



South West
Healthcare

Financial Statements 2012

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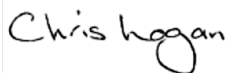
Board member's, accountable officer's and chief finance & accounting officer's declaration

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

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

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

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



Chris Logan
Chairperson

Warrnambool
21 August 2012



John Krygger
Chief Executive Officer

Warrnambool
21 August 2012



Andrew Trigg
Chief Finance & Accounting Officer

Warrnambool
21 August 2012

VAGO

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of South West Healthcare

The Financial Report

The accompanying financial report for the year ended 30 June 2012 of South West Healthcare which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary 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 Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Auditing in the Public Interest

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 South West Healthcare as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of South West Healthcare for the year ended 30 June 2012 included both in South West Healthcare's annual report and on the website. The Board Members of South West Healthcare are responsible for the integrity of South West Healthcare's website. I have not been engaged to report on the integrity of South West Healthcare'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
22 August 2012


for D D R Pearson
Auditor-General

COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$000	2011 \$000
REVENUE FROM OPERATING ACTIVITIES	2	122,418	115,369
REVENUE FROM NON-OPERATING ACTIVITIES	2	576	659
Employee Benefits	3	(83,284)	(76,920)
Non Salary Labour Costs	3	(7,901)	(7,612)
Supplies & Consumables	3	(14,490)	(14,292)
Other Expenses From Continuing Operations	3	(18,272)	(17,898)
NET RESULT BEFORE CAPITAL AND SPECIFIC ITEMS		(953)	(694)
Capital Purpose Income	2	28,537	44,953
Depreciation and Amortisation	4	(6,160)	(5,538)
Finance Costs	5	-	(3)
Expenditure Using Capital Purpose Income	3	(100)	(183)
NET RESULT FOR THE YEAR		21,324	38,535
Other Comprehensive Income			
Net fair value revaluation on Non Financial Assets		-	-
COMPREHENSIVE RESULT FOR THE YEAR		21,324	38,535

This Statement should be read in conjunction with the accompanying notes

APPENDIX 4 FINANCIAL STATEMENTS 2012

BALANCE SHEET AS AT 30 JUNE 2012

ASSETS	Note	2012 \$000	2011 \$000
Current Assets			
Cash and Cash Equivalents	6	9,411	11,584
Receivables	7	3,741	3,746
Inventories	8	1,437	1,311
Other Assets	9	72	131
Total Current Assets		14,661	16,772
Non Current Assets			
Receivables	7	1,390	569
Property, Plant & Equipment	10	167,040	141,297
Total Non-Current Assets		168,430	141,866
TOTAL ASSETS		183,091	158,638
LIABILITIES			
Current Liabilities			
Payables	11	7,742	6,961
Provisions	12	17,526	16,050
Other Liabilities	13	826	451
Total Current Liabilities		26,094	23,462
Non Current Liabilities			
Provisions	12	2,216	1,719
Total Non-Current Liabilities		2,216	1,719
TOTAL LIABILITIES		28,310	25,181
NET ASSETS		154,781	133,457
EQUITY			
Property, Plant & Equipment Revaluation Reserve	14a	13,749	13,749
Restricted Specific Purpose Reserve	14a	22	22
Contributed Capital	14b	66,744	66,744
Accumulated Surpluses / (Deficits)	14c	74,266	52,942
TOTAL EQUITY	14d	154,781	133,457
Contingent Assets and Contingent Liabilities	18		
Commitments for Expenditure	17		

This Statement should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

		Property, Plant & Equipment Revaluation Surplus	Restricted Specific Purpose Surplus	Contributions by Owners	Accumulated Surpluses / (Deficits)	
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2010		13,749	22	66,744	14,407	94,922
Net result for the year	14c	-	-	-	38,535	38,535
Balance at 30 June 2011		13,749	22	66,744	52,942	133,457
Net result for the year	14c	-	-	-	21,324	21,324
Balance at 30 June 2012		13,749	22	66,744	74,266	154,781

This Statement should be read in conjunction with the accompanying notes

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$000	2011 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		108,374	102,743
Patient Fees Received		3,342	3,261
Private Practice Fees Received		420	217
Interest Received		390	695
Other Receipts Received		7,725	7,492
GST Received from/ (paid to) ATO		5,731	6,823
Employee Benefits paid		(80,267)	(76,651)
Fee for service Medical Officers		(7,710)	(7,612)
Payments for Supplies & Consumables		(19,127)	(18,781)
Other Payments		(18,408)	(18,658)
Cash Generated from Operations		470	(471)
Capital Grants from Government		26,737	42,172
Capital Donations and Bequests Received		1,202	1,337
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	15	28,409	43,038
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Non-Financial Assets		(32,130)	(47,783)
Proceeds from Sale of Non-Financial Assets		861	901
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(31,269)	(46,882)
NET INCREASE / (DECREASE) IN CASH HELD		(2,860)	(3,844)
CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD		11,166	15,010
CASH AND CASH EQUIVALENTS END OF PERIOD	6	8,306	11,166

This Statement should be read in conjunction with the accompanying notes

NOTE 1: SUMMARY 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) issued by the Australian Accounting Standards Board (AASB).

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" Health Services under the AASs.

The annual financial statements were authorised for issue by the Board of South West Healthcare on 15 August 2012.

(b) Basis of accounting preparation and measurement

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2012, and the comparative information presented in these financial statements for the year ended 30 June 2011.

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

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

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

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

- Non-current physical assets, which subsequent to acquisition, are measured at valuation and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values; and
- 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 and estimates, with a risk of material adjustments in the subsequent reporting period, relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(j));
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(k)).

(c) Reporting Entity

The financial statements include all the controlled activities of South West Healthcare.

Its principal address is:

Ryot Street
Warrnambool
Victoria 3280.

A description of the nature of South West Healthcare'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**Intersegment Transactions**

Transactions between segments within the South West Healthcare have been eliminated to reflect the extent of the South West Healthcare's operations as a group.

Jointly controlled assets or operations

Interests in jointly controlled assets or operations are not consolidated by South West Healthcare, but are accounted for in accordance with the policy outlined in Note 1(j) Financial assets.

(e) Scope and presentation of financial statements**Fund Accounting**

The South West Healthcare operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. The South West Healthcare'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

The *South West Healthcare Residential Aged Care Service* operations are an integral part of South West Healthcare 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 2b to the financial statements.

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 South West Healthcare. 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 South West Healthcare, 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 (f)). 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 and amortisation, as described in Note 1 (g)
- Assets provided or received free of charge (refer to Note 1 (f) and (g))
- Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

Balance sheet

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

Statement of changes in equity

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

Cash flow statement

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

(f) 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 South West Healthcare and the income can be reliably measured. Unearned income at reporting date is reported as income received in advance.

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

Government Grants and other transfers of income (other than contributions by owners)

Grants are recognised as income when the Health Service gains control of the underlying assets in accordance with AASB 1004 *Contributions*. For reciprocal grants the Health Service is deemed to have assumed control when the performance has occurred under

the grant. For non-reciprocal grants the Health Service is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

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

Indirect Contributions from the Department of Health

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

Patient and Resident Fees

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

Private Practice Fees

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

Revenue from commercial activities

Revenue from commercial activities such as commercial laboratory medicine 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 specific restricted purpose reserve.

Interest Revenue

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

Sale of investments

The gain/loss on the sale of investments is recognised when the investment is realised.

