STAWELL REGIONAL HEALTH
2012 - 2013 ANNUAL REPORT

Caring for our community

Organisational Values

Trust
We act openly and honestly as individuals and as a team.

Respect
We treat each other with respect and courtesy and value the opinions and contributions of others.

Accountability
We each take personal responsibility for our decisions and actions.

Communication
We encourage the sharing of information within our team and with the community.

Safety
We are committed to the safety of our workforce and our customers.

Contents

Board of Management

HOWARD COOPER

Board President
Board Representation on Audit Committee

Primary Producer

PETER MARTIN

Board Representation on Audit, Governance, Quality Improvement and Risk Management Committees.

Retired School Principal

KAREN DOUGLAS

Board Representation on Board Executive, Governance Committees.

Primary Producer

JOAN BRILLIANT

Board Representation on Quality Improvement and Risk Management Committees.

Postal Manager, Australia Post Stawell

LYNN JENSZ

Board Representation on Board Executive, Audit and Governance Committees.

Accountant

DAVID STANES

Board Representation on Quality Improvement and Risk Management Committees.

Business Manager

RHIAN JONES

Board Representation on Governance Committees.

Mum

ROSS HATTON

Board Representation on Grampians Health Alliance, Board Executive and Audit Committees.

Retired Chief Executive

From the Board

The hospital has achieved the targets agreed to between the Department of Health and the board in its Statement of Priorities. Organisationally we have continued to develop a financially sustainable business model. This year we have posted a surplus of $786k and at the same time achieved access levels greater than or equal to that of last year.

The Macpherson Smith Nursing Home passed its Aged Care Accreditation with flying colours.

We have expanded oncology services to include Dr John Sycamnias and Dr George Kannourakis. Dr Kannourakis returned to working from Stawell in January 2013 and we are working on developing our relationship with the Ballarat Regional Integrated Cancer Service to deliver more cancer services at Stawell.

The hospital purchased the Stawell Medical Centre in November 2012. We have introduced bulk billing for children under 16 and people over 75 and our midwives work out of the practice each week.

Our new midwifery program began in December 2012 and we were delighted when our first baby under the new model of care arrived in March 2013.

The tender for the construction of the Community Rehabilitation and Oncology Centre was finalised and Nicholson Construction commenced building in February 2013. The building is expected to be completed by the end of the year.

Our student placement program has grown from strength-to-strength. In the past 12 months alone we've had an increase of 48 per cent in student enrolled nurses and 50 per cent in student registered nurses coming here to Stawell.

A tender for the student accommodation was completed and MacNeil Group was awarded the tender. The project started with the demolition of an existing building and will be finished in time for our new students starting in 2014.

Once again our most recent Victorian Patient Satisfaction Monitor (VPSM) results showed that Stawell Regional Health scored significantly higher than its state wide peers and inpatients surveyed were very satisfied with most aspects of their stay.

We invested in our up and coming supervisors and managers through the Transforming Leadership program.

After going to tender we renewed our relationship with St John of God as our pathology service provider and welcomed the radiology services of Bendigo Imaging to the hospital.

We partnered with local health services from across the region to tender for the provision of linen services and have continued to develop strong relationships through the Grampians Health Alliance. The alliance was pleased that Ballarat Health Service joined this year.

A new general x-ray machine was purchased by the hospital foundation and was installed in June. The Auxiliary, Y-Zetts and Murray to Moyne cyclists have once again been active in raising much needed funds for the hospital through our community.

We also welcomed Ms Rhian Jones to the board this year.

Dr John Osborne-Rigby moved to Ballarat this year with his family and we were joined by two new doctors at the Stawell Medical Centre, Dr Golam Mostafa and our new Registrar Dr Chandima Panditharathna.

Following 11 years of service at Stawell Regional Health the Director of Clinical Services Ms Claire Letts moved to Queensland to take on another challenging role. We are pleased to welcome Ms Karen Conte to Stawell as the new director.

We also farewelled Mrs Meg Blake from the hospital's fundraising and public relations officer position after 18 years of service. During her 40 years as a volunteer, board member or staff member, Meg made a substantial contribution to the organisation and is missed by all.

Howard Cooper

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 2013.

Howard Cooper
Board Chair
Stawell

4th September, 2013

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

Director of Clinical Services
Karen Conte

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

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

• Stawell Medical Centre

Primary Care Services
Liz McCourt

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

The Year in Review

News from around our Departments

Stawell Medical Centre purchased

Stawell Regional Health purchased the Stawell Medical Centre this year. The key driver of the purchase was to consolidate medical services between the hospital and medical centre and continue to develop long-term sustainable medical services. As a step towards more accessible health care for local patients, the Centre introduced bulk billing for patients under 16 years of age. There is also a St John of God pathology collection facility on site and the hospital's midwives started free appointments from the Centre on a weekly basis. This year the Centre achieved its three-year accreditation with the Australian General Practice Accreditation Ltd.

Work starts on CRC

This year work began on the new Community Rehabilitation and Oncology Centre (CRC), located at the former allied health wing at Stawell Regional Health. With consulting rooms and multidisciplinary gym, the modern facility - to be completed by the end of 2013 - will be the base for services like physiotherapy, occupational therapy and speech pathology, as well as gait and balance clinics and cardiac rehabilitation. The space will also include a modern oncology unit with sweeping views of the Grampians. Nicholson Construction from Ballarat won the construction tender. The centre was funded by a $3.5 million Federal Government grant and a $180,000 State Government contribution. Local shearer Aaron Hemley raised $120,000 towards the oncology unit during a mammoth shearing marathon.

Community donates

A number of generous donations were received from the local community during the year to help fund equipment for the new Oncology Centre. The disbanding Grampians Drive Club left a legacy of $4,250 in memory of its foundation member, Peter Owen. The Great Western Old Time Dance Club and the Stawell Line Dancing Club donated $1,500 and $931 respectively through dance events.

Accommodation underway

Construction began on a $600,000 purpose-built accommodation facility for nursing, allied health and medical students undertaking clinical placement at Stawell Regional Health. Located in Sloane Street, the building will feature 12 bedrooms, separate study areas, a shared living area and kitchen. It is expected the building will be completed in time for the 2014 student intake. The building was designed by Balcombe Griffiths Architects of Melbourne and the construction tender was awarded to the MacNeil Group of Ballarat. The site was previously gifted to Stawell Regional Health by the Healy family and this will be recognised in the new building. The project is funded by Health Workforce Australia, the Department of Health's Clinical Placement Network and Stawell Regional Health.

From the Chief Executive

This year the hospital has achieved substantial progress in building services for our local community. I am proud of the achievements of all our staff and the tireless work they do to deliver great care.

I would also like to recognise the significant contribution of our volunteers, auxiliaries and foundation.

Rohan Fitzgerald

Spike in students

This year there was a 50 per cent increase in student registered nurses at Stawell Hospital, further consolidating our position as a teaching facility. There was also an increase of 48 per cent in student enrolled nurses. Students start their placement in January and continue until December, working on various rosters around the clock.

Maternity model launched

Midwives Tom Bown and Colleen Chu, who arrived from New Zealand in January, delivered the first baby in March under the new maternity model of care. The 'Grampians Maternity Group Practice' initiative provides free 24-hour care to mothers from the Stawell area. The midwives provide all ante-natal care and classes, birth support (for low-risk births) and follow up care. Obstetric check-ups are provided via telemedicine link-up with Western Health and from visiting obstetricians.

New X-Ray machine

The Stawell Hospital Foundation purchased a new x-ray machine to the tune of $100,000. The RADspeedM radiographic system features state-of-the-art technology that enhances productivity, user-operability, patient comfort and safety. The machine brings us in line with radiographic equipment at Horsham and Ararat hospitals.

Medical imaging boosted

The team of sonographers was boosted this year enabling these services to be offered four days-per-week at Stawell Regional Health. We also welcomed two new radiographers; Chief Medical Imaging Technician (MIT) Marsole Greyvensteyn moved with her family to Stawell from South Africa and MIT graduate Benn Stockdale relocated from Gippsland. Commuting from all corners of the region are our three sonographers: Mandy Quinlan from Echuca; Geraldine Robinson from Ballarat; and Alison Howgates from Dunkeld.

'SimVan' upskills

The 'Sim Van' started visiting Stawell Regional Health on a monthly basis, helping nurses and medical staff develop their emergency response and clinical skills. The cutting-edge mobile training facility features high-fidelity simulator equipment, including mannequins that 'breathe', 'sweat' and even give birth. It's funded for the Grampians region and run by Ballarat Health Services.

News from around our Departments

Residents take the challenge

Local residents keen for a healthier lifestyle, but needing some friendly motivation took part in a *Get in Shape Lifestyle Challenge* during April. SRH and Grampians Community Health again joined forces to run the 12-week program for people of all abilities and fitness levels. Each fortnight health professionals offered practical workshops after exercise sessions, covering topics like physical activity, food choices, prevention of diabetes and cardiovascular disease, motivation and good mental health.

Supporting schools

Our Health Promotions team liaised with local schools to encourage them to adopt the Victorian Prevention and Health Promotion Achievement Program as a framework to create safe, healthy and friendly environments for learning. SRH is part of Stawell 502 Primary School's Health and Wellbeing Team made up of staff, parents and other local health services.

Farmers check in

Farmers from the Navarre area met in February for a final health check and workshop covering a wide range of health issues as part of the Sustainable Farming Families Program. The program, hosted by Stawell Regional Health last year, assessed the health of 16 participants before involving them in a series of workshops.

Leaders nurtured

Eleven staff members from across various departments at SRH graduated from a *Transforming Leadership Program* this year. Conducted by *Lixivium Consulting* of Melbourne, the course helped managers from different areas to build on their individual style of leadership. Through a combination of rigorous workshops, practical projects and on-the-job tasks, they also covered areas like managing staff performance and challenging situations, self-assessment, confidently selecting staff for projects and how to encourage a team for high-performance.

Doctors settle

Stawell Regional Health welcomed new doctors to its team this year at Stawell Medical Centre, including Dr Golam Mostafa and Dr Chandima Panditharathna (registrar). This year we farewelled Dr John Osborne-Rigby who moved with his family to Ballarat.

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 2012-2013 we were extremely appreciative of the following fundraising efforts:

- $12,870 was raised by the Stawell Medical Centre Sprockets in the Murray to Moyne cycling relay for new equipment at the Macpherson Smith Nursing Home and the Bennett Centre for Community Activities.
- $7,788 was raised by the Stawell Y-Zetts for an Accuvein Scanner for the Chemotherapy Department.
- $3,411 was donated from the Ladies Auxiliary to purchase an air mattress and chair scales for the nursing home.
- $3,000 from the Northern Grampians Shire Council Lights and Sirens Ball.

