STAWELL REGIONAL HEALTH
2011-2012 ANNUAL REPORT
Caring for our Community

Our Values and accompanying behaviours form the basic set of beliefs under which Stawell Regional Health operates:

Effectiveness

- *Displays attention to detail when carrying out their role*
- *Plans work practice and is outcome focused*
- *Uses problem solving strategies to achieve maximum results*
- *Performs their role to ensure appropriate service delivery*

Openness

- *Shares information and ideas readily*
- *Values new ideas and innovation*
- *Applies new ideas and embraces change when appropriate*
- *Ensures patients, families and staff have access to appropriate services*

Integrity

- *Respects the unique nature of each person to assure dignity for all is maintained*
- *Displays attributes of truth and honesty*
- *Ensures confidentiality and privacy is assured at all times*
- *Exhibits reliability and punctuality at work*

Accountability

- *Provides services that are patient centred*
- *Displays commitment to continuous quality improvement*
- *Uses the theory of evidence based practice to ensure best possible outcomes*
- *Demonstrates Best Practice through clinical excellence and professional conduct*
- *Commits to the integration of best technology, systems and processes to manage and record relevant methods of work*
- *Accepts the consequences of their actions*

Flexibility

- *Willing to participate in new initiatives*
- *Contributes ideas when setting new directions*
- *Strives for best outcomes for all stakeholders and Stawell Community*
- *Displays a willingness to consider other goals and priorities when making decisions*

STAWELL
REGIONAL HEALTH

CONTENTS

BOARD OF MANAGEMENT

ROSS HATTON
Retired Senior Executive

Board Representation on Board Executive, Grampians Health Alliance Management Committees.

LYNN JENSZ
Accountant

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

JOAN BRILLIANT
Postal Manager, Australia Post Stawell

Board Representation on Fundraising, Foundation and Quality Committees.

KAREN DOUGLAS
Primary Producer

Board Representation on Board Executive, Quality Improvement and Governance Committees.

NEVILLE DUNN
Branch Real Estate Manager

Board Representation on Audit Committee.

HOWARD COOPER
Primary Producer

Board Representation on Audit Committee.

PETER MARTIN
Retired School Principal

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

JENNIFER MOLAN
School Principal

Board Representation on Quality Improvement Committee.

DAVID STANES
Business Manager

Board Representation on Quality Improvement and Risk Committees.

FROM THE BOARD CHAIR

During the past 12 months Stawell Regional Health (SRH) broke a lot of new ground, making way for innovative and exciting ways to deliver even better health care to residents across the district.

*Plans for a state-of-the-art **rehabilitation and oncology centre** were signed off by the Department of Health and a detailed design phase began. SRH also announced an innovative partnership with **Western Health** in Melbourne, which will enable low-risk **births** to again take place at the hospital. We also launched the first ever **'country/city nursing graduate program'** with Western Health, giving graduates a chance to experience vastly different working environments.*

*Strengthening partnerships at a regional level, SRH entered a **Memorandum of Understanding** between East Grampians Health Service, East Wimmera Health Service and Beaufort and Skipton Health Service to ensure hospital and community services continue to evolve to meet the changing needs of residents across the Grampians region.*

*A significant change this year included our **approach to aged care** at Macpherson Smith Nursing Home. We look forward to achieving our objectives to help aged care residents be even happier in their environment and have improved health outcomes.*

*In our ongoing awareness for the maintenance of **good governance**, we started implementing a number of new monitoring and reporting measures across the organization following a risk management review by the Victorian Managed Insurance Agency. The board also reviewed its administrative by-laws, which were approved by the Department of Health. This year there was a key focus on the hospital's procurement practices and contract management, including the establishment of a contractor panel.*

*The organisation also tackled the newly introduced **Statement of Priorities** – our key accountability agreement between the hospital and the Minister for Health. I am pleased to say that our shared goals of financial stability, improved access and waiting times and quality of service provision were successfully achieved.*

*We were also pleased to gain **accreditation from the Australian Council of Healthcare Standards** (ACHS) during a mid-term, periodic review. We not only continued to meet the ACHS's own standards; we met recommendations from an earlier patient survey. It is pleasing to know that we are on track and our hard work is being recognized by independent auditors.*

*During my first appointment as Board Chair, we **welcomed Dr Ian Graham** to the position of Director of Medical Services for Stawell Regional Health, East Wimmera Health Service and Beaufort Skipton Health Service and **farewelled Dr Norman Castle** who retired after 50 years of local medical practice. On our Board of Directors, Neville Dunn retired after an amazing 21 years of service, and Jennifer Molan retired after two years of service. The board is also very appreciative of the dedicated work carried out by staff and thanks them for what is the most important aspect in maintaining an effective health service for our region.*

In summary, I believe that Stawell Regional Health undoubtedly reached its goal to provide the best health care we can to local residents, promote healthy living and strive to develop state-of-the-art facilities. On behalf of the board, Chief Executive and staff, we thank everyone in the community who supported our programs, undertook fundraising and participated in our strategic planning workshops.

Ross Hatton

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 2012.

Ross Hatton
Board Chair
Stawell
5th September, 2012

ORGANISATIONAL STRUCTURE:

Board of Management

Sub-Committees
• Executive • Governance • Quality Improvement • Audit • Risk Management

Chief Executive
Rohan Fitzgerald

• Medical Library • Radiology • Health Information • Public Relations/Fundraising • Medical Services
• Engineering Services • Environmental Services • Catering Services • Human Resources
• Occupational Health & Safety • Quality Manager

Director of Clinical Services
Claire Letts

Aged Care
• Nursing Home / Day Centre

Acute Services
• Maternity Services • Medical/Surgical
• District Nursing • Nurse Education
• Operating Suite/CSSD • Hospital in the Home
• Post Acute Care • Pre-Admission Clinic
• Hospital Admission Risk Program
• Transition Care Program • Oncology

Primary Care Services
• Physiotherapy • Occupational Therapy
• Podiatry • Speech Therapy • Social Work Counselling
• Diabetes Education • Nutrition and Dietetics
• Health Promotion • Sub-Acute Clinics
• Community Health Nursing • Indigenous Health

Deputy Director of Clinical Services
Wendy James

• Risk Management • Pharmacy
• Infection Control • Projects

Finance Manager
Tony Roberts

• Financial Services • Payroll • Information Technology
• Purchasing/Supply • Reception/Clerical

THE YEAR IN REVIEW

News from around our Departments

Acute numbers increase

This year Stawell Hospital treated 1615 surgical patients, up by 171 on the previous year. We experienced growth in orthopedic, ear, nose, throat and ophthalmic surgery. There were systems improvements in clinical handover, medication management, falls prevention and wound care.

Plans approved for new centre

Plans for a state-of-the-art rehabilitation and oncology centre were signed off by the Department of Health and a detailed design phase began. Works will begin in January 2013 on this contemporary facility, which will feature a gym, allied health clinics, consulting rooms and an oncology area with sweeping views of the Grampians. It's anticipated the centre will be open by the end of 2013.

Midwifery model

Stawell Regional Health announced an innovative partnership with Melbourne's Western Health, which will enable low-risk births to again take place at the hospital. Expectant mums will be looked after by our local midwives and will regularly confer with leading obstetricians via video link up in Melbourne.

New equipment purchased

The SRH Foundation purchased a surgical camera system ($96,012), anaesthetic cart ($5,378) and a surgeon's stool ($3,000).

Innovative Graduate Program

In partnership with Western Health in Melbourne, SRH launched the first ever 'country/city' nursing graduate program for Victoria, offering nursing graduates at each facility an opportunity to exchange during the year to experience different working environments.

Undergraduate places boosted

This year we were advised that as part of the Victorian Clinical Placement Network, supported by the Federal Government, undergraduate student placements in nursing and allied health at SRH would increase to more than 1,900 placement days in the new calendar year. And, from 2013, they'll be supported by new purpose built accommodation at the hospital site.

Closing the gap

SRH has positively begun the implementation of the Karreeta Yirramboi Aboriginal Employment Plan across the health service. We also implemented cultural awareness training for staff across the hospital to continue to meet the needs of our diverse community.

Allied health team busy

Our allied health service grew from strength-to-strength this year, with a full range of allied health services not only offered in Stawell, but in the outlying communities of Marnoo, Landsborough, Halls Gap and Navarre. We provided support for the Budja Budja Aboriginal Co-Operative health service in Halls Gap. We also welcomed the appointment of a dietician to the team, who specialises in the management of chronic disease.

FROM THE CHIEF EXECUTIVE

It's been a successful year for Stawell Regional Health and I am pleased to say that our organisation, both clinically and financially, is very well positioned to take on the next 12 months and beyond. This year I have been continually impressed by the resilience, skill and dedication of our team, which is pivotal to providing top quality health care to all corners of the local community.

Together with senior management, I look forward to guiding SRH into an exciting new phase where we'll introduce innovative new models of care, new technology and adapt to constant change in order to deliver the very best sustainable health care.

Rohan Fitzgerald

THE YEAR IN REVIEW (CONT)

News from around our Departments

Aged care a big focus

This year extensive improvements were carried out internally and externally at Macpherson Smith Nursing Home. Relevant staff members were also involved with an innovative 'Person Centred Residential Care Project', which focused on improving our approach to aged care. A steering committee and working parties of staff and senior managers worked with external consultants to devise valuable strategies to help aged care residents be even happier in their environment and achieve improved health outcomes.

Promoting health

Stawell Regional Health championed 'Kids – Go for your Life', a Victorian Prevention and Health Promotion Achievement Program to create safe, healthy and friendly environments for learning. Two schools were awarded for implementing the program's recommended changes across healthier eating and physical activity. SRH also hosted Sustainable Farm Families Program™, whereby 16 farmers from Navarre were assessed by health professionals before participating in workshops about cardiovascular disease, farm safety, diabetes, stress and nutrition.

Benefits for older Patients

In general, many of the patients visiting Stawell Hospital are over 65 years, so during 2011-2012 we took on a project that was dedicated to ensuring our environment and delivery of care was safe, accessible and person centred through the revision of signage, furniture, patient pathways and visual queues, as well as falls prevention, cognition and review of discharge and referral systems.

Welcome & farewell

This year we welcomed Dr Ian Graham to the position of Director of Medical Services for Stawell Regional Health, East Wimmera Health Service and Beaufort Skipton Health Service. Ian is a fellow of the Royal Australian College of Medical Administrators. We also acknowledged the retirement of Dr Norman Castle after more than 50 years of practicing medicine across the region. Dr Castle received a Life Governorship in 1960, was announced General Practitioner of the Year for the Wimmera region in 1994 and received an OAM in 1999. Dr Castle served on the hospital board for 28 years and is a serving member of the SRH Foundation.

FUNDRAISING

Since its inception, Stawell Regional Health has relied heavily on fundraising by the community, as well as generous donations to maintain and develop our facility as one of the region's leading hospitals. In 2011-2012 we were extremely appreciative of the following fundraising efforts:

- *$16,000 was raised by the Stawell Medical Centre 'Sprockets' in the Murray to Moyne cycling relay for new orthopedic knee surgery equipment.*
- *$11,000 was raised by Stawell Y-Zetts for Simpson Wing televisions*
- *Stawell & District Hospital Ladies Auxiliary raised $6,500 for the nursing home, $1,000 for day surgery and $7,877 in general donations.*

GRANTS

In 2011-2012, the Department of Health allocated the following:

- *$235,000 to replace two sterilizers and an anesthetic unit and monitor.*
- *$220,000 to replace the heating and cooling system in the older wing of the hospital.*

SRH EXECUTIVE TEAM

ROHAN FITZGERALD
Chief Executive

CLAIRE LETTS
Director of Clinical Services

TONY ROBERTS
Finance Manager

JANET FEENY
Human Resources Manager

LIZ MCCOURT
Primary Care Manager

WENDY JAMES
Deputy Director of Clinical Services

FINANCIAL OVERVIEW

Stawell Regional Health recorded a consolidated operating surplus of $712k for the year ended 30 June 2012, which exceeded the budgeted breakeven result.

Total Consolidated Operating Revenue (before Capital items) increased by $775k or 3.9% on 2011. In 2012 we recognized growth in State and Commonwealth government grant income commensurate with an increase in the level of hospital services.

In 2012, SRH controlled the increase in total Consolidated Expenses to $240k or 1.1% from 2011 by implementing a number of cost-saving initiatives.

Labour expenses for the year totalled $14.5M, representing an increase of $580k or 4.16% on 2011. This was primarily the result of award increases and movements in employee entitlements, however these were largely offset by $340k of savings in consumables and overheads through improved procurement practices.

Capital Purpose Income increased by $625k on prior year results due to the receipt of increased targeted equipment grants.

Operating activities for the year generated cash inflows of $2.3M. Of this, $546k was invested into capital assets. Overall, cash holdings increased by $1.8M for the year, the total cash on hand figure amounted to $6.3M as at 30 June 2012.

The year's financial result reflects the work and continuous efforts of all SRH staff and management to deliver sustainable healthcare to our region. The hospital is well positioned to continue to deliver high quality services to the community and support its operations and capital development programs in the future.

