



Financial Report for Boort District Health 2011/2012



Victorian Auditor-General's Office

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23 August 2012

File No: 27838/01

Ms V Jamison
Chief Executive Officer
Boort District Health
PO Box 2
BOORT VIC 3537

Dear Ms Jamison

Audited financial report for the year ended 30 June 2012

I enclose for your information the audited financial report of Boort District Health and the original signed audit report for the year ended 30 June 2012.

Copies of the audited financial report and the audit report have been forwarded to:

- the Board President
- the Minister for Health and Ageing
- the Minister for Finance and Attorney-General
- the Secretary of the Department of Health
- the Secretary of the Department of Treasury and Finance.

The audit report incorporates a paragraph addressing the electronic presentation of your financial report. Where you present your financial report on your website, the enclosed audit report must be appended to these statements.

An interim management letter outlining audit observations and recommendations relating to internal controls was issued to you on 27 June 2012. A final management letter dealing with matters arising from our audit of the financial report was issued on 22 August 2012.

In closing, I record my appreciation for the courtesy and co-operation extended by your staff during the audit.

Yours sincerely

for D D R Pearson
Auditor-General



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INDEPENDENT AUDITOR'S REPORT

To the Board Members of Boort District Health

The Financial Report

The accompanying financial report for the year ended 30 June 2012 of Boort District Health which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a statement of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

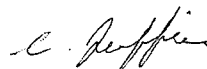
Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Boort District Health as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

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

MELBOURNE
23 August 2012


for D D R Pearson
Auditor-General

**BOORT DISTRICT HEALTH
COMPREHENSIVE OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
Revenue from Operating Activities	2	5,679,791	5,641,096
Revenue from Non-Operating Activities	2	158,248	77,475
Employee Expenses	3	(4,430,727)	(4,202,925)
Non Salary Labour Costs	3	(148,574)	(128,988)
Supplies and Consumables	3	(382,052)	(402,174)
Other Expenses	3	(991,867)	(983,784)
Net Result Before Capital & Specific Items		(115,181)	700
Capital Purpose Income	2	273,560	238,444
Depreciation	4	(534,724)	(708,336)
Expenditure Using Capital Purpose Income	3	(19,444)	(29,172)
NET RESULT FOR THE YEAR		(395,789)	(498,364)
COMPREHENSIVE RESULT FOR THE YEAR		(395,789)	(498,364)

**BOORT DISTRICT HEALTH
BALANCE SHEET
AS AT 30 JUNE 2012**

	Note	2012 \$	2011 \$
Current Assets			
Cash and Cash Equivalents	5	1,368,629	1,433,017
Receivables	6	293,561	287,831
Investments and other Financial Assets	7	1,877,394	2,065,085
Inventories	8	38,118	47,781
Other Assets	9	35,520	28,866
Total Current Assets		3,613,222	3,862,580
Non-Current Assets			
Receivables	6	62,652	80,508
Property, Plant & Equipment	10	3,476,677	3,578,873
Total Non-Current Assets		3,539,329	3,659,381
TOTAL ASSETS		7,152,551	7,521,961
Current Liabilities			
Payables	11	344,752	235,433
Provisions	12	1,031,725	1,014,796
Other Liabilities	13	1,158,240	1,265,398
Total Current Liabilities		2,534,717	2,515,627
Non-Current Liabilities			
Provisions	12	126,217	118,928
Total Non-Current Liabilities		126,217	118,928
TOTAL LIABILITIES		2,660,934	2,634,555
NET ASSETS		4,491,617	4,887,406
EQUITY			
Property, Plant & Equipment Revaluation Surplus	14a	1,461,324	1,461,324
Restricted Specific Purpose Surplus	14a	139,300	139,300
Contributed Capital	14b	3,160,907	3,160,907
Accumulated Surpluses / (Deficits)	14c	(269,914)	125,875
TOTAL EQUITY		4,491,617	4,887,406
Commitments for Expenditure	17		
Contingent Liabilities and Contingent Assets	18		

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

	Note	Property, Plan & Equipment Revaluation Surplus \$	Restricted Specific Purpose Surplus \$	Contributed Capital \$	Accumulated Surpluses/ (Deficits) \$	Total \$
Balance at 1 July 2010		1,461,324	139,300	3,160,907	624,239	5,385,770
Net result for the year	14	0	0	0	(498,364)	(498,364)
Balance at 30 June 2011		1,461,324	139,300	3,160,907	125,875	4,887,406
Net result for the year	14	0	0	0	(395,789)	(395,789)
Balance at 30 June 2012		1,461,324	139,300	3,160,907	(269,914)	4,491,617

**BOORT DISTRICT HEALTH
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		4,439,383	4,215,561
Patient and Resident Fees Received		1,163,875	1,209,153
Donations and Bequests Received		72,277	41,835
GST (Paid to)/received from ATO		(7,442)	17,278
Interest Received		182,942	145,253
Other Receipts		185,984	182,671
Employee Expenses Paid		(4,406,509)	(4,146,218)
Non Salary Labour Costs		(148,574)	(128,988)
Payments for Suppliers and Consumables		(372,389)	(381,727)
Other Payments		(890,371)	(871,615)
Cash Generated from Operations		219,176	283,203
Capital Grants from Government		57,323	25,969
NET CASH INFLOW FROM OPERATING ACTIVITIES	15	276,499	309,172
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Investments		259,531	287,247
Payments for Non-Financial Assets		(504,741)	(263,341)
Proceeds from Sale of Non-Financial Assets		64,091	41,820
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES		(181,119)	65,726
NET INCREASE IN CASH HELD		95,380	374,898
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,075,455	700,557
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	1,170,835	1,075,455

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements are a general purpose financial statements which have been prepared in accordance with the Financial Management Act 1994, and applicable Australian Accounting Standards (AASs) issued by the Australian Accounting Standards Board (AASB).

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

The Health Service is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the AAS's.

The annual financial statements were authorised for issue by the Board of Boort District Health on:
22nd August 2012.

(b) Basis of accounting preparation and measurement

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

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

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

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

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting.

Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

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

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

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

In the application of AASs management is required to make judgements, 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 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));
- 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 Report

The financial statements includes all the controlled activities of Boort District Health.

Its principal address is:
Kiniry Street
Boort, Victoria 3537

A description of the nature of Boort District Health operations and its principal activities is included in the report of operations, which does form part of these financial statements.

(d) Principles of Consolidation
Intersegment Transactions

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

Associates and joint ventures

Associates and joint ventures are accounted for in accordance with the policy outlined in Note 1(i) Financial Assets.

Jointly controlled assets or operations

Interest in jointly controlled assets or operations are not consolidated by Boort District Health, but are accounted for in accordance with the policy outlined in Note 1(i) Financial Assets.

(e) Scope and presentation of financial statements

Fund Accounting

Boort District Health operates on a fund accounting basis and maintains one fund:

Capital Funds. Boort District Health's Capital Funds include unspent capital donations and receipts from fundraising activities conducted 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 include 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.

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 Boort District Health. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, expenditure using capital purpose income and items of a 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 Boort District Health, the Department of Health and the Victorian Government to measure the ongoing performance of Health Services in operating hospital services.

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

- * Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works and plant and equipment.
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.