Capital Grants

In 2012-2013 the Department of Health allocated the following:

- $ 183,337 Building Automation System
- $ 90,276 Wireless Network Replacement
- $ 1,293,477 CRC Redevelopment
- $ 24,400 Violence and Security in Hospitals

Cunninghams acknowledged

Dr Andrew Cunningham and his wife Sue were officially recognised for 35 years of service to the local community by the Rural Workforce Agency Victoria at its annual awards in Melbourne. Not only has Dr Cunningham been a committed family GP, obstetrician and anaesthetist, he and his wife Sue have been passionate fundraisers for causes like the Stawell Hospital and swimming pool.

Meg farewelled

After 18 years, Meg Blake retired from her role as Fundraising and Public Relations Officer. She was honoured at a special farewell attended by many past and current colleagues and other members of the hospital community. A former Hospital Board member, Meg has been a volunteer for over 40 years. Meg has contributed to over $5 million dollars being raised for the hospital during her various roles. She will continue her commitment to improving health services in the region through her membership with the local IMMERSe Board, part of the School of Medicine – Deakin University. The board helps connect third year medical students to rural areas for 12-month tenure.

SRH Executive Team

ROHAN FITZGERALD
Chief Executive

KAREN CONTE
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

The year's financial result shows that Stawell Regional Health achieved a solid financial position in a challenging economic environment. Within this context the hospital met its access targets, expanded some programs and also introduced new services to our region. With strong business unit performance and large capital projects underway, the hospital is positioning itself to deliver high quality services to the local community well into the future.

Stawell Regional Health recorded a consolidated operating surplus of $786k for the year ended 30 June 2013, which exceeded budgeted expectations.

Total Consolidated Operating Revenue (before Capital items) increased by $1.5M or 7.06% on 2012. This was reflected in growth in patient income and State and Commonwealth government grant income. In line with revenue growth, Total Consolidated Operating Expenses increased by $1.4M or 6.92% on 2012.

Labour expenses increased by $1.3M (8.82%) on 2012. Totalling $15.8M, these items made up most of the expense growth for the year. The increase in this expense was the result of employing an additional 7 equivalent full time staff, award increases and movements in employee entitlements.

By monitoring our procurement practices, Consumables and Overhead expenses were controlled to a combined 2.26% increase or $133k on 2012 figures.

Capital Purpose Income increased by $1.14M from the prior year, following partial receipt of Community Rehabilitation Centre payment and other capital equipment grants.

Operating activities for the year generated net cash inflows of $3.75M. Of this, $1,951M was invested into capital assets. Overall, Consolidated cash holdings increased by $1.8M for the year, with the total cash on hand figure amounting to $8.1M as at 30 June 2013.

Performance Indicators

Comparative Consolidated Financial Results for the Past Five Financial Years

	2013 $000	2012 $000	2011 $000	2010 $000	2009 $000
Total Revenue	25,097	22,469	21,052	20,152	18,960
Total Expenses	23,768	22,329	22,089	21,199	19,021
Net Results for the Year (inc. Capital and Specific Items)	786	712	90	53	219
Retained Surplus (Accumulated Deficit)	3,667	2,544	4,778	5,845	6,769
Total Assets	29,521	26,249	25,613	26,659	27,653
Total Liabilities	5,700	5,257	4,761	4,740	4,687
Net Assets	23,821	20,992	20,852	21,919	22,966
Total Equity	23,821	20,992	20,852	21,919	22,966

Major Acquisitions and Projects

2012/13 major acquisitions and projects include:

Building Works	$
Commmunity Rehabilitation Centre	$1,293,477

Medical Equipment	$
X Ray Machine	$100,699
Bladder Scanner	$12,000

Human Resources Report

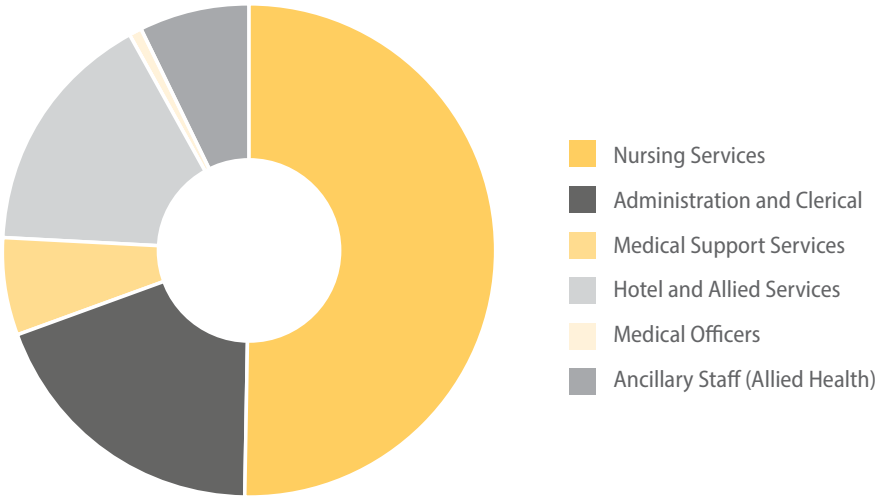
The introduction of an electronic system into human resource recruitment practices has enhanced services at Stawell Regional Health and improved recruitment, selection and employment processes. The online recruitment system, Springboard, contracted through the Victorian State Services Authority, has been fully implemented in the past 12 months. The process of employment - from requisition and approval, to selection and interview - can now be conducted entirely online.

The e-recruitment system also provides a deeper level of statistical data than previously unavailable. This includes the number of times potential applicants view a particular job and how many times it has been emailed to an individual. The system also collates data regarding applicants and roles including how long a role has taken to fill, what stages the role has progressed through, where applicants have seen the advertisement and compares manager's recruitment activity over time. The system data has consistently reflected employment market data, showing the varying levels of activity in accordance with roles that reflect market over-supply and shortages.

The Leadership Team, supported by the Executive, has worked to increase feedback to staff. Managers and supervisors have worked hard to maintain timely and relevant communication incorporating the organisation's revised values. The values have been developed over the past 12 months following the Board of Management's Strategic Planning process. They reflect five simple principles for the workplace that guide professional and personal interactions: trust; respect; communication; accountability; and safety. These values are being embedded into Human Resource processes and documentation and will be used throughout the employment relationship to guide workplace behaviour in line with individual department objectives.

Implementation of a number of enterprise bargaining agreements required interpretation of the new terms and conditions. In particular, the revision of classifications for enrolled nurses held distinct challenges in interpreting current qualifications and skills and translating these to a new set of grades which recognise new study programs required for the role.

Labour Category	June Current Month FTE		June YTD FTE	
	2012	2013	2012	2013
Nursing Services	79.64	86.37	79.88	84.67
Administration and Clerical	30.24	37.30	30.06	34.67
Medical Support Services	8.92	9.41	10.25	8.95
Hotel & Allied Services	26.87	24.93	25.47	24.05
Medical Officers	1.29	1.29	1.29	1.29
Ancilliary Staff (Allied Health)	12.72	12.36	11.27	11.24
Total	**159.68**	**171.66**	**158.22**	**164.87**



Occupational Health and Safety

Emergency Management

An internal audit of the emergency management systems and policies identified gaps requiring interim and long-term system changes to better respond to emergency situations.

Training/Education

Staff training in managing emergency situations was identified as a key requirement in the system.

Training for the management of emergency situations was resourced and delivered by National Safety Council of Australia for the identified key employees.

Training modules delivered included Fire Warden Training and Chief Fire Warden Training. This was conducted in May 2012, with 38 employees attending the Fire Warden Training and 20 employees attending the Chief Warden Training.

Emergency coordinator training has since been developed internally and focuses on SRH Emergency Systems and will be delivered to employees that will be required to take on the role of Emergency Coordinator. This training will be provided later in the 2013 calendar year.

Summer Safe Travel

In October the CFA educated employees about safe travel in the event of a bushfire, which was particularly useful for staff members who commute to Stawell from out of town. This training will be held annually in October each year.

Grampians Regional Health Emergency Manager Network

SRH is an active member of the Grampians Regional Health Emergency Manager Network. This group is attended by Managers and Executives involved in OH&S across all 12 Hospitals in the region.

Initiatives from the group include the introduction of the BullsEye Fire Extinguisher training simulator and a Portable Satellite Radio.

The BullsEye Fire Extinguisher training simulator and all its equipment is a shared resource funded by the Department of Health to be used by all Grampians Region public health organisations. SRH is allocated this Simulator for one calendar month a year. Six training sessions were conducted in June 2013, with 89 employees completing the training.

The Network is also reviewing the regional management of 'Code Brown' events (State Health Emergency Response Plan).

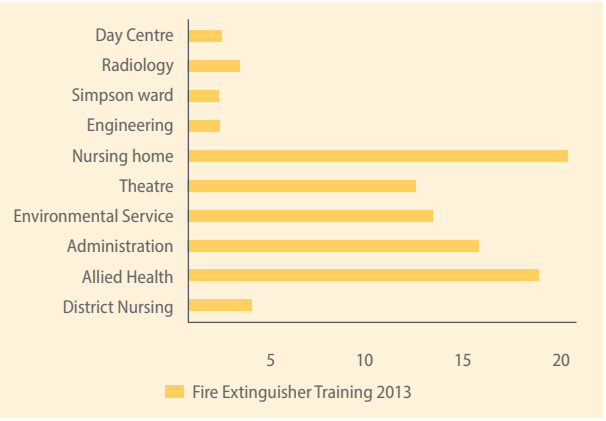
Annual Fire Training

Annual Fire training is now being delivered through the SRH intranet system. This allows employees to complete an education session during work hours followed by a questionnaire. For new employees this session is delivered at orientation.

Emergency drills conducted

Code Brown 3 sessions
Code Red /Orange 5 sessions
Code Purple 3 sessions

Employees completing the Chief Warden Training also attended orientation to the fire panel. As a result of feedback from the training sessions a reference folder identifying the zones and location of the smoke/fire detectors was then developed to assist employees in the event of a fire alarm activation.



Communication Equipment:

Grampians Regional Health Emergency Manager Network and the Department of Health identified the need for a communication system in the event of an emergency. A Portable Satellite Radio was subsequently purchased by Stawell Regional Health.

Emergency management systems

Policies reviewed:

Code Brown	Code Red
Code Orange	Code Yellow
Emergency Management Policy	Executive on call policy

Occupational Health and Safety

OH&S Compliance

Work Safe conducted six site visits at Stawell Regional Health between July 24 and November 20 2012.

Areas reviewed included the injury register, emergency evacuations/ drills, bariatric management, representative arrangements, manual handling , no lift training and equipment, occupational violence and security and chemical management including MSDS, storage, PPE and spill kits and traffic control.

Departments reviewed included the Urgent Care Centre, Simpson Wing, Operating Theatre, Stores and Nursing Home.

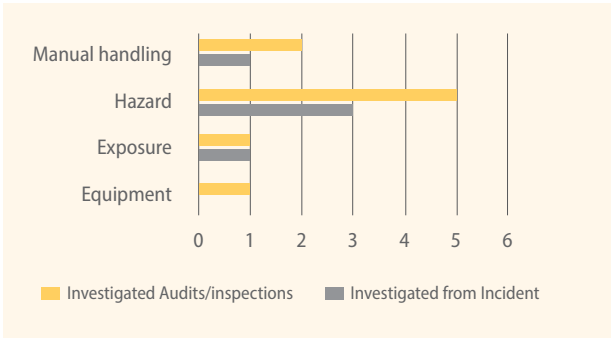
Work Safe advised that SRH was compliant with all of the reviewed areas. It has recommended a future review of stores manual handling, traffic management (after the Community Rehabilitation and Oncology Centre opens) and occupation violence.

