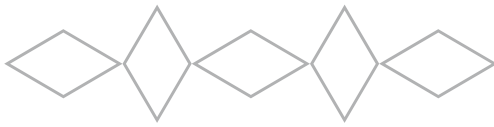


Financial Statements 2013



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

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 including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2013 and the financial position of South West Healthcare at 30 June 2013.

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

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

Chris Logan
Chairperson

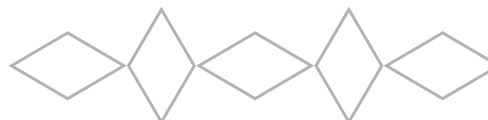
Warrnambool
4 September 2013

John Krygger
Chief Executive Officer

Warrnambool
4 September 2013

Andrew Trigg
Chief Finance & Accounting Officer

Warrnambool
4 September 2013

**VAGO**

Victorian Auditor-General's Office

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Melbourne VIC 3000
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Email comments@audit.vic.gov.au
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INDEPENDENT AUDITOR'S REPORT

To the Board Members, South West Healthcare

The Financial Report

The accompanying financial report for the year ended 30 June 2013 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

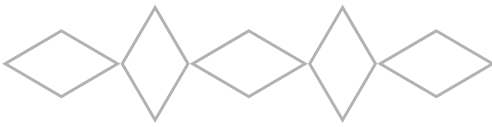
The Board Members of South West Healthcare are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board 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.

**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

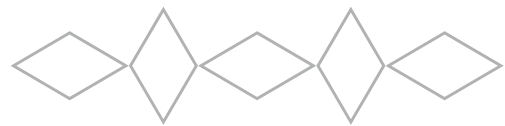
In my opinion, the financial report presents fairly, in all material respects, the financial position of South West Healthcare as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial 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 2013 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.

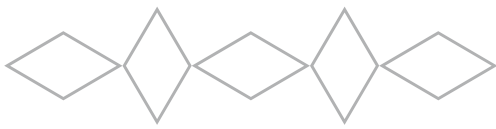
MELBOURNE
4 September 2013


for John Doyle
Auditor-General

**COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2013**

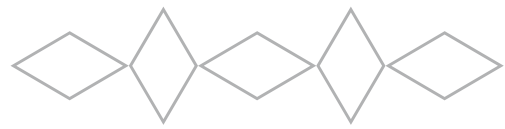
	Note	2013 \$'000	2012 \$'000
REVENUE FROM OPERATING ACTIVITIES	2	131,798	122,418
REVENUE FROM NON-OPERATING ACTIVITIES	2	485	576
Employee Benefits	3	(85,121)	(83,284)
Non Salary Labour Costs	3	(7,818)	(7,901)
Supplies Et Consumables	3	(14,950)	(14,490)
Other Operating Expenses	3	(10,737)	(9,110)
Administrative Expenses	3	(10,120)	(9,162)
NET RESULT BEFORE CAPITAL AND SPECIFIC ITEMS		3,537	(953)
Capital Purpose Income	2	5,532	27,293
Depreciation and Amortisation	4	(8,450)	(6,160)
Expenditure Using Capital Purpose Income	3	(173)	(100)
NET RESULT FOR THE YEAR		446	20,080
COMPREHENSIVE RESULT FOR THE YEAR		446	20,080

This Statement should be read in conjunction with the accompanying notes


BALANCE SHEET AS AT 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	12,211	9,411
Receivables	7	3,659	3,741
Inventories	8	1,452	1,437
Other Assets	9	79	72
Total Current Assets		17,401	14,661
Non Current Assets			
Receivables	7	1,915	1,390
Property, Plant & Equipment	10	162,708	163,934
Total Non-Current Assets		164,623	165,324
TOTAL ASSETS		182,024	179,985
LIABILITIES			
Current Liabilities			
Payables	11	7,750	7,742
Provisions	12	19,011	17,526
Other Liabilities	13	913	826
Total Current Liabilities		27,674	26,094
Non Current Liabilities			
Provisions	12	2,229	2,216
Total Non-Current Liabilities		2,229	2,216
TOTAL LIABILITIES		29,903	28,310
NET ASSETS		152,121	151,675
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	71,606	71,160
TOTAL EQUITY	14d	152,121	151,675
Contingent Assets and Contingent Liabilities	18		
Commitments for Expenditure	17		

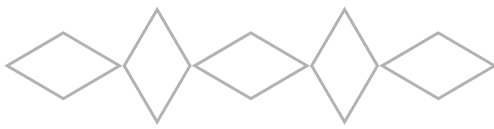
This Statement should be read in conjunction with the accompanying notes



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

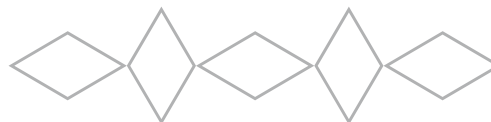
	Note	Property, Plant & Equipment Revaluation Surplus \$'000	Restricted Specific Purpose Surplus \$'000	Contributions by Owners \$'000	Accumulated Surpluses/ (Deficits) \$'000	Total \$'000
Balance at 1 July 2011		13,749	22	66,744	51,080	131,595
Net result for the year	14c	-	-	-	20,080	20,080
Balance at 30 June 2012		13,749	22	66,744	71,160	151,675
Net result for the year	14c	-	-	-	446	446
Balance at 30 June 2013		13,749	22	66,744	71,606	152,121

This Statement should be read in conjunction with the accompanying notes


CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		112,273	108,076
Patient Fees Received		4,774	3,342
Private Practice Fees Received		825	420
Interest Received		495	688
Other Receipts Received		9,029	7,725
GST Received from/ (paid to) ATO		3,784	5,731
Employee Benefits paid		(83,289)	(80,267)
Fee for service Medical Officers		(7,818)	(7,710)
Payments for Supplies & Consumables		(18,334)	(18,815)
Other Payments		(17,239)	(18,720)
Cash Generated from Operations		4,500	470
Capital Grants from Government		3,904	25,493
Capital Donations and Bequests Received		1,636	1,202
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	15	10,040	27,165
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Non-Financial Assets		(7,751)	(30,886)
Proceeds from Sale of Non-Financial Assets		519	861
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(7,232)	(30,025)
NET INCREASE / (DECREASE) IN CASH HELD		2,808	(2,860)
CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD		8,306	11,166
CASH AND CASH EQUIVALENTS END OF PERIOD	6	11,114	8,306

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 AASs, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*. 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 4 September 2013.

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

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

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:

- > non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent losses. Revaluations are made and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;
- > the fair value of assets other than land is generally based on their depreciated replacement value.

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

In the application of AASs, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. 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 and assumptions 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, relate to:

- > the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(j));
- > superannuation expense (refer to Note 1(g)); and
- > 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.

Objectives and funding

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.

South West Healthcare is predominantly funded by accrual based grant funding for the provision of outputs.