(e) Scope and presentation of financial statements (Continued)

Comprehensive operating statement (Continued)

- * Specific income/expense, comprises the following items, where material:
 - Voluntary departure packages
 - * Write-down of inventories
 - * Non-current asset revaluation increments/decrements
 - * Non-current assets lost or found
 - * Forgiveness of loans
 - * Reversals of provisions
 - * Voluntary changes in accounting policies (which are not required by an accounting standard or other authoritative pronouncement of the Australian Accounting Standards Board)
- * Impairment of financial and non-financial assets, includes all impairment losses (and reversal of previous impairment losses), which have been recognised in accordance with note 1 (i)
- * Depreciation, as described in note 1 (g)
- * Assets provided or received free of charge, as described in note 1 (f)
- * Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold, or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the Balance Sheet, where funding for that expenditure is from capital purpose income.

Balance Sheet

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

Statement of changes in equity

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

Cash flow statement

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

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

Comparative Information

There have been no changes to comparative information which require additional disclosure

(f) Income Recognition

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to Boort District Health 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.

(f) **Income Recognition (Continued)**

Indirect Contributions from the Department of Health

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

Patient and Resident Fees

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

Private Practice Fees

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

Revenue from commercial activities

Revenue from commercial activities such as provision of meals to external users is recognised at the time the 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 specific restricted purpose surplus.

Interest Revenue

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

Resources Received Free of Charge or for Nominal Consideration

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

(g) **Expense Recognition**

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

Cost of Goods Sold

Costs of good 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 contributions (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 defined contribution superannuation plans are expensed when incurred.

(g) **Expense Recognition (Continued)**

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 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 the Boort District Health are entitled to receive superannuation benefits and Boort District Health contributes to both the defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years based on years of service and final average salary.

The name and details of the major employee superannuation funds and contributions made by Boort District Health are as follows:

Fund	Contributions Paid or Payable for the year		
	2012 \$		2011 \$
Defined Benefit Plans: Health Super	7,220		7,354
Defined Contribution Plans: Health Super / HESTA / Other	352,485		320,323
Total	359,705		327,677

Boort District Health does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

The Department of Treasury and Finance administers and discloses the State's defined benefit liabilities in its financial statements.

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. 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 and investment properties. Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

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

	2012	2011
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 Years
- Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	20 to 30 years	20 to 30 years
- Trunk Reticulated Building Systems	30 to 40 years	30 to 40 years
Plant & Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 years	3 years
Furniture & Fittings	13 years	13 years
Motor Vehicles	10 years	10 years

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

(g) Expense Recognition (Continued)

Resources Provided or Received Free of Charge or for Nominal Consideration

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

(h) Financial Instruments

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

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

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and receivables

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

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

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

Available-For-Sale Financial Assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period.

Fair value is determined in the manner described in note 16.

(i) Financial Assets

Cash and Cash Equivalents

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

Receivables

Receivables consist of:

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

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

(i) **Financial Assets**
Receivables (Continued)

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

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

Investments and Other Financial Assets

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

Investments are classified in the following categories:

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

Boort District Health 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.

Boort District Health 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 and loss are subject to annual review for impairment.

Investments in jointly controlled assets and operations

In respect of any interest in jointly controlled assets, Boort District Health 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 Boort District Health recognises;

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

Impairment of Financial Assets

At the end of each reporting period Boort District Health assesses whether there is objective evidence that a financial asset or group of financial asset is impaired. All financial instrument assets, except those measured at fair value through profit and loss, are subject to annual review for impairment.

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

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

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

In order to determine an appropriate fair value as at 30 June 2012 for its portfolio of financial assets, Boort District Health obtained a valuation based on the best available advice using an estimated market value through a reputable financial institution.

This value was compared against valuation methodologies provided by the issuer as at 30 June 2012. These methodologies were critiqued and considered to be consistent with standard market valuation techniques.

(i) **Financial Assets**

Impairment of Financial Assets (Continued)

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

Net Gain/(Loss) on Financial Instruments

Net Gain/(Loss) on financial instruments includes:

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

(j) **Non-Financial Assets**

Inventories

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

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories, including land held for 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 for all other inventory is measured on the basis of weighted average cost. Inventories acquired for no cost or nominal considerations are measured at current replacement cost at the date of acquisition.

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.

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 restriction 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 depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Revaluations of Non-current Physical Assets

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

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

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

(j) Non-Financial Assets (Continued)

Revaluations of Non-current Physical Assets (Continued)

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 is not transferred to accumulated funds on derecognition of the relevant asset.

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

Other non-financial assets

Prepayments

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

Disposal of Non-Financial Assets

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

Impairment of Non-Financial Assets

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

- inventories;
- financial assets;
- non-current physical assets held for sale; and
- 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 unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(k) Liabilities

Payables

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 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.

(k) **Liabilities (Continued)**

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 the Health Service are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long Service Leave

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 Boort District Health 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 Boort District Health does not expect to settle within 12 months; and
- nominal value - component that Boort District Health 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, superannuation are recognised separately from the provision for employee benefits.

Superannuation Liabilities

The Boort District Health 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 obligations as they fall due. The Department of Treasury and Finance administers and discloses the State's defined benefit liabilities in its financial statements.

(l) 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 Surplus

A specific restricted purpose surplus 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.

(m) 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 18) 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.

(n) 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.

(o) Goods and Services Tax ("GST")

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

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

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

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

(p) Rounding

All amounts shown in the financial statements are expressed to the nearest \$1.

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

(q) New Accounting Standards and Interpretations

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

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

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual 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>).	Beginning 1 January 2013	Detail of impact is still being assessed.
AASB 11 <i>Joint Arrangements</i>	This Standard requires entities that have an interest in arrangements that are controlled jointly to assess whether the arrangement is a joint operation or joint venture. AASB 11 shall be applied for an arrangement that is a joint operation. It also replaces parts of requirements in AASB 131 <i>Interests in Joint Ventures</i> .	Beginning 1 January 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 11 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 12 <i>Disclosure of Interests in Other Entities</i>	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 and AASB 131.	Beginning 1 January 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 11 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 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.	Beginning 1 January 2013	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures for public sector entities that have assets measured using depreciated replacement cost.

(q) New Accounting Standards and Interpretations (Continued)

AASB 119 <i>Employee Benefits</i>	In this revised Standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows - other movements in equity') reported on the comprehensive operating statement.	Beginning 1 January 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions of the general government sector and for those few Victorian public sector entities that report superannuation defined benefit plans.
AASB 127 <i>Separate Financial Statements</i>	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	Beginning 1 January 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 11 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 128 <i>Investments in Associates and Joint Ventures</i>	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	Beginning 1 January 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 11 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.
AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]</i>	This standard gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 January 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.

(g) New Accounting Standards and Interpretations (Continued)

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (Dec' 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	These consequential amendments are in relation to the introduction of AASB 9.	Beginning 1 January 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements [AASB 101 & AASB 1054]	The objective of this amendment is to include some additional disclosure from the Trans-Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards - Reduced Disclosure Requirements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.
AASB 2011-4 Further Amendments to Australian Accounting Standards to remove Individual Key Management Personnel disclosure requirements [AASB 124]	This Standard amends AASB 124 <i>Related Party Disclosures</i> by removing the disclosure requirements in AASB 124 in relation to individual key management personnel (KMP)	Beginning 1 July 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127, AASB 128 & AASB 131]	The objective of this Standard is to make amendments to AASB 127 <i>Consolidated and Separate Financial Statements</i> , AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i> to extend the circumstances in which an entity can obtain relief from consolidation, the equity method or proportionate consolidation.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	This Standard outlines consequential changes arising from the issuance of the five 'new Standards' to other Standards. For example, references to AASB 127 Consolidated and Separate Financial Statements are amended to AASB 10 Consolidated Financial Statements or AASB 127 Separate Financial Statements, and references to AASB 131 Interests in Joint Ventures are deleted as that Standard has been superseded by AASB 11 and AASB 128 (Aug 2011).	Beginning 1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.