PERFORMANCE INDICATORS

Comparative Consolidated Financial Results for the Past Five Financial Years

	2012 $000	2011 $000	2010 $000	2009 $000	2008 $000
Total Revenue	22,469	21,052	20,152	18,960	18,309
Total Expenses	22,329	22,089	21,199	19,021	17,852
Operating result for year	712	90	53	219	464
Comprehensive results for year	140	(1,037)	(1,047)	(61)	457
Retained Surplus (Accumulated Deficit)	2,544	4,778	5,845	6,769	6,830
Total Assets	26,249	25,613	26,659	27,653	23,464
Total Liabilities	5,257	4,761	4,740	4,687	4,470
Net Assets	20,992	20,852	21,919	22,966	18,994
Total Equity	20,992	20,852	21,919	22,966	18,994

BOARD OF MANAGEMENT

2011/12 major acquisitions and projects include:

Building Works	$
Renovation of Wimmera St Ground Floor	4,770

Medical Equipment	$
Medical Equipment	351,720

HUMAN RESOURCES REPORT

Recruitment with technology

During the past 12 months Human Resources trialed different advertising mediums to best promote careers in specialist roles at SRH. We found that metropolitan newspapers were non-effective due to changes in format and reduced distribution to rural areas, so we increased exposure in professional journals and health association websites.

Job seeker traffic to the SRH website increased, enabling the applicant to simply and easily access a position description and upload their documentation. The increase of online applications has dramatically reduced paper use and postage.

This year Stawell Regional Health recruited two professionals from the Philippines to registered nursing roles, which has strengthened our workforce. The hospital and general community continues its commitment to help our newcomers settling into their regional lifestyle.

We will be implementing a new internal online recruitment system in the New Year, provided through the State Government's State Services Authority. This will further improve the recruitment process, enabling all communication between managers and HR to be undertaken online, reducing the need for multiple forms and processes currently used for recruitment.

HRIS saves time

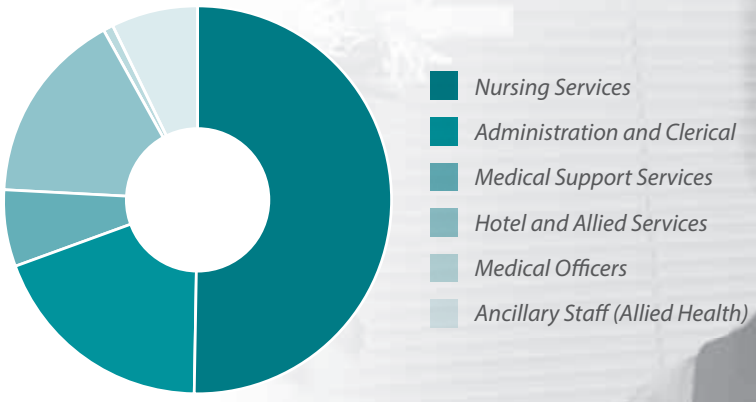
This year we capitalized on our extensive internal Human Resource Information System (HRIS) for more efficient and timely reporting of Effective Full Time (EFT) staff productivity and other relevant employee data. As a result, we have a better understanding of seasonal absenteeism, which is helping us to manage the workforce during these periods and meet the demands of increasing patient activity. We also connected line managers directly with the HRIS to easily access employee data like training, leave entitlements and other information that would otherwise need to be accessed via payroll.

The HRIS has also been an effective time-saver in terms of quickly extracting, formatting and downloading information required to carry out registration checks on the Australia Health Practitioners Regulation Agency (AHPRA) website.

Staff communication clearer

The 'People Matter Survey' in 2011, directed by the State Government's State Services Authority, indicated that we needed to improve communication between managers and staff. As a result, the organisation focused on three leadership themes, trust, respect and communication.

Percentage Distribution of FTE

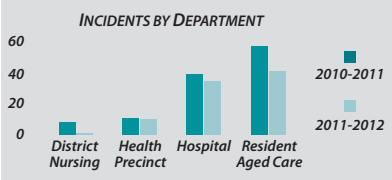


Labour Catergory	JUNE CURRENT MONTH FTE		JUNE YTD FTE	
	2011	2012	2011	2012
Nursing	78.96	79.64	78.12	79.88
Administration and Clerical	29.95	30.24	28.51	30.06
Medical Support	8.07	8.92	8.64	10.25
Hotel and Allied Services	25.10	26.87	27.17	25.47
Medical Officers	1.05	1.29	1.21	1.29
Ancillary Staff (Allied Health)	12.79	12.72	12.1	11.27

OCCUPATIONAL HEALTH & SAFETY REPORT

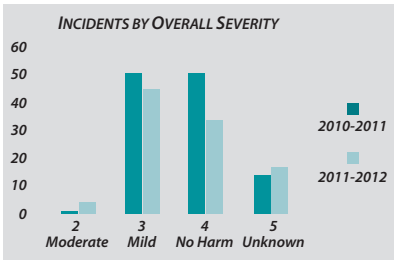
Incidences reduced

At SRH, Occupational Health & Safety (OH&S) incidents across all departments were reduced by 25% compared to last year. With early intervention we are able to reduce the risk of repetitive OH&S risks. Through the Victorian Health Incident Management System, we've also improved the management of staff injury due to real-time reporting and faster investigation responses.

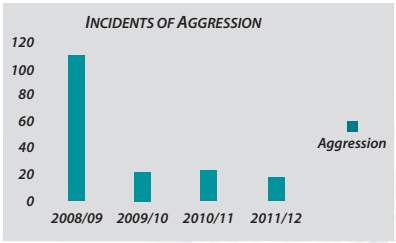


There was a reduction in overall staff injuries this year, with five injuries resulting in time off work compared to 22 injuries last financial year (a 75% decrease). WorkCover has advised SRH is better than industry average by 26.45%.

The severity of OH&S incidents decreased by 20.5% compared to last year. The four 'moderate' injuries resulted in minor WorkCover claims for sprains and strains, with successful return to work programs for affected staff.



Positive strategies to support staff, patients and residents during incidents of aggression, including behaviour management interventions by staff, have been very successful, with incidents reduced by 25% compared to last year.



Emergency management change

In 2011 an internal audit was undertaken of SRH's emergency management system, which identified areas for improvement. The OH & S team have taken responsibility for the SRH emergency management. We have increased fire emergency training and drills for staff and revised emergency policies in line with current standards and legislation. We've also launched new initiatives like safe summer travel for staff and allocating chief and fire warden certification for executive, managers and in-charge staff. Further improvements will include more practical training in emergency codes and staff education in responding to all types of emergencies.

2011-2012 OH&S Checklist

- Improve access for mobility scooter users and provide clear parking space with limited traffic activity. ✓
- Reduce incidents of Code Black response in Radiology through intervention and staff education. ✓
- Reduce risks in manual handling of patients within the theatre during particular surgical interventions such as eye surgeries. ✓
- Assess risks and make recommendations regarding use of cot sides with the Hendicare bed in acute services ✓
- Reduce risk of slip/trip/fall on internal stairs to administration ✓
- Assess manual handling risks of utilising the drug trolley in the nursing home ✓
- Review push/pull forces to patient access doors in Building A (Hospital) ✓
- Review the reintroduction of Fresh Cook meals process to assess for safety risks including manual handling, workspace management and delivery and pick up processes. ✓
- Review Meals on Wheels equipment to assess move to the main hospital and risks for staff and volunteers in shifting equipment including loaded trolleys ✓

Attestation for Compliance with the Australian/New Zealand Risk Management Standard

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

Ross Hatton
Board Chair
Stawell
5th September, 2012

Additional Information (FRD 22C Appendix)

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

A statement of pecuniary interest has been completed.

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

Objectives, Functions, Powers and Duties of Stawell Regional Health

Stawell Regional Health (SRH) is a public agency established under the Health Services Act 1988. We provide public health and ancillary services as authorised under the Act, and operate residential care services under the Aged Care Act 1997.

Providing strategic direction to SRH is a Board of Management, consisting of individuals appointed by the Minister for Health under the Health Services Act. Our Chief Executive Officer determines how services are delivered. During the period of 2011-2012, we reported to the responsible Minister for Health and Ageing The Hon David Davis MLC.

Summary of Services

Allied Health

- Audiology (visiting)
- Continence clinic
- Diabetes education
- Nutrition & Dietetics
- Hospital Admission Risk Program (HARP)
- Health promotion
- Occupational therapy
- Physiotherapy
- Podiatry
- Social work
- Speech pathology
- Stomal therapy

Community Services

- Planned Activities Group (Bennett Centre for Community Activities)
- District nursing service
- 'Hospital in the Home'
- Post acute care

Maternity Care

- Early pregnancy assessment & care coordination
- Antenatal classes
- Shared care model
- Post natal domiciliary visits

Medical

- Day oncology unit
- Acute Care

Medical Imaging

- X-ray
- CT
- Ultrasound

Residential Aged Care

- High care facility
- Transition Care program

Rural Primary Care

- Allied health/community services to outlying communities
- Support for the Budja Budja Aboriginal health service at Halls Gap

Specialties

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

St John of God Pathology

Surgical and Anesthetic Services

- Pre Admission Clinic
- Day Procedure Unit
- Operating Suite/Sterilising Department

www.srh.org.au

STATEMENT OF PRIORITIES FOR 2011-2012 PART A

Develop a system that is responsive to people's needs

Deliverable	Outcome
Develop systems to further support a "no wrong door" approach for all clients requiring entry to SRH services and programs, including Hospital Admission Risk Program & Transitional Care Program by June 2012.	Systems developed to support a "no wrong door" approach for all clients requiring entry to SRH services.
Implement the Home and Community Care (HACC) Active Service Model in partnership with Northern Grampians Shire and Grampians Community Health Centre by June 2012.	The Home and Community Care (HACC) Active Service Model has been implemented in partnership with Northern Grampians Shire.
Provide education to primary care division on health literacy resources by March 2012.	Education has been provided to the primary care division in developing resources that are accessible to people with low literacy levels.
Review primary care information provided to consumers to improve access to health information by March 2012.	Primary Care information provided to consumers has been reviewed.
Deliver sustainable farming families program to a rural community by June 2012.	The Sustainable Farming Families program was delivered to the Navarre community in April 2012.
Provide and coordinate cross-cultural training for hospital staff with Budja Budja Co-Operative and the Indigenous Health Worker by December 2011	Cultural Awareness training was provided to Hospital Staff.
Expand established 2 way referral arrangements between SRH and Budja Budja to enable SRH staff to make effective primary care referrals and seek the involvement of Aboriginal workers in the development, review and implementation of models of care by March 2012.	A two (2) way referral arrangement between SRH and Budja Budja to enable SRH staff to make effective primary care referrals using Connecting Care is being developed.

Improving every Victorian's health status and health experience

Deliverable	Outcome
Implement a single point of referral for local clients into Grampians Community Health (GCH) and SRH services at the Stawell Health and Community Centre with West Vic Division of General Practice, local GPs and GCHC by December 2011.	A single point of referral for local clients into Grampians Community Health (GCH) and SRH services at the Stawell Health and Community Centre with West Vic Division of General Practice and local GPs has been developed with Stawell Medical Centre and Patrick Street Family Practice, and is being developed with Sloane Street Medical Practice.

Expanding service workforce and system capacity

Deliverable	Outcome
Establish a Best Practice Learning Environment in accordance with clinical placement network guidelines by June 2012.	A Best Practice Learning Environment in accordance with clinical placement network guidelines is being established.
Develop infrastructure to house students to increase clinical placement capacity by June 2012.	A student accommodation block is in the process of being developed. We are in the planning stage.
Participate in multilateral negotiations with Universities to maximise student placements, developing a broader range of placement options by December 2011.	Multilateral negotiations with Universities has commenced to maximise student placements.
Complete planning for the construction of a Community Rehabilitation Centre by June 2012.	We are currently in the schematic design phase of the Community Rehabilitation Centre.
Commence development of an appropriate service model for delivery of sub-acute services by June 2012.	A model has been developed to deliver sub-acute services at SRH.

Implementing continuous improvements and innovations

Deliverable	Outcome
Implement a Caseload Midwifery Model in accordance with the Maternity and Newborn Capability Framework for Victorian maternity services by March 2012.	The Caseload Midwifery Model in partnership with Western Health is currently being developed.
Improved performance against key Maternity Services Performance Indicator-Breastfeeding rates.	In progress
Implement the Recommendations from Maternity and Newborn Clinical Network Induction of Labour survey by March 2012.	Stawell Regional Health is in the process of implementing the recommendations from the Maternity and Newborn Clinical Network Induction of Labour survey.

Increasing accountability and transparency

Deliverable	Outcome
Review corporate, clinical and strategic risks by January 2012.	Stawell Regional Health has reviewed it corporate, clinical and strategic risks.

