



**CELEBRATING 150 YEARS
1859 - 2009**

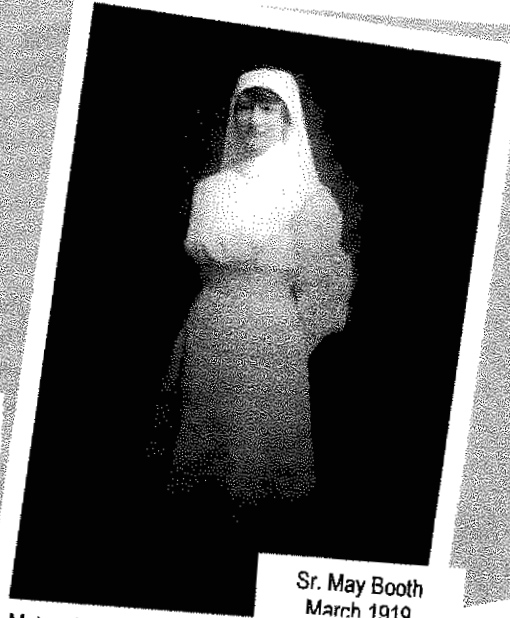


Medical & Nursing Staff – original Pleasant Creek Hospital 1933

ANNUAL REPORT
2008/2009



L-R. Elsie D'Alon(Matthews), Joan Baker(dec), Pat Brennan January 1952



Sr. May Booth
March 1919



Sr. A. Gillan, Matron M.L. Lang, Sr. V.M. Spears
1800-1900



Preparing the new hospital site



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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, 2009. This report should be read in conjunction with the 2008/09 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 Board was strengthened this year with the appointment of two members from the local community, Mrs. Lynn Jenz and Mr. Ross Hatton.

Both Lynn and Ross are active members of our community with extensive business experience and we appreciate the expertise they bring to the Board. Both Lynn and Ross have attended Board training sessions provided by the Nous Group, funded by the Department of Health. The Board was also delighted that current Board Members Mr. Neville Dunn and Mr. Howard Cooper have been re-elected to the Board for a further three years from July 1, 2009. Both members have a long association with the Board and their continued representation on behalf of the community is appreciated.

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.

During the past year a few initiatives have materialised and commenced. These include:

- The provision of banquet catering to Macpherson Smith Nursing Home from EGHS
- The extension of a Speech Therapy Service from SRH to EWHS
- The extension of the SRH Hospital Admission Risk Program (HARP) service from SRH to EWHS
- The development of a plan for joint financial services across SRH, EGHS and EWHS

Apart from the provision of sharing of services these agencies continue to meet formally each quarter 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.

During 2008/09 these matters included:

- the process for electing members to Health Service Boards
- the future of the After Hours Doctor On-Call Program

- Commonwealth funding for Rural Health Services
- the restructuring of funding support for General Practitioners in rural settings
- Lastly the GHA was instrumental in bringing together key players in the region to discuss current issues with low occupancy in Residential Aged Care services

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

Our Executive Staff and the Board confirmed in early 2008/09 our Strategic Plan for the period 2008-2010. The plan is available on the Stawell Regional Health website and the Board review outcome statements prepared by our Chief Executive Officer, against the plan on a regular basis. The key elements of the 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 am pleased that we are making considerable progress towards advancing the plan outcomes and some of these developments are highlighted within this report.

Capital Works Program

One of the major issues facing any Health Service within this current economic climate is to maintain the assets of the health service to a contemporary standard. I am pleased to report we have made considerable progress in 2008/09 in maintaining the standard of our facilities. This has been achieved by several processes which have included State Government funding, donations from our three major fundraising groups, the Hospital Ladies Auxiliary, Y-Zetts and Murray to Moyne Committee, and lastly from funds allocated by the Stawell Hospital Foundation.

In addition to these funding sources there has been a significant update of capital from our reserves, an area under close management by our senior staff. Apart from the items listed below SRH has self funded the regular replacement of its computer resources and motor vehicle fleet at a cost of over one hundred thousand dollars.

Board of Management

2008/09 major acquisitions and projects include:

Building Works	
Fire Escape to Hospital first floor	40,513
Building B&C Fire Hose Reels	6,765
Greening Hospitals Program – Water recycling	8,974
Air Conditioning Units to Building B	8,248
Nursing Home Kitchen Project	167,141
Nursing Home Garden/Courtyard Fence	8,144
Nursing Home Rainwater Tank Project	8,259
Environmental Project	37,436

Medical Equipment	
Hovermatts Patient transfer system	10,446
Digital X-Ray System	54,541
Theatre Sterilizer System	125,501
Denyer Xrt4000E Midi Operating Table	76,685
Nursing Home Beds (3)	11,415
Maximove Combi With Scale	10,953
Hausted Helipad Trolley and Stretcher	13,600
Avalon Fm30 Foetal Monitor	15,727
Patient Management Software	44,986

Other Plant & Equipment	
LCD television Nursing Home	3,391
Nursing Home Emergency Generator	63,473

Board of Management

Finances

2008/09 has been another successful year for SRH finances with a surplus of \$153,000. Whilst the surplus has enabled the Board to consider further capital expenditure during the year it is acknowledged the year ahead will be a difficult one. The impact of a reduction of interest rates (on investments), a rise in the cost of consumables and anticipated further reductions in funding through efficiency savings make the 2009/10 budget a difficult one to balance.

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. At times through the year SRH achieved full employment in both these areas only to see the position deteriorate as staff, or their spouse, move to other locations. The recruitment of suitably qualified staff is a continuous challenge faced by senior staff and we appreciate the efforts undertaken by all when the full compliment cannot be achieved.

Finally it is important we reflect upon the fact that we are 150 years young. I was pleased to be part of the re-enactment of the original opening in February this year and we all enjoyed the reunion and open day in June.

I believe the achievement of 150 years of service to the community is a tremendous effort and the facilities and service we provide today reflect the ideals of our founders.

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



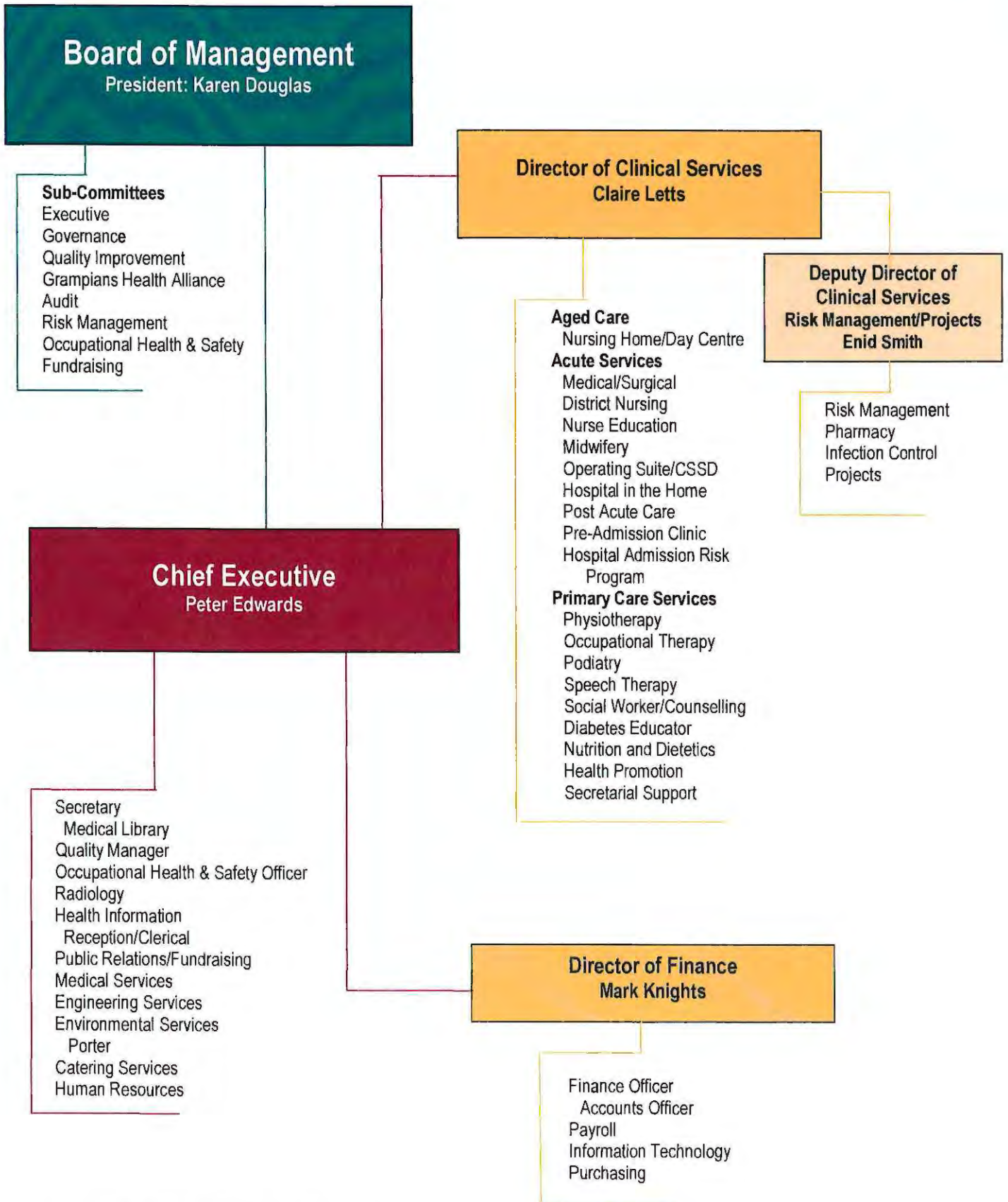
Peter Edwards CEO with Board Chair Karen Douglas

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 2009.