(g) New Accounting Standards and Interpretations (Continued)

AASB 2011-8 Amendments to <i>Australian Accounting Standards arising from AASB 13</i> [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	The amending Standard makes consequential changes to a range of Standards and Interpretations arising from the issuance of AASB 13. In particular, this Standard replaces the existing definition and guidance of fair value measurements in other Australian Accounting Standards and Interpretations.	Beginning 1 Jan 2013	Disclosures for fair value measurements using unobservable inputs is potentially onerous, and may increase disclosures for assets measured using depreciated replacement cost.
AASB 2011-9 Amendments to <i>Australian Accounting Standards - Presentation of Items of Other Comprehensive Income</i> [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	The main change resulting from this Standard is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). These amendments do not remove the option to present profit or loss and other comprehensive income in two statements, not change the option to present items of OCI either before tax or net of tax.	Beginning 1 July 2012	This amending Standard could change the current presentation of 'Other economic flows - other movements in equity' that will be grouped on the basis of whether they are potentially reclassifiable to profit or loss subsequently. No other significant impact will be expected.
AASB 2011-10 Amendments to <i>Australian Accounting Standards arising AASB 119</i> (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]	This Standard makes consequential changes to a range of other Australian Accounting Standards and Interpretation arising from the issuance of AASB 119 <i>Employee Benefits</i> .	Beginning 1 January 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-11 Amendments to <i>AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i>	This Standard makes amendments to AASB 119 <i>Employee Benefits</i> (September 2011), to incorporate reduced disclosure requirements into the Standard for entities applying Tier 2 requirements in preparing general purpose financial statements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented to Victorian Public Sector.

(r) Category Groups

Boort District Health has used the following category groups for reporting purposes for the current and previous financial years.

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

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

(r) **Category Groups (Continued)**

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 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 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 psycho geriatric 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, Drug 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.

BOORT DISTRICT HEALTH
Notes to the Financial Statements
30 June 2012

Note 2: REVENUE	HSA 2012 \$	HSA 2011 \$	H&CI 2012 \$	H&CI 2011 \$	TOTAL 2012 \$	TOTAL 2011 \$
Revenue from Operating Activities						
Government Grants						
- Department of Health	2,650,113	2,550,898	0	0	2,650,113	2,550,898
- Dental Health Services Victoria	385,890	383,868	0	0	385,890	383,868
- Commonwealth Government						
- Residential Aged Care Subsidy	1,278,978	1,208,816	0	0	1,278,978	1,208,816
Transitional Care Program						
- State	36,268	0	0	0	36,268	0
- Commonwealth	43,332	0	0	0	43,332	0
Total Government Grants	4,394,581	4,143,582	0	0	4,394,581	4,143,582
Indirect Contributions by Department of Health						
- Insurance	17,856	107,261	0	0	17,856	107,261
- Long Service Leave	(25,481)	(14,789)	0	0	(25,481)	(14,789)
Total Indirect Contributions by Department of Health	(7,625)	92,472	0	0	(7,625)	92,472
Patient and Resident Fees						
- Patient and Resident Fees (refer note 2b)	991,673	1,174,319	0	0	991,673	1,174,319
Total Patient & Resident Fees	991,673	1,174,319	0	0	991,673	1,174,319
Business Units & Specific Purpose Funds						
- Catering	0	0	25,829	28,386	25,829	28,386
- Property Income	0	0	21,303	20,975	21,303	20,975
Total Business Units & Specific Purpose Funds	0	0	47,132	49,361	47,132	49,361
Recoupment From Private Practice for Use of Hospital Facilities	0	0	50,733	59,734	50,733	59,734
Loddon Mallee Rural Health Alliance	75,285	62,067	0	0	75,285	62,067
Other Revenue from Operating Activities	128,012	59,561	0	0	128,012	59,561
Sub-Total Revenue from Operating Activities	5,581,926	5,532,001	97,865	109,095	5,679,791	5,641,096
Revenue from Non-Operating Activities						
Interest and Dividends	0	0	158,248	77,475	158,248	77,475
Sub-Total Revenue from Non-Operating Activities	0	0	158,248	77,475	158,248	77,475
Capital Purpose Income						
State Government Capital Grants						
- Targeted Capital Works and Equipment	57,323	25,969	0	0	57,323	25,969
- Loddon Mallee Rural Health Alliance	0	2,513	0	0	0	2,513
Residential Accommodation Payments (refer note 2b)	0	0	131,561	101,442	131,561	101,442
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	0	0	(9,119)	(9,982)	(9,119)	(9,982)
Capital Interest	0	0	21,518	76,667	21,518	76,667
Donations and Bequests	0	0	72,277	41,835	72,277	41,835
Sub-Total Revenue from Capital Purpose Income	57,323	28,482	216,237	209,962	273,560	238,444
Total Revenue	5,639,249	5,560,483	472,350	396,532	6,111,599	5,957,015

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

This note relates to revenues above the net result line only, and does not reconcile to comprehensive income.

Note 2a: ANALYSIS OF REVENUE BY SOURCE

	Admitted Patients 2012 \$	Residential Aged Care 2012 \$	Aged Care 2012 \$	Primary Health 2012 \$	Other 2012 \$	TOTAL 2012 \$
Revenue from Services Supported by Health Services Agreement						
Government Grants	2,071,074	1,633,447	210,170	479,890	0	4,394,581
Indirect Contributions by Department of Health	(10,250)	2,040	227	358	0	(7,625)
Patient and Resident Fees (refer note 2b)	288,768	540,002	21,780	141,123	0	991,673
Other Revenue from Operating Activities	125,621	61,889	6,723	3,012	6,052	203,297
Capital Purpose Income (refer note 2)	57,323	0	0	0	0	57,323
Sub-Total Revenue from Services Supported by Health Services Agreement	2,532,536	2,237,378	238,900	624,383	6,052	5,639,249
Revenue from Services Supported by Hospital and Community Initiatives						
Catering	0	0	0	0	25,829	25,829
Property Income	0	0	0	0	21,303	21,303
Interest and Dividends	0	0	0	0	158,248	158,248
Recoupment from Private Practice for Use of Hospital Facilities	0	0	0	0	50,733	50,733
Other Activities						
Capital Purpose Income (refer note 2)	0	0	0	0	216,237	216,237
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	0	0	0	0	472,350	472,350
Total Revenue	2,532,536	2,237,378	238,900	624,383	478,402	6,111,599

Indirect Contributions by Health

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

Note 2a: ANALYSIS OF REVENUE BY SOURCE (Continued)

	Admitted Patients 2011 \$	Residential Aged Care 2011 \$	Aged Care 2011 \$	Primary Health 2011 \$	Other 2011 \$	TOTAL 2011 \$
Revenue from Services Supported by Health Services Agreement						
Government Grants	1,944,395	1,614,609	200,710	383,868	0	4,143,582
Indirect Contributions by Department of Health	10,272	63,896	7,094	11,210	0	92,472
Patient and Resident Fees (refer note 2b)	406,544	573,150	22,427	172,198	0	1,174,319
Other Revenue from Operating Activities	81,514	32,073	1,118	6,034	889	121,628
Capital Purpose Income (refer note 2)	28,482	0	0	0	0	28,482
Sub-Total Revenue from Services Supported by Health Services Agreement	2,471,207	2,283,728	231,349	573,310	889	5,560,483
Revenue from Services Supported by Hospital and Community Initiatives						
Catering	0	0	0	0	28,386	28,386
Property Income	0	0	0	0	20,975	20,975
Interest and Dividends	0	0	0	0	77,475	77,475
Recoupment from Private Practice for Use of Hospital Facilities	0	0	0	0	59,734	59,734
Other Activities						
Capital Purpose Income (refer note 2)	0	0	0	0	209,962	209,962
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	0	0	0	0	396,532	396,532
Total Revenue	2,471,207	2,283,728	231,349	573,310	397,421	5,957,015

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

This note relates to revenues above the net result line only, and does not reconcile to comprehensive income.