Resources Provided and Received Free of Charge or for Nominal Consideration

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

(g) 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 superannuation plans

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

Defined benefit superannuation 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 South West Healthcare are entitled to receive superannuation benefits and South West Healthcare contributes to both the defined benefit and defined contribution plans. The defined benefit plan(s) 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 South West Healthcare are as follows:

Fund	Contributions Paid or Payable for the year	
	2012	2011
	\$'000	\$'000
Defined benefit plans:		
Health Super Fund	460	469
State Superannuation Fund	117	148
Defined contribution plans:		
Health Super Fund	4,952	4,775
Hesta Super Fund	907	787

Depreciation

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

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

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

	2012	2011
Buildings		
- Structure Shell Building Fabric	Up to 42 years	Up to 42 years
- Site Engineering Services and Central Plant	Up to 30 years	Up to 30 years
Central Plant		
- Fit Out	Up to 30 years	Up to 30 years
- Trunk Reticulated Building Systems	Up to 30 years	Up to 30 years
Plant & Equipment	Up to 30 years	Up to 30 years
Medical Equipment	Up to 20 years	Up to 20 years
Computers and Communication	Up to 5 years	Up to 5 years
Furniture and Fitting	Up to 20 years	Up to 20 years
Motor Vehicles	Up to 13 years	Up to 13 years
Leasehold Improvements	Up to 7 years	Up to 7 years

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

Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred.

Finance costs include:

- finance charges in respect of finance leases recognised in accordance with AASB 117 *Leases*.

Resources Provided or Received Free of Charge or for Nominal Consideration

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

(h) Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Southwest Healthcare's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments**Loans and receivables**

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(i)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

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.

Held-to-maturity investments

If the Health Service has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

The Health Service makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held-to-maturity investments not close to their maturity, would result in the whole category being reclassified as available-for-sale. The Health Service would also be prevented from classifying investment securities as held-to-maturity for the current and the following two financial years.

The held-to-maturity category includes certain term deposits and debt securities for which the entity concerned intends to hold to maturity.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of the Health Service's contractual payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

(i) Financial assets**Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

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

Receivables

Receivables consist of:

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

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

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 as loans and receivables.

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

South West Healthcare assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Investments in jointly controlled assets and operations

In respect of any interest in jointly controlled assets, South West Healthcare recognises in the financial statements:

- its share of jointly controlled assets;
- any liabilities that it had incurred;
- its share of liabilities incurred jointly by the joint venture;
- any income earned from the selling or using of its share of the output from the joint venture; and
- any expenses incurred in relation to being an investor in the joint venture.

For jointly controlled operations South West Healthcare recognises:

- the assets that it controls;
- the liabilities that it incurs
- expenses that it incurs; and
- the share of income that it earns from selling outputs of the joint venture

Impairment of Financial Assets

At the end of each reporting period South West Healthcare assesses whether there is objective evidence that a financial asset or group of financial asset is impaired. All financial instrument assets, except those

measured at fair value through profit or loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Bad debts considered as written off and allowances for doubtful receivables are expensed.

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.

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months, the financial asset is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2012 for its portfolio of financial assets, South West Healthcare obtained a valuation based on the best available advice using an estimated market value through a reputable financial institution. This value was compared against valuation methodologies provided by the issuer as at 30 June 2012. These methodologies were critiqued and considered to be consistent with standard market valuation techniques.

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*.

Net Gain/(Loss) on Financial Instruments

Net gain/(loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading;
- impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets.

(j) Non-Financial Assets

Inventories

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

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories, including land held for sale, 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 is assigned to land for sale (undeveloped, under development and developed) and to other high value, low volume inventory items on a specific identification of cost basis.

Cost for all other 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.

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

Property, Plant and Equipment

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

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

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

Plant, Equipment and Vehicles are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for fair value because of the short lives of the assets concerned.

Revaluations of Non-current Physical Assets

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

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

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

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

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

In accordance with FRD 103D, South West Healthcare'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

Apart from intangible assets with indefinite useful lives, all other assets are assessed annually for indications of impairment, except for:

- inventories; and
- financial assets;

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

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

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

(k) Liabilities**Payables**

These amounts consist predominantly of liabilities for goods and services.

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

The normal credit terms are usually Nett 30 days.

Borrowings

Borrowings in the balance sheet are recognised at fair value upon initial recognition. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method. Fair value is determined in the manner described in Note 16.

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 South West Healthcare 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 South West Healthcare does not expect to settle within 12 months; and
- nominal value - component that the South West Healthcare 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.

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

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

(l) Leases

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

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

Finance Leases**Entity as 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.

(m) Equity**Contributed Capital**

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

Property, Plant & Equipment Revaluation Reserve

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

Specific Restricted Purpose Reserve

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

(n) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 17) at their nominal value and are inclusive of the goods and services tax ("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. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

(o) Contingent assets and contingent liabilities

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

(p) Goods and Services Tax

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

(q) Rounding Of Amounts

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

Minor discrepancies in tables between total and the sum of components are due to rounding.

(r) New Accounting Standards and Interpretations

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

APPENDIX 4 NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

As at 30 June 2012, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below.

The Health Service has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 <i>Financial instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>).	1 Jan 2013	Detail of impact is still being assessed.
AASB 10 <i>Consolidated Financial Statements</i>	This Standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities and supersedes those requirements in AASB 127 <i>Consolidated and Separate Financial Statements</i> and Interpretation 112 <i>Consolidation - Special Purpose Entities</i> .	1 Jan 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 10 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 11 <i>Joint Arrangements</i>	This Standard requires entities that have an interest in arrangements that are controlled jointly to assess whether the arrangement is a joint operation or joint venture. AASB 11 shall be applied for an arrangement that is a joint operation. It also replaces parts of requirements in AASB 131 <i>Interests in Joint Ventures</i> .	1 Jan 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 11 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 12 <i>Disclosure of Interests in Other Entities</i>	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 and AASB 131.	1 Jan 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 12 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 13 <i>Fair Value Measurement</i>	This Standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other AASs. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities; other observable inputs; and unobservable inputs.	1 Jan 2013	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures for public sector entities that have assets measured using depreciated replacement cost.

APPENDIX 4 NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 119 <i>Employee Benefits</i>	In this revised Standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows - other movements in equity') reported on the comprehensive operating statement.	1 Jan 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions of the general government sector and for those few Victorian public sector entities that report superannuation defined benefit plans
AASB 127 <i>Separate Financial Statements</i>	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 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 127 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 128 <i>Investments in Associates and Joint Ventures</i>	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 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 128 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	1 July 2013	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.

APPENDIX 4 FINANCIAL STATEMENTS 2012

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
<p>AASB 2010-7</p> <p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]</p>	<p>These consequential amendments are in relation to the introduction of AASB 9.</p>	1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.
<p>AASB 2010-8</p> <p><i>Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]</i></p>	<p>This amendment provides a practical approach for measuring deferred tax assets and deferred tax liabilities when measuring investment property by using the fair value model in AASB 140 <i>Investment Property</i>.</p>	Beginning 1 Jan 2012	This amendment provides additional clarification through practical guidance.
<p>AASB 2010-10</p> <p><i>Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters</i> [AASB 2009-11 & AASB 2010-7]</p>	<p>The amendments ultimately affect AASB 1 <i>First-time Adoption of Australian Accounting Standards</i> and provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.</p>	1 Jan 2013	No significant impact is expected on entity reporting.
<p>AASB 2011-2</p> <p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements</i> [AASB 101 & AASB 1054]</p>	<p>The objective of this amendment is to include some additional disclosure from the Trans-Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards - Reduced Disclosure Requirements.</p>	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented in the Victorian public sector.
<p>AASB 2011-3</p> <p><i>Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]</i></p>	<p>This amends AASB 1049 to clarify the definition of the ABS GFS Manual, and to facilitate the adoption of changes to the ABS GFS Manual and related disclosures.</p>	1 July 2012	<p>This amendment provides clarification to users preparing the whole of government and general government sector financial reports on the version of the GFS Manual to be used and what to disclose if the latest GFS Manual is not used.</p> <p>No impact on departmental or entity reporting.</p>
<p>AASB 2011-4</p> <p><i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</i> [AASB 124]</p>	<p>This Standard amends AASB 124 <i>Related Party Disclosures</i> by removing the disclosure requirements in AASB 124 in relation to individual key management personnel (KMP).</p>	1 July 2013	No significant impact is expected from these consequential amendments on entity reporting.