A full audit is also to be conducted by an external provider of all security systems currently in place at SRH in 2013.

OH&S Investigation from Audits/reports 2012/2013

Areas requiring investigation have been identified through the incident reporting system and audits. The graph below identifies the type of incident and number of incidents that required a report. This does not include general six month workplace inspections.

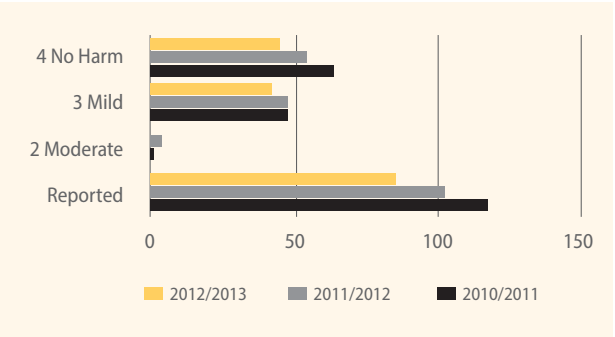
OH&S INVESTIGATIONS



Incidents and degree of harm:

This financial year there were 158 incidents recorded through the incident reporting system. There has been an overall drop in the number of incidents compared to previous years.

NUMBER OF INCIDENTS



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

I, Howard Cooper certify that Stawell Regional Health has risk management processes in place consistent with the AS/NZS ISO 31000:2009 Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. Stawell Regional Health verifies this assurance and that the risk profile of the Stawell Regional Health has been critically reviewed within the last 12 months.

Howard Cooper
Board Chair
Stawell
4th September, 2013

Attestation for compliance with the Ministerial Standing Direction 4.5.5.1 - Insurance

I, Howard Cooper certify that Stawell Regional Health has complied with Ministerial Direction 4.5.5.1 - Insurance.

Howard Cooper
Board Chair
Stawell
4th September, 2013

Additional Information (FRD 22D)

In compliance with the requirements of FRD 22D Standard Disclosures in the Report of Operations, details in respect of the items listed below have been retained by Stawell Regional Health and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

(a) A statement of pecuniary interest has been completed;

(b) Details of shares held by senior officers as nominee or held beneficially;

(c) Details of publications produced by the Department about the activities of the Health Service and where they can be obtained;

(d) Details of changes in prices, fees, charges, rates and levies charged by the Health Service;

(e) Details of any major external reviews carried out on the Health Service;

(f) Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the Report of Operations or in a document that contains the financial statements and Report of Operations;

(g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;

(h) Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;

(i) Details of assessments and measures undertaken to improve the occupational health and safety of employees;

(j) General statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations;

(k) A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved;

(l) Details of all consultancies and contractors including consultants/ contractors engaged, services provided, and expenditure committed for each engagement.

Other Information

(a) FRD 11[1] Disclosure of Ex-Gratia Payments requires the Health Service to disclose in aggregate, in the notes to the financial statements, the nature and amount of any ex-gratia payments incurred and written off during the reporting period.

(b) FRD 21B[2] Responsible Person and Executive Officer Disclosures in the Financial Report prescribes the disclosure requirements and procedures in respect of Responsible Persons, Relevant Ministers and Executive Officers.

(c) The following information for contracts commenced and/or completed in the financial year must be disclosed under the Victorian Industry Participation Policy (VIPP) Act 2003 (Refer to FRD 25A Victorian Industry Participation Policy Disclosures in the Report of Operations):

(i) the number and total value of contracts commenced and/or completed in the financial year to which the VIPP applied;

(ii) the regional or metropolitan split by number and value of commenced and/or completed contracts;

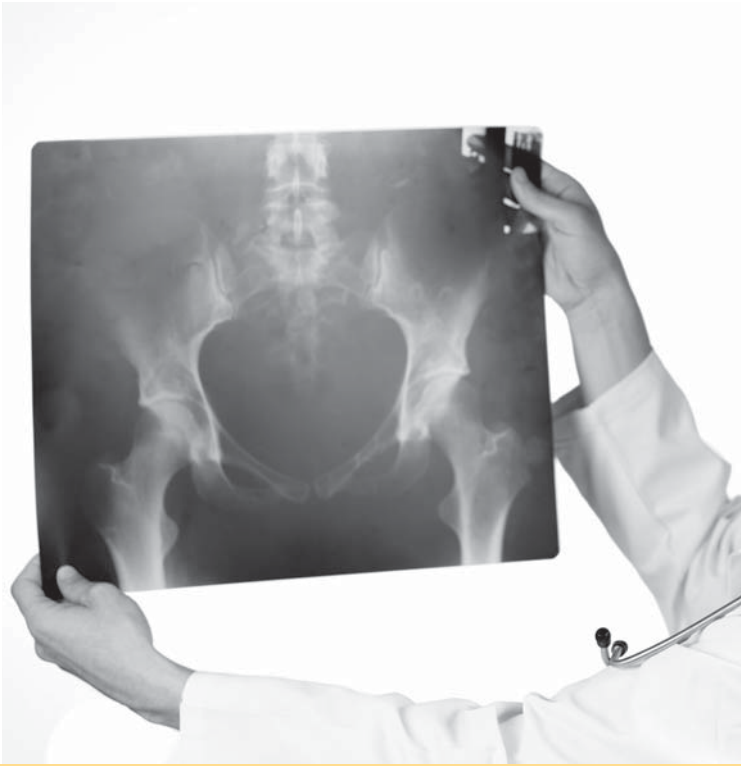
(iii) for contracts commenced during the financial year, a statement of total VIPP commitments (local content, employment and skill/ technology transfer commitments) made as a result of these contracts; and

(iv) For contracts completed during the financial year, a statement of total VIPP outcomes (local content, employment and skill/ technology transfer outcomes) achieved as a result of these contracts.

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 2012-2013, 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
- Exercise Physiology
- Nutrition & Dietetics
- 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
- Hospital Admissions Risk Program (HARP)

Maternity Care

- Grampians Maternity Group Practice
- 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
- Aged Care Assessment Service

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
- Oncology

St John of God Pathology

Surgical and Anaesthetic Services

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

Statement of Priorities 2012/2013

PART A

Priority	Action	Deliverable	Outcome
Developing a system that is responsive to people's needs.	In partnership with other providers within the local area apply existing service capacity frameworks to maximise the use of available resources across the local area.	Work towards the implementation of the 2012/13 actions from the Grampians Health Alliance Strategic Plan by 30 June 2013.	SRH has been actively participating in working with its partners to achieve the actions in the strategic plan.
	Work and plan with key partners and service providers to respond to local issues including issues of distance and travel time experienced by some rural and regional Victorians.	Develop and commence implementation of collaborative patient flow processes and pathways with Ballarat Health Services by November 2012.	Systems and processes are in place and a steering committee established to manage the patient pathways.
	Explore opportunities to develop strategies that support greater service responsiveness for diverse populations.	Implement bedside handover and discharge planning processes in the acute/sub-acute areas by March 2013.	The bedside handover process has been implemented.
Improving every Victorian's health status and experiences.	Collaborate with key partners such as members of local PCP, the newly formed Medicare Locals, community health services and Aboriginal health service providers to support local implementation of relevant components of the Victorian Health and Wellbeing Plan 2011-2015.	Establish and implement a single point of referral in collaboration with the Grampians Medicare Local, Grampians Community Health (GCH) and medical practices in Stawell by December 2012.	A single point of referral has been implemented to all medical practices in Stawell and Halls Gap.
		Implement a 'Swap It, Don't Stop It' program to encourage people to seek healthy alternatives to current lifestyle choices which may be damaging to their health. Program to be implemented across the sub region in collaboration with Grampians Pyrenees Primary Care Partnership (GPPCP) and other service providers by March 2013.	This program has been established and implemented.
	Consider new models of care and more coordinated services to respond to the specific needs of people with priority clinical conditions.	Develop and implement locally relevant supportive care and rehabilitation services for cancer patients, ensuring alignment with the relevant regional and sub-regional Health Services, plans by June 2012.	A program for supportive care was implemented in oncology.
		Participate in the implementation of the Primary Care Partnership and municipal health plans.	The hospital is an active partner in the implementation of the primary care partnership and municipal health plans.

PART A CONTINUED

Priority	Action	Deliverable	Outcome
Expanding service, workforce and system capacity.	Identify opportunities to address workforce gaps by optimising workforce capability and capacity, and exploring alternative workforce models.	Complete an enrolled nurse workforce mapping project and compile a workforce development strategy with the Maryborough District Health Service by October 2012.	The workforce mapping project has been completed.
		Develop and commence implementation of a Caseload Midwifery model in partnership with Western Health and BHS by December 2012.	The midwifery model has been established.
		Continue to provide a rural/metropolitan graduate nursing program and increase participation by 30 per cent by June 2013.	Two graduate nurses participated in the program.
Increasing the system's financial sustainability and productivity.	Develop and support alternative arrangements that drive greater financial productivity and sustainability through more efficient purchasing of non-clinical services.	Continue to identify shared procurement opportunities within the Grampians Health Alliance by June 2013.	East Grampians Health, East Wimmera Health Service, Beaufort Skipton Health Service, Eventide and Stawell Regional Health jointly tendered for the provision of linen services.
	Identify opportunities for efficiency and better value service delivery.	Collaborate with the GPPCP, Northern Grampians Shire and East Wimmera Health Service to establish priority areas and shared objectives and strategies for integrated health promotion plans and municipal health plans for the Northern Grampians Shire by June 2013.	SRH continues its active participation with these partner agencies to develop priority areas and shared objectives.
	Examine and reduce variation in administrative overheads.	Review workforce structure to optimise operational efficiency.	A review of the complex care structure was conducted.
Implementing continuous improvements and innovation.	Develop and implement strategies that support service innovation and redesign.	Implement a person centred model of care at the Macpherson Smith Nursing Home utilising redesign principles by May 2013.	Person centered care principles have been implemented at the Macpherson Smith Nursing Home.
		Complete design and development and commence construction of the Community Rehabilitation Centre by March 2013.	Construction at the Community Rehabilitation Centre has commenced and the project will be completed toward the end of 2013.
		Implement an e-Credentialing system between regional partners by March 2013.	A system has been purchased by a number of regional partners and is currently being implemented.