Karen Douglas
Chair : Stawell Regional Health
1st September, 2009

Organisational Structure



Board of Management



Karen Douglas, Primary Producer

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

David Stanes, Business Manager

Board Representation on Quality Improvement and Project Control Group(Health Precinct)Committees



Joan Brilliant, Postal Manager, Australia Post Stawell

Board Representation on Fundraising and Foundation Committees

Kay Harris, Business Manager

Board Representation on Governance and Fundraising Committees



Howard Cooper, Primary Producer

Board Representation on Audit/Finance, Project Control Group(Health Precinct) Committees.

Peter Martin, Retired School Principal

Board Representation on Executive, Grampians Alliance, Audit, Governance, Risk Management Committees



Neville Dunn, Branch Real Estate Manager

Board Representation on Audit/Finance, Fundraising and Project Control Group (Health Precinct) Committees.

Graeme McDonough, Retired

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



Lynn Jensz, Accountant

Board Representation on Finance and Audit Committees

Ross Hatton, Retired

Board Representation on OH&S and Risk Management Committees



Finance Performance

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 2008/09

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

- Operating Performance - achieving activity targets and a surplus
- Liquidity - maintaining sufficient current assets to meet financial commitments as they fall due and a current asset ratio in excess of 0.7 in line with Department of Human Services (DHS) requirements
- Asset Management - ensuring that sufficient levels of investment are undertaken to maintain the fixed asset base

Stawell Regional Health (excluding the Stawell District Hospital Foundation) made a \$153,000 surplus prior to Capital and Specific items. Whilst the operating result is significantly down on last years \$464,000 operating surplus it was in line with budget expectations. The consolidated entity recorded a net deficit of \$61,000 after depreciation and capital income compared to a prior year surplus of \$457,000.

Fixed assets net of depreciation increased by \$3,905,000 or 21.4% during the financial year the majority of which was due to a revaluation of our land and buildings in accordance with DHS requirements and Australian Accounting Standards. In addition the health service invested \$1,025,000 in new and replacement equipment which included the upgrading of the catering facilities and a new generator in Residential Aged Care, a new sterilizer and operating table for the operating theatre and new patient management software for the Acute Division. The increase in asset values resulting from capital expenditure was offset by \$743,000 of depreciation, \$109,000 for assets sold and \$332,000 for the derecognizing of costs associated with the redevelopment of the Stawell Health and Community Centre.

The Health Service's quick assets (excluding the Stawell District Hospital Foundation) have increased by \$21,000 over the past 12 months whilst its quick liabilities have decreased by \$43,000 which means the organization has maintained its ability to meet its commitments in the medium term. The current asset ratio which is a measure of the organization's ability to meet its liabilities over the long term as remained relatively stable at 0.87 compared to 0.91 in 2007/08 which is well above the DHS benchmark of 0.7.

Operating Performance

With the exception of residential aged care (Commonwealth funding), recurrent funding provided by the Department of Human Services excludes any contribution towards the costs of depreciation. Therefore fixed asset purchases are funded by one off Capital grants, residential aged care funding and resident fees and community fundraising and donations. In this financial year we received \$300,000 in capital grants from the DHS (after the reversal of the \$332,000 for Stawell Health and Community Centre), \$236,000 from the Commonwealth and aged care residents and \$54,000 from the community via fundraising and donations.

Operating revenues supported by the Health Services Agreement increased by \$829,000 or 5.18% compared to the prior year. This was primarily due to increased operating grants (\$664,000) and increased revenue from private patients (\$155,000). The increase in operating grants were for a number of one off projects, increased funding for the Hospital Risk Admission Program (HARP) and the funding of the Nurses Enterprise bargaining Agreement (EBA) negotiated in 2007/08.

Operating revenues supported by Hospital & Community Initiatives failed to show any growth overall. Reduced interest rates impacted our interest income which was down \$13,000 or 6.95% on the prior year.

Operating Expenses incurred by the services supported by the Health Service Agreement increased by \$1,240,000 or 8.04%. This was above the CPI for the period with labour related costs rising by \$957,000 or 8.60%, operating supplies 9.40% and other expenses 3.84%. The increased labour costs are attributable to increased wage rates negotiated as part of the new nurses EBA and an increase in the number and frequency of visits by Visiting Medical Officers, in particular Specialists.

Operating Expenses incurred by the services supported by the Hospital & Community Initiatives decreased by \$81,000 or 4.8% compared to the prior year which was in line with the reduced revenues in that area

Financial Position

The Health Services (excluding the Foundation) financial position remains viable in the medium term with cash assets and receivables of \$3,723,000 compared to current payables and monies held in trust of \$2,170,000. The organization has identified that to remain financially viable it must consistently achieve annual operating surpluses of the magnitude that ensures the fixed asset base is maintained whilst achieving a current asset ratio greater than 0.7.

Finance Performance

The Health Service has capital commitments of \$222k which is for the replacement of the Financial Management and Supply system and the implementation of the Patient Management system. Both systems are being implemented under the Health Smart information technology policy which is a statewide program aimed at standardizing software systems across the Health Sector.

The impact of the Global Financial Crisis continues to impact the organization with interest income and private patient fees anticipated to reduce during 2009/10. Therefore the Board and Management believe that the 2009/10 financial year will be particularly challenging.

Mark Knights : Director of Finance

Performance Indicators

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

	2009 \$000	2008 \$000	2007 \$000	2006 \$000	2005 \$000
Total Expenses	17,402	17,852	16,745	15,820	14,787
Total Revenue	17,238	18,309	16,601	15,247	15,953
Operating Surplus/(Deficit)	(164)	457	(144)	(573)	1,166
Retained Surplus	6,769	6,830	6,400	6,610	7,369
Total Assets	27,653	23,464	22,722	20,514	22,336
Total Liabilities	4,687	4,470	4,423	3,468	3,320
Net Assets	22,966	18,994	18,299	17,046	19,016
Total Equity	22,966	18,994	18,299	17,046	19,016

Revenue Indicators

	Average Collection Days	
	2009	2008
Private	56	58
TAC	0	0
VMA	0	68
NHT	31	3
Psychiatric	0	0
Nursing Home	7	5

Debtors Outstanding as at 30 June 2009

	Under 30 days	31-60 days	61-90 days	Over 90 days	Total 30/06/09	Total 30/06/08
Private	123,637	25,463	2,911	2,665	154,676	96,902
TAC	--	--	--	--	--	--
VMA	--	--	--	--	--	10,902
NHT	408	--	--	--	408	95
Psychiatric	--	--	--	--	--	--
Nursing Home	7,676	678	--	--	8,354	7,696

Staff	2009	2008
Nursing	78.30	76.97
Administration	25.71	24.97
Medical Support	6.57	11.17
Hotel Allied	30.98	26.72
Medical	1.42	1.05
Allied Health	11.09	9.91
Total Staff Employed EFT	154.07	150.79

Occupational Health and Safety (OH&S)

In 2008/2009 the program expanded with the employment of a part time Occupational Health and Safety Officer. The current incumbent is Mr. Wayne Bannister who started in the role in November 2008. Wayne also works part time at the Macpherson Smith Nursing Home as a Registered Nurse. Whilst the OH&S program is overseen by the CEO, advice is also provided by a consultant employed across the Grampians Region by the Department of Human Services, Ms. Kristy Bellman.

Stawell Regional Health runs several risk prevention programs which include No Lift, Manual Handling, Return to Work, Safety Inspections and Risk Assessments.

Incident Reporting

The OH&S incident reporting system is run in conjunction with the clinical reporting system. In several instances these two systems overlap, particularly where a patient/resident incident may involve a risk or an injury to staff.

Reports are regularly reviewed by the CEO and the Risk Manager (Deputy Director of Clinical Services) and consolidated reports are presented to the OH&S Committee, Risk Management and Quality Committee and to the Hospital Board.

Where appropriate, remedial action is implemented or further action taken to eliminate the risk.

During 2008/09 significant resources were utilised to address the issue of resident aggression within the Macpherson Smith Nursing Home. The reporting of incidents from this area has significantly impacted upon the reported statistics and is identified as a contributor to the reported injuries for the period.

During the past year there were 185 reported staff instances (*illustrated in graph*) of which 65 (35%) resulted in injuries. Reported incidents increased over the past year however again there were a high number of incidents where the dominant contributory factor was abuse and assault. As indicated above these were related to a number of aged care residents with challenging behaviours.

The number of lost time injuries was 7 (which is above the previous two years of 2 and 1 respectively). Total lost time due to injuries in the past three years has been 32 days (2006/07), 6 days (2007/08), 82 days (2008/09). This trend is of concern to senior management as 89% of lost time has been as a result of resident aggression and abuse, an area where the organisation has been concentrating its education and training.

Worksafe Audits

Worksafe visited the site on three occasions during the year. Inspections were undertaken in the Theatre and CSSD area as well as the general stores. A recommendation was made with regard to the washing of endoscopy scopes and these changes have been implemented.

