

100%

AUSTIN

# Austin Health

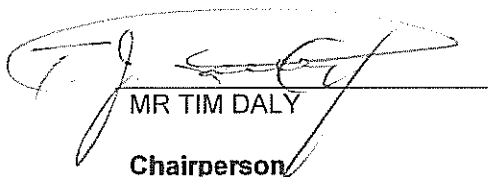
## Certification

We certify that the attached financial report for Austin Health have been prepared in accordance with Part 4.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act* 1994, applicable Financial Reporting Directions, Australian Accounting Standards, Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the 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 2008 and financial position of Austin Health as at 30 June 2008.

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 report for issue on this day.



---

MR TIM DALY  
**Chairperson**



---

DR BRENDAN MURPHY  
**Chief Executive Officer**



---

MR IAN BROADWAY  
**Executive Director, Finance**

Heidelberg, Victoria

...12 / ...9 / 2008

Heidelberg, Victoria

...12 / ...9 / 2008

Heidelberg, Victoria

...12 / ...9 / 2008

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members of Austin Health

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2008 of Austin Health which comprises operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification, has been audited.

#### *The Board Members' Responsibility for the Financial Report*

The Board Members of Austin Health are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

#### *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. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance 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 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 obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Independent Auditor's Report (continued)

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial statements published in both the annual report and on the website of Austin Health for the year ended 30 June 2008. The Board Members of Austin Health are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Austin Health web site.

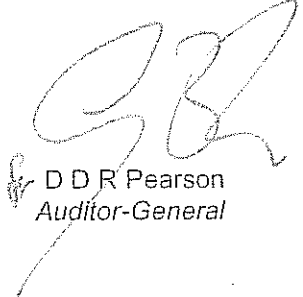
### *Independence*

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.

### *Auditor's Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of Austin Health as at 30 June 2008 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act* 1994.

MELBOURNE  
15 September 2008



D D R Pearson  
Auditor-General

# Austin Health

## OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	Total 2008 \$000	Total 2007 \$000
Revenue from Operating Activities	2	547,844	505,950
Revenue from Non-Operating Activities	2	2,475	1,879
Employee Benefits	3	(399,006)	(366,882)
Non Salary Labour costs	3	(9,169)	(7,515)
Supplies and Consumables	3	(88,220)	(81,284)
Other Expenses from Continuing Operations	3(a)	(53,852)	(48,330)
<b>Net Result Before Capital &amp; Specific Items</b>		<b>72</b>	<b>3,818</b>
Capital Purpose Income	2	29,768	22,472
Specific Income	2(e)	-	1,957
Depreciation and Amortisation	4	(33,679)	(29,050)
Expenditure Using Capital Purpose Income	3(a)	(6,107)	(11,211)
<b>Net Result for the Year</b>		<b>(9,946)</b>	<b>(12,014)</b>

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

# Austin Health

## BALANCE SHEET AS AT 30 JUNE 2008

	Note	Total 2008 \$000	Total 2007 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6	32,396	20,725
Receivables	7	35,183	26,925
Other Financial Assets	8	14,955	13,067
Inventories	9	5,702	5,010
Other Current Assets	10	1,670	1,328
<b>Total Current Assets</b>		<b>89,906</b>	<b>67,055</b>
<b>Non-Current Assets</b>			
Receivables	7	8,165	10,751
Other Financial Assets	8	154	154
Property, Plant and Equipment	11	667,313	636,256
Intangible Assets	12	700	1,271
<b>Total Non-Current Assets</b>		<b>676,332</b>	<b>648,432</b>
<b>TOTAL ASSETS</b>		<b>766,238</b>	<b>715,487</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	13	31,559	40,230
Interest Bearing Liabilities	14	400	78
Provisions	15	108,002	96,077
Other Liabilities	16	1,834	297
<b>Total Current Liabilities</b>		<b>141,795</b>	<b>136,682</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Liabilities	14	24,394	4,922
Provisions	15	10,849	9,970
Other Liabilities	16	673	587
<b>Total Non-Current Liabilities</b>		<b>35,916</b>	<b>15,479</b>
<b>TOTAL LIABILITIES</b>		<b>177,711</b>	<b>152,161</b>
<b>NET ASSETS</b>		<b>588,527</b>	<b>563,326</b>
<b>EQUITY</b>			
Asset Revaluation Reserve	17(a)	144,359	120,819
Restricted Specific Purpose Reserve	17(a)	2,275	2,688
Contributed Capital	17(b)	529,927	518,320
Accumulated Deficits	17(c)	(88,034)	(78,501)
<b>TOTAL EQUITY</b>		<b>588,527</b>	<b>563,326</b>

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

# Austin Health

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	Note	Total 2008 \$000	Total 2007 \$000
<b>Total Equity at Beginning of Financial Year</b>		<b>563,326</b>	<b>540,863</b>
Effects of Changes in Accounting Policy Accumulated Deficits		-	-
<b>Restated Total Equity at Beginning of Financial Year</b>		<b>563,326</b>	<b>540,863</b>
Gain/(Loss) on Asset Revaluation	17	23,540	(3,952)
<b>Net Loss recognised directly in Equity</b>		<b>23,540</b>	<b>(3,952)</b>
Net Result for the Year		(9,946)	(12,014)
<b>Total Recognised Income and Expense for the Year</b>		<b>(9,946)</b>	<b>(12,014)</b>
Transactions with the State in its Capacity as Owner	17	11,607	38,429
<b>Closing Balance</b>		<b>588,527</b>	<b>563,326</b>

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

# Austin Health

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	Total 2008 \$000	Total 2007 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Grants from Government		443,726	441,557
Patient and Resident Fees Received		20,465	17,848
Private Practice Fees Received		8,280	8,420
Donations and Bequests Received		1,926	2,284
GST Received from/(paid to) ATO		9,944	(29,317)
Recoupment from private practice for use of Hospital Facilities		24,161	21,496
Interest Received		2,376	1,433
Other Receipts		51,092	47,487
Employee Benefits Paid		(386,722)	(361,117)
Finance Costs		1,655	(88)
Other Payments		(165,470)	(140,086)
<b>Cash Generated from Operations</b>		<b>11,433</b>	<b>9,917</b>
Capital Grants from Government		20,663	13,528
Capital Donations and Bequests Received		2,965	3,735
Other Capital Receipts		3,619	901
Other Capital Payments		(6,107)	(11,211)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	18	<b>32,573</b>	<b>16,870</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(38,037)	(18,930)
Proceeds from Disposal of Property, Plant and Equipment		43	22
Purchase of Investments		(1,889)	(3,067)
Payment to Major Projects Victoria		(9,612)	-
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(49,495)</b>	<b>(21,975)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Borrowings		20,901	5,250
Repayment of Borrowings		(366)	(50)
Contributed Capital from Government		8,060	-
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>		<b>28,595</b>	<b>5,200</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>11,673</b>	<b>95</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	6	<b>20,694</b>	<b>20,599</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	6	<b>32,367</b>	<b>20,694</b>

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



# Austin Health

## Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

### Contents

Note		Page
1	Statement of Significant Accounting Policies .....	6
2	Revenue .....	16
2a	Analysis of Revenue by Source.....	19
2b	Patient and Resident Fees .....	21
2c	Net Gain/(Loss) on Disposal of Non-Current Assets.....	21
2d	Assets Received Free of Charge or for Nominal Consideration .....	21
2e	Specific Revenues .....	22
3	Expenses .....	23
3a	Analysis of Expense by Source.....	26
3b	Analysis of Expenses by Internal and Restricted Specific Purpose Funds for Services Supported by Hospital and Community Initiatives.....	28
3c	Specific Expenses .....	28
4	Depreciation and Amortisation .....	28
5	Finance Costs.....	29
6	Cash and Cash Equivalents .....	29
7	Receivables .....	29
8	Other Financial Assets.....	30
9	Inventory .....	31
10	Other Assets .....	31
11	Property, Plant and Equipment.....	31
12	Intangible Assets .....	34
13	Payables .....	34
14	Interest Bearing Liabilities.....	35
15	Provisions .....	35
15a	Employee Benefits.....	36
16	Other Liabilities .....	36
17	Equity & Reserves .....	37
18	Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities .....	38
19	Non-Cash Financing and Investing Activities.....	38
20	Financial Instruments.....	38
21	Commitments for Expenditure .....	44
22	Contingent Liabilities.....	44
23	Events occurring after Report Date .....	44
24a	Responsible Persons Disclosures .....	45
24b	Executive Officer Disclosures.....	46
25	Segment Reporting.....	47

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 1: Statement of Significant Accounting Policies

### (a) Statement of Compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, applicable Australian Accounting Standards (AAS), which includes the Australian accounting standards issued by the *Australian Accounting Standards Board (AASB)* Interpretations and other mandatory professional requirements.

### (b) Basis of Preparation

The financial report is prepared in accordance with the historical cost convention, except for the revaluation of certain non-current assets and financial instruments, as noted. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AASs management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 2008, and the comparative information presented in these financial statements for the year ended 30 June 2007.

### (c) Reporting Entity

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

### (d) Rounding Off

All amounts shown in the Financial Statements are expressed to the nearest \$1,000 unless otherwise indicated.

### (e) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and in banks and investments in money market instruments.

### (f) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debt is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where doubt as to collection exists. Bad debts are written off when identified.

### (g) Inventories

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

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

Cost is determined principally by the weighted average method.

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 1: Statement of Significant Accounting Policies (continued)

### (h) Other Financial Assets

Other financial assets 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. Other financial assets are classified between current and non current assets based on the Health Service Board of Management's intention at balance date with respect to the timing of disposal of each asset.

The Health Service 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 investments at initial recognition.

### Loans and Receivables

Trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment.

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

### Available-for-sale financial assets

Other financial assets held by the entity are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognized directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in profit or loss for the period. Fair value is determined in the manner described in Note 20.

### (i) Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as patents, trademarks, goodwill, computer software and development costs (where applicable).

Intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Health Service.

Amortisation is allocated to intangible assets with finite useful lives on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

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

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

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

Intangible assets with finite useful lives are amortised over 3 years (2007: 3 years).

