Emergency	3,554	3,254	3,147	3,581	3,395
Pre-Admission Clinic	1,090	1,195	1,157	1,364	1,470
Ante-Natal Classes	490	570	736	555	581
Podiatry	2,851	3,576	4,139	1,557	1,426
Occupational Therapy	1,264	981	1,395	1,271	1,059
Physiotherapy	7,493	5,761	5,796	5,049	3,544
Speech Therapy	727	686	1,205	1,205	1,051
Dietetic	1,151	1,253	931	956	1,036
Social Work	682	394	288	551	445
Day Centre	3,363	3,442	3,576	3,153	3,316
District Nursing	13,973	14,301	12,292	14,815	12,295
Radiology	5,620	6,060	7,867	7,751	7,248
Meals on Wheels	12,447	17,507	19,243	19,091	15,486

## Statutory Reporting Requirements

### **Pecuniary Interests**

Members of the Board of Management are required under the Hospital By-Laws to declare their pecuniary interest in any matter that may be discussed by the Board or Board Sub-Committees.

### **Consultants Engaged and Their Cost**

10 separate Consultants : total cost \$41,401  
There were no consultancies over \$100,000.

### **Freedom of Information**

There were 17 requests under the Freedom of Information Act 1982 regulations and access to information was granted in all instances.

Freedom of Information requests should be in writing and addressed to the Chief Executive, Stawell Regional Health, Sloane Street, Stawell Victoria 3380.

### **Publications**

Reviews are undertaken each year to update information in publications such as, the Patient Information Brochure and other documentation provided to the public.

### **Hospital Fees**

The Hospital charges fees in accordance with the Department of Human Services Victoria directives.

### **Public Authorities Equal Employment Opportunity Act 1990**

Stawell Regional Health has an ongoing commitment to eliminate discrimination and inefficient work practices, and to promote Equal Employment Opportunities in its workplace, in accordance with the Public Authorities (Equal Employment Opportunity) Act of 1990. Responsibility for the Equal Employment Opportunity programmes has been conferred upon the Pay Officer.

### **Staffing Profile**

A total of 254 persons were employed by Stawell Regional Health: full time 63; part time 123; casual 68.

### **Building and Maintenance**

All building works have been designed in accordance with the Department of Human Service's Guidelines and comply with the Building Act 1993 and the Building Code of Australia 1996.

### **Publications**

A review is regularly undertaken to update information in publications such as the Patient Information Brochure. The Annual and Quality of Care Reports are presented each year at Stawell Regional Health's annual meeting.

### **Legislative Compliance**

Stawell Regional Health uses a web based compliance software system to record and manage risk and compliance obligations in line with State and Commonwealth legislation and Australian Standards

### **Whistleblowers Protection Act**

The Whistleblowers Protection Act 2001 came into effect on January 1, 2002. The Act is designed to protect people who disclose information about serious wrongdoings within the Victorian Public Sector and to provide a framework for the investigation of these matters.

The Protected Disclosure Co-Ordinator for Stawell Regional Health is Liz McCourt. She has the central clearinghouse role for managing disclosures: Tel: 5358 8506  
email: [lmccourt@srh.org.au](mailto:lmccourt@srh.org.au)

Disclosures of improper conduct by Stawell Regional Health or its employees may be made to:

- The Protected Disclosure Officer  
Meg Blake, Tel: 5358 8513  
email: [mblake@srh.org.au](mailto:mblake@srh.org.au)  
Stawell Regional Health, Sloane Street  
Stawell 3380
- The Ombudsman Victoria  
Level 22, 459 Collins Street  
Melbourne 2000  
Tel: 9613 6222 Toll free: 1800 806 314

Nil disclosures under the Act were received during 2009/10.

### **National Competition Policy**

Stawell Regional Health complied with all government policies regarding competitive neutrality with respect to all tender applications.

### **Victorian Industry Participation Policy**

Stawell Regional Health abides by the principles of the Victorian Industry Participation Policy. In 2009/10 there were no contracts commenced or completed by Stawell Regional Health under this Act.

## **Attestation on Data Integrity**

I, Peter Edwards certify that Stawell Regional Health has put in place appropriate internal controls and processes to ensure that the Department of Human Services is provided with data that reflects actual performance. Stawell Regional Health has critically reviewed these controls and processes during the year.



*Peter Edwards*  
Chief Executive Officer, Stawell  
1<sup>st</sup> September 2010

Stawell Regional Health incorporates Macpherson Smith Nursing Home and  
Bennett Centre for Community Activities  
Sloane Street, Stawell Victoria 3380  
Phone (03) 5358 8500 Fax (03) 5358 3553 Email [info@srh.org.au](mailto:info@srh.org.au) Web [www.srh.org.au](http://www.srh.org.au)

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## Stawell Regional Health

### **Board member's, accountable officer's and chief finance & accounting officer's declaration**

We certify that the attached financial statements for *Stawell Regional Health* have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable *Financial Reporting Directions*, Australian Accounting Standards, Australian Accounting Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2010 and the financial position at that date of *Stawell Regional Health* at 30 June 2010.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on this day.



Mrs Karen Douglas  
Board President



Mr Peter Edwards  
Accountable Officer



Mr Mike Finch  
Chief Finance & Accounting  
Officer

Stawell  
25 August 2010

Stawell  
25 August 2010

Stawell  
25 August 2010

# VAGO

Victorian Auditor-General's Office

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Stawell Regional Health

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2010 of Stawell Regional Health which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the board member's, accountable officer's and chief finance & accounting officer's declaration, has been audited. The financial report includes the consolidated financial statements of the economic entity, comprising Stawell Regional Health and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 25 to the financial statements.

#### *The Board Members' Responsibility for the Financial Report*

The board members of Stawell Regional Health are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Stawell Regional Health and the consolidated entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the board members, as well as evaluating the overall presentation of the financial report.

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

1

# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial report published in both the annual report and on the website of Stawell Regional Health for the year ended 30 June 2010. The board members of the health service are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the health service's website.

### *Independence*

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

### *Auditor's Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of Stawell Regional Health and the economic entity as at 30 June 2010 and their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE  
26 August 2010



D D R Pearson  
Auditor-General

**Stawell Regional Health  
Comprehensive Operating Statement  
For the Year Ended 30 June 2010**

	Note	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
Revenue from Operating Activities	2	18,943	18,231	19,207	18,232
Revenue from Non-operating Activities	2	157	174	225	243
Employee Benefits	3	(11,306)	(11,024)	(11,306)	(11,024)
Non Salary Labour Costs	3	(1,782)	(1,678)	(1,782)	(1,678)
Supplies & Consumables	3	(3,153)	(2,882)	(3,153)	(2,882)
Other Expenses From Continuing Operations	3	(2,878)	(2,689)	(3,137)	(2,693)
Share of Net Result of Joint Venture Accounted for using the Equity Method	9	(1)	21	(1)	21
<b>Net Result Before Capital &amp; Specific Items</b>		<b>(20)</b>	<b>153</b>	<b>53</b>	<b>219</b>
Capital Purpose Income	2	721	464	721	464
Depreciation and Amortisation	4	(1,821)	(743)	(1,821)	(743)
Expenditure using Capital Purpose Income	3	-	(1)	-	(1)
<b>NET RESULT FOR THE YEAR</b>		<b>(1,120)</b>	<b>(127)</b>	<b>(1,047)</b>	<b>(61)</b>
<b>Other Comprehensive Income</b>					
Net fair value revaluation on Non Financial Assets		-	4,033	-	4,033
<b>COMPREHENSIVE RESULT FOR THE YEAR</b>		<b>(1,120)</b>	<b>3,906</b>	<b>(1,047)</b>	<b>3,972</b>

*This Statement should be read in conjunction with the accompanying notes.*

**Stawell Regional Health  
Balance Sheet  
As at 30 June 2010**

	Note	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
<b>Current Assets</b>					
Cash and Cash Equivalents	5	3,110	3,089	4,423	4,340
Receivables	6	566	634	580	637
Inventories	7	167	87	167	87
Other Current Assets	8	80	58	80	58
<b>Total Current Assets</b>		<b>3,923</b>	<b>3,868</b>	<b>5,250</b>	<b>5,122</b>
<b>Non-Current Assets</b>					
Receivables	6	13	117	13	117
Investments Accounted for using the Equity Method	9	183	184	183	184
Property, Plant & Equipment	10	20,986	22,175	20,986	22,175
Intangible Assets	11	155	55	155	55
<b>Total Non-Current Assets</b>		<b>21,337</b>	<b>22,531</b>	<b>21,337</b>	<b>22,531</b>
<b>TOTAL ASSETS</b>		<b>25,260</b>	<b>26,399</b>	<b>26,587</b>	<b>27,653</b>
<b>Current Liabilities</b>					
Payables	12	1,740	1,860	1,743	1,863
Employee Benefits and Related On-Costs Provisions	13	2,210	2,251	2,210	2,251
Other Liabilities	14	441	310	441	310
<b>Total Current Liabilities</b>		<b>4,391</b>	<b>4,421</b>	<b>4,394</b>	<b>4,424</b>
<b>Non-Current Liabilities</b>					
Employee Benefits and Related On-Costs Provisions	13	274	263	274	263
<b>Total Non-Current Liabilities</b>		<b>274</b>	<b>263</b>	<b>274</b>	<b>263</b>
<b>TOTAL LIABILITIES</b>		<b>4,665</b>	<b>4,684</b>	<b>4,668</b>	<b>4,687</b>
<b>NET ASSETS</b>		<b>20,595</b>	<b>21,715</b>	<b>21,919</b>	<b>22,966</b>
<b>EQUITY</b>					
Property, Plant & Equipment Revaluation Surplus	15a	6,450	6,450	6,450	6,450
Restricted Specific Purpose Reserve	15a	279	402	279	402
Contributed Capital	15b	9,345	9,345	9,345	9,345
Accumulated Surpluses/(Deficits)	15c	4,521	5,518	5,845	6,769
<b>TOTAL EQUITY</b>	15d	<b>20,595</b>	<b>21,715</b>	<b>21,919</b>	<b>22,966</b>
Commitments for Expenditure	18				
Contingent Liabilities and Contingent Assets	19				

*This Statement should be read in conjunction with the accompanying notes.*

**Cash Flow Statement  
For the Year Ended 30 June 2010**

	Note	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating Grants from Government		14,951	14,894	14,951	14,894
Patient and Resident Fees Received		1,529	1,400	1,529	1,400
Donations and Bequests Received		-	-	264	1
GST Received from/(paid to) ATO		803	516	804	516
Interest Received		169	156	225	243
Other Receipts		2,053	2,114	2,053	2,114
Employee Benefits Paid		(11,336)	(10,762)	(11,336)	(10,762)
Non Salary Labour Costs		(1,960)	(1,846)	(1,960)	(1,846)
Payments for Supplies & Consumables		(2,884)	(3,500)	(2,884)	(3,501)
Other Payments		(3,418)	(2,957)	(3,677)	(2,962)
<b>Cash Generated from Operations</b>		<b>(93)</b>	<b>15</b>	<b>(31)</b>	<b>97</b>
Capital Grants from Government		420	469	420	469
Capital Donations and Bequests Received		350	54	350	54
Other Capital Receipts		2	92	2	92
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	16	<b>679</b>	<b>630</b>	<b>741</b>	<b>712</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Payments for Non-Financial Assets		(894)	(1,025)	(894)	(1,025)
Proceeds from sale of Non-Financial Assets		111	109	111	109
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>		<b>(783)</b>	<b>(916)</b>	<b>(783)</b>	<b>(916)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		<b>(104)</b>	<b>(286)</b>	<b>(42)</b>	<b>(204)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	6	<b>2,825</b>	<b>3,111</b>	<b>4,076</b>	<b>4,280</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	6	<b>2,721</b>	<b>2,825</b>	<b>4,034</b>	<b>4,076</b>