OH&S Committee

The OH&S Committee continues to meet each second month and work group representatives from each area attend on behalf of staff. Our appreciation is extended to the staff involved and to the Stawell Regional Health Board Members who also attend these meetings and provide valuable input.

Staff Training

Training in various aspects of safety forms part of the continuous educational activities within Stawell Regional Health. Throughout the year training sessions have been made available which include:

- Orientation for all new staff – manual handling, fire and evacuation, OH&S and clinical risk respectively
- No Lift training
- Annual mandatory fire and evacuation lectures for all staff
- Office Ergonomics/Manual Handling via the Grampians Loddon online learning portal
- Fire/Evacuation drills Nursing Home
- Education training for new equipment

In addition to these programs Stawell Regional Health held a Regional OH&S Representative one day workshop in October 2008. Nine health service staff, who were also members of the OH&S committee, attended the program.

Improvements to the Stawell Regional Health Environment and Work Practices

As reported last year the process of delivering meals to the health service Aged Care facility and the transfer of Meals on Wheels containers has identified as an OH&S risk. In December 2008 Stawell Regional Health adopted a new system of providing meals to Macpherson Smith Nursing Home and these OH&S hazards have now been eliminated.

The perimeter fencing to the Macpherson Smith Nursing Home was raised and extended in May 2009 and this has enhanced the security and safety for residents in the Nursing Home.

In March 2009, following a recommendation from Worksafe Victoria, Maintenance staff organised the manufacture of larger stainless steel containers which has enabled easier access by staff within the CSSD Department.

Occupational Health and Safety (OH&S)

Hazardous Substances

During 2009 the OH&S Officer has undertaken a full review and update of the OH&S Hazardous Substance Register. Where required all items have a Material Data Safety Sheet and the importation of new substances onto Stawell Regional Health site is strictly controlled.

Safety Initiatives

Throughout the year many OH&S Programs operate for the improvement of employees, patients and residents. These include:

- **Employee return to work and rehabilitation**

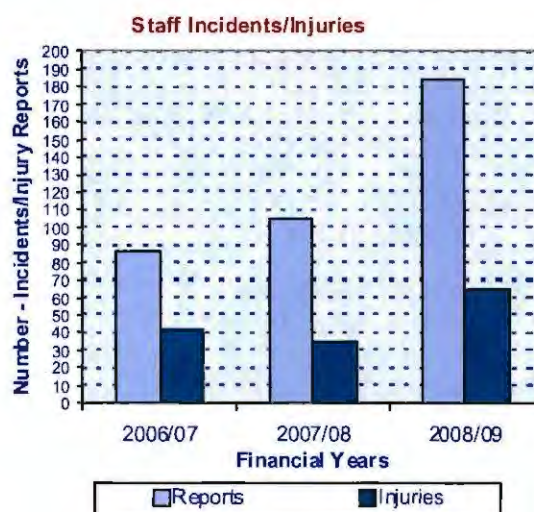
An employee return to work program is provided to all employees who are injured at work and/are recovering from injury and illness. During the past year all employees who lost time through a work related injury (7) were provided a return to work program and have successfully resumed their normal duties.

- **Safety inspections and reviews by the OH&S Officer**

Safety inspections are completed throughout the facility on a regular basis. During the year these resulted in several improvements to the facility and these include:

- Review of Nursing Home kitchen and provision of solutions for waste disposal
- Purchase of noise meter and review of ambient noise levels within the health service environment

- Assessment of theatre table (this assessment had been used in the funding application to Department of Human Services and the theatre table was subsequently replaced at a cost of \$80,000)
- Review Nursing Home entrance, provision of solutions
- Review lifting equipment Simpson Wing and provision of solutions
- Incident investigations involving slip/trip, manual handling equipment and aggression and provision of solutions
- Review of access to residents rooms Nursing Home and provision of solutions
- Review of training records for environment/staff and develop training record
- Review training for new equipment and develop training record
- 6 monthly inspections of all areas



Attestation on Compliance with Australian/New Zealand Risk Management Standard

I, Peter Edwards certify that the Stawell Regional Health Service 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
1st September 2009

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. During the latter part of 2008/09 Stawell Regional Health commenced the process of preparing its plan. The first stage involved two

senior staff, one being the CEO, attending a one day briefing workshop to prepare the framework for the plan. Further training will be undertaken late in 2009 and a consultant has been engaged to assist in the finalisation of the plan, scheduled for early 2010.

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

Anaesthetic Services

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

Surgical 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
- Team Midwifery
- Post natal - Domiciliary visits

Primary Care

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

Commonwealth Regional Health Services Program

- Antenatal Booking In
- Shared Care Model
- Team Midwifery
- Post natal - Domiciliary visits
- Allied Health/Community Services to outlying communities

Residential Aged Care

- High Care facility

Community Services

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

Activity Indicators

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

Nursing Home Activity	2006	2007	2008	2009
Residents Accommodated	46	56	62	72
Resident Bed Days	12,710	12,629	12,606	11,582
Occupancy Rate	99.49%	98.82%	98.08%	88.14%

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

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

Ten separate Consultants : total cost \$27,112.

Freedom of Information

There were 22 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 251 persons were employed by Stawell Regional Health : full time 67; part time 116; 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

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
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 2008/09

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 2008/09 there were no contracts commenced or completed by Stawell Regional Health under this Act.

Attestation on Data Accuracy

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
1st September 2009

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 Web www.srh.org.au

Stawell Regional Health

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



STAWELL
REGIONAL HEALTH

We certify that the attached financial report for *Stawell Regional Health* has 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 Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes forming part of the financial report, presents fairly the financial transactions during the year ended 30 June 2009 and financial position of *Stawell Regional Health* at 30 June 2009.

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

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

Stawell Regional Health
ABN 50 447 753 715

Incorporating:
Stawell Hospital,
Macpherson Smith Nursing Home
Bennett Centre for Community
Activities

Stone Street
Stawell/ Victoria 3380
Phone (03) 5358 8500
Fax (03) 5358 3333
Email info@srh.org.au
www.srh.org.au

Mrs Karen Douglas
Board President
Stawell
24 August 2009

Mr Peter Edwards
Accountable Officer
Stawell
24 August 2009

Mr Mark Knights
Chief Finance & Accounting
Officer, Stawell
24 August 2009

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board, Stawell Regional Health

The Financial Report

The accompanying financial report for the year ended 30 June 2009 of Stawell Regional Health which comprises the operating statement, balance sheet, statement of changes in equity and 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 and accounting officer's declaration has been audited. The financial report includes the consolidated financial statements of the economic entity, comprising the 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 24 to the financial statements.

The Members of the Board's Responsibility for the Financial Report

The Members of the Board 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 Members of the Board, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

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 2009. The Members of the Board of Stawell Regional Health 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 Stawell Regional Health website.

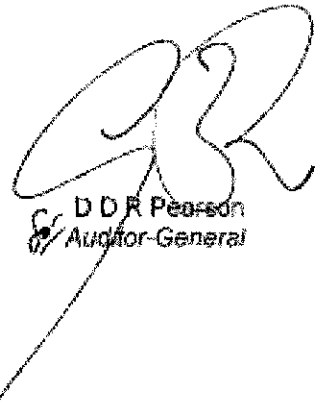
Independence

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 2009 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
24 August 2009



D D R Pearson
Auditor-General

**Stawell Regional Health
Operating Statement
For the Year Ended 30 June 2009**

	Note	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Revenue from Operating Activities	2	18,231	17,391	18,232	17,444
Revenue from Non-operating Activities	2	174	187	243	267
Employee Benefits	3	(11,024)	(10,498)	(11,024)	(10,498)
Non Salary Labour Costs	3	(1,678)	(1,443)	(1,678)	(1,443)
Supplies & Consumables	3	(2,882)	(2,544)	(2,882)	(2,544)
Other Expenses From Continuing Operations	3	(2,689)	(2,629)	(2,693)	(2,631)
Share of Net Result of Joint Ventures Accounted for using the Equity Method	9	21	-	21	-
Net Result Before Capital & Specific Items		153	464	219	595
Capital Purpose Income	2	464	604	464	598
Depreciation and Amortisation	4	(743)	(728)	(743)	(728)
Expenditure using Capital Purpose Income	3	(1)	(8)	(1)	(8)
NET RESULT FOR THE YEAR		(127)	332	(61)	457

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

Stawell Regional Health Balance Sheet As at 30 June 2009

	Note	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Current Assets					
Cash and Cash Equivalents	5	3,089	3,142	4,340	4,311
Receivables	6	634	560	637	581
Inventories	7	87	80	87	80
Other Current Assets	8	58	94	58	94
Total Current Assets		3,868	3,876	5,122	5,066
Non-Current Assets					
Receivables	6	117	60	117	60
Investments Accounted for using the Equity Method	9	184	-	184	-
Property, Plant & Equipment	10	22,175	18,270	22,175	18,270
Intangible Assets	11	55	68	55	68
Total Non-Current Assets		22,531	18,398	22,531	18,398
TOTAL ASSETS		26,399	22,274	27,653	23,464
Current Liabilities					
Payables	12	1,860	2,076	1,863	2,081
Employee Benefits and Related On-Costs Provisions	13	2,251	2,020	2,251	2,020
Other Liabilities	14	310	137	310	137
Total Current Liabilities		4,421	4,233	4,424	4,238
Non-Current Liabilities					
Employee Benefits and Related On-Costs Provisions	13	263	232	263	232
Total Non-Current Liabilities		263	232	263	232
TOTAL LIABILITIES		4,684	4,465	4,687	4,470
NET ASSETS		21,715	17,809	22,966	18,994
EQUITY					
Asset Revaluation Reserve	15a	6,450	2,417	6,450	2,417
Restricted Specific Purpose Reserve	15a	402	402	402	402
Contributed Capital	15b	9,345	9,345	9,345	9,345
Accumulated Surpluses/(Deficits)	15c	5,518	5,645	6,769	6,830
TOTAL EQUITY	15d	21,715	17,809	22,966	18,994
Contingent Liabilities and Contingent Assets	19				
Commitments for Expenditure	18				

