

**'15**  
ANNUAL  
REPORT



**TO BE**  
**LEADERS**  
**IN RURAL HEALTHCARE**



East Grampians  
Health Service

## OUR VISION

To be leaders in rural health care

## OUR MISSION

East Grampians Health Service will improve our community's health and quality of life through strong partnerships and by responding to changing needs

## OUR VALUE STATEMENTS



### INTEGRITY

We value integrity, honesty and respect in all relationships



### EXCELLENCE

We value excellence as the appropriate standard for all services and practices



### COMMUNITY

We respect the dignity and rights of our community and acknowledge their beliefs, regardless of their cultural, spiritual or socioeconomic background



### WORKING TOGETHER

We value equally all people who make a contribution to EGHS to achieve shared goals



### LEARNING CULTURE

We strive to continually learn and develop through education, training, mentoring and by teaching others

## CONTENTS

Our Vision, Mission & Values	02
Establishment of our Health Service	03
Services and Programs	04
Organisational Structure	05
Statement of Priorities	06
Financial Objectives and Performance	09
Comparative Financial Results	09
President's Report	10
Responsible Bodies Declaration	13
Chief Executive's Report	14
<b>Divisional Reports against our Objectives</b>	
Integrity	18
Excellence	22
Community	26
Working Together	30
Learning Culture	34
<b>Corporate Governance</b>	
Responsible Officers	38
The Board	39
Executive Team	40
Senior Staff	41
Medical Staff	42
Legislative Compliance	43
Disclosure Index	46
Additional Information	46
Glossary	47
<b>Financial Report</b>	48
<b>Site Directory and Contact Details</b>	BC

## ESTABLISHMENT OF THE HEALTH SERVICE

East Grampians Health Service (EGHS) is one of Victoria's most innovative and progressive rural health services. It was established in 1995 and has developed its reputation as a leader in the delivery of specialist rural health through the provision of integrated acute, residential and primary care.

East Grampians Health Service delivers quality health care that meets the needs of the community living in Ararat, Willaura, and throughout Ararat Rural City. This has been achieved by the Board as it works with the Executive Team, staff, all tiers of Governments and health partners in delivering appropriate and financially effective programs to the community.

The Annual Report will review the year's progress towards meeting the vision and mission of EGHS.

East Grampians Health Services' Annual Report and its Quality of Care Report *Community Matters* will be presented for adoption at the Annual General Meeting to be held at 6.00 pm on Tuesday 24 November 2015 at the Ararat Performing Arts Centre.

East Grampians Health Service complies with all aspects of The Department of Health & Human Services Guidelines and the Department of Treasury and Finance's Financial Reporting Directives FRD 30B and 22F in the design and production of this year's report including the utilisation of environmentally sustainable products where appropriate. The Annual Report should be read in conjunction with our Quality of Care Report *Community Matters*. Following our Annual General Meeting both will be available on our website [www.eghs.net.au](http://www.eghs.net.au)

## TRADITIONAL OWNERS

East Grampians Health Service acknowledges the traditional owners, both past and present, of the Jardwadjali and the Djab Wurrung people.

## ACKNOWLEDGEMENTS

<b>Editor:</b>	Fiona Watson
<b>Design &amp; Layout:</b>	Digital Outlaw
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And thanks to the community and staff members who have contributed to this report

# SERVICES AND PROGRAMS

East Grampians Health Service (EGHS) is a small rural health service delivering a comprehensive range of programs and services to the community that are accessed through in-patient, residential, home and community-based services.

The services and programs are located and delivered at Ararat and Willaura as well as operating throughout the Local Government Area of Ararat Rural City. EGHS has gained a reputation for innovation, excellence, sustainability and growth through its demonstrated leadership and commitment to improving the health of the community.

Please refer to the site directory and map on the back page for addresses and phone numbers.

## CLINICAL

- Clinical
- Chemotherapy
- Inpatient Unit
- Infection Control
- Midwifery
- Pharmacy
- Urgent Care

## PERIOPERATIVE SERVICES

- Central Sterilising Unit
- Day Procedure Unit
- Haemodialysis
- Operating Suite

## AGED CARE

- Garden View Court
- 70 Lowe Street
- Patricia Hinchey Day Centre Ararat
- Willaura Health Care
- Parkland House
- Willaura Day Centre
- Lifestyle Team

## MEDICAL IMAGING

- General X-Ray
- Image Intensifier
- Ultrasound x 2 (including 3D/4D obstetrics, vascular, musculo-skeletal, interventional)
- 32 Slice CT Scanner
- OPG (Panoramic Dental X-ray)

## COMMUNITY SERVICES

- Ante Natal
- Community Nursing Programs
- Patricia Hinchey Day Centre Ararat
- Dental
- Diabetes Education
- Dietetics
- District Nursing
- Exercise Physiology
- Health Promotion
- Hospital Admission Risk Program
- Hospital in the Home
- Living at Home Assessments
- Occupational Therapy
- Palliative Care
- Physiotherapy
- Podiatry
- Post Acute Care
- Social Work
- Speech Pathology
- Women's Health
- Wound and Stomal Therapy

## EXECUTIVE SERVICES

- Business Support
- Compliments and Concerns
- Human Resources
- Community Liaison

## MEDICAL SERVICES

- Credentialing
- General Medicine
- General Surgery
- Medical Interns
- Supervision of Medical Interns

## DEVELOPMENT & IMPROVEMENT

- Accreditation
- Information & Communication Technology
- Occupational Health & Safety
- Organisational Development
- Professional Development
- Quality & Risk
- Research

## SUPPORT SERVICES

- Catering (Internal/external functions & Café Pyrenees/ Meals on Wheels)
- Delivered Meals
- Environmental (Cleaning/Linen/Waste)
- Maintenance Contracts/Agreements
- Preventative Maintenance
- Fire & Emergency
- Security

## PYRENEES HOUSE EDUCATION CENTRE

- Education and Training
- Diploma of Nursing
- Undergraduate/ Postgraduate Clinical Education
- Graduate Nurse Program
- Student Accommodation
- Function Centre

