



GENERAL PRACTICE
south

Annual Report
2010 - 2011

Core Purpose

To build the power of primary healthcare to improve health outcomes

Vision

For Tasmanians to be the healthiest population in Australia by 2050.

Values

General Practice South has defined and confirmed the following values, which guide our decisions and actions.

We value

1. **Quality** - supporting the best possible primary health care service delivery.
2. **Respect** - for the team delivering services, the diversity of general practice and the needs of the community.
3. **Credibility** - relevance to our constituents.
4. **Accountability** - through ethical effective work practices.
5. **Teamwork** - through fun, passion and collaboration.
6. **Results** - to produce improved capacity to deliver health outcomes.

Strategic Imperatives

1. **Business Development Strategy** - Improve capacity of the organisation to deliver on purpose and vision.
2. **Strategic Relationship Strategy** - Enhance existing and identify new stakeholder relationships to improve health outcomes in Southern Tasmania.
3. **Service Delivery Strategy** – Explore new options in service delivery and implement effective alternative models.

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General Practice South

General Practice South is part of the Australian General Practice Network, comprising 112 local Divisions of General Practice and 6 state based entities. We commenced operating in 1992 after the Federal Government decided to take steps to address two major issues that were identified as problems for general practitioners. These issues were an increasing isolation felt by GPs and an increasing exclusion of general practice from the overall healthcare system.

Since commencing in 1992, General Practice South has seen considerable change as general practice has evolved from a cottage industry to the organisations that are now at the cornerstone of our primary health care system. We have grown from a staff of two to nineteen; have moved offices four times; seen six federal health ministers and six of their state counterparts. General Practice South has played a pivotal role in the support and expansion of general practice into what it is today.

Recently General Practice South's services focus on building practice capacity, general practice clinical education, and assisting general practices to work within the wider health system. General Practice South provides:

- quality education and training for GPs and general practice staff
- services building stronger, more viable practices, and supporting practice staff, including nurses
- practice support for systems development and ongoing quality improvement
- tailored assistance to GPs and practice staff
- collegiate peer support and networking opportunities
- advocacy on local and national issues to decision makers
- collaboration with health care providers and consumers to improve interaction with general practice and to ultimately improve patient care.

General Practice South has developed strong links with the major hospitals, government and non government services, and key organisations with an interest in primary health care on behalf of general practice. Our Health Consumer Network enables us to have productive dialogue with consumer and community organisations on quality care issues. These relationships, along with the views of general practice, enable us to advocate for the needs for general practice.

General Practice South and the other three Tasmanian Divisions will become the new Tasmanian Medicare Local. It will in some ways be the end of an era, however the work that has already been done and the network established will not be wasted. Rather, they will form the basis for the new Medicare Local who will build upon the Division's very strong foundations.

Organisation

Board

Chairman

Dr Elizabeth Webber

(Director since 2005)

Deputy Chairman

Dr Paul Nylander

(Director since 2008)

Directors

Dr Graeme Bleach

(Director since 2002)

Mr William Downie

(Director since 2008)

Dr Sue Hampton

(2005 - October 2011)

Ms Amanda Quealy

(Director since 2008)

Dr Richard Ralph

(2007 - March 2011)

Mr John Streeter

(Director since 2000)

Dr Rob Walters

(Director since 1996)

Medical Director

Dr Geoff Chapman

(Resigned July 2011)

Chief Executive Officer

Mr Richard McKercher

(resigned December 2010)

Mrs Delys Sice

(resigned July 2011)

Staff

Jane Barrett

Karen Bevis

Andrew Brain

(resigned November 2010)

Judy Broad

Brian Claridge

(resigned August 2010)

Margaret Clarke

Mary Collins

(resigned July 2010)

Tony Cooper

Lorraine Davies

(resigned April 2011)

Kelly Davis

Julie Dunbabin

(resigned September 2010)

Jon Gill

(from May 2011)

Ursula Heidenreich

(from May 2011)

Elaine Jackett

Anne James

(resigned May 2011)

Shaun Jupp

(resigned January 2011)

Ian McKnight

Jen McLeod

Sharon Pepper

(from May 2011)

Andree Poppleton

(from December 2010)

Elizabeth Rees

Pam Reid

Keree Rose

(resigned May 2011)

Pip Scholten

Ange Taylor

Caroline Thomas

General Practice South would like to thank the GPs, health professionals, subject experts and organisations that helped ensure that the Division's 2010-2011 programs were high quality and relevant.