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 2009

	Note	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Total equity at beginning of financial year		17,809	17,239	18,994	18,299
Gain/(loss) on Asset Revaluation	15a	4,033	-	4,033	-
NET INCOME RECOGNISED DIRECTLY IN EQUITY		4,033	-	4,033	-
Net result for the year		(127)	332	(61)	457
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR		3,906	332	3,972	457
Transactions with the State in its capacity as owner	15b	-	238	-	238
Total Equity at the end of the financial year		21,715	17,809	22,966	18,994

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

**Stawell Regional Health
Cash Flow Statement
For the Year Ended 30 June 2009**

	Note	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Grants from Government		14,894	13,761	14,894	13,761
Patient and Resident Fees Received		1,400	1,288	1,400	1,288
Donations and Bequests Received		-	-	1	53
GST Received from/(paid to) ATD		516	264	516	264
Interest Received		156	200	243	267
Other Receipts		2,114	1,783	2,114	1,783
Employee Benefits Paid		(10,762)	(10,198)	(10,762)	(10,198)
Non Salary Labour Costs		(1,846)	(1,587)	(1,846)	(1,587)
Payments for Supplies & Consumables		(3,500)	(2,813)	(3,501)	(2,811)
Other Payments		(2,957)	(2,418)	(2,962)	(2,430)
Cash Generated from Operations		15	280	97	390
Capital Grants from Government		469	375	469	375
Capital Donations and Bequests Received		54	97	54	97
Other Capital Receipts		92	87	92	87
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	16	630	839	712	949
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant & Equipment		(1,025)	(428)	(1,025)	(428)
Proceeds from Sale of Property, Plant & Equipment		109	311	109	311
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(916)	(117)	(916)	(117)
CASH FLOWS FROM FINANCING ACTIVITIES					
Contributed Capital from Government		-	238	-	238
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		-	238	-	238
NET INCREASE/(DECREASE) IN CASH HELD		(286)	960	(204)	1,070
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		3,111	2,151	4,280	3,210
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	2,825	3,111	4,076	4,280

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

Note 1: Statement of Significant Accounting Policies

(a) Statement of Compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the Financial Management Act 1994, applicable Australian Accounting Standards (AASs) and Australian Accounting Interpretations. AASs include Australian equivalents to International Financial Reporting Standards.

The entity 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 financial report is prepared in accordance with the historical cost convention, except for the revaluation of certain non-current assets and financial instruments, as noted. 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 judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2009, the comparative information presented in these financial statements for the year ended 30 June 2008.

(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.

(e) Principles of Consolidation

The assets, liabilities, incomes and expenses of the controlled entity of the Health Service have been included at the values shown in their audited Annual Financial Reports. 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 entity listed in Note 24.

(f) 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.

(g) 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.

Note 1: Statement of Significant Accounting Policies

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

(h) 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.

(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.

(j) Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as patents, trademarks, goodwill, computer software and development costs (where applicable).

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the entity.

Amortisation is allocated to intangible assets with finite useful lives on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or whenever there is an indication that the asset may be impaired. The useful lives of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. In addition, the entity tests all intangible assets with indefinite useful lives for impairment by comparing its recoverable amount with its carrying amount:

- annually, and
- whenever there is an indication that the intangible asset may be impaired.

Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

Intangible assets with finite useful lives are amortised over a 3 - 5 year period (2008: 3 - 5 years).

Note 1: Statement of Significant Accounting Policies

(k) 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.

(l) Revaluations of Property, Plant and Equipment

Non-current physical assets measured at fair value are revalued in accordance with FRD 103D. This revaluation process normally occurs 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.

Revaluation increments are credited directly to the asset revaluation reserve, 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.

In accordance with FRD 103D the Health Service's non current physical assets were subjected to a detailed valuation in the current financial year.

(m) Depreciation and Amortisation

Assets with a cost in excess of \$1,000 (2007-08 and 2008-09) 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 Human Services.

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

	<u>2009</u>	<u>2008</u>
Buildings	Up to 50 Years	40 Years
Plant & Equipment	5 to 15 Years	5 to 15 Years
Medical Equipment	5 to 15 Years	5 to 15 Years
Computers & Communications	3 to 5 Years	3 to 5 Years
Motor Vehicles	Up to 5 Years	Up to 5 Years
Intangible Assets	Up to 5 Years	Up to 5 Years

(n) 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.

Note 1: Statement of Significant Accounting Policies

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.

(o) 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.

(p) 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.

(q) 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.

Note 1: Statement of Significant Accounting Policies

(r) 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.

(s) 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.

(t) 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.

(u) 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.

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.

Note 1: Statement of Significant Accounting Policies

Defined benefit plans

The amount charged to the Operating Statement in respect of defined benefit superannuation plans represents the contributions made by the entity 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	
	2009 \$'000	2008 \$'000
Defined benefit plans:		
Health Super Superannuation Fund	151	160
Defined contribution plans:		
Health Super Superannuation Fund	687	668
HESTA Superannuation Fund	101	76
Total	939	904

The Health Service does not recognise any 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 report.

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

(v) 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.

(w) 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 21.

(x) 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.

(y) Leases

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.

Note 1: Statement of Significant Accounting Policies

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 operating statement.

Operating Leases

Operating lease payments, including any contingent rentals, are recognised as an expense in the 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 consumed.

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.

(z) 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.

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 Human Services.
- 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 34/2008.

Patient and Resident Fees

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

Private Practice Fees

Private practice fees are recognised as revenue at the time invoices are raised.

Note 1: Statement of Significant Accounting Policies

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 restricted specific purpose reserve.

Interest Revenue

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

(aa) 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.

(ab) 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 Human Services 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.

(ac) Change in Accounting Policies

In accordance with Victorian Government Financial Reporting Direction 103D 'Non-Current Physical Assets', the Health Service measures plant and equipment, and medical equipment assets at fair value from 1 July 2008. Previously these assets were measured at cost. This change in accounting policy is required to ensure that Victoria's Whole of Government financial report, to which the Health Service is consolidated into, complies with the requirements of AASB1049 Whole of Government and Government Sector Financial Reporting. As this change is the initial application of a policy to revalue assets in accordance with AASB116 Property, Plant and Equipment the change is treated as a revaluation in the current year.

(ad) Comparative Information

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

(ae) Property, Plant & Equipment Revaluation Reserve

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

(af) 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.

(ag) 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.

(ah) Net Result Before Capital & Specific Items

The subtotal entitled 'Net Result Before Capital & Specific Items' is included in the 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 Human Services and the Victorian Government to measure the ongoing result of Health Services in operating hospital services.

Note 1: Statement of Significant Accounting Policies

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 (r)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time 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 (n) and (o);
- Depreciation and amortisation, as described in Notes 1 (k) and (m);
- Assets provided or received free of charge, as described in Note 1 (r); and
- Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold (Notes 1 (j) and (k)), 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.

(ai) 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.

Outpatient Services (Outpatients) comprises all recurrent health revenue/expenditure on public hospital type outpatient services, where services are delivered in public hospital outpatient clinics, or free standing day hospital facilities, or rehabilitation facilities, or alcohol and drug treatment units, or outpatient clinics specialising in ophthalmic aids or palliative care.

Emergency Department Services (EDS) comprises all recurrent health revenue/expenditure on emergency department services that are available free of charge to public patients.

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 counseling, 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.

(aj) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting period. As at 30 June 2009, the following standards and interpretations had been issued but were not mandatory for financial years ending 30 June 2009. The Health Service has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for reporting periods beginning on or ending on	Impact on Entities Annual Statements
AASB 8 Operating Segments.	Supersedes AASB 114 Segment Reporting.	Beginning 1 January 2009	Not applicable.
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038]	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 January 2009	Impact expected to be not significant.
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 January 2009	All Australian government jurisdictions are currently still actively pursuing an exemption for government from capitalising borrowing costs.
AASB 2008-3 Amendments to AAS arising from AASB 3 & AASB 127 [AASB 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretation 9 & 107]	This Standard gives effect to consequential changes arising from revised AASB 3 and amended AASB 127. The Prefaces to those Standards summarise the main requirements of those Standards.	Beginning 1 January 2009	Impact expected to be insignificant.

