



Providing a  
mantle of safety

*Rev John Flynn*



ANNUAL REPORT

**12/13**



Royal Flying Doctor Service  
WESTERN OPERATIONS

*The furthest corner. The finest care.*



## Our Mission



To provide excellence  
in aeromedical and  
primary health care  
across Australia.



## Our Objectives

- > To be the most efficient and cost effective provider of health services to rural and remote WA
- > To be recognised for our commitment to our people
- > To be the most credible expert and advocate for rural and remote health in WA
- > To be financially sustainable and able to fund our strategic health priorities





# Who we are

The Royal Flying Doctor Service was started 85 years ago by the Reverend John Flynn in 1928. He recognised a need to provide medical care to people who were living in the outback of Australia. His vision was to provide a 'mantle of safety' over the whole country.

Today The Royal Flying Doctor Service is the most comprehensive aeromedical service in the world, with 61 aircraft and 21 bases Australia-wide. Using the latest in aviation, medical and communications technology, the RFDS continues to provide 24 hour emergency and primary health care services to people living, travelling and working in rural and remote areas.

If we dream it,  
the rest is easy  
*Rev John Flynn*

# Chairman's Report



On behalf of the Board, I am pleased to present the Annual Report of the Royal Flying Doctor Service of Australia (Western Operations) for the financial year ended 30 June 2013.

The demand for our services from people living, working and travelling in country areas continues to climb, and it is a credit to our dedicated staff that we are able to respond. Their willingness and determination to succeed, working around the clock, in all weather conditions, in rural and remote areas of our State, makes them truly remarkable.

We maintain strong positive relationships with the Western Australian and Commonwealth Governments. Our service agreement with the WA Government has been extended to 30 June 2014 and we are engaged in the development of our next agreement, which will provide a significant increase in aircraft and staff to meet the demand for patient care and transport for the years ahead. Central to our case is the establishment of a new base in Broome, which will significantly boost the resources available to meet the demand from the Kimberley. Our grant application for \$2.7m to Regional Development Australia has already been approved for this project, the WA Minister for Health has expressed his support for the project and we are seeking further capital funds from the Royalties for Regions program.

Western Operations enjoys considerable support from the corporate sector in WA. Significant contributions to the operation of the RFDS in WA have been made by Rio Tinto, BHP Billiton, Woodside Petroleum, Chevron Australia, Karara Mining, Rapid Crushing and Screening Contractors, Byrnecut Mining, Worley Parsons and the Telethon Institute.

Western Operations recorded an operating profit of \$1.4 million this financial year as a result of increased demand for patient transport. Revenue from operations increased by 8.8% this year with more full cost recovery fees. Capital grants of \$1.4m were received in 2012-13 including funds of \$1.0m from Lotterywest towards the Port Hedland Base Redevelopment.

We also received \$0.75m from the WA Government and the Royalties for Regions Program towards the development of a bariatric stretcher, which has been reserved to cover expenditure after June. The Royalties for Regions program also supported the Rio Tinto Life Flight Jet Program with a contingency grant of \$0.433m. Next year at least four aircraft will require replacement, and the Board and Management of Western Operations are currently engaged in forward planning for the whole aircraft fleet.

Each year we are the beneficiary of the generosity of many Western Australians. This year we received a total of \$9.5m from donors, members and contributors to our various fundraising events and activities. A further \$3.3m has been received from bequests, a touching and historic boost to our resources and ongoing capability. Worth a special note are the efforts of our Marketing and Communications Team, the Flying 1000 fundraising group, the Friends of the RFDS, the Eastern Goldfields Auxiliary and an army of volunteers and supporters.

I would like to extend my sincere thanks to my fellow directors, our Chief Executive Officer Grahame Marshall and the Executive Management Team, all of whom have provided an enormous amount of support and assistance throughout the year.

Neville Bassett  
Chairman





# CEO's Report



**I am pleased to be able to report that we had a hugely successful year across many fronts, not the least being that we delivered our life saving services to more patients, more quickly than ever before in our 85 year history.**

**In an environment where the need for our services continues to grow at around an additional 700 patients each year, we met the challenge of this increased need, whilst also achieving our best ever response times.**

This year inter-hospital patient transports grew by 8%, and primary evacuations increased by 6%, on top of overall growth in patient demand of 39% over the previous four years. In four of the past twelve months we broke records in the number of patients flown to hospitals across the State, and against that background we managed to deliver our best annual response time performance ever, which is a credit to the amazing commitment and contribution of our staff.

In 2012-13 we carried 9,092 sick and injured patients around the State, received 37,937 calls for medical advice and assistance, and conducted 2,199 clinics at rural and remote sites. This sustained high level of need for our services continues to place pressure on our resources, and in the absence of additional resources for next year, our focus will be on sustaining our performance.

We continue to engage with the WA Government to forge a new long-term service agreement with support for additional aircraft, people and infrastructure to meet the needs of communities across Western Australia.

I wish to thank my Executive Management Team and all Western Operations staff for their tireless efforts, hard work, dedication and support over a busy and demanding year.

Thank you also to all of the RFDS supporters from around the State. Your ongoing support is now more important than ever, and vital to the operations and capability of the RFDS, enabling us to respond to those in need across the vast distances of our State of Western Australia.

**Grahame Marshall**  
Chief Executive Officer





# Our Services

We provide aeromedical and primary health care services across an area of 2.5 million square kilometres, throughout the state as well as Rottnest Island, and Christmas and Cocos Islands.





# Western Operations Key Highlights 2012/13

Over  
**7.8**  
million  
kilometres  
flown



Transported  
**9,092**  
patients

Conducted  
**2,199**  
clinics



**Achieved  
best ever**  
response times for  
patient retrievals



Over  
**30,000**  
people attended  
clinics

Around  
**\$12.5m**  
raised  
through  
fundraising

Received  
**37,937**  
calls for  
assistance

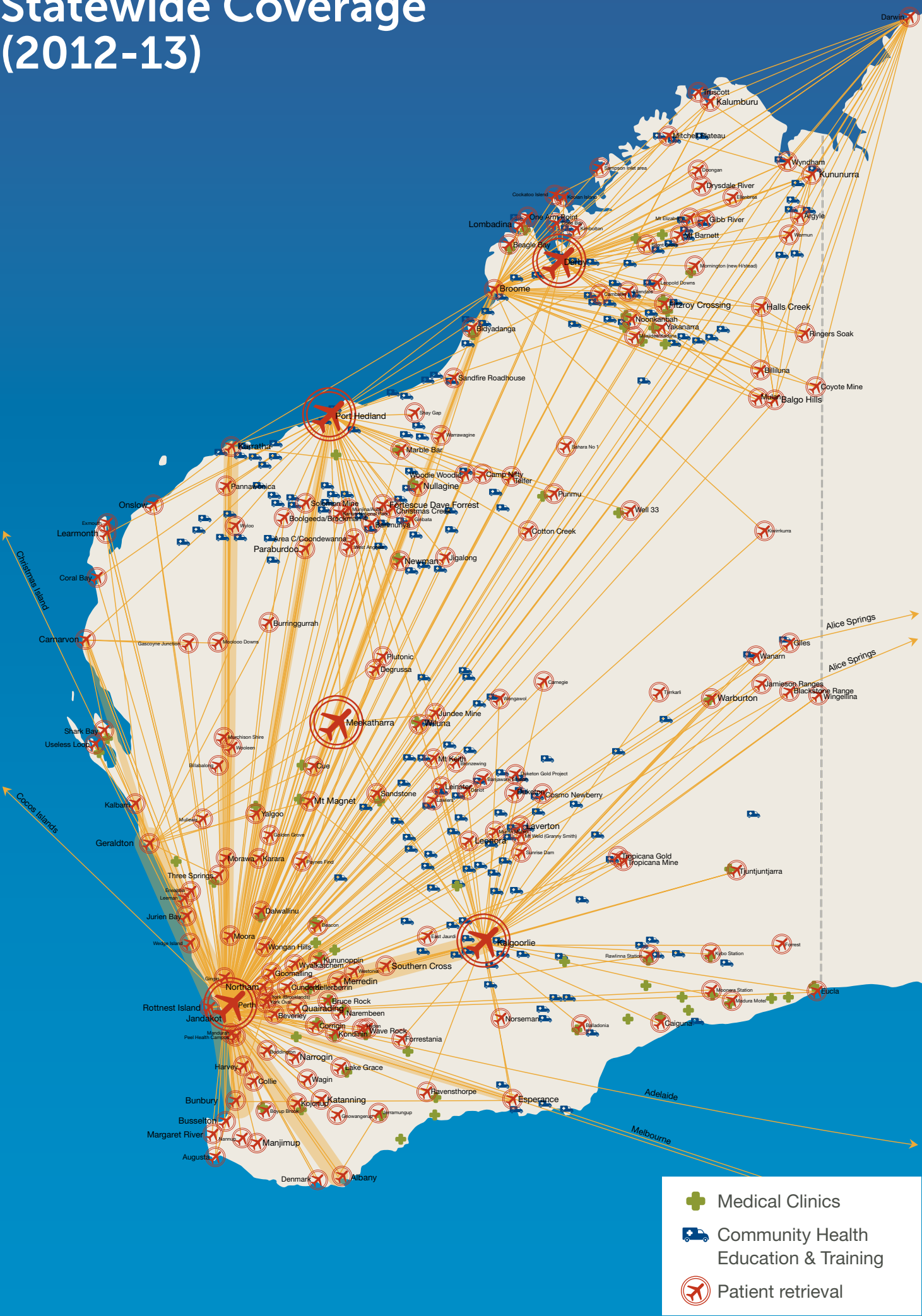


# A Year of Delivery

- > Planning initiated to establish a sixth operating base at Broome
- > Rio Tinto signs on to fund the Rio Tinto Life Fight jet for another four years
- > Port Hedland base redevelopment is completed
- > Partnership is established with Karara Mining, and Rapid Crushing and Screening Contractors to provide a mobile Dental and Primary Health Care Service to the Midwest
- > Hangar facility at Darwin is secured
- > Planning commenced for replacement

FACTS AT A GLANCE		
2012/2013	Western Australia	
Service Area	2,500,000 sq kms	
Number of Staff	226	
Number of Aircraft	15	
Number of Bases	5	
	Daily	Yearly
Patients Transferred	25	9,092
Healthcare Clinics	6	2,199
Patients Attending Clinics	83	30,302
Distance Flown	21,551	7,866,000
Landings	45	16,085
Telecalls and Radio	104	37,937
Patients Assisted	108	39,394

# Statewide Coverage (2012-13)





# Statewide Operations

**The Coordination Centre at Jandakot is the communication and tasking hub for our medical evacuation operations across the state. It provides 24 hour coverage 365 days of the year.**

**In 2012/13 Western Operations achieved its best ever response times for the highest priority patients. This was the result of an improved organisational structure, with the successful introduction of:**

- > A new Customer Service Officer role, to help handle increased demand
- > A second Coordination Centre Manager role, to provide improved support for staff
- > Introduction of Regional Manager Northwest role, introduced to provide additional support for staff and external stakeholders in the fast growing Kimberley and Pilbara regions
- > Improved integrated rostering of staff across all departments

RFDS has been working with the Western Australian Country Health Service to recommend an improved Statewide Clinical Coordination model for the future. Recommendations centred on providing a new expanded Centre at the RFDS Jandakot base to increase support services for country doctors.