Utilising e-health and communications technology

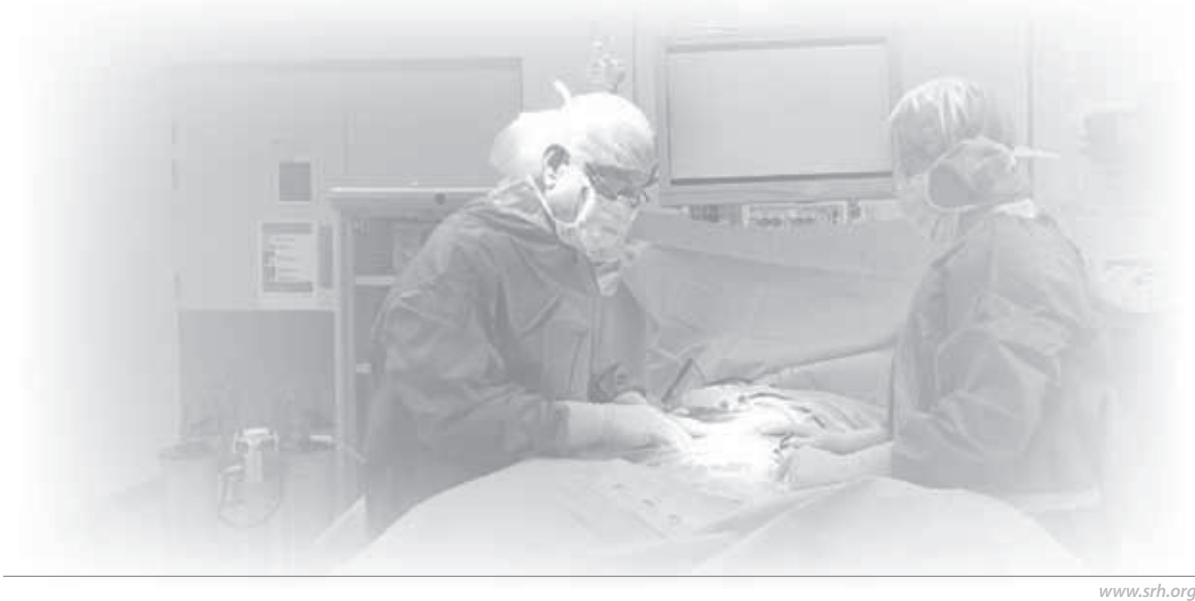
Deliverable	Outcome
Participate in telemedicine pilots for speech pathology, paediatric medicine and investigate the application of telemedicine in other areas of the hospital by June 2012.	Stawell Regional Health is currently involved in telemedicine pilots for speech pathology and paediatric medicine. SRH has completed a successful telemedicine pilot in supporting a new graduate speech pathologist and participated in the eMet trial with Adult Retrieval Victoria.

STATEMENT OF PRIORITIES FOR 2011-2012 PART B

Part B: Performance priorities

Financial performance		Target	2011 - 2012 actuals
Operating result	Annual Operating result ($m)	$0	$712k
Cash management/ liquidity	Creditors	60 Days	24 Days
	Debtors	60 Days	25.25 Days

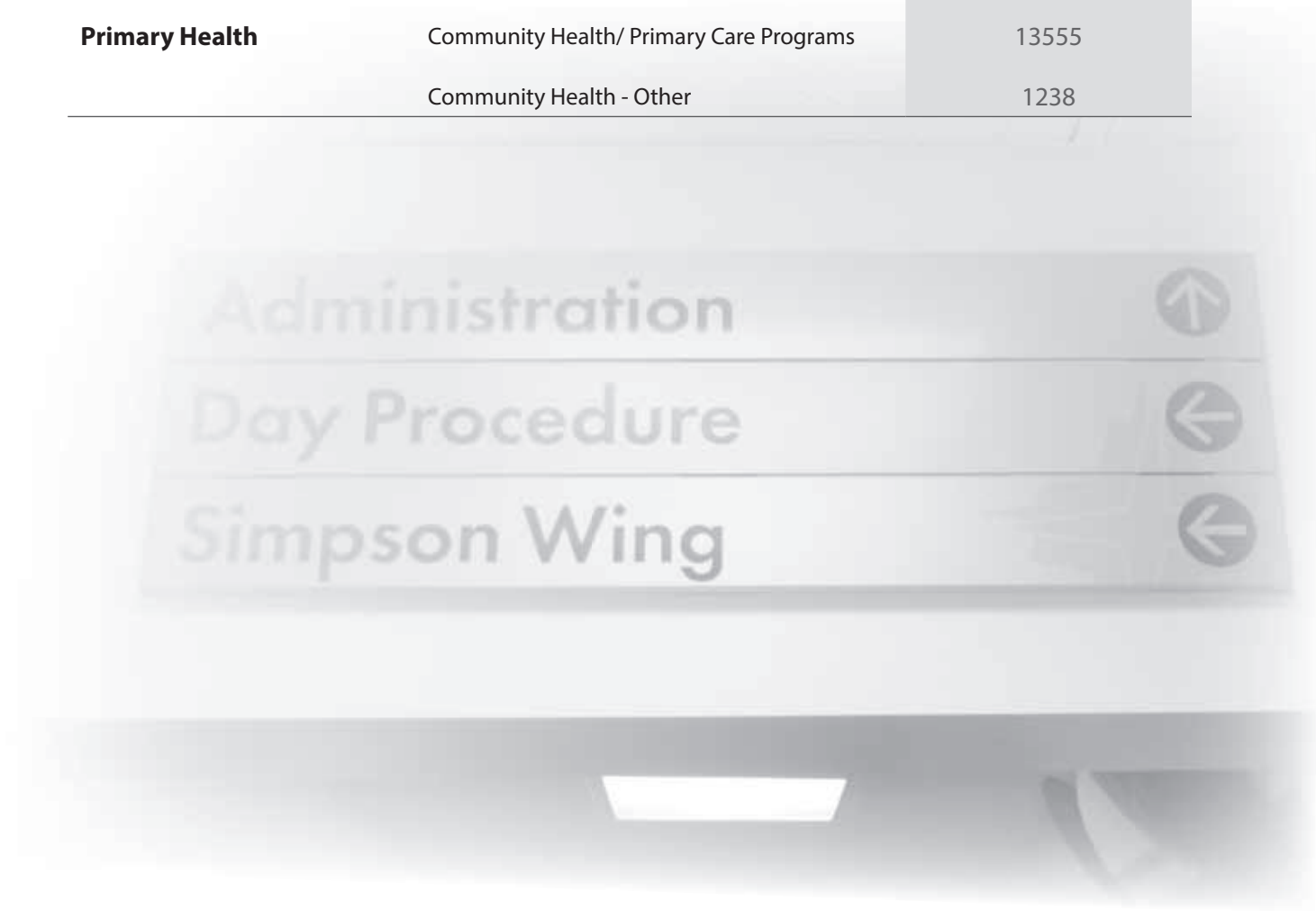
Service performance		Target	2011 - 2012 actuals
WIES activity performance WIES (public and private) performance to target (%)		± 2%	- 1.2%
Quality and Safety	Health service accreditation	Fully compliant	Fully compliant
	Residential aged care accreditation	Fully compliant	Fully compliant
	Cleaning standards	Fully compliant	Fully compliant
	Submission of data to VICNISS (%)	Fully compliant	Fully compliant
	Hand Hygiene Program compliance (%)	65%	MET
	Victorian Patient Satisfaction Monitor: (OCI)	73	MET
	Consumer Participation Indicator	75	MET
	Residential Aged Care Services Organisational Readiness Tool	Fully Compliant	Fully compliant
Maternity	Percentage of women with prearranged postnatal home care	100%	100%



STATEMENT OF PRIORITIES FOR 2011-2012 PART C

Part C: Activity and Funding

		2011 - 2012 Activity Achievement
Weighted Inlier Equivalent Separations (WIES)	WIES Public	1545
	WIES Private	432
	Total WIES (Public and Private)	1979
	WIES DVA	87
	WIES TAC	2
	WIES TOTAL	2068
Sub Acute Inpatient	NHT	69
	NHT DVA	0
Ambulatory	Emergency Services – Non Admitted	3667
Aged Care	Residential Aged Care	11977
	HACC	2806
	Aged Care - Other - Transition Care Program	1304
Primary Health	Community Health/ Primary Care Programs	13555
	Community Health - Other	1238



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.

Equal Opportunity

Stawell Regional Health (SRH) is committed to providing an Equal Employment Opportunity (EEO) work environment for both existing and prospective staff members. It is the responsibility of each and every employee within SRH to observe EEO principles.

The Chief Executive Officer or their appointed delegates have primary responsibility for all aspects of the Equal Employment Opportunity Policy and related programs within SRH.

Hospital fees

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

Staffing profile

A total of 255 persons were employed by Stawell Regional Health: Full time 69, Part time 123 and Casual 63.

Compliance with the Building Act 1993

Building standards and condition assessments

Fire audits and risk assessments are undertaken by consultant fire engineers in compliance with the Department of Health Fire Risk Management Engineering Guidelines Series 7. Recommendations from the fire audits and risk assessments are actioned in conjunction with the Department of Health to maintain a high degree of fire safety. All bed- based facilities are audited at intervals of at least five years. Stawell Regional Health was last audited on 12th January 2010 by ARUP Fire (Fire engineers) and Brian Sherwell & Associates (Building Surveyor). A plan is in place to guide and prioritise actions arising from these reviews.

Essential Safety Measures Maintenance

In accordance with regulatory requirements, service and maintenance records are kept to enable completion of an annual Essential Safety Measures Report for all properties owned by Stawell Regional Health. This is confirmation that all essential services are operational at the required level of performance. Records and reports are retained on the premises for inspection by all relevant authorities.

Legislative Compliance

Stawell Regional Health uses Riskman Software System to record and manage risk and BACeS to manage compliance obligations in line with State and Commonwealth legislation and Australian Standards

Industrial Relations

Stawell Regional Health experienced no days of work lost due to industrial activity during the year ending 30 June, 2012.

Publications

Stawell Regional Health produces a number of publications for the community in order to give them a better understanding of our services and programs. They include the Annual Report, Quality of Care Report and a range of patient information brochures which are available throughout Stawell Regional Health.

The Annual Report is presented at the Annual General Meeting each year.

CONSULTANCIES ENGAGED DURING 2011-2012

Details of individual consultancies

Consultant	Purpose of cosultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2011-12 (excluding GST)	Future expenditure (excluding GST)
DPAR	Lean Principles	July	August	10,850	10,850	0
DPAR	Conflict Resolution	August	September	11,110	11,110	0

In 2011-12, SRH engaged 55 consultancies where the total fees payable to the consultants were less than $10,000, with a total expenditure of $58,618 (excl. GST).

STATUTORY REPORTING REQUIREMENTS

Freedom of Information

The Freedom of Information Act 1982 gives applicants the opportunity to request information. Exemptions can apply that relate to privacy of patients and third parties. In 2011/12 Stawell Regional Health received 25 requests and access to information was granted in all instances. Freedom of Information requests should be in writing and addressed to the Freedom of Information Officer, Stawell Regional Health, Sloane Street, Stawell Victoria 3380.

Victorian Industry Participation Policy

Stawell Regional Health complies with the intent of the V*ictorian Industry Participation Policy Act 2003* which requires, wherever possible, local industry participation in supplies; taking into consideration the principle of value for money and transparent tendering processes.

National Competition Policy

Stawell Regional Health complies with the Victorian Government's Competitive Neutrality Policy.

Financial Management Act 1994

In accordance with the Direction of the Minister for Finance, information requirements have been prepared and are available to the relevant Minister, Members of Parliament.

Whistleblowers Act 2001

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

There were no notifications under the *Whistleblowers Protection Act 2001* during the year ending 30 June 2012.

Protected Disclosure

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

The Protected Disclosure Coordinator
Liz McCourt
Stawell Regional Health
Sloane Street, Stawell 3380
Email: liz.mccourt@srh.org.au
Telephone: 03 5358 8506

The Protected Disclosure Officer
Meg Blake
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

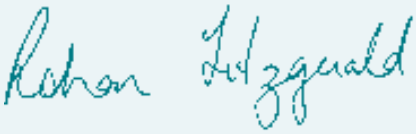
Disability Action Plan (DAP)

Stawell Regional Health has developed a Disability Action Plan, with input from departments across the Service, to combine key detail around the current and future needs of service and access for people with a disability.

Further implementation, including evaluation and review will be undertaken in the near future through the Executive, to continue to determine key priorities in current strategic planning processes.

ATTESTATION ON DATA INTEGRITY

I, Rohan Fitzgerald certify that the Stawell Regional Health Service has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. The Stawell Regional Health Service has critically reviewed these controls and processes during the year.



Rohan Fitzgerald
Chief Executive
Stawell
5th September, 2012

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

DISCLOSURE INDEX

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

Ministerial Directions

Report of Operations

Financial Statements

Financial statement required under Part 7 of the FMA

Other requirements under Standing Directions 4.2

Legislation

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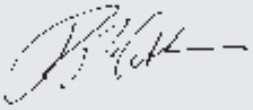
Board Members, Accountable Officers and Chief Finance & Accounting Officer's Declaration

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

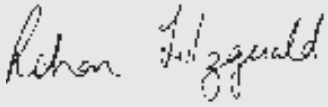
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2012 and the financial position at that date of Stawell Regional Health and the consolidated entity at 30 June 2012.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

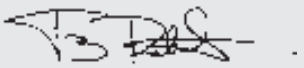
We authorise the attached financial statements for issue on this day.



Ross Hatton
Board Chair
Stawell
5th September, 2012



Rohan Fitzgerald
Accountable Officer
Stawell
5th September, 2012



Tony Roberts
Finance Manager
Stawell
5th September, 2012

VAGO
Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members of Stawell Regional Health

The Financial Report

The accompanying financial report for the year ended 30 June 2012 of Stawell Regional Health which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a statement of significant accounting policies and other explanatory information, 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 Stawell Regional Health and the entities it controlled at the year's end as disclosed in note 24 to the financial statements.