(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

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

Details of jointly controlled assets are set out in Note 22

(E) SCOPE AND PRESENTATION OF FINANCIAL STATEMENTS

Fund accounting

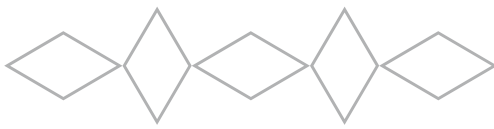
South West Healthcare operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. The South West Healthcare's Capital and Specific Purpose Funds include unspent capital donations and receipts from fund-raising activities conducted solely in respect of 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. 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.
- > Specific income/expense, comprises the following items, where material:
 - > Non-current asset revaluation increments/decrements

Balance sheet

Assets and liabilities are categorised either as current or non-current (non-current being those assets or liabilities expected to be recovered/settled more than 12 months after reporting period), are disclosed in the notes where relevant.

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.

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*.

Comparative Information

- (i) The analysis of expenses as disclosed in notes 3 & 3a has been reclassified to more accurately reflect the category to which the expenses belong. The reclassification was made to more accurately reflect private practice expenditure.
- (ii) A review of the relationship with Ambulance Victoria for the construction of the new ambulance building, has identified that South West Healthcare was acting as an agent for the collection and payment of costs associated with the construction. As a result the comparatives have been restated to reflect the nature of this transaction as stated in Note 25 to the financial statements.

(F) INCOME FROM TRANSACTIONS

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)

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

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

Indirect contributions from the Department of Health

- > Insurance is recognised as revenue following advice from the Department of Health.
- > Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 05/2013 (update for 2012-13).

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

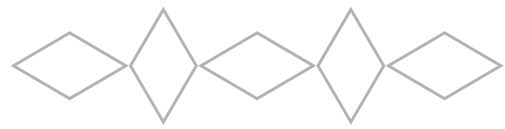
Interest revenue is recognised on a time proportionate basis that takes in account the effective yield of the financial asset.

Sale of investments

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

Fair value of assets and services 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 received as a donation.



(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	
	2013 \$'000	2012 \$'000
Defined benefit plans:		
First State Super (Health Super)	451	460
State Superannuation Fund	109	117
Defined contribution plans:		
First State Super (Health Super)	5,078	4,865
Hesta Super Fund	1,031	907
Other	101	87

Depreciation

Assets with a cost in excess of \$1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives. Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation charge is not funded by the Department of Health. Depreciation is provided on property, plant and equipment, including freehold buildings, but excluding land. Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

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

	2013	2012
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*.

Grants and other transfers

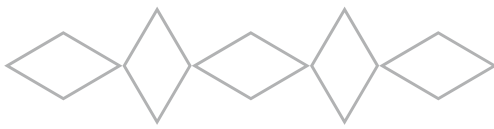
Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies and personal benefit payments made in cash to individuals.

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include:

> Supplies and consumables

Supplies and services costs which are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.



> **Bad and doubtful debts**

Refer to Note 1(j) *Impairment of financial assets*.

> **Fair value of assets, services and resources provided free of charge or for nominal consideration**

Contributions of resources provided 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 agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer will be recognised at its 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) OTHER COMPREHENSIVE INCOME

Other comprehensive income measures the change in volume or value of assets or liabilities that do not result from transactions.

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Revaluation gains/(losses) of non-financial physical assets

Refer to Note 1(j) *Revaluations of non-financial physical assets*.

Disposal of non-financial assets

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

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes:

- > realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- > impairment and reversal of impairment for financial instruments at amortised cost (refer to Note 1(j)); and
- > disposals of financial assets and derecognition of financial liabilities.

Revaluations of financial instrument at fair value

Refer to Note 1(i) *Financial instruments*.

Share of net profits/(losses) of associates and joint entities, excluding dividends.

Refer to Note 1(d) *Basis of consolidation*.

Other gains/(losses) from other comprehensive income

Other gains/(losses) include:

- > the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- > transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

(I) 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 South West 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

Financial assets and liabilities at fair value through profit or loss

Financial assets are categorised as fair value through profit or loss at trade date if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed by the entity concerned based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies.

Financial instruments at fair value through profit or loss are initially measured at fair value and attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result.

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.

Held-to-maturity investments

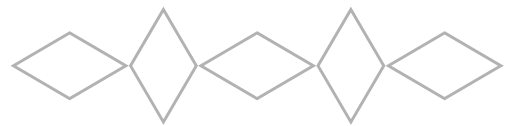
If the Health Service has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent 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.



(J) 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 recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract. Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less any accumulated impairment.

Investments and other financial assets

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

Investments are classified in the following categories:

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

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.

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

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.

Non-financial physical assets classified as held for sale

Non-financial physical assets and disposal groups and related liabilities are treated as current and are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the asset's sale (or disposal group) is expected to be completed within 12 months from the date of classification, and the asset is available for immediate use in the current condition.

Non-financial physical assets (including disposal groups) classified as held for sale are treated as current and are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.

Loans and receivables

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

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

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. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger/machinery of government are transferred at their carrying amount. The initial cost for non-financial physical assets under finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

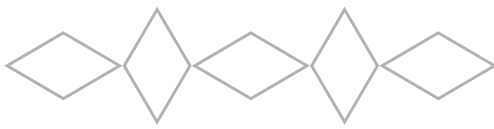
Crown Land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that 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.

Leasehold improvements

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



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 in 'other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

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.

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 in the comprehensive operating statement. Refer to Note 1(h) – 'comprehensive income'.

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;
- > financial assets;
- > assets arising from construction contracts.

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.

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.

(K) LIABILITIES

Payables

Payables consist of:

- > contractual payables which consist predominantly of accounts payable representing 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 those goods and services. The normal credit terms for accounts payable are usually Nett 30 days.
- > statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and are initially recognised at fair value, and then subsequently carried at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

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.

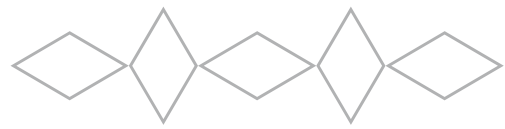
When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

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

A lease is a right to use an asset for an agreed period of time in exchange for payment. 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

Entity as lessor

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

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

In the event that lease incentives are given to the lessee, the aggregate cost of incentives are recognised as a reduction of rental income over the lease term, on a straight-line basis unless another systematic basis is more appropriate of the time pattern over which the economic benefit of the leased asset is diminished.

Entity as lessee

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. The leased asset is not recognised in the balance sheet.

Leasehold Improvements

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

(M) EQUITY

Contributed capital

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

Property, plant & equipment revaluation surplus

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

Specific restricted purpose reserve

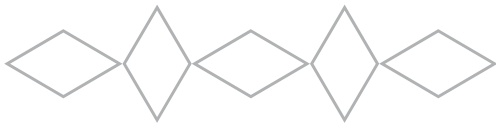
A specific restricted purpose reserve is established where the Health Service has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

(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.

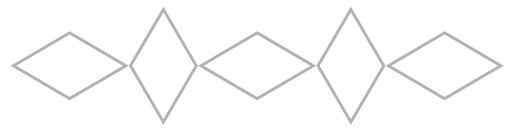
Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as an operating cash flow.

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.