NOTE 2b: PATIENT AND RESIDENT FEES RAISED

Patient and Resident Fees	2012	2011
	\$	\$
Acute		
- Inpatients (*)	288,768	406,544
- Outpatients	141,123	172,198
Residential Aged Care		
- Nursing Home	155,870	150,704
- Hostel	384,132	422,446
Aged Care & Primary Health		
- Co-Ordinated Care	18,451	21,041
- Other	3,329	1,386
TOTAL PATIENT AND RESIDENT FEES	991,673	1,174,319
Capital Purpose Income		
Residential Accommodation Payments (**)	131,561	101,442
TOTAL CAPITAL PURPOSE INCOME	131,561	101,442

(*) Compensable payments (such as TAC, WIES and DVA throughput) are excluded.

(**) This includes accommodation charges, interest earned on accommodation bonds and retention amount.

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

	2012	2011
	\$	\$
Proceeds from Disposal of Non-Current Assets		
- Motor Vehicles	64,091	41,820
Total Proceeds from Disposal of Non-Current Assets	64,091	41,820
Less: Written Down Value of Non-Current Assets Sold		
- Motor Vehicles	(73,210)	(51,802)
Total Written Down Value of Non-Current Assets Sold	(73,210)	(51,802)
NET GAINS/(LOSSES) ON DISPOSAL OF NON-CURRENT ASSETS	(9,119)	(9,982)

BOORT DISTRICT HEALTH
Notes to the Financial Statements
30 June 2012

Note 3: EXPENSES	HSA 2012 \$	HSA 2011 \$	H&CI 2012 \$	H&CI 2011 \$	TOTAL 2012 \$	TOTAL 2011 \$
Employee Expenses						
Salaries & Wages	3,945,895	3,733,298	0	0	3,945,895	3,733,298
WorkCover Premium	52,975	56,955	0	0	52,975	56,955
Long Service Leave	72,152	84,995	0	0	72,152	84,995
Superannuation (refer note 1g)	359,705	327,677	0	0	359,705	327,677
Total Employee Expenses	4,430,727	4,202,925	0	0	4,430,727	4,202,925
Non Salary Labour Costs						
Fee for Service Medical Officers	148,574	128,988	0	0	148,574	128,988
Total Non Salary Labour Costs	148,574	128,988	0	0	148,574	128,988
Supplies and Consumables						
Drug Supplies	53,342	51,547	0	0	53,342	51,547
Medical, Surgical Supplies and Prosthesis	132,882	162,550	0	0	132,882	162,550
Pathology Supplies	5,546	6,457	0	0	5,546	6,457
Special Services	25,413	13,325	0	0	25,413	13,325
Food Supplies	139,275	143,132	25,594	25,163	164,869	168,295
Total Supplies and Consumables	356,458	377,011	25,594	25,163	382,052	402,174
Other Expenses						
Domestic Services & Supplies	91,688	105,959	0	0	91,688	105,959
Fuel, Light, Power and Water	151,150	142,940	0	0	151,150	142,940
Insurance costs funded by the Department of Health	10,231	107,261	0	0	10,231	107,261
Repairs & Maintenance	57,170	72,273	0	0	57,170	72,273
Maintenance Contracts	22,410	17,741	0	0	22,410	17,741
Patient Transport	36,992	30,806	0	0	36,992	30,806
Loddon Mallee Rural Health Alliance	129,752	92,528	0	0	129,752	92,528
Other Administrative Expenses	479,474	401,706	0	0	479,474	401,706
Audit Fees						
- VAGO - Audit of Financial Statements	13,000	12,570	0	0	13,000	12,570
Total Other Expenses	991,867	983,784	0	0	991,867	983,784
Expenditure Using Capital Purpose Income						
Loddon Mallee Rural Health Alliance	0	0	0	12,440	0	12,440
Other Expenses	0	0	19,444	16,732	19,444	16,732
Total Expenditure using Capital Purpose Income	0	0	19,444	29,172	19,444	29,172
Depreciation	0	0	534,724	708,336	534,724	708,336
Total	0	0	534,724	708,336	534,724	708,336
Total Expenses	5,927,626	5,692,708	579,762	762,671	6,507,388	6,455,379

This note relates to revenues above the net result line only, and does not reconcile to comprehensive income.

Note 3a: ANALYSIS OF EXPENSE BY SOURCE

	Admitted Patients 2012 \$	Residential Aged Care 2012 \$	Aged Care 2012 \$	Primary Health 2012 \$	Other 2012 \$	TOTAL 2012 \$
Services Supported by Health Service Agreement						
Employee Expenses	1,457,439	2,326,065	286,512	360,711	0	4,430,727
Non Salary Labour Costs	104,276	0	0	44,298	0	148,574
Supplies and Consumables	124,518	169,943	3,909	57,965	0	356,335
Other Expenses	397,099	446,168	79,655	69,068	0	991,990
Sub-Total Expenses from Services Supported by Health Services Agreement	2,083,332	2,942,176	370,076	532,042	0	5,927,626
Services Supported by Hospital and Community Initiatives						
Supplies and Consumables	0	0	0	0	25,594	25,594
Sub-Total Expense from Services Supported by Hospital and Community Initiatives	0	0	0	0	25,594	25,594
Loddon Mallee Rural Health Alliance	0	0	0	0	0	0
Other Expenses	0	0	0	0	19,444	19,444
Depreciation and Amortisation (refer note 4)	0	0	0	0	534,724	534,724
Sub-total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives	0	0	0	0	554,168	554,168
Total Expenses	2,083,332	2,942,176	370,076	532,042	579,762	6,507,388

	Admitted Patients 2011 \$	Residential Aged Care 2011 \$	Aged Care 2011 \$	Primary Health 2011 \$	Other 2011 \$	TOTAL 2011 \$
Services Supported by Health Service Agreement						
Employee Expenses	1,294,004	2,276,338	288,985	343,598	0	4,202,925
Non Salary Labour Costs	103,848	0	0	25,140	0	128,988
Supplies and Consumables	148,435	155,917	1,263	71,396	0	377,011
Other Expenses	352,451	482,016	70,698	78,619	0	983,784
Sub-Total Expenses from Services Supported by Health Services Agreement	1,898,738	2,914,271	360,946	518,753	0	5,692,708
Services Supported by Hospital and Community Initiatives						
Supplies and Consumables	0	0	0	0	25,163	25,163
Sub-Total Expense from Services Supported by Hospital and Community Initiatives	0	0	0	0	25,163	25,163
Loddon Mallee Rural Health Alliance	0	0	0	0	12,440	12,440
Other Expenses	0	0	0	0	16,732	16,732
Depreciation (refer note 4)	0	0	0	0	708,336	708,336
Sub-total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives	0	0	0	0	737,508	737,508
Total Expenses	1,898,738	2,914,271	360,946	518,753	762,671	6,455,379