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 1: Statement of Significant Accounting Policies (continued)

### (j) Property, Plant and Equipment

**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 assets 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.

**Plant, Equipment and Vehicles** are measured at cost less accumulated depreciation and impairment.

### (k) Revaluations of Non-current Physical Assets

Non-current physical assets measured at fair value are revalued in accordance with FRD 103C. This revaluation process normally occurs every five years as dictated by timelines in FRD 103C which sets the next revaluation to occur on 30 June 2009, or earlier should there be an indication that the fair values are materially different from the carrying value. 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 reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net result, the increment is recognised as revenue 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 reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

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

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

### (l) Depreciation

Assets with a cost in excess of \$1,000 (2007: \$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 using the straight-line method. 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 Human Services.

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

	2008	2007
Buildings	Up to 40 years	Up to 40 years
Building Components:		
- Fitout	Up to 20 years	Up to 20 years
- Shell/Structure	Up to 60 years	Up to 60 years
- Services	Up to 28 years	Up to 28 years
- Siteworks/Site Services	Up to 30 years	Up to 30 years
Plant & Equipment	Up to 15 years	Up to 15 years
Furniture & Fittings	Up to 5 years	Up to 5 years
Communication	Up to 5 years	Up to 5 years
Transport	Up to 3 years	Up to 3 years
Linen	Up to 3 years	Up to 3 years
Other	Up to 5 years	Up to 5 years

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 1: Statement of Significant Accounting Policies (continued)

### (m) Impairment of Assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for:

- inventories; and
- financial instrument assets.

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

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated 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.

### (n) Payables

These amounts consist predominantly of liabilities for goods and services.

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

The normal credit terms are Net 30 days after the end of month of date of invoice.

### (o) Resources Provided and Received Free of Charge or for Nominal Consideration

Resources provided or received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another entity or agency as a consequence of a restructuring of administrative arrangements. In the later case, such a 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.

### (p) Interest Bearing Liabilities

Interest bearing liabilities in the Balance Sheet are recognised at fair value upon initial recognition. Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability using the effective interest rate method. Fair value is determined in the manner described in Note 20.

### (q) Functional and Presentation Currency

The presentation currency of the Health Service is the Australian dollar, which has also been identified as the functional currency of the Health Service.

### (r) Goods and Services Tax

Income, expenses and assets are recognised net 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.

# Austin Health

## Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

### Note 1: Statement of Significant Accounting Policies (continued)

#### (r) Goods and Services Tax (continued)

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 and other 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 flows.

#### (s) Employee Benefits

##### Wages and Salaries, Annual Leave and Accrued Days Off

Liabilities for wages, and salaries, including non-monetary benefits, annual leave and accrued days off expected to be settled within 12 months of employee's services up to the reporting date, are classified as current liabilities and measured at nominal values.

Those liabilities that the health service does not expect to settle 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

**Current Liability – unconditional LSL** (representing 10 or more years of continuous service) is disclosed as a current liability regardless of whether the Health Service does not expect to settle the liability within 12 months as it does not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- present value – component that the Health Service does not expect to settle within 12 months; and
- nominal value – component that the Health Service expects to settle within 12 months.

**Non-Current Liability – conditional LSL** (representing less than 10 years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until 10 years of service has been completed by an employee. 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 national Government guaranteed securities in Australia.

##### Termination Benefits

Liabilities for termination benefits are recognised when a detailed plan for the termination has been developed and a valid expectation has been raised in 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.

##### Employee Benefit On-Costs

Employee benefit on-costs (workers compensation and superannuation) are recognised separately from provision for employee benefits.

##### Superannuation

**Defined contribution plans** - Contributions to defined contribution superannuation plans are expensed when incurred.

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 1: Statement of Significant Accounting Policies (continued)

### (s) Employee Benefits (continued)

**Defined benefit plans-** The amount charged to the Operating Statement in respect of defined benefit plan superannuation represents the contributions made by the Health Service to the superannuation plan in respect to the current services of current Health Service staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

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

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

Fund	Contributions Paid or Payable for the Year	
	2008 \$000	2007 \$000
<b>Defined Benefit Plans</b>		
Hospital Superannuation Board – Health Super	21,622	21,169
Commonwealth Superannuation Scheme	3,546	3,230
ESS (previously GSO)	636	702
<b>Defined Contribution Plans</b>		
Hospital Superannuation Board – Health Super	1,806	1,879
HESTA	5,273	3,809
Other	246	110
<b>Total</b>	<b>33,129</b>	<b>30,899</b>

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

### On-Costs

Employee benefits on-costs (workers compensation and superannuation) are recognised separately from provision for employee benefits.

### (t) Finance Costs

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

Finance costs include:

- bank charges; and
- interest on long term borrowings.

### (u) Residential Aged Care Services

The Darley House Residential Aged Care Service operations are an integral part of the Health Service and shares its resources. An apportionment of land and buildings has been made based on floor space. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation.

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 1: Statement of Significant Accounting Policies (continued)

### (v) Intersegment Transactions

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

### (w) Leases

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

### (x) Income Recognition

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as revenue to the extent it is earned. 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

Grants are recognised as income when the Health Service gains control of the underlying assets in accordance with AASB 1004 *Contributions*. For reciprocal grants, the Health Service is deemed to have assumed control when the performance has occurred under the grant. For non-reciprocal grants, the Health Service is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

### Indirect Contributions

Insurance is recognised as revenue following advice from the Department of Human Services.

Long Service Leave (LSL) - revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Acute Health Division Hospital Circular 13/2008.

### Patient 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.

### Donations and Other Bequests

Donations and bequests are recognised as revenue when received. If donations are for a special purpose they may be transferred to a reserve, for example, restricted special purpose reserve.

### Interest Revenue

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

### (y) Fund Accounting

The Health Service operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. The Health Service's Capital and Specific Purpose Funds include unspent capital donations and receipts from fundraising activities conducted solely in respect of these funds.

### (z) Services Supported By Health Services Agreement and Services Supported By Hospital And Community Initiatives

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

### (aa) Comparative Information

There have been no changes to previous year's figures.



# Austin Health

## Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

### Note 1: Statement of Significant Accounting Policies (continued)

**(ab) Asset Revaluation Reserve**

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

**(ac) Specific Restricted Purpose Reserve**

A Specific Restricted Purpose Reserve is established where the Health Service has possession or title to funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

**(ad) Contributed Capital**

Consistent with Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities* and FRD 2A *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.

**(ae) Net Result Before Capital & Specific Items**

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

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

- Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. It also includes donations of plant and equipment (refer note 1(o)). 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.
- Specific income/expense, comprises the following items, where material:
  - Voluntary departure packages;
  - Write-down of inventories;
  - Non-current asset revaluation increments/decrements;
  - Diminution in investments;
  - Restructuring of operations (disaggregation/aggregation of health services);
  - Litigation settlements;
  - Non-current assets lost or found;
  - Forgiveness of loans;
  - Reversals of provisions; and
  - 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 non current assets, includes all impairment losses (and reversal of previous impairment losses), related to non current assets only which have been recognised in accordance with note 1(m).
- Depreciation and amortisation, as described in note 1 (j) and (l).
- Assets provided free of charge, as described in note 1(o).
- Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold (note 1(i) and (j)), 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.

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 1: Statement of Significant Accounting Policies (continued)

### (af) Category Groups

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

**Admitted Patient Services (Admitted Patients)** comprises all recurrent health revenue/expenditure on admitted patient services, where services are delivered in public hospitals.

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

**Outpatient Services (Outpatients)** comprises all recurrent health revenue/expenditure on public hospital type outpatient services, where services are delivered in public hospital outpatient clinics.

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

**Aged Care** comprises revenue/expenditure from Home and Community Care (HACC) programs, allied health, Aged Care Assessment and support services.

**Off Campus, Ambulatory Services (Ambulatory)** comprises all recurrent health revenue/expenditure on public hospital type services including palliative care facilities and rehabilitation facilities, as well as services provided under the following agreements; Services that are provided or received by hospital but are delivered/received outside a hospital campus, services which have moved from a hospital to a community setting since June 1998.

**Residential Aged Care** comprises those Commonwealth-licensed residential aged care services in receipt of supplementary funding from DHS.

**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, drugs services including drug withdrawal, disability services including aids and equipment and flexible support packages to people with a disability. Health and Community Initiatives also falls in this category group.

### (ag) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2008 reporting period. As at 30 June 2008, the following standards and interpretation had been issued but were not mandatory for financial year ended 30 June 2008. Austin Health has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for reporting periods beginning on or ending on	Impact on Health Service's Annual Statements
AASB 8 Operating Segments.	Supersedes AASB 114 Segment Reporting.	Beginning 1 January 2009	Not applicable.

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 1: Statement of Significant Accounting Policies (continued)

### (ag) New Accounting Standards and Interpretations (continued)

Standard / Interpretation	Summary	Applicable for reporting periods beginning on or ending on	Impact on Health Service's Annual Statements
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038].	An accompanying amending standard also introduced consequential amendments into other Standards.	Beginning 1 January 2009	Impact expected to be not significant.
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 1038 and Interpretations 1 & 12].	Option to expense borrowing costs related to a qualifying asset had been removed. Entities are now required to capitalize borrowing costs relevant to qualifying assets.	Beginning 1 January 2009	All Australian government jurisdictions are currently still actively pursuing an exemption for government from capitalizing borrowing costs.
AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101	Editorial amendments to Australian Accounting Standards to align with IFRS terminology	Beginning 1 January 2009	Impact expected to be not significant.

### (ah) Going Concern

The financial statements have been prepared on a going concern basis. Austin Health has:

- A deficit from ordinary activities of \$10M for the year ended 30 June 2008 (\$12M for the year ended 30 June 2007);
- Depreciation/Amortisation Expense of \$33.7M for the year ended 30 June 2008 (\$29M for the year ended 30 June 2007) which is not matched with recurrent funding;
- A working capital deficiency of \$52M as at 30 June 2008 (\$69.6M deficiency as at 30 June 2007);
- Net cash inflows of \$11.7M for the year ended 30 June 2008 (\$0.1M inflows for the year ended 30 June 2007); and
- Budgeted for a deficit from ordinary activities for 30 June 2009.