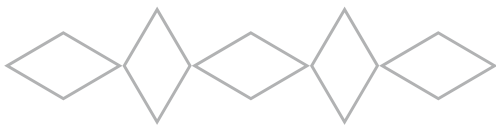
(R) AASS ISSUED THAT ARE NOT YET EFFECTIVE

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

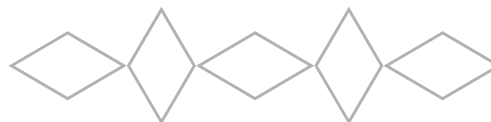
As at 30 June 2013, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below.

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

Standard/Interpretation	Summary	Application 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 2015	Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed.
AASB 11 <i>Joint Arrangements</i>	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under ASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	1 Jan 2014	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. <i>Subject to AASB's final deliberations and any modifications made to AASB 11 for not-for-profit entities, the entity will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.</i>
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 financial statements. This standard replaces the disclosure requirements in AASB 127 <i>Separate Financial Statements</i> and AASB 131 <i>Interests in Joint Ventures</i> . The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.	1 Jan 2014	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 <i>Investments in Associates and Joint Ventures</i> .
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 detailed compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures required assets measured using depreciated replacement cost.



<p>AASB 119 <i>Employee Benefits</i></p>	<p>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.</p>	<p>1 Jan 2013</p>	<p>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 a few Victorian public sector entities that report superannuation defined benefit plans.</p>
<p>AASB 127 <i>Separate Financial Statements</i></p>	<p>This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.</p>	<p>1 Jan 2014</p>	<p>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.</p>
<p>AASB 128 <i>Investments in Associates and Joint Ventures</i></p>	<p>This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.</p>	<p>1 Jan 2014</p>	<p>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.</p>
<p>AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i></p>	<p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for 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) for certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector.</p>
<p>AASB 1055 <i>Budgetary Reporting</i></p>	<p>AASB 1055 extends the scope of budgetary reporting that is currently applicable for the whole of government and general government sector (GGS) to HFP entities within the GGS, provided that these entities present separate budget to the parliament.</p>	<p>1 January 2014</p>	<p><i>[If separate budget is presented to the parliament]:</i> > The entity will be required to restate in the financial statements the budgetary information in accordance with the presentation format prescribed in Australian Accounting Standards and explain the significant variances from the original budget. <i>[If separate budget is not presented to the parliament]:</i> > This standards is not applicable as no budget disclosure is required.</p>



In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2012-13 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The two AASB Interpretations in the list below are also not effective for the 2012-13 reporting period and considered to have insignificant impacts on public sector reporting.

AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9.*

AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.*

AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).*

AASB 2010-10 *Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters.*

AASB 2011-2 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements.*

AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements.*

AASB 2011-6 *Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements.*

AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.*

AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13.*

AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011).*

AASB 2011-11 *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements.*

AASB 2011-12 *Amendments to Australian Accounting Standards arising from Interpretation 20.*

2012-1 *Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements.*

2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities.*

2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities.*

2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle.*

2012-7 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.*

2012-9 *Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039.*

2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments.*

2012-11 *Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments.*

2013-1 *Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements.*

2013-2 *Amendments to AASB 1038 – Regulatory Capital.*

2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.*

AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine.*

AASB Interpretation 21 *Levies.*

(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.

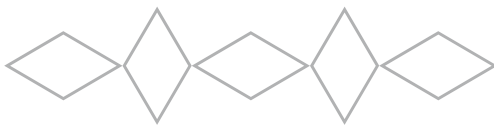
Aged Care & Home Care comprises revenue/expenditure from Home and Community Care (HACC) programs, Allied Health, Aged Care Assessment and support services.

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.

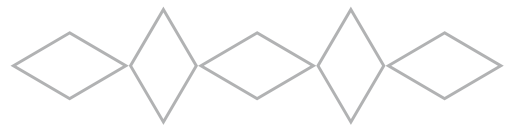


NOTE 2: REVENUE

	HSA 2013 \$'000	HSA 2012 \$'000	H&CI 2013 \$'000	H&CI 2012 \$'000	TOTAL 2013 \$'000	TOTAL 2012 \$'000
Revenue from Operating Activities						
Government Grants						
> Department of Health	55,000	100,643	-	-	55,000	100,643
> Victorian Health Funding Pool	47,622	-	-	-	47,622	-
> Dental Health Services Victoria	1,261	1,308	-	-	1,261	1,308
> Commonwealth Government						
– Residential Aged Care Subsidy	2,628	2,410	-	-	2,628	2,410
– Local Hospitals Network Grant	1,410	-	-	-	1,410	-
– Other	3,944	3,197	-	-	3,944	3,197
Total Government Grants	111,865	107,558	-	-	111,865	107,558
Indirect Contributions by Department of Health						
> Insurance	2,111	270	-	-	2,111	270
> Long Service Leave	526	822	-	-	526	822
Total Indirect Contributions by Department of Health	2,637	1,092	-	-	2,637	1,092
Patient and Resident Fees (refer Note 2b)	4,513	3,552	-	-	4,513	3,552
Total Patient & Resident Fees	4,513	3,552	-	-	4,513	3,552
Business Units & Specific Purpose Funds						
Private Practice Fees	-	-	783	542	783	542
Food Services	-	-	1,125	1,091	1,125	1,091
Retail Services	-	-	1,118	894	1,118	894
Linen Service	-	-	1,724	970	1,724	970
Other Activities	-	-	730	727	730	727
Total Business Units & Specific Purpose Funds	-	-	5,480	4,224	5,480	4,224
Other Revenue from operating Activities	7,303	5,992	-	-	7,303	5,992
Sub-Total Revenue from Operating Activities	126,318	118,194	5,480	4,224	131,798	122,418
Revenue from Non Operating Activities						
Interest	-	-	485	576	485	576
Sub-Total Revenue from Non Operating Activities	-	-	485	576	485	576
Revenue from Capital Purpose Income						
State Government Capital Grants						
> Equipment and Infrastructure	2,401	914	-	-	2,401	914
> Capital Redevelopment Grants	1,756	25,263	-	-	1,756	25,263
Residential Accommodation Payments (refer Note 2b)	136	137	-	-	136	137
Net Gain / (Loss) on Sale of Non-Financial Assets (refer Note 2c)	-	-	(261)	(49)	(261)	(49)
Donations and Bequests	-	-	1,500	1,028	1,500	1,028
Sub-Total Revenue from Capital Purpose Income	4,293	26,314	1,239	979	5,532	27,293
Total Revenue (refer Note 2a)	130,611	144,508	7,204	5,779	137,815	150,287

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.