Note 1: Statement of Significant Accounting Policies

<p>AASB 2008-5 Amendments to AASs arising from the Annual Improvements Project [AASBs 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 140, 141, 1023 & 1308]</p>	<p>A suite of amendments to existing standards following issuance of IASB Standard Improvements to IFRSs in May 2008. Some amendments result in accounting changes for presentation, recognition and measurement purposes.</p>	<p>Beginning 1 January 2009</p>	<p>Impact is being evaluated.</p>
<p>AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements project [AASB 1 & AASB 5]</p>	<p>The amendments require all the assets and liabilities of a for-sale subsidiary's to be classified as held for sale and clarify the disclosures required when the subsidiary is part of a disposal group that meets the definition of a discontinued operation.</p>	<p>Beginning 1 January 2009</p>	<p>Impact expected to be insignificant.</p>
<p>AASB 2008-7 Amendments to AAS Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136]</p>	<p>Changes mainly relate to treatment of dividends from subsidiaries or controlled entities.</p>	<p>Beginning 1 January 2009</p>	<p>Impact expected to be insignificant.</p>
<p>AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139]</p>	<p>The amendments to AASB 139 clarify how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item, should be applied in particular situations.</p>	<p>Beginning 1 January 2009</p>	<p>Impact is being evaluated.</p>
<p>AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101</p>	<p>Amendments to AASB 1049 for consistency with AASB 101 (September 2007) version.</p>	<p>Beginning 1 January 2009</p>	<p>Impact expected to be insignificant.</p>
<p>AASB 2009-1 Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities [AASB 1, AASB 111 & AASB 123]</p>	<p>Amendments to Australian Accounting Standards to allow borrowing costs of Not-for Profit Public Sector Entities to be expensed.</p>	<p>Beginning 1 January 2009</p>	<p>Impact expected to be insignificant.</p>

Note 1: Statement of Significant Accounting Policies

AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	Amendments to AASB 7 to enhance disclosures about fair value measurements and liquidity risk. Editorial amendments to AASB 4, AASB 1023 and AASB 1038 resulting from the amendments to AASB 7.	Beginning 1 January 2009	Impact expected to be insignificant.
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Note 2: Revenue

	Parent					Consolidated						
	HSA 2009 \$'000	HSA 2008 \$'000	Non HSA 2009 \$'000	Non HSA 2008 \$'000	Total 2009 \$'000	Total 2008 \$'000	HSA 2009 \$'000	HSA 2008 \$'000	Non HSA 2009 \$'000	Non HSA 2008 \$'000	Total 2009 \$'000	Total 2008 \$'000
Revenue from Operating Activities												
Government Grants												
- Department of Human Services	12,423	11,823	-	-	12,423	11,823	12,423	11,823	-	-	12,423	11,823
- Commonwealth Government												
- Residential Aged Care Subsidy	1,554	1,489	-	-	1,554	1,489	1,554	1,489	-	-	1,554	1,489
- Other	649	650	-	-	649	650	649	650	-	-	649	650
Total Government Grants	14,626	13,962	-	-	14,626	13,962	14,626	13,962	-	-	14,626	13,962
Indirect Contributions by Department of Human												
- Insurance	245	247	-	-	245	247	245	247	-	-	245	247
- Long Service Leave	57	167	-	-	57	167	57	167	-	-	57	167
Total Indirect Contributions by Department of Human Services	302	414	-	-	302	414	302	414	-	-	302	414
Patient and Resident Fees												
- Patient and Resident Fees (refer Note 2b)	1,031	888	-	-	1,031	888	1,031	888	-	-	1,031	888
- Residential Aged Care (refer Note 2b)	420	444	-	-	420	444	420	444	-	-	420	444
Total Patient & Resident Fees	1,451	1,332	-	-	1,451	1,332	1,451	1,332	-	-	1,451	1,332
Business Units & Specific Purpose Funds												
- Private Practice and Other Patient Activities Fees	-	-	29	25	29	25	-	-	29	25	29	25
- Diagnostic Imaging	-	-	985	992	985	992	-	-	985	992	985	992
- Pharmacy Services	-	-	9	-	9	-	-	-	9	-	9	-
- Catering	-	-	192	193	192	193	-	-	192	193	192	193
- Property Income	-	-	75	77	75	77	-	-	75	77	75	77
Total Business Units & Specific Purpose Funds	-	-	1,280	1,287	1,280	1,287	-	-	1,280	1,287	1,280	1,287
Donations & Bequests												
Other Revenue from Operating Activities	447	289	115	107	562	396	447	289	115	107	562	396
Sub-Total Revenue from Operating Activities	16,826	15,997	1,405	1,394	18,231	17,391	16,826	15,997	1,406	1,447	18,233	17,444
Revenue from Non-Operating Activities												
Interest & Dividends			174	187	174	187			243	267	243	267
Sub-Total Revenue from Non-Operating Activities	-	-	174	187	174	187	-	-	243	267	243	267
Revenue from Capital Purpose Income												
State Government Capital Grants												
- Targeted Capital Works and Equipment	(22)	227	-	-	(22)	227	(22)	227	-	-	(22)	227
- Other	14	-	-	-	14	-	14	-	-	14	-	-
Commonwealth Government Capital Grants	144	148	-	-	144	148	144	148	-	-	144	148
Residential Accommodation Payments (refer Note 2b)	92	87	-	-	92	87	92	87	-	-	92	87
Assets Received Free of Charge (refer Note 2d)	163	-	-	18	163	18	163	-	18	163	18	-
Net Gain/(Loss) on Disposal of Non-Current Assets (refer Note 2c)	-	-	19	22	19	22	-	-	19	22	19	22
Donations & Bequests	-	-	54	102	54	102	-	-	54	96	54	96
Sub-Total Revenue from Capital Purpose Income	391	462	73	142	464	604	391	462	73	136	464	598
Share of Net Result of Joint Ventures Accounted for using the Equity Model (refer note 9)	21	-	-	-	21	-	21	-	-	21	-	-
Total Revenue (refer to Note 2a)	17,238	16,459	1,652	1,723	18,890	18,182	17,238	16,459	1,722	1,850	18,960	18,309

Indirect contributions by Department of Human Services: Department of Human Services 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
 (based on the consolidated view of note 2)

	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	Total 2009 \$'000
Revenue from Services Supported by Health Services Agreement									
Government Grants	9,599	-	-	771	2,505	443	1,308	-	14,626
Indirect contributions by Department of Human Services	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 Joint Ventures Accounted for using the Equity Model (refer note 9)	14	-	-	1	3	1	2	-	21
Sub-Total Revenue from Services Supported by Health Services Agreement	11,020	11	28	797	3,245	615	1,522	-	17,238
Revenue from Services Supported by Hospital and Community Initiatives									
Business Units & Specific Purpose Funds	-	-	-	-	-	-	-	1,290	1,290
Other	-	-	-	-	-	-	-	359	359
Capital Purpose Income (refer Note 2)	-	-	-	-	-	-	-	73	73
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	-	-	-	-	-	-	-	1,722	1,722
Total Revenue	11,020	11	28	797	3,245	615	1,522	1,722	18,960

Indirect contributions by Department of Human Services: Department of Human Services 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.

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
 (based on the consolidated view of note 2)

	Admitted Patients 2008 \$'000	Outpatients 2008 \$'000	EDS 2008 \$'000	Ambulatory 2008 \$'000	RAC incl. Mental Health 2008 \$'000	Aged Care 2008 \$'000	Primary Health 2008 \$'000	Other 2008 \$'000	Total 2008 \$'000
Revenue from Services Supported by Health Services Agreement									
Government Grants	9,093	-	-	745	2,360	421	1,343	-	13,962
Indirect contributions by Department of Human Services	262	4	7	32	53	14	42	-	414
Patient & Resident Fees (refer Note 2b)	684	-	4	-	444	117	83	-	1,332
Other Revenue from Operating Activities	145	5	4	18	37	10	70	-	289
Capital Purpose Income (refer Note 2)	156	-	-	-	251	40	15	-	462
Sub-Total Revenue from Services Supported by Health Services Agreement	10,340	9	15	795	3,145	602	1,553	-	16,459
Revenue from Services Supported by Hospital and Community Initiatives									
Business Units & Specific Purpose Funds	-	-	-	-	-	-	-	1,287	1,287
Other	-	-	-	-	-	-	-	427	427
Capital Purpose Income (refer Note 2)	-	-	-	-	-	-	-	136	136
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	-	-	-	-	-	-	-	1,850	1,850
Total Revenue	10,340	9	15	795	3,145	602	1,553	1,850	18,309

Indirect contributions by Department of Human Services: Department of Human Services 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.

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 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Patient and Resident Fees Raised				
Recurrent:				
Acute				
- Inpatients	839	684	839	684
- Outpatients	3	3	3	3
Residential Aged Care				
- Generic	350	381	350	381
- Mental Health	70	63	70	63
Other	189	201	189	201
Total Recurrent	1,451	1,332	1,451	1,332
Capital Purpose:				
Residential Accommodation Payments	92	87	92	87
Total Capital	92	87	92	87

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

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Proceeds from Disposals of Non-Current Assets				
Plant and Equipment	2	-	2	-
Motor Vehicles	107	123	107	123
Land & Buildings	-	188	-	188
Total Proceeds from Disposal of Non-Current Assets	109	311	109	311
Less: Written Down Value of Non-Current Assets Sold				
Medical Equipment	-	3	-	3
Motor Vehicles	90	109	90	109
Land & Buildings	-	177	-	177
Total Written Down Value of Non-Current Assets Sold	90	289	90	289
Net gains/(losses) on Disposal of Non-Current Assets	19	22	19	22

Note 2d: Assets Received Free of Charge or For Nominal Consideration

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
During the reporting period, the fair value of assets received free of charge, was as follows:				
Plant and Equipment	-	18	-	18
IT Alliance Joint Venture Share of Net Assets at time of establishment	163	-	163	-
TOTAL	163	18	163	18

The Grampians Region Health IT Alliance was established with the net assets of the Grampians Health Information and Communication Technology Alliance. Stawell Regional Health's share of these assets were gifted to the health service during the 2008/09 year.