Increased demand has meant a sizeable increase in flying hours. This increased activity placed extra demands on both engineering and pilot resources, which provided an opportunity to consider ways of doing things smarter to meet the future challenges, including:

- > Integration of the Engineering and Aviation department – streamlining services
- > Future Planning for new and replacement aircraft, with four aircraft requiring replacement in the coming six months
- > State-of-the-art pilot training technology, ensuring ongoing training and recruitment of highly skilled pilots

**New Aircraft**

The RFDS in WA will be receiving the first two of four replacement PC-12 aircraft before the end of 2013. These new aircraft will have the national livery, which will make the aircraft highly visible and create a consistent branding style. This means that each aircraft will have a distinctly red underbelly, making them even more prominent in the air and on the ground.

# Our People

**The RFDS is dedicated to creating a productive, motivated and safe workplace for its staff.**

**Programs implemented focus on driving key organisational capabilities and encouraging innovation.**

In the last year the organisation implemented a number of programs to take its people and its culture to the next level of excellence;

- |  |   |
|--|---|
| > Leadership Development Program         | > Expanded Reward & Recognition program expanded  |
| > Transitioning Leaders Program          | > 'Live Well' health and wellbeing program        |
| > Diversity at RFDS initiative           | > Expanded Occupational Health & Safety committee |
| > Online Orientation & Induction program |   |

 **More focus has been placed on developing our staff in areas such as leadership, teamwork and effective communication.**

*Jomay Verrier,  
General Manager Human Resources*





# Our People

Cheryl Russ,  
Base Administrator



**Cheryl Russ has been the base administrator at the Royal Flying Doctor Service in Derby for the past 13 years and loves her job.**

"I've been living in Derby for 13 years and the job with RFDS came up a year before I applied for it and I had my eye on it then," Cheryl said

"I said 'that's my job' and fortunately it came up again and I was lucky enough to get it."

The Kimberley is in Cheryl's blood, having spent much of her life on her husband's family-owned Gibb River Station.

Their family owned and ran the 1 million acre station from 1922 until they sold it to the local indigenous land-owners.

"We helped them to run the station until we came to Derby in 1989," Cheryl said.

Cheryl's role with RFDS means she looks after all of the housing requirements for the RFDS staff at Derby and ensures that the team's six doctors, seven pilots, seven nurses and three primary health carers are all well looked after.

"My day to day work is varied but involves ensuring that our housing is up to standard, and that we have all of our staffing needs covered, particularly if one of our medical staff is on leave.

"We have an amazing team here in Derby and the staff at RFDS go well beyond the normal call of duty every day.

"They do a great job, from ensuring patients receive the best possible care, to ensuring they are comfortable on the RFDS aircraft then get to emergency care as quickly as possible."

Cheryl said her job is a 'one in a million' in terms of the people she meets and works with.

"I can't imagine doing anything else and have great support from the staff in Derby and at Jandakot, plus Derby is a great town – the people here really care about each other."

# Our People

Ian Ruff,  
Senior Flight Nurse



**Critical care at the heart of RFDS.**

**For the past five-and-a-half years Ian Ruff has been a Fly-In, Fly-Out (FIFO) Senior Flight Nurse for the Royal Flying Doctor Service (RFDS) in Meekatharra – and he couldn't be happier.**

Mr Ruff, originally from Victoria, works every second month with the RFDS, providing critical care in-flight to patients. The next month he is back at Bendigo Hospital, working in the Intensive Care Unit, and it's a mix that he really enjoys.

"When I first looked into working for the RFDS, I was looking for a change. I'd been working long hours in critical care and while I was still enjoying it, I thought that my experience might be valuable to people in remote communities," he said.

"The RFDS' motto - the furthest corner, the finest care - really resonated with me. Working with them enables me to give care to people who wouldn't otherwise be able to access it.

"I think living in cities; we really take for granted how something simple like needing to see a specialist or going to a clinic can be difficult. Without the RFDS there would be no option for people living in the most remote corners of Western Australia."

Working for the RFDS has also allowed Mr Ruff to hone his skills, and keep them fresh, an experience he highly recommends to other nurses.

"The RFDS has a high degree of expertise and professionalism and I've found that they have very high standards when it comes to patient care," he said.

"For me, working with them is good professionally and great personally. It gives me a lot of variety and I believe it helps me to keep my skills sharp.

"I think my two roles complement one another. In one, I am working in critical care in the back of a plane and in the other I am back in the public health system working in an Intensive Care Unit (ICU). I bring skills I learn in the ICU at Bendigo Hospital back to the bush with me.

"I think as nurses it's often easy to feel like you are working too hard and lose the passion that you had for the job at the beginning of your career. Nurses with a few runs on the board who are looking to challenge themselves and extend themselves professionally should definitely look in to working for the RFDS."

To work for the RFDS, nurses need to be trained as midwives, a skill that Mr Ruff already had under his belt, but he said not having it shouldn't put other nurses off applying for a role with the service.

"Having midwifery skills is obviously a very important part of the job when you are working so remotely," he said.

"But if you're not already trained in that field, the RFDS actually offers scholarships to allow you to train as a midwife. It's great because it opens more doors and it's giving you another skill that is really invaluable as a nurse."

As well as the variety of the day-to-day job Mr Ruff said that he felt proud to work with an organisation that was so much at the heart of caring for Australians.

"The RFDS has always been an iconic organisation in this country," he said.

"It has a long standing history of very professional nursing – it's something that I'm very proud to be a part of.

"I think it makes you walk a little taller when you tell people that you work for the RFDS, it's a great honour and a professional privilege.

"I would highly recommend it to any nurse thinking about it – it really does give you the chance to take a different path in your life. You really can make a difference to people's lives.

"I'm inspired daily by the doctors, nurses and pilots that I have met in this role. They are a highly motivated group of people and it's also been fantastic to be part of a small remote community – I've met some good, honest country people living in Meekatharra.

"Honestly, I feel very lucky to be a part of it."





# Our People

Doug Briggs,  
Engineer

**“It’s nice to know that what we do is helping people.”**

**It takes a team of dedicated experts to keep the RFDS in the air, but one important area of the Service often goes unheralded as they work diligently behind the scenes.**

On any given day, at any given hour, RFDS engineers can be seen working on any one of the 14 Pilatus PC-12 aircraft in the RFDS fleet, ensuring all are maintained to the highest aviation standards.

After 13 years with the RFDS, Doug Briggs is one of the organisation’s longest serving engineers.

“I enjoy the work and knowing that what I am doing is part of a greater purpose,” Doug said.

“It’s nice to know that what we do is helping people.”

The RFDS employs highly qualified electrical and mechanical engineers to maintain its aircraft as all must undergo extensive maintenance in accordance with the Civil Aviation Safety Authorities strict regulations.

Another reason Doug doesn’t mind coming to work is that he finds the aircraft used by the RFDS to be “pretty nice aircraft to work on.”

Doug’s four children share his enthusiasm, with his five year-old son obsessed with drawing RFDS planes.



# Our People

Peter Ricketts,  
Training and Standards Coordinator

**Peter Ricketts is the training and standards coordinator for the Coordination Centre at the Royal Flying Doctor Service, and has taken pride in training at the organisation for the past 11 years.**

**“I like working somewhere that is always on the go, each day is different and I particularly like working with the crew,” Peter said.**

“There is a real sense of camaraderie at the RFDS, when things are tough everyone pulls together and lifts up a gear and we get through things.”

Peter has been in Australia for 12 years, after previously working as a Captain in the British Army for 22 years.

His role with the RFDS means he works out of the Coordination Centre, training new coordinators and giving continuation training to existing coordinators. The training not only focuses on preparing staff for the role of coordinating, but also focuses heavily on good customer service.

He said it takes six months to train new coordinators to meet the standard, which involves the juggling of rosters, tasking crews to meet patient movements and engineering requirements in the most effective way.

“Without the work in the Coordination Centre, none of the front line work of the doctors, nurses and pilots would be possible,” Peter added.

“It’s a great feeling, knowing the work you do contributes to saving lives at the end of the day.

“The RFDS is such an important organisation to people in rural Western Australia, it really is their lifeline to Perth and subsequently specialist medical care.”





# Medical Services

## Aeromedical Services

All RFDS Bases in WA provide an aeromedical and emergency service. This service includes the provision of primary responses and the transport of patients between hospitals (inter-hospital transfers). This financial year, the RFDS conducted in excess of 9,000 patient transports.

## Telehealth

The telehealth service is a lifeline to those in remote areas. Anyone can call a RFDS doctor for medical advice through a single number, at any time and at no charge. During the year RFDS doctors handled 37,937 calls, of which about one third were direct medical consults with patients, remote area nurses, mine medics or first aiders.