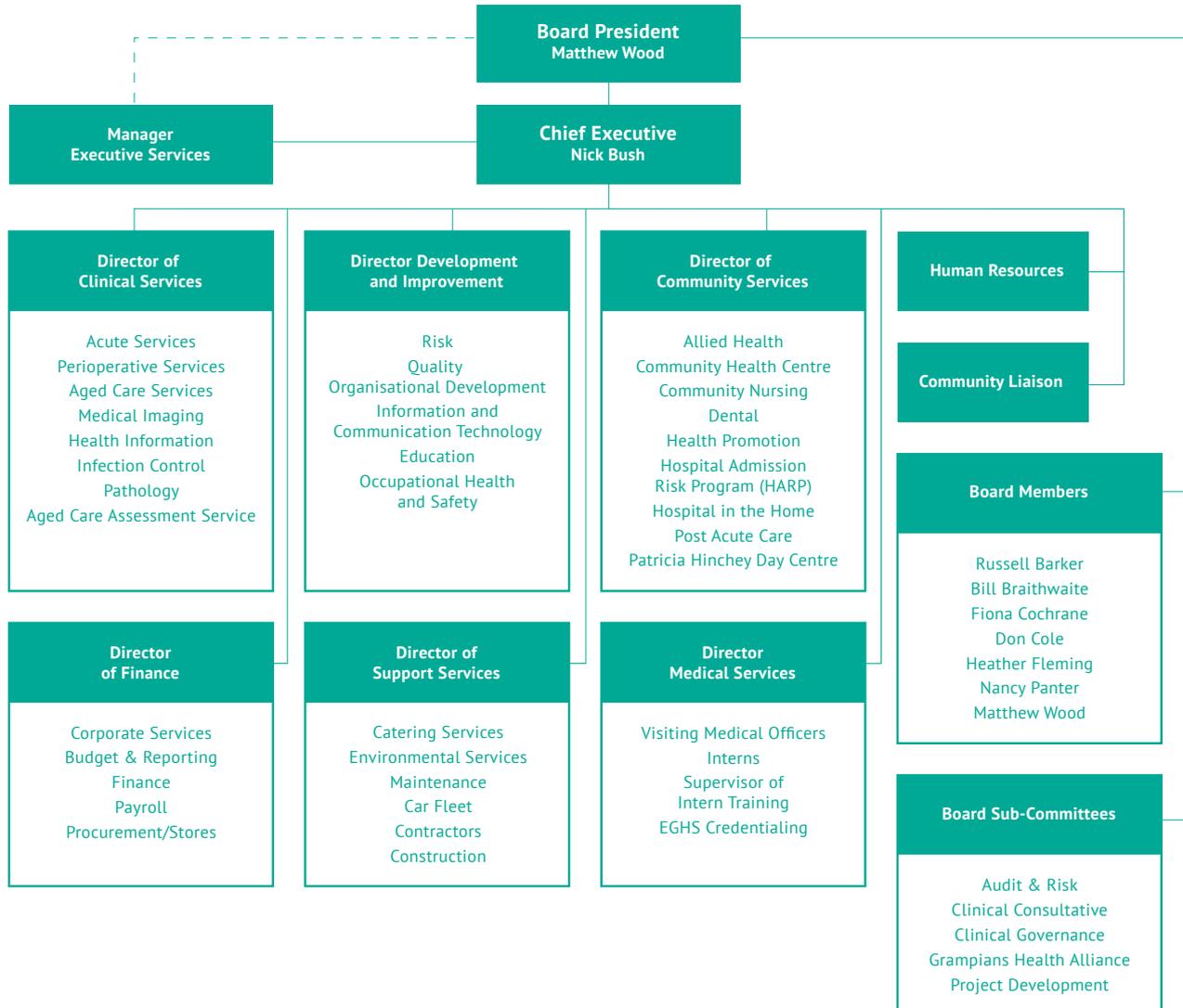
## FINANCE SERVICES

- Budget & Finance
- General Accounting
- Patient Billing
- Payroll
- Reception
- Supply/Stores

## GRAMPIANS HEALTH ALLIANCE MEMBERS

- East Grampians Health Service (EGHS)
- Ballan District Health & Care (BDHC)
- Ballarat Health Services (BHS)
- Beaufort & Skipton Health Service (B&SHS)
- East Wimmera Health Service (EWHS)
- Hepburn Health Service (HHS)
- Maryborough District Health Service (MDHS)
- Stawell Regional Health (SRH)

# ORGANISATIONAL STRUCTURE



## STATEMENT OF PRIORITIES - Part A: Strategic Priorities

PRIORITY	ACTION	DELIVERABLE	OUTCOME
Developing a system that is responsive to people's needs	Develop an organisational policy for the provision of safe, high quality end of life care in acute and subacute settings with clear guidance about the role of, and access to, specialist palliative care.	By June 2015 EGHS will implement, in its inpatient unit and at Willaura Health Care, a policy that provides guidance in relation to the role and access to specialist palliative care services.	<b>Achieved:</b> Guidelines and pathways developed on the back of a project undertaken. Education provided to staff, Palliative Care bed days have increased, The Health Information Manager monitors and reports.
	Implement an organisation-wide policy for responding to clinical and non-clinical violence and aggression by patients, staff and visitors (including code grey) that aligns with department guidance (2014).	By June 2015 EGHS will implement a code grey policy that aligns with the 2014 Department of Health guidance on clinical and non-clinical violence and aggression.	<b>Achieved:</b> Code grey policy and procedures have been implemented. All staff were informed of the changes to policy through team meetings and staff briefings. The policy and procedure is available on the intranet.
	Implement formal advance care planning structures and processes, including putting into place a system for preparing and/or receiving, and documenting advance care plans in partnership with patients, carers and substitute decision makers.	By June 2015, 80% of aged care residents will have advanced care plans documented.	<b>Achieved:</b> 80% of residents at Willaura Health Care, Garden View Court and 70 Lowe Street have an ACP in place.
Improving every Victorian's health status and experiences	Use consumer feedback to improve person and family centred care, health service practice and patient experience.	By June 2015 EGHS will have audited the consumers of obstetrics and renal dialysis services to gather information of their experience and involvement in person centred care and where necessary make improvements.	<b>Achieved:</b> Feedback has been provided from two community forums about Obstetrics and Urgent Care Centre (Urgent Care was brought forward). Action Plans have been developed to address identified issues.
	Support local implementation of the Victorian Health and Wellbeing Plan 2011–2015 through collaboration with key partners such as Local Government, Medicare Locals, community health services and other agencies (for example Women's Health Victoria and VACCHO).	EGHS will actively participate in the Ararat Rural City Health and Wellbeing plan meetings to implement strategies to reduce obesity.  EGHS will implement strategies from the Healthy Together Victoria Project to improve health in the workplace.	<b>Achieved:</b> The Plan formally adopted at Ararat Rural City Council on 15/10/2013. Steering Committee meets quarterly to implement the action plan. Base Camp computer program is being used to update the plan and track progress for each agency with Ararat Rural City coordinating.  EGHS is partnering with Healthy Together Victoria through the Ararat Rural City Municipal Public Health and Wellbeing Plan.
	Optimise alternatives to hospital admission.	EGHS will increase the Hospital in the Home WIES allocation from 36 WIES in 2013–14 to 60 WIES in 2014–15.	<b>Achieved:</b> Target exceeded