With respect to Austin Health's current financial position, the Board and Management of Austin Health have initiated various strategies which will be monitored throughout the 2008/09 financial year. On the basis of the advice and assurances received in writing from the Department of Human Services, the Directors of Austin Health are of the opinion that Austin Health will be able to pay its debts as and when they fall due.

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 2: Revenue

	HSA 2008 \$000	HSA 2007 \$000	Non HSA 2008 \$000	Non HSA 2007 \$000	Total 2008 \$000	Total 2007 \$000
<b>Revenue from Operating Activities</b>						
Government Grants						
- Department of Human Services		379,138	-	-	407,644	379,138
- Commonwealth Government						
- Residential Aged Care Subsidy	2,715	2,708	-	-	2,715	2,708
- Other	18,622	18,589	-	-	18,622	18,589
<b>Total Government Grants</b>	<b>428,981</b>	<b>400,435</b>	<b>-</b>	<b>-</b>	<b>428,981</b>	<b>400,435</b>
<b>Indirect Contributions by Department of Human Services</b>						
- Insurance	5,590	6,823	-	-	5,590	6,823
- Long Service Leave	5,478	4,151	-	-	5,478	4,151
<b>Total Indirect Contributions by Department of Human Services</b>	<b>11,068</b>	<b>10,974</b>	<b>-</b>	<b>-</b>	<b>11,068</b>	<b>10,974</b>
<b>Patient and Resident Fees</b>						
- Patient and Resident Fees (Refer note 2b)	21,644	16,819	-	-	21,644	16,819
- Residential Aged Care (Refer note 2b)	783	861	-	-	783	861
<b>Total Patient and Resident Fees</b>	<b>22,427</b>	<b>17,680</b>	<b>-</b>	<b>-</b>	<b>22,427</b>	<b>17,680</b>

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 2: Revenue (continued)

	HSA 2008 \$000	HSA 2007 \$000	Non HSA 2008 \$000	Non HSA 2007 \$000	Total 2008 \$000	Total 2007 \$000
<b>Business Unit and Specific Purpose Funds</b>						
- Private Practice and Other Patient Activities	-	-	3,944	4,174	3,944	4,174
- Laboratory Medicine	284	106	13,912	12,036	14,196	12,142
- Diagnostic Imaging	424	266	2,671	2,198	3,095	2,464
- Mental Health Services	-	-	1,397	1,204	1,397	1,204
- Pharmacy Services	309	404	214	484	523	888
- Affiliated Entities	-	-	4,850	3,778	4,850	3,778
- Retail Services	-	-	661	578	661	578
- Laundry	-	-	3,978	4,561	3,978	4,561
- Food Production Kitchen	-	-	565	180	565	180
- Car Park	-	-	5,852	5,558	5,852	5,558
- Research	-	-	3,790	2,494	3,790	2,494
- Cardiology	-	-	482	472	482	472
- Child Care	-	-	927	893	927	893
- Nuclear Medicine	-	-	2,410	1,387	2,410	1,387
- Fundraising	-	-	1,498	1,615	1,498	1,615
- Hospital Department Funds	-	-	1,224	1,591	1,224	1,591
- Other	-	-	1,176	690	1,176	690
<b>Total Business Unit and Specific Purpose Funds</b>	<b>1,017</b>	<b>776</b>	<b>49,551</b>	<b>43,893</b>	<b>50,568</b>	<b>44,669</b>
Donations and Bequests	148	39	-	-	148	39
Recoupment from Private Practice for use of Hospital Facilities (Refer note 2b)	24,161	21,496	-	-	24,161	21,496
Other Revenue from Operating Activities	10,491	10,657	-	-	10,491	10,657
<b>Sub-Total Revenue from Operating Activities</b>	<b>498,293</b>	<b>462,057</b>	<b>49,551</b>	<b>43,893</b>	<b>547,844</b>	<b>505,950</b>

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 2: Revenue (continued)

	HSA 2008 \$000	HSA 2007 \$000	Non HSA 2008 \$000	Non HSA 2007 \$000	Total 2008 \$000	Total 2007 \$000
<b>Revenue from Non-Operating Activities</b>						
Interest	2,176.0	-	-	1,583	2,176	1,583
Other Revenue from Non-Operating Activities	299.0	296	-	-	299	296
<b>Sub-Total Revenue from Non-Operating Activities</b>	<b>2,475</b>	<b>296</b>	<b>-</b>	<b>1,583</b>	<b>2,475</b>	<b>1,879</b>
<b>Revenue from Capital Purpose Income</b>						
State Government Grants						
- Targeted Capital Works & Equipment	4,964	3,972	-	-	4,964	3,972
- Other	-	-	14,902	9,555	14,902	9,555
- DHS Indirect Contribution	-	-	2,488	179	2,488	179
Commonwealth Government Capital Grants	196	-	601	-	797	-
Residential Accommodation Payments (refer note 2b)	152	-	-	-	152	-
Net Gain/(Loss) on Disposal of Non-Current Assets (refer note 2c)	-	-	33	(161)	33	(161)
Capital Interest	-	-	1,095	867	1,095	867
Donations and Bequests	-	-	2,965	3,735	2,965	3,735
Other Capital Purpose Income	-	-	2,372	4,325	2,372	4,325
<b>Sub-Total Revenue from Capital Purpose Income</b>	<b>5,312</b>	<b>3,972</b>	<b>24,456</b>	<b>18,500</b>	<b>29,768</b>	<b>22,472</b>
Specific Income (Refer Note 2e)	-	-	-	1,957	-	1,957
<b>Total Revenue (Refer Note 2a)</b>	<b>506,080</b>	<b>466,325</b>	<b>74,007</b>	<b>65,933</b>	<b>580,087</b>	<b>532,258</b>

Indirect Contributions by Department of Human Services – Department of Human Services 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.

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 2a: Analysis of Revenue by Source

	Admitted Patients	Outpatients	EDS	Ambulatory	Mental Health	RAC	Aged Care	Other	Total
	2008	2008	2008	2008	2008	2008	2008	2008	2008
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue from Services Supported by Health Services Agreement</b>									
Government Grants	266,701	47,954	16,089	49,482	39,702	3,647	3,196	2,210	428,981
Indirect Contributions by Department of Human Services	10,118	239	113	308	244	26	10	9	11,068
Patient and Resident Fees (refer note 2b)	14,852	460	3	5,357	927	782	46	-	22,427
Recoupment from Private Practice for Use of Hospital Facilities	12,585	10,269	718	520	68	-	1	-	24,161
Business Units & Specific Purpose Funds	731	223	32	18	13	-	-	-	1,017
Donations and Bequests (non capital)	82	1	3	54	7	-	1	-	148
Other Revenue	7,266	916	350	1,267	878	28	50	35	10,790
Interest	2,176	-	-	-	-	-	-	-	2,176
Capital Purpose Income (refer note 2)	4,964	-	-	-	-	348	-	-	5,312
<b>Sub-Total Revenue from Services Supported by Health Services Agreement</b>	<b>319,475</b>	<b>60,062</b>	<b>17,308</b>	<b>57,006</b>	<b>41,839</b>	<b>4,831</b>	<b>3,304</b>	<b>2,254</b>	<b>506,080</b>
<b>Revenue from Services Supported by Hospital and Community Initiatives</b>									
Business Units & Specific Purpose Funds	-	-	-	-	-	-	-	49,551	49,551
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	-	24,456	24,456
<b>Sub-Total Revenue from Services Supported by Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,007</b>	<b>74,007</b>
<b>Total Revenue</b>	<b>319,475</b>	<b>60,062</b>	<b>17,308</b>	<b>57,006</b>	<b>41,839</b>	<b>4,831</b>	<b>3,304</b>	<b>76,261</b>	<b>580,087</b>

Indirect Contributions by Department of Human Services – Department of Human Services 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.

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 2a: Analysis of Revenue by Source (continued)

	Admitted Patients	Outpatients	EDS	Ambulatory	Mental Health	RAC	Aged Care	Other	Total
	2007	2007	2007	2007	2007	2007	2007	2007	2007
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue from Services Supported by Health Services Agreement</b>									
Government Grants	242,737	51,152	13,967	45,861	37,921	3,620	3,145	2,032	400,435
Indirect Contributions by Human Services	10,080	255	117	252	220	27	12	9	10,974
Patient and Resident Fees (refer note 2b)	11,747	373	-	3,980	659	863	58	-	17,680
Recoupment from Private Practice for Use of Hospital Facilities	11,314	9,055	668	387	68	-	3	1	21,496
Business Units & Specific Purpose Funds	219	248	10	6	5	-	-	-	488
Donations and Bequests	18	-	-	19	2	-	-	-	39
Other Revenue	7,050	767	426	1,771	1,002	134	52	39	11,241
<b>Sub-Total Revenue from Services Supported by Health Services Agreement</b>	<b>283,165</b>	<b>61,850</b>	<b>15,188</b>	<b>52,276</b>	<b>39,877</b>	<b>4,644</b>	<b>3,270</b>	<b>2,081</b>	<b>462,353</b>
<b>Revenue from Services Supported by Hospital and Community Initiatives</b>									
Business Units & Specific Purpose Funds	-	-	-	-	-	-	-	43,893	43,893
Interest	-	-	-	-	-	-	-	1,583	1,583
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	-	22,472	22,472
Specific Income (refer note 2e)	-	-	-	-	-	-	-	1,957	1,957
<b>Sub-Total Revenue from Services Supported by Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,905</b>	<b>69,905</b>
<b>Total Revenue</b>	<b>283,165</b>	<b>61,850</b>	<b>15,188</b>	<b>52,276</b>	<b>39,877</b>	<b>4,644</b>	<b>3,270</b>	<b>71,986</b>	<b>532,258</b>

Indirect Contributions by Department of Human Services – Department of Human Services 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.



# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 2b: Patient and Resident Fees

	Patient Fees Raised	
	2008 \$000	2007 \$000
<b>Patient and Resident Fees Raised (*)</b>		
<b>Recurrent:</b>		
Acute		
- Inpatients	19,545	11,314
- Outpatients	25,333	22,792
Residential Aged Care		
- Generic	783	731
- Residential Accommodation Payments (**)	-	130
Mental Health	927	659
Prosthetics & Orthotics	356	501
<b>Total Recurrent</b>	<b>46,944</b>	<b>36,127</b>
<b>Capital Purpose:</b>		
Residential Accommodation Payments (**)	152	-
<b>Total Capital</b>	<b>152</b>	<b>-</b>

The Service charges fees in accordance with the Department of Human Services Victoria directives.

\* Patient Fees Raised is inclusive of Patient Fees and Recoupment from Private Practice for Use of Hospital Facilities

\*\* This includes accommodation charges.

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

	Total 2008 \$000	Total 2007 \$000
<b>Proceeds from Disposal of Non-Current Assets</b>		
Motor Vehicles	43	22
Major Medical	-	-
Computers and Communication	-	-
<b>Total Proceeds from Disposal of Non-Current Assets</b>	<b>43</b>	<b>22</b>
<b>Less: Written down value of Non-Current Assets Sold</b>		
Motor Vehicles	-	183
Major Medical	9	-
Computers and Communication	1	-
<b>Total Written down value of Non-Current Assets Sold</b>	<b>10</b>	<b>183</b>
<b>Net Gains/(Losses) on Disposal of Non-Current Assets</b>	<b>33</b>	<b>(161)</b>

## Note 2d: Assets Received Free of Charge or For Nominal Consideration

There were no assets received free of charge or for nominal consideration for the years ended 30 June 2008 and 30 June 2007.

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 2e: Specific Revenues

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
<b>Specific Income</b>		
Gain on Fixed Asset Stocktake (i)	-	1,957
<b>Total</b>	<b>-</b>	<b>1,957</b>

- (i) **Fixed Asset Stocktake** – Dominion Valuers were contracted to perform a physical stocktake of all Fixed Assets excluding Land, Buildings and Linen. The stocktake was conducted as at 30 June 2007. The stocktake resulted in a gain of \$1,957,000.

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 3: Expenses

	HSA	HSA	Non HSA	Non HSA	Total	Total
	2008	2007	2008	2007	2008	2007
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Employee Benefits</b>						
Salaries and Wages	324,289	298,860	25,031	23,230	349,320	322,090
Workcover Premium	4,428	4,284	252	206	4,680	4,490
Superannuation	31,212	29,237	1,878	1,643	33,090	30,880
Long Service Leave	11,380	8,779	336	322	11,716	9,101
Departure Packages	191	319	9	2	200	321
<b>Total Employee Benefits</b>	<b>371,500</b>	<b>341,479</b>	<b>27,506</b>	<b>25,403</b>	<b>399,006</b>	<b>366,882</b>
<b>Non Salary Labour Costs</b>						
Agency Costs - Nursing	6,132	5,455	13	11	6,145	5,466
Agency Costs - Other	2,427	1,681	597	368	3,024	2,049
<b>Total Non Salary Labour Costs</b>	<b>8,559</b>	<b>7,136</b>	<b>610</b>	<b>379</b>	<b>9,169</b>	<b>7,515</b>
<b>Supplies &amp; Consumables</b>						
Drug Supplies	25,859	23,866	12	3	25,871	23,869
S100 Drugs	7,449	6,822	-	-	7,449	6,822
Medical & Surgical Supplies and Prosthesis	44,402	41,156	459	1,554	44,861	42,710
Pathology Supplies	5,012	3,546	1,918	967	6,930	4,513
Food Supplies	4,093	3,266	(984)	104	3,109	3,370
<b>Total Supplies &amp; Consumables</b>	<b>86,815</b>	<b>78,656</b>	<b>1,405</b>	<b>2,628</b>	<b>88,220</b>	<b>81,284</b>

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 3: Expenses (continued)

	HSA		HSA		Non HSA		Non HSA		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Other Expenses from Continuing Operations</b>										
Domestic Services & Supplies	4,563	3,681	(1,898)	(2,048)					2,665	1,633
Fuel, Light, Power and Water	5,724	4,982	575	535					6,299	5,517
Insurance costs funded by DHS	5,590	6,823	-	-					5,590	6,823
Motor Vehicle Expenses	653	404	52	100					705	504
Repairs and Maintenance	4,955	5,829	522	530					5,477	6,359
Maintenance Contracts	7,210	5,111	402	513					7,612	5,624
Patient Transport	1,249	1,083	1	-					1,250	1,083
Other Administrative Expenses	12,233	11,318	4,762	2,974					16,995	14,292
Bad & Doubtful Debts	(132)	329	0	80					(132)	409
Lease Expenses	2,633	2,310	2,002	2,298					4,635	4,608
Other	850	699	345	321					1,195	1,020
Audit Fees										
- VAGO - Audit of Financial Statements	175	225	-	-					175	225
- Other	121	99	-	-					121	99
<b>Total Other Expenses from Continuing Operations</b>	<b>45,824</b>	<b>42,893</b>	<b>6,763</b>	<b>5,303</b>	<b>6,763</b>	<b>5,303</b>	<b>52,587</b>	<b>48,196</b>	<b>52,587</b>	<b>48,196</b>

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 3: Expenses (continued)

	HSA		HSA		Non HSA		Non HSA		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Expenditure Using Capital Purpose Income</b>										
<b>Employee Benefits</b>										
Salaries and Wages	-	-	843	358	843	358	843	358	843	358
Workcover	-	-	6	3	6	3	6	3	6	3
Superannuation	-	-	39	19	39	19	39	19	39	19
Long Service Leave	-	-	7	4	7	4	7	4	7	4
<b>Total Employee Benefits</b>	-	-	895	384	895	384	895	384	895	384
<b>Supplies &amp; Consumables</b>										
Medical & Surgical Supplies and Prosthesis	-	-	184	-	184	-	184	-	184	-
<b>Total Supplies &amp; Consumables</b>	-	-	184	-	184	-	184	-	184	-
<b>Other Expenses</b>										
Domestic Services & Supplies	-	-	15	7	15	7	15	7	15	7
Repairs and Maintenance	-	-	543	37	543	37	543	37	543	37
Other Administrative Expenses	-	-	4,139	2,781	4,139	2,781	4,139	2,781	4,139	2,781
Lease Expenses	-	-	24	67	24	67	24	67	24	67
Other	-	-	290	7,935	290	7,935	290	7,935	290	7,935
<b>Total Other Expenses</b>	-	-	5,011	10,827	5,011	10,827	5,011	10,827	5,011	10,827
<b>Total Expenditure Using Capital Purpose Income</b>	-	-	6,090	11,211	6,090	11,211	6,090	11,211	6,090	11,211
Depreciation and Amortisation (refer note 4)	-	-	33,679	29,050	33,679	29,050	33,679	29,050	33,679	29,050
Finance Costs (refer note 5)	110	96	1,172	38	1,172	38	1,282	134	1,282	134
<b>Total</b>	110	96	34,851	29,088	34,851	29,088	34,961	29,184	34,961	29,184
<b>Total Expenses</b>	<b>512,808</b>	<b>470,260</b>	<b>77,225</b>	<b>74,012</b>	<b>77,225</b>	<b>74,012</b>	<b>590,033</b>	<b>544,272</b>	<b>590,033</b>	<b>544,272</b>

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 3a: Analysis of Expenses by Source

	Admitted Patients	Outpatients	EDS	Ambulatory	Mental Health	RAC	Aged Care	Other	Total
	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000
<b>Services Supported by Health Services Agreement</b>									
Employee Benefits	221,981	37,667	17,896	48,771	38,160	4,090	1,641	1,294	371,500
Non Salary Labour Costs	5,210	705	711	900	814	198	14	7	8,559
Supplies & Consumables	60,729	16,450	1,153	4,760	1,432	346	1,219	726	86,815
Other Expenses from Continuing Operations	26,876	7,162	1,001	6,131	3,697	204	475	278	45,824
Finance Costs (refer note 5)	75	10	2	10	10	-	2	1	110
<b>Sub-Total Expenses from Services Supported by Health Services Agreement</b>	<b>314,871</b>	<b>61,994</b>	<b>20,763</b>	<b>60,572</b>	<b>44,113</b>	<b>4,838</b>	<b>3,351</b>	<b>2,306</b>	<b>512,808</b>
<b>Services Supported by Hospital &amp; Community Initiatives</b>									
Employee Benefits	-	-	-	-	-	-	-	27,506	27,506
Non Salary Labour Costs	-	-	-	-	-	-	-	610	610
Supplies & Consumables	-	-	-	-	-	-	-	1,405	1,405
Other Expenses from Continuing Operations	-	-	-	-	-	-	-	6,763	6,763
Depreciation & Amortisation (refer note 4)	-	-	-	-	-	-	-	33,679	33,679
Finance Costs (refer note 5)	-	-	-	-	-	-	-	1,155	1,155
<b>Sub-Total Expenses from Services Supported by Hospital &amp; Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,118</b>	<b>71,118</b>
<b>Services Supported by Capital Sources</b>									
Supplies & Consumables	-	-	-	-	-	-	-	184	184
Employee Benefits	-	-	-	-	-	-	-	895	895
Other Expenses	-	-	-	-	-	-	-	5,011	5,011
Finance Costs (refer note 5)	-	-	-	-	-	-	-	17	17
<b>Sub-Total Expenses from Services Supported by Capital Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,107</b>	<b>6,107</b>
<b>Total Expenses</b>	<b>314,871</b>	<b>61,994</b>	<b>20,763</b>	<b>60,572</b>	<b>44,113</b>	<b>4,838</b>	<b>3,351</b>	<b>79,531</b>	<b>590,033</b>

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 3a: Analysis of Expenses by Source (continued)