NOTE 4: DEPRECIATION	2012	2011
	\$	\$
Depreciation		
Buildings	405,082	596,885
Plant & Equipment	70,417	63,519
Motor Vehicles	50,810	40,071
Furniture and Fittings	4,558	4,537
LMRHA Assets	3,857	3,324
TOTAL DEPRECIATION	534,724	708,336

NOTE 5: CASH AND CASH EQUIVALENTS

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

	2012	2011
	\$	\$
Cash on Hand	175	175
Cash at Bank	1,368,454	1,432,842
TOTAL CASH AND CASH EQUIVALENTS	1,368,629	1,433,017
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	1,170,835	1,075,455
Cash for Loddon Mallee Rural Health Alliance	8,598	10,082
Cash for Monies Held in Trust		
- Cash at Bank	189,196	347,480
TOTAL CASH AND CASH EQUIVALENTS	1,368,629	1,433,017

NOTE 6: RECEIVABLES

	2012	2011
	\$	\$
CURRENT		
Contractual		
Trade Debtors - Health Service	120,301	74,634
Trade Debtors - Loddon Mallee Rural Health Alliance	6,880	15,494
Patient Fees	67,563	108,204
Accrued Investment Income	29,305	32,481
Accrued Revenue - Grants	39,519	35,602
Accrued Revenue - Loddon Mallee Rural Health Alliance	621	606
	<u>264,189</u>	<u>267,021</u>
Statutory		
GST Receivable - Health Service	26,874	19,432
GST Receivable - Loddon Mallee Rural Health Alliance	2,498	1,378
	<u>29,372</u>	<u>20,810</u>
TOTAL CURRENT RECEIVABLES	<u>293,561</u>	<u>287,831</u>
NON CURRENT		
Statutory		
Long Service Leave - Department of Health	62,652	80,508
TOTAL NON-CURRENT RECEIVABLES	<u>62,652</u>	<u>80,508</u>
TOTAL RECEIVABLES	<u>356,213</u>	<u>368,339</u>

(b) Ageing analysis of receivables

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

NOTE 7: INVESTMENTS AND OTHER FINANCIAL ASSETS

	Operating Fund		Total	
	2012	2011	2012	2011
	\$	\$	\$	\$
CURRENT				
<i>Term Deposit</i>				
Aust. Dollar Term Deposits > 3 Months	1,877,394	1,556,789	1,877,394	1,556,789
<i>Equities and Managed Investment Schemes</i>				
Managed Investment Schemes	0	508,296	0	508,296
TOTAL CURRENT OTHER FINANCIAL ASSETS	<u>1,877,394</u>	<u>2,065,085</u>	<u>1,877,394</u>	<u>2,065,085</u>
Represented by:				
Investments - Health Service	830,990	1,090,521	830,990	1,090,521
Investments - Loddon Mallee Rural Health Alliance	77,360	56,646	77,360	56,646
Monies Held in Trust				
- Accommodation Bonds (Refundable Entrance Fees)	969,044	917,918	969,044	917,918
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	<u>1,877,394</u>	<u>2,065,085</u>	<u>1,877,394</u>	<u>2,065,085</u>

(b) Ageing analysis of investments and other financial assets

Please refer to note 16(b) for the ageing analysis of investments and other financial assets

(c) Nature and extent of risk arising from investments and other financial assets

Please refer to note 16(b) for the nature and extent of credit risk arising from investments and other financial assets

NOTE 8: INVENTORIES	2012	2011
	\$	\$
CURRENT		
Pharmaceuticals - at cost	7,585	11,073
Catering Supplies - at cost	4,277	3,478
Housekeeping Supplies - at cost	3,362	2,717
Medical and Surgical Lines - at cost	9,754	8,568
Engineering Stores - at cost	1,176	7,865
Dental Stores - at cost	11,964	14,080
TOTAL INVENTORIES	38,118	47,781

Inventories held by the Health Service are held for short periods of time with regular turnover. There is no material loss of service potential in inventories held at the end of the year.

NOTE 9: OTHER ASSETS	2012	2011
	\$	\$
Prepayments - Health Service	32,744	25,959
Prepayments - Loddon Mallee Rural Health Alliance	2,776	2,907
TOTAL OTHER ASSETS	35,520	28,866

NOTE 10: PROPERTY, PLANT & EQUIPMENT	2012	2011
	\$	\$
Land		
- Land at Fair Value	420,000	420,000
Total Land	420,000	420,000
Buildings		
- Buildings at Cost	495,450	194,605
Less Accumulated Depreciation	9,407	3,050
	486,043	191,555
- Buildings at Valuation	3,515,100	3,515,100
Less Accumulated Depreciation	1,586,395	1,187,670
	1,928,705	2,327,430
Total Buildings	2,414,748	2,518,985
Plant & Equipment		
- Loddon Mallee Rural Health Alliance	2,559	5,419
- Plant and Equipment at Fair Value	579,758	505,970
Less Accumulated Depreciation	180,419	110,003
Total Plant and Equipment	401,898	401,386
Furniture and Fittings		
- Furniture and Fittings at Fair Value	53,124	46,405
Less Accumulated Depreciation	13,633	9,074
Total Furniture and Fittings	39,491	37,331
Motor Vehicles		
- Motor Vehicles at Fair Value	272,377	257,047
Less Accumulated Depreciation	71,837	55,876
Total Motor Vehicles	200,540	201,171
TOTAL PROPERTY, PLANT & EQUIPMENT	3,476,677	3,578,873

NOTE 10: PROPERTY, PLANT & EQUIPMENT (Continued)

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

	Land	Buildings	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2010	420,000	3,073,755	371,830	41,868	166,449	4,073,902
Additions	0	42,115	94,631	0	126,595	263,341
Loddon Mallee Rural Health Alliance	0	0	1,768	0	0	1,768
Disposals	0	0	0	0	(51,802)	(51,802)
Depreciation (note 4)	0	(596,885)	(66,843)	(4,537)	(40,071)	(708,336)
Balance at 1 July 2011	420,000	2,518,985	401,386	37,331	201,171	3,578,873
Additions	0	300,845	73,789	6,718	123,389	504,741
Loddon Mallee Rural Health Alliance	0	0	997	0	0	997
Disposals	0	0	0	0	(73,210)	(73,210)
Depreciation (note 4)	0	(405,082)	(74,274)	(4,558)	(50,810)	(534,724)
Balance at 30 June 2012	420,000	2,414,748	401,898	39,491	200,540	3,476,677

Land and Buildings carried at valuation

An independent valuation of the Health Service's land and buildings was performed by the Valuer-General Victoria. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be replaced using depreciated replacement cost. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2009.

Plant and Equipment carried at fair value

An independent valuation of the Health Service's plant & equipment was conducted by independent third parties or by the Health Service. The valuations, which conform to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm lengths transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2012.