Plant and Equipment was gifted by the Grampians Rural Health Alliance Network to the Health Service in June 2008.

Note 3: Expenses

	PARENT						CONSOLIDATED					
	HSA 2009 \$'000	HSA 2008 \$'000	Non HSA 2009 \$'000	Non HSA 2008 \$'000	Total 2009 \$'000	Total 2008 \$'000	HSA 2009 \$'000	HSA 2008 \$'000	Non HSA 2009 \$'000	Non HSA 2008 \$'000	Total 2009 \$'000	Total 2008 \$'000
Employee Benefits												
Salaries & Wages	8,991	8,441	594	766	9,585	9,207	8,991	8,441	594	766	9,585	9,207
Workcover Premium	122	116	10	14	132	130	122	116	10	14	132	130
Departure Packages	13	28	-	2	13	30	13	28	-	2	13	30
Long Service Leave	329	212	16	14	345	226	329	212	16	14	345	226
Superannuation	897	843	52	62	949	905	897	843	52	62	949	905
Total Employee Benefits	10,352	9,640	672	858	11,024	10,498	10,352	9,640	672	858	11,024	10,498
Non Salary Labour Costs												
Fees for Visiting Medical Officers	1,217	988	-	-	1,217	988	1,217	988	-	-	1,217	988
Agency Costs - Nursing	9	9	-	-	9	9	9	9	-	-	9	9
Agency Costs - Other	431	415	21	31	452	446	431	415	21	31	452	446
Total Non Salary Labour Costs	1,657	1,412	21	31	1,678	1,443	1,657	1,412	21	31	1,678	1,443
Supplies & Consumables												
Drug Supplies	482	527	-	-	482	527	482	527	-	-	482	527
S100 Drugs	117	100	-	-	117	100	117	100	-	-	117	100
Medical, Surgical Supplies and Prosthesis	1,132	1,030	578	454	1,710	1,484	1,132	1,030	578	454	1,710	1,484
Pathology Supplies	83	81	-	-	83	81	83	81	-	-	83	81
Food Supplies	436	318	54	34	490	352	436	318	54	34	490	352
Total Supplies & Consumables	2,250	2,056	632	488	2,882	2,544	2,250	2,056	632	488	2,882	2,544
Other Expenses from Continuing Operations												
Domestic Services & Supplies	307	257	17	16	324	273	307	257	17	16	324	273
Fuel, Light, Power and Water	182	176	17	16	199	192	182	176	17	16	199	192
Insurance costs funded by DHS	228	227	17	20	245	247	228	227	17	20	245	247
Motor Vehicle Expenses	77	80	1	1	78	81	77	80	1	1	78	81
Repairs & Maintenance	246	238	49	15	295	253	246	238	49	15	295	253
Maintenance Contracts	66	73	130	138	196	211	66	73	130	138	196	211
Patient Transport	96	99	-	-	96	99	96	99	-	-	96	99
Bad & Doubtful Debts	(4)	8	3	-	(1)	8	(4)	8	3	-	(1)	8
Lease Expenses	84	75	7	2	91	77	84	75	7	2	91	77
Other Administrative Expenses	737	676	44	106	781	782	737	676	45	106	782	782
Other	357	386	-	-	357	386	357	386	-	-	357	386
Audit Fees												
- VAGO - Audit of Financial Statements	7	7	1	1	8	8	7	7	4	3	11	10
- Other	19	11	1	1	20	12	19	11	1	1	20	12
Total Other Expenses from Continuing Operations	2,402	2,313	287	316	2,689	2,629	2,402	2,313	291	318	2,693	2,631
Expenditure using Capital Purpose Income												
- Other	1	8	-	-	1	8	1	8	-	-	1	8
Total Other Expenses	1	8	-	-	1	8	1	8	-	-	1	8
Total Expenditure using Capital Purpose Income	1	8	-	-	1	8	1	8	-	-	1	8
Depreciation & Amortisation	740	725	3	3	743	728	740	725	3	3	743	728
Total	740	725	3	3	743	728	740	725	3	3	743	728
Total Expenses	17,402	16,154	1,615	1,696	19,017	17,850	17,402	16,154	1,619	1,698	19,021	17,852

Note 3a: Analysis of Expenses by Source

(based on the consolidated view)

	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	Total 2009 \$'000
Services Supported by Health Services Agreement									
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
Depreciation & Amortisation (refer Note 4)	580	-	-	-	122	21	17	-	740
Sub-Total Expenses from Services Supported by Health Services Agreement	10,726	167	213	753	3,385	731	1,426	-	17,401
Services Supported by Hospital and Community Initiatives									
Employee Benefits	-	-	-	-	-	-	-	672	672
Non Salary Labour Costs	-	-	-	-	-	-	-	21	21
Supplies & Consumables	-	-	-	-	-	-	-	632	632
Other Expenses from Continuing Operations	-	-	-	-	-	-	-	291	291
Depreciation & Amortisation (refer Note 4)	-	-	-	-	-	-	-	3	3
Sub-Total Expense from Services Supported by Hospital and Community Initiatives	-	-	-	-	-	-	-	1,619	1,619
Services Supported by Capital Sources									
Other Expenses	1	-	-	-	-	-	-	-	1
Sub-Total Expenses from Services Supported by Capital Resources	1	-	-	-	-	-	-	-	1
Total Expenses	10,727	167	213	753	3,385	731	1,426	1,619	19,021

Note 3a: Analysis of Expenses by Source

(based on the consolidated view)

	Admitted Patients 2008 \$'000	Outpatients 2008 \$'000	EDS 2008 \$'000	Ambulatory 2008 \$'000	RAC Incl. Mental Health 2008 \$'000	Aged Care 2008 \$'000	Primary Health 2008 \$'000	Other 2008 \$'000	Total 2008 \$'000
Services Supported by Health Services Agreement									
Employee Benefits	5,013	88	157	212	2,599	515	1,056	-	9,640
Non Salary Labour Costs	1,083	3	2	118	49	9	148	-	1,412
Supplies & Consumables	1,723	1	8	-	252	27	45	-	2,056
Other Expenses from Continuing Operations	1,080	14	20	422	316	85	376	-	2,313
Depreciation & Amortisation (refer Note 4)	568	-	-	-	119	21	17	-	725
Sub-Total Expenses from Services Supported by Health Services Agreement	9,467	106	187	752	3,335	657	1,642	-	16,146
Services Supported by Hospital and Community Initiatives									
Employee Benefits	-	-	-	-	-	-	-	858	858
Non Salary Labour Costs	-	-	-	-	-	-	-	31	31
Supplies & Consumables	-	-	-	-	-	-	-	488	488
Other Expenses from Continuing Operations	-	-	-	-	-	-	-	318	318
Depreciation & Amortisation (refer Note 4)	-	-	-	-	-	-	-	3	3
Sub-Total Expense from Services Supported by Hospital and Community Initiatives	-	-	-	-	-	-	-	1,698	1,698
Services Supported by Capital Sources									
Other Expenses	8	-	-	-	-	-	-	-	8
Sub-Total Expenses from Services Supported by Capital Resources	8	-	-	-	-	-	-	-	8
Total Expenses	9,475	106	187	752	3,335	657	1,642	1,698	17,852

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

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Diagnostic Imaging	1,278	1,250	1,278	1,250
Catering	167	207	167	207
Other	108	160	108	160
Fundraising and Community Support	59	76	63	88
TOTAL	1,612	1,693	1,616	1,705

Note 4: Depreciation and Amortisation

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Buildings	388	362	388	362
Plant & Equipment	28	59	28	59
Medical Equipment	155	143	155	143
Computers and Communication	51	43	51	43
Furniture and Equipment	19	18	19	18
Motor Vehicles	83	82	83	82
Total Depreciation	724	707	724	707
Amortisation				
Intangible Assets	19	21	19	21
Total Amortisation	19	21	19	21
TOTAL DEPRECIATION & AMORTISATION	743	728	743	728

Note 5: Cash and Cash Equivalents

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Cash on Hand	2	2	2	2
Cash at Bank	467	1,270	467	1,275
Short Term Money Market	2,620	1,870	3,871	3,034
TOTAL CASH AND CASH EQUIVALENTS	3,089	3,142	4,340	4,311
Represented by:				
Cash for Health Service Operations (as per Cash Flow Statement)	2,825	3,111	4,076	4,280
Cash for Monies Held in Trust				
- Cash at Bank	28	31	28	31
- Short Term Money Market	236	-	236	-
TOTAL	3,089	3,142	4,340	4,311

Note 6: Receivables

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
CURRENT				
Contractual				
Inter Hospital Debtors	49	92	49	92
Trade Debtors	169	262	169	262
Patient Fees	163	116	163	116
Accrued Investment Income	7	22	9	43
Accrued Revenue - Other	89	10	89	10
Less: Allowance for Doubtful Debts				
Trade Debtors	(2)	(5)	(2)	(5)
Patient Fees	-	(1)	-	(1)
	475	496	477	517
Statutory				
GST Receivable	159	64	160	64
TOTAL	634	560	637	581
TOTAL CURRENT RECEIVABLES	634	560	637	581
NON CURRENT				
Statutory				
DHS - Long Service Leave	117	60	117	60
TOTAL NON-CURRENT RECEIVABLES	117	60	117	60
TOTAL RECEIVABLES	751	620	754	641

(a) Movement in the Allowance for doubtful debts

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Balance at beginning of year	6	13	6	13
Increase / (Decrease) in allowance recognised in profit or loss	(4)	(7)	(4)	(7)
Balance at end of year	2	6	2	6

(b) Ageing analysis of receivables

Please refer to Note 17(b) for the ageing analysis of receivables.