	Admitted Patients	Outpatients	EDS	Ambulatory	Mental Health	RAC	Aged Care	Other	Total
	2007	2007	2007	2007	2007	2007	2007	2007	2007
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Services Supported by Health Services Agreement</b>									
Employee Benefits	204,491	35,025	15,524	44,668	34,919	3,896	1,682	1,274	341,479
Non Salary Labour Costs	4,097	605	820	659	759	182	9	5	7,136
Supplies & Consumables	50,402	19,774	1,021	4,183	1,093	348	1,112	723	78,656
Other Expenses from Continuing Operations	26,183	6,546	887	5,204	3,195	180	451	247	42,893
Finance Costs (refer note 5)	64	8	2	10	9	-	2	1	96
<b>Sub-Total Expenses from Services Supported by Health Services Agreement</b>	<b>285,237</b>	<b>61,958</b>	<b>18,254</b>	<b>54,724</b>	<b>39,975</b>	<b>4,606</b>	<b>3,256</b>	<b>2,250</b>	<b>470,260</b>
<b>Services Supported by Hospital &amp; Community Initiatives</b>									
Employee Benefits	-	-	-	-	-	-	-	25,403	25,403
Non Salary Labour Costs	-	-	-	-	-	-	-	379	379
Supplies & Consumables	-	-	-	-	-	-	-	2,628	2,628
Other Expenses from Continuing Operations	-	-	-	-	-	-	-	5,303	5,303
Depreciation & Amortisation (refer note 4)	-	-	-	-	-	-	-	29,050	29,050
Finance Costs (refer note 5)	-	-	-	-	-	-	-	38	38
<b>Sub-Total Expenses from Services Supported by Hospital &amp; Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,801</b>	<b>62,801</b>
<b>Services Supported by Capital Sources</b>									
Employee Benefits	-	-	-	-	-	-	-	384	384
Other Expenses	-	-	-	-	-	-	-	10,827	10,827
<b>Sub-Total Expenses from Services Supported by Capital Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,211</b>	<b>11,211</b>
<b>Total Expenses</b>	<b>285,237</b>	<b>61,958</b>	<b>18,254</b>	<b>54,724</b>	<b>39,975</b>	<b>4,606</b>	<b>3,256</b>	<b>76,262</b>	<b>544,272</b>

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 3b: Analysis of Expenses by Business Unit for Services Supported by Hospital and Community Initiatives

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
- Private Practice and Other Patient Activities	2,961	3,565
- Laboratory Medicine	12,954	12,063
- Diagnostic Imaging	1,188	1,344
- Mental Health Services	1,228	1,266
- Pharmacy Services	169	176
- Affiliated Entities	2,290	3,781
- Retail Services	47	69
- Laundry	5,483	3,794
- Food Production Kitchen	564	242
- Car Park	1,871	760
- Research	3,552	2,076
- Cardiology	466	466
- Child Care	856	780
- Nuclear Medicine	1,219	915
- Fundraising	829	911
- Hospital Department Funds	1,033	933
- Other	729	610
<b>Total</b>	<b>37,439</b>	<b>33,751</b>

## Note 3c: Specific Expenses

There were no specific expenses incurred during the years ended 30 June 2008 and 30 June 2007.

## Note 4: Depreciation and Amortisation

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
<b>Depreciation</b>		
Buildings	20,819	16,669
Plant	976	1,149
Transport	79	77
Major Medical	8,484	6,583
Computers and Communication	984	2,054
Other Equipment	757	684
Furniture and Fittings	118	45
Linen	678	793
<b>Total Depreciation</b>	<b>32,895</b>	<b>28,054</b>
<b>Amortisation</b>		
Intangible Assets	784	996
	784	996
<b>Total Depreciation &amp; Amortisation</b>	<b>33,679</b>	<b>29,050</b>



# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 5: Finance Costs

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
Bank Charges	117	88
Interest on Long Term Borrowings	1,165	46
<b>Total</b>	<b>1,282</b>	<b>134</b>

## Note 6: Cash and Cash Equivalents

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
Cash on Hand	64	87
Cash at Bank	5,832	11,038
Deposits at Call	26,500	9,600
<b>Total</b>	<b>32,396</b>	<b>20,725</b>
<b>Represented by:</b>		
Cash for Health Service Operations (as per Cash Flow Statement)	32,367	20,694
Cash for Monies Held in Trust		
- Cash at Bank	29	31
<b>Total</b>	<b>32,396</b>	<b>20,725</b>

For the purpose of the Cash Flow Statement, cash 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.

## Note 7: Receivables

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
<b>Current Receivables</b>		
Inter Hospital Debtors	2,252	2,786
Trade Debtors	8,816	9,078
Other Debtors - Major Projects Victoria	9,612	-
Patient Fees	10,691	8,136
GST Receivable	1,538	1,369
Accrued Investment Income	319	196
Accrued Revenue - DHS	-	4,481
Accrued Revenue - Other	2,913	2,191
<b>Total</b>	<b>36,141</b>	<b>28,237</b>
<b>Less: Allowance for Doubtful Debts</b>		
Trade Debtors	439	445
Patient Fees	519	867
<b>Total</b>	<b>958</b>	<b>1,312</b>
<b>Total Current Receivables</b>	<b>35,183</b>	<b>26,925</b>

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 7: Receivables (continued)

	Total 2008 \$000	Total 2007 \$000
<b>Non-Current Receivables</b>		
DHS - Long Service Leave	8,165	10,751

### (a) Movement in the Allowance for Doubtful Debts

	Total 2008 \$000	Total 2007 \$000
Balance at beginning of Year	1,312	1,815
Amounts Written off during the Year	(222)	(917)
Increase/(decrease) in Allowance recognised in profit or loss	(132)	414
<b>Balance at end of Year</b>	<b>958</b>	<b>1,312</b>

### (b) Ageing analysis of receivables

Please refer to note 20(d) for the ageing analysis of receivables

### (c) Nature and extent of risk arising from receivables

Please refer to note 20(d) for the nature and extent of credit risk arising from receivables

## Note 8: Other Financial Assets

	Total 2008 \$000	Total 2007 \$000
<b>Current</b>		
<i>Investments Available for Sale</i>		
Term Deposits - Operating	-	-
Term Deposits - Special Purpose Funds	35	30
Term Deposits - Capital	14,920	13,037
<b>Total Current</b>	<b>14,955</b>	<b>13,067</b>
<b>Non-Current</b>		
Shares - Special Purpose Fund	154	154
<b>Total Non-Current</b>	<b>154</b>	<b>154</b>
<b>Total</b>	<b>15,109</b>	<b>13,221</b>
<b>Represented by:</b>		
Health Service Investments	15,109	13,221

### (a) Ageing analysis of other financial assets

Please refer to note 20(d) for the ageing analysis of other financial assets

### (b) Nature and extent of risk arising from other financial assets

Please refer to note 20(d) for the nature and extent of credit risk arising from other financial assets

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 9: Inventory

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
<b>Current - at cost</b>		
Pharmaceuticals	2,553	2,321
Catering Supplies	99	59
Housekeeping Supplies	44	49
Medical and Surgical Lines	2,973	2,578
Administrative Stores	33	3
<b>Total</b>	<b>5,702</b>	<b>5,010</b>

## Note 10: Other Assets

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
<b>Current - Prepayments</b>	<b>1,670</b>	<b>1,328</b>

## Note 11: Property, Plant & Equipment

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
<b>Land</b>		
- Land at valuation*	124,921	101,381
<b>Total Land</b>	<b>124,921</b>	<b>101,381</b>
<b>Buildings</b>		
- Buildings under Construction	12,882	791
- Buildings at Cost	357,369	341,766
Less Accumulated Depreciation	(28,649)	(16,260)
	<b>328,720</b>	<b>325,506</b>
- Buildings at Valuation **	187,065	187,065
Less Accumulated Depreciation	(25,166)	(16,734)
	<b>161,899</b>	<b>170,331</b>
<b>Total Buildings</b>	<b>503,501</b>	<b>496,628</b>
<b>Plant and Equipment at Cost</b>		
- Plant and Equipment	20,877	20,829
Less Accumulated Depreciation	(14,872)	(13,900)
<b>Total Plant and Equipment</b>	<b>6,005</b>	<b>6,929</b>
<b>Transport at Cost</b>		
- Transport	1,041	1,180
Less Accumulated Depreciation	(1,030)	(1,090)
<b>Total Transport</b>	<b>11</b>	<b>90</b>

# Austin Health

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2008

## Note 11: Property, Plant & Equipment (continued)

	Total 2008 \$000	Total 2007 \$000
<b>Major Medical at Cost</b>		
- Major Medical under Construction	8,905	606
- Major Medical	65,307	63,451
Less Accumulated Depreciation	(46,005)	(37,817)
<b>Total Major Medical</b>	<b>28,207</b>	<b>26,240</b>
<b>Computers and Communication at Cost</b>		
- Computers and Communication	8,613	8,284
Less Accumulated Depreciation	(7,621)	(7,058)
<b>Total Computers and Communication at Cost</b>	<b>992</b>	<b>1,226</b>
<b>Other Equipment at Cost</b>		
- Other Equipment	4,756	3,764
Less Accumulated Depreciation	(2,153)	(1,396)
<b>Total Other Equipment</b>	<b>2,603</b>	<b>2,368</b>
<b>Furniture and Fittings at Cost</b>		
- Furniture and Fittings	908	883
Less Accumulated Depreciation	(572)	(454)
<b>Total Furniture and Fittings</b>	<b>336</b>	<b>429</b>
<b>Linen at Cost</b>		
- Linen	3,823	4,097
Less Accumulated Depreciation	(3,086)	(3,132)
<b>Total Linen</b>	<b>737</b>	<b>965</b>
<b>Total</b>	<b>667,313</b>	<b>636,256</b>

\* Management has completed a Land Fair Value Assessment using the VGV indices as at 30 June 2008. This has resulted in a Revaluation of Land - increase \$23,540,798.