NOTE 11: PAYABLES

	2012	2011
	\$	\$
CURRENT		
Contractual		
Trade Creditors Health Service	219,566	160,173
FBT Payable	1,264	1,298
Accrued Audit Fees	13,000	12,570
Accrued Expenses - Other	14,500	20,000
Income in Advance	5,774	0
Payables - Loddon Mallee Rural Health Alliance	11,683	11,146
	<u>265,787</u>	<u>205,187</u>
Statutory		
Department of Health	78,965	30,246
	<u>78,965</u>	<u>30,246</u>
TOTAL CURRENT PAYABLES	<u>344,752</u>	<u>235,433</u>

(a) Maturity analysis of payables

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

(b) Nature and extent of risk arising from payables

Please refer to note 16(c) for the nature and extent of risks arising from contractual payables

NOTE 12: PROVISIONS	2012	2011
	\$	\$
Current Provisions		
Employee Benefits		
- unconditional and expected to be settled within 12 months	491,823	474,743
- unconditional and expected to be settled after 12 months	453,991	438,224
	<u>945,814</u>	<u>912,967</u>
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (nominal value)	44,674	52,951
- unconditional and expected to be settled after 12 months (present value)	41,237	48,878
	<u>85,911</u>	<u>101,829</u>
Total Current Provisions	<u>1,031,725</u>	<u>1,014,796</u>
Non-Current Provisions		
Employee Benefits	114,275	107,676
Provisions related to employee benefit on-costs	11,942	11,252
	<u>126,217</u>	<u>118,928</u>
Total Non-Current Provisions	<u>126,217</u>	<u>118,928</u>
Total Provisions	<u>1,157,942</u>	<u>1,133,724</u>
Current Employee Benefits		
Unconditional Long Service Leave Entitlements	360,745	364,079
Annual Leave Entitlements	338,330	373,911
Accrued Salaries and Wages	237,144	165,010
Accrued Days Off	9,595	9,967
Non-Current Employee Benefits		
Conditional Long Service Leave Entitlements (present value)	114,275	107,676
	<u>1,060,089</u>	<u>1,020,643</u>
Total Employee Benefits	<u>1,060,089</u>	<u>1,020,643</u>
On-Costs		
Current On-Costs	85,911	101,829
Non-Current On-Costs	11,942	11,252
Total On-Costs	<u>97,853</u>	<u>113,081</u>
Total Employee Benefits and Related On-Costs	<u>1,157,942</u>	<u>1,133,724</u>
Movements in Provisions	2012	2011
	\$	\$
Movement in Long Service Leave		
Balance at start of year	471,755	497,604
Provision made during the year	72,152	84,995
Settlement made during the year	(68,887)	(110,844)
	<u>475,020</u>	<u>471,755</u>
Balance at end of year	<u>475,020</u>	<u>471,755</u>
NOTE 13: OTHER LIABILITIES	2012	2011
	\$	\$
CURRENT		
Monies Held in Trust*		
- Other	78,923	103,547
- Accommodation Bonds (Refundable Entrance Fees)	1,079,317	1,161,851
TOTAL CURRENT	<u>1,158,240</u>	<u>1,265,398</u>

NOTE 13: OTHER LIABILITIES (Continued)	2012	2011
	\$	\$
* Total Monies Held in Trust		
Represented by the following assets:		
Cash Assets (refer to Note 5)	189,196	347,480
Investments and other Financial Assets (refer to Note 7)	969,044	917,918
TOTAL OTHER LIABILITIES	1,158,240	1,265,398
NOTE 14: EQUITY	2012	2011
	\$	\$
(a) Surpluses		
Property, Plant & Equipment Revaluation Surplus ¹		
Balance at beginning of the reporting period		
- Land	159,000	159,000
- Buildings	1,302,324	1,302,324
Revaluation Increment/Decrement		
- Land	0	0
- Buildings	0	0
Balance at the end of the reporting period	1,461,324	1,461,324
Represented by:		
- Land	159,000	159,000
- Buildings	1,302,324	1,302,324
	1,461,324	1,461,324
Restricted Specific Purpose Surplus		
Balance at the beginning of the reporting period	139,300	139,300
Balance at the end of the reporting period	139,300	139,300
Total Surpluses	1,600,624	1,600,624
(1) The property, plant & equipment asset revaluation surplus arises on the revaluation of property, plant & equipment.		
(b) Contributed Capital		
Balance at the beginning of the reporting period	3,160,907	3,160,907
Balance at the end of the reporting period	3,160,907	3,160,907
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	125,875	624,239
Net Result for the Year	(395,789)	(498,364)
Balance at the end of the reporting period	(269,914)	125,875
(d) Total Equity at end of financial year	4,491,617	4,887,406

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

	2012 \$	2011 \$
NET RESULT FOR THE YEAR	(395,789)	(498,364)
Depreciation	530,867	705,012
Share of Net Result from Joint Ventures	(8,223)	618
Net (Gain)/Loss from Sale of Plant and Equipment	9,119	9,982
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	12,089	(4,960)
(Increase)/Decrease in Prepayments	(6,785)	43,468
(Increase)/Decrease in Inventories	9,663	20,447
Increase/(Decrease) in Payables	101,340	(23,738)
Increase/(Decrease) in Employee Benefits	24,218	56,707
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	276,499	309,172

NOTE 16: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

Boort District Health's principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Investment in Equities and Managed Investment Schemes
- Receivables (excluding statutory receivables)
- Payables (excluding statutory receivables)
- Accommodation Bonds

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

The main purpose in holding financial instruments is to prudentially manage Boort District Health's financial risk within the government policy parameters.

Categorisation of financial instruments

Details of each categories in accordance with AASB 139, shall be disclosed either on the face of the balance sheet or in the notes.

	Carrying Amount 2012 \$	Carrying Amount 2011 \$
Financial Assets		
Cash and cash equivalents	1,368,629	1,433,017
Loans and Receivables	264,189	267,021
Available for sale	1,877,394	2,065,085
Total Financial Assets (i)	3,510,212	3,765,123
Financial Liabilities		
At amortised cost	1,502,992	1,500,831
Total Financial Liabilities (ii)	1,502,992	1,500,831

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

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

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

	Net holding gain/(loss) 2012 \$	Net holding gain/(loss) 2011 \$
Financial Assets		
Cash and cash equivalents(i)	0	0
Loans and Receivables(i)	0	0
Available for sale (i)	179,766	154,142
Total Financial Assets	0	0
Financial Liabilities		
At amortised cost (ii)	0	0
Total Financial Liabilities	0	0

(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 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 measured 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

(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 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 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 Boort District Health's maximum exposure to credit risk without taking account of the value of any collateral obtained.

NOTE 16: FINANCIAL INSTRUMENTS (Continued)

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

	Financial Institutions (AAA credit rating) \$	Government agencies (AAA credit rating) \$	Government agencies (BBB credit rating) \$	Other (min BBB credit rating) \$	Total \$
2012					
Financial Assets					
Cash and Cash Equivalents	1,368,629	0	0	0	1,368,629
Receivables					
- Trade Debtors	0	0	0	187,864	187,864
- Other Receivables	29,305	39,519	0	7,501	76,325
Other Financial Assets					
- Term Deposit	1,877,394	0	0	0	1,877,394
- Managed Investment Scheme	0	0	0	0	0
Total Financial Assets	3,275,328	39,519	0	195,365	3,510,212
2011					
Financial Assets					
Cash and Cash Equivalents	1,433,017	0	0	0	1,433,017
Receivables					
- Trade Debtors	0	0	0	182,838	182,838
- Other Receivables	32,481	35,602	0	16,100	84,183
Other Financial Assets					
- Term Deposit	1,556,789	0	0	0	1,556,789
- Managed Investment Scheme	508,296	0	0	0	508,296
Total Financial Assets	3,530,583	35,602	0	198,938	3,765,123

Ageing analysis of financial asset as at 30 June

	Consol'd Carrying Amount \$	Not Past due and not impaired \$	Past Due But Not Impaired				Impaired Financial Assets \$
			Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	1 - 5 Years \$	
2012							
Financial Assets							
Cash and Cash Equivalents	1,368,629	1,368,629	0	0	0	0	0
Receivables							
- Trade Debtors	187,864	131,967	43,780	12,117	0	0	0
- Other Receivables	76,325	76,325	0	0	0	0	0
Other Financial Assets							
- Term Deposit	1,877,394	1,877,394	0	0	0	0	0
- Managed Investment Scheme	0	0	0	0	0	0	0
Total Financial Assets	3,510,212	3,454,315	43,780	12,117	0	0	0
2011							
Financial Assets							
Cash and Cash Equivalents	1,433,017	1,433,017	0	0	0	0	0
Receivables							
- Trade Debtors	182,838	175,012	6,596	662	568	0	0
- Other Receivables	84,183	84,183	0	0	0	0	0
Other Financial Assets							
- Term Deposit	1,556,789	1,556,789	0	0	0	0	0
- Managed Investment Scheme	508,296	508,296	0	0	0	0	0
Total Financial Assets	3,765,123	3,757,297	6,596	662	568	0	0

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 and cash held at financial institutions are managed with variable maturity dates and take into consideration cash flow requirements of the Hospital from month to month.