Chairman Report 2011

2010/2011 has been a busy roller coaster ride.

We began the year waiting for announcements and specifications about Medicare Locals instigated by the Australian Government. Once the applications process commenced, we were part of a successful submission (in partnership with General Practice North, General Practice North West and our state based organisation, General Practice Tasmania) to form Tasmania Medicare Local (TML).

It is most encouraging that the contract between the Commonwealth and Tasmania Medicare Local clearly states that the Medicare Locals are to be built on the expertise and good work of the Divisions that has been developed over the last 17 years.

TML will continue the work that Divisions have done in supporting general practice, and widen the sphere of operations to the entire primary care sector, with a strong initial focus on needs analysis. There is some concern that the voice of general practice might be diluted in this. However, it is clear that TML will not manage to do the work required if it does not maintain its strong linkages with general practice.

The wider sphere of work will require the development of good advisory mechanisms with local input across primary care. The design of these advisory mechanisms is in progress. These processes will be important and I urge you to think about participating in them; they will necessarily include general practitioners and practice nurses to be able to achieve their aims.

During this planning the Board has continued its normal business of running the company, advocating for and listening to members. It is important that some of the organisations that are members of TML are organisations that can represent and advocate specifically for general practice. There are only a few possibilities. General Practice South plans to continue its advocacy work for our members and to be a member of TML.

Times of change often cause instability in staffing. Most of our hard working staff have stayed on during this unsettling time. It is an indication of how much they value and enjoy what they do.

We all benefit from this and I thank the board and the staff for their extra work this year. Significantly our CEO, Richard McKercher, left to return to the pharmaceutical industry where he felt he made most use of his strengths. His ability to bring groups together and his networking style were skills well utilised in his work, and his affability engendered good will amongst all who met him. Thank you Richard for your hard work.

Annë James, a long term employee in Finance and Board support, left to go on the journey of a lifetime for an indefinite period. She was a most trustworthy and clear thinking member of our staff and we thank her greatly for all her good work over the years.

Thank you to Dellys Sice who became our new CEO. She came with much experience in Divisional program management. However she found that the role of CEO in our organisation at this time of great change was not for her.

Judy Broad, who has been such a support at all levels of the organisation, has stepped in as Acting CEO. She is an enormous source of drive, energy and common sense, always infused with a firm commitment to our objectives and values. We are very admiring of what she is achieving backed up by a good team. Thank you Judy!

We have farewelled our Medical Director, Dr Geoff Chapman, who is pursuing lots of new clinical activities. Geoff worked at the Division for 17 years since its inception and his service, dedication and advice has been an outstanding contribution which we pay tribute to and thank sincerely. The legacy of his values and advice will be long lasting.

The organisational changes have strengthened the collaboration around the state amongst the Divisions and also with the many other primary care provider organisations. It has made us focus on what it is that we value most in what we do, and fight hard to retain the capacity to provide this. We feel sure you will see we have positioned our members and the community to be well served and so fulfilled our objectives.

Highlights for the year in our delivery of programs include;

- improvements in connectivity and interaction via cdmNet, IM/IT programs
- our successful 'Boot Camp' program for new practice nurses which has now been extended to provide a program for reception staff,
- our successful ATAPS collaboration with Relationships Australia, assisting in the provision of mental health services where they are needed,
- the visit of the Chinese Doctors Delegation which looks set to become an annual event,
- the commencement of our 'Closing the Gap' program for the health of aboriginal Tasmanians,
- strong and innovative programs and linkages in aged care, including the provision of allied health services to aged care residents, close collaborations and service development in partnership with the palliative care service and extensive educational programs on dementia,
- the provision of a wide range of educational programs, including our ever successful Antenatal Shared Care event,
- Successful Quality Improvement Council Accreditation Review where our Information Management and nursing activities were highly commended.