*This Statement should be read in conjunction with the accompanying notes.*

**Stawell Regional Health  
Statement of Changes in Equity  
For the Year Ended 30 June 2010**

2010 Consolidated	Equity at 1 July 2009	Changes due to		Equity at 30 June 2010
		Comprehensive Result	Transactions with owner in its capacity as owner	
Note	\$'000	\$'000	\$'000	\$'000
<b>Accumulated Surplus/(Deficit)</b>	<b>6,769</b>	<b>(1,047)</b>	-	5,722
Transfer (To)/From Restricted Specific Purpose Reserve	-	123	-	123
	<b>6,769</b>	<b>(924)</b>	-	<b>5,845</b>
<b>Contribution by Owners</b>	15b <b>9,345</b>	-	-	<b>9,345</b>
<b>Reserves</b>	<b>9,345</b>	-	-	<b>9,345</b>
Property Plant and Equipment Revaluation Surplus	15a 6,450	-	-	6,450
Restricted Specific Purpose Reserve	15a 402	(123)	-	279
	<b>6,852</b>	<b>(123)</b>	-	<b>6,729</b>
<b>Total Equity at the end of the financial year</b>	<b>22,966</b>	<b>(1,047)</b>	-	<b>21,919</b>

2009 Consolidated	Equity at 1 July 2008	Changes due to		Equity at 30 June 2009
		Comprehensive Result	Transactions with owner in its capacity as owner	
Note	\$'000	\$'000	\$'000	\$'000
<b>Accumulated Surplus/(Deficit)</b>	<b>6,830</b>	<b>(61)</b>	-	6,769
<b>Contribution by Owners</b>	15b <b>9,345</b>	-	-	<b>9,345</b>
<b>Reserves</b>	<b>9,345</b>	-	-	<b>9,345</b>
Property Plant and Equipment Revaluation Surplus	15a 2,417	4,033	-	6,450
Restricted Specific Purpose Reserve	15a 402	-	-	402
	<b>2,819</b>	<b>4,033</b>	-	<b>6,852</b>
<b>Total Equity at the end of the financial year</b>	<b>18,994</b>	<b>3,972</b>	-	<b>22,966</b>

*This Statement should be read in conjunction with the accompanying notes.*

**Stawell Regional Health  
Statement of Changes in Equity (continued)  
For the Year Ended 30 June 2010**

2010 Parent	Equity at 1 July 2009	Changes due to		Equity at 30 June 2010
		Comprehensive Result	Transactions with owner in its capacity as owner	
Note	\$'000	\$'000	\$'000	\$'000
<b>Accumulated Surplus/(Deficit)</b>	<b>5,518</b>	<b>(1,120)</b>	-	4,398
Transfer (To)/From Restricted Specific Purpose Reserve	-	123	-	123
	<b>5,518</b>	<b>(997)</b>	-	<b>4,521</b>
<b>Contribution by Owners</b>	15b <b>9,345</b>	-	-	<b>9,345</b>
<b>Reserves</b>	<b>9,345</b>	-	-	<b>9,345</b>
Property Plant and Equipment Revaluation Surplus	15a 6,450	-	-	6,450
Restricted Specific Purpose Reserve	15a 402	(123)	-	279
	<b>6,852</b>	<b>(123)</b>	-	<b>6,729</b>
<b>Total Equity at the end of the financial year</b>	<b>21,715</b>	<b>(1,120)</b>	-	<b>20,595</b>

2009 Parent	Equity at 1 July 2008	Changes due to		Equity at 30 June 2009
		Comprehensive Result	Transactions with owner in its capacity as owner	
Note	\$'000	\$'000	\$'000	\$'000
<b>Accumulated Surplus/(Deficit)</b>	<b>5,645</b>	<b>(127)</b>	-	5,518
<b>Contribution by Owners</b>	15b <b>9,345</b>	-	-	<b>9,345</b>
<b>Reserves</b>	<b>9,345</b>	-	-	<b>9,345</b>
Property Plant and Equipment Revaluation Surplus	15a 2,417	4,033	-	6,450
Restricted Specific Purpose Reserve	15a 402	-	-	402
	<b>2,819</b>	<b>4,033</b>	-	<b>6,852</b>
<b>Total Equity at the end of the financial year</b>	<b>17,809</b>	<b>3,906</b>	-	<b>21,715</b>

*This Statement should be read in conjunction with the accompanying notes.*

## **Note 1: Statement of Significant Accounting Policies**

### **(a) Statement of Compliance**

These financial statements are a general purpose financial report which have been prepared in accordance with the *Financial Management Act 1994*, applicable Australian Accounting Standards (AASs) and Australian Accounting Interpretations and other mandatory requirements. AASs includes Australian equivalents to International Financial Reporting Standards.

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SDs) authorised by the Minister of Finance.

The Health Service is a not-for profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" entities under the AASs.

### **(b) Basis of preparation**

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2010, and the comparative information presented in these financial statements for the year ended 30 June 2009.

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

The going concern basis was used to prepare the financial statements

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

The financial statements are prepared in accordance with the historical cost convention, except for the revaluation of certain non-financial assets and financial instruments as noted. Particularly, exceptions to the historical cost convention include:

- Non current physical assets, which subsequent to acquisition, are measured at valuation and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from the fair values.

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

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision, and future periods if the revision affects both current and future periods.

### **(c) Reporting Entity**

The financial statements include all the controlled activities of the Health Service.

### **(d) Rounding of Amounts**

All amounts shown in the financial statements are expressed to the nearest \$1,000 unless otherwise stated.

## **Note 1: Statement of Significant Accounting Policies**

### **(e) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risks of changes in value.

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the balance sheet.

### **(f) Receivables**

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where doubt as to collection exists. Bad debts are written off when identified.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

### **(g) Inventories**

Inventories include goods and other property held either for sale or for distribution at no or nominal cost in the ordinary course of business operations.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential.

All other inventories are measured on the basis of weighted average cost and net realisable value.

Bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

### **(h) Principles of Consolidation**

The assets, liabilities, incomes and expenses of all controlled entities of the Health Service have been included at the values shown in their audited Annual Financial statements. Subsidiaries are entities controlled by the Health Service; control exists when the Health Service has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Any inter-entity transactions have been eliminated on consolidation. The consolidated financial statements include the audited financial statements of the controlled entities listed in Note 25.

### **(i) Other Financial Assets**

Other financial assets are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

The Health Service classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

The Health Service assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

### **Loans and Receivables**

Trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

## Note 1: Statement of Significant Accounting Policies

### (j) Property, Plant and Equipment

**Crown Land** is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that any restrictions will no longer apply.

**Land and Buildings** are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment.

**Plant, Equipment and Vehicles** are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment.

### (k) Revaluations of Non-current Physical Assets

Non-current physical assets are measured at fair value are revalued in accordance with FRD 103D. This revaluation process normally occurs at least every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs.

Revaluation increments are credited directly to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation reserves are not transferred to accumulated funds on derecognition of the relevant asset.

### (l) Depreciation

Assets with a cost in excess of \$1,000 (2008-09 and 2009-10) are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives using the straight-line method. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually. This depreciation charge is not funded by the Department of Health.

Depreciation is provided on property, plant and equipment, including freehold buildings, but excluding land and investment properties. Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

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

	<u>2010</u>	<u>2009</u>
Buildings		
- Structure Shell Building Fabric	5 to 50 years	5 to 50 years
- Site	5 to 50 years	5 to 50 years
Central Plant		
- Fit Out	5 to 50 years	5 to 50 years
- Trunk	5 to 50 years	5 to 50 years
Plant & Equipment	5 to 15 years	5 to 15 years
Medical Equipment	5 to 15 years	5 to 15 years
Computers and Communication	3 to 5 years	3 to 5 years
Furniture and Fitting	5 to 15 years	5 to 15 years
Motor Vehicles	7 years	7 years

## **Note 1: Statement of Significant Accounting Policies**

### **(m) Net Gain/(Loss) on Non-Financial Assets**

Net gain/(loss) on non financial assets includes realised and unrealised gains and losses from revaluation, impairments and disposals of all physical and intangible assets.

#### **Disposal of Non-Financial Assets**

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

#### **Impairment of Non-Financial Assets**

Intangible assets with indefinite useful lives are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for:

- inventories;
- financial instrument assets; and
- non-current assets held for sale.

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

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

### **(n) Net Gain/(Loss) on Financial Instruments**

Net gain/(loss) on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held for trading, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets.

#### **Revaluations of Financial Instruments at Fair Value**

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets, which is reported as part of income from transactions.

#### **Impairment of Financial Assets**

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off are classified as an expense.

Financial Assets have been assessed for impairment in accordance with Australian Accounting Standards. Where a financial asset's fair value at balance date has reduced by 20% or more than its cost price; or where its fair value has been less than its cost price for a period of 12 months or more, the financial instrument is treated as impaired.

### **(o) Payables**

These amounts consist predominately of liabilities for goods and services.

Payables are initially recognised at fair value, then subsequently carried at amortised cost and represent liabilities for goods and services provided to the health service prior to the end of the financial year that are unpaid, and arise when the health service becomes obliged to make future payments in respect of the purchase of these goods and services.

The normal credit terms are usually Net 30 days.

## Note 1: Statement of Significant Accounting Policies

### (p) Provisions

Provisions are recognised when the Health Service has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

### (q) Resources Provided and Received Free of Charge or for Nominal Consideration

Resources provided or received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another entity or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

### (r) Functional and Presentation Currency

The presentation currency of the Health Service is the Australian dollar, which has also been identified as the functional currency of the Health Service.

### (s) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable.

The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the balance sheet.

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

Commitments and contingent assets and liabilities are presented on a gross basis.

### (t) Employee Benefits

#### Wages and Salaries, Annual Leave, Sick Leave and Accrued Days Off

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

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

#### Long Service Leave

**Current Liability – unconditional LSL** (representing 10 or more years of continuous service) is disclosed as a current liability even where the Health Service does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

*present value* – component that the Health Service does not expect to settle within 12 months; and

*nominal value* – component that the Health Service expects to settle within 12 months.

## Note 1: Statement of Significant Accounting Policies

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

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates of Commonwealth Government guaranteed securities in Australia.