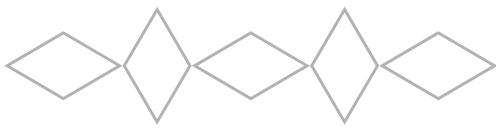
NOTE 2A: ANALYSIS OF REVENUE BY SOURCE

	Admitted Patients	Out-patients	EDS	Ambulatory	Aged & Home Care	RAC	Mental Health	Primary Health	Other	Total
	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from Services Supported by Health Service Agreement										
Government Grants	68,046	5,073	9,827	5,029	2,078	2,237	15,306	2,303	2,492	112,391
Indirect Contributions by Department of Health	2,111	-	-	-	-	-	-	-	-	2,111
Patient and Resident Fees (refer Note 2b)	3,134	371	-	-	353	498	-	37	120	4,513
Other	7,230	-	-	-	-	-	73	-	-	7,303
Capital Purpose Income	4,293	-	-	-	-	-	-	-	-	4,293
Sub-Total Revenue from Services Supported by Health Services Agreement	84,814	5,444	9,827	5,029	2,431	2,735	15,379	2,340	2,612	130,611
Revenue from Services Supported by Hospital and Community Initiatives										
Business Units & Specific Purpose Funds	-	-	-	-	-	-	-	-	5,480	5,480
Other	-	-	-	-	-	-	-	-	485	485
Capital Purpose Income	-	-	-	-	-	-	-	-	1,239	1,239
Sub-Total Revenue from Services Supported by Hospital & Community Initiatives	-	-	-	-	-	-	-	-	7,204	7,204
Total Revenue	84,814	5,444	9,827	5,029	2,431	2,735	15,379	2,340	9,816	137,815

	Admitted Patients	Out-patients	EDS	Ambulatory	Aged & Home Care	RAC	Mental Health	Primary Health	Other	Total
	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	26,314	-	-	-	-	-	-	-	-	26,314
Sub-Total Revenue from Services Supported by Health Services Agreement	103,622	5,100	4,515	5,003	2,445	2,743	15,281	2,480	3,319	144,508
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	103,622	5,100	4,515	5,003	2,445	2,743	15,281	2,480	9,098	150,287

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.

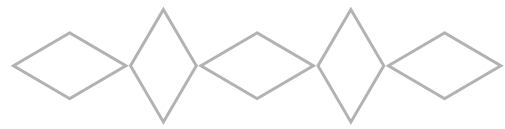


NOTE 2B: PATIENT AND RESIDENT FEES RAISED

Patient & Resident Fees	Total 2013 \$'000	Total 2012 \$'000
Recurrent		
Acute		
– Inpatients	3,134	2,348
– Outpatients	881	771
Residential Aged Care		
– Nursing Home	498	433
Total Patient and Resident Fees	4,513	3,552
Capital Purpose:		
Residential Accommodation Payments	136	137
Total Capital	136	137

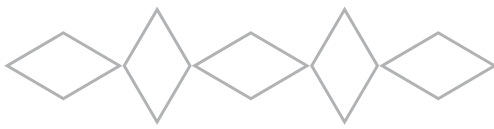
NOTE 2C: NET GAIN / (LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS

	Total 2013 \$'000	Total 2012 \$'000
Proceeds from Disposal of Non-Current Assets		
Plant & Equipment	53	-
Motor Vehicles	466	861
Total Proceeds from Disposal of Non-Current Assets	519	861
Less: Written Down Value of Non Current Assets Sold		
Buildings	113	-
Plant & Equipment	141	3
Furniture & Fittings	3	-
Motor Vehicles	523	907
Total Written Down Value of Non Current Assets Sold	780	910
Net Gains / (Loss) on Disposal of Non-Current Assets	(261)	(49)



NOTE 3: EXPENSES

	HSA 2013 \$'000	HSA 2012 \$'000	H&CI 2013 \$'000	H&CI 2012 \$'000	TOTAL 2013 \$'000	TOTAL 2012 \$'000
Employee Benefits						
Salaries & Wages	73,189	71,896	2,354	1,522	75,543	73,418
Workcover	478	906	23	34	501	940
Long Service Leave	2,241	2,480	66	10	2,307	2,490
Superannuation	6,557	6,310	213	126	6,770	6,436
Total Employee Benefits	82,465	81,592	2,656	1,692	85,121	83,284
Non Salary Labour Costs						
Fee for Service Medical Officers	7,818	7,711	-	190	7,818	7,901
Supplies & Consumables						
Drug Supplies	4,698	4,759	-	-	4,698	4,759
Medical & Surgical Supplies	8,547	8,119	282	252	8,829	8,371
Food Supplies	1,168	1,147	255	213	1,423	1,360
Total Supplies & Consumables	14,413	14,025	537	465	14,950	14,490
Other Expenses from Continuing Operations						
Domestic Services and Supplies	1,475	1,591	270	36	1,745	1,627
Fuel Light Power & Water	1,412	1,111	241	127	1,653	1,238
Insurance Costs Funded by DH	2,111	1,775	0	-	2,111	1,775
Repairs & Maintenance	2,051	1,625	167	159	2,218	1,784
Maintenance Contracts	689	515	18	-	707	515
Motor Vehicles	451	514	107	36	558	550
Administrative Expenses	9,081	8,252	1,040	910	10,121	9,162
Patient Transport	1,612	1,528	-	-	1,612	1,528
Bad Debts	-	-	-	-	0	0
Audit Fees - VAGO Audit of Financial statements	44	43	-	1	44	44
Audit Fees - Other	88	49	-	-	88	49
Total Other Expenses from Continuing Operations	19,014	17,003	1,843	1,269	20,857	18,272
Expenditure using Capital Purpose Income						
Other Expenses	173	100	-	-	173	100
Total Expenditure using Capital Purpose Income	173	100	-	-	173	100
Depreciation and Amortisation	-	-	8,450	6,160	8,450	6,160
Total Expenses	123,883	120,431	13,486	9,776	137,369	130,207

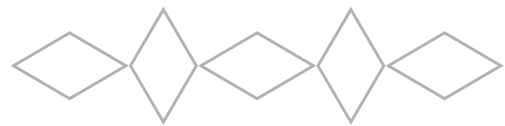


NOTE 3A: ANALYSIS OF EXPENSES BY SOURCE

	Admitted Patients 2013 \$'000	Out-patients 2013 \$'000	EDS 2013 \$'000	Ambulatory 2013 \$'000	Aged & Home Care 2013 \$'000	RAC 2013 \$'000	Mental Health 2013 \$'000	Primary Health 2013 \$'000	Other 2013 \$'000	Total 2013 \$'000
Services Supported by Health Services Agreement										
Employee Benefits	50,726	3,429	6,191	3,168	1,532	2,249	12,051	1,474	1,645	82,465
Non salary labour benefits	7,815	-	-	0	-	4	-	-	-	7,819
Supplies & consumables	10,527	712	1,285	658	318	47	219	306	341	14,413
Other Expenses from continuing operations	11,389	772	1,393	713	345	658	3,015	359	370	19,014
Sub-Total Expenses from Services Supported by Health Services Agreement	80,457	4,913	8,869	4,539	2,195	2,958	15,285	2,139	2,356	123,711
Services Supported by Hospital and Community Initiatives										
Employee Benefits	-	-	-	-	-	-	-	-	2,655	2,655
Supplies & Consumables	-	-	-	-	-	-	-	-	537	537
Other Expenses from continuing operations	-	-	-	-	-	-	-	-	1,843	1,843
Depreciation and Amortisation (refer Note 4)	-	-	-	-	-	-	-	-	8,450	8,450
Sub-Total Expenses from Services Supported by Hospital and Community Initiatives	-	-	-	-	-	-	-	-	13,485	13,485
Services Supported by Capital Sources										
Other Expenses	-	-	-	-	-	-	-	-	173	173
Sub-Total Expenses from Services Supported by Capital Resources	-	-	-	-	-	-	-	-	173	173
Total Expenses	80,457	4,913	8,869	4,539	2,195	2,958	15,285	2,139	16,014	137,369