PART A CONTINUED

Priority	Action	Deliverable	Outcome
Increasing accountability and transparency.	Implement systems that support streamlined approaches to clinical governance at all levels of the organisation.	Implement recommendations from the review of the clinical governance structure at the hospital to improve safety and quality of patient care in line with the National Standards by June 2013.	The review has been completed and the clinical governance structure aligned to the National Standards.
	Continue to strengthen capability of rural health services board and senior management to ensure that ongoing stewardship obligations of rural and regional health services can be met.	Conduct a leadership program for the senior management group by January 2013.	A leadership program was provided for 11 staff at SRH.
Improving utilisation of e-health and communications technology.	Trial, implement and evaluate strategies that use ICT as an enabler of better patient care.	Trial home based patient monitoring by March 2013.	A trial of this program was attempted and will be further progressed in the coming year.
		Establish a telehealth link with Western Health and other specialist providers by April 2013.	The link with Western Health has been established and consultations using telehealth have commenced.

PART B – FINANCIAL PERFORMANCE

Operating Result	Target	2012 - 13 actuals
Annual Operating result ($m)	$0.04M	$0.786M

WEIS activity performance	Target	2012 - 13 actuals
Percentage of WIES (public and private) performance to target	100	98.17%

Cash Management	Target	2012 - 13 actuals
Creditors	<60 days	22 days
Debtors	<60 days	19 days

SERVICE PERFORMANCE

Quality and Safety	Target	2012 - 13 actuals
Health service accreditation	Full compliance	Fully Compliant
Residential aged care accreditation	Full compliance	Fully Compliant
Cleaning standards	Full compliance	Fully Compliant
Submission of data to VICNISS	Full compliance	Fully Compliant
Hand Hygiene (rate)	70	MET
Victorian Patient Satisfaction Monitor (OCI)	86	MET
Victorian Patient Satisfaction Monitor (OCI)	86	MET
Consumer Participation Indicator	2/10,000	MET
People Matter Survey	Full compliance	Fully Compliant

Maternity	Target	2012 - 13 actuals
Percentage of women with prearranged postnatal home care	100	MET

PART C – ACTIVITY AND FUNDING

Funding type	2012-13 Activity Achievement
Acute Admitted	
WIES Public	1,473
WIES Private	483
WIES (Public and Private)	1,956
WIES DVA	84
WIES TAC	7
WIES Total	2,046

SubAcute Admitted	2012-13 Activity Achievement
NHT	135

SubAcute non-admitted	2012-13 Activity Achievement
Post Acute Care	1,163
Post Acute Care DVA	45

Aged Care	2012-13 Activity Achievement
Residential Aged Care	12,199
HACC	12,666

Mental Health and Drug Services	2012-13 Activity Achievement
Mental Health Residential	4

Primary Health	2012-13 Activity Achievement
Community Health / Primary Care Programs	7,698

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 288 persons were employed by Stawell Regional Health: Full time 69, Part time 131 and Casual 88.

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). An action 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, 2013.

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 2012/2013

Details of individual consultancies

In 2012-13 there were 34 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2012-13 in relation to these consultancies is $32,701 (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 2012/13 Stawell Regional Health received 14 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 *Victorian Industry Participation Policy Act 2003* which requires, wherever possible, local industry participation in supply; 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.

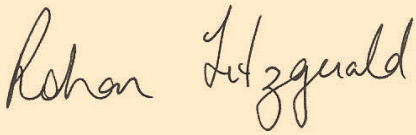
Disability Action Plan (DAP)

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
4th September, 2013

Stawell Regional Health incorporates Macpherson Smith Nursing Home, Stawell Medical Centre and the 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.

Legislation	Requirement	Page Reference

Ministerial Directions

Report of Operations

CHARTER AND PURPOSE

FRD 22D	Manner of establishment and the relevant Ministers	13
FRD 22D	Objectives, functions, powers and duties	14
FRD 22D	Nature and range of services provided	14

MANAGEMENT AND STRUCTURE

FRD 22D	Organisational structure	6

FINANCIAL AND OTHER INFORMATION

FRD 10	Disclosure index	22
FRD 11	Disclosure of ex gratia payments	N/A
FRD 15B	Executive officer disclosures	68
FRD 21B	Responsible person and executive officer disclosures	67
FRD 22D	Application and operation of Freedom of Information Act 1982	21
FRD 22D	Compliance with building and maintenance provisions of Building Act 1993	20
FRD 22D	Details of consultancies over $10,000	N/A
FRD 22D	Details of consultancies under $10,000	20
FRD 22D	Major changes or factors affecting performance	9
FRD 22D	Occupational health and safety	11-12
FRD 22D	Operational and budgetary objectives and performance against objectives	9
FRD 22D	Significant changes in financial position during the year	9
FRD 22D	Statement of availability of other information	13
FRD 22D	Statement on National Competition Policy	21
FRD 22D	Subsequent events	68
FRD 22D	Summary of the financial results for the year	9
FRD 22D	Workforce Data Disclosures including a statement on the application of employment and conduct principles	10
FRD 25A	Victorian Industry Participation Policy disclosures	21
SD 4.2(j)	Responsible Bodies Declaration	5
SD 3.4.13	Attestation on data integrity	21
SD 4.5.5.1	Attestation on data insurance	13
SD 4.5.5	Attestation on Compliance with Australian/New Zealand Risk Management Standard	13

FINANCIAL STATEMENTS

Financial statements required under Part 7 of the FMA

SD 4.2(a)	Statement of changes in equity	29
SD 4.2(b)	Comprehensive operating statement	26
SD 4.2(b)	Balance sheet	27
SD 4.2(b)	Cash flow statement	28

OTHER REQUIREMENTS UNDER STANDING DIRECTIONS 4.2

SD 4.2(a)	Compliance with Australian accounting standards and other authoritative pronouncements	30
SD 4.2(c)	Accountable officer's declaration	23
SD 4.2(c)	Compliance with Ministerial Directions	67
SD 4.2(d)	Rounding of amounts	38

Legislation

Freedom of Information Act 1982	21
Victorian Industry Participation Policy Act 2003	21
Building Act 1993	20
Financial Management Act 1994	21

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

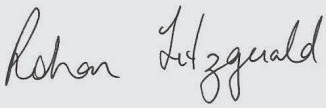
The attached financial statements for Stawell Regional Health and the consolidated entity have been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards, including Interpretations, and other 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 accompanying notes, presents fairly the financial transactions during the year ended 30 June 2013 and the financial position of Stawell Regional Health and the consolidated entity at 30 June 2013.

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.

Howard Cooper
Board Chair
Stawell
4th September, 2013



Rohan Fitzgerald
Accountable Officer
Stawell
4th September, 2013

Tony Roberts
Finance Manager
Stawell
4th September, 2013

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, Stawell Regional Health

The Financial Report

The accompanying financial report for the year ended 30 June 2013 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 25 to the financial statements.

The Board Members' Responsibility for the Financial Report

The Board Members of Stawell Regional Health are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, 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 2013 and of their financial performance and 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 2013 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
4 September 2013

for John Doyle
Auditor-General

Auditing in the Public Interest

Stawell Regional Health Comprehensive Operating Statement

For the Year Ended 30 June 2013

	Note	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
Revenue from Operating Activities	2	22,275	20,809	22,275	20,807
Revenue from Non-operating Activities	2	254	221	345	324
Employee Benefits	3	(13,348)	(12,327)	(13,348)	(12,327)
Non Salary Labour Costs	3	(2,462)	(2,201)	(2,462)	(2,201)
Supplies & Consumables	3	(2,640)	(2,947)	(2,640)	(2,947)
Administration Costs	3	(1,134)	(832)	(1,227)	(931)
Other Expenses From Continuing Operations	3	(2,154)	(2,010)	(2,157)	(2,013)
Net Result Before Capital & Specific Items		**791**	**713**	**786**	**712**
Capital Purpose Income	2	2,477	1,338	2,477	1,338
Depreciation and Amortisation	4	(1,934)	(1,910)	(1,934)	(1,910)
NET RESULT FOR THE YEAR		**1,334**	**141**	**1,329**	**140**
Other Comprehensive Income Net fair value revaluation on non-financial assets		1,499	-	1,499	-
COMPREHENSIVE RESULT FOR THE YEAR		**2,833**	**141**	**2,828**	**140**

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

Stawell Regional Health Balance Sheet

For the Year Ended 30 June 2013

	Note	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
Current Assets					
Cash and Cash Equivalents	5	7,105	5,554	8,441	6,893
Receivables	6	1,069	830	1,075	838
Inventories	7	102	112	102	112
Other Current Assets	8	80	42	80	42
Total Current Assets		**8,356**	**6,538**	**9,698**	**7,885**
Non-Current Assets					
Receivables	6	-	35	-	35
Property, Plant & Equipment	9	19,432	18,131	19,432	18,131
Intangible Assets	10	391	198	391	198
Total Non-Current Assets		**19,823**	**18,364**	**19,823**	**18,364**
TOTAL ASSETS		**28,179**	**24,902**	**29,521**	**26,249**
Current Liabilities					
Payables	11	1,944	1,429	1,947	1,432
Employee Benefits and Related On-Costs Provisions	12	2,858	2,800	2,858	2,800
Other Liabilities	13	541	749	541	749
Total Current Liabilities		**5,343**	**4,978**	**5,346**	**4,981**
Non-Current Liabilities					
Employee Benefits and Related On-Costs Provisions	12	354	276	354	276
Total Non-Current Liabilities		**354**	**276**	**354**	**276**
TOTAL LIABILITIES		**5,697**	**5,254**	**5,700**	**5,257**
NET ASSETS		**22,482**	**19,648**	**23,821**	**20,992**
EQUITY					
Property & Equipment Revaluation Reserve	15a	7,949	6,450	7,949	6,450
General Prupose Reserve	15a	661	-	661	-
Restricted Specific Purpose Reserve	15a	2,199	2,653	2,199	2,653
Contributed Capital	15b	9,345	9,345	9,345	9,345
Accumulated Surpluses/(Deficits)	15c	2,329	1,200	3,667	2,544
TOTAL EQUITY		**22,482**	**19,648**	**23,821**	**20,992**

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

Stawell Regional Health Cashflow Statement

For the Year Ended 30 June 2013

	Note	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Grants from Government		17,621	16,866	17,621	16,866
Patient and Resident Fees Received		1,664	1,603	1,664	1,603
GST Received from/(paid to) ATO		649	680	649	680
Interest Received		252	195	319	300
Other Receipts		2,528	2,053	2,554	2,077
Employee Benefits Paid		(13,214)	(11,813)	(13,214)	(11,813)
Non Salary Labour Costs		(2,708)	(2,421)	(2,708)	(2,421)
Payments for Supplies & Consumables		(2,346)	(3,075)	(2,346)	(3,075)
Other Payments		(3,223)	(3,125)	(3,319)	(3,229)
Cash Generated from Operations		**1,223**	**963**	**1,220**	**988**
Capital Grants from Government		2,195	1,029	2,195	1,029
Capital Donations and Bequests Received		245	191	245	191
Other Capital Receipts		85	126	85	127
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	16	**3,748**	**2,309**	**3,745**	**2,335**
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for Non-Financial Assets		(1,997)	(633)	(1,997)	(633)
Proceeds from sale of Non-Financial Assets		46	87	46	87
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		**(1,951)**	**(546)**	**(1,951)**	**(546)**
NET INCREASE/(DECREASE) IN CASH HELD		**1,797**	**1,763**	**1,797**	**1,789**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**4,963**	**3,200**	**6,302**	**4,513**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	**6,760**	**4,963**	**8,096**	**6,302**