The balance were from nurses and doctors requesting advice and evacuations. Most of our telehealth consults are by telephone, although web-conferencing is available to locations with internet access.

## GP Clinics

RFDS doctors continue to provide essential general practice services to those people who otherwise would have access to none.

- > Attended to 4,146 patients at the traditional flying GP clinics across the state
- > Attended to a further 3,936 patients under the Rural Women’s GP Service
- > Attended around 4,500 through the Meekatharra clinic

In addition, the RFDS facilitated the air transport of doctors from the Health Department and Aboriginal Medical Services who attended to 8,060 patients across the Kimberley, Pilbara and Midwest.

The emergency aeromedical retrieval service was busier than ever with 8,755 patients evacuated in 2012/13.

- > 58% with a medical team (Doctor included)
- > 42% with a flight nurse

This year saw a 6% increase in retrievals from the previous year, which makes a total increase in workload of 48% over the past five years.

## Medical Chests

RFDS Medical Chests contain a range of pharmaceutical and non-pharmaceutical items, which enable emergency and non-emergency treatment to be given to people living and working in remote areas. The contents from the Medical Chests are prescribed remotely and on-site by RFDS Medical Officers. Patients can be treated for a range of conditions e.g. antibiotics for infections and/or to prepare for emergency evacuation e.g. pain relief.

In WA the RFDS is responsible for around 500 Medical Chests located throughout the state.

## Highest level medical and specialist accreditations

A large number of patients have critical illnesses or injuries. This requires staff to have the highest level of medical expertise.

In recognition of the high level of experience offered within the service we were:

- > Accredited with the Australian & New Zealand College of Anaesthetists
- > Re-accredited with the Australian College for Emergency Medicine, for advanced training of specialists in these disciplines. We currently offer three positions for Retrieval Registrars who are supervised by our specialist staff at our Jandakot Base.
- > Received certification for use of nitric oxide in flight during neonatal retrievals

## State-of-the-art medical equipment

- > Renewed contract with Rio Tinto to keep the dedicated aeromedical jet service
- > Upgraded transport ventilators to the new Drager Oxylog 3000plus
- > Replaced infant incubators with new Atom V808 transcapsules
- > Introduced the new King Vision video-laryngoscopes across the fleet to aid in difficult airway management
- > Purchased new Zoll X monitor defibrillators
- > Implemented a new restraint system for violent and combative patients
- > Commenced the final phase of development of a bariatric transport system to manage very large and obese patients

## High level Clinical Education and learning

- > Appointment of a professor of clinical education to review and consolidate our comprehensive medical and nursing training and assessment programs
- > Creation of further clinical education applications on our e-learning platform enabling remote access for doctors
- > Additional Commonwealth grants for specialist training
- > Dedicated clinical nurse educator role providing up skilling opportunities for flight nurses
- > Developed partnerships with five key tertiary hospitals – Royal Perth Hospital (Intensive Care Unit), Mercy Hospital (maternity unit), Armadale Hospital (maternity unit), Princess Margaret Hospital (Neonate Intensive Care Unit) and Fremantle Hospital (Intensive Care Unit)
- > Developed partnership with Curtin University resulting in seven placements for flight nurses to participate in the Rural and Isolated Practice Endorsed Registered Nurse Program (RIPERN)
- > Ongoing partnership with NETSWA (Newborn Emergency Transport Service WA)
- > Implementation of an online e-learning package for custodians of RFDS medical chests (This will also be rolled out nationally)

# Primary Health Care

**The Royal Flying Doctor Service has for several years now been focussing on prevention and early intervention in order to counter the growing incidence of chronic illness and disease in the community.**

The RFDS on the Road Program provides health education and training to remote locations thanks to the support of its valued corporate partners:

- > Kimberley – Woodside Energy
- > Pilbara – BHP Billiton Iron Ore
- > Goldfields – BHP Billiton Nickel West
- > Midwest – Karara Mining Limited, and Rapid Crushing and Screening Contractors

BHP Billiton Iron Ore, the founding partner in the RFDS on the Road Program, has enabled the RFDS to continue this service, which this year celebrating nine years.

RFDS continues to provide dental services through its Remote Area Dental Service (RADS) to the communities of Wiluna and Warburton for the second year of a three year contract for Dental Health Services WA.

Karara Mining Limited and Rapid Crushing and Screening Contractors entered into a partnership with RFDS late in 2012 to fund the custom build of a mobile dental clinic, which was delivered at the end of the 12/13 financial year.

This will provide delivery of a free dental and Primary Health Care (preventative)

service across the Shires of Mingenew, Morawa and Perenjori and will be provided for 25 weeks per year over the next three years. Funding has been provided by Karara Mining, and Rapid Crushing and Screening Contractors, with local support from the three Shires.

The Primary Health Care (PHC) team in Derby conducted 302 outreach clinics in 12/13 financial year to locations including the Gibb River Road, providing 3,510 consultations.

The PHC team in Port Hedland conducted 178 outreach clinics to locations as remote as Nullagine and Yandeyarra, providing 1,545 consultations.

The PHC team in Meekatharra provided 82 outreach clinics to Cue, Sandstone, Yalgoo and Paynes Find, providing 921 consultations.

The PHC team in Kalgoorlie conducted 210 clinics, providing 1,070 consultations across the Nullabor.

### Spotlight on Meekathara

Our PHC team in Meekatharra offers a unique model of GP-led Primary Health Care service to Meekatharra and surrounding neighbourhoods, alongside the traditional outreach to communities at Cue, Sandstone, Yalgoo and Paynes Find.

In 12/13, RFDS recruited a full-time Practice Manager and part-time Receptionist for this busy GP clinic, which operates alongside the Meekatharra District Hospital. RFDS ensures two

FIFO GPs are generally available for the Meekatharra community, as well as a full-time Practice Nurse. Around 4,500 consultations were provided in the GP clinic alone. Through a contract with WACHS, RFDS provided comprehensive medical cover in 12/13 for Meekatharra District Hospital, which had 582 in-patients and more than 2,000 episodes of care in the Emergency Department over the year.

### Remote Health Field Day

The first Remote Health Field Day was held at Yakabindie Station in the Goldfields region in May. Generously supported by the Gold Fields Australia Foundation, the aim of this pilot project is to promote the importance of people living in remote circumstances having regular checkups with a General Practitioner.

Participants at the RHFD have access to a GP, physiotherapist and mental health practitioner for appointments. In addition, these health professionals and others (eg: dietician, first aid trainer, men’s health – as requested by the local population) provide health promotion and skill training sessions about prevention of chronic disease, management of health conditions and better lifestyle choices.







The Bevan family with captain Steve Young. Bronwyn Bevan was flown to Melbourne for life saving surgery.

## New RFDS base for Broome

**Since 2008 the number of patients transported to Broome by the RFDS has increased by a staggering 230%.**

**At the end of 2012 The Royal Flying Doctor Service announced its plan to expand its Services in the Kimberley, and open a sixth operational base in Broome.**

There have been significant changes in the pattern and levels of aeromedical activity in the Kimberley region over the past five years, and a base in Broome will mean the RFDS is better placed to respond to emergencies throughout

the Kimberley, ultimately improving the outcomes for patients. It is estimated that it will cost around \$20 million to establish the base.

Broome is now the busiest patient transport hub in the north of the state, with over 900 patients moved to and from that destination in 2012/13.

## Rio Tinto keeps the jet in the air

**At the beginning of 2013 Rio Tinto signed on to continue its commitment to fund the Rio Tinto *Life Flight* aeromedical jet service for Western Australia for another four years.**

The new funding agreement brings to \$11 million the support provided by Rio Tinto for the service, which did not exist before the Rio Tinto/RFDS partnership was launched in 2009.

The Rio Tinto *Life Flight* jet can reach patients in need anywhere in the state within three hours and has become a vital service for West Australians.

Since the jet's first mission in October 2009, the aircraft has flown 2,665 hours, evacuating nearly 1000 patients, the majority (73.9%) from the more distant Kimberley and Pilbara regions.

The Rio Tinto *Life Flight* Jet was essential in RFDS meeting the increasing demand for evacuations across Western Australia and for assisting with interstate transfers of cardiac babies and retrievals from Australia's Indian Ocean Territories. This is the only RFDS aeromedical jet in Australia.

The capacity of the Rio Tinto *Life Flight* jet has allowed the RFDS to conduct its first double critical care transfer, where two critically ill patients were transported at the same time, each with their own critical care doctor and nurse team. This is simply not possible using our regular fleet and would have required two aircraft and many more flight hours without the jet.

The State Government's Royalties for Regions program has also underwritten operating costs for the jet to a value of \$1 million per year for its initial three years of operation. The jet's original medical fit-out and operations were also supported by funding from the RFDS Flying 1000 fundraising group and the RFDS Victorian Section.



**Many lives have been saved as a direct result of the Rio Tinto *Life Flight* jet.**





# 'Out of this World' RFDS Hangar Ball August 2012

**The Annual RFDS Hangar Ball is an opportunity to celebrate the work of the organisation and its supporters, as well as providing an opportunity to raise money.**



## Saving Lives

**This time last year, three year-old Ayda's life hung in the balance.**

**The Chamarette family were on holiday in Margaret River when the then two and a half year old became unwell. When she continued to get sicker, parents Jonathan and Vikki thought they better get her checked out by a doctor.**

The GP told them to take her straight to hospital and they drove the 40 minute drive to Busselton emergency department. On the way Ayda said "Little bit scary mum". No sooner had they arrived at the hospital than Ayda collapsed and was put into a coma. Next came the difficult fight to keep her alive. She needed to get to specialist care in Perth fast.

The Royal Flying Doctor Service medical team quickly had Ayda on board an aircraft and were about to arrive in Perth when bad weather meant they had to be diverted to Rottnest Island to wait out the inclement weather.

Glenda Wilson was the senior RFDS doctor on board the flight and she said it was a nervous wait.