There is a need for General Practice South to continue to ensure all our business is acquitted properly over the next few months, and to continue in an Advocacy role for general practice. We are Foundation Members of TML and, as such, have influence in its establishment and we believe have an ongoing role for some time.

General Practice South will have a smaller board and fewer meetings. There is a lot to finalise and we plan to ensure it is done properly.

The year has been a challenging and busy one, but nevertheless a real privilege for me to Chair the Board and the organisation. Thank you for your support.

Dr Elizabeth Webber
Chairman



Wise Lord & Ferguson



advice to advantage

Chartered Accountants

**Independent auditor's report to the members of The Division of General Practice –
(Tasmania – Southern Region) Inc.**

We have audited the accompanying financial report of Division of General Practice – (Tasmania – Southern Region) Inc. (the Association), which comprises the balance sheet as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by directors of the board.

The Directors Responsibility for the Financial Report

The Association's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and with the *Associations Incorporation Act [TAS]*, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit 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 procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion:

- (a) the financial report gives a true and fair view of the financial position of Division of General Practice – (Tasmania – Southern Region) Inc. at 30 June 2011 and of its financial performance and its cashflows for the year then ended in accordance with Australian Accounting Standards and *Associations Incorporations Act [TAS]*.

**JOANNE DOYLE
PARTNER
WISE LORD & FERGUSON**

160 Collins Street
HOBART TAS 7000

Dated: 29th September 2011

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Partners: Peter Beven, Harvey Gibson, Danny McCarthy, Douglas Thomson, Joanne Doyle, Stuart Clutterbuck, Ian Wheeler, Dean Johnson, Marg Marshall
Managers: Alicia Leis, Melanie Richardson, Nick Carter, Paul Lyons, Simon Jones, Shaun Evans, Trent Queen, Angela Parisi, Rachel Burns

Independent Financial Audit

Financial Statements 2010-11

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note s	2011 \$	2010 \$
Revenue	2	2,223,972	2,727,012
Depreciation and Amortisation Expense	3	(58,168)	(56,558)
Salaries and Employee Benefits Expense	3	(1,397,787)	(1,371,229)
Contractors		(276,342)	(680,544)
Other Expenses	3	(594,889)	(576,485)
Surplus/(Deficit) before income tax expense		(103,214)	42,196
Income tax expense		-	-
Surplus/(Deficit) from Operations		(103,214)	42,196
Other comprehensive income		-	-
Total comprehensive income for the period		(103,214)	42,196

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.
BALANCE SHEET
AS AT 30 JUNE 2011

	Notes	2011 \$	2010 \$
CURRENT ASSETS			
Cash	13(b)	445,769	578,590
Receivables	4	172,182	32,854
Other	5	26,271	5,369
TOTAL CURRENT ASSETS		<u>644,222</u>	<u>616,813</u>
NON-CURRENT ASSETS			
Investments		486	39,500
Property, Plant & Equipment	6	208,041	264,380
Intangibles Assets	7	1,957	3,787
TOTAL NON-CURRENT ASSETS		<u>210,484</u>	<u>307,667</u>
TOTAL ASSETS		<u>854,706</u>	<u>924,830</u>
CURRENT LIABILITIES			
Payables	8	204,089	403,301
Provisions	9	73,143	98,771
Other	10	384,281	132,282
TOTAL CURRENT LIABILITIES		<u>661,513</u>	<u>634,354</u>
NON-CURRENT LIABILITIES			
Provisions	11	20,181	13,900
TOTAL NON-CURRENT LIABILITIES		<u>20,181</u>	<u>13,900</u>
TOTAL LIABILITIES		<u>681,694</u>	<u>648,254</u>
NET ASSETS		<u>173,012</u>	<u>276,226</u>
EQUITY			
Retained Surplus	12	173,012	276,226
TOTAL EQUITY		<u>173,012</u>	<u>276,226</u>

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
At 1 July 2010		276,226	234,030
Surplus/(Deficit) for the period		(103,214)	42,196
Other comprehensive income		-	-
At 30 June 2011		<u>173,012</u>	<u>276,226</u>