\*\* Austin Health's property portfolio was re-valued as at 30 June 2005 by URBIS/JHD, property valuers. This revaluation covered all properties of Austin Health's three main campuses as well as associated properties but excluded properties, plant and equipment which have been transferred to Austin Health at cost and in the form of Contributed Capital at 30 June 2005 by the Minister for Health. These assets were transferred as part of the redevelopment of the Austin Hospital, which was completed in May 2005.

\*\*\* Dominion Valuers were contracted to perform a physical stocktake on all fixed assets excluding land, buildings and linen as at 30 June 2007. This resulted in a net gain after adjusting the Gross Cost and associated Accumulated Depreciation of \$1,957,000.

# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 11: Property, Plant & Equipment (continued)

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

	Land	Buildings	Plant & Equipment	Transport	Major Medical	Computers & Comm's	Other Equipment	Furniture & Fittings	Linen	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Balance at 1 July 2006</b>	<b>101,381</b>	<b>459,808</b>	<b>14,830</b>	<b>170</b>	<b>16,914</b>	<b>5,664</b>	<b>2,201</b>	<b>4,918</b>	<b>1,249</b>	<b>607,135</b>
Additions	-	46,288	3,068	17	8,141	736	573	21	509	59,353
Disposals	-	(183)	-	-	-	-	-	-	-	(183)
Revaluation Decrement *	-	-	(3,952)	-	-	-	-	-	-	(3,952)
Net Result of Fixed Asset Stocktake **	-	-	(3,827)	(20)	7,768	(3,120)	278	878	-	1,957
Net Transfers between Classes	-	7,384	(2,041)	-	-	-	-	(5,343)	-	-
Depreciation Expense (refer Note 4)	-	(16,669)	(1,149)	(77)	(6,583)	(2,054)	(684)	(45)	(793)	(28,054)
<b>Balance at 30 June 2007</b>	<b>101,381</b>	<b>496,628</b>	<b>6,929</b>	<b>90</b>	<b>26,240</b>	<b>1,226</b>	<b>2,368</b>	<b>429</b>	<b>965</b>	<b>636,256</b>
Additions	-	24,145	52	-	10,460	751	992	25	450	36,875
Assets Transferred as Capital Contributions	-	3,547	-	-	-	-	-	-	-	3,547
Disposals	-	-	-	-	(9)	(1)	-	-	-	(10)
Revaluation Increment***	23,540	-	-	-	-	-	-	-	-	23,540
Depreciation Expense (refer Note 4)	-	(20,819)	(976)	(79)	(8,484)	(984)	(757)	(118)	(678)	(32,895)
<b>Balance at 30 June 2008</b>	<b>124,921</b>	<b>503,501</b>	<b>6,005</b>	<b>11</b>	<b>28,207</b>	<b>992</b>	<b>2,603</b>	<b>336</b>	<b>737</b>	<b>667,313</b>

\* Revaluation Decrement – 2007 – as a result of the fixed asset stocktake items where noted in Plant & Equipment that should have been reclassified to buildings as part of the Land and Buildings Revaluation conducted in 2005. Therefore the Asset Revaluation Reserve – Buildings has been reduced by \$3,952,000 to reflect the previous overstatement of the Reserve resulting from the understatement of buildings at time of valuation.

\*\* Dominion Valuers were contracted to perform a physical stocktake on all fixed assets excluding land, buildings and linen as at 30 June 2007.

\*\*\* Management has completed a Land Fair Value Assessment using the VGV indices as at 30 June 2008. This has resulted in a Revaluation of Land - increase \$23,540,798.

# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 12: Intangible Assets

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
Software	6,086	5,873
Less Accumulated Amortisation	(5,386)	(4,602)
<b>Total</b>	<b>700</b>	<b>1,271</b>

Reconciliation of the carrying amount of intangible assets at the beginning and end of the previous and current financial year is set out below.

	<b>Software \$000</b>	<b>Total \$000</b>
<b>Balance at 1 July 2006</b>	<b>1,858</b>	<b>1,858</b>
Additions	409	409
Disposals	-	-
Amortisation Expense (refer Note 4)	(996)	(996)
<b>Balance at 30 June 2007</b>	<b>1,271</b>	<b>1,271</b>
Additions	213	213
Disposals	-	-
Amortisation Expense (refer Note 4)	(784)	(784)
<b>Balance at 30 June 2008</b>	<b>700</b>	<b>700</b>

## Note 13: Payables

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
<b>Current</b>		
Trade Creditors	6,027	17,888
Accrued Interest	415	38
Accrued Expenses	14,346	9,617
GST Payable	606	3,342
DHS	1,324	-
Pay As You Go Withholding	1,220	1,061
Superannuation Payable	3,981	3,554
Salary Packaging	3,341	4,482
Other	299	248
<b>Total</b>	<b>31,559</b>	<b>40,230</b>

# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 14: Interest Bearing Liabilities

	Total 2008 \$000	Total 2007 \$000
<b>Current - Secured</b>		
Australian Dollar Borrowings - Treasury Corporation Victoria	400	78
<b>Non-Current - Secured</b>		
Australian Dollar Borrowings - Treasury Corporation Victoria	24,394	4,922

### Terms and conditions of Interest Bearing Liabilities - Treasury Corporation Victoria

- i) Repayments are quarterly with the final instalment due 25 years from date of the last draw down in April 2008.
- ii) Average interest rate applied during 2007/08 was 6.7% (2006/07: 6.35%).
- iii) The loan is secured by a Statutory Guarantee from the Government of Victoria in favour of Treasury Corporation Victoria under Section 30 of the Health Services Act.
- iv) Total approved value of borrowings is \$25M.

#### (a) Maturity analysis of interest bearing liabilities

Please refer to note 20(d) for the ageing analysis of interest bearing liabilities

#### (b) Nature and extent of risk arising from interest bearing liabilities

Please refer to note 20(d) for the nature and extent of credit risk arising from interest bearing liabilities

#### (c) Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the loans

## Note 15: Provisions

	Total 2008 \$000	Total 2007 \$000
<b>Current</b>		
Employee Benefits (Refer Note 15a)		
- Unconditional and expected to be settled within 12 months	49,447	42,120
- Unconditional and expected to be settled after 12 months	49,687	45,644
Provision related to employee benefit on-costs		
- Unconditional and expected to be settled within 12 months	3,644	3,527
- Unconditional and expected to be settled after 12 months	5,224	4,786
<b>Total</b>	<b>108,002</b>	<b>96,077</b>
<b>Non-Current</b>		
Employee Benefits (Refer Note 15a)	9,713	9,023
Provision related to employee benefit on-costs	1,136	947
<b>Total</b>	<b>10,849</b>	<b>9,970</b>
<b>Movement in Provisions - Employee Benefits:</b>		
<b>Carrying amount at start of year</b>	106,047	99,330
Additional provisions recognised	60,281	52,422
Amounts incurred during the year	(47,477)	(45,705)
<b>Carrying amount at end of year</b>	<b>118,851</b>	<b>106,047</b>

# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 15a: Employee Benefits

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
<b>Current (refer note 1s)</b>		
Unconditional Long Service Leave Entitlements **	53,846	48,611
Annual Leave Entitlements	38,548	36,599
Accrued Salaries and Wages	13,564	8,594
Accrued Days Off	2,044	2,273
<b>Total *</b>	<b>108,002</b>	<b>96,077</b>
<b>* Current Employee Benefits that:</b>		
Expected to be utilised within 12 months (nominal value)	53,091	45,647
Expected to be utilised after 12 months (present value)	54,911	50,430
	<b>108,002</b>	<b>96,077</b>
<b>Non-Current (refer note 1s)</b>		
Conditional Long Service Leave Entitlements (present value) **	10,849	9,970
<b>Total</b>	<b>10,849</b>	<b>9,970</b>
<b>Movement in Long Service Leave:</b>		
<b>Balance at start of year</b>	58,581	54,430
Provision made during the year	11,723	9,105
Settlement made during the year	(5,608)	(4,954)
<b>Balance at end of year</b>	<b>64,696</b>	<b>58,581</b>
<b>** As explained in note 1(s), the amount for long service leave is measured at its present value. The following assumptions were adopted in measuring present values:</b>		
- Weighted Average Discount Rates	6.55%	6.31%
- Wage Inflation Rate	4.75%	4.50%

## Note 16: Other Liabilities

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
<b>Current</b>		
Patient Monies Held in Trust (represented by Cash Assets - refer note 6)	29	31
Borrowings - Department of Human Services*	837	168
Other	968	98
<b>Total</b>	<b>1,834</b>	<b>297</b>
<b>Non-Current</b>		
Borrowings - Department of Human Services*	673	587



# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 16: Other Liabilities (continued)

### \* Borrowings - Department of Human Services

- a) Austin Health has three loans repayable to the Department of Human Services.  
 b) - Repayments on the first loan are monthly with the final instalment due on 31 December 2013.  
 - Repayments on the second loan are annually with the final instalment due on 30 June 2011.  
 - Repayments on the third loan are half yearly with the final instalment due on 31 December 2009.  
 c) These are interest free loans, however a present value calculation has applied an interest rate of 6.68% as at 30 June 2008 (June 2007: 6.43%).