APPENDIX 4 FINANCIAL STATEMENTS 2012

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
<p>AASB 2011-6</p> <p><i>Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements</i></p> <p>[AASB 127, AASB 128 & AASB 131]</p>	<p>The objective of this Standard is to make amendments to AASB 127 <i>Consolidated and Separate Financial Statements</i>, AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i> to extend the circumstances in which an entity can obtain relief from consolidation, the equity method or proportionate consolidation.</p>	<p>1 July 2013</p>	<p>The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented in the Victorian public sector.</p>
<p>AASB 2011-7</p> <p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards</i></p> <p>[AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]</p>	<p>This Standard outlines consequential changes arising from the issuance of the five 'new Standards' to other Standards. For example, references to AASB 127 <i>Consolidated and Separate Financial Statements</i> are amended to AASB 10 <i>Consolidated Financial Statements</i> or AASB 127 <i>Separate Financial Statements</i>, and references to AASB 131 <i>Interests in Joint Ventures</i> are deleted as that Standard has been superseded by AASB 11 and AASB 128 (August 2011).</p>	<p>1 Jan 2013</p>	<p>No significant impact is expected from these consequential amendments on entity reporting.</p>
<p>AASB 2011-8</p> <p><i>Amendments to Australian Accounting Standards arising from AASB 13</i></p> <p>[AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]</p>	<p>This amending Standard makes consequential changes to a range of Standards and Interpretations arising from the issuance of AASB 13. In particular, this Standard replaces the existing definition and guidance of fair value measurements in other Australian Accounting Standards and Interpretations.</p>	<p>1 Jan 2013</p>	<p>Disclosures for fair value measurements using unobservable inputs is potentially onerous, and may increase disclosures for assets measured using depreciated replacement cost.</p>
<p>AASB 2011-9</p> <p><i>Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income</i></p> <p>[AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</p>	<p>The main change resulting from this Standard is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). These amendments do not remove the option to present profit or loss and other comprehensive income in two statements, nor change the option to present items of OCI either before tax or net of tax.</p>	<p>1 July 2012</p>	<p>This amending Standard could change the current presentation of 'Other economic flows- other movements in equity' that will be grouped on the basis of whether they are potentially reclassifiable to profit or loss subsequently.</p> <p>No other significant impact will be expected.</p>
<p>AASB 2011-10</p> <p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)</i></p> <p>[AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]</p>	<p>This Standard makes consequential changes to a range of other Australian Accounting Standards and Interpretation arising from the issuance of AASB 119 <i>Employee Benefits</i>.</p>	<p>1 Jan 2013</p>	<p>No significant impact is expected from these consequential amendments on entity reporting.</p>

APPENDIX 4 FINANCIAL STATEMENTS 2012

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
<p>AASB 2011-11</p> <p><i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p>	<p>This Standard makes amendments to AASB 119 <i>Employee Benefits</i> (September 2011), to incorporate reduced disclosure requirements into the Standard for entities applying Tier 2 requirements in preparing general purpose financial statements.</p>	<p>1 July 2013</p>	<p>The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented in the Victorian public sector.</p>
<p>AASB 2011-12</p> <p><i>Amendments to Australian Accounting Standards arising from Interpretation 20</i></p> <p>[AASB 1]</p>	<p>This Standard makes amendments to AASB 1 <i>First-time Adoption of Australian Accounting Standards</i>, as a consequence of the issuance of IFRIC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>. This Standard allows the first-time adopters to apply the transitional provisions contained in Interpretation 20.</p>	<p>1 Jan 2013</p>	<p>There may be an impact for new agencies that adopt Australian Accounting Standards for the first time.</p> <p>No implication is expected for existing entities in the Victorian public sector.</p>
<p>2011-13</p> <p><i>Amendments to Australian Accounting Standard - Improvements to AASB 1049</i></p>	<p>This Standard aims to improve the AASB 1049 <i>Whole of Government and General Government Sector Financial Reporting</i> at the operational level. The main amendments clarify a number of requirements in AASB 1049, including the amendment to allow disclosure of other measures of key fiscal aggregates as long as they are clearly distinguished from the key fiscal aggregates and do not detract from the information required by AASB 1049. Furthermore, this Standard provides additional guidance and examples on the classification between 'transactions' and 'other economic flows' for GAAP items without GFS equivalents.</p>	<p>1 July 2012</p>	<p>No significant impact is expected from these consequential amendments on entity reporting.</p>
<p>2012-1</p> <p><i>Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements</i></p> <p>[AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]</p>	<p>This amending Standard prescribes the reduced disclosure requirements in a number of Australian Accounting Standards as a consequence of the issuance of AASB 13 <i>Fair Value Measurement</i>.</p>	<p>1 July 2013</p>	<p>As the Victorian whole of government and the general government (GG) sector are subject to Tier 1 reporting requirements (refer to AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>), the reduced disclosure requirements included in AASB 2012-1 will not affect the financial reporting for Victorian whole of government and GG sector.</p>
<p>AASB Interpretation 20</p> <p><i>Stripping Costs in the Production Phase of a Surface Mine</i></p>	<p>This Interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be initially and subsequently measured.</p>	<p>1 Jan 2013</p>	<p>No significant impact is expected on entity reporting.</p>

(s) Category Groups

South West Healthcare 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.

Mental Health Services (Mental Health) comprises all recurrent health revenue/expenditure on specialised mental Health Services (child and adolescent, general and adult, community and forensic) managed or funded by the state or territory health administrations, and includes: Admitted patient services (including forensic mental health), outpatient services, emergency department services (where it is possible to separate emergency department mental Health Services), community-based services, residential and ambulatory services.