The Board Members' Responsibility for the Financial Report

The Board Members of Stawell Regional Health are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Independent Auditor's Report (continued)

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.

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 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Stawell Regional Health for the year ended 30 June 2012 included both in Stawell Regional Health's annual report and on the website. The Board Members of Stawell Regional Health are responsible for the integrity of Stawell Regional Health's website. I have not been engaged to report on the integrity of Stawell Regional Health's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
6 September 2012

for D D R Pearson
Auditor-General

Auditing in the Public Interest

Stawell Regional Health Comprehensive Operating Statement

For the Year Ended 30 June 2012

	Note	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Revenue from Operating Activities	2	20,809	19,995	20,807	20,032
Revenue from Non-operating Activities	2	221	186	324	253
Employee Benefits	3	(12,327)	(11,702)	(12,327)	(11,702)
Non Salary Labour Costs	3	(2,201)	(2,246)	(2,201)	(2,246)
Supplies & Consumables	3	(2,947)	(3,259)	(2,947)	(3,259)
Other Expenses From Continuing Operations	3	(2,842)	(2,905)	(2,944)	(2,988)
Net Result Before Capital & Specific Items		**713**	**69**	**712**	**90**
Capital Purpose Income	2	1,338	737	1,338	737
Depreciation and Amortisation	4	(1,910)	(1,894)	(1,910)	(1,894)
NET RESULT FOR THE YEAR		**141**	**(1,088)**	**140**	**(1,067)**
COMPREHENSIVE RESULT FOR THE YEAR		**141**	**(1,088)**	**140**	**(1,067)**

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

Stawell Regional Health Balance Sheet

As at 30 June 2012

	Note	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Current Assets					
Cash and Cash Equivalents	5	5,554	3,646	6,893	4,959
Receivables	6	830	741	838	775
Inventories	7	112	139	112	139
Other Current Assets	8	42	51	42	51
Total Current Assets		**6,538**	**4,577**	**7,885**	**5,924**
Non-Current Assets					
Receivables	6	35	-	35	-
Property, Plant & Equipment	9	18,131	19,462	18,131	19,462
Intangible Assets	10	198	225	198	225
Total Non-Current Assets		**18,364**	**19,687**	**18,364**	**19,687**
TOTAL ASSETS		**24,902**	**24,264**	**26,249**	**25,611**
Current Liabilities					
Payables	11	1,429	1,627	1,432	1,630
Employee Benefits and Related On-Costs Provisions	12	2,800	2,212	2,800	2,212
Other Liabilities	13	749	568	749	568
Total Current Liabilities		**4,978**	**4,407**	**4,981**	**4,410**
Non-Current Liabilities					
Employee Benefits and Related On-Costs Provisions	12	276	350	276	350
Total Non-Current Liabilities		**276**	**350**	**276**	**350**
TOTAL LIABILITIES		**5,254**	**4,757**	**5,257**	**4,760**
NET ASSETS		**19,648**	**19,507**	**20,992**	**20,851**
EQUITY					
Property, Plant & Equipment Revaluation Surplus	14a	6,450	6,450	6,450	6,450
Restricted Specific Purpose Reserve	14a	2,653	279	2,653	279
Contributed Capital	14b	9,345	9,345	9,345	9,345
Accumulated Surpluses/(Deficits)	14c	1,200	3,433	2,544	4,778
TOTAL EQUITY		**19,648**	**19,507**	**20,992**	**20,852**

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

Stawell Regional Health Cash Flow Statement

For the Year Ended 30 June 2012

	Note	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Grants from Government		16,866	16,305	16,866	16,305
Patient and Resident Fees Received		1,603	1,403	1,603	1,403
GST Received from/(paid to) ATO		680	753	680	753
Interest Received		195	206	300	253
Other Receipts		2,053	2,014	2,077	2,051
Employee Benefits Paid		(11,813)	(11,624)	(11,813)	(11,624)
Non Salary Labour Costs		(2,421)	(2,471)	(2,421)	(2,471)
Payments for Supplies & Consumables		(3,075)	(3,561)	(3,075)	(3,561)
Other Payments		(3,125)	(2,869)	(3,229)	(2,980)
Cash Generated from Operations		**963**	**129**	**988**	**129**
Capital Grants from Government		1,029	417	1,029	417
Capital Donations and Bequests Received		191	198	191	198
Other Capital Receipts		126	71	127	71
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	*15*	**2,309**	**815**	**2,335**	**815**
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for Non-Financial Assets		(633)	(375)	(633)	(375)
Proceeds from sale of Non-Financial Assets		87	39	87	39
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		**(546)**	**(336)**	**(546)**	**(336)**
NET INCREASE/(DECREASE) IN CASH HELD		**1,763**	**479**	**1,789**	**479**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**3,200**	**2,721**	**4,513**	**4,034**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	*5*	**4,963**	**3,200**	**6,302**	**4,513**

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 2012

Consolidated		Property, Plant & Equipment Revaluation Surplus	Restricted Specific Purpose Surplus	Contributions by Owners	Accumulated Surpluses/ (Deficits)	**Total**
	Note	$'000	$'000	$'000	$'000	**$'000**
Balance at 1 July 2010		6,450	279	9,345	5,845	**21,919**
Comprehensive result for the year				(1,067)	**(1,067)**	**(1,067)**
Balance at 30 June 2011		6,450	279	9,345	4,778	**20,852**
Net result for the year		-	-	-	140	**140**
Transfer to/from Restricted Surplus	14a,14c	-	2,374	-	(2,374)	-
Balance at 30 June 2012		**6,450**	**2,653**	**9,345**	**2,544**	**20,992**

Parent		Property, Plant & Equipment Revaluation Surplus	Restricted Specific Purpose Surplus	Contributions by Owners	Accumulated Surpluses/ (Deficits)	**Total**
	Note	$'000	$'000	$'000	$'000	**$'000**
Balance at 1 July 2010		6,450	279	9,345	4,521	**20,595**
Comprehensive result for the year					(1,088)	**(1,088)**
Balance at 30 June 2011		6,450	279	9,345	3,433	**19,507**
Net result for the year		-	-	-	141	**141**
Transfer to/from Restricted Surplus	14a,14c	-	2,374	-	(2,374)	-
Balance at 30 June 2012		**6,450**	**2,653**	**9,345**	**1,200**	**19,648**

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

NOTE 1:
Statement of Significant Accounting Policies

(a) Statement of Compliance

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

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

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

The annual financial statements were authorised for issue by the Board of Stawell Regional Health Service on 5th September, 2012.

(b) Basis of preparation

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 2012, and the comparative information presented in these financial statements for the year ended 30 June 2011.

The going concern basis was used to prepare the financial statements.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Health Service.

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

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

- Non current physical assets, which subsequent to acquisition, are measured at valuation and are reassessed with sufficient regularity to ensure that the carrying amounts do not materially differ from the fair values.
- The fair value of assets other than land is generally based on their depreciated replacement value.

Historical 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 circumstances, 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. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, are disclosed throughout the notes to the financial statements.

(c) Reporting Entity

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

Its principal address is:
Sloan Street, Stawell, Victoria 3380.

A description of the nature of Stawell Regional Health Service's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

(d) Principles of Consolidation

The assets, liabilities, incomes and expenses of all controlled entities of Stawell Regional Health Service have been included at the values shown in their audited 30 June 2012 Annual Financial Statements. Subsidiaries are entities controlled by Stawell Regional Health Service; control exists when Stawell Regional 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. The consolidated financial statements include the audited financial statements of the controlled entities listed in note 24.

In the process of preparing consolidated financial statements for the Health Service, all material transactions and balances between consolidated entities are eliminated

Intersegment Transactions

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

Jointly Controlled Assets

Interests in jointly controlled assets are accounted for by recognising in Stawell Regional Health's financial statements its proportionate share of the assets, liabilities and any income and expenses of such assets.

Details of the jointly controlled assets are set out in note 20.

(e) Scope and presentation of financial statements

Fund Accounting

Stawell Regional Health Service operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Stawell Regional 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.

Services Supported By Health Services Agreement and Services Supported By Hospital and Community Initiatives

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

Residential Aged Care Service

Residential Aged Care Service operations are an integral part of Stawell Regional Health Service and shares 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 19 to the financial statements.

Residential Aged Care Services are substantially funded from Commonwealth bed-day subsidies.

Comprehensive Operating Statement

The Comprehensive Operating Statement includes the subtotal entitled 'Net result Before Capital & Specific Items' to enhance the understanding of the financial performance of Stawell Regional Health Service. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, and items of an unusual nature and amount such as specific income and expenses. The exclusion of these items is 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 Stawell Regional Health Service, the Department of Health and the Victorian Government to measure the ongoing performance of Health Services in operating hospital services.

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

- Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. It also includes donations of plant and equipment (refer note 1 (g)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided.
- Depreciation as described in note 1 (h).
- Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold 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.

Balance sheet

Assets and liabilities are categorised either as current or non-current.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non owner changes in equity.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.

(f) Change in Accounting Policies

There have been no changes in the application of accounting policies from prior year.

(g) Income Recognition

Income is recognised in accordance with AASB 118 Revenue and is recognised as to the extent that it is probable that the economic benefits will flow to Stawell Regional Health Service and the income can be reliably measured. 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 and other transfers of income (other than contributions by owners)

In accordance with AASB 1004 Contributions, government grants and other transfers of income (other than contributions by owners) are recognised as income when the Health Service gains control of the underlying assets irrespective of whether conditions are imposed on the Health Service's use of the contributions.

Contributions are deferred as income in advance when the health service has a present obligation to repay them and the present obligation can be reliably measured.

Indirect Contributions from the Department of Health

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

Patient and Resident Fees

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

Revenue from commercial activities

Revenue from commercial activities is recognised at the time invoices are raised.

Donations and Other Bequests

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

Interest Revenue

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

(h) Expense Recognition

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Cost of Goods Sold

Costs of goods sold are recognised when the sale of an item occurs by transferring the cost or value of the item/s from inventories.

Employee expenses

Employee expenses include:

- Wages and salaries;
- Annual leave;
- Sick leave;
- Long service leave; and
- Superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

Defined contribution plans

In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

Defined benefit plans

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

Employees of Stawell Regional Health Service are entitled to receive superannuation benefits and Stawell Regional 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 Stawell Regional Health Service are as follows:

Fund	Contributions Paid or Payable for the year	
	2012 $'000	2011 $'000
Defined benefit plans:		
Health Super Superannuation Fund	159	172
Defined contribution plans:		
Health Super Superannuation Fund	699	682
HESTA Superannuation Fund	158	116
Total	1,016	970

Depreciation

Assets with a cost in excess of $1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives. Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation charge is not funded by the Department of Health.

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

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

	2012	2011
Buildings		
- Structure Shell Building Fabric	5 to 50 years	5 to 50 years
Site Engineering Services and Central Plant	5 to 50 years	5 to 50 years
Central Plant		
- Fit Out	5 to 50 years	5 to 50 years
- Trunk Reticulated Building Systems	5 to 50 years	5 to 50 years
Plant & Equipment	5 to 15 years	5 to 15 years
Medical Equipment	5 to 15 years	5 to 15 years
Computers and Communication	3 to 5 years	3 to 5 years
Furniture and Fitting	5 to 15 years	5 to 15 years
Motor Vehicles	7 years	7 years

As part of the Buildings valuation, building values were componentised and each component assessed for its useful life which is represented above.

(i) Financial assets

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 three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk 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.

Receivables

Receivables consist of:

- Statutory receivables, which includes predominantly amounts owing from the Victorian Government and GST input tax credits recoverable; and
- Contractual receivables, which consists of mainly debtors in relation to goods and services and accrued investment income.

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 recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

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

Investments and Other Financial Assets

Investments 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.

Investments are classified in the following categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables; and
- Available-for-sale financial assets.

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

All financial assets, except those measured at fair value through profit or loss are subject to annual review for impairment.

Loans and receivables

Trade receivables, loans, term deposits with maturity greater than three months and other receivables are recorded at amortised cost, using the effective interest method, less impairment. Term deposits with maturity greater than three months are also measured 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.

Impairment of Financial Assets

At the end of each reporting period Stawell Regional Health Service assesses whether there is objective evidence that a financial asset or group of financial asset is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial instruments assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off and allowance for doubtful receivables are recognised as expenses in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

(j) Non-Financial Assets

Inventories

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

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value.

The 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.

Cost for inventory is measured on the basis of weighted average cost.

Inventories acquired for no cost or nominal considerations are measured at current replacement cost at the date of acquisition.

Property, Plant and Equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

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 asset(s) 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. Depreciated historical cost is generally a reasonable proxy for fair value because of the short lives of the assets concerned.

Revaluations of Non-current Physical Assets

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

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

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 surplus are normally not transferred to accumulated funds on derecognition of the relevant asset.

In accordance with FRD 103D, Stawell Regional Health Service's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

Other non-financial assets

Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Disposal of Non-Financial Assets

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

Impairment of Non-Financial Assets

Assets are assessed annually for indications of impairment.

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 surplus amount applicable to that same class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction 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.