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 2013

Consolidated		Property , Plant & Equipment Revaluation Surplus	General Purpose Surplus	Restricted Specific Purpose Surplus	Contributions by Owners	Accumulated Surpluses/ (Deficits)	**Total**
	Note	$'000	$'000	$'000	$'000	$'000	**$'000**
Balance at 1 July 2011		6,450	-	279	9,345	4,778	**20,852**
Net result for the year						140	140
Transfer to/from Reserves	15a,15c		-	2,374	-	(2,374)	-
Balance at 30 June 2012		**6,450**	-	**2,653**	**9,345**	**2,544**	**20,992**
Net result for the year		-		-	-	1,329	**1,329**
Transfer to/from Reserves	15a,15c	-	661	(454)	-	(206)	-
Other comprehensive income for the year	15a	1,499	-	-	-	-	1,499
Balance at 30 June 2013		**7,949**	**661**	**2,199**	**9,345**	**3,667**	**23,821**

Parent		Property , Plant & Equipment Revaluation Surplus	General Purpose Surplus	Restricted Specific Purpose Surplus	Contributions by Owners	Accumulated Surpluses/ (Deficits)	**Total**
	Note	$'000	$'000	$'000	$'000	$'000	**$'000**
Balance at 1 July 2011		6,450	-	279	9,345	3,433	**19,507**
Net result for the year						141	141
Transfer to/from Reserves	15a,15c	-	-	2,374	-	(2,374)	-
Balance at 30 June 2012		**6,450**	-	**2,653**	**9,345**	**1,200**	**19,648**
Net result for the year		-	-	-	-	1,334	**1,334**
Transfer to/from Reserves	15a,15c	-	661	(454)	-	(206)	-
Other comprehensive income for the year	15a	1,499	-	-	-	-	1,499
Balance at 30 June 2013		**7,949**	**661**	**2,199**	**9,345**	**2,328**	**22,482**

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-for-profit" entities under the AASs.

The annual financial statements were authorised for issue by the Board of Stawell Regional Health Service on 5th September 2013.

(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 2013, and the comparative information presented in these financial statements for the year ended 30 June 2012.

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

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.

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 re-assessed 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: Sloane 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 2013 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

Note 1: Statement of Significant Accounting Policies

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 25.

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 21.

(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 20 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.

(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.

Note 1: Statement of Significant Accounting Policies

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 05/2013.

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 benfit 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	
	2013 $'000	2012 $'000
Defined benefit plans:		
Health Super Superannuation Fund	143	138
Defined contribution plans:		
Health Super Superannuation Fund	786	751
HESTA Superannuation Fund	211	164
Total	1,140	1,053

Note 1: Statement of Significant Accounting Policies

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.

	2013	2013
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) Amortisation

Amortisation is allocated to intangible non-produced assets with finite useful lives on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The consumption of intangible non-produced assets with finite useful lives is classified as amortisation.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the asset concerned is tested as to whether its carrying value exceeds its recoverable amount.

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

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

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

Intangible assets with finite useful lives are amortised over 3-5 years (2012: 3-5 years).

Note 1: Statement of Significant Accounting Policies

(j) 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.

Note 1: Statement of Significant Accounting Policies

(k) 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.

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.

Revaluations of Non-current Physical Assets

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

Note 1: Statement of Significant Accounting Policies

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.

(l) 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 value – component that the Health Service expects to settle within 12 months.

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

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

Note 1: Statement of Significant Accounting Policies

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.

(m) 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.

(n) 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.

Note 1: Statement of Significant Accounting Policies

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.

(o) 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.

(p) 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.

(q) Goods and Services Tax

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

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

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

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

(r) 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.

(s) New Accounting Standards and Interpretations

Certain new Australian accounting standards and interpretations have been published that are not mandatory for the 30 June 2013 reporting period.

As at 30 June 2013, the following standards and interpretations had been issued but were not mandatory for the reporting period ending 30 June 2013. Stawell Regional Health Service has not and does not intend to adopt these standards early.

Note 1: Statement of Significant Accounting Policies

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-15	Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed.
AASB 10 Consolidated Financial Statements	This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities. The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.	1-Jan-14	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. Subject to AASB's final deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, the entity will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.
AASB 127 Separate Financial Statements	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 Separate Financial Statements and AASB 131 Interests in Joint Ventures. The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'strucutured entity' from a not-for-profit perspective.	1-Jan-14	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.
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-14	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, the impact will be assessed after the AASB's deliberation.

Note 1: Statement of Significant Accounting Policies

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-14	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, the 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 decided if RDRs will be implemented in the Victorian public sector.

Note 1: Statement of Significant Accounting Policies

(t) 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.

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

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

Aged Care comprises revenue/expenditure form 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 2013 $'000	HSA 2012 $'000	Non HSA 2013 $'000	Non HSA 2012 $'000	Total 2013 $'000	Total 2012 $'000
Revenue from Operating Activities						
Government Grants						
- Department of Health	7,016	14,218	-	-	7,016	14,218
- Victorian Health Funding Pool	6,859	-	-	-	6,859	-
- Commonwealth Government						
- Residential Aged Care Subsidy	1,846	1,722	-	-	1,846	1,722
- Other	1,740	1,267	126	-	1,866	1,267
Total Government Grants	**17,461**	**17,207**	**126**	**-**	**17,587**	**17,207**
Indirect Contributions by Department of Health						
- Insurance	-	225	-	-	-	225
- Long Service Leave	-	35	-	-	-	35
Total Indirect Contributions by Department of Health	**-**	**260**	**-**	**-**	**-**	**260**
Patient and Resident Fees						
- Patient and Resident Fees (refer note 2b)	1,717	1,519	-	-	1,717	1,519
Total Patient & Resident Fees	**1,717**	**1,519**	**-**	**-**	**1,717**	**1,519**
Business Units & Specific Purpose Funds						
- Private Practice and Other Patient Activities Fees	-	-	768	32	768	32
- Diagnostic Imaging	-	-	866	845	866	845
- Pharmacy Services	-	-	2	5	2	5
- Catering	-	-	170	155	170	155
- Property Income	-	-	124	80	124	80
Total Business Units & Specific Purpose Funds	**-**	**-**	**1,930**	**1,117**	**1,930**	**1,117**
Share of Jointly Controlled Revenue	277	270	-	-	277	270
Other Revenue from Operating Activities	678	342	86	94	764	436
Sub-Total Revenue from Operating Activities	**20,133**	**19,598**	**2,142**	**1,211**	**22,275**	**20,809**
Revenue from Non-Operating Activities						
Interest & Dividends	-	-	254	221	254	221
Other Revenue from Non-Operating Activities	-	-	-	-	-	-
Sub-Total Revenue from Non-Operating Activities	**-**	**-**	**254**	**221**	**254**	**221**
Revenue from Capital Purpose Income						
State Government Capital Grants						
- Targeted Capital Works and Equipment	594	612	-	-	594	612
Commonwealth Government Capital Grants	242	226	-	-	242	226
- Other	1,144	-	-	-	1,144	-
Residential Accommodation Payments (refer note 2b)	214	191	-	-	214	191
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	-	-	(21)	(5)	(21)	(5)
Donations & Bequests	-	-	219	167	219	167
Other Capital Purpose Income	85	147	-	-	85	147
Sub-Total Revenue from Capital Purpose Income	**2,279**	**1,176**	**198**	**162**	**2,477**	**1,338**
Total Revenue (refer to note 2a)	**22,412**	**20,774**	**2,594**	**1,594**	**25,006**	**22,368**

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 2: Revenue

	CONSOLIDATED					
	HSA 2013 $'000	HSA 2012 $'000	Non HSA 2013 $'000	Non HSA 2012 $'000	Total 2013 $'000	Total 2012 $'000
Revenue from Operating Activities						
Government Grants						
- Department of Health	7,016	14,218	-	-	7,016	14,218
- Victorian Health Funding Pool	6,859	-	-	-	6,859	-
- Commonwealth Government						
- Residential Aged Care Subsidy	1,846	1,722	-	-	1,846	1,722
- Other	1,740	1,267	126	-	1,866	1,267
Total Government Grants	**17,461**	**17,207**	**126**	**-**	**17,587**	**17,207**
Indirect Contributions by Department of Health						
- Insurance	-	225	-	-	-	225
- Long Service Leave	-	35	-	-	-	35
Total Indirect Contributions by Department of Health	**-**	**260**	**-**	**-**	**-**	**260**
Patient and Resident Fees						
- Patient and Resident Fees (refer note 2b)	1,717	1,519	-	-	1,717	1,519
Total Patient & Resident Fees	**1,717**	**1,519**	**-**	**-**	**1,717**	**1,519**
Business Units & Specific Purpose Funds						
- Private Practice and Other Patient Activities Fees	-	-	768	32	768	32
- Diagnostic Imaging	-	-	866	845	866	845
- Pharmacy Services	-	-	2	5	2	5
- Catering	-	-	170	155	170	155
- Property Income	-	-	124	80	124	80
Total Business Units & Specific Purpose Funds	**-**	**-**	**1,930**	**1,117**	**1,930**	**1,117**
Share of Jointly Controlled Revenue	277	270	-	-	277	270
Other Revenue from Operating Activities	678	340	86	94	764	434
Sub-Total Revenue from Operating Activities	**20,133**	**19,596**	**2,142**	**1,211**	**22,275**	**20,807**
Revenue from Non-Operating Activities						
Interest & Dividends	-	-	319	324	319	324
Other Revenue from Non-Operating Activities	-	-	26	-	26	-
Sub-Total Revenue from Non-Operating Activities	**-**	**-**	**345**	**324**	**345**	**324**
Revenue from Capital Purpose Income						
State Government Capital Grants						
- Targeted Capital Works and Equipment	594	612	-	-	594	612
- Other	1,144	-	-	-	1,144	-
Commonwealth Government Capital Grants	242	226	-	-	242	226
Residential Accommodation Payments (refer note 2b)	214	191	-	-	214	191
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	-	-	(21)	(5)	(21)	(5)
Donations & Bequests	-	-	219	167	219	167
Other Capital Purpose Income	85	147	-	-	85	147
Sub-Total Revenue from Capital Purpose Income	**2,279**	**1,176**	**198**	**162**	**2,477**	**1,338**
Total Revenue (refer to note 2a)	**22,412**	**20,772**	**2,685**	**1,697**	**25,097**	**22,469**