### Superannuation

#### Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

#### Defined benefit plans

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plan in respect of the services of current entity staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

Employees of the Health Service are entitled to receive superannuation benefits and the Health Service contributes to both the defined benefit and defined contribution plans. The defined benefit plan provide benefits based on years of service and final average salary.

The name and details of the major employee superannuation funds and contributions made by the Health Service are as follows:

Fund	Contributions Paid or Payable for the year	
	2010 \$'000	2009 \$'000
<b>Defined benefit plans:</b>		
Health Super Superannuation Fund	151	160
<b>Defined contribution plans:</b>		
Health Super Superannuation Fund	693	668
HESTA Superannuation Fund	108	76
<b>Total</b>	<b>952</b>	<b>904</b>

The Health Service does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance administers and discloses the State's defined benefit liabilities in its financial statements.

### Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when any employee accepts voluntary redundancy in exchange for these benefits.

Liabilities for termination benefits are recognised when a detailed plan for the termination has been developed and a valid expectation has been raised with those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in other creditors unless the amount or timing of the payments is uncertain, in which case they are recognised as a provision.

### On-Costs

Employee benefits on-costs (workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

### (u) Residential Aged Care Service

The Macpherson Smith Residential Aged Care Service operations are an integral part of the Health Service and share its resources. An apportionment of land and buildings has been made based on floor space. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation in Note 2b to the financial statements.

## **Note 1: Statement of Significant Accounting Policies**

### **(v) Joint Ventures**

Interests in jointly controlled assets are accounted for by recognising in the Health Service's financial statements, its share of assets, liabilities and any revenue and expenses of such joint ventures. Details of the joint venture are set out in Note 9.

### **(w) Intersegment Transactions**

Transactions between segments within the Health Service have been eliminated to reflect the extent of the Health Service's operations as a group.

### **(x) Leases**

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### ***Finance Leases***

##### **Entity as lessor**

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

##### **Entity as lessee**

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum lease payments are allocated between the principal component of the lease liability, and the interest expense calculated using the interest rate implicit in the lease, and charged directly to the comprehensive operating statement.

#### ***Operating Leases***

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

#### ***Lease Incentives***

All incentives for the agreement of a new or renewed operating lease shall be recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are diminished.

#### ***Leasehold Improvements***

The cost of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

### **(y) Income Recognition**

Revenue is recognised in accordance with AASB 118 *Revenue* and is recognised as revenue to the extent it is earned. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

## **Note 1: Statement of Significant Accounting Policies**

### **Government Grants**

Grants are recognised as income when the entity gains control of the underlying assets in accordance with AASB 1004 *Contributions*. For reciprocal grants, the Health Service is deemed to have assumed control when the performance has occurred under the grant. For non-reciprocal grants, the Health Service is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

### **Indirect Contributions**

- Insurance is recognised as revenue following advice from the Department of Health.
- Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 14/2009.

### **Patient and Resident Fees**

Patient fees are recognised as revenue at the time invoices are raised.

### **Donations and Other Bequests**

Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a reserve, such as the restricted specific purpose reserve.

### **Interest Revenue**

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset.

### **(z) Fund Accounting**

The Health Service operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. The Health Service's Capital and Specific Purpose Funds include unspent capital donations and receipts from fund-raising activities conducted solely in respect of these funds.

### **(aa) Services Supported By Health Services Agreement and Services Supported By Hospital and Community Initiatives**

Activities classified as Services Supported by Health Services Agreement (HSA) are substantially funded by the Department of Health and includes Residential Aged Care Services (RACS) and are also funded from other sources such as the Commonwealth, patients and residents, while Services Supported by Hospital and Community Initiatives (Non HSA) are funded by the Health Service's own activities or local initiatives and/or the Commonwealth.

### **(ab) Comparative Information**

There have been no changes to previous year's figures.

### **(ac) Property, Plant and Equipment Revaluation Reserve**

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

### **(ad) Restricted Specific Purpose Reserve**

A restricted specific purpose reserve is established where the Health Service has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

### **(ae) Contributed Capital**

Consistent with Australian Accounting *Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 119 *Contributions by Owners*, appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions, that have been designated as contributed capital are also treated as contributed capital.

## Note 1: Statement of Significant Accounting Policies

### (af) Net Result Before Capital & Specific Items

The subtotal entitled 'Net Result Before Capital & Specific Items' is included in the comprehensive operating statement to enhance the understanding of the financial performance of the Health Service. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, and items of unusual nature and amount such as specific revenues and expenses. The exclusion of these items are made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services. The Net Result Before Capital & Specific Items is used by the management of the Health Service, the Department of Health and the Victorian Government to measure the ongoing result of Health Services in operating hospital services.

Capital and specific items, which are excluded from this sub-total, comprise:

- Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. It also includes donations of plant and equipment (refer Note 1 (p)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided;
- Specific income/expense, comprises the following items, where material:
  - Non-current asset revaluation increments/decrements;
- Impairment of non current assets, includes all impairment losses (and reversal of previous impairment losses), related to non-current assets only which have been recognised in accordance with Note 1(m) and (n);
- Depreciation and amortisation, as described in Notes 1 (l);
- Assets provided or received free of charge; and
- Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold (Note 1(l)), or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

### (ag) Category Groups

The Health Service has used the following category groups for reporting purposes for the current and previous financial years.

**Admitted Patient Services (Admitted Patients)** comprises all recurrent health revenue/expenditure on admitted patient services, where services are delivered in public hospitals, or free standing day hospital facilities, or alcohol and drug treatment units or hospitals specialising in dental services, hearing and ophthalmic aids.

**Aged Care** comprises revenue/expenditure from Home and Community Care (HACC) programs, Allied Health, Aged Care Assessment and support services.

**Primary Health** comprises revenue/expenditure for Community Health Services including health promotion and counselling, physiotherapy, speech therapy, podiatry and occupational therapy.

**Off Campus, Ambulatory Services (Ambulatory)** comprises all recurrent health revenue/expenditure on public hospital type services including palliative care facilities and rehabilitation facilities, as well as service provided under the following agreements: Services that are provided or received by hospitals (or area health services) but are delivered/received outside a hospital campus, services which have moved from a hospital to a community setting since June 1998, services which fall within the agreed scope of inclusions under the new system, which have been delivered within hospitals i.e. in rural/remote areas.

**Residential Aged Care including Mental Health (RAC incl. Mental Health)** referred to in the past as psychogeriatric residential services, comprises those Commonwealth licensed residential aged care services in receipt of supplementary funding from DHS under the mental health program. It excludes all other residential services funded under the mental health program, such as mental health-funded community care units (CCUs) and secure extended care units (SECs).

## Note 1: Statement of Significant Accounting Policies

**Other Services excluded from Australian Health Care Agreement (AHCA) (Other)** comprises revenue/expenditure for services not separately classified above, including: Public health services including Laboratory testing, Blood Borne Viruses / Sexually Transmitted Infections clinical services, Koori liaison officers, immunisation and screening services, Drugs services including drug withdrawal, counselling and the needle and syringe program, Dental Health services including general and specialist dental care, school dental services and clinical education, Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including sexual assault support, early parenting services, parenting assessment and skills development, and various support services. Health and Community Initiatives also falls in this category group.

### (ah) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting period. As at 30 June 2010, the following standards and interpretations had been issued but were not mandatory for financial years ending 30 June 2010. The Health Service has not and does not intend to adopt these standards early.

Standard/Interpretation	Summary	Applicable for Annual Reporting periods beginning on	Impact on Health Services Financial Statements
AASB 2009-5 Further amendments to Australian Accounting Standards arising from the annual improvements project [AASB 5, 8, 101, 107, 117, 118, 136 and 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes.	Beginning 1 Jan 2010	Terminology and editorial changes. Impact minor.
AASB 2009-9 Amendments to Australian Accounting Standards – additional exemptions for first-time adopters [AASB 1]	Applies to Health Services adopting Australian Accounting Standards for the first time, to ensure Health Services will not face undue cost or effort in the transition process in particular situations.	Beginning 1 Jan 2010	No impact. Relates only to first time adopters of Australian Accounting Standards.
AASB 124 Related party disclosures (Dec 2009)	Government related Health Services have been granted partial exemption with certain disclosure requirements.	Beginning 1 Jan 2011	Preliminary assessment suggests that impact is insignificant. However, the Health Service is still assessing the detailed impact and whether to early adopt.
AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052]	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and Health Services known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other AASs.	Beginning 1 Jan 2011	AASB 8 does not apply to Health Services therefore no impact expected. Otherwise, only editorial changes arising from amendments to other standards, no major impact. Impacts of editorial amendments are not expected to be significant.

**Note 1: Statement of Significant Accounting Policies**

<p>AASB 2009-14 Amendments to Australian Interpretation - Prepayments of a minimum funding requirement [AASB Interpretation 14]</p>	<p>Amendment to Interpretation 14 arising from the issuance of <i>Prepayments of a minimum funding requirement</i>.</p>	<p>Beginning 1 Jan 2011</p>	<p>Expected to have no significant impact</p>
<p>AASB 9 Financial instruments</p>	<p>This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial instruments: recognition and measurement</i> (AASB 139 <i>Financial Instruments: recognition and measurement</i>).</p>	<p>Beginning 1 Jan 2013</p>	<p>Detail of impact is still being assessed.</p>
<p>AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]</p>	<p>This gives effect to consequential changes arising from the issuance of AASB 9.</p>	<p>Beginning 1 Jan 2013</p>	<p>Detail of impact is still being assessed.</p>