PRIORITY	ACTION	DELIVERABLE	OUTCOME
Expanding service, workforce and system capacity	Develop and implement a workforce immunisation plan that includes pre-employment screening and immunisation assessment for existing staff that work in high risk areas in order to align with Australian infection control and immunisation guidelines.	100% of new employees will complete immunisation pre-screening. 100% of employees in high risk areas will have immunisation assessment completed and where gaps are identified they are actively followed up with offers for immunisation.	<b>Achieved:</b> All staff have completed screening. Immunisation offered to close gaps.
	Support excellence in clinical training through productive engagement in clinical training networks and developing health education partnerships across the continuum of learning.	By June 2015 EGHS will complete the first six months of the Grampians Medical Intern Training program with 100% of interns successfully completing two terms.	<b>Achieved:</b> The Grampians Medical Intern Training Program has successfully completed the first six months of training with all five participants passing all objectives.
Increasing the system's financial sustainability and productivity	Identify and implement practice change to enhance asset management.	By June 2015 EGHS will implement an electronic asset maintenance system that will provide better scheduled and preventative maintenance in order to prevent costly breakdown repairs and call ins.	<b>Achieved:</b> A web based program, iAsset, an asset maintenance system, has been developed and was implemented in November 2014.
Implementing continuous improvements and innovation	Develop a focus on 'systems thinking' to drive improved integration and networking across health care settings.	By June 2015 EGHS will have explored, in partnership with Ararat Rural City Council, the feasibility of integrating Child and Maternal Health Services with Home and Community Care services in a co-located facility.	<b>Achieved:</b> Planning continues with the support of the Department of Health and Human Services
Increasing accountability & transparency	Undertake an annual board assessment to identify and develop board capability to ensure all board members are well equipped to effectively discharge their responsibilities.	By June 2015 the EGHS board will undertake a skills and knowledge review to identify gaps and put in place training for board members to build skills and knowledge.	<b>Achieved:</b> All Board members have participated in the Australian Council of Healthcare Governance Board Assessment tool. Commencing from July, one topic from the evaluation survey will be presented at Board meetings for discussion.
	Demonstrate a strategic focus and commitment to aged care by responding to community need as well as the Commonwealth Living Longer Living Better reforms.	EGHS will apply for 20 community aged care packages as a strategic focus on service to aged care in Ararat.	<b>Achieved:</b> Application not successful, feedback obtained from the Department of Social Services and a new application is planned for 2015/2016.
Improving utilisation of e-health and communications technology	Ensure local Information & Communications Technology (ICT) strategic plans are in place.	EGHS will review the ICT strategic plan and associated action plan which is reported to the board annually.	<b>Achieved:</b> EGHS has reviewed the ICT strategic plan and as a result has commissioned an Internal Audit of the ICT arrangements. Crowe Horwath internal auditors conducted the audit in May 2015. Recommendations accepted.
	Utilise telehealth to better connect service providers and consumers to appropriate and timely services.	EGHS will increase its use of telehealth for adult ambulance retrievals by 5%.	<b>Achieved:</b> Systems/equipment in place. Encouragement of Clinical Staff continues.

## STATEMENT OF PRIORITIES - Part B: Performance Priorities

### FINANCIAL SUSTAINABILITY PERFORMANCE

OPERATING RESULT	TARGET	2014-15 ACTUAL
Annual Operating Result (\$m)	0.05	0.07
WIES ACTIVITY PERFORMANCE	TARGET	2014-15 ACTUAL
WIES (public and private) performance to target (%)	100%	99%
CASH MANAGEMENT	TARGET	2014-15 ACTUAL
Creditors	< 60 days	26 days
Debtors	< 60 days	32 days
ASSET MANAGEMENT	TARGET	2014-15 ACTUAL
Basic asset management plan	Full compliance	Full compliance

### SAFETY AND QUALITY PERFORMANCE

KEY PERFORMANCE INDICATOR	TARGET	2014-15 ACTUAL
<b>PATIENT EXPERIENCE AND OUTCOMES</b>		
Victorian Healthcare Experience Survey	Full compliance	Full compliance
Maternity - Percentage of women with prearranged postnatal home care	100%	Achieved
<b>GOVERNANCE, LEADERSHIP AND CULTURE</b>		
Patient safety culture	80%	94%
<b>SAFETY AND QUALITY</b>		
Health Service accreditation	Full compliance	Full compliance
Residential aged care accreditation	Full compliance	Full compliance
Cleaning standards	Full compliance	Full compliance
Cleaning standards (AQL-A)	90%	Achieved
Cleaning standards (AQL-B)	85%	Achieved
Cleaning standards (AQL-C)	85%	Achieved
Submission of data to VICNISS	Full compliance	Achieved
Hand hygiene (rate) – quarter 2	75%	Achieved
Hand hygiene (rate) – quarter 3	77%	Achieved
Hand hygiene (rate) – quarter 4	80%	Achieved
Health care worker immunisation – influenza	75%	74.4%

## STATEMENT OF PRIORITIES - Part C: Activity and Funding

FUNDING TYPE	2014-15 ACTIVITY ACHIEVEMENT
<b>ACUTE ADMITTED</b>	
WIES Public	2,150
WIES Private	364
WIES (Public and Private)	2,514
WIES DVA	54
WIES TAC	8
<b>WIES TOTAL</b>	<b>2,576</b>
<b>SUBACUTE &amp; NONACUTE ADMITTED</b>	
Maintenance Public	529
Maintenance Private	490
Palliative Care Public	172
Palliative Care Private	174
<b>SUBACUTE &amp; NONACUTE ADMITTED</b>	
Health Independence Program	1205 hours
<b>AGED CARE</b>	
Residential Aged Care	28,971 bed days
<b>HACC</b>	33,006 hours
<b>PRIMARY HEALTH</b>	
Community Health / Primary Care Programs	6,343 hours

### FINANCIAL OBJECTIVES AND PERFORMANCE

East Grampians Health Service continues to service the health care needs of its community whilst rising to the financial challenges of its operating environment. This year saw increased services delivered and the Health Service record a \$75,000 operating surplus and a \$146,000 operating surplus for the Consolidated entity.