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

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

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

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

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

NOTE 2: REVENUE

	HSA 2012 \$000	HSA 2011 \$000	H&CI 2012 \$000	H&CI 2011 \$000	Total 2012 \$000	Total 2011 \$000
Revenue from Operating Activities						
Government Grants						
- Department of Health	100,643	94,472	-	-	100,643	94,472
- Dental Health Services Victoria	1,308	1,284	-	-	1,308	1,284
- Commonwealth Government						
- Residential Aged Care Subsidy	2,410	2,072	-	-	2,410	2,072
- Other	3,197	2,661	-	-	3,197	2,661
Total Government Grants	107,558	100,489	-	-	107,558	100,489
Indirect Contributions by Department of Health						
- Insurance	270	2,831	-	-	270	2,831
- Long Service Leave	822	346	-	-	822	346
Total Indirect Contributions by Department of Health	1,092	3,177	-	-	1,092	3,177
Patient and Resident Fees (refer Note 2b)	3,552	3,171	-	-	3,552	3,171
Total Patient & Resident Fees	3,552	3,171	-	-	3,552	3,171
Business Units & Specific Purpose Funds						
Private Practice Fees	-	-	542	227	542	227
Food Services	-	-	1,091	938	1,091	938
Retail Services	-	-	894	718	894	718
Linen Service	-	-	970	934	970	934
Other Activities	-	-	727	1,141	727	1,141
Total Business Units & Specific Purpose Funds	-	-	4,224	3,958	4,224	3,958
Other Revenue from operating Activities	5,992	4,574	-	-	5,992	4,574
Sub -Total Revenue from Operating Activities	118,194	111,411	4,224	3,958	122,418	115,369
Revenue from Non Operating Activities						
Interest	-	-	576	659	576	659
Sub-Total Revenue from Non Operating Activities	-	-	576	659	576	659
Revenue from Capital Purpose Income						
State Government Capital Grants						
- Equipment and Infrastructure	914	1,641	-	-	914	1,641
- Capital Redevelopment Grants	26,507	42,133	-	-	26,507	42,133
Residential Accommodation Payments (refer Note 2b)	137	155	-	-	137	155
Net Gain / (Loss) on Sale of Non-Financial Assets (refer Note 2c)	-	-	(49)	(84)	(49)	(84)
Donations and Bequests	-	-	1,028	1,108	1,028	1,108
Sub -Total Revenue from Capital Purpose Income	27,558	43,929	979	1,024	28,537	44,953
Total Revenue (refer Note 2a)	145,752	155,340	5,779	5,641	151,531	160,981

Indirect contributions by Department of Health:

Department of Health makes insurance payments on behalf of the Health Services. These amounts have been brought into account in determining the operating result for the year by recording them as revenue and expenses.

NOTE 2a: ANALYSIS OF REVENUE BY SOURCE

	Admitted Patients	Outpatients	EDS	Ambulatory	Aged & Home Care	RAC	Mental Health	Primary Health	Other	Total
	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000
Revenue from Services Supported by Health Service Agreement										
Government Grants	68,782	4,785	4,515	5,003	2,165	2,310	15,197	2,440	3,183	108,380
Indirect Contributions by Department of Health	270	-	-	-	-	-	-	-	-	270
Patient and Resident Fees (refer Note 2b)	2,348	315	-	-	280	433	-	40	136	3,552
Other	5,908	-	-	-	-	-	84	-	-	5,992
Capital Purpose Income	27,558	-	-	-	-	-	-	-	-	27,558
Sub-Total Revenue from Services Supported by Health Services Agreement	104,866	5,100	4,515	5,003	2,445	2,743	15,281	2,480	3,319	145,752
Revenue From Services Supported by Hospital and Community Initiatives										
Business Units & Specific Purpose Funds	-	-	-	-	-	-	-	-	4,224	4,224
Other	-	-	-	-	-	-	-	-	576	576
Capital Purpose Income	-	-	-	-	-	-	-	-	979	979
Sub-Total Revenue from Services Supported by Hospital & Community Initiatives	-	-	-	-	-	-	-	-	5,779	5,779
Total Revenue	104,866	5,100	4,515	5,003	2,445	2,743	15,281	2,480	9,098	151,531

	Admitted Patients	Outpatients	EDS	Ambulatory	Aged & Home Care	RAC	Mental Health	Primary Health	Other	Total
	2011 \$000	2011 \$000	2011 \$000	2011 \$000	2011 \$000	2011 \$000	2011 \$000	2011 \$000	2011 \$000	2011 \$000
Revenue from Services Supported by Health Service Agreement										
Government Grants	61,932	4,914	4,050	5,037	2,133	2,083	14,466	2,497	3,723	100,835
Indirect Contributions by Department of Health	2,831	-	-	-	-	-	-	-	-	2,831
Patient and Resident Fees (refer Note 2b)	1,879	285	-	-	309	511	-	43	144	3,171
Other	4,345	-	-	-	-	-	229	-	-	4,574
Capital Purpose Income	43,929	-	-	-	-	-	-	-	-	43,929
Sub-Total Revenue from Services Supported by Health Services Agreement	114,916	5,199	4,050	5,037	2,442	2,594	14,695	2,540	3,867	155,340
Revenue From Services Supported by Hospital and Community Initiatives										
Business Units & Specific Purpose Funds	-	-	-	-	-	-	-	-	3,958	3,958
Other	-	-	-	-	-	-	-	-	659	659
Capital Purpose Income	-	-	-	-	-	-	-	-	1,024	1,024
Sub Total Revenue From Services Supported by Hospital and Community Initiatives	-	-	-	-	-	-	-	-	5,641	5,641
Total Revenue	114,916	5,199	4,050	5,037	2,442	2,594	14,695	2,540	9,508	160,981

Indirect contributions by Department of Health:

Department of Health makes insurance payments on behalf of the Health Services. These amounts have been brought into account in determining the operating result for the year by recording them as revenue and expenses.

NOTE 2b: PATIENTS AND RESIDENT FEES RAISED

Patient & Resident Fees	Total	Total
	2012 \$000	2011 \$000
Recurrent		
Acute		
- Inpatients	2,348	1,879
- Outpatients	771	781
Residential Aged Care		
- Nursing Home	433	511
Total Recurrent	3,552	3,171
Capital Purpose:		
Residential Accommodation Payments	137	155
Total Capital	137	155

NOTE 2c: NET GAIN / (LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS

	Total	Total
	2012 \$000	2011 \$000
Proceeds from Disposal of Non-Current Assets		
Plant & Equipment	-	-
Motor Vehicles	861	901
Total Proceeds from Disposal of Non-Current Assets	861	901
Less: Written Down Value of Non Current Assets Sold		
Plant & Equipment	3	10
Motor Vehicles	907	975
Total Written Down Value of Non Current Assets Sold	910	985
Net Gains / (Loss) on Disposal of Non-Current Assets	(49)	(84)

NOTE 3: EXPENSES

	HSA 2012 \$000	HSA 2011 \$000	H&CI 2012 \$000	H&CI 2011 \$000	Total 2012 \$000	Total 2011 \$000
Employee Benefits						
Salaries & Wages	72,016	66,780	1,402	1,284	73,418	68,064
Workcover	906	728	34	20	940	748
Long Service Leave	2,480	1,922	10	8	2,490	1,930
Superannuation	6,310	6,127	126	51	6,436	6,178
Total Employee Benefits	81,712	75,557	1,572	1,363	83,284	76,920
Non Salary Labour Costs						
Fee for Service Medical Officers	7,711	7,612	190	-	7,901	7,612
Supplies & Consumables						
Drug Supplies	4,759	4,922	-	-	4,759	4,922
Medical & Surgical Supplies	8,121	7,638	250	354	8,371	7,992
Food Supplies	1,148	1,029	212	349	1,360	1,378
Total Supplies & Consumables	14,028	13,589	462	703	14,490	14,292
Other Expenses from Continuing Operations						
Domestic Services and Supplies	1,593	1,383	34	25	1,627	1,408
Fuel Light Power & Water	1,111	928	127	120	1,238	1,048
Insurance Costs Funded by DH	1,775	2,831	-	-	1,775	2,831
Repairs & Maintenance	1,631	1,305	153	340	1,784	1,645
Maintenance Contracts	515	557	-	-	515	557
Motor Vehicles	514	458	36	32	550	490
Administrative Expenses	8,314	7,918	848	675	9,162	8,593
Patient Transport	1,528	1,221	-	-	1,528	1,221
Bad Debts	-	3	-	-	-	3
Audit Fees - VAGO Audit of Financial statements	43	42	1	1	44	43
Audit Fees - Other	49	59	-	-	49	59
Total Other Expenses from Continuing Operations	17,073	16,705	1,199	1,193	18,272	17,898
Expenditure using Capital Purpose Income						
Other Expenses	100	183	-	-	100	183
Total Expenditure using Capital Purpose Income	100	183	-	-	100	183
Depreciation and Amortisation	-	-	6,160	5,538	6,160	5,538
Finance Costs	-	3	-	-	-	3
Total Expenses	120,624	113,649	9,583	8,797	130,207	122,446