**Note 2: Revenue**

	Parent						Consolidated					
	HSA	HSA	Non HSA	Non HSA	Total	Total	HSA	HSA	Non HSA	Non HSA	Total	Total
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue from Operating Activities</b>												
Government Grants												
- Department of Health	13,038	12,423	-	-	13,038	12,423	13,038	12,423	-	-	13,038	12,423
- Commonwealth Government												
- Residential Aged Care Subsidy	1,633	1,554	-	-	1,633	1,554	1,633	1,554	-	-	1,633	1,554
- Other	816	649	-	-	816	649	816	649	-	-	816	649
<b>Total Government Grants</b>	<b>15,487</b>	<b>14,626</b>	<b>-</b>	<b>-</b>	<b>15,487</b>	<b>14,626</b>	<b>15,487</b>	<b>14,626</b>	<b>-</b>	<b>-</b>	<b>15,487</b>	<b>14,626</b>
Indirect Contributions by Department of Health												
- Insurance	272	245	-	-	272	245	272	245	-	-	272	245
- Long Service Leave	(104)	57	-	-	(104)	57	(104)	57	-	-	(104)	57
<b>Total Indirect Contributions by Department of Health</b>	<b>168</b>	<b>302</b>	<b>-</b>	<b>-</b>	<b>168</b>	<b>302</b>	<b>168</b>	<b>302</b>	<b>-</b>	<b>-</b>	<b>168</b>	<b>302</b>
Patient and Resident Fees												
- Patient and Resident Fees (refer note 2b)	957	1,031	-	-	957	1,031	957	1,031	-	-	957	1,031
- Residential Aged Care (refer note 2b)	476	420	-	-	476	420	476	420	-	-	476	420
<b>Total Patient &amp; Resident Fees</b>	<b>1,433</b>	<b>1,451</b>	<b>-</b>	<b>-</b>	<b>1,433</b>	<b>1,451</b>	<b>1,433</b>	<b>1,451</b>	<b>-</b>	<b>-</b>	<b>1,433</b>	<b>1,451</b>
Business Units & Specific Purpose Funds												
- Private Practice and Other Patient Activities Fees	-	-	28	29	28	29	-	-	28	29	28	29
- Diagnostic Imaging	-	-	929	985	929	985	-	-	929	985	929	985
- Pharmacy Services	-	-	5	9	5	9	-	-	5	9	5	9
- Catering	-	-	175	192	175	192	-	-	175	192	175	192
- Property Income	-	-	78	75	78	75	-	-	78	75	78	75
<b>Total Business Units &amp; Specific Purpose Funds</b>	<b>-</b>	<b>-</b>	<b>1,215</b>	<b>1,290</b>	<b>1,215</b>	<b>1,290</b>	<b>-</b>	<b>-</b>	<b>1,215</b>	<b>1,290</b>	<b>1,215</b>	<b>1,290</b>
Donations & Bequests	-	-	-	-	-	-	-	-	264	1	264	1
Other Revenue from Operating Activities	530	447	110	115	640	562	530	447	110	115	640	562
<b>Sub-Total Revenue from Operating Activities</b>	<b>17,618</b>	<b>16,826</b>	<b>1,325</b>	<b>1,405</b>	<b>18,943</b>	<b>18,231</b>	<b>17,618</b>	<b>16,826</b>	<b>1,589</b>	<b>1,406</b>	<b>19,207</b>	<b>18,232</b>
<b>Revenue from Non-Operating Activities</b>												
Interest & Dividends	-	-	157	174	157	174	-	-	225	243	225	243
<b>Sub-Total Revenue from Non-Operating Activities</b>	<b>-</b>	<b>-</b>	<b>157</b>	<b>174</b>	<b>157</b>	<b>174</b>	<b>-</b>	<b>-</b>	<b>225</b>	<b>243</b>	<b>225</b>	<b>243</b>
<b>Revenue from Capital Purpose Income</b>												
State Government Capital Grants												
- Targeted Capital Works and Equipment	181	(22)	-	-	181	(22)	181	(22)	-	-	181	(22)
- Other	-	14	-	-	-	14	-	14	-	-	-	14
Commonwealth Government Capital Grants	103	144	-	-	103	144	103	144	-	-	103	144
Residential Accommodation Payments (refer note 2b)	136	92	-	-	136	92	136	92	-	-	136	92
Assets Received Free of Charge (refer note 2d)	-	163	-	-	-	163	-	163	-	-	-	163
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	-	-	(51)	19	(51)	19	-	-	(51)	19	(51)	19
Capital Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Donations & Bequests	-	-	350	54	350	54	-	-	350	54	350	54
Other Capital Purpose Income	-	-	2	-	2	-	-	-	2	-	2	-
<b>Sub-Total Revenue from Capital Purpose Income</b>	<b>420</b>	<b>391</b>	<b>301</b>	<b>73</b>	<b>721</b>	<b>464</b>	<b>420</b>	<b>391</b>	<b>301</b>	<b>73</b>	<b>721</b>	<b>464</b>
Share of Net Result of Associates & Joint Ventures Accounted for using the Equity Model (refer note 9)	(1)	21	-	-	(1)	21	(1)	21	-	-	(1)	21
<b>Total Revenue (refer to note 2a)</b>	<b>18,037</b>	<b>17,238</b>	<b>1,783</b>	<b>1,652</b>	<b>19,820</b>	<b>18,890</b>	<b>18,037</b>	<b>17,238</b>	<b>2,115</b>	<b>1,722</b>	<b>20,152</b>	<b>18,960</b>

**Indirect contributions by Department of Health:** Department of Health makes certain payments on behalf of the Health Service. These amounts have been brought to account in determining the operating result for the year by recording them as revenues and expenses.

**Note 2a: Analysis of Revenue by Source**

	Admitted Patients 2010 \$'000	Outpatients 2010 \$'000	EDS 2010 \$'000	Ambulatory 2010 \$'000	RAC incl. Mental Health 2010 \$'000	Aged Care 2010 \$'000	Primary Health 2010 \$'000	Other 2010 \$'000	2010 \$'000
<b>Revenue from Services Supported by Health Services Agreement</b>									
Government Grants	9,944	-	-	826	2,764	469	1,484	-	15,487
Indirect contributions by Department of Health	59	5	5	14	52	8	25	-	168
Patient & Resident Fees (refer note 2b)	775	-	1	-	476	128	53	-	1,433
Other Revenue from Operating Activities	335	7	7	17	72	14	78	-	530
Capital Purpose Income (refer note 2)	135	-	-	-	259	13	13	-	420
Share of Net Result of Associates & Joint Ventures Accounted for using the Equity Model (refer note 9)	(1)	-	-	-	-	-	-	-	(1)
<b>Sub-Total Revenue from Services Supported by Health Services Agreement</b>	<b>11,247</b>	<b>12</b>	<b>13</b>	<b>857</b>	<b>3,623</b>	<b>632</b>	<b>1,653</b>	<b>-</b>	<b>18,037</b>
<b>Revenue from Services Supported by Hospital and Community Initiatives</b>									
Donations & Bequests (non capital)	-	-	-	-	-	-	-	264	264
Business Units & Specific Purpose Funds	-	-	-	-	-	-	-	1,215	1,215
Other	-	-	-	-	-	-	-	335	335
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	-	301	301
<b>Sub-Total Revenue from Services Supported by Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,115</b>	<b>2,115</b>
<b>Total Revenue</b>	<b>11,247</b>	<b>12</b>	<b>13</b>	<b>857</b>	<b>3,623</b>	<b>632</b>	<b>1,653</b>	<b>2,115</b>	<b>20,152</b>

Indirect contributions by Department of Health: Department of Health (DH) makes certain payments on behalf of the Health Service. These amounts have been Revenues and expenses of Support Services are distributed to categories using a number of allocation bases including estimated usage, percentage of total revenue and equivalent full time (EFT) staff.

**Note 2a: Analysis of Revenue by Source**

	Admitted Patients 2009 \$'000	Outpatients 2009 \$'000	EDS 2009 \$'000	Ambulatory 2009 \$'000	RAC incl. Mental Health 2009 \$'000	Aged Care 2009 \$'000	Primary Health 2009 \$'000	Other 2009 \$'000	2009 \$'000
<b>Revenue from Services Supported by Health Services Agreement</b>									
Government Grants	9,599	-	-	771	2,505	443	1,308	-	14,626
Indirect contributions by Department of Health	216	5	5	12	35	7	22	-	302
Patient & Resident Fees (refer note 2b)	839	-	3	-	420	142	47	-	1,451
Other Revenue from Operating Activities	293	6	6	13	38	10	81	-	447
Capital Purpose Income (refer note 2)	59	-	14	-	244	12	62	-	391
Share of Net Result of Associates & Joint Ventures Accounted for using the Equity Model (refer note 9)	14	-	-	1	3	1	2	-	21
<b>Sub-Total Revenue from Services Supported by Health Services Agreement</b>	<b>11,020</b>	<b>11</b>	<b>28</b>	<b>797</b>	<b>3,245</b>	<b>615</b>	<b>1,522</b>	<b>-</b>	<b>17,238</b>
<b>Revenue from Services Supported by Hospital and Community Initiatives</b>									
Business Units & Specific Purpose Funds	-	-	-	-	-	-	-	1,290	1,290
Other	-	-	-	-	-	-	-	359	359
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	-	73	73
<b>Sub-Total Revenue from Services Supported by Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,722</b>	<b>1,722</b>
<b>Total Revenue</b>	<b>11,020</b>	<b>11</b>	<b>28</b>	<b>797</b>	<b>3,245</b>	<b>615</b>	<b>1,522</b>	<b>1,722</b>	<b>18,960</b>

Indirect contributions by Department of Health: Department of Health makes certain payments on behalf of the Health Service. These amounts have been brought to Revenues and expenses of Support Services are distributed to categories using a number of allocation bases including estimated usage, percentage of total revenue and equivalent full time (EFT) staff.

## Note 2b: Patient and Resident Fees

	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
<b>Patient and Resident Fees Raised</b>				
<b>Recurrent:</b>				
Acute				
- Inpatients	775	839	775	839
- Outpatients	1	3	1	3
Residential Aged Care				
- Generic	397	350	397	350
- Mental Health	79	70	79	70
Other	181	189	181	189
<b>Total Recurrent</b>	<b>1,433</b>	<b>1,451</b>	<b>1,433</b>	<b>1,451</b>
<b>Capital Purpose:</b>				
Residential Accommodation Payments	136	92	136	92
<b>Total Capital</b>	<b>136</b>	<b>92</b>	<b>136</b>	<b>92</b>

## Note 2c: Net Gain/(Loss) on Disposal of Non-Financial Assets

	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
<b>Proceeds from Disposals of Non-Current Assets</b>				
Plant and Equipment	7	2	7	2
Medical Equipment	27	-	27	-
Motor Vehicles	77	107	77	107
<b>Total Proceeds from Disposal of Non-Current Assets</b>	<b>111</b>	<b>109</b>	<b>111</b>	<b>109</b>
<b>Less: Written Down Value of Non-Current Assets Sold</b>				
Plant and Equipment	6	-	6	-
Medical Equipment	91	-	91	-
Motor Vehicles	65	90	65	90
<b>Total Written Down Value of Non-Current Assets Sold</b>	<b>162</b>	<b>90</b>	<b>162</b>	<b>90</b>
<b>Net gains/(losses) on Disposal of Non-Current Assets</b>	<b>(51)</b>	<b>19</b>	<b>(51)</b>	<b>19</b>