(k) Liabilities

Payables

These amounts consist predominantly of liabilities for goods and services.

Payables are initially recognised at fair value, and 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.

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, using a discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

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 which are expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee's services up to the reporting date, and are classified as current liabilities and measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities, but are 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

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability – unconditional LSL (representing 10 or more years of continuous service) is disclosed in the notes to the financial statements 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 valu*e – 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 noncurrent 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.

Termination Benefits

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

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

On-Costs

Employee benefit on-costs, such as payroll tax, workers compensation and superannuation are recognised together with provisions for employee benefits.

Superannuation liabilities

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

(l) Leases

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

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

Finance Leases

Entity as lessor

The Health Service does not hold any finance lease arrangements with other parties.

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 apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the comprehensive operating statement.

Operating Leases

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

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

Lease Incentives

All incentives for the agreement of a new or renewed operating lease are 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 by the lessee 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 is diminished.

Leasehold Improvements

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

(m) Equity

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.

Property, Plant & Equipment Revaluation Surplus

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

General Reserves

A general purpose reserve is established where the Health Service has placed a restriction and/or condition on the use of particular funds received.

Specific Restricted Purpose Reserve

A specific restricted 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.

(n) Commitments for expenditure

Commitments for expenditure are not recognised on the balance sheet. Commitments for expenditure are disclosed at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

(o) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

(p) 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 aspart 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 an operating cash flow.

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

(q) Rounding Of Amounts

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

Figures in the financial statements may not equal due to rounding.

(r) New Accounting Standards and Interpretations

Certain new Australian accounting standards and interpretations have been published that are not mandatory for the 30 June 2012 reporting period.

As at 30 June 2012, the following standards and interpretations had been issued but were not mandatory for the reporting period ending 30 June 2012. Stawell Regional Health Service has not and does not intend to adopt these standards early.

Standard/ Interpretation	Summary	Applicable for Annual Reporting periods beginning on	Impact on Health Services Financial Statements
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1-Jan-13	Detail of impact is still being assessed.
AASB 10 Consolidated Financial Statements	This Standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities and supersedes those requirements in AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities.	1-Jan-13	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 10 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 11 Joint Arrangements	This Standard requires entities that have an interest in arrangements that are controlled jointly to assess whether the arrangement is a joint operation or joint venture. AASB 11 shall be applied for an arrangement that is a joint operation. It also replaces parts of requirements in AASB 131 Interests in Joint Ventures.	1-Jan-13	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 11 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.

AASB 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 and AASB 131.	1-Jan-13	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 12 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 13 Fair Value Measurement	This Standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other AASs. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities; other observable inputs; and unobservable inputs.	1-Jan-13	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures for public sector entities that have assets measured using depreciated replacement cost.
AASB 119 Employee Benefits	In this revised Standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows – other movements in equity') reported on the comprehensive operating statement.	1-Jan-13	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative mpact on the net result from transactions of the general government sector and for those few Victorian public sector entities that report superannuation defined benefit plans.
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements	1-Jan-13	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 127 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1-Jan-13	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 128 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 1053 Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	1-Jan-13	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not ecided if RDRs will be implemented in the Victorian public sector.z

AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 08, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This Standard gives effect to consequential changes arising from the issuance of AASB 9.	1-Jan-13	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	1-Jul-13	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	These consequential amendments are in relation to the introduction of AASB 9	1-Jan-13	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	This amendment provides a practical approach for measuring deferred tax assets and deferred tax liabilities when measuring investment property by using the fair value model in AASB 140 Investment Property.	Beginning 1 Jan 2012	This amendment provides additional clarification through practical guidance.
AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for Firsttime Adopters [AASB 2009-11 & AASB 2010-7]	The amendments ultimately affect AASB 1 First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.	1-Jan-13	No significant impact is expected on entity reporting.
AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & AASB 1054]	The objective of this amendment is to include some additional disclosure from the Trans-Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian AccountingStandards – Reduced Disclosure Requirements.	1-Jul-13	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented in the Victorian public sector.

AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]	This amends AASB 1049 to clarify the definition of the ABS GFS Manual, and to facilitate the adoption of changes to the ABS GFS Manual and related disclosures.	1-Jul-12	This amendment provides clarification to users preparing the whole of government and general govovernment sector financial reports on the version of the GFS Manual to be used and what to disclose if the latest GFS Manual is not used. No impact on departmental or entity reporting.
AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This Standard amends AASB 124 Related Party Disclosures by removing the disclosure requirements in AASB 124 in relation to individual key management personnel (KMP).	1-Jul-13	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, AASB 128 & AASB 131]	The objective of this Standard is to make amendments to AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures to extend the circumstances in which an entity can obtain relief from consolidation, the equity method or proportionate consolidation.	1-Jul-13	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	This Standard outlines consequential changes arising from the issuance of the five 'new Standards' to other Standards. For example, references to AASB 127 Consolidated and Separate Financial Statements are amended to AASB 10 Consolidated Financial Statements or AASB 127 Separate Financial Statements, and references to AASB 131 Interests in Joint Ventures are deleted as that Standard has been superseded by AASB 11 and AASB 128 (August 2011).	1-Jul-13	No significant impact is expectedfrom these consequential amendments on entity reporting.
AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	This amending Standard makes consequentical changes to a range of Standards and Interpretations arising from the issuance of AASB 13. In particular, this Standard replaces the existing definition and guidance of fair value measurements in other Australian Accounting Standards andInterpretations.	1-Jul-13	Disclosures for fair value measurements using unobservable inputs is potentially onerous, and may increase disclosures for assets measured using depreciated replacement cost.
AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	The main change resulting from this Standard is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). These amendments do not remove the option to present profit or loss and other comprehensive income in two statements, nor change the option to present items of OCI either before tax or net of tax.	1-Jul-12	This amending Standard could change the current presentation of 'Other economic flows- other movements in equity' that will be grouped on the basis of whether they are potentially reclassifiable to profit or loss subsequently. No other significant impact will be expected.

AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]	This Standard makes consequential changes to a range of other Australian Accounting Standards and Interpretaion arising from the issuance of AASB 119 Employee Benefits.	1-Jan-13	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	This Standard makes amendments to AASB 119 Employee Benefits (September 2011), to incorporate reduced disclosure requirements into the Standard for entities applying Tier 2 requirements in preparing general purpose financial statements.	1-Jul-13	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]	This Standard makes amendments to AASB 1 First-time Adoption of Australian Accounting Standards, as a consequence of the issuance of IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine. This Standard allows the first-time adopters to apply the transitional provisions contained in Interpretation 20.	1-Jan-13	There may be an impact for new agencies that adopt Australian Accounting Standards for the first time. No implication is expected for existing entities in the Victorian public sector.
2011-13 Amendments to Australian Accounting Standard – Improvements to AASB 1049	This Standard aims to improve the AASB 1049 Whole of Government and General Government Sector Financial Reporting at the operational level. The main amendments clarify a number of requirements in AASB 1049, including the amendment to allow disclosure of other measures of key fiscal aggregates as long as they are clearly distinguished from the key fiscal aggregates and do not detract from the the information required by AASB 1049. Furthermore, this Standard provides additional guidance and examples on the classification between 'transactions' and 'other economic flows' for GAAP items without GFS equivalents.	1-Jul-12	No significant impact is expected from these consequential amendments on entity reporting.
2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]	This amending Standard prescribes the reduced disclosure requirements in a number of Australian Accounting Standards as a consequence of the issuance of AASB 13 Fair Value Measurement.	1-Jul-13	As the Victorian whole of government and the general government (GG) sector are subject to Tier 1 reporting requirements (refer to AASB 1053 Application of Tiers of Australian Accounting Standards), the reduced disclosure requirements included in AASB 2012-1 will not affect the financial reporting for Victorian whole of government and GG sector.

(s) Category Groups

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

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

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

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

Off Campus, Ambulatory Services (Ambulatory) comprises all recurrent health revenue/expenditure on public hospital type services including palliative care facilities and rehabilitation facilities, as well as services 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 hospital's 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 DH 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).

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, Kooris 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.

NOTE 2:
Revenue

	PARENT					
	HSA 2012 $'000	HSA 2011 $'000	Non HSA 2012 $'000	Non HSA 2011 $'000	Total 2012 $'000	Total 2011 $'000
Revenue from Operating Activities						
Government Grants						
- Department of Health	14,218	13,604	-	-	14,218	13,604
- Commonwealth Government						
- Residential Aged Care Subsidy	1,722	1,571	-	-	1,722	1,571
- Other	1,267	1,118	-	-	1,267	1,118
Total Government Grants	**17,207**	**16,293**	**-**	**-**	**17,207**	**16,293**
Indirect Contributions by Department of Health						
- Insurance	225	357	-	-	225	357
- Long Service Leave	35	(12)	-	-	35	(12)
Total Indirect Contributions by Department of Health	**260**	**345**	**-**	**-**	**260**	**345**
Patient and Resident Fees						
- Patient and Resident Fees (refer note 2b)	1,519	1,595	-	-	1,519	1,595
Total Patient & Resident Fees	**1,519**	**1,595**	**-**	**-**	**1,519**	**1,595**
Business Units & Specific Purpose Funds						
- Private Practice and Other Patient Activities Fees	-	-	32	28	32	28
- Diagnostic Imaging	-	-	845	966	845	966
- Pharmacy Services	-	-	5	23	5	23
- Catering	-	-	155	134	155	134
- Property Income	-	-	80	70	80	70
Total Business Units & Specific Purpose Funds	**-**	**-**	**1,117**	**1,221**	**1,117**	**1,221**
Share of Jointly Controlled Revenue	270	174	-	-	270	174
Other Revenue from Operating Activities	342	244	94	123	436	367
Sub-Total Revenue from Operating Activities	**19,598**	**18,651**	**1,211**	**1,344**	**20,809**	**19,995**
Revenue from Non-Operating Activities						
Interest & Dividends	-	-	221	186	221	186
Sub-Total Revenue from Non-Operating Activities	**-**	**-**	**221**	**186**	**221**	**186**
Revenue from Capital Purpose Income						
State Government Capital Grants						
- Targeted Capital Works and Equipment	612	150	-	-	612	150
Commonwealth Government Capital Grants	226	90	-	-	226	90
Residential Accommodation Payments (refer note 2b)	191	177	-	-	191	177
Assets Received Free of Charge (refer note 2d)	-	-	-	60	-	60
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	-	-	(5)	11	(5)	11
Donations & Bequests	-	-	167	198	167	198
Other Capital Purpose Income	147	70	-	11	147	51
Sub-Total Revenue from Capital Purpose Income	**1,176**	**487**	**162**	**280**	**1,338**	**737**
Total Revenue (refer to note 2a)	**20,774**	**19,138**	**1,594**	**1,810**	**22,368**	**20,918**

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

	CONSOLIDATED					
	HSA 2012 $'000	HSA 2011 $'000	Non HSA 2012 $'000	Non HSA 2011 $'000	Total 2012 $'000	Total 2011 $'000
Revenue from Operating Activities						
Government Grants						
- Department of Health	14,218	13,604	-	-	14,218	13,604
- Commonwealth Government						
- Residential Aged Care Subsidy	1,722	1,571	-	-	1,722	1,571
- Other	1,267	1,118	-	-	1,267	1,118
Total Government Grants	**17,207**	**16,293**	**-**	**-**	**17,207**	**16,293**
Indirect Contributions by Department of Health						
- Insurance	225	357	-	-	225	357
- Long Service Leave	35	(12)	-	-	35	(12)
Total Indirect Contributions by Department of Health	**260**	**345**	**-**	**-**	**260**	**345**
Patient and Resident Fees						
- Patient and Resident Fees (refer note 2b)	1,519	1,595	-	-	1,519	1,595
Total Patient & Resident Fees	**1,519**	**1,595**	**-**	**-**	**1,519**	**1,595**
Business Units & Specific Purpose Funds						
- Private Practice and Other Patient Activities Fees	-	-	32	28	32	28
- Diagnostic Imaging	-	-	845	966	845	966
- Pharmacy Services	-	-	5	23	5	23
- Catering	-	-	155	134	155	134
- Property Income	-	-	80	70	80	70
Total Business Units & Specific Purpose Funds	**-**	**-**	**1,117**	**1,221**	**1,117**	**1,221**
Share of Jointly Controlled Revenue	270	174	-	-	270	174
Other Revenue from Operating Activities	340	418	94	160	434	541
Sub-Total Revenue from Operating Activities	**19,596**	**18,651**	**1,211**	**1,381**	**20,807**	**20,032**
Revenue from Non-Operating Activities						
Interest & Dividends	-	-	324	253	324	253
Sub-Total Revenue from Non-Operating Activities	**-**	**-**	**324**	**253**	**324**	**253**
Revenue from Capital Purpose Income						
State Government Capital Grants						
- Targeted Capital Works and Equipment	612	150	-	-	612	150
Commonwealth Government Capital Grants	226	90	-	-	226	90
Residential Accommodation Payments (refer note 2b)	191	177	-	-	191	177
Assets Received Free of Charge (refer note 2d)	-	-	-	60	-	60
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	-	-	(5)	11	(5)	11
Donations & Bequests	-	-	167	198	167	198
Other Capital Purpose Income	147	70	-	11	147	51
Sub-Total Revenue from Capital Purpose Income	**1,176**	**487**	**162**	**280**	**1,338**	**737**
Total Revenue (refer to note 2a)	**20,772**	**19,138**	**1,697**	**1,914**	**22,496**	**21,022**