NOTE 3a: ANALYSIS OF EXPENSES BY SOURCE

	Admitted Patients	Outpatients	EDS	Ambulatory	Aged & Home Care	RAC	Mental Health	Primary Health	Other	Total
	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000
Services Supported by Health Services Agreement										
Employee Benefits	51,657	3,384	2,996	3,320	1,622	2,230	12,652	1,646	2,203	81,710
Non salary labour benefits	7,706	-	-	-	-	4	-	-	-	7,710
Supplies & consumables	10,608	699	619	686	335	53	235	340	455	14,030
Other Expenses from continuing operations	10,976	723	640	709	347	499	2,358	351	471	17,074
Sub-Total Expenses from Services Supported by Health Services Agreement	80,947	4,806	4,255	4,715	2,304	2,786	15,245	2,337	3,129	120,524
Services Supported by Hospital and Community Initiatives										
Employee Benefits	-	-	-	-	-	-	-	-	1,761	1,761
Supplies & Consumables	-	-	-	-	-	-	-	-	463	463
Other Expenses from continuing operations	-	-	-	-	-	-	-	-	1,199	1,199
Depreciation and Amortisation (refer Note 4)	-	-	-	-	-	-	-	-	6,160	6,160
Sub-Total Expenses from Services Supported by Hospital and Community Initiatives	-	-	-	-	-	-	-	-	9,583	9,583
Services Supported by Capital Sources										
Other Expenses	-	-	-	-	-	-	-	-	100	100
Sub-Total Expenses from Services Supported by Capital Resources	-	-	-	-	-	-	-	-	100	100
Total Expenses	80,947	4,806	4,255	4,715	2,304	2,786	15,245	2,337	12,812	130,207

	Admitted Patients	Outpatients	EDS	Ambulatory	Aged & Home Care	RAC	Mental Health	Primary Health	Other	Total
	2011 \$000	2011 \$000	2011 \$000	2011 \$000	2011 \$000	2011 \$000	2011 \$000	2011 \$000	2011 \$000	2011 \$000
Services Supported by Health Services Agreement										
Employee Benefits	46,245	3,404	2,651	3,298	1,599	2,219	11,946	1,663	2,532	75,557
Non salary labour benefits	7,608	-	-	-	-	4	-	-	-	7,612
Supplies & consumables	9,992	745	581	722	350	46	235	364	554	13,589
Other Expenses from continuing operations	10,620	793	618	768	372	198	2,358	388	590	16,705
Finance Costs (refer Note 5)	3	-	-	-	-	-	-	-	-	3
Sub-Total Expenses from Services Supported by Health Services Agreement	74,468	4,942	3,850	4,788	2,321	2,467	14,539	2,415	3,676	113,466
Services Supported by Hospital and Community Initiatives										
Employee Benefits	-	-	-	-	-	-	-	-	1,363	1,363
Supplies & Consumables	-	-	-	-	-	-	-	-	703	703
Other Expenses from continuing operations	-	-	-	-	-	-	-	-	1,193	1,193
Depreciation and Amortisation (refer Note 4)	-	-	-	-	-	-	-	-	5,538	5,538
Sub-Total Expenses from Services Supported by Hospital and Community Initiatives	-	-	-	-	-	-	-	-	8,797	8,797
Services Supported by Capital Sources										
Other Expenses	-	-	-	-	-	-	-	-	183	183
Sub-Total Expenses from Services Supported by Capital Resources	-	-	-	-	-	-	-	-	183	183
Total Expenses	74,468	4,942	3,850	4,788	2,321	2,467	14,539	2,415	12,656	122,446

NOTE 3b

Analysis of Expenses by Internally Managed and Restricted Specific Purpose Funds for Services Supported by Hospital and Community Initiatives

	2012 \$000	2011 \$000
Private Practice Fees	490	204
Linen Service	710	698
Food Services	967	715
Retail Services	678	703
Other Activities	578	939
Total	3,423	3,259

NOTE 4: DEPRECIATION & AMORTISATION

Depreciation

	2012 \$000	2011 \$000
Buildings	3,701	3,656
Plant & Equipment	445	332
Medical Equipment	845	598
Computers & Communications	476	346
Furniture and Fittings	194	102
Motor Vehicles	495	500
Total Depreciation	6,156	5,534

Amortisation

Leased Assets	4	4
Total Amortisation	4	4
Total Depreciation & Amortisation	6,160	5,538

NOTE 5: FINANCE COSTS

	2012 \$000	2011 \$000
Finance Charges on Finance Leases	-	3
TOTAL	-	3

NOTE 6: 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.

	2012 \$000	2011 \$000
Cash on Hand	4	4
Cash at Bank	1,361	2,034
Deposits at Call	8,046	9,546
Cash at End of Reporting Period	9,411	11,584
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	8,306	11,166
Cash at Bank South West Alliance of Rural Health	257	(54)
Cash for Monies Held in Trust		
- Endowment Fund	22	22
- Deposits at Call	826	450
TOTAL	9,411	11,584

NOTE 7: RECEIVABLES

	2012 \$000	2011 \$000
Current		
Contractual		
Acute - Inpatient	509	254
Acute - Outpatient	125	63
Aged Care - Nursing Home	86	70
Regional Institutions	1,910	1,385
South West Alliance of Rural Health (SWARH)	295	560
Linen Service Debtors	135	136
Accrued Investment Income	52	164
Less Provision for Bad Debts	(34)	(24)
	3,078	2,608
Statutory		
GST Receivable	365	637
Accrued Government Grants	298	501
	663	1,138
Total Current Receivables	3,741	3,746
Non Current		
Statutory		
Long Service Leave - DHS	1,390	569
Total Non Current Receivables	1,390	569
Total Receivables	5,131	4,315
(a) Movement in the Allowance for doubtful debts		
Balance at beginning of year	24	12
Amounts written off during the year	(8)	(5)
Amounts recovered during the year	18	17
Balance at end of year	34	24

(b) Ageing analysis of receivables

Please refer to Note 16 (b) for the ageing analysis of receivables

(c) Nature and extent of risk arising from receivables

Please refer to Note 16 (b) for the nature and extent of credit risk arising from receivables

NOTE 8: INVENTORIES

	2012 \$000	2011 \$000
Pharmaceuticals at cost	466	420
General Supplies at cost	350	378
Healthcare Shop Supplies at cost	172	114
Bulk Linen Store - Linen Service at cost	179	133
Linen in Use at Net Realisable Value	270	241
South West Alliance of Rural Health at cost	-	25
Total Inventories	1,437	1,311

NOTE 9: OTHER ASSETS

	2012 \$000	2011 \$000
Prepayments	47	52
South West Alliance of Rural Health	25	79
Total Other Assets	72	131