"We were really concerned," Glenda said.

"I didn't say anything at the time of course but I really wasn't sure that Ayda was going to make it."

"We just had to do everything we could medically to try and keep her stable until we could get her to the hospital," Glenda said.

Eventually they got her to Princess Margaret Hospital at around 9pm that evening, where she remained in a medically induced coma for 15 days.

When she was brought out of the coma, doctors were surprised by Ayda's recovery.

"The doctors in the Paediatric Intensive Care Unit said to us that when you look at Ayda's condition when she arrived, by all accounts she shouldn't be alive," Vikki said.

"We are under no illusion that the only reason we still have our daughter today is because of the doctors and support staff of the RFDS, Busselton Emergency Department and PMH.

"They are the most valuable members of our community and we have the utmost respect for them.

"Jono and I cannot thank them enough for helping save our little girl.

"Their hard work, study and dedication to their profession, and the sacrifices their families make so that they can help other people's families, is just amazing."

Doctors are still not 100% certain of what caused Ayda's sudden illness, but it is likely she had a viral infection of the heart (myocarditis), a condition that can cause heart failure and sudden death if not treated urgently.

Vikki and Jono say they have been forever changed by the experience and the prospect of losing their precious two and a half year-old daughter.

"There is nothing we can say or do that will convey our thanks enough to the RFDS and all the staff involved in saving Ayda's life" Jono said.

"We will be forever grateful."





# Our Patients

**Being pregnant with your first child should be a wonderful experience. But for first time mum Rachel Allen, it was anything but.**

**At just eight weeks, Rachel, who was living and working in Jigalong at the time, (six or seven hours drive from Port Hedland in the Pilbara), fell seriously ill with GORD.**

GORD is a serious condition that involves a disorder of the oesophagus, and is also known as a cardiospasm.

The condition put Rachel and her unborn child at serious risk.

"I was so sick I couldn't move," Rachel said.

"There was no way I could have made the six to seven hour drive to Port Hedland, and the poor nurses in Jigalong didn't know what else to do with me.

"It was a really frightening time."

Because of the isolation of Jigalong, the Royal Flying Doctor Service was called in.

They flew Rachel to Port Hedland, where she stayed for a week for treatment.

"If I didn't get the treatment in Port Hedland, there's a good chance I could have lost the baby," Rachel added.

In December 2012, Rachel's son Heath was born – a happy and healthy ending to what could have been a very different story without the RFDS.

# Our Patients

**When long-time supporters of the Royal Flying Doctor Service, Alison and Tony Smith, asked guests at their Golden Wedding Anniversary to give donations rather than gifts, little did the couple know they would need the services of the RFDS before the year was out.**

After a car accident before Christmas in 2012, Alison was transferred from Albany to Perth by the RFDS with multiple injuries including a collapsed lung, laceration of the liver, a broken arm, several broken ribs and cracked vertebrae.

Alison spent 10 days at Royal Perth Hospital before being transferred to Shenton Park for rehabilitation and occupational therapy.

"My trip to Perth aboard the RFDS was very comfortable thanks to the staff," Alison said.

"Recovering in Perth I saw so many people with horrible injuries that I realised things could have been so much worse, I am very thankful to the RFDS for allowing me to get into recovery so quickly.

"Though we have always supported the RFDS, once you use the service yourself it hits home just how important it is for people living in the country."

Alison and Tony, who have lived in Mount Barker for most of their married life, said they were inspired to donate to the RFDS thanks to the local work of Anne Forbes who runs a quiz night every year which donates thousands to the RFDS.

"When our Golden Anniversary was approaching in February 2012, we decided we didn't need more things and would ask guests to make a donation instead of buying gifts. We thought the RFDS was an organisation that everyone could relate to," Alison added.

"I was surprised at how generous everyone was, around 30 guests came to our party and we raised a total of \$1855.

"I think it's a very good idea for anyone who has a celebration coming up, while you may not need more presents people don't like to come to parties empty handed. We were lucky to have Anne to help as an authorised person to collect the money; this made us feel comfortable our donation was going to the right place."



Alison and her husband Tony, listening to their son James read out cards they were sent for their Golden Wedding Anniversary, along with two of their two youngest granddaughters Niamh and Roisin Healy.



# Letters of thanks

## To the medical team and staff at the Royal Flying Doctor Service

It is almost a year since our young son was badly burnt and required your wonderful services to airlift him to Perth in order to receive treatment from the Burns Unit at PMH.

We cannot begin to thank you for everything you did for our then 18 month old boy Harry, after his terrible accident with hot water on our Kojonup property. We are eternally grateful for your fast response and ensuring we were flown to Perth so quickly. The doctors and staff were amazing and a year down the track Harry is healthy, happy and as active as ever, with very little scarring at all.

Living in the country we are extremely fortunate to have access to the outstanding services of the Royal Flying Doctors.

Many thanks and keep up your wonderful work,

Jeannie & James

## Dear Royal Flying Doctor Service (WA)

On 28 September last year my husband Jon was attacked by a shark in remote WA. Without your help there is a chance he would've died, or we would be in a lot worse position. We can't thank you enough for your wonderful service. Sending our genuine deep and eternal thanks and support.

Jon & Bridget

West Australian  
10 April 2013

## Flying Doctors on call for early arrival

■ Jayne Rickard

Wheatbelt teenager Naomi Mills did not expect to deliver her first child on an ambulance stretcher in the dusty and hot confines of a Royal Flying Doctor Service hangar but she now has an incredible story to tell her son when he grows up.

The new mum spent yesterday recovering in the comfortable confines of a Perth hospital room after going into labour quicker than expected and giving birth to Stanley in the barren surrounds of the Quairading airstrip on Sunday. Ms Mills was taken to the RFDS air-

strip after presenting at her local hospital with early contractions about 8.30am.

Plans to fly the teenager with the RFDS to Perth for the delivery of her son were thrown into disarray when she went into full labour quicker than expected and ended up giving birth to little Stanley just four hours after her initial contractions.

RFDS flight nurse and midwife Jo Johnson attempted to halt the contractions with drugs to enable Naomi to fly but the baby was determined to make a quick arrival.

"The last thing we want to do is deliver inside the aircraft in the air," Ms Johnson said. "It's a teeny enclosed environment and we had a second patient on board."

"When he did finally arrive the cord was around the neck but luckily it wasn't tight. But after he was born everything was absolutely textbook."

"She did a fantastic job."

The RFDS will this year celebrate 85 years of service to rural and remote Australia.



New mum: Naomi Mills with son Stanley and midwife Jo Johnson at King Edward Memorial Hospital. Picture: Ian Munro



If you start something worthwhile, nothing can stop it

Rev John Flynn

From humble beginnings back in 1928 when Reverend John Flynn started a fledgling aeromedical service to provide a “mantle of safety” for pioneers in outback Queensland, to today’s 61-strong national fleet, our core focus has always been the same – to deliver life-saving medical care to people in remote areas in times of need.

We look to the future determined to remain responsive to the changing and growing needs of these communities by developing innovative health services and capabilities, and sustainable funding models, to ensure our capacity to deliver services for another 85 years and beyond.



Our Supporters

Through the generosity of our Corporate and Community supporters, donors, fundraisers, bequestors and volunteers, we raised over \$12.5 million in 2012/13. Thank you! This is an outstanding result which will be applied to our extensive capital requirements including aircraft replacement, new medical equipment and enhanced operational facilities.

Altitude Partners



Major Partners



Community Partners



Government Partners



Workplace Giving Partners

Celtic Scaffolding

Auxiliaries & Fundraising Committees

Busselton Committee	Eastern Goldfields Auxiliary	Friends of the Royal Flying Doctor Service	Jurien Bay Committee	Mount Barker Committee
Cunderdin Committee	Esperance Auxiliary	Geraldton Committee	Katanning Committee	Pannawonica Committee
Dongara Committee	Flying 1000		Lake Grace Committee	Paraburdoo Committee

Community Fundraisers

Agricultural Communications Worldwide	Christmas Island Charities Association	Guildford heritage Markets	Mayday Op-shops	Outback Travel Centres	Suncorp Bank
Australian Livestock Export Corporation	City to Surf 2012	H&M Tracey Construction	Midland Paint Centre & 'Monarch Wines' Grand Vin Estate	Pilbara Waste Disposal	Fremantle Fun Run
Australian Order of Old Bastards Carnarvon	Cliff Natural Resources Pty Ltd Community Concerts	Hauling the Great Eastern – Vintage Automobile Association	Minara Resources Golf Day	Police Legacy – Port Hedland Golf Day	Tarangau Village & Caravan Park
BAE Systems	Crawford Realty – Karratha RFDS Ball	HBF Run for a Reason 2013	Monadelphous Group Pty Ltd	Quairading Fire & Rescue Service	Tour de Heart
Bankwest Kalgoorlie Golf Day & Quiz Night	Dongara Charities Association Inc	Kalgoorlie Kokoda Girls	Morawa Short Circuit Racing	Ravensdown Fertiliser Co-operative Ltd	Village Treasures
Binningup Golf Club	Eighty Mile Beach Fundraising Group	Kerman Contracting Staff Fundraising	Mr Che Holmes – Ship Fundraising	Rio Tinto Golf Day	WA Country Builders Great Southern 500
Border Village Dash	Father & Son Golf Day	Koorda Police Station Golf Day	Mr Mike Kerswill – Mad Mike’s Walk	Rotary Margaret River Fun Run	WA Marathon Club
Cape Lambert Construction Village	Fortescue Metals Group – Christmas Creek and Solomon Mines	Laing O’Rourke RCR Tomlinson & Positron	Mrs Ann McLeish – Narrogin Fundraising	Shire of Yilgarn – Southern Cross Concert	Fremantle Fun Run
CBH Group Grain Donations	Gibb Challenge 2013	Lake Varley & Districts Progress Association	Mrs Beryl Magill – Barn Hill Station Fundraising		Wellard Rural Exports Christmas Function
Chamberlain 9G Tractor Club of WA	Gold Diggas – Sydney ‘Tough Mudder Race’	Leeuwin Lions Club – Postie Bike Ride	On the Road Again for RFDS 2012		Welsh Free Church Hymn Singing Festival
Chapman Valley Golf Club	Goldfields Children Charity Ball	Lycopodium – Marandoo Cup	Outback Air Race 2012		West Australian Mining Club

And many others not listed who have made a valuable contribution. Thank you!