Total Operating revenue from all sources totalled \$31.35M for the Health Service and our Total Operating Expenditure was \$31.27M. Ongoing investment in capital and equipment replacement ensures that our facilities are up to date and able to deliver services. This year saw \$1.13M outlaid on updating our assets. Funding for capital investment is provided by government sources through grants and from our community through fundraising and donations.

EGHS ensures that it can meet its financial obligations by maintaining an adequate current asset ratio. At 30 June 2015, the consolidated current asset ratio was 1.01 and had combined net available cash holdings of \$3.843M.

## COMPARATIVE FINANCIAL RESULTS

FOR THE PAST FIVE FINANCIAL YEARS	2015 \$000	2014 \$000	2013 \$000	2012 \$000	2011 \$000
Total Revenue	32,423	32,156	30,881	29,646	28,554
Total Expenses	34,122	33,729	31,880	31,048	29,116
Comprehensive Result for the Year	(1,699)	7,147	1,742	(1,402)	(562)
Retained Surplus / (Accumulated Deficit)	(1,886)	(94)	1,289	2,304	3,711
Total Assets	49,813	51,629	45,632	43,121	44,604
Total Liabilities	8,715	8,832	9,982	9,213	9,294
Net Assets	41,099	42,797	35,650	33,908	35,310
Total Equity	41,099	42,797	35,650	33,908	35,310

## PRESIDENT'S REPORT

It is my privilege to be President of East Grampians Health Service. I wish to pay my respect to Louise Staley who, as President, was diligent and successful in progressing the Health Service as it continues to explore ways in which to improve the health and wellbeing of our community. Louise was also successful in gaining the seat of Ripon in the 2014 State election. We wish her well in her political endeavours and are confident that her knowledge of the health industry will benefit all health services and agencies within the electorate.

I would like to acknowledge outgoing Ripon representative Joe Helper. Joe has been a great supporter of EGHS, regularly attending functions and events. And it is pleasing to report that even though he no longer represents the seat of Ripon he still finds time from his busy life to attend our events.

My sincere gratitude to all Board members who have supported me collaboratively. Together we are strategically governing our Health Service to deliver some outstanding outcomes for our community.

I also want to thank Chief Executive Nick Bush for his exceptional management of EGHS. His genuine empathy with staff has created opportunities for professional growth and personal reflection, which in turn has grown the organisation into one of the most proactive health services in the State.

And to the staff I offer my genuine thanks for the way in which they deliver the Values that have been established to provide quality care and services to our community.

**Matthew Wood**  
*President*



## I would like to take this opportunity to expand on the values that drive East Grampians Health Service which underpins the actions that we as the Board take.

### INTEGRITY

This Value forms the basis of our service planning, our relationship with our governing body, our community and the calibre of people appointed to the Board and senior staff positions.

Through focussing on the Values of the Organisation, the Board is stronger in its decision-making and this is reflected in the way we are meeting our fiscal responsibilities and policy challenges.

Boards are appointed by the Government and it is the Board's role to develop and establish strategic priorities and plans, including financial and business management. The Board is also responsible for effective corporate and clinical governance, monitoring performance from the Chief Executive downwards. It is therefore really important that members of our Board have an understanding of the challenges of living in a rural community.

We were delighted when, on 1 July 2014 the Hon David Davis MP, Minister for Health, appointed Fiona Cochrane and Nancy Panter to the Board for an initial three-year term. Fiona brings to the position her knowledge of health as a Pharmacist, education from her involvement with an undergraduate program training Pharmacists and a rural perspective from managing a farm with her partner. Nancy has more than 15 years of global marketing, communications and project management experience. We are delighted that these two active community members have been appointed to the Board; their range of skills will enhance the already capable and responsive Board.

The appointment of Heather Fleming as Vice President and Russell Barker as Treasurer has strengthened the Executive of the Board. Heather has been a Board member since 2008 and Russell since 2013.

Board members continue to gain insight into Board procedures and protocols through attendance at VHA conferences, and attendance at professional development days at the Australian Centre for Healthcare Governance.

I offer my sincere gratitude to all Board members who have demonstrated meaningful, collaborative support. Together we are strategically governing our Health Service to deliver outstanding outcomes for our community.

The most important document for our Organisation is the Strategic Plan. It is a living document that the Board and Executive review regularly to ensure its ongoing relevance from a strategic perspective.

The Board complied with the Victorian Healthcare Governance Framework, an assessment tool to evaluate Board performance.

The Board was pleased to announce two senior staff appointments: Tony Roberts, Director of Finance and Dr Debra Schulz Director of Community Services. Both have already demonstrated and articulated the Values that form the strength of our service planning.

### EXCELLENCE

This Value demonstrates the way in which staff support the Board, the Health Service and community by working towards and achieving quality in all aspects of service delivery. Again this year EGHS has been recognised for its exemplary innovation, leadership and performance.

The organisation was awarded the following: Institute Public Administration Australia Leadership Award.

The Minister for Health Volunteer Awards: The Ark Toy & Activity Centre for Outstanding Achievement by a Volunteer: Innovation Award.

Department of Health: Victorian Health Performance Monitoring Framework.

Our three aged care facilities all achieved successful accreditation by the Aged Care Standards and Accreditation Agency.

An alliance between EGHS and the Royal Women's Hospital will help to establish our Health Service as a centre of excellence for birthing. Obstetrics/Midwifery has been identified in our Strategic Plan as critical to the success of meeting community expectations and we are delighted that the Royal Women's Hospital has chosen to share its knowledge and understanding of rural obstetric and midwifery issues with us.

### LEARNING CULTURE

The core of this Value is the aspiration for the health service and staff to be prepared to provide the best quality health care and services in the region.

This can only be achieved by supporting ongoing education and development of staff to meet the ever-changing needs of our community. Pyrenees House has become known as a regional centre of learning, promoting and delivering a range of training and education programs that reflect the diversity of professions required to manage service delivery in health care. Our education staff are to be congratulated on the quality of delivery of education programs for clinicians and support staff.

We are pleased to be the lead agency for the first intake of medical interns in the Grampians Medical Training Intern Program.

As we believe strongly in ongoing education it is pleasing to report that we were able to offer scholarships and bursaries to staff to undertake further education:

- The Angela Laidlaw Clinical Scholarship
- The Building for the Future Foundation Scholarship x 2
- The EGHS Career Progression Scholarship

## COMMUNITY

This Value expresses the belief in the relationship we enjoy with our community and it with us. This is achieved through connecting with the community, providing opportunities for meaningful feedback and involvement.