(c) Nature and extent of risk arising from receivables

Please refer to Note 17(d) for the nature and extent of credit risk arising from receivables.

Note 7: Inventories

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Pharmaceuticals				
At cost	25	17	25	17
Medical and Surgical Lines				
At cost	62	63	62	63
TOTAL INVENTORIES	87	80	87	80

Note 8: Other Assets

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000
Prepayments	51	85	51	85
Rental Property Bonds	7	9	7	9
CURRENT	58	94	58	94
TOTAL OTHER ASSETS	58	94	58	94

Note 9: Investments Accounted for Using the Equity Method

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Interest in Jointly Controlled Entities	184	-	184	-
TOTAL	184	-	184	-

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest	
			2009 %	2008 %
Jointly Controlled Entities				
Grampians Region Health IT Alliance	IT Systems	Australia	5.79	-

	2009 \$'000	2008 \$'000
Summarised Financial Information of Jointly Controlled Entity's Balance Sheet:		
Current Assets	182	-
Non-Current Assets	38	-
Share of Total Assets	220	-
Current Liabilities	36	-
Share of Total Liabilities	36	-
Net Assets	184	-
Share of Jointly Controlled Entities Net Assets		
Total Income	264	-
Net Result	21	-
Share of Jointly Controlled Entities' Net Result After Income Tax	21	-

Dividends Received from Associates and Joint Ventures

During the year, Stawell Regional Health received dividends of \$0 (2007/2008: \$0) from its jointly controlled entities.

Contingent Liabilities and Capital Commitments

As at 30 June 2009 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 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Land				
- Land at Valuation	1,419	1,182	1,419	1,182
Total Land	1,419	1,182	1,419	1,182
Buildings				
- Buildings Under Construction	9	351	9	351
- Buildings at Cost	-	3,108	-	3,108
Less Acc'd Depreciation	-	(206)	-	(206)
- Buildings at Valuation	18,701	12,796	18,701	12,796
Less Acc'd Depreciation	-	(870)	-	(870)
Total Buildings	18,710	15,179	18,710	15,179
Plant and Equipment				
- Plant and Equipment at Fair Value	1,626	1,753	1,626	1,753
Less Acc'd Depreciation	(866)	(912)	(866)	(912)
Total Plant and Equipment	760	841	760	841
Medical Equipment				
- Medical Equipment at Fair Value	3,213	3,068	3,213	3,068
Less Acc'd Depreciation	(1,927)	(2,000)	(1,927)	(2,000)
Total Medical Equipment	1,286	1,068	1,286	1,068
TOTAL	22,175	18,270	22,175	18,270

Reconciliations of the carrying amounts of each class of asset for the 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
Balance at 1 July 2007	1,227	15,640	893	1,101	18,861
Additions	-	33	259	113	405
Disposals	(45)	(132)	(109)	(3)	(289)
Depreciation and Amortisation (Note 4)	-	(362)	(202)	(143)	(707)
Balance at 1 July 2008	1,182	15,179	841	1,068	18,270
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)
Balance at 30 June 2009	1,419	18,710	760	1,286	22,175

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

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Computer Software at Fair Value	214	208	214	208
Less Accumulated Amortisation	(159)	(140)	(159)	(140)
	55	68	55	68
Total Written Down Value	55	68	55	68

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

	Computer Software \$'000	Total \$'000
Balance at 1 July 2007	47	47
Additions	42	42
Amortisation (Note 4)	(21)	(21)
Balance at 1 July 2008	68	68
Additions	6	6
Amortisation (Note 4)	(19)	(19)
Balance at 30 June 2009	55	55

Note 12: Payables

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
CURRENT				
Trade Creditors	337	1,077	337	1,077
Accrued Expenses	612	319	615	324
DHS	911	679	911	679
Salary Packaging	-	1	-	1
TOTAL CURRENT	1,860	2,076	1,863	2,081
TOTAL PAYABLES	1,860	2,076	1,863	2,081

(a) Maturity analysis of payables

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

(b) Nature and extent of risk arising from payables

Please refer to Note 17(d) for the nature and extent of risks arising from payables.

Note 13: Employee Benefits and Related On-Costs Provisions

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Current Provisions				
Employee Benefits (refer Note 13a)				
- unconditional and expected to be settled within 12 months	1,103	1,055	1,103	1,055
- unconditional and expected to be settled after 12 months	907	748	907	748
Provisions related to employee benefit on-costs				
Unconditional and expected to be settled within 12 months (nominal value)	132	127	132	127
Unconditional and expected to be settled after 12 months (present value)	109	90	109	90
Total Current Provisions	2,251	2,020	2,251	2,020
Non-Current Provisions				
Employee Benefits (Note 13a)	235	207	235	207
Provisions related to employee benefit on-costs	28	25	28	25
Total Non-Current Provisions	263	232	263	232

Note 13a: Employee Benefits

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Current Employee Benefits (refer Note 1 (u))				
Unconditional long service leave entitlements	1,074	860	1,074	860
Annual leave entitlements	853	878	853	878
Accrued Wages and Salaries	294	255	294	255
Accrued Days Off	30	27	30	27
Total Current Employee Benefits*	2,251	2,020	2,251	2,020
*Current Employee benefits that:				
Expected to be utilised within 12 months (nominal value)	1,235	1,182	1,235	1,182
Expected to be utilised after 12 months (present value)	1,016	838	1,016	838
	2,251	2,020	2,251	2,020
Non-Current Employee Benefits (refer Note 1 (u))				
Conditional long service leave entitlements (present value)	263	232	263	232
Total Non-Current Employee Benefits	263	232	263	232
Movement in Long Service Leave:				
Balance at start of year	1,092	968	1,092	968
Provision made during the year				
- Revaluations	35	-	35	-
- Expense recognising employee service	311	226	311	226
Settlement made during the year	(101)	(102)	(101)	(102)
Balance at end of year	1,337	1,092	1,337	1,092

Note 14: Other Liabilities

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
CURRENT				
Monies Held in Trust*				
- Patient Monies Held in Trust	28	21	28	21
- Medical Providers Monies held in Trust	-	10	-	10
- Other Monies Held in Trust	236	-	236	-
Revenue in Advance	46	106	46	106
Total Current	310	137	310	137
TOTAL OTHER LIABILITIES	310	137	310	137
* Total Monies Held in Trust	264	31	264	31
Represented by the following assets:				
Cash Assets (refer to Note 5)	264	31	264	31
TOTAL	264	31	264	31

Note 15: Equity

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
(a) Reserves				
Land and Buildings Asset Revaluation Reserve ¹				
Balance at the beginning of the reporting period	2,417	2,417	2,417	2,417
Revaluation Increment/(Decrements)				
- Land	237	-	237	-
- Buildings	3,796	-	3,796	-
Balance at the end of the reporting period*	6,450	2,417	6,450	2,417
* Represented by:				
- Land	826	588	826	588
- Buildings	5,624	1,829	5,624	1,829
	6,450	2,417	6,450	2,417
Restricted Specific Purpose Reserve				
Balance at the beginning of the reporting period	402	375	402	375
Transfers to and from Reserve				
- Long Service Leave Reserve	-	27	-	27
Balance at the end of the reporting period	402	402	402	402
Total Reserves	6,852	2,819	6,852	2,819
(b) Contributed Capital				
Balance at the beginning of the reporting period	9,345	9,107	9,345	9,107
Capital contribution received from Victorian Government	-	238	-	238
Balance at the end of the reporting period	9,345	9,345	9,345	9,345
(c) Accumulated Surpluses/(Deficits)				
Balance at the beginning of the reporting period	5,645	5,340	6,830	6,400
Net Result for the Year	(127)	332	(61)	457
Transfers to and from Reserve				
- Long Service Leave Reserve	-	(27)	-	(27)
Balance at the end of the reporting period	5,518	5,645	6,769	6,830
(d) Total Equity at end of financial year	21,715	17,809	22,966	18,994

(1) The Land and Buildings Asset Revaluation Reserve arises on the revaluation of land and buildings.