# RFDS, Western Operations Patrons

The Royal Flying Doctor Service, Western Operations, is honoured to have the patronage of His Excellency Mr Malcolm McCusker, Governor of Western Australia, and his wife Tonya McCusker.

In 2012/13 The McCusker Foundation donated \$50,000 to the RFDS. Money went to developing and producing patient luggage transport bags.



His Excellency Mr Malcolm McCusker, AO QC, Governor of Western Australia

Malcolm James McCusker AO QC became the 31st Governor of Western Australia on July 1, 2011. He has a Bachelor of Laws degree from the University of Western Australia and is a Queen's Counsel. Mr McCusker has received numerous awards and was made an Officer of the Order of Australia for his services to law and the community in 2005. He has received two WA Citizen of the Year Awards; the Civil Justice Award from the Australian Lawyer's Alliance; Honorary Degrees from UWA and Edith Cowan University; and was WA Australian of the Year in 2011. Mr McCusker is married to Tonya and has a daughter, Mary, and two stepsons Nikolas and James.



Mrs Tonya McCusker

Mrs McCusker danced around the world with the Australian Ballet Company before returning to the University of Western Australia and completing a Law degree in 1994. Mrs McCusker has a Postgraduate Diploma in Management. She is currently a Trustee and The Administrator of the McCusker Charitable Foundation and works closely with more than 100 community and charitable organisations. She is an Advisory Board Member of the McCusker Centre for Action on Alcohol and Youth and Advisory Board Member of Giving West.



# Financial Reports

For the financial year ended 30 June 2013





# Directors' Report

For the financial year ended 30 June 2013



Your Directors present their report on the Royal Flying Doctor Service of Australia (Western Operations), referred to as “Western Operations”, for the financial year ended 30 June 2013. The names and particulars of the Directors of Western Operations in office during and since the end of the financial year ended 30 June 2013 are:

- Mr Neville Bassett
- Mr Michael Hutson
- Dr Robert Liddell (retired 5 July 2013)
- Mr Richard Alder
- Mr Paul Monger (retired 26 October 2012)
- Mr John Croser
- Mr Brian Pontifex
- Ms Erica Smyth
- Dr Ann Ward (not pictured)
- Mr Colin Heath (elected 26 October 2012)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Information on Directors

- Mr Neville Bassett**  
**Qualifications and Experience:** Corporate Consultant, B.Bus, FCA. Director since 6 January 1997. **Special Responsibilities:** Chairman, Member of the Remuneration Committee,
- Mr Michael Hutson**  
**Qualifications and Experience:** Accountant, B. Com, FCPA. Director since 23 October 2004. **Special Responsibilities:** Member of the Risk and Audit Committee.
- Dr Robert Liddell**  
**Qualifications and Experience:** Medical Practitioner, Aviation Medicine Consultant. MBBS, Dip RCOG, Dip Avn Med, ATPL. Director since 20 October 2005. **Special Responsibilities:** Member of the Remuneration Committee.

- Mr Richard Alder**  
**Qualifications and Experience:** Retired Financial Advisor. Appointed by the Board on 20 December 2007 as an independent director. **Special Responsibilities:** Member of the Risk and Audit Committee, Representative on Australian Council and National Board.

- Mr Paul Monger**  
**Qualifications and Experience:** Retired Pastoralist. Director since 24 October 2008. **Special Responsibilities:** Member of the Nominations Committee. Mr Monger retired on 26th October 2012.

- Mr John Croser**  
**Qualifications and Experience:** Retired Orthopaedic Surgeon. Director since 22 November 2007. **Special Responsibilities:** Member of the Nominations Committee, Life member.

- Mr Brian Pontifex**  
**Qualifications and Experience:** Solicitor, BA (Hons) W. Aust., LLB (Hons) ANU, LLM Edin. Chief of Staff to Premier of Western Australia. Appointed by the Board on 11 December 2009 as an independent director. **Special Responsibilities:** Member of the Nominations Committee.

- Ms Erica Smyth**  
**Qualifications and Experience:** Geologist BSc (Hons), Hon. DLitt W.Aust., MSc (App) McG., and Company Director, FAICD. Appointed by the Board on 26 February 2010 as an independent director. **Special responsibilities:** Chair of the Risk and Audit Committee

- Dr Ann Ward (not pictured)**  
**Qualifications and Experience:** Medical Practitioner MBBS, FRACGP; DRANZCOG; DipTropMed; DACSCM. Director since 24 October 2010. **Special responsibilities:** Member of the Remuneration Committee.

- Mr Colin Heath**  
**Qualifications and Experience:** Licensed Real Estate Agent, Property Developer and Company Director. Elected to the Board on 26th October 2012.

# Directors' Report *continued* >

### Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

### Mrs Liane Papaelias

**Qualifications and Experience:** Accountant, B.Bus, FCPA. Appointed 23 February 2004 as Chief Financial Officer and Company Secretary. Has responsibility for finance, asset management, information management, corporate governance, risk management and administrative areas of the Company.

### CORPORATE GOVERNANCE

#### The Board

The Board of Western Operations currently consists of nine Directors. Six Directors are elected by the members and the Board may appoint up to three independent Directors.

### COMMITTEES OF THE BOARD

#### Nominations Committee

The Nominations Committee consists of three Directors and meets as required. The purpose of this committee is to review nominations of Directors and make recommendations to the Board and to the Members.

#### Risk and Audit Committee

The Risk and Audit Committee consists of three Directors and three Executive Managers, and meets at least twice a year. The

committee assists the Board in fulfilling its responsibilities for Company accounts and external financial reporting and also reviews the risk management profile and reporting for the Company. The committee is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

### Remuneration Committee

The Remuneration Committee consists of three Directors, and meets at least once a year. The purpose of this committee is to review and make recommendations to the Board on remuneration packages and policies applicable to the Chief Executive Officer and the Executive Management Team.

### Principal Activities

The principal activities of Western Operations during the financial year were the provision of aeromedical health services to people travelling, working and living in remote and regional Western Australia.

The company’s objectives are to expand the range, reach and quantity of primary health services, and to improve health outcomes for people transported by RFDS aircraft and crews and for people consulted by phone or in person at RFDS clinics.

In the short term, Western Operations aims to improve performance in emergency services in terms of response times and to increase capacity by way of staff and aircraft in order to meet the ongoing and substantial increase in the demand for patient evacuation. The short term objectives for primary health care are to expand the number of clinic services delivered and to offer new services at remote locations.

### Directors' attendance at meetings July 2012 to June 2013

	Board Meeting		Nominations Committee		Risk & Audit Committee		Remuneration Committee	
Directors	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr N Bassett	6	6	2	2			1	1
Mr R Alder	6	5			3	3		
Mr M Hutson	6	4			3	2		
Dr R Liddell	6	4					1	-
Mr P Monger	3	2						
Mr J Croser	6	4						
Mr Brian Pontifex	6	4	2	2				
Ms Erica Smyth	6	6			3	3		
Dr Ann Ward	6	4	1	1			1	-
Mr C Heath	3	3						



Operating Results

Western Operations made an operating profit for the financial year of \$1,409,161. Donations to the Flying 1000, Capital Campaign, and capital contributions from the Australian Council and the Victorian Section are included in the net result.

After Balance Date Events

In August 2013, the company entered into a contract for the purchase of two new Pilatus PC12 aircraft to the value of US\$ 9.9 million. Government funding has been sought for 80% of the net cost of these acquisitions. No other matters or circumstances have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Corporate Governance

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each toward meeting any outstanding obligations of the entity. At 30 June 2013, the total amount that members of the company are liable to contribute if the company is wound up is \$0, (2012: \$0).

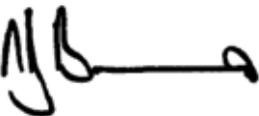
Review of Operations

Please refer to both the Chairman's Message and the Chief Executive Officer's Report.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11 and forms part of this report.

Signed in accordance with a resolution of the Board of Directors:



Neville Bassett, Chairman

Date: 13 September 2013  
Perth, Western Australia

For the financial year ended 30 June 2013



To the members of

ROYAL FLYING DOCTOR SERVICE OF AUSTRALIA  
(WESTERN OPERATIONS)

We have audited the accompanying financial report of Royal Flying Doctor Service of Australia (Western Operations), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of Royal Flying Doctor Service of Australia (Western Operations).

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. 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; and making accounting estimates that are reasonable in the circumstances.

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. These Auditing 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 the auditor's 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, the auditor considers internal control relevant to the company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Basis for Qualified Auditor's Opinion

Donations and other fundraising activities are a significant source of revenue for Royal Flying Doctor Service of Australia (Western Operations). The Company has determined that it is impracticable to establish control over the collection of donations and other fundraising activity receipts prior to the entry in its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to donations and other fundraising activities had to be restricted to the amounts recorded in the financial records. We are satisfied that all amounts received by the Company from this source have been properly recorded, however we are unable to express an opinion on whether all amounts collected by third parties have been passed onto the Company.

Qualified Auditor's Opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been determined to be necessary had the limitation referred to in the preceding paragraph not existed, the financial report of Royal Flying Doctor Service of Australia (Western Operations) is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the financial position of Royal Flying Doctor Service of Australia (Western Operations) as at 30 June 2013 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.




HLB Mann Judd  
Chartered Accountants

Perth, Western Australia  
13 September 2013

L Di Giallonardo  
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714  
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.  
Email: [hlb@hlbwa.com.au](mailto:hlb@hlbwa.com.au). Website: <http://www.hlb.com.au>  
Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of  International, a worldwide organisation of accounting firms and business advisers.