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 2013 $'000	Outpatients 2013 $'000	Ambulatory 2013 $'000	RAC incl. Mental Health 2013 $'000	Aged Care 2013 $'000	Primary Health 2013 $'000	Other 2013 $'000	2013 $'000
Revenue from Services Supported by Health Services Agreement								
Government Grants	4,174	432	947	2,919	539	1,592	-	10,602
Victorian Health Funding Pool	2,700	279	613	1,888	349	1,030	-	6,859
Indirect contributions by Department of Health	-	-	-	-	--	-	-	-
Patient & Resident Fees (refer note 2b)	912	49	-	536	164	56	-	1,717
Share of Jointly Controlled Revenue	97	16	23	86	13	41	-	277
Other Revenue from Operating Activities	267	28	61	187	34	102	-	678
Capital Purpose Income (refer note 2)	1,823	-	-	214	-	242	-	2,279
Sub-Total Revenue from Services Supported by Health Services Agreement	**9,973**	**805**	**1,643**	**5,830**	**1,099**	**3,063**	**-**	**22,412**
Revenue from Services Supported by Hospital and Community Initiatives								
Donations & Bequests (non capital)	-	-	-	-	-	-	-	-
Business Units & Specific Purpose Funds	-	-	-	-	-	-	2,056	2,056
Other	-	-	-	-	-	-	431	431
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	198	198
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	**-**	**-**	**-**	**-**	**-**	**-**	**2,685**	**2,685**
Total Revenue	**9,973**	**805**	**1,643**	**5,830**	**1,099**	**3,063**	**2,685**	**25,097**

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 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 2b: Patient and Resident Fees

	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
Patient and Resident Fees Raised Recurrent:				
Acute				
– Inpatients	912	808	912	808
– Outpatients	49	34	49	34
Residential Aged Care				
– Generic	447	432	447	432
– Mental Health	89	86	89	86
Other	220	159	220	159
Total Recurrent	**1,717**	**1,519**	**1,717**	**1,519**
Capital Purpose:				
Residential Accommodation Payments	214	191	214	191
Total Capital	**214**	**191**	**214**	**191**

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

	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
Proceeds from Disposals of Non-Current Assets				
Plant and Equipment	4	2	4	2
Medical Equipment	1	6	1	6
Motor Vehicles	40	79	40	79
Total Proceeds from Disposal of Non-Current Assets	**45**	**87**	**45**	**87**
Less: Written Down Value of Non-Current Assets Sold				
Plant and Equipment	2	1	2	1
Medical Equipment	25	27	25	27
Motor Vehicles	39	64	39	64
Total Written Down Value of Non-Current Assets Sold	**66**	**92**	**66**	**92**
Net gains/(losses) on Disposal of Non-Current Assets	**(21)**	**(5)**	**(21)**	**(5)**

Note 3: Expenses

	PARENT						CONSOLIDATED					
	HSA 2013 '000	HSA 2012 $'000	Non HSA 2013 $'000	Non HSA 2012 $'000	Total 2013 $'000	Total 2012 $'000	HSA 2013 '000	HSA 2012 $'000	Non HSA 2013 $'000	Non HSA 2012 $'000	Total 2013 $'000	Total 2012 $'000
Employee Benefits												
Salaries & Wages	10,778	10,415	978	478	11,756	10,893	10,788	10,415	978	478	11,756	10,893
WorkCover Premium	117	96	5	2	122	98	117	96	5	2	122	98
Long Service Leave	305	304	25	13	330	317	305	304	25	13	330	317
Superannuation	1,064	981	76	38	1,140	1,019	1,064	981	76	38	1,140	1,019
Total Employee Benefits	**12,264**	**11,796**	**1,084**	**531**	**13,348**	**12,327**	**12,264**	**11,796**	**1,084**	**531**	**13,348**	**12,327**
Non Salary Labour Costs												
Fees for Visiting Medical Officers	1,448	1,313	-	-	1,448	1,313	1,448	1,313	-	-	1,448	1,313
Agency Costs	951	888	63	-	1,014	888	951	888	63	-	1,014	888
Total Non Salary Labour Costs	**2,399**	**2,201**	**63**	**-**	**2,462**	**2,201**	**2,399**	**2,201**	**63**	**-**	**2,462**	**2,201**
Supplies & Consumables												
Drug Supplies	563	674	-	-	563	674	563	674	-	-	563	674
S100 Drugs	-	8	-	-	-	8	-	8	-	-	-	8
Medical, Surgical Supplies and Prosthesis	1,416	1,343	237	280	1,653	1,623	1,416	1,343	237	280	1,653	1,623
Pathology Supplies	64	105	-	-	64	105	64	105	-	-	64	105
Food Supplies	360	537	-	-	360	537	360	537	-	-	360	537
Total Supplies & Consumables	**2,403**	**2,667**	**237**	**280**	**2,640**	**2,947**	**2,403**	**2,667**	**237**	**280**	**2,640**	**2,947**
Other Expenses from Continuing Operations												
Domestic Services & Supplies	335	301	18	-	353	301	335	301	18	-	353	301
Fuel, Power,Gas and Water	283	217	3	-	286	217	283	217	3	-	286	217
Insurance costs funded by DH	232	265	-	-	232	265	232	265	-	-	232	265
Motor Vehicle Expenses	110	96	-	-	110	96	110	96	-	-	110	96
Repairs & Maintenance	170	328	9	1	179	329	170	328	9	1	179	329
Maintenance Contracts	84	89	114	108	198	197	84	89	114	108	198	197
Patient Transport	181	153	-	-	181	153	181	153	-	-	181	153
Bad & Doubtful Debts	2	6	7	-	9	6	2	6	7	-	9	6
Lease Expenses	186	112	88	6	274	118	186	112	88	6	274	118
Other Administrative Expenses	813	620	321	212	1,134	832	813	620	414	311	1,227	931
Share of Jointly Controlled Expenses	284	278	-	-	284	278	284	278	-	-	284	278
Audit Fees												
- VAGO - Audit of Financial Statements	13	12	-	-	13	12	16	15	-	-	16	15
- Other	35	38	-	-	35	38	35	38	-	-	35	38
Total Other Expenses from Continuing Operations	**2,728**	**2,515**	**560**	**327**	**3,288**	**2,842**	**2,731**	**2,518**	**653**	**426**	**3,384**	**2,944**
Depreciation & Amortisation	1,934	1,910	-	-	1,934	1,910	1,934	1,910	-	-	1,934	1,910
Total	**1,934**	**1,910**	**-**	**-**	**1,934**	**1,910**	**1,934**	**1,910**	**-**	**-**	**1,934**	**1,910**
Total Expenses	**21,728**	**21,089**	**1,944**	**1,138**	**23,672**	**22,227**	**23,731**	**21,092**	**2,037**	**1,237**	**23,768**	**22,329**

Note 3a: Analysis of Expenses by Source

(based on the consolidated view)

Based on Consolidated view	Admitted Patients 2013 $'000	Outpatients 2013 $'000	Ambulatory 2013 $'000	RAC incl. Mental Health 2013 $'000	Aged Care 2013 $'000	Primary Health 2013 $'000	Other 2013 $'000	Total 2013 $'000
Services Supported by Health Services Agreement								
Employee Benefits	6,892	194	389	3,128	477	1,184	-	12,264
Non Salary Labour Costs	1,348	38	76	612	93	232	-	2,399
Supplies & Consumables	1,350	38	76	613	93	232	-	2,403
Share of Jointly Controlled Expenses	160	4	9	72	11	27	-	284
Other Expenses from Continuing Operations	1,375	39	78	624	95	236	-	2,447
Sub-Total Expenses from Services Supported by Health Services Agreement	**11,125**	**313**	**628**	**5,050**	**770**	**1,911**	**-**	**19,797**
Services Supported by Hospital and Community Initiatives								
Employee Benefits	-	-	-	-	-	-	1,084	1,084
Non Salary Labour Costs	-	-	-	-	-	-	63	63
Supplies & Consumables	-	-	-	-	-	-	237	237
Other Expenses from Continuing Operations	-	-	-	-	-	-	653	653
Sub-Total Expense from Services Supported by Hospital and Community Initiatives	**-**	**-**	**-**	**-**	**-**	**-**	**2,037**	**2,037**
Expenditure using Capital Purpose Income								
Depreciation & Amortisation (refer note 4)	768	62	127	449	85	236	207	1,934
Sub-total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives	**768**	**62**	**127**	**449**	**85**	**236**	**207**	**1,934**
Total Expenses	**11,894**	**375**	**755**	**5,499**	**854**	**2,147**	**2,244**	**23,768**

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
Non Salary Labour Costs	-	-	-	-	-	-	-	-	-
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 3b: Analysis of Expenses by Internal and Restricted Specific Purpose Funds for Services Supported by Hospital and Community Initiatives

	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
Commercial Activities				
Diagnostic Imaging	808	835	808	835
Catering	252	229	252	229
Private Practice and Other Patient Activities	862	-	862	-
Other	-	13	-	13
Other Activities (List)				
Fundraising and Community Support	19	61	115	61
TOTAL	**1,941**	**1,138**	**2,037**	**1,138**

Note 4: Depreciation and Amortisation

	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
Depreciation				
Buildings	1,419	1,419	1,419	1,419
Plant & Equipment	189	193	189	193
Medical Equipment	276	251	276	251
Total Depreciation	**1,884**	**1,863**	**1,884**	**1,863**
Amortisation				
Intangible Assets	50	47	50	47
Total Amortisation	**50**	**47**	**50**	**47**
Total Depreciation & Amortisation	**1,934**	**1,910**	**1,934**	**1,910**

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 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
Cash on Hand	2	2	2	2
Cash at Bank	240	423	366	438
Short Term Money Market	6,780	5,085	7,990	6,409
Jointly Controlled Cash & Cash Equivalents (note 20)	83	44	83	44
TOTAL	**7,105**	**5,554**	**8,441**	**6,893**
Represented by:				
Cash for Health Service Operations (as per Cash Flow Statement)	6,760	4,963	8,096	6,302
Cash for Monies Held in Trust				
- Cash at Bank	2	2	2	2
- Short Term Money Market	343	589	343	589
TOTAL	**7,105**	**5,554**	**8,441**	**6,893**

Note 6: Receivables

	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
CURRENT				
Contractual				
Inter Hospital Debtors	364	207	364	207
Trade Debtors	39	180	39	180
Jointly Controlled Receivables (note20)	63	40	63	40
Patient Fees	256	197	256	197
Accrued Investment Income	61	51	67	58
Accrued Revenue - Other	154	91	154	91
Less Allowance for Doubtful Debts				
Trade Debtors	(2)	(1)	(2)	(1)
Patient Fees	(28)	(23)	(28)	(23)
	907	**742**	**913**	**749**
Statutory				
GST Receivable	162	88	162	89
	162	**830**	**192**	**838**
TOTAL CURRENT RECEIVABLES	**1,069**	**830**	**1,075**	**838**
NON CURRENT				
Statutory		-		-
Long Service Leave - DH	-	35	-	35
TOTAL NON-CURRENT RECEIVABLES	**-**	**35**	**-**	**35**
TOTAL RECEIVABLES	**1,069**	**865**	**1,075**	**873**

(a) Movement in the Allowance for doubtful debts

	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
Balance at beginning of year	24	18	24	18
Amounts written off during the year	(7)	(1)	(7)	(1)
Increase/(decrease) in allowance recognised in profit or loss	13	7	13	7
Balance at end of year	**30**	**24**	**30**	**24**