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		67,372	103,253
Operating Grants Receipts		2,180,194	2,579,339
Payments to Suppliers and Employees		(2,435,022)	(2,543,116)
Interest Received		14,635	6,521
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	14(a)	<u>(172,821)</u>	<u>145,997</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Dividends Received		40,000	-
Purchase of Property, Plant & Equipment		-	(46,906)
Proceeds from Sale of Property, Plant & Equipment		-	43,156
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		<u>40,000</u>	<u>(3,750)</u>
NET INCREASE (DECREASE) IN CASH HELD		(132,821)	142,247
Add Opening Cash Brought Forward		578,590	436,343
CLOSING CASH CARRIED FORWARD	14(b)	<u>445,769</u>	<u>578,590</u>

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

1. SUMMARY OF ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards. Other mandatory professional reporting requirements have also been complied with including the Associations Incorporations Act (Tas).

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(a) Income Tax

The Association is exempt from income tax.

(b) Plant and Equipment

Plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Board to ensure the assets are not in excess of their recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	15%
Office Equipment	16.67%
Computer Equipment	25%
Leasehold Improvements	15%
Computer Software	25%

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

(c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged in expenses in the periods in which they are incurred.

(d) Impairment of Assets

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Grant/Government Subsidies:

Revenue is recognised when the Association obtains control of the grant/subsidies, it is probable that the economic benefits comprising the grants/subsidies will flow to the Association and the amount can be measured reliably. If conditions are attached to the grant/subsidies which must be satisfied before the Association is eligible to receive control of the contribution, the recognition of the grants/subsidies will be deferred until those conditions are satisfied.

Interest:

Interest revenue is recognised as it accrues.

(f) Provision for Employee Entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. Provision is made in respect of the Association's liability for annual leave and long service leave based on remuneration rates which are expected to be paid when the liability is settled.

All liabilities arising in respect of wages and salaries, annual leave, long service leave and any other employee entitlements expected to be settled within 12 months are measured at their nominal amounts. A provision for long service leave is recognised after an employee has worked five years of continuous service.

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

(g) Cash

Cash on hand and in banks and short term deposits are stated at nominal value.

For the purpose of the Statement of Cash Flows, cash includes cash on hand, and money market investments with an original maturity of three months or less.

(h) Investment in Subsidiary

The Investment in Subsidiary has not been consolidated due to the Board of Directors determining that the non disclosure of the consolidation of the subsidiary will not influence the economic decisions of users taken on the basis of the financial report. The Board of Directors have determined that the Investment in Subsidiary will be carried in the financial statements at a value approximating the net asset position of the subsidiary at year end. Any increment or decrement in the value of the investment will be taken up as income or expense respectively. During the 2011 financial year, the subsidiary ceased trading, but still remained registered.

(i) Accounting Policies for Financial Instruments

Receivables:

Receivables are carried at nominal amounts due. Receivables are written off when collection of the amount owing is no longer probable. Trade receivables are invoiced on 30 day terms.

Trade Creditors and Other:

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoiced to the Association. Trade liabilities are normally settled on 30 day terms.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
2. REVENUE FROM ORDINARY ACTIVITIES			
(a) Revenues from ordinary activities			
Revenue from operating activities			
Contract Income		2,141,963	2,622,709
Co-Contributions		31,000	39,333
Division Interest		5,001	6,521
Donations		1,105	1,644
Income on Sale of Assets		-	5,574
Interest Received		9,634	7,388
IT Service Sales		17,681	29,691
Membership		12,977	12,999
Product Sales		852	3,102
Sundry Income		145	883
Training Courses		3,614	3,018
Total revenues from operating activities		<u>2,223,972</u>	<u>2,732,862</u>
Revenue from non-operating activities			
Investment in Subsidiary		-	(5,850)
Total revenues from non-operating activities		<u>-</u>	<u>(5,850)</u>
Total revenues from ordinary activities		<u>2,223,972</u>	<u>2,727,012</u>
3. EXPENSES			
<i>Depreciation of non-current assets</i>			
Computer Software		1,830	1,831
Office Equipment		11,123	11,123
Motor Vehicles		14,078	12,203
Leasehold Improvements		19,722	19,722
Computer Hardware		11,415	11,679
Total depreciation expenses		<u>58,168</u>	<u>56,558</u>
<i>Salaries and employee benefits</i>			
Salaries and Wages		1,253,326	1,257,368
Other Salary On-Costs		144,461	113,861
Total salaries and employee benefits expense		<u>1,397,787</u>	<u>1,371,229</u>