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

NOTE 2A:
Analysis of Revenue by Source

Based on Consolidated view	Admitted Patients 2012 $'000	Outpatients 2012 $'000	EDS 2012 $'000	Ambulatory 2012 $'000	RAC incl. Mental Health 2012 $'000	Aged Care 2012 $'000	Primary Health 2012 $'000	Other 2012 $'000	2012 $'000
Revenue from Services Supported by Health Services Agreement									
Government Grants	10,911	418	-	916	2,814	556	1,592	-	17,207
Indirect contributions by Department of Health	165	6	-	14	43	8	24	-	260
Patient & Resident Fees (refer note 2b)	809	-	34	-	518	98	60	-	1,519
Share of Jointly Controlled Revenue	95	8	8	23	84	13	40	-	270
Other Revenue from Operating Activities	216	8	-	18	56	11	31	-	340
Capital Purpose Income (refer note 2)	759	-	-	-	417	-	-	-	1,176
Sub-Total Revenue from Services Supported by Health Services Agreement	**12,954**	**441**	**42**	**970**	**3,931**	**686**	**1,748**	**-**	**20,772**
Revenue from Services Supported by Hospital and Community Initiatives									
Donations & Bequests (non capital)	-	-	-	-	-	-	-	-	-
Business Units & Specific Purpose Funds	-	-	-	-	-	-	-	1,117	1,117
Other	-	-	-	-	-	-	-	418	418
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	-	162	162
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,697**	**1,697**
Total Revenue	**12,954**	**441**	**42**	**970**	**3,931**	**686**	**1,748**	**1,697**	**22,469**

Indirect contributions by Department of Health: Department of Health (DH) 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 Consolidated view	Admitted Patients 2011 $'000	Outpatients 2011 $'000	EDS 2011 $'000	Ambulatory 2011 $'000	RAC incl. Mental Health 2011 $'000	Aged Care 2011 $'000	Primary Health 2011 $'000	Other 2011 $'000	2011 $'000
Revenue from Services Supported by Health Services Agreement									
Government Grants	10,681	-	-	855	2,768	486	1,503	-	16,293
Indirect contributions by Department of Health	121	10	10	29	107	16	51	-	345
Patient & Resident Fees (refer note 2b)	969	-	1	-	481	86	58	-	1,595
Share of Jointly Controlled Revenue	61	5	5	15	54	8	26	-	174
Other Revenue from Operating Activities	90	6	6	13	57	11	62	-	244
Capital Purpose Income (refer note 2)	191	-	-	-	267	6	23	-	487
Sub-Total Revenue from Services Supported by Health Services Agreement	**12,113**	**21**	**22**	**912**	**3,733**	**614**	**1,723**	**-**	**19,138**
Revenue from Services Supported by Hospital and Community Initiatives									
Donations & Bequests (non capital)	-	-	-	-	-	-	-	37	37
Business Units & Specific Purpose Funds	-	-	-	-	-	-	-	1,221	1,221
Other	-	-	-	-	-	-	-	376	376
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	-	250	250
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,884**	**1,884**
Total Revenue	**12,113**	**21**	**22**	**912**	**3,733**	**614**	**1,723**	**1,884**	**21,022**

Indirect contributions by Department of Health: Department of Health (DH) 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 distrbuted to catergories 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 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Patient and Resident Fees Raised Recurrent:				
Acute				
– Inpatients	808	969	808	969
– Outpatients	34	1	34	1
Residential Aged Care				
– Generic	432	401	432	401
– Mental Health	86	80	86	80
Other	159	144	159	144
Total Recurrent	**1,519**	**1,595**	**1,519**	**1,595**
Capital Purpose:				
Residential Accommodation Payments	191	177	191	177
Total Capital	**191**	**177**	**191**	**177**

NOTE 2C:
Net Gain/(Loss) on Disposal of Non-Financial Assets

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Proceeds from Disposals of Non-Current Assets				
Plant and Equipment	2	-	2	-
Medical Equipment	6	-	6	-
Motor Vehicles	79	39	79	39
Total Proceeds from Disposal of Non-Current Assets	**87**	**39**	**87**	**39**
Less: Written Down Value of Non-Current Assets Sold				
Plant and Equipment	1	-	1	-
Medical Equipment	27	-	27	-
Motor Vehicles	64	28	64	28
Total Written Down Value of Non-Current Assets Sold	**92**	**28**	**92**	**28**
Net gains/(losses) on Disposal of Non-Current Assets	**(5)**	**11**	**(5)**	**11**

NOTE 2D:
Assets Received Free of Charge or For Nominal Consideration

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
During the reporting period, the fair value of assets received free of charge, was as follows:				
Plant and Equipment	-	60	-	60
TOTAL	**-**	**60**	**-**	**60**

Asset received from the Stawell Regional Health Foundation

NOTE 3:
Expenses

	PARENT						CONSOLIDATED					
	HSA 2012 '000	HSA 2011 $'000	Non HSA 2012 $'000	Non HSA 2011 $'000	Total 2012 $'000	Total 2011 $'000	HSA 2012 '000	HSA 2011 $'000	Non HSA 2012 $'000	Non HSA 2011 $'000	Total 2012 $'000	Total 2011 $'000
Employee Benefits												
Salaries & Wages	10,415	10,014	478	321	10,893	10,335	10,415	10,014	478	321	10,893	10,335
WorkCover Premium	96	119	2	2	98	119	96	117	2	2	98	119
Departure Packages	-	5	-	-	-	5	-	5	-	-	-	5
Long Service Leave	304	229	13	9	317	238	304	229	13	9	317	238
Superannuation	981	977	38	28	1,019	1,005	981	977	38	28	1,019	1,005
Total Employee Benefits	**11,796**	**11,342**	**531**	**360**	**12,327**	**11,702**	**11,796**	**11,342**	**531**	**360**	**12,327**	**11,702**
Non Salary Labour Costs												
Fees for Visiting Medical Officers	1,313	1,339	-	10	1,313	1,349	1,313	1,339	-	10	1,313	1,349
Agency Costs	888	897	-	-	888	897	888	897	-	-	888	897
Total Non Salary Labour Costs	**2,201**	**2,236**	**-**	**10**	**2,201**	**2,246**	**2,201**	**2,236**	**-**	**10**	**2,201**	**2,246**
Supplies & Consumables												
Drug Supplies	674	543	-	-	674	543	674	543	-	-	674	543
S100 Drugs	8	109	-	-	8	109	8	109	-	-	8	109
Medical, Surgical Supplies and Prosthesis	1,343	1,332	280	596	1,623	1,928	1,343	1,332	280	596	1,623	1,928
Pathology Supplies	105	100	-	-	105	100	105	100	-	-	105	100
Food Supplies	537	579	-	-	537	579	537	579	-	-	537	579
Total Supplies & Consumables	**2,667**	**2,663**	**280**	**596**	**2,947**	**3,259**	**2,667**	**2,663**	**280**	**596**	**2,947**	**3,259**
Other Expenses from Continuing Operations												
Domestic Services & Supplies	301	324	-	7	301	331	301	324	-	7	301	331
Fuel, Power,Gas and Water	217	251	-	-	217	251	217	251	-	-	217	251
Insurance costs funded by DH	265	357	-	-	265	357	265	357	-	-	265	357
Motor Vehicle Expenses	96	96	-	-	96	96	96	96	-	-	96	96
Repairs & Maintenance	328	266	1	22	329	288	328	266	1	22	329	288
Maintenance Contracts	89	94	108	102	197	196	89	94	108	102	197	196
Patient Transport	153	166	-	-	153	166	153	166	-	-	153	166
Bad & Doubtful Debts	6	2	-	7	6	9	6	2	-	7	6	9
Lease Expenses	112	112	6	-	118	112	112	112	6	-	118	112
Other Administrative Expenses	620	603	212	246	832	849	620	603	311	326	931	929
Share of Jointly Controlled Expenses	278	222	-	-	278	222	278	222	-	-	278	222
Audit Fees												
- VAGO - Audit of Financial Statements	12	12	-	-	12	12	15	15	-	-	15	15
- Other	38	16	-	-	38	16	38	16	-	-	38	16
Total Other Expenses from Continuing Operations	**2,515**	**2,521**	**327**	**384**	**2,842**	**2,905**	**2,518**	**2,524**	**426**	**464**	**2,944**	**2,988**
Depreciation & Amortisation	1,910	1,894	-	-	1,910	1,894	1,910	1,894	-	-	1,910	1,894
Total	**1,910**	**1,894**	**-**	**-**	**1,910**	**1,894**	**1,910**	**1,894**	**-**	**-**	**1,910**	**1,894**
Total Expenses	**21,089**	**20,656**	**1,138**	**1,350**	**22,227**	**22,006**	**21,092**	**20,659**	**1,237**	**1,430**	**22,329**	**22,089**

NOTE 3A:
Analysis of Expenses by Source

(based on the consolidated view)

Based on Consolidated view	Admitted Patients 2012 $'000	Outpatients 2012 $'000	EDS 2012 $'000	Ambulatory 2012 $'000	RAC incl. Mental Health 2012 $'000	Aged Care 2012 $'000	Primary Health 2012 $'000	Other 2012 $'000	Total 2012 $'000
Services Supported by Health Services Agreement									
Employee Benefits	5,968	223	142	124	3,522	524	1,292	-	11,796
Non Salary Labour Costs	1,114	42	26	23	657	98	241	-	2,201
Supplies & Consumables	2,186	4	37	1	357	47	38	-	2,670
Share of Jointly Controlled Expenses	141	5	3	3	83	12	30	-	277
Other Expenses from Continuing Operations	1,027	20	23	431	390	75	272	-	2,238
Sub-Total Expenses from Services Supported by Health Services Agreement	**10,436**	**294**	**231**	**582**	**5,009**	**756**	**1,873**	**-**	**19,182**
Services Supported by Hospital and Community Initiatives									
Employee Benefits	-	-	-	-	-	-	-	531	531
Supplies & Consumables	-	-	-	-	-	-	-	280	280
Other Expenses from Continuing Operations	-	-	-	-	-	-	-	426	426
Sub-Total Expense from Services Supported by Hospital and Community Initiatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,237**	**1,237**
Expenditure using Capital Purpose Income									
Depreciation & Amortisation (refer note 4)	1,101	37	4	82	334	58	149	144	1,910
Sub-total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives	**1,101**	**37**	**4**	**82**	**334**	**58**	**149**	**144**	**1,910**
Total Expenses	**11,538**	**331**	**235**	**664**	**5,343**	**814**	**2,022**	**1,381**	**22,329**

NOTE 3A:
Analysis of Expenses by Source

(based on the consolidated view)

Based on Consolidated view	Admitted Patients 2011 $'000	Outpatients 2011 $'000	EDS 2011 $'000	Ambulatory 2011 $'000	RAC incl. Mental Health 2011 $'000	Aged Care 2011 $'000	Primary Health 2011 $'000	Other 2011 $'000	Total 2011 $'000
Services Supported by Health Services Agreement									
Employee Benefits	5,778	120	138	229	3,067	717	1,293	-	11,342
Non Salary Labour Costs	1,804	6	6	182	78	11	149	-	2,236
Supplies & Consumables	2,184	1	37	1	356	47	38	-	2,664
Share of Jointly Controlled Expenses	112	4	3	2	66	10	24	-	221
Other Expenses from Continuing Operations	1,089	20	23	432	391	75	272	-	2,302
Sub-Total Expenses from Services Supported by Health Services Agreement	**10,967**	**151**	**207**	**846**	**3,958**	**860**	**1,776**	**-**	**18,765**
Services Supported by Hospital and Community Initiatives									
Employee Benefits	-	-	-	-	-	-	-	360	360
Non Salary Labour Costs	-	-	-	-	-	-	-	10	10
Supplies & Consumables	-	-	-	-	-	-	-	596	596
Other Expenses from Continuing Operations	-	-	-	-	-	-	-	464	464
Sub-Total Expense from Services Supported by Hospital and Community Initiatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,430**	**1,430**
Expenditure using Capital Purpose Income									
Depreciation & Amortisation (refer note 4)	1,100	1	2	81	331	54	153	172	1,894
Sub-total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives	**1,100**	**1**	**2**	**81**	**331**	**54**	**153**	**172**	**1,894**
Total Expenses	**12,067**	**152**	**209**	**927**	**4,289**	**914**	**1,929**	**1,602**	**22,089**

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

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Commercial Activities				
Diagnostic Imaging	835	1,159	835	1,159
Catering	229	121	229	121
Other	13	80	13	80
Other Activities				
Fundraising and Community Support	61	70	61	70
TOTAL	**1,138**	**1,430**	**1,138**	**1,430**

NOTE 4:
Depreciation and Amortisation

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Depreciation				
Buildings	1,419	1,418	1,419	1,418
Plant & Equipment	193	192	193	192
Medical Equipment	251	239	251	239
Total Depreciation	**1,863**	**1,849**	**1,863**	**1,849**
Amortisation				
Intangible Assets	47	45	47	45
Total Amortisation	**47**	**45**	**47**	**45**
Total Depreciation & Amortisation	**1,910**	**1,894**	**1,910**	**1,894**