# Directors’ Declaration

The Directors of Royal Flying Doctor Service of Australia (Western Operations) declare that:

- 1. The financial statements and notes, as set out on pages 39-58, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards and the Corporations Regulations 2001; and
  - b. give a true and fair view of the financial position as at 30 June 2013 and of the performance of the Company for the year ended on that date.
- 2. In the directors’ opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Neville Bassett, Chairman  
13 September 2013  
Perth, Western Australia

# Auditor’s Independence Declaration



As lead auditor for the audit of the financial report of Royal Flying Doctor Service of Australia (Western Operations) for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia  
13 September 2013

L Di Giallonardo  
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714  
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.  
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Liability limited by a scheme approved under Professional Standards Legislation

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# Statement Of Comprehensive Income

For the financial year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>Continuing Operations</b>			
Revenue from Operations		68,165,018	62,632,764
Non-Operating Revenue		15,388,981	13,973,991
	2	83,553,999	76,606,755
<b>Expenses</b>			
Aviation Expenses		29,748,928	27,498,273
Health Services Expenses		27,386,769	25,993,305
Depreciation Expense		7,314,099	7,504,381
Loss on Revaluation		-	269,009
Loss on Sale of Assets		112,130	339,095
Loss on Foreign Exchange		447,360	334,623
Facility Expenses		5,598,815	4,656,681
Administrative Expenses		5,363,150	4,607,866
Fundraising Expenses		1,670,511	1,771,237
Borrowing Costs		647,672	746,488
Project Expenses		3,604,545	3,316,123
Other Expenses		250,859	370,523
		82,144,838	77,407,604
<b>Profit / (Loss) for the period from continuing operations</b>		<b>1,409,161</b>	<b>(800,849)</b>
<b>Other Comprehensive Income</b>			
Net revaluation increment /(decrement) on investments and assets		73,042	(63,681)
		73,042	(63,681)
<b>Total comprehensive profit / (loss) for the period</b>		<b>1,482,203</b>	<b>(864,530)</b>

Notes to the financial statements are included on pages 43 to 58.



# Statement Of Financial Position

As at 30 June 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	6	25,252,493	18,113,100
Trade and other receivables	7	7,857,273	8,725,025
Inventory	8	833,360	1,112,015
TOTAL CURRENT ASSETS		33,943,126	27,950,140
NON-CURRENT ASSETS			
Financial assets	9	644,948	573,759
Aircraft, property, plant and equipment	10	70,595,774	73,054,128
TOTAL NON-CURRENT ASSETS		71,240,722	73,627,887
TOTAL ASSETS		105,183,848	101,578,027
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	10,745,579	9,224,522
Financial liabilities	12	5,076,874	1,836,962
Short-term provisions	13	1,489,437	982,472
TOTAL CURRENT LIABILITIES		17,311,890	12,043,956
NON-CURRENT LIABILITIES			
Financial liabilities	12	4,788,899	7,811,464
Long-term provisions	13	1,202,977	1,324,728
TOTAL NON-CURRENT LIABILITIES		5,991,876	9,136,192
TOTAL LIABILITIES		23,303,766	21,180,148
NET ASSETS		81,880,082	80,397,879
EQUITY			
Retained earnings		54,514,298	53,105,137
Reserves		27,365,784	27,292,742
TOTAL EQUITY		81,880,082	80,397,879

Notes to the financial statements are included on pages 43 to 58.

# Statement Of Changes In Equity

For the financial year ended 30 June 2013

	Retained Earnings \$	Asset Revaluation Reserve \$	Pharmaceutical Reserve \$	Total \$
Balance at 30 June 2011	53,905,986	27,336,423	20,000	81,262,409
Profit / (Loss) attributable to the entity	(800,849)	-	-	(800,849)
Revaluation Decrement	-	(63,681)	-	(63,681)
Balance at 30 June 2012	53,105,137	27,272,742	20,000	80,397,879
Profit / (Loss) attributable to the entity	1,409,161	-	-	1,409,161
Revaluation Increment	-	73,042	-	73,042
Balance at 30 June 2013	54,514,298	27,345,784	20,000	81,880,082

Notes to the financial statements are included on pages 43 to 58.



# Statement Of Cash Flows

For the financial year ended 30 June 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from services provided		20,673,643	11,623,600
Payments to suppliers and employees		(79,309,719)	(71,995,416)
Commonwealth operational grants		18,032,848	15,197,239
State operational grants		34,056,339	31,907,083
Other grants – projects		3,225,208	3,166,039
Dividends Received		27,079	24,867
Interest received		493,651	605,232
Finance costs		(434,808)	(549,269)
Net cash used in operating activities	14	(3,235,759)	(10,020,625)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for aircraft, property, plant and equipment		(4,967,864)	(3,724,527)
Proceeds from sale of property, plant and equipment		240,584	341,342
Proceeds from sale of Investments		1,853	10,363
Government capital grants received		1,443,864	2,330,013
Bequests		3,386,312	2,229,853
Capital contributions by Victorian Section		30,000	1,000,000
Australian Council Distribution		922,562	557,140
Proceeds from fundraising activities		9,477,137	7,756,318
Capital interest		129,107	100,667
Net cash provided by investing activities		10,663,555	10,601,169
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,861,312)	(1,696,492)
Proceeds from borrowings		1,485,000	-
Net cash used in financing activities		(376,312)	(1,696,492)
Net increase/(decrease) in Cash Held		7,051,483	(1,115,948)
Exchange Rate Adjustment		87,910	125,986
Cash at beginning of year		18,113,100	19,103,062
Cash at end of year	14	25,252,493	18,113,100

Notes to the financial statements are included on pages 43 to 58.

# Notes to the Financial Statements

For the financial year ended 30 June 2013

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is for Royal Flying Doctor Service of Australia (Western Operations) as an individual entity, incorporated and domiciled in Australia. Royal Flying Doctor Service of Australia (Western Operations) is a public company limited by guarantee. The principal activities of the entity are described in the Directors’ report.

### Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### Adoption of New and Revised Standards

In the year ended 30 June 2013, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2013. As a result of this review the Directors have determined that there is no impact, material or otherwise of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to existing policies.

### Statement of Compliance

The financial report was authorised for issue on 13 September 2013. The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

## Accounting Policies

### a) Income Tax

Western Operations, due to the nature of its activities, has been granted an exemption from the payment of income tax under Division 50 of the Income Tax Assessment Act 1997.

### b) Inventories

Inventories are measured at cost, adjusted when applicable for any loss of service potential. Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

### c) Aircraft, property, plant & equipment

#### Aircraft

Aircraft are shown at their fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation.

Increases in the carrying amount arising on revaluation of aircraft are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same class of assets are charged against the revaluation reserve directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Aircraft that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date they are acquired.

### Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same class of assets are charged against the revaluation reserve directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date they are acquired.



Notes to the Financial Statements

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For the financial year ended 30 June 2013

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. 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.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date they are acquired.

Depreciation

Depreciation is provided on property, plant and equipment, including buildings and capitalised lease assets, but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life.

The following estimated useful lives are used in the calculation of depreciation:

Buildings & Leasehold Improvements	10 - 15 years
Aircraft – turbo prop	15,000 hours
Aircraft – jet	10 years
Plant and equipment	5 - 10 years
Office equipment	3 years
Furniture	3 years
Motor Vehicles	7 years
Software	1 – 2 years

The asset’s residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to Western Operations, are classified as finance leases. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Impairment of Assets

Western Operations assesses at each reporting date whether there is an indication that an asset may be impaired. If any such 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 the future economic benefits of the asset are not primarily dependent upon the asset’s ability to generate net cash inflows and when Western Operations would, if deprived of the asset, replace its remaining future economic benefits, value-in-use is determined to be the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, Western Operations estimates the recoverable amount of the cash-generating unit to which the class of assets belongs.

d) Employee Benefits

Provision is made for Western Operations’ liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the net present value of expected future payments.

e) Comparative Figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented for the current financial year.

f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

The Company is the sole beneficiary of two trusts, which are not included in the assets and liabilities reported in the Statement of Financial Position. The accounts are held on term deposit with the Bank of Western Australia. Balances held as at 30 June 2013 are as follows:

R & H Dicks Memorial Foundation	\$270,341
Eileen Lillian Cross RFDS Education Trust	\$289,284

g) Foreign Currency

All foreign currency transactions during the financial year have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date. Exchange differences are brought to account in the statement of comprehensive income in the period in which they arise except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the

Notes to the Financial Statements

continued >

For the financial year ended 30 June 2013

translation of non-monetary items are recognised directly in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

h) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when Western Operations becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby Western Operations no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred and the fair value of consideration paid, including the transfer of non-cash assets or liabilities is assumed in profit or loss.

Classification and Subsequent Measurement

Financial assets at fair value through profit and loss

Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments are non-derivative financial assets that have fixed maturities, and it is Western Operations’ intention to hold these investments to maturity. Any held-to-maturity investments held by Western Operations are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Changes in fair value are recognised through equity unless significant or prolonged where they are recognized in profit or loss.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are recognised at amortised cost using the effective interest rate method.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of comprehensive income unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, Western Operations assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

i) Revenue Recognition

Revenue from Grants:

Revenue from government grants are recognised on the receipt of monthly payments, except for lump sums received in advance of the financial year for which the grants are paid. Where grants are received in advance, they are recorded as a liability, “Income received in Advance”, and are included in Trade and Other Payables.

Revenue from insurance recoveries:

Revenue from insurance recoveries is recognised when invoices are raised.



# Notes to the Financial Statements *continued* >

For the financial year ended 30 June 2013

### Donations, Fundraising Revenue and Bequests:

Donations, fundraising revenue and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income in the statement of financial position.

### Other Revenue:

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

### j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities which is disclosed as operating cash flows.

### k) Unexpended Grants

Western Operations receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of Western Operations to treat grant monies as unexpended grants in the statement of financial position where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

### l) Contributions

Western Operations receives non–reciprocal contributions from the government and other parties for no value or a nominal value. These contributions are recognised at the fair value on the date of acquisition upon which time an asset is taken up in the statement of financial position and revenue in the statement of comprehensive income.