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
3. EXPENSES (Continued)			
<i>Other operating expenses from ordinary activities</i>			
Accounting Support		37,442	-
Advertising		22,944	2,921
Audit Fees		20,900	16,292
Bank Charges		2,263	1,318
Catering		58,017	68,255
Communications		28,307	28,482
Conferences		10,825	10,205
Consultants		50,515	26,470
Consumer Payments		330	1,024
Equipment Expenses (<\$1500)		17,760	6,798
General Insurance		16,339	19,666
General Practice Payments		25,713	77,084
Legal Fees		7,410	1,977
Motor Vehicles		15,384	18,368
Office Rental		76,687	75,554
Other Lease Costs		53,515	45,296
Photocopying / Printing		29,732	32,153
Postage		10,353	11,031
Reference Material		2,237	3,328
Speaker Costs		15,944	23,529
Staff Training		6,069	7,682
Stationary		7,472	11,443
Subscriptions / Memberships		7,455	8,047
Sundry Expenses / Petty Cash		9,453	5,348
Travel – Interstate		34,640	42,872
Travel – Intrastate		3,723	12,029
Venue Hire		16,970	13,296
Workers Compensation		6,490	6,017
Total other expenses from ordinary activities		594,889	576,485

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
4. RECEIVABLES (CURRENT)			
Trade Receivables	5(a)	172,182	32,854
		<u>172,182</u>	<u>38,298</u>
<i>(a) Terms & Conditions</i>			
Sundry debtors and other receivables are non-interest bearing and have repayment terms of 30 days.			
5. OTHER CURRENT ASSETS			
Prepayments		26,271	5,369
		<u>26,271</u>	<u>5,369</u>
6. PLANT AND EQUIPMENT			
<i>Computer Hardware</i>			
At Cost		91,729	91,729
Accumulated Depreciation		(77,760)	(66,345)
		<u>13,969</u>	<u>25,384</u>
<i>Office Equipment</i>			
At Cost		88,308	88,308
Accumulated Depreciation		(38,812)	(27,689)
		<u>49,496</u>	<u>60,619</u>
<i>Leasehold Improvements</i>			
At Cost		127,191	127,191
Accumulated Depreciation		(52,211)	(32,488)
		<u>74,980</u>	<u>94,703</u>
<i>Motor Vehicles</i>			
At Cost		99,517	99,517
Accumulated Depreciation		(29,921)	(15,843)
		<u>69,596</u>	<u>83,674</u>
Total Plant and Equipment		<u>208,041</u>	<u>264,380</u>

Movements in carrying amount

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2011

6. PROPERTY, PLANT & EQUIPMENT (Continued)

	Notes	2011 \$	2010 \$
<i>Computer Hardware</i>			
Balance at the beginning of the year		25,384	25,266
Additions		-	11,797
Depreciation Expense		(11,415)	(11,679)
Carrying amount at the end of year		<u>13,969</u>	<u>25,384</u>
<i>Office Equipment</i>			
Balance at the beginning of the year		60,619	71,742
Depreciation Expense		(11,123)	(11,123)
Carrying amount at the end of the year		<u>49,496</u>	<u>60,619</u>
<i>Leasehold Improvements</i>			
Balance at the beginning of the year		94,703	113,851
Additions		-	574
Depreciation Expense		(19,722)	(19,722)
Carrying amount at the end of the year		<u>74,981</u>	<u>94,703</u>
<i>Motor Vehicles</i>			
Carrying amount at beginning		83,674	101,569
Additions		-	31,920
Disposals		-	(37,612)
Depreciation Expense		(14,078)	(12,203)
Carrying amount at the end of the year		<u>69,596</u>	<u>83,674</u>