The Victoria Police Blue Ribbon Foundation: Ararat branch has connected with us in such a positive way over many years and we are so grateful for its support. EGHS has been the recipient of over \$750,000 from the Foundation's fundraising efforts since 2002. A most moving dedication took place in June 2015 when the Perioperative Unit was dedicated in the name of Jason Bond, a young man from Ararat who was only four weeks into his police training when killed in a motor vehicle collision. His memory will certainly live on in our community through the generosity of the Victoria Police Blue Ribbon Foundation.

The 13th annual Victoria Police Blue Ribbon Gala Night, well supported by staff and the community, raised \$30,000 which will go towards the recently named Jason Bond Perioperative Unit. I particularly want to acknowledge the work of Ararat Branch President Terry Weeks whose energy and commitment to both the Foundation and EGHS is to be highly commended. It was a pleasure to welcome the Victorian Government Minister for Police and Corrections the Hon Wade Noonan MP and Victoria Police Assistant Commissioner for Western Region Tess Walsh to the Gala Night. We were delighted when the Victoria Police Blue Ribbon Foundation Chairman Bill Noonan announced an additional \$30,000 from the Foundation to kick-start our fundraising efforts to redesign and refurbish the Theatre Recovery and Day Procedure areas within the Perioperative Unit. We sincerely thank members of the Blue Ribbon Foundation for the amazing ongoing support our Health Service receives.

The Ride to Remember left Ararat with 360 motorcycle riders and passengers; another initiative of the Blue Ribbon Foundation. This is the seventh year the Ride has been held with enthusiasts from across Victoria and South Australia enjoying the opportunity to travel through our beautiful Grampians region.

I was delighted to receive a donation of \$15,000 from the ROVER Dream Project which will also be used specifically for our Perioperative Unit.

I am amazed at the ongoing commitment of staff who battle the elements to ride hundreds of kilometres to raise funds for us. I think the name of the two teams in the Murray to Moyne bike ride sums it up nicely "Cranks" & "Defibrillators". Displaying great stamina the teams covered a distance of 525 kms and in doing so raised over \$22,000 to purchase a Cardiotocography machine for Midwifery Unit. Congratulations to you all.

The annual Women, Wisdom & Wellbeing Dinner was enjoyed by 270 women who came together to enjoy guest speaker Catriona Rowntree. Events like this take commitment from a team of dedicated organisers and I want to thank you all sincerely for your organisational skills. The evening was a great success with over \$27,000 raised, which will enable the purchase of a Recumbent Bike for Physiotherapy, Cardiac Monitor for the Inpatient Unit, a Hover Jack for Aged Care and Phototherapy Unit for Midwifery.

The Willaura Market Day is eagerly anticipated by locals and those living further afield. The settled autumn weather was perfect for browsing and buying both local and regional produce. For the fourth year the budding circus performers from the Ararat 800 Primary School students amazed the crowd with their acrobatics. Congratulations to Jane Milllear, market coordinator for another great market day that raised \$7,500 to develop a family room at Willaura Health Care, for people staying overnight to visit patients and residents.

Jazz@JWard is run by the EGHS Aged Care Auxiliary. It was an evening of great music, lots of fun and raised funds for the implementation of the Montessori Model of Care.

Clothing of a different kind was worn at our Charity Golf Day at the Chalambar Golf Club. The organising committee, with the support of many excellent local sponsors, worked very hard to ensure the day's success. Over \$30,000 was raised, which will go towards a Vital Signs Monitor.

EGHS Auxiliary Winter's Luncheon, with special guest speaker Zoe Phillips from the Weekly Times, raised over \$4,500 for Pressure Relieving Mattresses for EGHS.

The Ark Toy & Activity Centre Auxiliary raised \$1,200 from their Film Day fundraiser, which purchased more toy library resources.

EGHS Aged Care Auxiliary raised \$5,800 from fundraising activities during the year to purchase Pressure Relieving Mattresses and two iPads for the residents of 70 Lowe Street and one iPad for the residents of Garden View Court.

The Patricia Hinchey Day Centre Auxiliary raised \$4,672 and this was put towards upgrading the kitchen in the Day Centre.

We continue to receive extraordinary support from community groups who donate generously to us. These donations are vital in order for the Board to plan for the future. Donations are all equally important, no matter what the amount.

We have 150 volunteers, five Auxiliaries and 75 members in those Auxiliaries. Each person makes a tremendous difference to the way our residents and clients continue to connect with their community. Without this level of dedication we would find it much harder to meet our obligations and our Mission to continue to improve the health and quality of life of people seeking care. This can only be achieved by our strong, effective partnerships with our community.

It was with great pride at the 2014 Annual General Meeting we presented Dr Graeme Bertuch with a Health Lifetime Achievement Award to acknowledge his outstanding contribution to our community.

On behalf of EGHS I thank you, our community, for being so supportive of our Health Service, our staff, and most importantly, the patients and consumers that benefit from your generosity.

**WORKING TOGETHER**

For us this Value demonstrates the need to work in partnership with other providers of health care to achieve optimal results for our consumers. In this way we can all use our resources effectively and provide the continuum of care, without duplicating services.

As a Board, we are committed to developing an Integrated Community Health Centre, to the Ararat community. The local community raised the issue of developing an Integrated Community Health Centre and we have been working with Ararat Rural City in the development of plans. The Ararat district experiences a range of health issues and the Board is firmly of the belief that an Integrated Community Health Centre will go a long way to tackling the underlying causes of chronic diseases due to smoking, obesity, alcohol misuse and physical inactivity. An integrated approach will ease the burden of disease that affects too many of our community.

EGHS' Building for the Future Foundation is a charitable Trust established in 2010 to provide funding for special purpose projects and equipment. However, its main objective is the provision of bursaries. Staff are able to apply for a bursary to assist them with ongoing education that will ensure EGHS has a workforce that is appropriately qualified to meet the challenges, changes and needs of the next generation's health requirements. The Trust is governed by six independent local Trustees and I particularly want to thank David Hosking (Chairperson), Bill Jones, Geoff Laidlaw and Jill Tivey for their support as well as Board member Nancy Panter who joins with me in making up the Board of the Foundation.

We are pleased to be working with our partners in health throughout the region, in particular members of the Grampians Health Alliance (Ballan District Health & Care, Ballarat Health Services, Beaufort & Skipton Health Service, East Wimmera Health Service, Hepburn Health Service, Maryborough District Health Service and Stawell Regional Health). The sharing of knowledge, resources and expertise ultimately makes each health service stronger and more able to deliver appropriate care.