NOTE 10: PROPERTY, PLANT & EQUIPMENT

	Gross Cost/ Valuation 2012 \$000	Gross Cost/ Valuation 2011 \$000	Accum. Deprec. 2012 \$000	Accum. Deprec. 2011 \$000	Net Assets at 2012 \$000	Net Assets at 2011 \$000
Land at fair value	16,235	16,235	-	-	16,235	16,235
Buildings at fair value	42,873	42,873	10,873	7,269	32,000	35,604
Subtotal	59,108	59,108	10,873	7,269	48,235	51,839
Buildings at cost	2,416	1,305	169	72	2,247	1,233
Buildings under construction at cost	101,359	76,898	-	-	101,359	76,898
Plant & Equipment at fair value	8,814	6,487	4,507	4,061	4,307	2,426
Medical Equipment at fair value	12,206	10,484	7,166	6,372	5,040	4,112
Computers & Communications at fair value	5,353	4,490	3,829	3,356	1,524	1,134
Furniture & Fittings at fair value	2,932	1,960	1,216	1,022	1,716	938
Motor Vehicles at fair value	3,418	3,531	806	819	2,612	2,712
Leased Assets at cost	46	46	46	41	0	5
Subtotal	136,544	105,201	17,739	15,743	118,805	89,458
Total	195,652	164,309	28,612	23,012	167,040	141,297

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	Buildings & Buildings under construct.	Plant & Equip.	Medical Equip.	Comp. & Commun.	Furniture & Fittings	Motor Vehicles	Leased Assets	Total
Balance at 1 July 2010	16,235	73,504	2,130	2,552	903	440	2,666	9	98,439
Additions	-	43,888	617	2,176	555	625	1,520	-	49,381
Disposals	-	-	-	(10)	-	-	(975)	-	(985)
Revaluation increments / (decrements)	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense (refer Note 4)	-	(3,656)	(332)	(598)	(346)	(102)	(500)	(4)	(5,538)
Balance at 1 July 2011	16,235	113,736	2,415	4,120	1,112	963	2,711	5	141,297
Additions	-	25,571	2,338	1,769	887	946	1,302	-	32,813
Disposals	-	-	-	(3)	-	-	(907)	-	(910)
Revaluation increments / (decrements)	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense (refer Note 4)	-	(3,701)	(446)	(846)	(475)	(194)	(494)	(4)	(6,160)
Balance at 30 June 2012	16,235	135,606	4,307	5,040	1,524	1,715	2,612	1	167,040

Land and buildings carried at valuation

An independent valuation of the Health Service's property, plant and equipment was performed by the Valuer-General Victoria to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The Valuation was based on independent assessments.

The effective date of the valuation is 30 June 2009

NOTE 11: PAYABLES

	2012 \$000	2011 \$000
Current		
Contractual		
Trade Creditors	3,242	2,307
Accrued Expenses	4,500	4,654
TOTAL CURRENT	7,742	6,961

(a) Maturity analysis of payables

Please refer to Note 16(c) for the ageing analysis of payables

(b) Nature and extent of risk arising from payables

Please refer to Note 16(c) for the nature and risk arising from payables

NOTE 12: PROVISIONS

	2012 \$000	2011 \$000
CURRENT PROVISIONS		
Employee Benefits		
- unconditional and expected to be settled within 12 months	8,969	8,175
- unconditional and expected to be settled after 12 months	6,659	6,250
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months (nominal value)	801	773
Unconditional and expected to be settled after 12 months (present value)	1,097	852
Total Current Provisions	17,526	16,050
NON-CURRENT PROVISIONS		
Employee Benefits	1,988	1,538
Provisions related to employee benefit on-costs	228	181
Total Non-current Provisions	2,216	1,719

	2012 \$000	2011 \$000
Current Employee Benefits		
Unconditional LSL entitlement	8,664	7,954
Accrued wages and salaries	2,538	1,990
Annual leave entitlements	6,128	5,890
Accrued days off	196	216
Total Current Employee Benefits	17,526	16,050
Non-Current Employee Benefits		
Conditional long service leave entitlements (present value)	2,216	1,719
Total	19,742	17,769
Movement in Long Service Leave:		
Balance at start of year	9,673	8,766
Provision made during the year	2,481	1,983
Settlement made during the year	(1,313)	(1,076)
Balance at end of year	10,841	9,673

NOTE 13: OTHER LIABILITIES

	2012 \$000	2011 \$000
Monies Held in trust		
- Patient Monies held in Trust	826	451
Total	826	451
Represented by the following assets:		
Cash Assets (Note 6)	826	451
Total	826	451

NOTE 14: EQUITY & RESERVES

	2012 \$000	2011 \$000
(a) Reserves		
Property, Plant & Equipment Revaluation Reserve		
Balance at the beginning of the reporting period	13,749	13,749
Revaluation Increment/ (Decrements)		
Land	-	-
Buildings	-	-
Balance at the end of the reporting period	13,749	13,749
Represented by:		
Land	11,950	11,950
Buildings	1,799	1,799
	13,749	13,749
Restricted Specific Purpose Reserve		
Balance at the beginning of the reporting period	22	22
Balance at the end of the reporting period	22	22
Total Reserves	13,771	13,771
(b) Contributed Capital		
Balance at the beginning of the reporting period	66,744	66,744
Capital Contribution received from Victorian Government	-	-
Balance at the end of the reporting period	66,744	66,744
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	52,942	14,407
Net Result for the Year	21,324	38,535
Balance at the end of the reporting period	74,266	52,942
(d) Total Equity at end of financial year	154,781	133,457

**NOTE 15: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW/
(OUTFLOW) FROM OPERATING ACTIVITIES**

	2012 \$000	2011 \$000
Net Result for the Year	21,324	38,535
NON CASH MOVEMENTS		
Non Cash Revenue	(684)	(1,602)
Depreciation & Amortisation	6,160	5,538
Net (Gain)/Loss from Sale of Plant & Equipment	49	84
Change in Inventories	(150)	400
Change in Operating Assets & Liabilities		
(Increase) / Decrease in Receivables	(837)	224
(Increase) / Decrease Other Current Liabilities	239	(525)
Increase / (Decrease) in Payables	(25)	(1,129)
Increase /(Decrease) in Employee Entitlements	1,151	1,435
(Increase)/Decrease in Other Current Assets	1,182	78
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	28,409	43,038

NOTE 16: FINANCIAL INSTRUMENTS**(a) Financial Risk Management Objectives and Policies**

South West Healthcare's principal financial instruments comprise of:

- Cash assets
- Term Deposits
- Receivables
- Payables
- Finance Lease payables
- Accommodation Bonds

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements. The main purpose in holding financial instruments is to prudentially manage South West Healthcare financial risks within the government policy parameters.

Categorisation of financial instruments

	Carrying Amount 2012 \$000	Carrying Amount 2011 \$000
Financial Assets		
Cash and cash equivalents	9,411	11,584
Loans and Receivables	3,376	3,109
Total Financial Assets (i)	12,787	14,693
Financial Liabilities		
At amortised cost	8,568	7,412
Total Financial Liabilities (ii)	8,568	7,412

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

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

NOTE 16: FINANCIAL INSTRUMENTS (CONTINUED)**Net holding gain/(loss) on financial instruments by category**

	Net holding gain/(loss) 2012 \$'000	Net holding gain/(loss) 2011 \$'000
Financial Assets		
Cash and Cash Equivalents (i)	576	659
Designated at Fair Value through Profit or Loss (iii)	-	-
Held-for-Trading at Fair Value through Profit or Loss (iii)	-	-
Loans and Receivables (i)	-	-
Available for Sale (i)		
Total Financial Assets	576	659
Financial Liabilities		
Designated at Fair Value through Profit or Loss (iii)	-	-
Held-for-Trading at Fair Value through Profit or Loss (iii)	-	-
At Amortised Cost (ii)	-	3
Total Financial Liabilities	-	3

(i) For cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the movement in the fair value of the asset, interest revenue, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result;

(ii) For financial liabilities measure at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost; and

(iii) For financial assets and liabilities that are held-for-trading or designated at fair value through profit or loss, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

(b) Credit Risk

Credit risk arises from the contractual financial assets of the Health Service, which comprise cash and deposits, non-statutory receivables and available for sale contractual financial assets. The Health Service's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Health Service. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Health Service's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Health Service's policy to only deal with entities with high credit ratings of a minimum Triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

In addition, the Health Service does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Health Service's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Health Service will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents South West Healthcare's maximum exposure to credit risk without taking account of the value of any collateral obtained.