(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 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
Pharmaceuticals				
At cost	36	37	36	37
Medical and Surgical Lines				
At cost	66	75	66	75
TOTAL INVENTORIES	**102**	**112**	**102**	**112**

Note 8: Other Assets

	Parent Entity 2013 $'000	Parent Entity 2011 $'000	Consol'd 2012 $'000	Consol'd 2011 $'000
Prepayments	73	38	73	38
Rental Property Bonds	7	4	7	4
CURRENT	**80**	**42**	**80**	**42**
TOTAL	**80**	**42**	**80**	**42**

Note 9: Property, Plant & Equipment

	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2013 $'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	1,428	80	1,428	80
Buildings at Valuation	14,628	18,701	14,628	18,701
Less Acc'd Depreciation	-	4,248	-	4,248
Buildings at Cost	-	81	-	81
Less Acc'd Depreciation	-	6	-	6
Total Buildings	**16,056**	**14,608**	**16,056**	**14,608**
Plant and Equipment				
Plant and Equipment at Fair Value	1,768	1,591	1,768	1,591
Less Acc'd Depreciation	1,221	1,066	1,221	1,066
Total Plant and Equipment	**547**	**525**	**547**	**525**
Medical Equipment				
Medical Equipment at Fair Value	3,859	3,783	3,859	3,783
Less Acc'd Depreciation	2,507	2,248	2,507	2,248
Total Medical Equipment	**1,352**	**1,535**	**1,352**	**1,535**
Jointly Controlled Property, Plant & Equipment				
Jointly Controlled PP&E Fair Value	118	96	118	96
Less Acc'd Depreciation	59	52	59	52
Total Jointly Controlled Property, Plant & Equipment	**59**	**44**	**59**	**44**
TOTAL	**19,432**	**18,131**	**19,432**	**18,131**

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 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 1 July 2012	**1,419**	**14,608**	**525**	**1,535**	**44**	**18,131**
Additions	-	1,368	253	118	-	1,739
Nett WDV of Disposals	-	-	42	25	-	67
Movement in Jointly Controlled PP&E	-	-	-	-	15	15
Revaluation Increments/(Decrements)	-	1,499	-	-	-	1,499
Depreciation and Amortisation (note 4)	-	1,419	189	276	-	1,884
Balance at 30 June 2013	**1,419**	**16,056**	**547**	**1,352**	**59**	**19,432**

Land and buildings carried at valuation

The health service has amended the fair value of buildings based on the four year indicies issued by the Valuer-General Victoria. The effective date of this recognition is 30 June 2013.

Note 10: Intangible Assets

	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
Computer Software	453	453	453	453
Less Acc'd Amortisation	305	255	305	255
	148	**198**	**148**	**198**
Business Goodwill	243	-	243	-
Total Written Down Value	**391**	**198**	**391**	**198**

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

	Computer Software $'000	Business Goodwill $'000	Total $'000
Balance at 1 July 2011	**225**	-	**225**
Additions	20	-	20
Amortisation (note 4)	47	-	47
Balance at 1 July 2012	**198**		**198**
Additions	-	243	243
Amortisation (note 4)	50	-	50
Balance at 30 June 2013	**148**	**243**	**391**

Note 11: Payables

	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
CURRENT				
Contractual				
Trade Creditors	624	719	624	719
Accrued Expenses	939	522	942	525
Jointly Controlled Payables (note 20)	95	11	95	11
	1,658	**1,252**	**1,661**	**1,255**
Statutory				
Department of Health	286	177	286	177
	286	**177**	**286**	**177**
TOTAL CURRENT	**1,944**	**1,429**	**1,947**	**1,432**
TOTAL	**1,944**	**1,429**	**1,947**	**1,432**

(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 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
Current Provisions				
Employee Benefits				
- Unconditional and expected to be settled within 12 months	1,465	1,449	1,465	1,449
- Unconditional and expected to be settled after 12 months	1,086	1,051	1,086	1,051
	2,551	2,500	2,551	2,500
Provisions related to Employee Benefit On-Costs				
- Unconditional and expected to be settled within 12 months (nominal value)	175	174	175	174
- Unconditional and expected to be settled after 12 months (present value)	130	126	130	126
	305	300	305	300
Total Current Provisions	**2,856**	**2,800**	**2,856**	**2,800**
Non-Current Provisions				
Employee Benefits	316	246	316	246
Provisions related to Employee Benefit On-Costs	38	30	38	30
Total Non-Current Provisions	**354**	**276**	**354**	**276**
Current Employee Benefits				
Unconditional LSL Entitlement	1,102	1,077	1,102	1,077
Annual Leave Entitlements	947	829	947	829
Accrued Wages and Salaries	458	557	458	557
Accrued Days Off	46	39	46	39
Non-Current Employee Benefits				
Conditional Long Service Leave Entitlements (present value)	316	246	316	246
Total Employee Benefits On-Costs	**2,869**	**2,748**	**2,869**	**2,748**
Current On-Costs	305	300	305	300
Non-Current On-Costs	38	30	38	30
Total On-Costs	**343**	**330**	**343**	**330**
Total Employee Benefits and Related On-Costs	**3,212**	**3,078**	**3,212**	**3,078**
Movement in Long Service Leave:				
Balance at start of year	**1,481**	**1,335**	**1,481**	**1,335**
Provision made during the year				
- Revaluations	17	83	17	83
- Expense recognising Employee Service	340	195	340	195
Settlement made during the year	(251)	(132)	(251)	(132)
Balance at end of year	**1,587**	**1,481**	**1,587**	**1,481**

Note 12a: Employee Benefits

	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
CURRENT (refer note 1 (k))				
Unconditional long service leave entitlements	1,234	1,205	1,234	1,205
Annual leave entitlements	1,060	927	1,060	927
Accrued Wages and Salaries	513	624	513	624
Accrued Days Off	51	44	51	44
TOTAL	**2,857**	**2,800**	**2,857**	**2,800**
Current Employee benefits that:				
Expected to be utilised within 12 months (nominal value)	1,641	1,623	1,641	1,623
Expected to be utilised after 12 months (present value)	1,216	1,177	1,216	1,177
	2,857	**2,800**	**2,857**	**2,800**
NON-CURRENT (refer note 1 (k))				
Conditional long service leave entitlements (present value)	354	276	354	276
TOTAL	**354**	**276**	**354**	**276**
Movement in Long Service Leave:				
Balance at start of year	1,481	1,335	1,481	1,335
Provision made during the year	358	278	358	278
Settlement made during the year	(251)	(132)	(251)	(132)
Balance at end of year	**1,588**	**1,481**	**1,588**	**1,481**

Note 13: Other Liabilities

	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
CURRENT				
Monies Held in Trust				
- Patient Monies Held in Trust	50	54	50	54
- Other Monies Held in Trust	294	537	294	537
Revenue in Advance	197	158	197	158
Total Current	**541**	**749**	**541**	**749**
Total Other Liabilities	**541**	**749**	**541**	**749**
Total Monies Held in Trust Represented by the following assets:				
Cash Assets (refer to Note 5)	345	591	345	591
TOTAL	**345**	**591**	**345**	**591**

Note 14: Superannuation

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

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

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Health Service. The name, details and amounts expense in relation to the major employee superannuation funds and contributions made by the Health Services are as follows:

	Paid Contribution for the Year			
	Parent Entity 2013 $'000	**Consol'd 2013 $'000**	**Parent Entity 2012 $'000**	**Consol'd 2012 $'000**
(i) Defined benefit plans				
Health Super Superannuation Fund	143	143	134	134
Defined contribution plans:				
Health Super Superannuation Fund	786	786	727	727
HESTA Superannuation Fund	211	211	158	158
Total	**1,140**	**1,140**	**1,019**	**1,019**

	Contribution Outstanding at the Year End			
	Parent Entity 2013 $'000	**Consol'd 2013 $'000**	**Parent Entity 2012 $'000**	**Consol'd 2012 $'000**
(i) Defined benefit plans				
Health Super Superannuation Fund	-	-	4	4
Defined contribution plans:				
Health Super Superannuation Fund	-	-	24	24
HESTA Superannuation Fund	-	-	6	6
Total	**-**	**-**	**34**	**34**

Note 15: Equity

	Parent Entity 2013 $'000	**Parent Entity 2012 $'000**	**Consol'd 2013 $'000**	**Consol'd 2012 $'000**
(a) Reserves				
Property, Plant & Equipment Revaluation Surplus				
Balance at the beginning of the reporting period	6,450	6,450	6,450	6,450
Revaluation Increment/(Decrements)				
- Buildings	1,499	-	1,499	-
Balance at the end of the reporting period	**7,949**	**6,450**	**7,949**	**6,450**
Represented by:				
- Land	825	826	825	826
- Buildings	7,123	5,624	7,123	5,624
	7,949	**6,450**	**7,949**	**6,450**
General Purpose Reserve				
Balance at the beginning of the reporting period	-	-	-	-
Transfer to and from General Reserve	661	-	661	-
Balance at the end of the reporting period	661	-	661	-
Restricted Specific Purpose Reserve	2,653	279	2,653	279
Balance at the beginning of the reporting period				
Transfer to and from Restricted Specific Purpose Reserve	(454)	2,374	(454)	2,374
Balance at the end of the reporting period	**2,199**	**2,653**	**2,199**	**2,653**
Total Reserves	**10,808**	**9,103**	**10,808**	**9,103**

Note 15: Equity (continued)

	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
(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	1,200	3,433	2,544	4,778
Net Result for the Year	1,334	141	1,329	140
Transfers to and from Reserve	(206)	(2,374)	(206)	(2,374)
Balance at the end of the reporting period	**2,328**	**1,200**	**3,667**	**2,544**
(d) Total Equity at end of financial year	**22,482**	**19,648**	**23,821**	**20,992**

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

	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
Net Result for the Year	1,334	141	1,329	140
Depreciation & Amortisation	1,934	1,910	1,934	1,910
Provision for Doubtful Debts	6	6	6	6
Change in Inventories	10	28	10	28
Resources/Assets Received Free of Charge	-	-	-	-
Net (Gain)/Loss from Sale of Plant and Equipment	21	5	21	5
Change in Operating Assets & Liabilities				
(Increase)/Decrease in Receivables	(207)	(291)	(208)	(266)
(Increase)/Decrease in Prepayments	(38)	9	(38)	9
Increase/(Decrease) in Payables	515	(173)	515	(171)
Increase/(Decrease) in Employee Benefits	136	504	136	504
Increase/(Decrease) in Other Liabilities	37	171	40	171
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**3,748**	**2,309**	**3,745**	**2,335**

Note 17: Financial Instruments

(a) Financial Risk Management Objectives and Policies

The Health Service's principal financial instruments comprise of:

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

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

Themainpurposeinholdingfinancialinstrumentsistoprudentiallymanagetheservice'sfinancial risks within the government policy parameters.