### m) Provisions

Provisions are recognised when Western Operations has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

### n) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in expenditure in the period in which they are incurred.

### o) Economic Dependence

Western Operations is dependent on both the Federal and State Government for the majority of its revenue used to fund operations. At the date of this report the Board of Directors has no reason to believe that this support will not continue.

### Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within Western Operations.

Western Operations assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Western Operations evaluates the useful life of assets, according to the type of asset, manufacturer’s recommendations, annual utilisation and experience in maintaining and operating the asset under conditions specific to the Company.

# Notes to the Financial Statements *continued* >

For the financial year ended 30 June 2013

2. REVENUE	2013 \$	2012 \$
Revenue from Operations		
Commonwealth Government Service Agreement	18,032,848	16,552,239
State Government WA Health Department	34,056,339	31,907,083
Interest received	493,651	605,232
Dividends Received	27,079	24,867
Insurance recoveries	9,563,444	8,191,261
Gain on foreign exchange	154,474	279,374
Other income	2,611,975	1,906,669
Project Grants	3,225, 208	3,166,039
	68,165,018	62,632,764
Non-Operating Revenue		
Capital Grants	1,443,864	2,330,013
Capital Contributions from RFDS Victorian Section	30,000	1,000,000
Australian Council Distribution	922,562	557,140
Fundraising Revenue	9,065,042	7,462,719
Interest	129,106	100,667
Bequest Income	3,386,312	2,229,853
Flying 1000	412,095	293,599
	15,388,981	13,973,991
TOTAL REVENUE	83,553,999	76,606,755

3. PROFIT/LOSS	2013 \$	2012 \$
Expenses		
Provision for employee entitlements	(1,229,018)	(835,891)
Depreciation	(7,314,099)	(7,504,381)
Operating lease expenses	(456,455)	(425,319)
Interest expense	(647,672)	(746,488)
Loss on foreign exchange	(447,360)	(334,623)
Loss on sale of assets	(112,130)	(339,095)
Loss on revaluation of assets	-	(269,009)

4. KEY MANAGEMENT PERSONNEL COMPENSATION	2013 \$	2012 \$
Short-term benefits	2,018,914	1,862,924
Post employment benefit	177,848	181,416
Total compensation	2,196,762	2,044,340



# Notes to the Financial Statements *continued* >

For the financial year ended 30 June 2013

## 5. AUDITORS' REMUNERATION

	2013 \$	2012 \$
Amounts received or due and receivable by the auditors of the Company for:		
(a) Auditing the financial report	44,500	43,900
(b) Other services	-	-
	44,500	43,900

## 6. CASH AND CASH EQUIVALENTS

	2013 \$	2012 \$
CURRENT		
Cash at bank and on hand	1,732,574	3,118,567
Short-term deposits	23,519,919	14,994,533
	25,252,493	18,113,100

The effective interest rate on short-term bank deposits was 2.92% (2012: 4.09%). These deposits are held at call or with a maturity of only 90 days.

## 7. TRADE AND OTHER RECEIVABLES

	2013 \$	2012 \$
Trade receivables	7,712,198	8,514,473
Allowance for impairment of receivables (i)	(339,542)	(363,684)
	7,372,656	8,150,789
Accrued income	-	-
Other Receivables	484,617	574,236
	484,617	574,236
	7,857,273	8,725,025

### (i) Allowance for Impairment of Receivables

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

	Opening Balance	Charge for the year	Amounts Written Off	Closing Balance
Current trade receivables				
Balance as at 30 June 2012	268,162	95,522	-	363,684
Balance as at 30 June 2013	363,684	(24,142)	-	339,542

All impaired receivables relate to insurance recoveries and are treated as doubtful debts with ageing of 120 plus days. No write-offs are anticipated.

# Notes to the Financial Statements *continued* >

For the financial year ended 30 June 2013

### (ii) Ageing of Past due but Not Impaired Receivables

Aged Analysis Trade Receivables	Total	0-60 Days	61-90 Days	91-120 days	120+ Days
Balance as at 30 June 2012	8,150,789	7,777,751	91,495	38,181	243,362
Balance as at 30 June 2013	7,372,656	7,218,882	86,416	22,795	44,563

## 8. INVENTORIES

	2013 \$	2012 \$
At cost		
Aircraft spare parts	759,558	1,017,690
Merchandise	40,077	53,491
Aviation Fuel	33,725	40,834
	833,360	1,112,015

## 9. FINANCIAL ASSETS

	2013 \$	2012 \$
Bonds	185,105	186,085
Available-for-sale financial assets comprise:		
Listed investments - shares in listed corporations at fair value	459,843	387,674
	644,948	573,759

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.



# Notes to the Financial Statements *continued* >

For the financial year ended 30 June 2013

## 10. AIRCRAFT, PROPERTY, PLANT AND EQUIPMENT

	2013 \$	2012 \$
Land and Buildings – at fair value	38,800,125	38,800,125
Land and Buildings – at cost	7,450,289	3,571,908
Accumulated depreciation	(3,605,537)	(1,695,057)
	42,644,877	40,676,976
Aircraft - at fair value	33,700,000	33,700,000
Aircraft – at cost	1,519,754	1,129,366
Accumulated depreciation	(9,810,906)	(5,057,905)
	25,408,848	29,771,461
Rotable Assets – at fair value	523,631	472,800
Accumulated depreciation	-	-
	523,631	472,800
Plant, equipment, furniture - at deemed cost	7,772,879	7,246,588
Accumulated depreciation	(5,874,809)	(5,398,480)
	1,898,070	1,848,108
Software – at cost	388,550	455,369
Accumulated depreciation	(268,202)	(170,586)
	120,348	284,783
	70,595,774	73,054,128

The Directors revalued all property and aircraft as at 30 June 2011 to ensure that the largest asset classes of the Company are reflected in the accounts at fair value. The independent valuations were performed by Australian Valuation Partners, on the basis of current market buying values.

# Notes to the Financial Statements *continued* >

For the financial year ended 30 June 2013

## 10a. MOVEMENTS IN CARRYING AMOUNTS

Fair Value or Deemed Cost	Land & Buildings	Aircraft	Rotable Assets	Plant, Equipment & furniture	Software	Total
Opening Balance	42,372,033	34,829,366	472,800	7,246,588	455,369	85,376,156
Additions	3,878,381	390,388	50,831	640,325	7,950	4,967,865
Disposals	-	-	-	(132,494)	(56,309)	(188,803)
Transfers	-	-	-	18,460	(18,460)	-
Closing Balance	46,250,414	35,219,754	523,631	7,772,879	388,550	90,155,228

### Depreciation

Opening Balance	1,695,057	5,057,905	-	5,398,480	170,586	12,322,028
Depreciation charge	1,910,480	4,753,001		553,002	97,616	7,314,099
Disposals	-	-	-	(76,673)	-	(76,673)
Closing Balance	3,605,537	9,810,906	-	5,874,809	268,202	19,559,454

## 11. TRADE AND OTHER PAYABLES

	2013 \$	2012 \$
Current:		
Trade payables	2,607,094	3,624,342
Tax liability – GST	449,566	177,312
Sundry payables and accrued expenses	2,168,273	827,485
Annual leave	4,028,859	3,397,263
Short term leave	1,186,690	1,077,742
Other liabilities	305,097	120,378
	10,745,579	9,224,522

## 12. FINANCIAL LIABILITIES

	2013 \$	2012 \$
Current:		
Bank loan secured	5,076,874	1,836,962
Non-Current:		
Bank loan secured	4,788,899	7,811,464
	9,865,773	9,648,426

- a) Bank loans for the purchase of aircraft are secured by a fixed and floating charge over the Company’s assets. Finance for the jet is secured by a fixed charge over that aircraft. Loans for aircraft represent 49% of total financial liabilities.
- b) Loans for the purchase of housing are secured by mortgage over the property subject to the loan. Housing loans represent 51% of total financial liabilities.



# Notes to the Financial Statements *continued* >

For the financial year ended 30 June 2013

## 13. PROVISIONS

### Provision for Long-term Employee Benefits

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1(d).

	Long-term Employee Benefits \$
Balance as at 1 July 2011	1,959,450
Additional provisions raised during the year	499,867
Amounts used	(152,117)
Balance at 30 June 2012	2,307,200
Additional provisions raised during the year	515,957
Amounts used	(130,743)
Balance at 30 June 2013	2,692,414

### Analysis of Total Provisions

	2013 \$	2012 \$
Current	1,489,437	982,472
Non-Current	1,202,977	1,324,728
	2,692,414	2,307,200

## 14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) For the purposes of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2013 \$	2012 \$
Cash – Operational	21,486,635	14,918,786
– Capital/Project cash holdings	3,745,858	3,174,314
– Restricted Cash (Medical chest float)	20,000	20,000
	25,252,493	18,113,100

# Notes to the Financial Statements *continued* >

For the financial year ended 30 June 2013

(b) The net cash provided by/ (used in) operating activities is reconciled to the profit/(loss) for the year as follows:

	2013 \$	2012 \$
Profit/(Loss) for the year	1,409,161	(800,849)
Depreciation	7,314,099	7,504,381
(Gain)/Loss in foreign exchange	292,874	(196,722)
Loss on revaluation of aircraft and rotatable assets	-	269,009
(Gain)/Loss on disposal of investments	980	-
(Gain)/Loss on disposal of property, plant and equipment	112,130	354,466
Interest payable, non cash	212,864	197,219
Capital contributions and grants received and invested	(15,630,545)	(13,973,991)
(Increase)/Decrease in Assets:		
Current receivables	891,894	(4,891,526)
Inventory	278,655	77,304
Provision for Doubtful Debts	(24,143)	95,522
Investments/PPE	-	(553,360)
Increase/(Decrease) in Liabilities:		
Current accounts payable	1,248,804	1,640,716
Employee Benefits	385,214	347,750
Tax Liabilities	272,254	(90,544)
Net cash used in operating activities	(3,235,759)	(10,020,625)

## 15. FINANCIAL INSTRUMENTS

### (a) Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

- (i) Treasury Risk Management  
Senior members of management meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.
- (ii) Financial Risk Exposures and Management  
The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

### Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2013 approximately 69% of debt is fixed.