Note 3: Expenses

	Parent						Consolidated					
	HSA 2010	HSA 2009	Non HSA 2010	Non HSA 2009	Total 2010	Total 2009	HSA 2010	HSA 2009	Non HSA 2010	Non HSA 2009	Total 2010	Total 2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Employee Benefits</b>												
Salaries & Wages	9,501	8,991	494	594	9,995	9,585	9,501	8,991	494	594	9,995	9,585
WorkCover Premium	153	122	14	10	167	132	153	122	14	10	167	132
Departure Packages	-	13	-	-	-	13	-	13	-	-	-	13
Long Service Leave	142	329	13	16	195	345	142	329	13	16	195	345
Superannuation	944	897	45	52	989	949	944	897	45	52	989	949
<b>Total Employee Benefits</b>	<b>10,740</b>	<b>10,352</b>	<b>566</b>	<b>672</b>	<b>11,306</b>	<b>11,024</b>	<b>10,740</b>	<b>10,352</b>	<b>566</b>	<b>672</b>	<b>11,306</b>	<b>11,024</b>
<b>Non Salary Labour Costs</b>												
Fees for Visiting Medical Officers	1,235	1,217	-	-	1,235	1,217	1,235	1,217	-	-	1,235	1,217
Agency Costs - Nursing	8	9	-	-	8	9	8	9	-	-	8	9
Agency Costs - Other	515	431	24	21	539	452	515	431	24	21	539	452
<b>Total Non Salary Labour Costs</b>	<b>1,758</b>	<b>1,657</b>	<b>24</b>	<b>21</b>	<b>1,782</b>	<b>1,678</b>	<b>1,758</b>	<b>1,657</b>	<b>24</b>	<b>21</b>	<b>1,782</b>	<b>1,678</b>
<b>Supplies &amp; Consumables</b>												
Drug Supplies	576	482	-	-	576	482	576	482	-	-	576	482
S100 Drugs	105	117	-	-	105	117	105	117	-	-	105	117
Medical, Surgical Supplies and Prosthesis	1,216	1,132	591	578	1,807	1,710	1,216	1,132	591	578	1,807	1,710
Pathology Supplies	84	83	-	-	84	83	84	83	-	-	84	83
Food Supplies	529	436	52	54	581	490	529	436	52	54	581	490
<b>Total Supplies &amp; Consumables</b>	<b>2,510</b>	<b>2,250</b>	<b>643</b>	<b>632</b>	<b>3,153</b>	<b>2,882</b>	<b>2,510</b>	<b>2,250</b>	<b>643</b>	<b>632</b>	<b>3,153</b>	<b>2,882</b>
<b>Other Expenses from Continuing Operations</b>												
Domestic Services & Supplies	314	307	14	17	328	324	314	307	14	17	328	324
Fuel, Light, Power and Water	214	182	20	17	234	199	214	182	20	17	234	199
Insurance costs funded by DH	255	228	16	17	271	245	255	228	16	17	271	245
Motor Vehicle Expenses	72	77	1	1	73	78	72	77	1	1	73	78
Repairs & Maintenance	239	246	20	49	259	295	239	246	20	49	259	295
Maintenance Contracts	91	66	119	130	210	196	91	66	119	130	210	196
Patient Transport	109	96	-	-	109	96	109	96	-	-	109	96
Bad & Doubtful Debts	8	(4)	12	3	20	(1)	8	(4)	12	3	20	(1)
Lease Expenses	96	84	9	7	105	91	96	84	9	7	105	91
Other Administrative Expenses	799	737	50	44	849	781	799	737	306	45	1,105	762
Other	388	357	-	-	388	357	388	357	-	-	388	357
Audit Fees												
- VAGO - Audit of Financial Statements	12	7	1	1	13	8	12	7	4	4	16	11
- Other	18	19	1	1	19	20	18	19	1	1	19	20
<b>Total Other Expenses from Continuing Operations</b>	<b>2,615</b>	<b>2,402</b>	<b>263</b>	<b>287</b>	<b>2,878</b>	<b>2,689</b>	<b>2,615</b>	<b>2,402</b>	<b>522</b>	<b>291</b>	<b>3,137</b>	<b>2,693</b>
<b>Expenditure using Capital Purpose Income</b>												
<b>Total Non Salary Labour Costs</b>												
Other Expenses	-	1	-	-	-	1	-	1	-	-	-	1
<b>Total Expenditure using Capital Purpose Income</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Total Impairment of Assets</b>												
Depreciation & Amortisation	1,821	740	-	3	1,821	743	1,821	740	-	3	1,821	743
<b>Total</b>	<b>1,821</b>	<b>740</b>	<b>-</b>	<b>3</b>	<b>1,821</b>	<b>743</b>	<b>1,821</b>	<b>740</b>	<b>-</b>	<b>3</b>	<b>1,821</b>	<b>743</b>
<b>Total Expenses</b>	<b>19,444</b>	<b>17,402</b>	<b>1,496</b>	<b>1,615</b>	<b>20,940</b>	<b>19,017</b>	<b>19,444</b>	<b>17,402</b>	<b>1,755</b>	<b>1,619</b>	<b>21,199</b>	<b>19,021</b>

**Note 3a: Analysis of Expenses by Source**

(based on the consolidated view)

	Admitted Patients 2010 \$'000	Outpatients 2010 \$'000	EDS 2010 \$'000	Ambulatory 2010 \$'000	RAC incl. Mental Health 2010 \$'000	Aged Care 2010 \$'000	Primary Health 2010 \$'000	Other 2010 \$'000	Total 2010 \$'000
<b>Services Supported by Health Services Agreement</b>									
Employee Benefits	5,617	128	148	224	2,874	605	1,144	-	10,740
Non Salary Labour Costs	1,418	5	5	143	61	9	117	-	1,758
Supplies & Consumables	2,057	1	35	1	336	44	36	-	2,510
Other Expenses from Continuing Operations	1,357	21	24	448	405	78	282	-	2,615
<b>Sub-Total Expenses from Services Supported by Health Services Agreement</b>	<b>10,449</b>	<b>155</b>	<b>212</b>	<b>816</b>	<b>3,676</b>	<b>736</b>	<b>1,579</b>	<b>-</b>	<b>17,623</b>
<b>Services Supported by Hospital and Community Initiatives</b>									
Employee Benefits	-	-	-	-	-	-	-	566	566
Non Salary Labour Costs	-	-	-	-	-	-	-	24	24
Supplies & Consumables	-	-	-	-	-	-	-	643	643
Other Expenses from Continuing Operations	-	-	-	-	-	-	-	522	522
<b>Sub-Total Expense from Services Supported by Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,755</b>	<b>1,755</b>
<b>Expenditure using Capital Purpose Income</b>									
Depreciation & Amortisation (refer note 4)	1,821	-	-	-	-	-	-	-	1,821
<b>Sub-total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives</b>	<b>1,821</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,821</b>
<b>Total Expenses</b>	<b>12,270</b>	<b>155</b>	<b>212</b>	<b>816</b>	<b>3,676</b>	<b>736</b>	<b>1,579</b>	<b>1,755</b>	<b>21,199</b>

**Note 3a: Analysis of Expenses by Source**

(based on the consolidated view)

	Admitted Patients	Outpatients	EDS	Ambulatory	RAC incl. Mental Health	Aged Care	Primary Health	Other	Total
	2009	2009	2009	2009	2009	2009	2009	2009	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Services Supported by Health Services Agreement</b>									
Employee Benefits	5,640	140	156	228	2,584	592	1,012	-	10,352
Non Salary Labour Costs	1,355	4	4	106	49	8	131	-	1,657
Supplies & Consumables	1,861	1	28	-	289	39	32	-	2,250
Other Expenses from Continuing Operations	1,290	22	25	419	341	71	234	-	2,402
<b>Sub-Total Expenses from Services Supported by Health Services Agreement</b>	<b>10,146</b>	<b>167</b>	<b>213</b>	<b>753</b>	<b>3,263</b>	<b>710</b>	<b>1,409</b>	<b>-</b>	<b>16,661</b>
<b>Services Supported by Hospital and Community Initiatives</b>									
Employee Benefits	-	-	-	-	-	-	-	672	672
Non Salary Labour Costs	-	-	-	-	-	-	-	21	21
Supplies & Consumables	-	-	-	-	-	-	-	632	632
Other Expenses from Continuing Operations	-	-	-	-	-	-	-	291	291
<b>Sub-Total Expense from Services Supported by Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,616</b>	<b>1,616</b>
<b>Expenditure using Capital Purpose Income</b>									
Other Expenses	1	-	-	-	-	-	-	-	1
<b>Sub-Total Expenditure using Capital Purpose Income</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
Depreciation & Amortisation (refer note 4)	580	-	-	-	122	21	17	3	743
<b>Sub-total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives</b>	<b>580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122</b>	<b>21</b>	<b>17</b>	<b>3</b>	<b>743</b>
<b>Total Expenses</b>	<b>10,727</b>	<b>167</b>	<b>213</b>	<b>753</b>	<b>3,385</b>	<b>731</b>	<b>1,426</b>	<b>1,619</b>	<b>19,021</b>

### Note 3b: Analysis of Expenses by Internal and Restricted Specific Purpose Funds for Services Supported by Hospital and Community Initiatives

	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
Diagnostic Imaging	1,400	1,278	1,400	1,278
Catering	167	167	167	167
Other	108	108	108	108
<b>Other Activities</b>				
Fundraising and Community Support	80	59	80	63
<b>TOTAL</b>	<b>1,755</b>	<b>1,612</b>	<b>1,755</b>	<b>1,616</b>

### Note 4: Depreciation and Amortisation

	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
<b>Depreciation</b>				
Buildings	1,417	388	1,417	388
Plant & Equipment	192	181	192	181
Medical Equipment	196	155	196	155
<b>Total Depreciation</b>	<b>1,805</b>	<b>724</b>	<b>1,805</b>	<b>724</b>
<b>Amortisation</b>				
Intangible Assets	16	19	16	19
<b>Total Amortisation</b>	<b>16</b>	<b>19</b>	<b>16</b>	<b>19</b>
<b>Total Depreciation &amp; Amortisation</b>	<b>1,821</b>	<b>743</b>	<b>1,821</b>	<b>743</b>

### Note 5: Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash assets includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
Cash on Hand	2	2	2	2
Cash at Bank	488	467	576	467
Short Term Money Market	2,620	2,620	3,845	3,871
<b>TOTAL</b>	<b>3,110</b>	<b>3,089</b>	<b>4,423</b>	<b>4,340</b>
<b>Represented by:</b>				
Cash for Health Service Operations (as per Cash Flow Statement)	2,721	2,825	4,034	4,076
Cash for Monies Held in Trust				
- Cash at Bank	35	28	35	28
- Short Term Money Market	354	236	354	236
<b>TOTAL</b>	<b>3,110</b>	<b>3,089</b>	<b>4,423</b>	<b>4,340</b>

## Note 6: Receivables

	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
<b>CURRENT</b>				
<b>Contractual</b>				
Inter Hospital Debtors	64	49	110	49
Trade Debtors	252	169	206	169
Patient Fees	80	163	80	163
Accrued Investment Income	31	7	45	9
Accrued Revenue - Other	76	89	76	89
<i>Less Allowance for Doubtful Debts</i>				
Trade Debtors	(13)	(2)	(13)	(2)
Patient Fees	(2)	-	(2)	-
	<b>488</b>	<b>475</b>	<b>502</b>	<b>477</b>
<b>Statutory</b>				
GST Receivable	78	159	78	160
	<b>78</b>	<b>634</b>	<b>580</b>	<b>637</b>
<b>TOTAL CURRENT RECEIVABLES</b>	<b>566</b>	<b>634</b>	<b>580</b>	<b>637</b>
<b>NON CURRENT</b>				
<b>Statutory</b>				
Long Service Leave - DH	13	117	13	117
	<b>13</b>	<b>117</b>	<b>13</b>	<b>117</b>
<b>TOTAL NON-CURRENT RECEIVABLES</b>	<b>13</b>	<b>117</b>	<b>13</b>	<b>117</b>
<b>TOTAL RECEIVABLES</b>	<b>579</b>	<b>751</b>	<b>593</b>	<b>754</b>