NOTE 3A: ANALYSIS OF EXPENSES BY SOURCE

	Admitted Patients 2012 \$'000	Out-patients 2012 \$'000	EDS 2012 \$'000	Ambulatory 2012 \$'000	Aged & Home Care 2012 \$'000	RAC 2012 \$'000	Mental Health 2012 \$'000	Primary Health 2012 \$'000	Other 2012 \$'000	Total 2012 \$'000
Services Supported by Health Services Agreement										
Employee Benefits	51,537	3,384	2,996	3,320	1,622	2,230	12,652	1,646	2,203	81,590
Non salary labour benefits	7,706	-	-	-	-	4	-	-	-	7,710
Supplies & consumables	10,605	699	619	686	335	53	235	340	455	14,027
Other Expenses from continuing operations	10,906	723	640	709	347	499	2,358	351	471	17,004
Sub-Total Expenses from Services Supported by Health Services Agreement	80,754	4,806	4,255	4,715	2,304	2,786	15,245	2,337	3,129	120,331
Services Supported by Hospital and Community Initiatives										
Employee Benefits	-	-	-	-	-	-	-	-	1,881	1,881
Supplies & Consumables	-	-	-	-	-	-	-	-	466	466
Other Expenses from continuing operations	-	-	-	-	-	-	-	-	1,269	1,269
Depreciation and Amortisation (refer Note 4)	-	-	-	-	-	-	-	-	6,160	6,160
Sub-Total Expenses from Services Supported by Hospital and Community Initiatives	-	-	-	-	-	-	-	-	9,776	9,776
Services Supported by Capital Sources										
Other Expenses	-	-	-	-	-	-	-	-	100	100
Sub-Total Expenses from Services Supported by Capital Resources	-	-	-	-	-	-	-	-	100	100
Total Expenses	80,754	4,806	4,255	4,715	2,304	2,786	15,245	2,337	13,005	130,207



NOTE 3B

Analysis of Expenses by Internally Managed and Restricted Specific Purpose Funds for Services Supported by Hospital and Community Initiatives	2013 \$'000	2012 \$'000
Private Practice Fees	1,101	683
Linen Service	1,412	710
Food Services	1,017	967
Retail Services	957	678
Other Activities	549	578
Total	5,036	3,616

NOTE 4: DEPRECIATION

	2013 \$'000	2012 \$'000
Buildings	5,682	3,701
Plant & Equipment	617	445
Medical Equipment	911	845
Computers & Communications	568	476
Furniture and Fittings	293	194
Motor Vehicles	378	495
Leased Assets	1	4
Total Depreciation	8,450	6,160

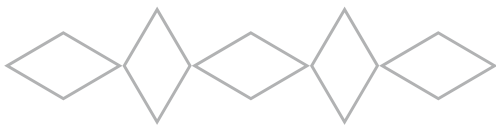
NOTE 5: SUPERANNUATION

	Contributions Paid or Payable for the Year	
	2013 \$'000	2012 \$'000
Defined benefit plans:		
First State Super (Health Super)	451	460
State Super fund	109	117
Defined contribution plans:		
First State Super (Health Super)	5,078	4,865
Hesta Super fund	1,031	907
Other	101	87
Total	6,770	6,436

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.

	2013 \$'000	2012 \$'000
Cash on Hand	7	4
Cash at Bank	5,158	1,361
Deposits at Call	7,046	8,046
Cash at End of Reporting Period	12,211	9,411
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	11,114	8,306
Cash at Bank South West Alliance of Rural Health	162	257
Cash for Monies Held in Trust		
– Endowment Fund	22	22
– Deposits at Call	913	826
Total	12,211	9,411



NOTE 7: RECEIVABLES

	2013 \$'000	2012 \$'000
Current		
Contractual		
Acute – Inpatient	394	509
Acute – Outpatient	114	125
Aged Care – Nursing Home	101	86
Regional Institutions	1,491	1,910
South West Alliance of Rural Health (SWARH)	315	295
Linen Service Debtors	303	135
Accrued Investment Income	42	52
Less Provision for Bad Debts	(35)	(34)
	2,725	3,078
Statutory		
GST Receivable	407	365
Accrued Government Grants	527	298
	934	663
Total Current Receivables	3,659	3,741
Non Current Statutory		
Long Service Leave – DHS	1,915	1,390
Total Non Current Receivables	1,915	1,390
Total Receivables	5,574	5,131
(a) Movement in the Allowance for doubtful debts		
Balance at beginning of year	34	24
Amounts written off during the year	(16)	(8)
Amounts recovered during the year	16	18
Balance at end of year	34	34

(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

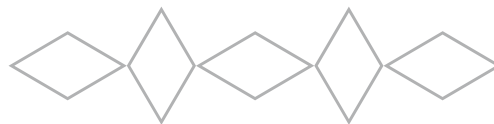
Please refer to Note 16 (b) for the nature and extent of credit risk arising from receivables

NOTE 8: INVENTORIES

	2013 \$'000	2012 \$'000
Pharmaceuticals at cost	467	466
General Supplies at cost	362	350
Healthcare Shop Supplies at cost	164	172
Bulk Linen Store – Linen Service at cost	147	179
Linen in Use at Net Realisable Value	312	270
South West Alliance of Rural Health at cost	-	-
Total Inventories	1,452	1,437

NOTE 9: OTHER ASSETS

	2013 \$'000	2012 \$'000
Prepayments	34	47
South West Alliance of Rural Health	45	25
Total Other Assets	79	72



NOTE 10: PROPERTY, PLANT & EQUIPMENT

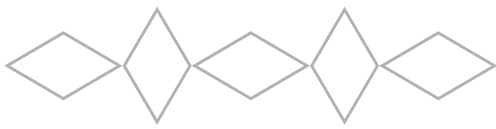
	Gross Cost/ Valuation 2013 \$'000	Gross Cost/ Valuation 2012 \$'000	Accum. Deprec. 2013 \$'000	Accum. Deprec. 2012 \$'000	Net Assets at 2013 \$'000	Net Assets at 2012 \$'000
Land at fair value	16,235	16,235	-	-	16,235	16,235
Buildings at fair value	42,743	42,873	14,354	10,873	28,389	32,000
Subtotal	58,978	59,108	14,354	10,873	44,624	48,235
Buildings at cost	104,227	2,416	2,354	169	101,873	2,247
Buildings under construction at cost	221	98,253	-	-	221	98,253
Plant & Equipment at fair value	8,330	8,814	4,173	4,507	4,157	4,307
Medical Equipment at fair value	11,780	12,206	6,518	7,166	5,262	5,040
Computers & Communications at fair value	5,563	5,353	3,758	3,829	1,805	1,524
Furniture & Fittings at fair value	3,642	2,932	1,349	1,216	2,293	1,716
Motor Vehicles at fair value	3,363	3,418	890	806	2,473	2,612
Leased Assets at cost	46	46	46	46	0	0
Subtotal	137,172	133,438	19,088	17,739	118,084	115,699
Total	196,150	192,546	33,442	28,612	162,708	163,934