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

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Net Result for the Period	(127)	336	(61)	457
Depreciation & Amortisation	743	728	743	728
Provision for Doubtful Debts	(4)	(7)	(4)	(7)
Change in Inventories	(7)	85	(7)	85
Resources/Assets Received Free of Charge	149	(18)	149	(18)
Net (Gain)/Loss from Sale of Plant and Equipment	(19)	(22)	(19)	(22)
Change in Operating Assets & Liabilities				
(Increase)/Decrease in Receivables	(124)	(337)	(107)	(350)
(Increase)/Decrease in Other Assets	(233)	57	(233)	57
(Increase)/Decrease in Prepayments	34	(28)	34	(28)
Increase/(Decrease) in Payables	(217)	(259)	(218)	(257)
Increase/(Decrease) in Employee Benefits	262	300	262	300
Increase/(Decrease) in Other Liabilities	173	4	173	4
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	630	839	712	949

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 2009 \$'000	Carrying Amount 2008 \$'000
Financial Assets		
Cash and cash equivalents	4,340	4,311
Loans and Receivables	477	517
Total Financial Assets ⁽ⁱ⁾	4,817	4,828
Financial Liabilities		
At amortised cost	2,173	2,218
Total Financial Liabilities ⁽ⁱⁱ⁾	2,173	2,218

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

(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable)

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

	Carrying Amount 2009 \$'000	Carrying Amount 2008 \$'000
Financial Assets		
Cash and cash equivalents ⁽ⁱ⁾	243	267
Loans and Receivables ⁽ⁱ⁾	1	(8)
Total Financial Assets	244	259

(i) For cash and cash equivalents the net gain or loss is calculated by taking the interest revenue, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result.

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

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 Assets as at 30 June

	Carrying Amount	Not Past Due and Not Impaired	Less than 1 Month	Past Due But Not Impaired 1-3 Months	Past Due But Not Impaired 3 months - 1 Year	1-5 Years	Impaired Financial Assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2009							
Financial Assets							
Cash and Cash Equivalents	4,340	4,340	-	-	-	-	-
Receivables							
- Trade debtors	218	185	12	21	-	-	2
- Other receivables	261	230	26	5	-	-	-
Total Financial Assets	4,819	4,755	38	26	-	-	2
2008							
Financial Assets							
Cash and Cash Equivalents	4,311	4,311	-	-	-	-	-
Receivables							
- Trade debtors	354	315	27	8	4	-	5
- Other receivables	169	135	9	9	16	-	1
Total Financial Assets	4,834	4,761	36	17	20	-	6

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 Human Services Victoria (DHS). 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
2009						
Financial Liabilities						
Payables	1,863	1,863	1,863	-	-	-
Other Financial Liabilities	310	310	310	-	-	-
Total Financial Liabilities	2,173	2,173	2,173	-	-	-
2008						
Financial Liabilities						
Payables	2,081	2,081	2,081	-	-	-
Other Financial Liabilities	137	137	97	40	-	-
Total Financial Liabilities	2,218	2,218	2,178	40	-	-

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.

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
2009					
Financial Assets					
Cash and Cash Equivalents	6.06	4,340	3,871	467	2
Receivables					
- Trade debtors	-	218	-	-	218
- Other receivables	-	261	-	-	261
		4,819	3,871	467	481
Financial Liabilities					
Payables	-	1,863	-	-	1,863
Other Financial Liabilities	-	310	-	-	310
		2,173	-	-	2,173
2008					
Financial Assets					
Cash and Cash Equivalents	7.68	4,311	3,034	1,275	2
Receivables					
- Trade debtors	-	354	-	-	354
- Other receivables	-	169	-	-	169
		4,834	3,034	1,275	525
Financial Liabilities					
Payables	-	2,081	-	-	2,081
Other Financial Liabilities	-	137	-	-	137
		2,218	-	-	2,218

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 Reserve Bank of Australia)

- A shift of +2% and -2% in market interest rates (AUD) from year-end rates of 4%;
- 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 the Health Service 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
2009									
Financial Assets									
Cash and Cash Equivalents	4,340	(87)	(87)	87	87	-	-	-	-
Receivables									
- Trade debtors	218	-	-	-	-	-	-	-	-
- Other receivables	261	-	-	-	-	-	-	-	-
Financial Liabilities									
Payables	1,863	-	-	-	-	-	-	-	-
Other Financial Liabilities	310	-	-	-	-	-	-	-	-
		(87)	(87)	87	87	-	-	-	-
2008									
Financial Assets									
Cash and Cash Equivalents	4,311	(86)	(86)	86	86	-	-	-	-
Receivables									
- Trade debtors	354	-	-	-	-	-	-	-	-
- Other receivables	169	-	-	-	-	-	-	-	-
Financial Liabilities									
Payables	2,081	-	-	-	-	-	-	-	-
Other Financial Liabilities	137	-	-	-	-	-	-	-	-
		(86)	(86)	86	86	-	-	-	-

Note 18: Commitments for Expenditure

	Parent Entity 2009 \$'000	Parent Entity 2008 \$'000	Consolidated 2009 \$'000	Consolidated 2008 \$'000
Capital Expenditure Commitments				
<i>Payable:</i>				
Land and Buildings	-	301	-	301
Plant and Equipment	-	29	-	29
Computer Software	222	232	222	232
Total Capital Commitments	222	562	222	562
Land and Buildings				
Not later than one year	-	301	-	301
Total	-	301	-	301
Lease Commitments				
Commitments in relation to leases contracted for at the reporting date:				
Operating Leases	200	72	200	72
Total Lease Commitments	200	72	200	72
Operating Leases				
<i>Cancellable</i>				
Not later than one year	57	34	57	34
Later than 1 year and not later than 5 years	143	38	143	38
Sub Total	200	72	200	72
TOTAL	200	72	200	72
Total Commitments for expenditure (inclusive of GST)	422	634	422	634
less GST recoverable from the Australian Tax Office	(38)	(58)	(38)	(58)
Total commitments for expenditure (exclusive of GST)	384	576	384	576

Note 19: Contingent Assets and Contingent Liabilities

As at 30 June 2009 Stawell Regional Health has no knowledge of any contingent assets or liabilities. (Nil for 30 June 2008.)

Note 20: Segment Reporting

	RAC		Acute		Others		Consolidated	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
REVENUE								
External Segment Revenue	3,242	3,145	11,841	11,159	3,613	3,738	18,696	18,042
Total Revenue	3,242	3,145	11,841	11,159	3,613	3,738	18,696	18,042
EXPENSES								
External Segment Expenses	(3,385)	(3,335)	(11,860)	(10,520)	(3,776)	(3,997)	(19,021)	(17,852)
Total Expenses	(3,385)	(3,335)	(11,860)	(10,520)	(3,776)	(3,997)	(19,021)	(17,852)
Net Result from ordinary activities	(143)	(190)	(19)	639	(163)	(259)	(325)	190
Interest Income	-	-	-	-	243	267	243	267
Share of Net Result of Joint Ventures using Equity Method	3	-	15	-	3	-	21	-
Net Result for Year	(140)	(190)	(4)	639	83	8	(61)	457
OTHER INFORMATION								
Segment Assets	5,531	4,693	20,187	17,129	1,936	1,642	27,653	23,464
Total Assets	5,531	4,693	20,187	17,129	1,936	1,642	27,653	23,464
Segment Liabilities	937	894	3,422	3,263	328	313	4,687	4,470
Total Liabilities	937	894	3,422	3,263	328	313	4,687	4,470
Investments in joint venture partnership	37	-	134	-	13	-	184	-
Acquisition of property, plant and equipment and intangible assets	366	61	503	328	156	58	1,025	447
Depreciation & amortisation expense	122	119	580	568	41	41	743	728

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
 Physiotherapy, Podiatry, Dietetics & Speech Pathology

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	
		2009 %	2008 %
Grampians Region Health IT Alliance	IT Systems	5.79	0.00

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:

	2009 \$'000	2008 \$'000
Current Assets		
Cash and Cash Equivalents	182	-
Total Current Assets	182	-
Non Current Assets		
Property, Plant and Equipment	38	-
Total Non Current Assets	38	-
Total Assets	220	-

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

	2009 \$'000	2008 \$'000
Revenues		
Grants	115	-
Other	149	-
Total Revenue	264	-
Expenses		
Information Technology and Administrative Expenses	243	-
Total Expenses	243	-
Profit	21	-

Contingent Liabilities and Capital Commitments

As at 30 June 2009 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

Accountable Officers

Mr P Edwards

Remuneration of Responsible Persons

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

Income Band

\$140,000 - \$149,999
 \$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.

Parent		Consolidated	
2009 No.	2008 No.	2009 No.	2008 No.
-	1	-	1
1	-	1	-
1	1	1	1
\$189,774	\$145,149	\$189,774	\$145,149

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.

The Director of Finance is employed by Stawell Regional Health but the position includes responsibility for the finance function at East Grampians Health Service.

	PARENT				CONSOLIDATED			
	Total Remuneration 2009 No.	Total Remuneration 2008 No.	Base Remuneration 2009 No.	Base Remuneration 2008 No.	Total Remuneration 2009	Total Remuneration 2008	Base Remuneration 2009	Base Remuneration 2008
\$110,000 - \$119,999	-	2	-	2	-	2	-	2
\$120,000 - \$129,999	2	-	2	-	2	-	2	-
Total	2	2	2	2	2	2	2	2
Total Remuneration	\$ 244,897	\$ 236,134	\$ 244,897	\$ 236,134	\$ 244,897	\$ 236,134	\$ 244,897	\$ 236,134

Note 23: Events Occurring after the Balance Sheet Date

No significant events occurred after the reporting date.

Note 24: Controlled Entities

Stawell District Hospital Foundation

A deed of settlement was executed on 18 December 1989 to establish the Stawell District Hospital Foundation. The purpose of the Foundation is to establish a charitable fund to which any person, corporation or association may contribute for the purpose of providing money, property and benefits to Stawell Regional Health.