NOTE 5:
Cash and Cash Equivalents

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

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Cash on Hand	2	2	2	2
Cash at Bank	423	1,266	438	1,301
Short Term Money Market	5,085	2,320	6,409	3,598
Jointly Controlled Cash & Cash Equivalents (note 20)	44	58	44	58
TOTAL	**5,554**	**3,646**	**6,893**	**4,959**
Represented by:				
Cash for Health Service Operations (as per Cash Flow Statement)	4,963	3,200	6,302	4,513
Cash for Monies Held in Trust				
- Cash at Bank	2	60	2	60
- Short Term Money Market	589	386	589	386
TOTAL	**5,554**	**3,646**	**6,893**	**4,959**

NOTE 6:
Receivables

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
CURRENT				
Contractual				
Inter Hospital Debtors	207	130	207	130
Trade Debtors	180	137	180	137
Jointly Controlled Receivables (note20)	40	58	40	58
Patient Fees	197	275	197	275
Accrued Investment Income	51	54	58	82
Accrued Revenue - Other	91	65	91	64
Less Allowance for Doubtful Debts				
Trade Debtors	(1)	(2)	(1)	(2)
Patient Fees	(23)	(16)	(23)	(16)
	742	**701**	**749**	**728**
Statutory				
GST Receivable	88	40	89	47
	88	**40**	**89**	**47**
TOTAL CURRENT RECEIVABLES	**830**	**741**	**838**	**775**
NON CURRENT				
Statutory				
Long Service Leave - DH	35	-	35	-
TOTAL NON-CURRENT RECEIVABLES	**35**	**-**	**35**	**-**
TOTAL RECEIVABLES	**865**	**741**	**873**	**775**

(a) Movement in the Allowance for doubtful debts

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Balance at beginning of year	18	13	18	13
Amounts written off during the year	(1)	(26)	(1)	(26)
Increase/(decrease) in allowance recognised in profit or loss	7	31	7	31
Balance at end of year	**24**	**18**	**24**	**18**

(b) Ageing analysis of receivables
Please refer to note 16 for the ageing analysis of receivables.

(c) Nature and extent of risk arising from receivables
Please refer to note 16 for the nature and extent of credit risk arising from receivables.

NOTE 7:
Inventories

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Pharmaceuticals				
At cost	37	55	37	55
Medical and Surgical Lines				
At cost	75	84	75	84
TOTAL INVENTORIES	**112**	**139**	**112**	**139**

NOTE 8:
Other Assets

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Prepayments	38	47	38	47
Rental Property Bonds	4	4	4	4
CURRENT	**42**	**51**	**42**	**51**
TOTAL	**42**	**51**	**42**	**51**

NOTE 9:
Property, Plant & Equipment

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Land				
Land at Fair Value	1,419	1,419	1,419	1,419
Total Land	**1,419**	**1,419**	**1,419**	**1,419**
Buildings				
Buildings Under Construction at cost	80	-	80	-
Buildings at Valuation	18,701	18,701	18,701	18,701
Less Acc'd Depreciation	4,248	2,832	4,248	2,832
Buildings at Cost	81	73	81	73
Less Acc'd Depreciation	6	3	6	3
Total Buildings	**14,608**	**15,939**	**14,608**	**15,939**
Plant and Equipment				
Plant and Equipment at Fair Value	1,591	1,612	1,591	1,612
Less Acc'd Depreciation	1,066	1,002	1,066	1,002
Total Plant and Equipment	**525**	**610**	**525**	**610**
Medical Equipment				
Medical Equipment at Fair Value	3,783	3,557	3,783	3,557
Less Acc'd Depreciation	2,248	2,096	2,248	2,096
Total Medical Equipment	**1,535**	**1,461**	**1,535**	**1,461**
Jointly Controlled Property, Plant & Equipment				
Jointly Controlled PP&E Fair Value	96	68	96	68
Less Acc'd Depreciation	52	35	52	35
Total Jointly Controlled Property, Plant & Equipment	**44**	**33**	**44**	**33**
TOTAL	**18,131**	**19,462**	**18,131**	**19,462**

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

	Land $'000	Buildings $'000	Plant & Equipment $'000	Medical Equipment $'000	Jointly Controlled PP&E $'000	Total $'000
Balance at 1 July 2010	**1,419**	**17,328**	**725**	**1,514**	**35**	**21,021**
Additions	-	29	106	186	-	321
Disposals	-	-	29	-	-	29
Movement in Jointly Controlled PP&E	-	-	-	-	(2)	(2)
Depreciation and Amortisation (note 4)	-	1,418	192	239	-	1,849
Balance at 1 July 2011	**1,419**	**15,939**	**610**	**1,461**	**33**	**19,462**
Additions	-	88	173	351	-	612
Nett WDV of Disposals	-	-	65	26	-	91
Movement in Jointly Controlled PP&E	-	-	-	-	11	11
Depreciation and Amortisation (note 4)	-	1,419	193	251	-	1,863
Balance at 30 June 2012	**1,419**	**14,608**	**525**	**1,535**	**44**	**18,131**

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 10:
Intangible Assets

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Computer Software	453	433	453	433
Less Acc'd Amortisation	255	208	255	208
	198	**225**	**198**	**225**
Total Written Down Value	**198**	**225**	**198**	**225**

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 2010	**155**	**155**
Additions	115	115
Amortisation (note 4)	45	45
Balance at 1 July 2011	**225**	**225**
Additions	20	20
Amortisation (note 4)	47	47
Balance at 30 June 2012	**198**	**198**

NOTE 11:
Payables

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
CURRENT				
Contractual				
Trade Creditors	719	347	719	347
Accrued Expenses	522	876	525	879
Jointly Controlled Payables (note 20)	11	44	11	44
	1,252	**1,267**	**1,255**	**1,270**
Statutory				
Department of Health	177	360	177	360
	177	**360**	**177**	**360**
TOTAL CURRENT	**1,429**	**1,627**	**1,432**	**1,630**
TOTAL	**1,429**	**1,627**	**1,432**	**1,630**

(a) Maturity analysis of payables
Please refer to Note 16 for the ageing analysis of payables.

(b) Nature and extent of risk arising from payables
Please refer to Note 16 for the nature and extent of risks arising from payables.

NOTE 12:
Employee Benefits and Related On-Costs Provisions

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Current Provisions				
Employee Benefits				
- Unconditional and expected to be settled within 12 months	1,449	1,208	1,449	1,208
- Unconditional and expected to be settled after 12 months	1,051	767	1,051	767
	2,500	1,975	2,500	1,975
Provisions related to Employee Benefit On-Costs				
- Unconditional and expected to be settled within 12 months (nominal value)	174	145	174	145
- Unconditional and expected to be settled after 12 months (present value)	126	92	126	92
	300	237	300	237
Total Current Provisions	**2,800**	**2,212**	**2,800**	**2,212**
Non-Current Provisions				
Employee Benefits	246	313	246	313
Provisions related to Employee Benefit On-Costs	30	37	30	37
Total Non-Current Provisions	**276**	**350**	**276**	**350**
Current Employee Benefits				
Unconditional LSL Entitlement	1,077	879	1,077	879
Annual Leave Entitlements	829	727	829	727
Accrued Wages and Salaries	557	335	557	335
Accrued Days Off	39	34	39	34
Non-Current Employee Benefits				
Conditional Long Service Leave Entitlements (present value)	246	313	246	313
Total Employee Benefits	**2,748**	**2,288**	**2,748**	**2,288**
On-Costs				
Current On-Costs	300	237	300	237
Non-Current On-Costs	30	37	30	37
Total On-Costs	**330**	**274**	**330**	**274**
Total Employee Benefits and Related On-Costs	**3,078**	**2,562**	**3,078**	**2,562**
Movement in Long Service Leave:				
Balance at start of year	**1,335**	**1,324**	**1,335**	**1,324**
Provision made during the year				
- Revaluations	83	1	83	1
- Expense recognising Employee Service	195	214	195	214
Settlement made during the year	(132)	(204)	(132)	(204)
Balance at end of year	**1,481**	**1,335**	**1,481**	**1,335**

NOTE 12A:
Employee Benefits

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
CURRENT (refer note 1 (k))				
Unconditional long service leave entitlements	1,205	985	1,205	985
Annual leave entitlements	927	814	927	814
Accrued Wages and Salaries	624	375	624	375
Accrued Days Off	44	38	44	38
TOTAL	**2,800**	**2,212**	**2,800**	**2,212**
Current Employee benefits that:				
Expected to be utilised within 12 months (nominal value)	1,623	1,353	1,623	1,353
Expected to be utilised after 12 months (present value)	1,177	859	1,177	859
	2,800	**2,212**	**2,800**	**2,212**
NON-CURRENT (refer note 1 (k))				
Conditional long service leave entitlements (present value)	276	350	276	350
TOTAL	**276**	**350**	**276**	**350**
Movement in Long Service Leave:				
Balance at start of year	1,335	1,324	1,335	1,324
Provision made during the year	278	215	278	215
Settlement made during the year	(132)	(204)	(132)	(204)
Balance at end of year	**1,481**	**1,335**	**1,481**	**1,335**

NOTE 13:
Other Liabilities

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
CURRENT				
Monies Held in Trust				
- Patient Monies Held in Trust	54	60	54	60
- Other Monies Held in Trust	537	386	537	386
Revenue in Advance	158	122	158	122
Total Current	**749**	**568**	**749**	**568**
Total Other Liabilities	**749**	**568**	**749**	**568**
Total Monies Held in Trust Represented by the following assets:				
Cash Assets (refer to Note 5)	591	446	591	446
TOTAL	**591**	**446**	**591**	**446**

NOTE 14:
Reserves

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
(a) Reserves				
Property, Plant & Equipment Revaluation Surplus				
Balance at the beginning of the reporting period	6,450	6,450	6,450	6,450
Balance at the end of the reporting period	**6,450**	**6,450**	**6,450**	**6,450**
Represented by:				
- Land	826	826	826	826
- Buildings	5,624	5,624	5,624	5,624
	6,450	**6,450**	**6,450**	**6,450**
Restricted Specific Purpose Reserve				
Balance at the beginning of the reporting period	279	279	279	279
Transfer to and from Restricted Specific Purpose Reserve	2,374	-	2,374	-
Balance at the end of the reporting period	2,653	279	2,653	279
Total Reserves	**9,103**	**6,729**	**9,103**	**6,729**
(b) Contributed Capital				
Balance at the beginning of the reporting period	**9,345**	**9,345**	**9,345**	**9,345**
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	3,433	4,521	4,778	5,845
Net Result for the Year	141	(1,088)	140	(1,067)
Transfers to and from Reserve	(2,374)	-	(2,374)	-
Balance at the end of the reporting period	1,200	**3,433**	**2,544**	**4,778**
(d) Total Equity at end of financial year	**19,648**	**19,507**	**20,992**	**20,852**

NOTE 15:
Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Net Result for the Year	141	(1,088)	140	(1,067)
Depreciation & Amortisation	1,910	1,894	1,910	1,894
Provision for Doubtful Debts	6	3	6	3
Change in Inventories	28	27	28	27
Resources/Assets Received Free of Charge	-	(60)	-	(60)
Net (Gain)/Loss from Sale of Plant and Equipment	5	(11)	5	(11)
Change in Operating Assets & Liabilities				
(Increase)/Decrease in Receivables	(155)	(77)	(122)	(88)
(Increase)/Decrease in Other Assets	(137)	(9)	(145)	(9)
(Increase)/Decrease in Prepayments	9	29	9	29
Increase/(Decrease) in Payables	(173)	(128)	(171)	(138)
Increase/(Decrease) in Employee Benefits	514	78	514	78
Increase/(Decrease) in Other Liabilities	181	127	181	127
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**2,329**	**815**	**2,355**	**815**

NOTE 16:
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 offinancial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Categorisation of financial instruments

	Carrying Amount 2012 $'000	Carrying Amount 2011 $'000
Financial Assets		
Cash and cash equivalents	6,893	4,959
Loans and Receivables	749	728
Total Financial Assets	**7,642**	**5,687**
Financial Liabilities		
Payables	1,255	1,270
Other Financial Liabilities	749	568
Total Financial Liabilities	**2,004**	**1,838**

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

	Carrying Amount 2012 $'000	Carrying Amount 2011 $'000
Financial Assets		
Cash and Cash Equivalents	324	225
Total Financial Assets	**324**	**225**

(b) Credit Risk

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

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

- Cash Equivalents
- Receivables
- Trade Creditors and Accruals

As regards to credit risk for Cash Equivalents, it is the Health Service'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 Health 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.