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.	Computers & Comms.	Furniture & Fittings	Motor Vehicles	Leased Assets	Total
Balance at 1 July 2011	16,235	111,874	2,415	4,120	1,112	963	2,711	5	139,435
Additions	-	24,327	2,338	1,769	887	946	1,302	-	31,569
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 1 July 2012	16,235	132,500	4,307	5,040	1,524	1,715	2,612	1	163,934
Additions	-	3,781	590	1,155	846	870	762	-	8,004
Disposals	-	(113)	(120)	(21)	(3)	-	(523)	-	(780)
Depreciation/amortisation expense (refer Note 4)	-	(5,682)	(617)	(911)	(568)	(293)	(378)	(1)	(8,450)
Balance at 30 June 2013	16,235	130,486	4,160	5,263	1,799	2,292	2,473	-	162,708

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 confirms 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

	2013 \$'000	2012 \$'000
Current		
Contractual		
Trade Creditors	4,108	3,242
Accrued Expenses	3,642	4,500
TOTAL CURRENT	7,750	7,742

(a) Maturity analysis of payables

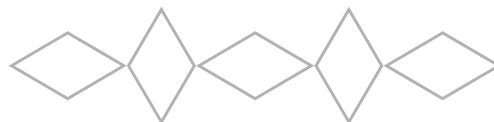
Please refer to Note 16(c) for the ageing analysis of payables

(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

	2013 \$'000	2012 \$'000
Current Provisions		
Employee Benefits		
– unconditional and expected to be settled within 12 months	9,730	8,969
– unconditional and expected to be settled after 12 months	7,180	6,659
Provisions related to employee benefit on-costs		
– unconditional and expected to be settled within 12 months (nominal value)	1,063	801
– unconditional and expected to be settled after 12 months (present value)	1,038	1,097
Total Current Provisions	19,011	17,526
Non-Current Provisions		
Employee Benefits	2,000	1,988
Provisions related to employee benefit on-costs	229	228
Total Non-current Provisions	2,229	2,216
Current Employee Benefits		
Unconditional LSL entitlement	9,689	8,664
Accrued wages and salaries	2,655	2,538
Annual leave entitlements	6,471	6,128
Accrued days off	196	196
Total Current Employee Benefits	19,011	17,526
Non-Current Employee Benefits		
Conditional long service leave entitlements (present value)	2,229	2,216
Total	21,240	19,742
Movement in Long Service Leave:		
Balance at start of year	10,841	9,673
Provision made during the year	2,322	2,481
Settlement made during the year	(1,287)	(1,313)
Balance at end of year	11,876	10,841

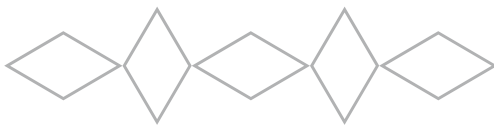


NOTE 13: OTHER LIABILITIES

		2013 \$'000	2012 \$'000
Monies Held in trust			
– Patient Monies held in Trust		65	58
– Accommodation Bonds		848	768
Total		913	826
Represented by the following assets:			
Cash Asset	Note 6	913	826
Total		913	826

NOTE 14: EQUITY & RESERVES

		2013 \$'000	2012 \$'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		71,160	51,080
Net Result for the Year		446	20,080
Balance at the end of the reporting period		71,606	71,160
(d) Total Equity at end of financial year		152,121	151,675



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

	2013 \$'000	2012 \$'000
Net Result for the Year	446	20,080
NON CASH MOVEMENTS		
Non Cash Revenue	(253)	(684)
Non Cash Employee Benefits	525	821
Depreciation & Amortisation	8,450	6,160
Net (Gain)/Loss from Sale of Plant & Equipment	261	49
Change in Inventories	(15)	(150)
Change in Operating Assets & Liabilities		
– (Increase) / Decrease in Receivables	(450)	(1,658)
– (Increase) / Decrease Other Current Assets	7	239
– Increase / (Decrease) in Payables	8	(25)
– Increase / (Decrease) in Employee Entitlements	974	1,151
– (Increase) / Decrease in Other Current Liabilities	87	1,182
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	10,040	27,165

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 Health Service's main financial risks are credit risk, liquidity risk and interest rate risk. The Health Service manages these financial risks in accordance with its financial risk management policy.

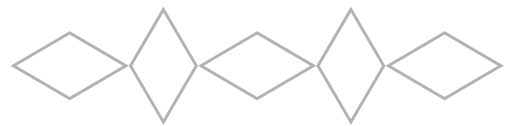
The Health Service uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rest with the risk management committee of the Health Service.

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 2013 \$'000	Carrying Amount 2012 \$'000
Financial Assets		
Cash and cash equivalents	12,211	9,411
Loans and Receivables	2,725	3,078
Total Financial Assets (i)	14,936	12,489
Financial Liabilities		
At amortised cost	8,663	8,568
Total Financial Liabilities (ii)	8,663	8,568

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 2013 \$'000	Net holding gain / loss 2012 \$'000
Financial Assets		
Cash and Cash Equivalents (i)	485	576
Total Financial Assets	485	576
Financial Liabilities		
Total Financial Liabilities	-	-

(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

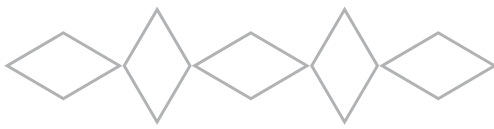
Credit risk arises from the contractual financial assets of the Health Service, which comprise cash and deposits, non-statutory receivables and available for sale contractual financial assets. The Health Service's exposure to credit risk arises from the potential default of a counter party on their contractual 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 \$'000	Government Agencies \$'000	Government Agencies (BBB credit rating) \$'000	Other (Min BBB credit rating) \$'000	Total \$'000
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2013

Financial Assets

Cash and Cash Equivalents	12,211				12,211
Receivables-Debtors		2,183		542	2,725
Total Financial Assets	12,211	2,183	-	542	14,936

2012

Financial Assets

Cash and Cash Equivalents	9,411				9,411
Receivables-Debtors		2,448		630	3,078
Total Financial Assets	9,411	2,448	-	630	12,489

Ageing analysis of financial asset as at 30 June	Carrying Amount \$'000	Not past due and not impaired \$'000	Less than 1 month \$'000	Past due but not 1-3 months \$'000	Not impaired 3 months - 1 Year \$'000	1-5 years \$'000	Impaired Financial Assets \$'000
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2013

Financial Assets

Cash and Cash Equivalents	12,211	12,211					-
Receivables-Debtors	2,725	2,289	143	185	75	33	-
Total Financial Assets	14,936	14,500	143	185	75	33	-

2012

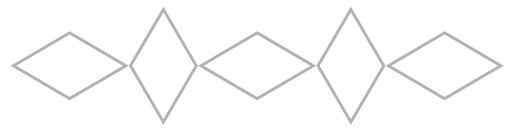
Financial Assets

Cash and Cash Equivalents	9,411	9,411	-	-	-	-	-
Receivables-Debtors	3,078	2,728	239	92	19	-	-
Total Financial Assets	12,489	12,139	239	92	19	-	-

Contractual financial assets that are either past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently the Health Service does not hold any collateral as security nor credit enhancements relating to its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at their carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.