### (a) Movement in the Allowance for doubtful debts

	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
Balance at beginning of year	2	6	2	6
Amounts written off during the year	(7)	-	(7)	-
Increase/(decrease) in allowance recognised in profit or loss	18	(4)	18	(4)
<b>Balance at end of year</b>	<b>13</b>	<b>2</b>	<b>13</b>	<b>2</b>

### (b) Ageing analysis of receivables

Please refer to note 17 for the ageing analysis of receivables

### (c) Nature and extent of risk arising from receivables

Please refer to note 17 for the nature and extent of credit risk arising from receivables

## Note 7: Inventories

	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
<b>Pharmaceuticals</b>				
At cost	75	25	75	25
<b>Medical and Surgical Lines</b>				
At cost	92	62	92	62
<b>TOTAL INVENTORIES</b>	<b>167</b>	<b>87</b>	<b>167</b>	<b>87</b>

## Note 8: Other Assets

	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
Prepayments	75	51	75	51
Rental Property Bonds	5	7	5	7
<b>CURRENT</b>	<b>80</b>	<b>58</b>	<b>80</b>	<b>58</b>
<b>TOTAL</b>	<b>80</b>	<b>58</b>	<b>80</b>	<b>58</b>

## Note 9: Investments Accounted for Using the Equity Method

	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
Investment in Associates				
Interest in Jointly Controlled Entities	183	184	183	184
<b>TOTAL</b>	<b>183</b>	<b>184</b>	<b>183</b>	<b>184</b>

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest	
			2010 %	2009 %
<b>Jointly Controlled Entities</b>				
Grampians Region Health IT Alliance	IT Systems	Australia	6.20	5.79
<b>Summarised Financial Information of Jointly Controlled Entities' Balance Sheet:</b>				
Current Assets			220	182
Non-Current Assets			35	38
<b>Share of Total Assets</b>			<b>255</b>	<b>220</b>
Current Liabilities			72	36
<b>Share of Total Liabilities</b>			<b>72</b>	<b>36</b>
<b>Net Assets</b>			<b>327</b>	<b>184</b>
<b>Share of Jointly Controlled Entities Net Assets</b>				
Total Income			373	264
<b>Net Result</b>			<b>(1)</b>	<b>21</b>
<b>Share of Jointly Controlled Entities' Net Result After Income Tax</b>			<b>(1)</b>	<b>21</b>

### Dividends Received from Associates and Joint Ventures

During the year, Stawell Regional Health received dividends of \$0 (2008/09: \$0) from its jointly controlled entities.

### Contingent Liabilities and Capital Commitments

As at 30 June 2010 Stawell Regional Health has no knowledge of any contingent assets or liabilities arising from the Grampians Region Health IT Alliance.

## Note 10: Property, Plant & Equipment

	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
<b>Land</b>				
Land at Fair Value	1,419	1,419	1,419	1,419
Less Impairment	-	-	-	-
<b>Total Land</b>	<b>1,419</b>	<b>1,419</b>	<b>1,419</b>	<b>1,419</b>
<b>Buildings</b>				
Buildings Under Construction at cost	-	9	-	9
Buildings at Valuation	18,701	18,701	18,701	18,701
Less Acc'd Depreciation	1,416	-	1,416	-
Buildings at Cost	44	-	44	-
Less Acc'd Depreciation	1	-	1	-
<b>Total Buildings</b>	<b>17,328</b>	<b>18,710</b>	<b>17,328</b>	<b>18,710</b>
<b>Plant and Equipment</b>				
Plant and Equipment at Fair Value	1,583	1,626	1,583	1,626
Less Acc'd Depreciation	858	866	858	866
<b>Total Plant and Equipment</b>	<b>725</b>	<b>760</b>	<b>725</b>	<b>760</b>
<b>Medical Equipment</b>				
Medical Equipment at Fair Value	3,371	3,213	3,371	3,213
Less Acc'd Depreciation	1,857	1,927	1,857	1,927
<b>Total Medical Equipment</b>	<b>1,514</b>	<b>1,286</b>	<b>1,514</b>	<b>1,286</b>
<b>TOTAL</b>	<b>20,986</b>	<b>22,175</b>	<b>20,986</b>	<b>22,175</b>

Reconciliations of the carrying amounts of each class of asset for the consolidated entity at the beginning and end of the previous and current financial year is set out below.

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Medical Equipment \$'000	Total \$'000
<b>Balance at 1 July 2008</b>	<b>1,182</b>	<b>15,179</b>	<b>841</b>	<b>1,068</b>	<b>18,270</b>
Additions	-	293	365	361	1,019
Disposals	-	(333)	(90)	-	(423)
Revaluation Increments/(Decrements)	237	3,797	-	-	4,034
Net Transfers between Classes	-	162	(175)	12	(1)
Depreciation and Amortisation (note 4)	-	(388)	(181)	(155)	(724)
<b>Balance at 1 July 2009</b>	<b>1,419</b>	<b>18,710</b>	<b>760</b>	<b>1,286</b>	<b>22,175</b>
Additions	-	35	317	515	867
Nett WDV of Disposals	-	-	(70)	(91)	(161)
Net Transfers between Classes	-	-	(90)	-	(90)
Depreciation and Amortisation (note 4)	-	(1,417)	(192)	(196)	(1,805)
<b>Balance at 30 June 2010</b>	<b>1,419</b>	<b>17,328</b>	<b>725</b>	<b>1,514</b>	<b>20,986</b>

### Land and buildings carried at valuation

An independent valuation of the Health Service's land and buildings was performed by Value It Pty Ltd to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30/06/2009.

## Note 11: Intangible Assets

	<b>Parent Entity 2010 \$'000</b>	<b>Parent Entity 2009 \$'000</b>	<b>Consol'd 2010 \$'000</b>	<b>Consol'd 2009 \$'000</b>
Computer Software	318	214	318	214
Less Acc'd Amortisation	163	159	163	159
	<b>155</b>	<b>55</b>	<b>155</b>	<b>55</b>
<b>Total Written Down Value</b>	<b>155</b>	<b>55</b>	<b>155</b>	<b>55</b>

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the previous and current financial year:

	<b>Computer Software \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 July 2008</b>	<b>68</b>	68
Additions	6	6
Amortisation (note 4)	(19)	(19)
<b>Balance at 1 July 2009</b>	<b>55</b>	<b>55</b>
Additions	116	116
Amortisation (note 4)	(16)	(16)
<b>Balance at 30 June 2010</b>	<b>155</b>	<b>155</b>

## Note 12: Payables

	<b>Parent Entity 2010 \$'000</b>	<b>Parent Entity 2009 \$'000</b>	<b>Consol'd 2010 \$'000</b>	<b>Consol'd 2009 \$'000</b>
<b>CURRENT</b>				
<b>Contractual</b>				
Trade Creditors	989	337	989	337
Accrued Expenses	366	612	369	615
	<b>1,355</b>	<b>949</b>	<b>1,358</b>	<b>952</b>
<b>Statutory</b>				
DH	385	911	385	911
	<b>385</b>	<b>911</b>	<b>385</b>	<b>911</b>
<b>TOTAL CURRENT</b>	<b>1,740</b>	<b>1,860</b>	<b>1,743</b>	<b>1,863</b>
<b>TOTAL</b>	<b>1,740</b>	<b>1,860</b>	<b>1,743</b>	<b>1,863</b>

### (a) Maturity analysis of payables

Please refer to Note 17 for the ageing analysis of payables.

### (b) Nature and extent of risk arising from payables

Please refer to note 17 for the nature and extent of risks arising from payables.

### Note 13: Employee Benefits and Related On-Costs Provisions

	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
<b>Current Provisions</b>				
Employee Benefits				
- Unconditional and expected to be settled within 12 months	1,116	1,103	1,116	1,103
- Unconditional and expected to be settled after 12 months	857	907	857	907
	1,973	2,010	1,973	2,010
Provisions related to Employee Benefit On-Costs				
- Unconditional and expected to be settled within 12 months (nominal value)	134	132	134	132
- Unconditional and expected to be settled after 12 months (present value)	103	109	103	109
	237	241	237	241
<b>Total Current Provisions</b>	<b>2,210</b>	<b>2,251</b>	<b>2,210</b>	<b>2,251</b>
<b>Non-Current Provisions</b>				
Employee Benefits	245	235	245	235
Provisions related to Employee Benefit On-Costs	29	28	29	28
<b>Total Non-Current Provisions</b>	<b>274</b>	<b>263</b>	<b>274</b>	<b>263</b>
<b>Current Employee Benefits</b>				
Unconditional LSL Entitlement	937	958	937	958
Annual Leave Entitlements	729	762	729	762
Accrued Wages and Salaries	278	263	278	263
Accrued Days Off	29	27	29	27
<b>Non-Current Employee Benefits</b>				
Conditional Long Service Leave Entitlements (present value)	245	235	245	235
<b>Total Employee Benefits</b>	<b>2,218</b>	<b>2,245</b>	<b>2,218</b>	<b>2,245</b>
<b>On-Costs</b>				
Current On-Costs	237	241	237	241
Non-Current On-Costs	29	28	29	28
<b>Total On-Costs</b>	<b>266</b>	<b>269</b>	<b>266</b>	<b>269</b>
<b>Total Employee Benefits and Related On-Costs</b>	<b>2,484</b>	<b>2,514</b>	<b>2,484</b>	<b>2,514</b>
<b>Movement in Long Service Leave:</b>				
<b>Balance at start of year</b>	<b>1,337</b>	<b>1,092</b>	<b>1,337</b>	<b>1,092</b>
Provision made during the year				
- Revaluations	3	35	3	35
- Expense recognising Employee Service	151	311	151	311
Settlement made during the year	(167)	(101)	(167)	(101)
<b>Balance at end of year</b>	<b>1,324</b>	<b>1,337</b>	<b>1,324</b>	<b>1,337</b>

## Note 13a: Employee Benefits

	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
<b>CURRENT (refer note 1 (t))</b>				
Unconditional long service leave entitlements	1,050	1,074	1,050	1,074
Annual leave entitlements	817	853	817	853
Accrued Wages and Salaries	311	294	311	294
Accrued Days Off	32	30	32	30
<b>TOTAL</b>	<b>2,210</b>	<b>2,251</b>	<b>2,210</b>	<b>2,251</b>
<b>Current Employee benefits that:</b>				
Expected to be utilised within 12 months (nominal value)	1,354	1,235	1,354	1,235
Expected to be utilised after 12 months (present value)	856	1,016	856	1,016
	2,210	2,251	2,210	2,251
<b>NON-CURRENT (refer note 1 (t))</b>				
Conditional long service leave entitlements (present value)	274	263	274	263
<b>TOTAL</b>	<b>274</b>	<b>263</b>	<b>274</b>	<b>263</b>
<b>Movement in Long Service Leave:</b>				
<b>Balance at start of year</b>	1,337	1,092	1,337	1,092
Provision made during the year	154	346	154	346
Settlement made during the year	(167)	(101)	(167)	(101)
<b>Balance at end of year</b>	<b>1,324</b>	<b>1,337</b>	<b>1,324</b>	<b>1,337</b>