Credit quality of contractual financial assets that are neither past due nor impaired

2012	Financial institutions (AAA credit rating) $'000	Government agencies (AAA credit rating) $'000	Government agencies (BBB credit rating) $'000	Other (min BBB credit rating) $'000	Total $'000
Financial Assets					
Cash and Cash Equivalents	484	-	-	-	484
Receivables					
- Trade Debtors	-	247	-	180	427
- Other Receivables	-	-	-	322	322
Other Financial Assets					
- Term Deposit	6,409	-	-	-	6,409
Total Financial Assets	**6,893**	**247**	**-**	**502**	**7,642**
2011					
Financial Assets					
Cash and Cash Equivalents	1,361	-	-	-	1,361
Receivables					
- Trade Debtors	-	188	-	137	325
- Other Receivables	-	-	-	403	403
Other Financial Assets					
- Term Deposit	3,598	-	-	-	3,598
Total Financial Assets	**4,959**	**188**	**-**	**540**	**5,687**

Ageing analysis of Financial Asset as at 30 June

	Consol'd Carrying Amount $'000	Not Past Due and Not Impaired $'000	Past Due But Not Impaired				Impaired Financial Assets $'000
			Less than 1 Month $'000	1-3 Months $'000	3 months - 1 Year $'000	1-5 Years $'000	
2012							
Financial Assets							
Cash and Cash Equivalents	6,893	6,893	-	-	-	-	-
Receivables							
- Trade Debtors	427	392	11	8	15	-	1
- Other Receivables	322	272	4	23	-	-	23
Total Financial Assets	**7,642**	**7,557**	**15**	**31**	**15**	**-**	**24**
2011							
Financial Assets							
Cash and Cash Equivalents	4,959	4,959	-	-	-	-	-
Receivables							
- Trade Debtors	325	303	3	17	-	-	2
- Other Receivables	403	360	4	23	-	-	16
Total Financial Assets	**5,687**	**5,622**	**7**	**40**	**-**	**-**	**18**

(c) Liquidity Risk

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

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

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

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

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

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

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

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

Maturity analysis of Financial Liabilities as at 30 June

	Carrying Amount $'000	Contractual Cash Flows $'000	Maturity Dates			
			Less than 1 Month $'000	1-3 Months $'000	3 months - 1 Year $'000	1-5 Years $'000
2012						
Financial Liabilities						
Payables	1,255	1,255	1,255	-	-	-
Other Financial Liabilities	749	749	749	-	-	-
Total Financial Liabilities	**2,004**	**2,004**	**2,004**	**-**	**-**	**-**
2011						
Financial Liabilities						
Payables	1,270	1,270	1,270	-	-	-
Other Financial Liabilities	568	568	568	-	-	-
Total Financial Liabilities	**1,838**	**1,838**	**1,838**	**-**	**-**	**-**

(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
2012					
Financial Assets					
Cash and Cash Equivalents	**5.53**	6,893	3,679	3,212	2
Receivables					
- Trade Debtors	-	427	-	-	427
- Other Receivables	-	322	-	-	322
		7,642	**3,679**	**3,212**	**751**
Financial Liabilities					
Payables	-	1,255	-	-	1,255
Other Financial Liabilities	-	749	-	-	749
		2,004	**-**	**-**	**2,004**
2011					
Financial Assets					
Cash and Cash Equivalents	**5.52**	4,959	3,656	1,301	2
Receivables					
- Trade Debtors	-	325	-	-	325
- Other Receivables	-	403	-	-	403
		5,687	**3,656**	**1,301**	**730**
Financial Liabilities					
Payables	-	1,270	-	-	1,270
Other Financial Liabilities	-	568	-	-	568
		1,838	**-**	**-**	**1,838**

(d) Market Risk (cont)

Sensitivity Disclosure Analysis

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

- A shift of +1% and -1% in market interest rates (AUD) from year-end rates of 5.3%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%

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

		Interest Rate Risk				Other Price Risk			
		-1%		+1%		-1%		+1%	
	Carrying Amount $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
2012									
Financial Assets									
Cash and Cash Equivalents	6,893	(69)	(69)	69	69	-	-	-	-
Receivables									
- Trade Debtors	427	-	-	-	-	-	-	-	-
- Other Receivables	322	-	-	-	-	-	-	-	-
Financial Liabilities									
Payables	1,255	-	-	-	-	-	-	-	-
Other Financial Liabilities	749	-	-	-	-	-	-	-	-
		(69)	**(69)**	**69**	**69**	**-**	**-**	**-**	**-**
2011									
Financial Assets									
Cash and Cash Equivalents	4,959	(50)	(50)	50	50	-	-	-	-
Receivables									
- Trade Debtors	325	-	-	-	-	-	-	-	
- Other Receivables	403	-	-	-	-	-	-	-	-
Financial Liabilities									
Payables	1,270	-	-	-	-	-	-	-	-
Other Financial Liabilities	568	-	-	-	-	-	-	-	-
		(50)	**(50)**	**50**	**50**	**-**	**-**	**-**	**-**

(e) Fair Value

Sensitivity Disclosure Analysis

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

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

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

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

Comparison between carrying amount and fair value

	Consol'd Carrying Amount 2012 $'000	Fair value 2012 $'000	Consol'd Carrying Amount 2011 $'000	Fair value 2011 $'000
Financial Assets				
Cash and Cash Equivalents	6,893	6,893	4,959	4,959
Receivables				
- Trade Debtors	427	427	325	325
- Other Receivables	322	322	403	403
Total Financial Assets	**7,642**	**7,642**	**5,687**	**5,687**
Financial Liabilities				
Payables	1,255	1,255	1,270	1,270
Other Financial Liabilities	749	749	568	568
Total Financial Liabilities	**2,004**	**2,004**	**1,838**	**1,838**

NOTE 17:
Commitments for Expenditure

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Lease Commitments				
Commitments in relation to leases contracted for at the reporting date:				
Operating Leases	127	175	127	175
Total Lease Commitments	**127**	**175**	**127**	**175**
Operating Leases				
Cancellable				
Not later than one year	42	42	42	42
Later than 1 year and not later than 5 years	85	133	85	133
Sub Total	**127**	**175**	**127**	**175**
TOTAL	**127**	**175**	**127**	**175**
Total Commitments for Expenditure (inclusive of GST)	**127**	**175**	**127**	**175**
less GST recoverable from the Australian Tax Office	(12)	(16)	(12)	(16)
Total Commitments for Expenditure (exclusive of GST)	**115**	**159**	**115**	**159**

NOTE 18:
Contingent Assets and Contingent Liabilities

As at 30 June 2012 Stawell Regional Health has no knowledge of any contingent assets or liabilities. (Nil for 30 June 2011.)

NOTE 19:
Segment Reporting

	RAC		Acute		Other		Consol'd	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000
REVENUE								
External Segment Revenue	3,931	3,680	14,407	13,156	3,807	3,963	22,145	20,799
Total Revenue	**3,931**	**3,680**	**14,407**	**13,156**	**3,807**	**3,963**	**22,145**	**20,799**
EXPENSES								
External Segment Expenses	(5,343)	(4,223)	(12,769)	(13,454)	(4,217)	(4,412)	(22,329)	(22,089)
Total Expenses	**(5,343)**	**(4,223)**	**(12,769)**	**(13,454)**	**(4,217)**	**(4,412)**	**(22,329)**	**(22,089)**
Net Result from ordinary activities	**(1,412)**	**(543)**	**1,638**	**(298)**	**(410)**	**(449)**	**(184)**	**(1,290)**
Interest Income	-	-	-	-	324	253	324	253
Net Result for Year	**(1,412)**	**(543)**	**1,638**	**(298)**	**(86)**	**(196)**	**140**	**(1,037)**
OTHER INFORMATION								
Segment Assets	5,250	5,122	19,162	18,696	1,837	1,793	26,249	25,611
Total Assets	**5,250**	**5,122**	**19,162**	**18,696**	**1,837**	**1,793**	**26,249**	**25,611**
Segment Liabilities	1,051	952	3,837	3,475	368	333	5,257	4,760
Total Liabilities	**1,051**	**952**	**3,837**	**3,475**	**368**	**333**	**5,257**	**4,760**
Investments in Associates and Joint Venture Partnership	37	37	134	134	13	13	183	183
Acquisition of Property, Plant and Equipment and Intangible Assets	126	87	461	318	44	31	632	436
Depreciation & Amortisation Expense	382	379	1,394	1,383	134	133	1,910	1,894

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

Business Segments	**Services**
Residential Aged Care Services (RAC)	High Level and Pyschogeriatric Aged Care
Acute Health	Acute Medical & Surgical Services
Others	
-Primary Health	
-District Nursing	
-Radiology Services	
-Catering Services	
-Day Centre	
-Phone Triage	
-Consulting Rooms	
-Fundraising	

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 20:
Jointly Controlled Operations and Assets

Name of Entity	Principal Activity	Ownership Interest 2012 %	Ownership Interest 2011 %
Grampians Region Health IT Alliance	IT Systems	6.20	5.18

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:

	2012 $'000	2011 $'000
Current Assets		
Cash and Cash Equivalents	44	58
Receivables	40	58
Total Current Assets	**84**	**116**
Non Current Assets		
Property, Plant and Equipment	44	33
Total Non Current Assets	**44**	**33**
Total Assets	**128**	**149**
Current Liabilities		
Payables	11	44
Total Current Liabilities	**11**	**44**
Total Liabilities	**11**	**44**
Total Net Assets	**117**	**105**

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

	2012 $'000	2011 $'000
Revenues		
Other	270	174
Total Revenue	**270**	**174**
Expenses		
Information Technology and Administrative Expenses	278	222
Investment Revaluation	(20)	30
Total Expenses	**258**	**252**
Profit/(Loss)	**12**	**(78)**

Contingent Liabilities and Capital Commitments

As at 30 June 2012 the Grampians Region Health IT Alliance has reported a contingent liability regarding the possible charge of HealthSmart support fees for the 2012/11 financial year. (2011: $nil)

NOTE 21A:
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.

	Period
Responsible Ministers:	
The Honourable David Davis, MLC, Minister for Health and Ageing	01/07/2011 - 30/06/2012
The Honourable Mary Wooldridge, MLA, Minister for Mental Health	01/07/2011 - 30/06/2012
Governing Boards	
Mr R Hatton	01/07/2011 - 30/06/2012
Mrs K Douglas	01/07/2011 - 30/06/2012
Mrs L Jensz	01/07/2011 - 30/06/2012
Mrs J M Brilliant	01/07/2011 - 30/06/2012
Mr N S Dunn	01/07/2011 - 30/06/2012
Mr P J Martin	01/07/2011 - 30/06/2012
Mrs J Molan	01/07/2011 - 30/06/2012
Mr H L Cooper	01/07/2011 - 30/06/2012
Mr D G Stanes	01/07/2011 - 30/06/2012
Accountable Officers	
Mr R Fitzgerald	01/07/2011 - 30/06/2012

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

	Parent		Consol'd	
	2012 No.	**2011 No.**	**2012 No.**	**2011 No.**
Income Band				
$0 - $9,999	9	10	9	10
$10,000 - $19,999	-	1	-	1
$110,000 - $119,999	-	1	-	1
$120,000 - $129,999	-	1	-	1
$170,000 - $179,999	1	-	1	-
Total Numbers	**10**	**13**	**10**	**13**
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	**$176,108**	**$250,251**	**$176,108**	**$250,251**
	$'000	**$'000**	**$'000**	**$'000**
Other Transactions of Responsible Persons and their Related Parties. There have been no other transactions with responsible persons or their related parties during the reporting period.	-	-	-	-

NOTE 21B:
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.

	Parent				Consolidated			
	Total Remuneration		Base Remuneration		Total Remuneration		Base Remuneration	
	2012 No.	2011 No.	2012 No.	2011 No.	2012 No.	2011 No.	2012 No.	2011 No.
$80,000 - $89,999	-	-	-	1	-	-	-	1
$90,000 - $99,999	-	-	-	1	-	-	-	1
$100,000 - $109,999	1	-	1	-	1	-	1	-
$110,000 - $119,999	-	1	1	1	-	1	1	1
$120,000 - $129,999	1	2	-	-	1	2	-	-
Total Number of Executives	**2**	**3**	**2**	**3**	**2**	**3**	**2**	**3**
Total Annualised Empolyee Equivalent (AEE) (i)	**1.8**	**3**	**1.8**	**3**	**1.8**	**3**	**1.8**	**3**
Total Remuneration	**$225,314**	**$365,829**	**$218,619**	**$286,839**	**$225,314**	**$365,829**	**$218,619**	**$286,839**

(i) Annualised Employee Equlvalent (AAE) is based on working 38 ordinary hours per week over the reporting period.

NOTE 22:
Events Occurring after the Balance Sheet Date

No significant events occurred after the reporting date.

NOTE 23:
Remuneration of Auditors

	Parent Entity 2012 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the health services's current financial report	13	13	16	16
Total Paid and Payable	**13**	**13**	**16**	**16**

NOTE 24:
Controlled Entities

Name of Entity	Country of Incorporation	Equity Holding
Stawell Regional Health Foundation	Australia	100%

NOTE 25:
Economic Dependency

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

STAWELL REGIONAL HEALTH

2011-2012 ANNUAL REPORT

COVER

Moira Hateley.

BACK COVER

Alf Jones. Speech Pathologist Charlotte Le Poidevin works with children to encourage speech and language development. RN Jenny Farrer and ENE Dina Schreuder check Mr Ron Kewish's intravenous therapy.

PHOTOGRAPHY

John Tiddy.

*Designed by design**link** @ The Courier*

STAWELL REGIONAL HEALTH

Stawell VIC 3380
(03) 5358 8500
www.srh.org.au

OUR MISSION

Stawell Regional Health provides a complete continuum of integrated health and related services, by providing the highest quality facilities and skills delivered in a personalised and caring environment.