The following table discloses the contractual maturity analysis for Boort District Hospital'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

	Total Carrying Amount	Contractual Cash Flows	Maturity Dates			
			Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
	\$	\$	\$	\$	\$	\$
2012						
Financial Liabilities						
Payables	344,752	344,752	344,752	0	0	0
Other Financial Liabilities						
- Accommodation Bonds	1,079,317	1,079,317	0	0	1,079,317	0
- Other	78,923	78,923	0	0	78,923	0
Total Financial Liabilities	1,502,992	1,502,992	344,752	0	1,158,240	0
2011						
Financial Liabilities						
Payables	235,433	235,433	235,433	0	0	0
Other Financial Liabilities						
- Accommodation Bonds	1,161,851	1,161,851	0	0	1,161,851	0
- Other	103,547	103,547	0	0	103,547	0
Total Financial Liabilities	1,500,831	1,500,831	235,433	0	1,265,398	0

(d) Market Risk

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

Currency Risk

Boort District Health is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

Interest Rate Risk

Exposure to interest rate risk's arise primarily through the Boort District Health's other financial assets. Minimisation of risk is achieved by mainly holding fixed rate or non-interest bearing financial instruments. For financial assets the Hospital mainly holds financial assets with relatively even maturity profiles.

NOTE 16: FINANCIAL INSTRUMENTS (Continued)
(d) Market Risk (Continued)

Other Price Risk

The Health Service 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. Supplier contracts are also in place for major product lines purchased by the Health Service on a monthly basis. These contracts have set price arrangements and are reviewed on a regular basis.

Interest Rate Exposure of Financial Assets and Liabilities as at 30 June

	Weighted Average Effective Interest Rate (%)	Carrying Amount \$	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non - Interest Bearing \$'000
2012					
Financial Assets					
Cash and Cash Equivalents	3.60	1,368,629	0	1,368,454	175
Receivables					
- Trade Debtors	0.00	187,864	0	0	187,864
- Other Receivables	0.00	76,325	0	0	76,325
Other Financial Assets					
- Term Deposit	5.69	1,877,394	1,877,394	0	0
- Managed Investment Scheme	0.00	0	0	0	0
Total Financial Assets		3,510,212	1,877,394	1,368,454	264,364
Financial Liabilities					
Payables	0.00	344,752	0	0	344,752
Other Financial Liabilities					
- Accommodation Bonds	0.00	1,079,317	0	0	1,079,317
- Other	0.00	78,923	0	0	78,923
Total Financial Liabilities		1,502,992	0	0	1,502,992
2011					
Financial Assets					
Cash and Cash Equivalents	4.75	1,433,017	0	1,432,842	175
Receivables					
- Trade Debtors	0.00	182,838	0	0	182,838
- Other Receivables	0.00	84,183	0	0	84,183
Other Financial Assets					
- Term Deposit	6.00	1,556,789	1,556,789	0	0
- Managed Investment Scheme	6.00	508,296	508,296	0	0
Total Financial Assets		3,765,123	2,065,085	1,432,842	267,196
Financial Liabilities					
Payables	0.00	235,433	0	0	235,433
Other Financial Liabilities					
- Accommodation Bonds	0.00	1,161,851	0	0	1,161,851
- Other	0.00	103,547	0	0	103,547
Total Financial Liabilities		1,500,831	0	0	1,500,831

NOTE 16: FINANCIAL INSTRUMENTS (Continued)

(d) Market Risk (Continued)

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Boort District Health 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 interest bearing financial instrument held by Boort District Health 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%	-1%	+1%	-1%	+1%
2012	\$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$
Financial Assets									
Cash and Cash Equivalents	1,368,629	(13,686)	(13,686)	13,686	13,686	0	0	0	0
Receivables									
-Trade Debtors	187,864	0	0	0	0	0	0	0	0
-Other Receivables	76,325	0	0	0	0	0	0	0	0
Other Financial Assets									
- Term Deposit	1,877,394	(18,774)	(18,774)	18,774	18,774	0	0	0	0
- Managed Investment Schen	0	0	0	0	0	0	0	0	0
Financial Liabilities									
Payables	344,752	0	0	0	0	0	0	0	0
Other Financial Liabilities									
-Accommodation Bonds	1,079,317	0	0	0	0	0	0	0	0
-Other	78,923	0	0	0	0	0	0	0	0
		(32,460)	(32,460)	32,460	32,460	0	0	0	0
2011									
Financial Assets									
Cash and Cash Equivalents	1,433,017	(14,330)	(14,330)	14,330	14,330	0	0	0	0
Receivables									
-Trade Debtors	182,838	0	0	0	0	0	0	0	0
-Other Receivables	84,183	0	0	0	0	0	0	0	0
Other Financial Assets									
- Term Deposit	1,556,789	(15,568)	(15,568)	15,568	15,568	0	0	0	0
- Managed Investment Schen	508,296	(5,083)	(5,083)	5,083	5,083	0	0	0	0
Financial Liabilities									
Payables	235,433	0	0	0	0	0	0	0	0
Other Financial Liabilities									
-Accommodation Bonds	1,161,851	0	0	0	0	0	0	0	0
-Other	103,547	0	0	0	0	0	0	0	0
		(34,981)	(34,981)	34,981	34,981	0	0	0	0

NOTE 16: FINANCIAL INSTRUMENTS (Continued)

(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 with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- 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.

The financial assets include holdings in unlisted shares. Fair value of these is determined by projecting future cash inflows from expected future dividends and subsequent disposals of the securities.

These cash flows are then discounted back to their present value using a discount rate of 5.16%

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

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

Comparison between carrying amount and fair value

	Total Carrying Amount 2012 \$	Fair Value 2012 \$	Total Carrying Amount 2011 \$	Fair Value 2011 \$
Financial Assets				
Cash and Cash Equivalents	1,368,629	1,368,629	1,433,017	1,433,017
Receivables				
- Trade Debtors	187,864	187,864	182,838	182,838
- Other Receivables	76,325	76,325	84,183	84,183
Other Financial Assets				
-Term Deposits	1,877,394	1,877,394	1,556,789	1,556,789
- Managed Investment Scheme	0	0	508,296	508,296
Total Financial Assets	3,510,212	3,510,212	3,765,123	3,765,123
Financial Liabilities				
Payables	344,752	344,752	235,433	235,433
Other Financial Liabilities				
-Accommodation Bonds	1,079,317	1,079,317	1,161,851	1,161,851
-Monies Held in Trust	78,923	78,923	103,547	103,547
Total Financial Liabilities	1,502,992	1,502,992	1,500,831	1,500,831

	Carrying Amount as at 30 June	Fair Value measurement at end of reporting period using:		
		Level 1 \$	Level 2 \$	Level 3 \$
2012				
Financial assets at fair value through profit & loss				
Available for sale financial assets				
- Managed Investment Scheme	0	0	0	0
Total Financial Assets	0	0	0	0
2011				
Financial assets at fair value through profit & loss				
Available for sale financial assets				
- Managed Investment Scheme	508,296	508,296	0	0
Total Financial Assets	508,296	508,296	0	0

NOTE 17: COMMITMENTS FOR EXPENDITURE

There are no known capital or leasing commitments as at the date of this report.