7. INTANGIBLE ASSETS

<i>Computer Software</i>			
At Cost		7,323	7,323
Accumulated depreciation		(5,366)	(3,536)
		<u>1,957</u>	<u>3,787</u>
<i>Reconciliation of Computer Software</i>			
Balance at the beginning of the year		3,787	3,003
Additions		-	2,615
Depreciation Expense		(1,830)	(1,831)
Carrying amount at the end of the year		<u>1,957</u>	<u>3,787</u>

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011	2010
		\$	\$
8. PAYABLES (CURRENT)			
Trade Creditors	9(a)	60,665	164,557
Sundry Creditors and Accruals	9(a)	12,502	28,344
Prepaid Membership		4,036	9,150
Grants Received in Advance		126,885	201,250
		<u>204,088</u>	<u>403,301</u>
<i>(a) Terms & Conditions</i>			
(i) Trade creditors are non-interest bearing and are normally settled on 30 day terms			
(ii) Other creditors are non-interest bearing			
9. PROVISIONS (CURRENT)			
<i>Employee Entitlements</i>			
Annual Leave		58,917	54,688
Long Service Leave		14,226	44,083
		<u>73,143</u>	<u>98,771</u>
10. OTHER LIABILITIES (CURRENT)			
Unexpended Grants/Subsidies		384,281	132,282
		<u>384,281</u>	<u>132,282</u>
11. PROVISIONS (NON -CURRENT)			
<i>Employee Entitlements</i>			
Long Service Leave		<u>20,181</u>	<u>13,900</u>
12. EQUITY			
Retained profits	13(a)	<u>173,012</u>	<u>276,226</u>
<i>(a) Retained Profits</i>			
Retained profits at the beginning of the year		276,226	234,030
Net surplus/(deficit) attributable to members		(103,214)	42,196
Balance at end of year		<u>173,012</u>	<u>276,226</u>

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
13. STATEMENT OF CASH FLOWS		
(a) Reconciliation of net Surplus/(Deficit) to the net cash flows from operations		
Net Surplus/(Deficit)	(103,214)	42,196
Non-cash items		
Net Surplus/(Deficit) on disposal of Plant and Equipment	-	(5,574)
Depreciation of Non Current Assets	58,168	56,588
Revaluation of Investments in Subsidiary	(636)	5,850
Changes in Assets and Liabilities:		
(Increase)/Decrease in Trade Debtors	(139,328)	5,193
(Increase)/Decrease in Prepayments	(20,828)	(5,369)
(Decrease)/Increase in Trade and Other Creditors	(125,269)	104,667
(Decrease)/Increase in Other Current Liabilities	177,634	(43,369)
(Decrease)/Increase in Provision for Annual Leave	4,229	8,764
(Decrease)/Increase in Provision for Long Service Leave	(23,577)	(22,949)
Net Cash Flow from (used in) Operating Activities	<u>(172,821)</u>	<u>145,997</u>
(b) Reconciliation of cash		
<i>Cash balance comprises</i>		
MyState Cheque A/c	232,693	219,929
MyState Visa	4,959	8,011
MyState Cash Management Account	39,452	37,855
CBA Cash Management Account	-	24,106
Gift Fund Account	4,969	4,983
Members Fund Account	116,307	71,533
CBA Premium Business	46,889	210,418
Cash Drawer	-	1,255
Petty Cash	500	500
Closing Cash Balance	<u>445,769</u>	<u>578,590</u>

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
14. AUDITORS REMUNERATION			
Amounts paid or due and payable by The Division of General Practice (Tasmania – Southern Region) Inc. for			
- Audit services of the financial report of the entity		9,800	9,500

15. CONTINGENT ASSETS AND LIABILITIES

No event has occurred during or since the financial year which requires the disclosure of a contingent asset or liability.