## Note 14: Other Liabilities

	Parent Entity - \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
<b>CURRENT</b>				
Monies Held in Trust				
- Patient Monies Held in Trust	35	28	35	28
- Other Monies Held in Trust	354	236	354	236
Revenue in Advance	52	46	52	46
<b>Total Current</b>	<b>441</b>	<b>310</b>	<b>441</b>	<b>310</b>
<b>Total Other Liabilities</b>	<b>441</b>	<b>310</b>	<b>441</b>	<b>310</b>
<b>Total Monies Held in Trust</b>				
<b>Represented by the following assets:</b>				
Cash Assets (refer to Note 5)	389	264	389	264
<b>TOTAL</b>	<b>389</b>	<b>264</b>	<b>389</b>	<b>264</b>

## Note 15: Equity

	Parent Entity	Parent Entity	Consol'd	Consol'd
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>(a) Reserves</b>				
<b>Property, Plant &amp; Equipment Revaluation Surplus</b>				
Balance at the beginning of the reporting period	6,450	2,417	6,450	2,417
- Land	-	237	-	237
- Buildings	-	3,796	-	3,796
<b>Balance at the end of the reporting period</b>	<b>6,450</b>	<b>6,450</b>	<b>6,450</b>	<b>6,450</b>
Represented by:				
- Land	826	826	826	826
- Buildings	5,624	5,624	5,624	5,624
	<b>6,450</b>	<b>6,450</b>	<b>6,450</b>	<b>6,450</b>
<b>Restricted Specific Purpose Reserve</b>				
Balance at the beginning of the reporting period	402	402	402	402
Transfer to and from Restricted Specific Purpose Reserve	(123)	-	(123)	-
Balance at the end of the reporting period	<b>279</b>	<b>402</b>	<b>279</b>	<b>402</b>
<b>Total Reserves</b>	<b>6,729</b>	<b>6,852</b>	<b>6,729</b>	<b>6,852</b>
<b>(b) Contributed Capital</b>				
Balance at the beginning of the reporting period	9,345	9,345	9,345	9,345
Balance at the end of the reporting period	<b>9,345</b>	<b>9,345</b>	<b>9,345</b>	<b>9,345</b>
<b>(c) Accumulated Surpluses/(Deficits)</b>				
Balance at the beginning of the reporting period	5,518	5,645	6,769	6,830
Net Result for the Year	(1,120)	(127)	(1,047)	(61)
Transfers to and from Reserve	123	-	123	-
Balance at the end of the reporting period	<b>4,521</b>	<b>5,518</b>	<b>5,845</b>	<b>6,769</b>
<b>(d) Total Equity at end of financial year</b>	<b>20,595</b>	<b>21,715</b>	<b>21,919</b>	<b>22,966</b>

## Note 16: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	<b>Parent Entity 2010 \$'000</b>	<b>Parent Entity 2009 \$'000</b>	<b>Consol'd 2010 \$'000</b>	<b>Consol'd 2009 \$'000</b>
<b>Net Result for the Year</b>	(1,120)	(127)	(1,047)	(61)
Depreciation & Amortisation	1,821	743	1,821	743
Provision for Doubtful Debts	13	(4)	13	(4)
Change in Inventories	(80)	(7)	(80)	(7)
Resources/Assets Received Free of Charge	-	149	-	149
Net (Gain)/Loss from Sale of Plant and Equipment	51	(19)	51	(19)
Change in Operating Assets & Liabilities				
(Increase)/Decrease in Receivables	166	(124)	155	(107)
(Increase)/Decrease in Other Assets	(124)	(233)	(124)	(233)
(Increase)/Decrease in Prepayments	(29)	34	(29)	34
Increase/(Decrease) in Payables	(120)	(217)	(120)	(218)
Increase/(Decrease) in Employee Benefits	(30)	262	(30)	262
Increase/(Decrease) in Other Liabilities	131	173	131	173
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>679</b>	<b>630</b>	<b>741</b>	<b>712</b>

## Note 17: Financial Instruments

### (a) Financial Risk Management Objectives and Policies

The Health Service's principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory payables)

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Health Service's financial risks within the government policy parameters.

#### Categorisation of financial instruments

	Carrying Amount 2010 \$'000	Carrying Amount 2009 \$'000
<b>Financial Assets</b>		
Cash and cash equivalents	4,423	4,340
Loans and Receivables	502	477
<b>Total Financial Assets</b>	<b>4,925</b>	<b>4,817</b>
<b>Financial Liabilities</b>		
At Amortised Cost	1,799	1,262
<b>Total Financial Liabilities</b>	<b>1,799</b>	<b>1,262</b>

#### Net holding gain/(loss) on financial instruments by category

	Carrying Amount 2010 \$'000	Carrying Amount 2009 \$'000
<b>Financial Assets</b>		
Cash and Cash Equivalents	225	243
Loans and Receivables	-	1
<b>Total Financial Assets</b>	<b>225</b>	<b>244</b>

## Note 17: Financial Instruments (continued)

### (b) Credit Risk

In the context of the Health Service, credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Financial instruments particular to Stawell Regional Health which would be subject to credit risk include:

- Cash Equivalents
- Receivables
- Trade Creditors and Accruals

As regards to credit risk for Cash Equivalents, it is the Health Services's policy to only invest funds in reputable Australian deposit taking institutions listed as recommended by the Victorian Department of Treasury. Credit risk should be minimised as such institutions have their capital adequacy monitored by the Australian Prudential Regulatory Authority (APRA).

Receivables are regularly monitored by management and should collection be doubted, a specific provision is created. It is the Health Service's policy that provisions over a certain threshold are approved by management and the Board. Receivables in both the monthly management reports and annual financial statements are shown as net of provisions.

The Health Service does not have any significant credit risk exposure to any single counter party or any group of counter parties having similar characteristics, other than the Department of Human Services as the material funder of the Health Service's operations.

The Health Service's exposure to credit risk is set out in the following table. For interest rates applicable to each class of asset refer to individual notes to the financial statements.

### Ageing analysis of Financial Asset as at 30 June

	Consol'd Carrying Amount \$'000	Not Past Due and Not Impaired \$'000	Past Due But Not Impaired				Impaired Financial Assets \$'000
			Less than 1 Month \$'000	1-3 Months \$'000	3 months 1 Year \$'000	1-5 Years \$'000	
<b>2010</b>							
<b>Financial Assets</b>							
Cash and Cash Equivalents	4,423	4,423	-	-	-	-	-
Receivables							
- Trade Debtors	316	273	14	5	11	-	13
- Other Receivables	201	117	61	18	3	-	2
<b>Total Financial Assets</b>	<b>4,940</b>	<b>4,813</b>	<b>75</b>	<b>23</b>	<b>14</b>	<b>-</b>	<b>15</b>
<b>2009</b>							
<b>Financial Assets</b>							
Cash and Cash Equivalents	4,340	4,340	-	-	-	-	-
Receivables							
- Trade Debtors	218	185	12	21	-	-	2
- Other Receivables	261	230	26	5	-	-	-
<b>Total Financial Assets</b>	<b>4,819</b>	<b>4,755</b>	<b>38</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>2</b>

## Note 17: Financial Instruments (continued)

### (c) Liquidity Risk

In the context of the Health Service, liquidity risk refers to the risk that the Health Service will encounter difficulty in meeting obligations associated with financial liabilities.

Financial instruments particular to Stawell Regional Health which would be subject to liquidity risk include:

- Trade Creditors and Accruals
- Monies Held In Trust
- Other Liabilities

The Health Service is a statutory corporation that is primarily funded by the Department of Health. It is the Board's policy to manage the organisation under the Financial Management Act to ensure that it meets its financial obligations as and when they fall due.

Trade Creditors and Accruals are generally paid within trading terms. It is the Health Service's policy to monitor and review the capabilities and credit worthiness of counter parties on a regular basis. The Health Service maintains a list of approved suppliers and overlays a delegation of authority for supplies over certain monetary thresholds.

The Board also recognises that, where obligated by specific legislation to quarantine financial assets to meet future financial liabilities that it does so without using these financial assets to meet day to day liquidity needs.

The Board also recognises that, where obligated by specific legislation to quarantine financial assets to meet future financial liabilities, that it does so without using these financial assets to meet day to day liquidity needs.

The following table discloses the contractual maturity analysis for the Health Service's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

### Maturity analysis of Financial Liabilities as at 30 June

	Carrying Amount \$'000	Contractual Cash Flows \$'000	Maturity Dates			
			Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000
<b>2010</b>						
<b>Financial Liabilities</b>						
Payables	1,358	1,358	1,358	-	-	-
Other Financial Liabilities	441	441	441	-	-	-
<b>Total Financial Liabilities</b>	<b>1,799</b>	<b>1,799</b>	<b>1,799</b>	-	-	-
<b>2009</b>						
<b>Financial Liabilities</b>						
Payables	952	952	952	-	-	-
Other Financial Liabilities	310	310	310	-	-	-
<b>Total Financial Liabilities</b>	<b>1,262</b>	<b>1,262</b>	<b>1,262</b>	-	-	-

## Note 17: Financial Instruments (continued)

### (d) Market Risk

The Health Service's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

#### Currency Risk

The Health Service is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement. Liabilities are recognised and paid at the spot rate prevalent at that time.

#### Interest Rate Risk

The Health Service is only subject to interest rate risk on investments. The Health Service is not empowered to borrow funds subject to interest on the principal and is therefore not subject to market risk on financial liabilities.

#### Other Price Risk

The Health Service has not identified any other price risks.

### (d) Market Risk (cont)

#### Interest Rate Exposure of Financial Assets and Liabilities as at 30 June

	Weighted Average Effective Interest Rate (%)	Carrying Amount	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- Interest Bearing \$'000
<b>2010</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	4.64	4,423	3,845	576	2
Receivables					
- Trade Debtors	-	316	-	-	316
- Other Receivables	-	201	-	-	201
		<b>4,940</b>	<b>3,845</b>	<b>576</b>	<b>519</b>
<b>Financial Liabilities</b>					
Payables	-	1,358	-	-	1,358
Other Financial Liabilities	-	441	-	-	441
		<b>1,799</b>	<b>-</b>	<b>-</b>	<b>1,799</b>
<b>2009</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	6.06	4,340	3,871	467	2
Receivables					
- Trade Debtors	-	218	-	-	218
- Other Receivables	-	261	-	-	261
		<b>4,819</b>	<b>3,871</b>	<b>467</b>	<b>481</b>
<b>Financial Liabilities</b>					
Payables	-	952	-	-	1,863
Other Financial Liabilities	-	310	-	-	310
		<b>1,262</b>	<b>-</b>	<b>-</b>	<b>2,173</b>

## Note 17: Financial Instruments (continued)

### (d) Market Risk (cont)

#### Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Health Service believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the ANZ).