## Note 17: Equity & Reserves

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
<b>(a) Reserves</b>		
<i>Asset Revaluation Reserve</i>		
<b>Balance at the Beginning of the Reporting Period</b>	120,819	124,771
Revaluation Increments/(Decrements):		
- Land	23,540	-
- Buildings	-	(3,952)
<b>Balance at the end of the Reporting Period</b>	<u>144,359</u>	<u>120,819</u>
<b>Represented by:</b>		
- Land	95,369	71,829
- Buildings	48,990	48,990
	<u>144,359</u>	<u>120,819</u>
<i>Restricted Specific Purpose Reserve</i>		
<b>Balance at the Beginning of the Reporting Period</b>	2,688	1,933
Transfers to/(from) Restricted Specific Purpose Reserve	(413)	755
<b>Balance at the end of the Reporting Period</b>	<u>2,275</u>	<u>2,688</u>
<b>Total Reserves</b>	<u>146,634</u>	<u>123,507</u>
<b>(b) Contributed Capital</b>		
<b>Balance at the Beginning of the Reporting Period</b>	518,320	479,891
Capital Contributions Received from Victorian Government	11,607	38,429
<b>Balance at the end of the Reporting Period</b>	<u>529,927</u>	<u>518,320</u>
<b>(c) Accumulated Deficits</b>		
<b>Balance at the Beginning of the Reporting Period</b>	(78,501)	(65,732)
Net Result for the Year	(9,946)	(12,014)
Transfers to/(from) Restricted Specific Purpose Reserve	413	(755)
<b>Balance at the end of the Reporting Period</b>	<u>(88,034)</u>	<u>(78,501)</u>
<b>(d) Total Equity at the end of Financial Year</b>	<u>588,527</u>	<u>563,326</u>

# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 18: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
<b>Net Result for the Year</b>	(9,946)	(12,014)
Indirect Other Capital Income	-	(4,291)
Depreciation and Amortisation	33,679	29,050
Provision for Doubtful Debts	(354)	(503)
Interest on Loan	13	8
Net (Gain)/Loss from Sale of Plant and Equipment	(33)	161
DHS Capital Grant - Indirect Contribution	(2,488)	(179)
Specific Income	-	(1,957)
GST on Capital Purchases	3,437	2,066
Change in Operating Assets & Liabilities:		
Decrease in Payables	(8,671)	(2,144)
Increase in Employee Benefits	12,805	6,717
Increase/(Decrease) in Other Liabilities	871	(283)
(Increase)/Decrease in Receivables	4,294	1,029
Increase in Inventories	(691)	(148)
Increase in Prepayments	(343)	(642)
<b>Net Cash Inflow from Operating Activities</b>	<b>32,573</b>	<b>16,870</b>

## Note 19: Non-Cash Financing and Investing Activities

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
Acquisition of Assets through Other Capital Revenue	-	4,291
Acquisition of Assets through DHS Indirect Contributions	2,488	-
Acquisition of Assets through Contributed Capital	3,547	38,429
<b>Total</b>	<b>6,035</b>	<b>42,720</b>

## Note 20: Financial Instruments

### (a) Significant Accounting policies

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.

# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 20: Financial Instruments (continued)

### (b) Categorisation of financial Instruments

	Note	Category	Carrying Amount 2008 \$000	Carrying Amount 2007 \$000
<b>Financial Assets</b>				
Cash and cash equivalents	6	N/A	32,396	20,725
Receivables	7	Loans and Receivables	42,767	37,618
Other Financial Assets	8	Available for Sale Financial Assets (at fair value)	15,109	13,221
<b>Financial Liabilities</b>				
Payables	13	Financial Liabilities measured at amortised cost	30,954	36,888
Interest Bearing Liabilities	14	Financial Liabilities measured at amortised cost	24,794	5,000
Other Liabilities	16	Financial Liabilities measured at amortised cost	2,507	885

### (c) Risk Management Policies

Financial transactions are overviewed by comprehensive Treasury Risk Management Objectives and Policies that incorporate Credit Risk, Liquidity Risk, Interest Management and Permitted Instruments.

# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 20: Financial Instruments (continued)

### (d) Credit Risk Exposure

Austin Health's exposure to credit risk and effective weighted average interest rate by ageing periods is set out in the following. For interest rates applicable to each class of asset refer to individual notes to the financial statements.

### Interest rate exposure and aging analysis of financial assets as at 30 June 2008

	Weighted Average Effective Interest Rates (%)	Carrying Amount \$000	Interest Rate Exposure		Not past Due & Not Impaired \$000	Past Due But not Impaired		Impaired Financial Assets \$000
			Fixed Interest Rate \$000	Variable Interest Rate \$000		1 - 3 Months \$000	3 months - 1 Year \$000	
<b>2008</b>								
<b>Financial Assets</b>								
Cash and Cash Equivalents	7.98	32,396	-	32,332	32,396	-	-	-
Receivables: -								
- Trade Debtors	4.75	11,068	-	-	4,402	4,225	2,441	-
- Other Receivables	4.75	31,699	-	-	7,297	3,756	12,481	-
Other Financial Assets								
- Term Deposits	7.79	14,955	14,955	-	14,955	-	-	-
- Unlisted Shares	-	154	-	-	154	-	-	-
<b>Total Financial Assets</b>		<b>90,272</b>	<b>14,955</b>	<b>32,332</b>	<b>59,204</b>	<b>7,981</b>	<b>14,922</b>	<b>8,165</b>
<b>2007</b>								
<b>Financial Assets</b>								
Cash and Cash Equivalents	6.13	20,725	-	20,638	20,725	-	-	-
Receivables: -								
- Trade Debtors	4.50	11,864	-	-	7,564	1,767	2,533	-
- Other Receivables	4.50	25,754	-	-	6,269	2,335	6,399	-
Other Financial Assets								
- Term Deposits	6.42	13,067	13,067	-	13,067	-	-	-
- Unlisted Shares	-	154	-	-	154	-	-	-
<b>Total Financial Assets</b>		<b>71,564</b>	<b>13,067</b>	<b>20,638</b>	<b>47,779</b>	<b>4,102</b>	<b>8,932</b>	<b>10,751</b>

# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 20: Financial Instruments (continued)

### (d) Credit Risk Exposure (continued)

Ageing analysis of financial assets have excluded statutory financial assets (i.e. GST input tax credits). Weighted average interest rate applied to Receivables is the Inflation Rate advised to Austin Health by the Department of Treasury and Finance at the end of the applicable financial year.

### (e) Liquidity Risk

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

### Interest rate exposure and maturity analysis of financial liabilities as at 30 June 2008

	Carrying Amount \$000	Interest Rate Exposure		Weighted Average Effective Interest Rates (%)	Contractual Cash Flows \$000	Maturity Dates							
		Fixed Interest Rate \$000	Variable Interest Rate \$000			Less than 1 Month \$000	1 - 3 Months \$000	3 months - 1 Year \$000	1 - 5 Years \$000	Over 5 Years \$000			
<b>2008</b>													
<b>Financial Liabilities</b>													
Trade Creditors and Accruals	30,954	-	-	4.75	-	29,564	1,390	-	-	-	-	-	-
Interest Bearing Liabilities	24,794	24,794	-	6.70	24,794	98	99	203	1,892	22,502	-	-	-
Other Liabilities	997	-	-	4.75	-	-	601	396	-	-	-	-	-
Borrowings - DHS	1,510	-	-	-	1,510	-	194	643	638	35	-	-	-
<b>Total Financial Liabilities</b>	<b>58,255</b>	<b>24,794</b>	<b>-</b>		<b>26,304</b>	<b>29,662</b>	<b>2,284</b>	<b>1,242</b>	<b>2,530</b>	<b>22,537</b>			
<b>2007</b>													
<b>Financial Liabilities</b>													
Trade Creditors and Accruals	36,888	-	-	4.50	-	36,438	450	-	-	-	-	-	-
Interest Bearing Liabilities	5,000	5,000	-	6.35	5,000	19	19	40	368	4,554	-	-	-
Other Liabilities	129	-	-	4.50	-	-	97	32	-	-	-	-	-
Borrowings - DHS	756	-	-	-	756	-	27	141	513	75	-	-	-
<b>Total Financial Liabilities</b>	<b>42,773</b>	<b>5,000</b>	<b>-</b>		<b>5,756</b>	<b>36,457</b>	<b>593</b>	<b>213</b>	<b>881</b>	<b>4,629</b>			

# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 20: Financial Instruments (continued)

### (e) Liquidity Risk (continued)

Ageing analysis of financial assets have excluded statutory financial assets (i.e. GST input tax credits). Weighted average interest rate applied to Receivables is the Inflation Rate advised to Austin Health by the Department of Treasury and Finance at the end of the applicable financial year.

### (f) Market Risk

#### **Currency Risk**

Austin Health is exposed to insignificant foreign currency risk through its payables and cash. Payable transactions relating to purchases of supplies and consumables from overseas of a limited amount of purchases denominated in foreign currencies are not significant due to the short timeframe between commitment and settlement. Bank account balances of a minor nature exist in foreign currency denominations to facilitate fundraising activities conducted overseas. These bank accounts are cleared regularly to minimise any foreign currency risk.

#### **Interest Rate Risk**

Exposure to interest rate risk might arise primarily through Austin Health's interest bearing liabilities. Minimisation of the risk is achieved by mainly undertaking fixed rate or non-interest bearing liabilities. For financial liabilities, Austin Health mainly undertakes financial liabilities with relatively even maturity profiles.

#### **Other Price Risk**

Austin Health does not have any material other price risks.

#### **Sensitivity Disclosure Analysis**

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Austin Health believes the following movements are 'reasonable possible' over the next twelve months:

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

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

Interest Rate Risk	Carrying Amount \$000	-1%		+1%	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000
<b>2008</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	32,396	(324)	(324)	324	324
Receivables: -					
- Trade Debtors	11,068	(111)	(111)	111	111
- Other Receivables	31,699	(317)	(317)	317	317
Other Financial Assets					
- Term Deposits	14,955	(150)	(150)	150	150
- Unlisted Shares	154	-	-	-	-
<b>Total Financial Assets</b>	<b>90,272</b>	<b>(902)</b>	<b>(902)</b>	<b>902</b>	<b>902</b>
<b>Financial Liabilities</b>					
Trade Creditors and Accruals	30,954	(310)	(310)	310	310
Interest Bearing Liabilities	24,794	-	-	-	-
Other Liabilities	997	(10)	(10)	10	10
Borrowings - DHS	1,510	-	-	-	-
<b>Total Financial Liabilities</b>	<b>58,255</b>	<b>(320)</b>	<b>(320)</b>	<b>320</b>	<b>320</b>

# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 20: Financial Instruments (continued)

(f) **Market Risk (continued)**  
*Sensitivity Disclosure Analysis (continued)*

Interest Rate Risk	Carrying Amount \$000	-1%		+1%	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000
<b>2007</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	20,725	(207)	(207)	207	207
Receivables: -					
- Trade Debtors	11,864	(119)	(119)	119	119
- Other Receivables	25,754	(258)	(258)	258	258
Other Financial Assets					
- Term Deposits	13,067	(131)	(131)	131	131
- Unlisted Shares	154	-	-	-	-
<b>Total Financial Assets</b>	<b>71,564</b>	<b>(715)</b>	<b>(715)</b>	<b>715</b>	<b>715</b>
<b>Financial Liabilities</b>					
Trade Creditors and Accruals	36,888	(369)	(369)	369	369
Interest Bearing Liabilities	5,000	-	-	-	-
Other Liabilities	129	(1)	(1)	1	1
Borrowings - DHS	756	-	-	-	-
<b>Total Financial Liabilities</b>	<b>42,773</b>	<b>(370)</b>	<b>(370)</b>	<b>370</b>	<b>370</b>

The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST payable and GST receivable).

# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 21: Commitments for Expenditure

	<b>Total 2008 \$000</b>	<b>Total 2007 \$000</b>
<b>Capital Commitments</b>		
Land and Buildings	18,996	26,683
Plant and Equipment	8,505	7,808
<b>Total Capital Commitments</b>	<b>27,501</b>	<b>34,491</b>
Not later than one year	22,257	31,436
Later than one year and not later than five years	5,244	3,055
Later than five years	-	-
<b>Total</b>	<b>27,501</b>	<b>34,491</b>
<b>Lease Commitments</b>		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	6,340	6,255
<b>Operating Leases - Non-Cancellable:</b>		
Not later than one year	2,667	2,404
Later than one year and not later than five years	3,673	3,844
Later than five years	-	7
<b>Total</b>	<b>6,340</b>	<b>6,255</b>

Austin Health has entered into Operating Lease arrangements with various financial organisations mainly to lease Assets in the Medical Equipment class. The average lease term is over five (5) years and the commitments represent payments due under non-cancellable operating leases. The lease payments are recognised as an expense during the year and the total payment made in 2008 financial year was \$4,659,000 (2007: \$4,675,000) – Note 3.

## Note 22: Contingent Liabilities

There were no contingent liabilities as at 30 June 2008 and 30 June 2007.

## Note 23: Events Occurring after Report Date

There were no events occurring after Report Date.



# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 24a: Responsible Persons Disclosures

### (a) Responsible Persons

The Hon. Bronwyn Pike, Minister for Health  
The Hon. Daniel Andrews – As of 3<sup>rd</sup> August 2007

#### The Austin Health Board

Mr Tim Daly (Chairman)  
Ms Joanna Betteridge  
Professor Colin Johnston AO (retired 30 June 2008)  
Ms Joe Manton  
Mr Robert Webster  
Ms Barbara Hingston  
Ms Josie Rizza  
Professor David Scott  
Mr Stephen Kerr

#### Accountable Officer

Dr Brendan Murphy

### (b) Remuneration of Responsible Persons

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

		<b>2008</b>	<b>2007</b>
		<b>No.</b>	<b>No.</b>
\$20,000	-	7	8
\$30,000	-	1	-
\$60,000	-	1	1
\$280,000	-	-	-
\$320,000	-	1	1
		<b>10</b>	<b>10</b>

Total remuneration received or due and receivable by Responsible Persons from Austin Health amounted to:

<b>2008</b>	<b>2007</b>
\$	\$
613,840	609,530

Amounts relating to Responsible Ministers are reported in the Financial Statement of the Department of Premier and Cabinet

### (c) Retirement Benefits of Responsible Person

There were no retirement benefits paid to Directors during the year.

### (d) Other Transactions of Responsible Persons and their Related Parties.

Austin Health Chair, Mr Tim Daly, was also the Chair of the Metropolitan Ambulance Service up to 30 June 2008, an organisation that Austin Health has ongoing dealings with. All transactions were under normal commercial conditions and at arms length.

There were no other transactions with responsible persons or their related entities other than those within normal employee relationships on terms and conditions no more favourable than those available in similar arms length dealings.

# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 24b: Executive Officer Disclosures

### Executive Officer Remuneration

The number of Executive Officers other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of Executive Officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, LSL payments, redundancy payments and retirement benefits.

			Total Remuneration		Base Remuneration	
			2008	2007	2008	2007
			No	No	No	No
\$110,000	-	\$119,999	1	-	1	-
\$150,000	-	\$159,999	-	-	1	-
\$160,000	-	\$169,999	-	1	-	1
\$170,000	-	\$179,999	-	-	1	-
\$180,000	-	\$189,999	1	-	1	2
\$190,000	-	\$199,999	2	2	1	2
\$200,000	-	\$209,999	1	1	-	-
\$220,000	-	\$229,999	-	-	-	1
\$230,000	-	\$239,999	-	1	2	-
\$240,000	-	\$249,999	2	1	-	1
\$250,000	-	\$259,999	1	1	1	-
			8	7	8	7

	Total Remuneration		Base Remuneration	
	2008	2007	2008	2007
	\$	\$	\$	\$
Total remuneration for the reporting period for Executive Officers included above amounted to:	1,642,465	1,487,916	1,528,867	1,392,917

Total remuneration for the reporting period for Executive Officers included above amounted to:

# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 25: Segment Reporting

	RACS		Acute Services		Acute Services		Other		Other		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>												
External Segment Revenue	4,831	4,644	451,675	412,480	-	-	-	-	-	-	456,506	417,124
Inter-segment Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Revenue	-	-	-	-	120,310	108,712	120,310	108,712	120,310	108,712	240,620	217,424
<b>Total Revenue</b>	<b>4,831</b>	<b>4,644</b>	<b>451,675</b>	<b>412,480</b>	<b>120,310</b>	<b>108,712</b>	<b>120,310</b>	<b>108,712</b>	<b>240,620</b>	<b>217,424</b>	<b>697,126</b>	<b>634,548</b>
<b>Expenses</b>												
External Segment Expense	4,838	4,606	458,200	420,173	-	-	-	-	-	-	463,038	424,779
Inter-segment Expense	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Expense	-	-	-	-	125,830	119,447	125,830	119,447	125,830	119,447	251,660	239,226
<b>Total Expenses</b>	<b>4,838</b>	<b>4,606</b>	<b>458,200</b>	<b>420,173</b>	<b>125,830</b>	<b>119,447</b>	<b>125,830</b>	<b>119,447</b>	<b>251,660</b>	<b>239,226</b>	<b>714,700</b>	<b>664,005</b>
<b>Net Result from Ordinary Activities</b>	<b>(7)</b>	<b>38</b>	<b>(6,525)</b>	<b>(7,693)</b>	<b>(5,520)</b>	<b>(10,735)</b>	<b>(5,520)</b>	<b>(10,735)</b>	<b>(12,052)</b>	<b>(12,052)</b>	<b>(15,926)</b>	<b>(18,390)</b>
Interest Expense	-	-	-	-	(1,165)	(46)	(1,165)	(46)	(1,165)	(46)	(2,330)	(292)
Interest Income	-	-	2,176	-	1,095	2,450	1,095	2,450	3,271	2,450	5,746	2,158
<b>Net Result for the Year</b>	<b>(7)</b>	<b>38</b>	<b>(4,349)</b>	<b>(7,693)</b>	<b>(5,590)</b>	<b>(8,331)</b>	<b>(5,590)</b>	<b>(8,331)</b>	<b>(9,946)</b>	<b>(9,946)</b>	<b>(10,180)</b>	<b>(16,232)</b>
<b>Other Information</b>												
Segment Assets	2,466	3,562	512,910	480,721	-	-	-	-	515,376	-	1,030,756	960,721
Unallocated Assets	-	-	-	-	250,862	231,204	250,862	231,204	501,724	462,408	1,003,586	923,129
<b>Total Assets</b>	<b>2,466</b>	<b>3,562</b>	<b>512,910</b>	<b>480,721</b>	<b>250,862</b>	<b>231,204</b>	<b>250,862</b>	<b>231,204</b>	<b>1,037,100</b>	<b>962,408</b>	<b>2,034,342</b>	<b>1,883,850</b>
Segment Liabilities	1,256	1,151	104,471	96,138	-	-	-	-	105,727	-	210,204	196,276
Unallocated Liabilities	-	-	-	-	71,984	54,872	71,984	54,872	147,711	106,744	295,425	203,148
<b>Total Liabilities</b>	<b>1,256</b>	<b>1,151</b>	<b>104,471</b>	<b>96,138</b>	<b>71,984</b>	<b>54,872</b>	<b>71,984</b>	<b>54,872</b>	<b>253,438</b>	<b>163,544</b>	<b>505,629</b>	<b>400,424</b>
Acquisition of Property, Plant, Equipment and Intangible Assets	19	102	30,314	41,191	10,089	18,469	10,089	18,469	40,422	59,661	100,083	138,860
Depreciation & Amortisation Expense	517	40	23,300	19,654	9,862	9,356	9,862	9,356	33,679	29,050	62,729	48,706

# Austin Health

Notes to and forming part of the Financial Statements for Year Ended 30 June 2008

## Note 25: Segment Reporting (continued)

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

### Business Segments

Residential Aged Care Services (RACS)

Acute Services

### Services

Residential Aged Care Nursing Home Services

All inpatient, outpatient and emergency services offered within the public health system excluding Mental Health Services.

All inter-segment transfers are based on cost.

### Geographical Segment

Austin Health operates predominantly in North Eastern Metropolitan Melbourne, Victoria. More than 90% of revenue, net result from ordinary activities and segment assets relate to operations in North Eastern Metropolitan Melbourne, Victoria.

**Austin Hospital**

145 Studley Road  
PO Box 5555  
Heidelberg  
Victoria 3084  
Australia

T 03 9496 5000  
F 03 9496 4779

**Heidelberg  
Repatriation Hospital**

300 Waterdale Road  
PO Box 5444  
Heidelberg West  
Victoria 3081  
Australia

T 03 9496 5000  
F 03 9496 2541

**Royal Talbot  
Rehabilitation Centre**

1 Yarra Boulevard  
Kew Victoria 3101  
Australia

T 03 9490 7500  
F 03 9490 7501

[www.austin.org.au](http://www.austin.org.au)