NOTE 16: FINANCIAL INSTRUMENTS (CONTINUED)

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

	Financial institutions (AAA credit rating) \$'000	Government agencies (AAA credit rating) \$'000	Government agencies (BBB credit rating) \$'000	Other (min BBB credit rating) \$'000	Total \$'000
2012					
Financial Assets					
Cash and Cash Equivalents	9,411				9,411
Receivables-Debtors		2,746		630	3,376
Total Financial Assets	9,411	2,746	-	630	12,787
2011					
Financial Assets					
Cash and Cash Equivalents	11,584				11,584
Receivables-Debtors		2,819		290	3,109
Total Financial Assets	11,584	2,819	-	290	14,693

Ageing analysis of financial asset as at 30 June

	Carrying Amount \$'000	Not Past Due and Not Impaired \$'000	Past Due but Not Impaired				Impaired Financial Assets \$'000
			Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000	
2012							
Financial Assets							
Cash and Cash Equivalents	9,411	9,411	-	-	-	-	-
Receivables - Debtors	3,376	3,026	239	92	19	-	-
Total Financial Assets	12,787	12,437	239	92	19	-	-
2011							
Financial Assets							
Cash and Cash Equivalents	11,584	11,584	-	-	-	-	-
Receivables- Debtors	3,109	2,956	68	77	8	-	-
Total Financial Assets	14,693	14,540	68	77	8	-	-

NOTE 16: FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity Risk

Liquidity risk is the risk that the Health Service would be unable to meet its financial obligations as and when they fall due.

The Health Service's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Health Service manages its liquidity risk as follows:

Term deposits, investments and cash held at financial institutions are managed with variable maturity dates and take into consideration cashflow requirements of the Health Service from month to month.

Trade creditors are paid in accordance with their trading terms; and accommodation bonds are refunded when the resident departs the aged care facility.

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

Maturity analysis of financial liabilities as at 30 June

	Carrying Amount \$'000	Maturity Dates				
		Contractual Cash Flows \$'000	Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000
2012						
Financial Liabilities						
Payables	7,742	7,742	7,742			
Accommodation Bonds	826	826	826			
Total Financial Liabilities	8,568	8,568	8,568	-	-	-
2011						
Financial Liabilities						
Payables	6,961	6,961	6,961			
Accommodation Bonds	451	451	451	-	-	-
Total Financial Liabilities	7,412	7,412	7,412	-	-	-

(d) Market Risk

South West Healthcare's exposure to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency risk and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraph below.

Currency Risk

South West Healthcare 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.

Interest Rate Risk

Exposure to interest rate risk might arise primarily through the South West Healthcare's interest bearing liabilities. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments. For financial liabilities, the health service mainly undertake financial liabilities with relatively even maturity profiles.

Other Price Risk

South West Healthcare is exposed to normal price fluctuations from time to time through market forces.

Where adequate notice is provided by suppliers, additional purchases are made for long term goods.

NOTE 16: FINANCIAL INSTRUMENTS (CONTINUED)**Interest Rate Exposure of Financial Assets and Liabilities as at 30 June**

	*Weighted Average Effective Interest Rates (%)	Carrying Amount \$'000	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non Interest Bearing \$'000
2012					
Financial Assets					
Cash and Cash Equivalents (i)	5.44	9,411	7,724	1,687	-
Receivables - Debtors		3,376	-	-	3,376
Total Financial Assets		12,787	7,724	1,687	3,376
Financial Liabilities					
Payables		7,742	-	-	-
Accommodation Bonds		826	-	-	-
Total Financial Liabilities		8,568	-	-	-
2011					
Financial Assets					
Cash and Cash Equivalents (i)	6.03	11,584	9,056	2,528	-
Receivables- Debtors		3,109	-	-	3,109
Total Financial Assets		14,693	9,056	2,528	3,109
Financial Liabilities					
Payables		6,961	-	-	-
Accommodation Bonds		451	-	-	-
Total Financial Liabilities		7,412	-	-	-

(i) The carrying amount must exclude types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

(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, South West Healthcare believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Reserve Bank of Australia)

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

NOTE 16: FINANCIAL INSTRUMENTS (CONTINUED)

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

	Carrying Amount	Interest Rate Risk				Other Price Risk			
		-1%		+1%		-1%		+1%	
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2012									
Financial Assets									
Cash and Cash Equivalents(i)	9,411	(94)	(94)	94	94	-	-	-	-
Receivables	3,376	-	-	-	-	-	-	-	-
Financial Liabilities									
Payables		-	-	-	-	-	-	-	-
Interest Bearing Liabilities		-	-	-	-	-	-	-	-
Accommodation Bonds	826	8	8	(8)	(8)	-	-	-	-
	Carrying Amount	Interest Rate Risk				Other Price Risk			
		-1%		+1%		-1%		+1%	
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011									
Financial Assets									
Cash and Cash Equivalents(i)	11,584	(116)	(116)	116	116	-	-	-	-
Receivables	3,109	-	-	-	-	-	-	-	-
Financial Liabilities									
Payables	6,961	-	-	-	-	-	-	-	-
	451	5	5	(5)	(5)	-	-	-	-

(i) The carrying amount must exclude types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

(e) Fair Value

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

Level 1 - the fair value of financial instrument assets and liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and

Level 2 - the fair value 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.

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

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

Comparison between carrying amount and fair value

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2012	2012	2011	2011
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash and Cash Equivalents	9,411	9,411	11,584	11,584
Receivables-Debtors	3,376	3,376	3,109	3,109
Total Financial Assets	12,787	12,787	14,693	14,693
Financial Liabilities				
Payables	7,742	7,742	6,961	6,961
Interest Bearing Liabilities	-	-	-	-
Accommodation Bonds	826	826	451	451
Total Financial Liabilities	8,568	8,568	7,412	7,412

NOTE 17: COMMITMENTS FOR EXPENDITURE

	2012 \$000	2011 \$000
Capital Expenditure Commitments		
<i>Payable:</i>		
Land & Buildings	1,405	30,226
Total Capital Expenditure Commitments	1,405	30,226
Land & Buildings		
Not later than one year	1,405	23,964
Later than 1 year and not later than 5 years	-	6,262
Total	1,405	30,226

	2012 \$000	2011 \$000
Lease Commitments		
<i>Non- cancellable</i>		
Operating Leases		
Commitments in relation to rental of buildings and medical & other equipment leases are payable as follows:		
Not later than one year	322	354
Later than one year but not later than 5 years	387	371
TOTAL	709	725

NOTE 18: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Details of estimates of maximum amounts of contingent liabilities are as follows:

	2012 \$000	2011 \$000
Contingent Liabilities		
Quantifiable		
Other - Recallable DHS Capital Grant	-	33
Total Quantifiable Liabilities	-	33

South West Healthcare is unaware of any contingent assets in existence.