The Health Service has continued its involvement with Happy Mouths Happy Kids. This year there was a 68% take up of the program with 167 primary school students participating from four Ararat schools from Grades 3, 4 and 5. Of the students screened, 66% required further dental treatment. We are most grateful to the RE Ross Trust that donated \$30,000 to Happy Mouths Happy Kids – Goes Bush, the second stage of the project.

**LOOKING FORWARD**

My sincere hope is that we can make real progress towards the development of an Integrated Community Health Centre. If we are serious about combating chronic disease within our community the Board, along with our local government and agency partners, plays a lead role with all tiers of government to achieve this outcome. We remain optimistic that construction will happen.

There are significant challenges ahead in areas such as funding reforms, changes to the way we will deliver services to the community, advances in medical treatments and technology and maintaining workforce capacity. The Board is firmly focused on these challenges.

The values I have articulated influence our behaviour and decision-making in ensuring that EGHS is a leader in rural healthcare. These decisions are not made lightly; we understand the impact our decisions have on our community. Be assured we will be doing this with professionalism, dedication, humility, passion and empathy.

**RESPONSIBLE BODIES DECLARATION**

Responsible Bodies Declaration as at 30 June 2015.

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for East Grampians Health Service for the year ending 30 June 2015.



**Matthew Wood**  
 Board President  
 East Grampians Health Service  
 31 July 2015

## CHIEF EXECUTIVE'S REPORT

This year's Annual Report will again reflect the State Government's directive to create a report that provides useful, accurate information that highlights current activities and new initiatives. As an Organisation we are mindful of our fiscal responsibilities so we have kept the content to a minimum while ensuring that the information is relevant.

The Values developed in consultation with staff and community in 2012 underpin the principles and philosophy of how our Health Service operates on a daily basis. I sincerely believe that staff members work hard to achieve each Value in their planning and delivery of programs and services. In return, our patients, clients, residents, visitors and contractors receive better outcomes that are well researched and resourced.

We received positive feedback from our readers about last year's report and have implemented a number of suggestions that will make it easier to interpret acronyms, data and information on service numbers provided.

**Nick Bush**  
*Chief Executive*



## INTEGRITY

The performance and commitment of our staff in respecting others for their differences, their honesty in their approach to work and their ability to accept change has grown our Organisation into a place where people choose to come and work which validates our Integrity.

Our Strategic Plan is regularly reviewed to ensure it remains relevant and reflects a fluctuating environment. A planning workshop was held in March 2015 with participation from the Board and Executive staff. We reviewed the Strategic Plan to prioritise actions in readiness for the next phase of its implementation.

The Health Service is in a strong financial position. This excellent result is due in no small part to the performance of our staff. We have achieved almost full occupancy in aged care with staffing levels within budget and with a reduction in sick leave and WorkCover claims. Meeting WIES targets and full theatre lists have also contributed to our end of year result. I appreciate the way in which staff have responsibly managed their budgets and worked hard to achieve this result.

This year, as a direct consequence of reader feedback, we are introducing a glossary of terms as well as other statistical information to the report. While we ask consumers to contribute to the production of our reports by reading them before we print, too often we forget that our readers are not necessarily familiar with the language of health jargon or government statistical information. We hope that this measure will go some way towards clarifying and providing valuable information that will enable a greater understanding of our Health Service.

The Health Service is the lead agency for the first intake of medical interns as part of the Grampians Medical Training Intern Program. This innovative program has been developed to attract and retain a medical workforce with the skills for rural practice. As research demonstrates that doctors who train in rural areas are more likely to stay and practice, we are optimistic that having trained here in Ararat, Ballarat and Maryborough, each Health Service will be inviting the students to return.

## EXCELLENCE

There can be no better acknowledgement that staff have truly embraced the Values of our Health Service than by being recognised and receiving awards for their commitment.

Institute Public Administration Australia Leadership Award.

The Minister for Health Volunteer Awards: The Ark Toy & Activity Centre for Outstanding Achievement by a Volunteer: Innovation Award.



(L-R) Kaye Chamings, the Honourable Jill Hennessey MP and Margaret Stephens.

Department of Health: Victorian Health Performance Monitoring Framework. Our Health Service led the state during the year as the only health service to achieve 100% in the Department's monitoring of hospitality activity, financial performance, health and aged care services accreditation, cleanliness and staff satisfaction. I believe this was achieved through our focus on educating and training of all staff, from our hospital based nurse education through to training of medical and dental students. It is a great outcome for the whole Health Service and one of which we are justifiably proud.

EGHS performed extremely well in the first Victorian Healthcare Experience Survey, which replaces the Victorian Patient Satisfaction Survey. This is a great outcome for the Health Service and once again demonstrates the hard work of all staff as they continue to provide high quality care.

## COMMUNITY

You really know you are living in a supportive rural community when donations come from the proceeds of the sale of livestock at a cattle sale or a country market. Our Community is as diverse as it is complex. We respect each person for the unique qualities that make living in our community interesting, informative and inspiring.

The President has reported extensively on our community and their fundraising events (page 12). I would like to add my sincere thanks to our community for the way in which they have embraced our organisational culture and shared our Values. The community has achieved some remarkable outcomes for us through delivering events that have appealed to a wide range of our community.

This year the Willaura Health Care Auxiliary was again the recipient of the generosity of the Mt William Charolais Stud that donated \$1,700 from the sale of a heifer.

The Oncology Department has received \$5,000 from the Cathcart Tennis Club, which has decided to fold. We are very grateful for this generous donation.

The Willaura Lions Club has generously donated \$1,950 to Willaura Health Care.

I too would like to express my sincere thanks to the Ararat Branch of The Victoria Police Blue Ribbon Foundation. Their continued support means we provide world-class technology to our patients, residents and clients. The President has given a full report on the Blue Ribbon Foundation's support on Page 12.



(L-R) Danielle Bond, Brad Bond, Acting Chief Commissioner Tim Cartwright, Lyndee Bond and Mick Bond.

It's a wonderful achievement to be in paid work for 40 years, but to be recognised as a volunteer for that length of time is truly outstanding. We were delighted to confer the first Honorary Life Membership of the EGHS Aged Care Auxiliary on Margaret Young, a volunteer with the EGHS Aged Care Auxiliary. Mrs Young commenced as a volunteer in 1974 cleaning silverware in the kitchen. She then joined the Moyston Rhymney Auxiliary, which became known as the EGHS Aged Care Auxiliary. She is a great asset to our organisation and I know that staff and residents feel fortunate to have such a caring person in their midst.