Categorisation of financial instruments

	Carrying Amount 2013 $'000	Carrying Amount 2012 $'000
Financial Assets		
Cash and cash equivalents	8,441	6,893
Loans and Receivables	913	749
Total Financial Assets	**9,354**	**7,642**
Financial Liabilities		
Payables	1,661	1,255
Other Financial Liabilities	541	749
Total Financial Liabilities	**2,202**	**2,004**

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

	Carrying Amount 2013 $'000	Carrying Amount 2012 $'000
Financial Assets		
Cash and Cash Equivalents	319	324
Total Financial Assets	**319**	**324**

Note 17: Financial Instruments (continued)

(b) Credit Risk

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

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

- Cash Equivalents
- Receivables
- Trade Creditors and Accruals

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

2013	Financial institutions $'000	Government agencies $'000	Government agencies (BBB credit rating) $'000	Other (non-rated) $'000	Total $'000
Financial Assets					
Cash and Cash Equivalents	451	-	-	-	451
Receivables					
- Trade Debtors	-	427	-	39	466
- Other Receivables	-	-	-	447	447
Other Financial Assets					
- Term Deposit	7,990	-	-	-	7,990
Total Financial Assets	**8,441**	**427**	**-**	**486**	**9,354**
2012					
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**

Note 17: Financial Instruments (continued)

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	
2013							
Financial Assets							
Cash and Cash Equivalents	8,441	8,441	-	-	-	-	-
Receivables							
- Trade Debtors	466	253	103	55	53	-	2
- Other Receivables	447	367	10	18	25	-	28
Total Financial Assets	**9,354**	**9,060**	**113**	**73**	**78**	**-**	**29**
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**

(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.

Note 17: Financial Instruments (continued)

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
2013						
Financial Liabilities						
Payables	1,661	1,661	1,661	-	-	-
Other Financial Liabilities	541	541	541	-	-	-
Total Financial Liabilities	**2,202**	**2,202**	**2,202**	**-**	**-**	**-**
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**	**-**	**-**	**-**

(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.

Note 17: Financial Instruments (continued)

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
2013					
Financial Assets					
Cash and Cash Equivalents	**4.6%**	8,441	5,227	3,212	2
Receivables					
- Trade Debtors	-	466	-	-	466
- Other Receivables	-	447	-	-	447
		9,354	**5,227**	**3,212**	**915**
Financial Liabilities					
Payables	-	1,661	-	-	1,661
Other Financial Liabilities	-	541	-	-	541
		2,202	**-**	**-**	**2,202**
2011					
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**

(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 4.67%;
- 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.

Note 17: Financial Instruments (continued)

	Carrying Amount $'000	Interest Rate Risk				Other Price Risk			
		-1%		+1%		-1%		+1%	
		Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
2013									
Financial Assets									
Cash and Cash Equivalents	8,441	(84)	(84)	84	84	-	-	-	-
Receivables									
- Trade Debtors	466	-	-	-	-	-	-	-	-
- Other Receivables	447	-	-	-	-	-	-	-	-
Financial Liabilities									
Payables	1,661	-	-	-	-	-	-	-	-
Other Financial Liabilities	541	-	-	-	-	-	-	-	-
		(84)	**(84)**	**84**	**84**	**-**	**-**	**-**	**-**
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**	**-**	**-**	**-**	**-**

Note 17: Financial Instruments (continued)

(e) Fair Value

The fair values and net fair values of financial instrument assets and liabilities are determinded as follows;

- Level 1 - the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices
- Level 2 - the fair vaule is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

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 2013 $'000	Fair value 2013 $'000	Consol'd Carrying Amount 2012 $'000	Fair value 2012 $'000
Financial Assets				
Cash and Cash Equivalents	8,441	8,441	6,893	6,893
Receivables				
- Trade Debtors	466	466	427	427
- Other Receivables	447	447	322	322
Total Financial Assets	**9,354**	**9,354**	**7,642**	**7,642**
Financial Liabilities				
Payables	1,661	1,661	1,255	1,255
Other Financial Liabilities	541	541	749	749
Total Financial Liabilities	**2,202**	**2,202**	**2,004**	**2,004**

Note 18: Commitments for Expenditure

	Parent Entity 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'000
Lease Commitments				
Commitments in relation to leases contracted for at the reporting date:				
Operating Leases	119	127	119	127
Total Lease Commitments	**119**	**127**	**119**	**127**
Operating Leases				
Cancellable				
Not later than one year	55	42	55	42
Later than 1 year and not later than 5 years	64	85	64	85
Sub Total	**119**	**127**	**119**	**127**
TOTAL	**119**	**127**	**119**	**127**
Total Commitments for Expenditure (inclusive of GST)	**119**	**127**	**119**	**127**
less GST recoverable from the Australian Tax Office	(11)	(12)	(11)	(12)
Total Commitments for Expenditure (exclusive of GST)	**108**	**115**	**108**	**115**

Note 19: Contingent Assets and Contingent Liabilities

As at 30 June 2013 Stawell Regional Health has no knowledge of any contingent assets or liabilities. (Nil for 30 June 2012.)

Note 20: Segment Reporting

	RAC		Acute		Other		Consol'd	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
REVENUE								
External Segment Revenue	5,830	3,931	12,421	14,407	6,528	3,807	24,779	22,145
Total Revenue	**5,830**	**3,931**	**12,421**	**14,407**	**6,528**	**3,807**	**24,779**	**22,145**
EXPENSES								
External Segment Expenses	(5,499)	(5,343)	(13,025)	(12,769)	(5,245)	(4,217)	(23,768)	(22,329)
Total Expenses	**(5,499)**	**(5,343)**	**(13,025)**	**(12,769)**	**(5,245)**	**(4,217)**	**(23,768)**	**(22,329)**
Net Result from ordinary activities	**331**	**(1,412)**	**(604)**	**1,638**	**1,284**	**(410)**	**1,011**	**(184)**
Interest Income	-	-	-	-	319	324	319	324
Net Result for Year	**331**	**(1,412)**	**(604)**	**1,638**	**1,603**	**(86)**	**1,330**	**140**
OTHER INFORMATION								
Segment Assets	5,904	5,250	21,550	19,162	2,066	1,837	29,521	26,249
Total Assets	**5,904**	**5,250**	**21,550**	**19,162**	**2,066**	**1,837**	**29,521**	**26,249**
Segment Liabilities	1,140	1,051	4,161	3,837	399	368	5,700	5,257
Total Liabilities	**1,140**	**1,051**	**4,161**	**3,837**	**399**	**368**	**5,700**	**5,257**
Investments in Associates and Joint Venture Partnership	22	37	80	134	8	13	110	183
Acquisition of Property, Plant and Equipment and Intangible Assets	348	126	1,270	461	122	44	1,739	632
Depreciation & Amortisation Expense	387	382	1,412	1,394	135	134	1,934	1,910

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 21: Jointly Controlled Operations and Assets

Name of Entity	Principal Activity	Ownership Interest 2013 %	Ownership Interest 2012 %
Grampians Region Health IT Alliance	IT Systems	6.09	6.20

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:

	2013 $'000	2012 $'000
Current Assets		
Cash and Cash Equivalents	83	44
Receivables	63	40
Total Current Assets	**146**	**84**
Non Current Assets		
Property, Plant and Equipment	59	44
Total Non Current Assets	**59**	**44**
Total Assets	**205**	**128**
Current Liabilities		
Payables	95	11
Total Current Liabilities	**95**	**11**
Total Liabilities	**95**	**11**
Total Net Assets	**110**	**117**

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

	2013 $'000	2012 $'000
Revenues		
Other	277	270
Total Revenue	**277**	**270**
Expenses		
Information Technology and Administrative Expenses	281	278
Investment Revaluation	3	(20)
Total Expenses	**284**	**258**
Profit/(Loss)	**(7)**	**12**

Contingent Liabilities and Capital Commitments

As at 30 June 2013 the Grampians Region Health IT Alliance has not reported any contingent assets or liabilities.

Note 22a: Responsible Persons Disclosures

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

	Period
Responsible Ministers:	
The Honourable David Davis, MLC, Minister for Health and Ageing	01/07/2012 - 30/06/2013
The Honourable Mary Wooldridge, MLA, Minister for Mental Health	01/07/2012 - 30/06/2013
Governing Boards	
Mr R Hatton	01/07/2012 - 30/06/2013
Mrs K Douglas	01/07/2012 - 30/06/2013
Mrs L Jensz	01/07/2012 - 30/06/2013
Mrs J M Brilliant	01/07/2012 - 30/06/2013
Mr P J Martin	01/07/2012 - 30/06/2013
Mrs R Jones	20/11/2012 - 30/06/2013
Mr H L Cooper	01/07/2012 - 30/06/2013
Mr D G Stanes	01/07/2012 - 30/06/2013
Accountable Officers	
Mr R Fitzgerald	01/07/2012 - 30/06/2013

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

	Parent		Consol'd	
	2013 No.	2012 No.	2013 No.	2012 No.
Income Band				
$0 - $9,999	8	9	8	9
$170,000 - $179,999	1	1	1	1
Total Numbers	**9**	**10**	**9**	**10**
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	**$179,823**	**$176,108**	**$179,823**	**$176,108**
	$'000	**$'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 22b: Executive Officer Disclosures

Executive Officers' Remuneration

The numbers of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands.

The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

	Parent				Consolidated			
	Total Remuneration		Base Remuneration		Total Remuneration		Base Remuneration	
	2013 No.	2012 No.	2013 No.	2012 No.	2013 No.	2012 No.	2013 No.	2012 No.
$60,000 - $69,999	-	-	1	-	-	-	1	-
$100,000 - $109,999	-	1	1	1	-	1	1	1
$110,000 - $119,999	1	-	-	1	1	-	-	1
$120,000 - $129,999	1	1	-	-	1	1	-	-
Total Number of Executives	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**
Total Annualised Employee Equivalent (AEE) (i)	**1.8**	**1.8**	**1.8**	**1.8**	**1.8**	**1.8**	**1.8**	**1.8**
Total Remuneration	**$251,967**	**$225,314**	**$171,242**	**$218,619**	**$251,967**	**$225,314**	**$171,242**	**$218,619**

(i) Annualised Employee Equivalent (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 2013 $'000	Parent Entity 2012 $'000	Consol'd 2013 $'000	Consol'd 2012 $'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.

This page has been left intentionally blank

STAWELL REGIONAL HEALTH

2012-2013 Annual Report

Front Cover

Top - Mr Benyamin Yokhanis ASSOCIATE • FRACS. FRCS. MBChB General Surgeon.
Bottom – Theatre Staff – L to R – Timothy Baker, Christine Gillmartin, Sarah Pridham

Inside Front Cover

Ward Staff – L to R – Ashlee Hanford, Michael Hermosilla,
Anna Sullivan, Troy Hilton, Nicole Woodhams

Back Cover

Top – Marsole Greyvensteyn – Chief MIT.
Bottom – Theatre Staff – L to R – Barbara Savage, Debra Barry,
Anne Mansbridge, Taki Haamid.

Photography

Kerri Kingston.

Designed by design**link** @ The Courier

Our Mission

To deliver public health services to best meet the changing needs of the Stawell and regional community.

Stawell Regional Health

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