- A shift of +2% and -2% in market interest rates (AUD) from year-end rates of 6%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%

The following table discloses the impact on net operating result and equity for each category of financial instrument held by Stawell Regional Health at year end as presented to key management personnel, if changes in the relevant risk occur.

	Carrying Amount	Interest Rate Risk				Other Price Risk			
		-2%		+2%		-1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>2010</b>									
<b>Financial Assets</b>									
Cash and Cash Equivalents	4,423	(88)	(88)	88	88	-	-	-	-
Receivables									
- Trade Debtors	316	-	-	-	-	-	-	-	-
- Other Receivables	201	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>									
Payables	1,358	-	-	-	-	-	-	-	-
		<b>(88)</b>	<b>(88)</b>	<b>88</b>	<b>88</b>	-	-	-	-
<b>2009</b>									
<b>Financial Assets</b>									
Cash and Cash Equivalents	4,340	(87)	(87)	87	87	-	-	-	-
Receivables									
- Trade Debtors	218	-	-	-	-	-	-	-	-
- Other Receivables	261	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>									
Payables	952	-	-	-	-	-	-	-	-
Other Financial Liabilities	310	-	-	-	-	-	-	-	-
		<b>(87)</b>	<b>(87)</b>	<b>87</b>	<b>87</b>	-	-	-	-

## Note 23: Financial Instruments (continued)

### (e) Fair Value

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

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

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

The following table shows that the fair values of most of the contractual financial assets and liabilities are the same as the carrying amounts.

### Comparison between carrying amount and fair value

	Consol'd Carrying Amount	Fair value	Consol'd Carrying Amount	Fair value
	2010 \$'000	2010 \$'000	2009 \$'000	2009 \$'000
<b>Financial Assets</b>				
Cash and Cash Equivalents	4,423	4,423	4,340	4,340
Receivables				
- Trade Debtors	316	316	218	218
- Other Receivables	201	201	261	261
<b>Total Financial Assets</b>	<b>4,940</b>	<b>4,940</b>	<b>4,819</b>	<b>4,819</b>
<b>Financial Liabilities</b>				
Payables	1,358	1,358	952	952
Other Financial Liabilities				
- Other	-	-	310	310
<b>Total Financial Liabilities</b>	<b>1,358</b>	<b>1,358</b>	<b>1,262</b>	<b>1,262</b>

## Note 18: Commitments for Expenditure

	Parent Entity 2010 \$'000	Parent Entity 2009 \$'000	Consol'd 2010 \$'000	Consol'd 2009 \$'000
<b>Capital Expenditure Commitments</b>				
Payable:				
Computer Software	16	222	16	222
<b>Total Capital Commitments</b>	<b>16</b>	<b>222</b>	<b>16</b>	<b>222</b>
<b>Lease Commitments</b>				
Commitments in relation to leases contracted for at the reporting date:				
Operating Leases	174	200	174	200
<b>Total Lease Commitments</b>	<b>174</b>	<b>200</b>	<b>174</b>	<b>200</b>
<b>Operating Leases</b>				
<i>Cancelable</i>				
Not later than one year	48	57	48	57
Later than 1 year and not later than 5 years	126	143	126	143
<b>Sub Total</b>	<b>174</b>	<b>200</b>	<b>174</b>	<b>200</b>
<b>TOTAL</b>	<b>174</b>	<b>200</b>	<b>174</b>	<b>200</b>
<b>Total Commitments for Expenditure (inclusive of GST)</b>	<b>190</b>	<b>422</b>	<b>190</b>	<b>422</b>
less GST recoverable from the Australian Tax Office	(17)	(38)	(17)	(38)
<b>Total Commitments for Expenditure (exclusive of GST)</b>	<b>173</b>	<b>384</b>	<b>173</b>	<b>384</b>

## Note 19: Contingent Assets and Contingent Liabilities

As at 30 June 2010 Stawell Regional Health has no knowledge of any contingent assets or liabilities. (Nil for 30 June 2009.)

## Note 20: Segment Reporting

	RAC		Acute		Other		Consol'd	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>REVENUE</b>								
External Segment Revenue	3,366	3,245	12,421	11,856	4,150	3,616	19,937	18,717
<b>Total Revenue</b>	<b>3,366</b>	<b>3,245</b>	<b>12,421</b>	<b>11,856</b>	<b>4,150</b>	<b>3,616</b>	<b>19,937</b>	<b>18,717</b>
<b>EXPENSES</b>								
External Segment Expenses	(3,676)	(3,385)	(13,453)	(11,860)	(4,070)	(3,776)	(21,199)	(19,021)
<b>Total Expenses</b>	<b>(3,676)</b>	<b>(3,385)</b>	<b>(13,453)</b>	<b>(11,860)</b>	<b>(4,070)</b>	<b>(3,776)</b>	<b>(21,199)</b>	<b>(19,021)</b>
<b>Net Result from ordinary activities</b>	<b>(310)</b>	<b>(140)</b>	<b>(1,032)</b>	<b>(4)</b>	<b>80</b>	<b>(160)</b>	<b>(1,262)</b>	<b>(304)</b>
Interest Income	-	-	-	-	225	243	225	243
<b>Net Result for Year</b>	<b>(310)</b>	<b>(140)</b>	<b>(1,032)</b>	<b>(4)</b>	<b>305</b>	<b>83</b>	<b>(1,037)</b>	<b>(61)</b>
<b>OTHER INFORMATION</b>								
Segment Assets	5,319	5,531	19,416	20,187	1,862	1,936	26,597	27,653
<b>Total Assets</b>	<b>5,319</b>	<b>5,531</b>	<b>19,416</b>	<b>20,187</b>	<b>1,862</b>	<b>1,936</b>	<b>26,597</b>	<b>27,653</b>
Segment Liabilities	934	937	3,408	3,422	327	328	4,668	4,687
<b>Total Liabilities</b>	<b>934</b>	<b>937</b>	<b>3,408</b>	<b>3,422</b>	<b>327</b>	<b>328</b>	<b>4,668</b>	<b>4,687</b>
Investments in Associates and Joint Venture Partnership	39	37	141	134	14	13	193	184
Acquisition of Property, Plant and Equipment and Intangible Assets	197	366	718	503	69	156	983	1,025
Depreciation & Amortisation Expense	364	122	1,329	580	127	41	1,821	743

The major products/services from which the above segments derive revenue are:

### Business Segments

Residential Aged Care

Services (RAC)

Acute Health

Others

-Primary Health

-District Nursing

-Radiology Services

-Catering Services

-Day Centre

-Phone Triage

-Consulting Rooms

-Fundraising

### Services

High Level and Psychogeriatric Aged Care

Acute Medical & Surgical Services

### **Geographical Segment**

Stawell Regional Health operates predominantly in the Grampians region in Victoria. 100% of revenue, net surplus from ordinary activities and segment assets relate to operations in the Grampians region, Victoria.

## Note 21: Jointly Controlled Operations and Assets

Name of Entity	Principal Activity	Ownership Interest	
		2010 %	2009 %
Grampians Region Health IT Alliance	IT Systems	6.20	5.79

Stawell Regional Health's interest in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the financial statements under their respective asset categories:

	2010 \$'000	2009 \$'000
<b>Current Assets</b>		
Cash and Cash Equivalents	220	182
<b>Total Current Assets</b>	<b>220</b>	<b>182</b>
<b>Non Current Assets</b>		
Property, Plant and Equipment	35	38
<b>Total Non Current Assets</b>	<b>35</b>	<b>38</b>
<b>Total Assets</b>	<b>255</b>	<b>220</b>

Stawell Regional Health's interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

	2010 \$'000	2009 \$'000
<b>Revenues</b>		
Grants	66	115
Other	308	149
<b>Total Revenue</b>	<b>374</b>	<b>264</b>
<b>Expenses</b>		
Information Technology and Administrative Expenses	375	243
<b>Total Expenses</b>	<b>375</b>	<b>243</b>
<b>Profit</b>	<b>(1)</b>	<b>21</b>

### Contingent Liabilities and Capital Commitments

As at 30 June 2010 Stawell Regional Health has no knowledge of any contingent assets or liabilities arising from the Grampians Region Health IT Alliance.

## Note 22a: Responsible Persons Disclosures

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

### Responsible Ministers:

The Honourable Daniel Andrews, MLA, Minister for Health

### Governing Boards

Mrs J M Brilliant  
Mrs K Douglas  
Mr N S Dunn  
Mr P J Martin  
Mrs K Harris  
Mr G E McDonough  
Mr H L Cooper  
Mr D G Stanes  
Mr R Hatton  
Mrs L Jenz

Period
01/07/2009 - 30/06/2010
01/07/2009 - 30/06/2010
01/07/2009 - 30/06/2010
01/07/2009 - 30/06/2010
01/07/2009 - 30/06/2010
01/07/2009 - 30/06/2010
01/07/2009 - 30/06/2010
01/07/2009 - 30/06/2010
01/07/2009 - 30/06/2010
01/07/2009 - 30/06/2010

### Accountable Officers

Mr P Edwards

01/07/2009 - 30/06/2010

### Remuneration of Responsible Persons

The number of Responsible Persons are shown in their relevant income bands:

**Income Band**  
\$180,000 - \$189,999

### Total Numbers

**Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:**

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

### Other Transactions of Responsible Persons and their Related Parties.

There have been no other transactions with responsible persons or their related parties during the reporting period.

	Parent		Consol'd	
	2010 No.	2009 No.	2010 No.	2009 No.
	1	1	1	1
<b>Total Numbers</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
	<b>\$187,704</b>	<b>\$189,774</b>	<b>\$187,704</b>	<b>\$189,774</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	-	-	-	-

## Note 22b: Executive Officer Disclosures

### Executive Officers' Remuneration

The numbers of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

\$110,000 - \$119,999  
\$120,000 - \$129,999

### Total

### Total Remuneration

	Parent				Consolidated			
	Total Remuneration 2010 No.	2009 No.	Base Remuneration 2010 No.	2009 No.	Total Remuneration 2010	2009	Base Remuneration 2010	2009
	1	-	2	-	1	-	2	-
	1	2	-	2	1	2	-	2
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total Remuneration</b>	<b>\$ 239,741</b>	<b>\$ 244,897</b>	<b>\$ 231,973</b>	<b>\$ 244,897</b>	<b>\$ 239,741</b>	<b>\$ 244,897</b>	<b>\$ 231,973</b>	<b>\$ 244,897</b>

**Note 23: Events Occurring after the Balance Sheet Date**

No significant events occurred after the reporting date.

**Note 24: Remuneration of Auditors**

Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the health services' current financial report

Parent Entity	Parent Entity	Consol'd	Consol'd
2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
13	8	16	11
<b>13</b>	<b>8</b>	<b>16</b>	<b>11</b>

**Note 25: Controlled Entities**

Name of entity	Country of incorporation	Equity Holding
Stawell Regional Health Foundation	Australia	100%

**Note 26: Economic Dependency**

Stawell Regional Health is dependent on the Victorian Department of Health for its revenue from Government Grants.