## WORKING TOGETHER

As Chief Executive I am very mindful of the responsibility my staff and I have to manage the Health Service in a way that meets the needs of the community within the parameters established by our funding partners and all tiers of Government. By Working Together we continue to achieve remarkable results that are changing the health and wellbeing of our community.

Louise Staley, until her election to Parliament in November 2014, was chair of the Grampians Health Alliance. The Health Service has taken a keen interest in the Alliance, providing leadership and direction as well as hosting the meetings of Presidents and Chief Executives at Pyrenees House.



Nick Bush and Member for Ripon Louise Staley.

As the President has reported on Page 13 we have been working closely with Ararat Rural City on the proposed Integrated Community Health Centre. It is anticipated a range of services will be available and supported by close links with local agencies. We sincerely believe that this centre will continue to progress the work the Health Service is already carrying out with schools, early childhood services, workplaces and communities as we tackle the underlying causes of chronic disease that are currently endemic in the community.

I thank the Ararat Medical Centre for its support of East Grampians Health Service and its support to help increase the acute and procedural focus of the organisation.

Happy Mouths Happy Kids continues to be an excellent initiative with ongoing health promotion activities presented to all grades at four Ararat primary schools. 745 students participated in these activities delivered by our Dietitians, Dental team and the Happy Mouths Happy Kid project team. This is a great outcome for our community.



Margaret Young and Jane Richardson.

## LEARNING CULTURE

Our greatest asset is our staff and we are committed to the investment in their education and development. The EGHS Learning Culture has been acknowledged in its innovation and commitment to ongoing education. We will continue to encourage and support staff to be personally challenged through continued learning and development.



(L-R) Vivienne Jenkins, Freemasons Victoria Senior Warden Richard Parkin, Sharon Taylor and Amy Leeke.



(L-R) Maree Fraser, Jo Summers, Katherine Cooper, Jodi Pitcher, Kirsten Carr, Ann Grierson, Sarah Harrison and Nikki Pitman.

- 94% of our staff completed mandatory education.
- Staff complete a wide range of professional development each year, attending conferences and short courses to build knowledge and skills.
- The Health Service has again presented a number of staff with scholarships and bursaries to assist them further their education.

### Angela Laidlaw Clinical Scholarship

*Kirsten O'Connor*

Kirsten will undertake a short course Contribute to the Care of Mothers and Babies.

### EGHS Building for the Future Foundation

*Carol Leo*

Carol will undertake a Graduate Diploma of Midwifery.

### EGHS Building for the Future Foundation

*Tanya Haslett*

Tanya will undertake a Graduate Diploma of Applied Gerontology.

## LOOKING TO THE FUTURE

The future belongs to us all and we have a responsibility to ensure we leave tomorrow better than we found today. At East Grampians Health Service we have a great group of staff who, by using the Values they helped develop, work together to achieve remarkable results for our community. I feel very confident that the health and wellbeing of our community will continue to improve under their professional care.

**Nick Bush**

Chief Executive

East Grampians Health Service

31 July 2015



(Back) Jana Milliar and Jane Richardson. (Front) John Riley and Christine Doak.



Sally Price.



## INTEGRITY

We value integrity, honesty and respect in all relationships

**AIM**

From the Board, through to the Executive and staff, our aim is to build and maintain honest relationships with our community through listening, learning and hard work. Each person brings to their position the highest standards of honesty and understanding and the desire to achieve the best outcomes in quality care for the community we serve.

**ACHIEVEMENTS**

During the year the Health Service has received consistently good results in a range of audits and surveys that demonstrate our ongoing commitment to quality care and customer focus.



Lisa Roche.

**EXECUTIVE SERVICES**

Our contemporary recruitment practices are based on fair and equitable employment principles, which our policies and procedures reflect. With over 360 employed at EGHS, our staff are covered by eight Awards and are remunerated accordingly.

During the past financial year a culture or “people plan” has been developed to ensure the right organisational culture supports the service strategy and values by enabling the Health Service to invest in and grow its staff. To support this initiative, staff were invited to participate in the Victorian Public Sector People Matter Survey, with results due towards the end of 2015. The survey provides feedback to the Health Service on employee perceptions of the values and principles that underpin the culture of the Health Service.

Clinical governance is monitored at all levels of the organisation with the Board receiving quarterly reports on how the organisation is achieving good clinical governance according to the framework.

We encourage both compliments and concerns, because each helps to shape our future development. This year we had 84 concerns and a very pleasing 474 written compliments, 65% of which were about our Perioperative Unit.

**LABOUR WORKFORCE**

HOSPITALS LABOUR CATEGORY	JUNE CURRENT MONTH FTE*		JUNE YTD FTE**	
	2014	2015	2014	2015
Nursing	118.75	119.44	117.43	120.68
Administration and Clerical	40.21	43.24	35.53	40.74
Medical Support	7.63	7.63	7.47	7.05
Hotel and Allied Services	47.22	61.18	47.27	58.85
Medical Officers	0.18	0.71	0.14	0.26
Hospital Medical Officers	0.26	5	0.08	2.27
Sessional Clinicians	0.00	0.00	0.00	0.00
Ancillary Staff (Allied Health)	19.11	19.72	19.91	16.74

**CLINICAL SERVICES**

The relationship between patients, residents, clients and staff is fundamental to the delivery of all aspects of clinical services.

The introduction of Double Clinical Handover in Acute Services has been an excellent initiative, improving the quality of care by ensuring all patients understand their care options and are fully involved in their treatment. Comments from patients indicate they are pleased to have the opportunity and feel comfortable to ask questions and seek feedback.

The Public Sector Residential Aged Care Services Marketability Project conducted three workshops, fully funded by VHA. The aim of the workshops, attended by our Aged Care staff, was to provide a framework to allow health services to construct, implement and review their own marketing strategies. An aged care project team gained a better understanding of its consumers through gathering information about the current market and competitors. The outcome is the development of two Aged Care videos, the first showcases EGHS’ three residential aged care facilities and the second the Activities Program.

The Montessori Model of Care is being introduced into 70 Lowe Street this year and demonstrates an alternative way to deliver care. Its focus is on individual capabilities by supporting the person. The environment is being adapted to support the model. Its principles are flexible, innovative and based on sound research. Its implementation ensures our ongoing commitment to focusing on Living Better in Aged Care.

Demand for Medical Imaging services continues to increase. This year the service has been awarded the contract to supply allied health services including diagnostic X-ray services to the Hopkins Correctional Centre, which has enabled an expansion of the workforce to meet the increased demand. The Board supported this expansion by allocating necessary resources.