16. LEASING COMMITMENTS

Operating Lease Commitment

Non-cancellable operating leases contracted for but not capitalized in the financial statements

- not later than 12 months	-	72,100	
- between 12 months and 5 years	-	-	
	-	-	
	-	-	

17. RELATED PARTY DISCLOSURE

Directors

The directors of The Division of General Practice (Tasmania – Southern Region) Inc. during the financial year were:

Dr E Webber	Chairman
Dr P Nylander	Deputy Chairman
Mr W Downie	Treasurer
Dr G Bleach	
Ms A Quealy	
Mr J Streeter	
Dr R Walters	

- (a) No related party transactions of any kind, including loans to or from directors, occurred during the 2011 financial year (2010: Nil).

**THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011**

18. SIGNIFICANT EVENTS AFTER BALANCE DATE

With the advent of Tasmania Medicare Local, the operating functions of General Practice South is likely to materially change from 1st November, 2011. It is expected that the majority of the programs currently being run by General Practice South will be transferred to the new body together with the associated staff. It is not expected that General Practice South will incur any redundancies in relation to this restructure.

19. SIGNICANT CHANGES IN THE STATE OF AFFAIRS

During the year there were no significant changes in the state of affairs.

20. DESCRIPTION OF OPERATIONS

The principal activities of the Association are to provide a range of services to improve health outcomes through general practice.

21. REGISTERED OFFICE

31 Tower Road
New Town TAS 7008

22. SEGMENT REPORTING

The Association operates predominately in one business and geographical segment.

**THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011**

23. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Division's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The Division does not have any derivative instruments at 30 June 2011.

The main risks the organisation is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

(a) Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The Division's financial assets which attract interest are held in financial instruments that are expected to mature within twelve months or in financial instruments that reset to the prevalent market interest rate on a monthly or quarterly basis. As a result the Division is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

The Division's exposure to interest rate risk is depicted in the table over the page.

	Variable Interest Rate		Non-interest bearing		Total Carrying amount as per the balance sheet		Weighted average effective interest rate	
	2011	2010	2011	2010	2011	2010	2011	2010
Financial Instruments								
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash	445,769	578,590	-	-	445,769	578,590	3.30%	2.40%
Receivables	-	-	172,182	32,854	172,182	32,854	N/A	N/A
Total Financial Assets	445,769	578,590	172,182	32,854	617,951	611,444		
Financial Liabilities								
Trade Creditors & Accruals	-	-	77,203	202,051	77,203	202,051	N/A	N/A
Total Financial Liabilities	-	-	77,203	202,051	77,203	202,051	N/A	N/A

N/A – not applicable for non-interest bearing financial instruments

THE DIVISION OF GENERAL PRACTICE (TASMANIA – SOUTHERN REGION) INC.
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

23. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

(b) Credit Risk

Credit risk represents the risk that a counter-party will fail to perform contractual obligations under a contract.

The Association's receivables are predominantly held by organisations or individuals with a close working relationship with the Association, reducing the risk of default. Receivable balances are monitored on an ongoing basis with the result that the Association's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Association's holdings.

The Association's cash assets are invested with Australian Authorised Deposit-taking Institutions approved by the Board of Directors.

(c) Liquidity and Cash Flow Risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity risk is to hold sufficient cash reserves to ensure that it will have sufficient liquidity to meet its liabilities as and when they fall due.

(d) Net Fair Values

The carrying amount of all financial assets and liabilities approximates their net fair values due to their short term maturities. The aggregate fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and notes to the financial statements.

THE DIVISION OF GENERAL PRACTICE (TASMANIA - SOUTHERN REGION) INC

DIRECTORS DECLARATION

Statement by Members of the Board

In the opinion of the Board of The Division of General Practice (Tasmania - Southern Region) Incorporated we state that:

(a) The accompanying financial statements and notes of The Division of General Practice (Tasmania - Southern Region) Inc:

- (i) give a true and fair view of the Association's financial position as at 30th June 2011 and of its performance for the year ended on that date;
- (ii) are prepared in accordance with the Associations Incorporation Act (Tas) and comply with Accounting Standards; and

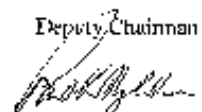
(b) At the date of this statement there are reasonable grounds to believe that The Division of General Practice (Tasmania - Southern Region) Incorporated will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Dated:

Chairman

27/09/11

Deputy Chairman

27/09/2011