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	Maturity Dates				
		Contractual Cash Flows	Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2013						
Financial Liabilities						
Payables	7,750	7,750	7,750			
Accommodation Bonds	848	848	848			
Other Liabilities	65	65	65			
Total Financial Liabilities	8,663	8,663	8,663	-	-	-
2012						
Financial Liabilities						
Payables	7,742	7,742	7,742			
Accommodation Bonds	768	768	768	-	-	-
Other Liabilities	58	58	58			
Total Financial Liabilities	8,568	8,568	8,568	-	-	-

(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 consumable from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement

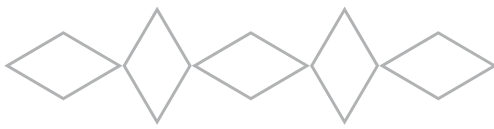
Interest Rate Risk

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.

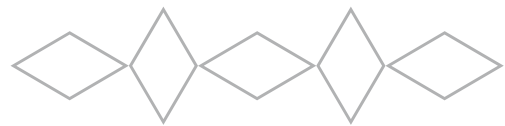
Where adequate notice is provided by suppliers, additional purchases are made for long term goods.



NOTE 16: FINANCIAL INSTRUMENTS (CONTINUED)

Interest Rate Exposure of Financial Assets and Liabilities as at 30 June	*Weighted Average Effective Interest	Carrying Amount \$'000	Interest Rate Exposure		
	Rates (%)		Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
			\$'000	\$'000	\$'000
2013					
Financial Assets					
Cash and Cash Equivalents (i)	4.40	12,211	7,057	5,154	
Receivables – Debtors		2,725			2,725
Total Financial Assets		14,936	7,057	5,154	2,725
Financial Liabilities					
Payables		7,750			
Accommodation Bonds		848			
Other Liabilities		65			
Total Financial Liabilities		8,663	-	-	-
2012					
Financial Assets					
Cash and Cash Equivalents (i)	5.44	9,411	7,724	1,687	-
Receivables – Debtors		3,078	-	-	3,078
Total Financial Assets		12,489	7,724	1,687	3,078
Financial Liabilities					
Payables		7,742	-	-	-
Accommodation Bonds		768	-	-	-
Other Liabilities		58			
Total Financial Liabilities		8,568	-	-	-

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



NOTE 16: FINANCIAL INSTRUMENTS (CONTINUED)

(d) Market Risk

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%

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	\$'000
2013									
Financial Assets									
Cash and Cash Equivalents (i)	12,211	(122)	(122)	122	122	-	-	-	-
Receivables	2,725	-	-	-	-	-	-	-	-
Financial Liabilities									
Payables	7,750	-	-	-	-	-	-	-	-
Accommodation Bonds	848	8	8	(8)	(8)	-	-	-	-
Other Liabilities	65	1	1	(1)	(1)				
		(113)	(113)	113	113				
	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
2012									
Financial Assets									
Cash and Cash Equivalents (i)	9,411	(94)	(94)	94	94	-	-	-	-
Receivables	3,078	-	-	-	-	-	-	-	-
Financial Liabilities									
Payables	7,742	-	-	-	-	-	-	-	-
Other Liabilities	768	8	8	(8)	(8)				
Accommodation Bonds	58	1	1	(1)	(1)	-	-	-	-
		(85)	(85)	85	85				

(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:

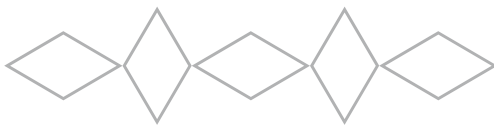
Level 1 - the fair value of financial instrument assets and liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and

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.



NOTE 16: FINANCIAL INSTRUMENTS (CONTINUED)

Comparison between carrying amount and fair value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2013 \$'000	2013 \$'000	2012 \$'000	2012 \$'000
Financial Assets				
Cash and Cash Equivalents	12,211	12,211	9,411	9,411
Receivables-Debtors	2,725	2,725	3,078	3,078
Total Financial Assets	14,936	14,936	12,489	12,489
Financial Liabilities				
Payables	7,750	7,750	7,742	7,742
Accommodation Bonds	848	848	768	768
Other Liabilities	65	65	58	58
Total Financial Liabilities	8,663	8,663	8,568	8,568

NOTE 17: COMMITMENTS FOR EXPENDITURE

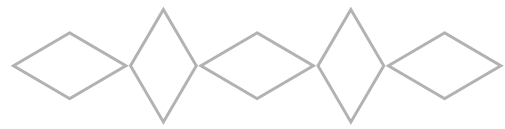
	2013 \$'000	2012 \$'000
Capital Expenditure Commitments		
Payable		
Land & Buildings	-	1,405
Total Capital Expenditure Commitments	-	1,405
Land & Buildings		
Not later than one year	-	1,405
Later than 1 year and not later than 5 years	-	-
TOTAL	-	1,405

All amounts shown in the commitments note are nominal amounts inclusive of GST.

Lease Commitments	2013 \$'000	2012 \$'000
<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	72	322
Later than one year but not later than 5 years	7	387
TOTAL	79	709

NOTE 18: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

South West Healthcare is unaware of any contingent assets or contingent liabilities in existence at year end.



NOTE 19: SEGMENT REPORTING

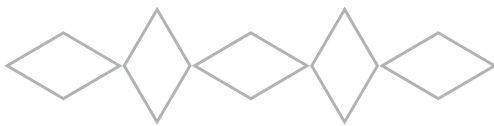
GEOGRAPHICAL SEGMENT

South West Healthcare operates predominantly in South West Victoria.