### Foreign Currency Risk

The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than Australian dollars. The currencies giving rise to this risk are primarily U.S. Dollars. The Company uses forward exchange contracts to hedge its foreign currency risk. No forward exchange contracts are held as at 30 June 2013.



# Notes to the Financial Statements *continued* >

For the financial year ended 30 June 2013

In respect of other monetary assets and liabilities held in currencies other than AUD, the entity ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short term imbalances. The financial risk to the Company in foreign currency risk has been shown through the maturity profile of financial liabilities throughout this note.

### Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

### Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognized financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity. Bank loans for the purchase of aircraft are secured by a fixed and floating charge over the Company’s assets.

Credit risk is managed by the Company and reviewed regularly by the Board. It arises from exposures to customers as well as through deposits with financial institutions.

The entity monitors the credit risk by actively assessing the rating quality and liquidity of counterparties:

- > Only banks and financial institutions with an ‘A’ rating are utilized.
- > Only accredited fund managers linked to ‘A’ rated financial institutions are used.

The credit standing of counterparties is reviewed monthly for liquidity and credit risk.

The trade receivables balances at 30 June 2013 and 30 June 2012 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

### Price risk

The Company is not exposed to any material commodity price risk.

### (b) Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as managements’ expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

Financial Assets	2013			2012		
	Cash & Cash Equivalents	Receivables	Investments	Cash & Cash Equivalents	Receivables	Investments
Weighted Average Effective Interest Rate	2.92%	-	-	4.09%	-	-
Floating Interest Rate	24,426,721	-	-	17,389,617	-	-
Fixed Interest Rate (maturing within 1 year)	-	-	-	-	-	-
Non-Interest Bearing	825,772	8,042,378	459,843	723,483	8,911,110	387,674
Total	25,252,493	8,042,378	459,843	18,113,100	8,911,110	387,674

# Notes to the Financial Statements *continued* >

For the financial year ended 30 June 2013

Financial Liabilities	2013	Trade & Other Payables	2012	Trade & Other Payables
	Bank Loan Secured		Bank Loan Secured	
Weighted Average Effective Interest Rate	6.59%	-	7.30%	-
Floating Interest Rate	3,018,443	-	3,854,232	-
Fixed Interest Rate (maturing within 1 year)	3,891,351	-	-	-
Fixed Interest Rate (maturing within 1 to 5 years)	803,706	-	2,998,015	-
Fixed Interest Rate (maturing more than 5 years)	2,152,273	-	2,796,179	-
Non-Interest Bearing	-	13,437,993	-	11,531,722
Total	9,865,773	13,437,993	9,648,426	11,531,722

Trade and sundry payables are expected to be paid as follows:

	2013 \$	2012 \$
Trade payables		
Less than 6 months	2,607,094	3,328,583
6 months to 1 year	-	-
	2,607,094	3,328,583
Sundry payables		
Less than 6 months	-	295,759
6 months to 1 year	9,627,922	6,582,652
Greater than 1 year	1,202,977	1,324,728
	10,830,899	8,203,139
Total trade and sundry payables	13,437,993	11,531,722

### c) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at reporting date adjusted for transaction costs expected to be incurred. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at reporting date:

Financial Assets	2013	Net Fair Value \$	2012	Net Fair Value \$
	Carrying Amount \$		Carrying Amount \$	
Available-for-sale financial assets at fair value	459,843	459,843	387,674	387,674



# Notes to the Financial Statements *continued* >

For the financial year ended 30 June 2013

Sensitivity analysis:

Interest rate risk

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2013, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2013 \$	2012 \$
Change in profit/(loss)		
- Increase in interest rate by 2%	428,166	330,489
- Decrease in interest rate by 2%	(428,166)	(330,489)
Change in equity		
- Increase in interest rate by 2%	428,166	330,489
- Decrease in interest rate by 2%	(428,166)	(330,489)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

Foreign Exchange Risk

As at 30 June 2013, the effect on profit and equity as a result of changes in the U.S. dollar foreign exchange rate, with all other variables remaining constant, would be as follows:

	2013 \$	2012 \$
Change in profit/(loss)		
- Increase in exchange rate by 2%	57,962	14,608
- Decrease in exchange rate by 2%	(60,558)	(14,305)
Change in equity		
- Increase in exchange rate by 2%	57,962	14,608
- Decrease in exchange rate by 2%	(60,558)	(14,305)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

16. CAPITAL MANAGEMENT

Management control the capital of the Company to ensure that adequate cash flows are generated to fund its activities and that returns from investments are maximised. The Board ensures that the overall risk management strategy is in line with this objective. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The Company’s capital consists of financial liabilities, supported by financial assets. Management effectively manage the Company’s capital by assessing the financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the Company since the previous year.

The gearing ratios for the years ended 30 June 2013 and 30 June 2012 are as follows:

# Notes to the Financial Statements *continued* >

For the financial year ended 30 June 2013

	2013 \$	2012 \$
Financial liabilities	9,865,773	9,648,426
Trade and other payables	10,745,579	9,224,522
Total	20,611,352	18,872,948
Less cash and cash equivalents	25,252,493	18,113,100
Net debt	(4,641,141)	759,848
Total Equity (reserves + retained earnings)	81,880,082	80,397,879
<b>Total Capital</b>	81,880,082	80,397,879
Gearing ratio	(5.67%)	0.95%

17. COMMITMENTS FOR EXPENDITURE

a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements. Operating lease payments are charged as an expense in the period in which they are incurred.

	2013 \$	2012 \$
<b>Property Lease</b>		
Not later than 12 months	2,121,192	2,177,294
between 12 months and five years	1,821,765	2,197,976
greater than five years	3,827,454	4,546,518
	7,770,411	8,921,788
<b>Motor vehicle lease</b> (minimum lease payments)		
Not later than 12 months	366,592	335,676
between 12 months and five years	348,682	318,637
greater than five years	-	-
	715,274	654,313

Company vehicles are leased for three years. Contingent rental payments and terms of renewal are determined by the terms of the lease agreement. There is no provision for an option to purchase leased vehicles. There are no escalation clauses in the agreement.

b) Plant & Equipment Acquisition

After the balance date the company has entered into a contract for the purchase of two new Pilatus PC12 aircraft to the value of US\$9.9 million, with payment due on delivery in the 2013-2014 financial year. Government funding has been sought for 80% of the net cost of these acquisitions. No liability is shown in the financial statements for this amount.

18. CONTINGENT LIABILITIES

There were no contingent liabilities as at reporting date.



# Notes to the Financial Statements *continued* >

For the financial year ended 30 June 2013

## 19. RELATED PARTY DISCLOSURES

### Directors

The Directors of RFDS Western Operations during the year were:

- Mr NJ Bassett
- Mr MDF Hutson
- Dr RW Liddell
- Mr RP Alder
- Mr PP Monger
- Mr JL Croser
- Mr B Pontifex
- Ms E Smyth
- Dr A Ward
- Mr CR Heath

## 20. REMUNERATION OF DIRECTORS

There was no income received or due and receivable by Directors of the Company in connection with the management of the Company and any related body corporate.

## 21. GUARANTEE OF MEMBERS

RFDS Western Operations is a public company limited by guarantee. Each member of the Company has undertaken to contribute to the assets of the Company in the event of it being wound up while a member or within one year following cessation of membership, for the payment of the debts and liabilities of the Company contracted before the cessation of that membership, together with the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding \$10.

## 22. COMPANY DETAILS

Registered Office  
3 Eagle Drive  
Jandakot WA 6164  
Telephone: (08) 9417 6300  
Facsimile: (08) 9417 6309

# WESTERN OPERATIONS

### Corporate Office

Chief Executive Officer: Grahame Marshall  
Corporate Affairs: Nick Harvey  
  
Address: 3 Eagle Drive  
JANDAKOT AIRPORT JANDAKOT WA 6164  
  
Telephone: 08 9417 6300  
Facsimile: 08 9417 6309  
Email: westops@rfdswa.com.au

### JANDAKOT (BASE)

Address: 3 Eagle Drive  
JANDAKOT AIRPORT JANDAKOT WA 6164  
  
Telephone: 08 9417 6300  
Facsimile: 08 9417 6309

### DERBY BASE

Address: 149 Loch Street (PO Box 52)  
DERBY WA 6728  
  
Telephone: 08 9191 0200  
Facsimile: 08 9191 0209

### KALGOORLIE BASE

Address: Kalgoorlie Boulder Airport  
(PO Box 444)  
  
KALGOORLIE WA 6430  
  
Telephone: 08 9093 7500  
Facsimile: 08 9093 7509

### MEEKATHARRA BASE

Address: Main Street (PO Box 103)  
MEEKATHARRA WA 6642  
  
Telephone: 08 9980 0550  
Facsimile: 08 9981 1260

### PORT HEDLAND BASE

Address: Waldron Road (PO Box 2144)  
SOUTH HEDLAND WA 6722  
  
Telephone: 08 9172 0700  
Facsimile: 08 9172 0709





# How you can help

The Royal Flying Doctor Service relies on the support from corporations, the State and Commonwealth Governments, and the community to carry out its life-saving work.

## To donate:

- > Send to Royal Flying Doctor Service  
Locked Bag 2  
Canning Vale DC WA 6970
- > Phone on (08) 9417 6300
- > Online at [flyingdoctor.org.au](https://flyingdoctor.org.au)

ABN 29 067 077 696

We acknowledge and thank our corporate partners, sponsors, donors, members, friends, volunteers, and the State and Commonwealth governments. Your support and combined contributions make our work possible and on behalf of all, including our patients, we say thank you.

**Royal Flying Doctor Service, Western Operations**



## Royal Flying Doctor Service

**WESTERN OPERATIONS**