NOTE 19: SEGMENT REPORTING

	Hospital Warrnambool Campus		Hospital Camperdown Campus		Nursing Home Camperdown Campus		Linen Service		Mental Health		Macarthur		Eliminations		Consolidated	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	
REVENUE																
External Segment Revenue	124,436	133,972	6,793	7,257	2,881	2,840	970	937	15,382	14,739	493	577	-	-	150,955	160,322
Intersegment revenue	-	-	-	-	-	-	803	778	-	-	-	-	(803)	(778)	-	-
Total Revenue	124,436	133,972	6,793	7,257	2,881	2,840	1,773	1,715	15,382	14,739	493	577	(803)	(778)	150,955	160,322
EXPENSES																
External Segment Expenses	100,768	93,807	8,140	7,842	3,094	3,072	1,630	1,603	16,012	15,560	563	562	-	-	130,207	122,446
Intersegment expenses	803	778	-	-	-	-	-	-	-	-	-	-	(803)	(778)	-	-
Total Expenses	101,571	94,585	8,140	7,842	3,094	3,072	1,630	1,603	16,012	15,560	563	562	(803)	(778)	130,207	122,446
Net Result from ordinary activities	22,865	39,387	(1,347)	(585)	(213)	(232)	143	112	(630)	(821)	(70)	15	-	-	20,748	37,876
Interest Income	576	659	-	-	-	-	-	-	-	-	-	-	-	-	576	659
Net Result for Year	23,441	40,046	(1,347)	(585)	(213)	(232)	143	112	(630)	(821)	(70)	15	-	-	21,324	38,535
OTHER INFORMATION																
Segment Assets																
Unallocated Assets	163,980	139,198	6,135	5,740	1,682	1,909	2,364	2,145	8,065	8,725	865	921	-	-	183,091	158,638
Total Assets	163,980	139,198	6,135	5,740	1,682	1,909	2,364	2,145	8,065	8,725	865	921	-	-	183,091	158,638
Segment Liabilities																
Unallocated Liabilities	21,137	20,450	1,557	1,366	1,292	830	1,615	283	2,600	2,157	109	95	-	-	28,310	25,181
Total Liabilities	21,137	20,450	1,557	1,366	1,292	830	1,615	283	2,600	2,157	109	95	-	-	28,310	25,181
Acquisition of Property, Plant and Equipment and Intangible Assets	30,103	48,052	696	681	57	52	1,391	7	537	493	29	96	-	-	32,813	49,381
Depreciation and Amortisation Expense	4,224	3,579	866	849	308	301	117	127	574	610	71	72	-	-	6,160	5,538
Non Cash Expenses other than Depreciation	270	2,831	-	-	-	-	-	-	-	-	-	-	-	-	270	2,831

Business Segments: Hospital
Linen Service
Mental Health
Community Health Service
Aged Care (Camperdown)

Services: Acute and Rehabilitation Inpatient and Non Inpatient Health Services
Linen/Laundry Services
Acute Psychiatric Inpatient and Community Services
Primary and Community Health Services
Nursing Home/Hostel

GEOGRAPHICAL SEGMENT
South West Healthcare operates predominantly in South West Victoria.

NOTE 20a: RESPONSIBLE PERSON-RELATED DISCLOSURES

Responsible Ministers:

The Honourable David Davis, MP, Minister for Health,
The Honourable Mary Wooldridge, MLA, Minister for Mental Health

Period:

01/07/2011 - 30/06/2012
01/07/2011 - 30/06/2012

Governing Board:

Governing Board:	Period:
Mrs. S. Muldoon	01/07/2011 - 30/06/2012
Ms. F. Melican	01/07/2011 - 30/06/2012
Mr. C. Logan	01/07/2011 - 30/06/2012
Mr. J. Maher	01/07/2011 - 30/06/2012
Mr. A. McNeil	01/07/2011 - 30/06/2012

Period:

Period:	Period:
Mr. F. Broekman	01/07/2011 - 30/06/2012
Mrs. M. Alexander	01/07/2011 - 30/06/2012
Mr. S. Callaghan	01/07/2011 - 30/06/2012
Mr. R. Worland	01/07/2011 - 30/06/2012
Mr. T. Brain	01/07/2011 - 30/06/2012

Accountable Officer:

Mr. J. Krygger

Period:

01/07/2011 - 30/06/2012

Remuneration of Responsible Persons

Income Band:	Total Remuneration	
	2012	2011
\$310,000 - \$319,999	1	-
\$300,000 - \$309,999	-	1
0 - \$9999	10	10
Total Numbers	11	11
	2012	2011
	\$000	\$000
Total Remuneration	317	308

Nil remuneration is received by Board of Directors

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

Retirement Benefits of Responsible Persons

Retirement benefits paid by the reporting entity in connection with the retirement of Responsible Persons during the year.

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Other Transactions of Responsible Persons and their Related Entities

Mr S.Callaghan is a director of Callaghan Motors which provides repairs, maintenance and purchase of motor vehicles on normal commercial terms & conditions.

	2012	2011
	\$000	\$000
	163	355

NOTE 20b: RESPONSIBLE PERSON-RELATED DISCLOSURES

Executive Officer Disclosures

The numbers of executive officers, other than Ministers and Accountable Officers, and their base and total remuneration during the reporting period are shown in the table below in their relevant income bands. Total remuneration is inclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

	Total Remuneration		Base Remuneration	
	2012	2011	2012	2011
\$300,000 - \$309,999	1	-	1	-
\$290,000 - \$299,999	-	1	-	1
\$180,000 - \$189,999	1	-	1	-
\$170,000 - \$179,999	2	2	2	2
\$160,000 - \$169,999	-	1	-	1
\$150,000 - \$159,999	1	-	1	-
\$140,000 - \$149,999	-	1	-	1
Total Numbers	5	5	5	5
	\$000	\$000	\$000	\$000
Total Remuneration	992	950	992	950

Remuneration includes Superannuation Guarantee Levy, Employer superannuation contributions, deemed value of motor vehicle and all non-cash benefits.

NOTE 21: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no events occurring after reporting date which require more information.

NOTE 22: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	Principal Activity	Ownership Interest	
		2012	2011
		%	%
<i>South West Alliance of Rural Health</i>	Information Technology	15.39	15.64

A Health Service interest in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the financial statements and consolidated financial statements under their respective asset categories.

	2012	2011
	\$'000	\$'000
South West Alliance of Rural Health		
Current Assets		
Cash and Cash Equivalents	257	(54)
Receivables	295	560
Inventories	-	25
Other Current Assets	25	79
Total Current Assets	577	610
Non Current Assets		
Property, Plant & Equipment	21	26
Total Non Current Assets	21	26
Total Assets	598	636
Current Liabilities		
Payables	214	261
Provisions	239	229
Total Current Liabilities	453	490
Non Current Liabilities		
Provisions	39	32
Total Non Current Liabilities	39	32
Total Liabilities	492	522

A Health Service interest in revenue and expenses resulting from jointly controlled operations and assets is detailed below:

	2012	2011
	\$'000	\$'000
South West Alliance of Rural Health		
Revenue		
Other Revenue	4,256	2,760
Total Revenue	4,256	2,760
Expenses		
Employee Expenses	842	732
Maintenance Contracts	1,187	244
Leases Expense	232	229
Other	1,996	1,644
Total Expenses	4,257	2,849
Net Result Before Capital & Specific Items	(1)	(89)
Finance Costs	-	3
Depreciation	4	7
Net Result	(5)	(96)