	Hospital Warrnambool Campus		Hospital Camperdown Campus		Hospital Camperdown Campus		Nursing Home Camperdown Campus		Linen Service		Mental Health		Macarthur		Eliminations		Consolidated		
	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000
REVENUE																			
External Segment Revenue	107,821	123,192	7,799	6,793	2,916	2,881	1,801	970	15,716	15,382	488	493	-	-	-	136,541	149,711	-	-
Intersegment revenue	-	-	-	-	-	-	789	803	-	-	-	-	-	(789)	(803)	-	-	-	-
Total Revenue	107,821	123,192	7,799	6,793	2,916	2,881	2,590	1,773	15,716	15,382	488	493	(789)	(803)	(803)	136,541	149,711	136,541	149,711
EXPENSES																			
External Segment Expenses	107,137	100,768	8,194	8,140	3,265	3,094	1,675	1,630	15,768	16,012	541	563	-	-	-	136,580	130,207	-	-
Intersegment expenses	789	803	-	-	-	-	-	-	-	-	-	-	-	(789)	(803)	-	-	-	-
Total Expenses	107,926	101,571	8,194	8,140	3,265	3,094	1,675	1,630	15,768	16,012	541	563	(789)	(803)	(803)	136,580	130,207	136,580	130,207
Net Result from ordinary activities	(105)	21,621	(395)	(1,347)	(349)	(213)	915	143	(52)	(630)	(53)	(70)	-	-	-	(39)	19,504	(39)	19,504
Interest Income	485	576	-	-	-	-	-	-	-	-	-	-	-	-	-	485	576	-	-
Net Result for Year	380	22,197	(395)	(1,347)	(349)	(213)	915	143	(52)	(630)	(53)	(70)	-	-	-	446	20,080	446	20,080
OTHER INFORMATION																			
Segment Assets																			
Unallocated Assets	161,970	160,874	5,832	6,135	1,799	1,682	3,800	2,364	7,815	8,065	808	865	-	-	-	182,024	179,985	-	-
Total Assets	161,970	160,874	5,832	6,135	1,799	1,682	3,800	2,364	7,815	8,065	808	865	-	-	-	182,024	179,985	182,024	179,985
Segment Liabilities																			
Unallocated Liabilities	23,856	21,137	1,430	1,557	1,468	1,292	421	1,615	2,616	2,600	112	109	-	-	-	29,903	28,310	-	-
Total Liabilities	23,856	21,137	1,430	1,557	1,468	1,292	421	1,615	2,616	2,600	112	109	-	-	-	29,903	28,310	29,903	28,310
Acquisition of Property, Plant and Equipment and Intangible Assets	5,839	28,859	215	686	-	57	1,670	1,391	275	537	5	29	-	-	-	8,004	31,569	-	-
Depreciation and Amortisation Expense	6,510	4,224	899	866	284	308	262	117	430	574	65	71	-	-	-	8,450	6,160	-	-
Non Cash Expenses other than Depreciation	2,111	270	-	-	-	-	-	-	-	-	-	-	-	-	-	2,111	270	-	-

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 Mental Health Inpatient and Community Services, Primary and Community Health Services, Nursing Home/Hostel



NOTE 20A: RESPONSIBLE PERSON-RELATED DISCLOSURES

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

Responsible Ministers:

The Honourable David Davis, MLC, Minister for Health & Ageing	01/07/2012 – 30/06/2013
The Honourable Mary Wooldridge, MLA, Minister for Mental Health	01/07/2012 – 30/06/2013

Governing Board:

Mrs. S. Muldoon	01/07/2012 – 30/06/2013	Mr. J. Maher	01/07/2012 – 30/06/2013
Ms. F. Melican (Retired March 2013)	01/07/2012 – 31/03/2013	Mr. R. Worland	01/07/2012 – 30/06/2013
Mrs. M. Alexander	01/07/2012 – 30/06/2013	Mr. A. McNeil (Retired June 2013)	01/07/2012 – 30/06/2013
Mr. C. Logan	01/07/2012 – 30/06/2013	Mr. T. Brain	01/07/2012 – 30/06/2013
Mr. S. Callaghan	01/07/2012 – 30/06/2013		

Accountable Officer:

Mr. J. Krygger	01/07/2012 – 30/06/2013
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Remuneration of Responsible Persons	Total Remuneration	
	2013 \$'000	2012 \$'000
Income Band:		
\$330,000 – \$339,999	1	-
\$310,000 – \$319,999	-	1
0 – \$9999	9	10
Total Numbers	10	11
	2013 \$'000	2012 \$'000
Total Remuneration	335	317

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.	2013 \$'000	2012 \$'000
	76	163

NOTE 20B: EXECUTIVE OFFICER DISCLOSURES

Executive Officer's Remuneration

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.

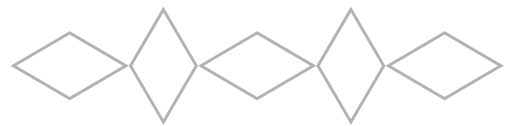
	Total Remuneration		Base Remuneration	
	2013	2012	2013	2012
\$300,000 – \$309,999	1	1	1	1
\$180,000 – \$189,999	2	1	2	1
\$170,000 – \$179,999	1	2	1	2
\$150,000 – \$159,999	-	1	-	1
\$140,000 – \$149,999	1	-	1	-
Total Numbers	5	5	5	5
	\$000	\$000	\$000	\$000
Total annualised employee equivalents (AAE) (i)	5	5	5	5
Total Remuneration	1,003	992	1,003	992

(i) Annualised employee equivalent is based on paid working hours of 38 hours per week over the 52 weeks for a reporting period.

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

NOTE 20C: PAYMENTS TO OTHER PERSONNEL (ie. Contractors with Significant Management Responsibilities)

There were no payments made to other personnel by South West Healthcare in the reporting period.



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	
		2013	2012
		%	%
South West Alliance of Rural Health	Information Technology	15.37	15.39

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.

South West Alliance of Rural Health	2013	\$'000	2012	\$'000
Current Assets				
Cash and Cash Equivalents		162		257
Receivables		315		295
Other Current Assets		45		25
Total Current Assets		522		577
Non Current Assets				
Property, Plant & Equipment		52		21
Total Non Current Assets		52		21
Total Assets		574		598
Current Liabilities				
Payables		185		214
Provisions		270		239
Total Current Liabilities		455		453
Non Current Liabilities				
Provisions		41		39
Total Non Current Liabilities		41		39
Total Liabilities		496		492

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

South West Alliance of Rural Health	2013	\$'000	2012	\$'000
Revenue				
Other Revenue		4,984		4,256
Total Revenue		4,984		4,256
Employee Expenses		878		842
Maintenance Contracts		1,121		1,187
Leases Expense		622		232
Other		2,388		1,996
Total Expenses		5,009		4,257
Net Result Before Capital & Specific Items		(25)		(1)
Depreciation		4		4
Net Result		(29)		(5)

NOTE 23: REMUNERATION OF AUDITORS

	2013	\$'000	2012	\$'000
Victorian Auditor General's office		44		44
Internal Audit services		88		49

NOTE 24: EX GRATIA PAYMENTS

	2013	\$'000	2012	\$'000
Nil ex gratia payments were made by South West Healthcare during the report year.		-		-

NOTE 25: AMBULANCE VICTORIA CONSTRUCTION AND ADMINISTRATION

South West Healthcare was responsible for the administration and construction of the Ambulance Victoria (AV) Building in Warrnambool over the period 1 July 2010 to 30 June 2012. South West Healthcare received receipts in its capacity as agent for the Department of Health (DH) and distributed them in accordance with completed construction payments. The cash flows, bank balances and payables associated with these activities are therefore excluded from South West Healthcare's accounts as they do not meet economic benefit or control criteria of Australian Accounting Standards. During 2011-12 there was \$1,244k collected in receipts from AV (2010-11 \$1,862k from the Department of Health) with all funds distributed in contractor payments. DH transferred the buildings to AV during 2012-13.