NOTE 18: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Details of estimates of maximum amounts of Contingent Assets or Contingent Liabilities are as follows:

Contingent Assets	2012	2011
Quantifiable	\$	\$
Legal Proceedings and Disputes	1,250,000	0

Boort District Health has been bequeathed an estate which has been contested and settled subject to a Supreme Court ruling.

NOTE 19: OPERATING SEGMENTS

	HEALTH SERVICES		RACS		OTHER SERVICES		TOTAL	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
External Segment Revenue	3,395,819	3,275,866	2,237,378	2,283,728	298,636	243,279	5,931,833	5,802,873
Total Revenue	3,395,819	3,275,866	2,237,378	2,283,728	298,636	243,279	5,931,833	5,802,873
EXPENSES								
External Segment Expenses	2,985,450	2,778,437	2,942,176	2,914,271	579,762	762,671	6,507,388	6,455,379
Total Expenses	2,985,450	2,778,437	2,942,176	2,914,271	579,762	762,671	6,507,388	6,455,379
Net Result from ordinary activities	410,369	497,429	(704,798)	(630,543)	(281,126)	(519,392)	(575,555)	(652,506)
Interest Income	0	0	0	0	179,766	154,142	179,766	154,142
Net Result for Year	410,369	497,429	(704,798)	(630,543)	(101,360)	(365,250)	(395,789)	(498,364)
OTHER INFORMATION								
Segment Assets	2,977,969	3,131,773	2,317,673	2,437,374	0	0	5,295,642	5,569,148
Unallocated Assets	0	0	0	0	1,856,909	1,952,813	1,856,909	1,952,813
Total Assets	2,977,969	3,131,773	2,317,673	2,437,374	1,856,909	1,952,813	7,152,551	7,521,961
Segment Liabilities	275,172	286,548	1,371,727	1,488,032	0	0	1,646,900	1,774,580
Unallocated Liabilities	0	0	0	0	1,014,035	859,975	1,014,035	859,975
Total Liabilities	275,172	286,548	1,371,727	1,488,032	1,014,035	859,975	2,660,934	2,634,555
Acquisition of property, plant and equipment and intangible assets	504,741	263,341	0	0	0	0	504,741	263,341
Depreciation & amortisation expense	222,633	294,916	173,269	229,525	138,822	183,895	534,724	708,336
Non cash expenses other than depreciation	(9,665)	28,576	2,040	63,896	0	0	(7,625)	92,472

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

Business Segments	Services
Health Services	Acute Hospital services Aged Care services Primary Health services
Residential Aged Care Services (RACS)	Nursing Home facilities Hostel facilities

NOTE 19: OPERATING SEGMENTS (Continued)

Geographical Segment

Boort District Health operates predominantly in Boort, Victoria. More than 90% of revenue, net surplus from ordinary activities and segments assets relate to operations in Boort, Victoria.

NOTE 20: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	Principal Activity	Ownership Interest	
		2012	2011
		%	%
Loddon Mallee Rural Health Alliance	Information Systems	1.99	1.86

Boort District Health's interest in assets employed in the above jointly controlled operations and assets is detailed below.
The amounts are included in the financial statements under their respective categories:

	2012	2011
	\$	\$
Current Assets		
Cash and Cash Equivalents	85,958	66,728
Receivables	9,999	17,478
Prepayments	2,776	2,907
Total Current Assets	98,733	87,113
Non Current Assets		
Property Plant & Equipment	2,559	5,419
Total Non Current Assets	2,559	5,419
Total Assets	101,292	92,532
Current Liabilities		
Payables	10,393	10,994
Accrued Expenses	1,290	152
Total Current Liabilities	11,683	11,146
Total Liabilities	11,683	11,146
Net Assets	89,609	81,386

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

Revenues		
Revenue from Operating Activities	75,285	62,067
Capital Grants	0	2,513
Total Revenue	75,285	64,580
Expenses		
Information Technology and Administrative Expenditure	129,752	92,528
Capital Purpose Expenditure	0	12,440
Depreciation	3,857	3,324
Total Expenses	133,609	108,292
Net Result	(58,324)	(43,712)

Contingent Liabilities and Capital Commitments

During the 2008/09 year the Department of Human Services provided a \$3,750,000 recallable capital grant to the Loddon Mallee Rural Health Alliance for Health Smart implementation activities. Boort District Health's share of the grant may be recalled by the Department.

NOTE 20: JOINTLY CONTROLLED OPERATIONS AND ASSETS (Continued)

Commitments for Expenditure

Loddon Mallee Rural Health Alliance has entered into the following contract commitments for expenditure as at 30 June 2012:

	No Later than 1 year	Later than 1 year no later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$
<u>Payable:</u>				
Information Communication Technology	2,010	0	0	2,010
Total Capital Commitments	2,010	0	0	2,010

NOTE 21a: RESPONSIBLE PERSON DISCLOSURES

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

Responsible Ministers:

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

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

Governing Boards

Mrs E Barnes	01/07/2011 - 30/06/2012
Mr K Jeffrey	01/07/2011 - 30/06/2012
Mr M Nolan	01/07/2011 - 30/06/2012
Mr D Rees	01/07/2011 - 30/06/2012
Mr G Rhook	01/07/2011 - 30/06/2012
Mr A McDougal	01/07/2011 - 30/06/2012
Mr P Forster	05/07/2011 - 22/05/2012

Accountable Officers

Ms V Jamison	01/07/2011 - 30/06/2012
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Remuneration of Responsible Persons

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

Income Band

	2012 No.	2011 No.
\$0 - \$9,999	7	6
\$30,000 - \$39,999	0	1
\$40,000 - \$49,999	0	1
\$60,000 - \$69,999	0	1
\$140,000 - \$149,999	1	0
Total Numbers	8	9
Total remuneration received or due and receivable by Responsible Persons from the reporting entity to:	\$143,182	\$142,658

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

Other Transactions of Responsible Persons and their Related Parties

The result of the period includes aggregate amounts attributable to transactions with Responsible Persons and Responsible Persons Related Parties in respect of:

	2012 \$	2011 \$
Mr D Rees is the proprietor of Boort Post Office which provides good and services to the Health Service on normal commercial terms and conditions.	5,132	4,919
Mr P Forster's spouse provided rental accommodation to the Health Service on normal commercial terms and conditions.	6,691	0

Note 21b: EXECUTIVE OFFICER DISCLOSURES

No Executive Officer received remuneration in excess of \$100,000 during the year ended 30 June 2012 (2011: Nil)

BOORT DISTRICT HEALTH

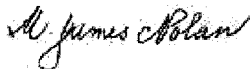
BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND CHIEF FINANCE & ACCOUNTING OFFICER'S DECLARATION

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2012 and financial position at that date of Boort District Health at 30 June 2012.

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


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



Michael Nolan
Board President

Boort

22nd August 2012



Veronica Jamison
Chief Executive Officer /
Chief Finance & Accounting Officer

Boort

22nd August 2012