The “open door” policy at Garden View Court (GVC) encourages residents, family and staff to discuss issues and concerns with the Manager. GVC is the residents’ home and their wellbeing is at the forefront of all decision making. Residents are treated with respect and are encouraged to participate in making choices that concern their daily lives. Regular residents’ meetings give residents, family and friends an opportunity to have input into the care of residents.

EGHS is mindful of its environmental sustainability and with an increase in theatre output we are monitoring the impact of increased surgical demand. We are committed to reducing waste and are exploring ways in which to decrease the amount of paper and other disposable products that are used throughout clinical areas. As Medical Imaging has moved into print free technology no chemicals are required to operate imaging equipment.

The Perioperative Unit continues to receive an exceptional number of compliments related to the positive surgical experience of our patients. This year we received 308 compliments specifically for the Perioperative Unit. Any concerns received are thoroughly investigated and any modifications to our practice are implemented.

	2014-2015	2013-2014
Births	110	103
Operations	2,165	1,800
Urgent Care Attendances	4,051	3,935
Helicopter Evacuations	9	10
District Nursing Visits : Ararat	7,556	6,950
District Nursing Visits : Willaura	988	982

**DEVELOPMENT AND IMPROVEMENT**

Our relationship with our consumers, patients and residents is based on respect and through the active compliments and concerns program we listen, respond and make necessary changes to improve service delivery.

The open disclosure process reports adverse events directly with the people affected. During the initial conversation there is acknowledgement that an incident has occurred, the facts are communicated and steps are initiated to ensure similar incidents do not occur in the future.

Timely and honest feedback to both the Graduate Nurse program and undergraduate student clinical placements has provided opportunities for improvement.

The Clinical Governance Framework is central to how quality, safe care is provided to our patients. With the Board having ultimate responsibility for clinical governance we ensure that on a quarterly basis members are kept up to date on all requirements to deliver safe quality health care.

In response to clinical violence and aggression in the workplace our Code Grey Policy was reviewed, in line with the Victorian Principals. All staff have been made aware of the review. In the coming financial year it is anticipated that EGHS will transition from its current standalone occupational violence and aggression training to a regional training program. This will support a sustainable approach to the management of violence in the workplace.

In order to future proof our IT infrastructure, by making it more secure and compatible, IT servers and domains have been upgraded. This will deliver better outcomes for stakeholders and minimise the risk of outages.

EGHS represents the public health sector on the Grampians Clinical Training Network Committee, established in 2014 to support clinical education and training activities in our region. Throughout the year staff attended workshops and conferences.

## SUPPORT SERVICES

Staff take pride in keeping our Health Service spotless for our clients. This is reflected in, again, receiving excellent audit reports.

Cleaning Audit Report 2014-2015

Area	Results
Very High Risk Areas	99%
High Risk Areas	97%
Moderate Risk Areas	99%

*Infection Prevention Australia*, the External cleaning auditors, congratulated staff saying “it is wonderful to see such high standards being maintained”.

Comparative graphs will be published in Community Matters Quality of Care report.

Food Hygiene Report. Food Hygiene Australia completed an external audit on all kitchen areas in the Health Service and commented that “Staff demonstrated thorough knowledge in food safety” and “it was a pleasure to conduct the audit at EGHS”.

A major upgrade of our fire services was undertaken to ensure that all Australian Standards and building codes of Australia have now been met.



Jo Mason.

As an organisation we have been implementing practices to reduce the use of paper. Agendas and Minutes are all sent electronically. We have adopted an environmental philosophy to reduce food waste, to recycle and to explore ways in which we can lower our power tariffs through everyone becoming aware of their responsibility to reduce our environmental impact.

## COMMUNITY SERVICES

Listening and sharing are key aspects of delivery of Community Services to our very diverse group of clients.

Community Nursing conducted a consumer survey with feedback indicating a net positivity score of 90%. This represents the aggregate of the “agree” percentages minus the aggregate of the “disagree” percentages.

The Patricia Hinchey Day Centre encourages feedback through its concerns and comments forms. Monthly meetings for the Friends of the Day Centre encourage positive interaction with staff, and a new motto for the day centre has been introduced: The Place To Be. Advocacy services are actively promoted at the monthly Friends’ meetings with an annual invitation for an Advocate speaker to address the Friends.

Podiatry Services has refocused to provide easier access and priority services to those in need. The selection and categorisation of clients is more transparent, with systems that are fair and based on need, not demand.



Caitlyn Murphy.

## MEDICAL SERVICES

Clinicians are all appropriately qualified with scope of practice reviewed each year. This establishes a level of confidence and trust between patients and clinicians to enable meaningful discussions on patient centred care.

The move from paper-based to electronic credentialing for medical and dental staff has streamlined the process of credentialing and establishing privileges. The increased efficiency has reduced the overall costs to the Health Service. A regional credentialing committee meets twice yearly to review and recommend medical staff updates. As the system is robust, Boards across the Grampians Region have agreed to accept the recommendations of the committee.



Wacim Gami and Lilly Pitcher.



## EXCELLENCE

We value excellence as the appropriate standard for all services and practices

## AIM

Our goal is to significantly change for the better the health and wellbeing of our community. This will be achieved through the pursuit of best practice research, new technologies and ongoing learning. All staff, in whatever their capacity, aspire to this goal.

## ACHIEVEMENTS

The Health Service has received a number of awards that demonstrate its commitment to excellence in all of its endeavours. Facilities have been upgraded and refurbished to ensure quality services for all stakeholders.



Don Cannata and Lorine Paterson.

## EXECUTIVE SERVICES

The pursuit of excellence from all our staff is to be highly commended. It demonstrates leadership and commitment and pride in the workplace.

The Chief Executive's report on Page 17 outlines the Awards that have been achieved this year.

## MEDICAL SERVICES

Attracting suitably qualified staff continues to be a challenge for rural health services. However, delivering specific training programs in partnership with rural and regional health services will ensure the sustainability of a medical workforce.

The first intake of the Grampians Intern Training program has been regarded as very successful across the organisation. We have received excellent feedback that the program is helping to contribute to the development of a sustainable medical work force in rural areas. Designed to create a strong basis for a rural medical career, it also develops skills that are transferrable to metropolitan practice.

## CLINICAL SERVICES

We care for the health of our patients and residents and are assiduous in providing a healthy environment for both staff work and patients.

We have increased our annual staff influenza uptake from 74.4% in the 2014 flu season to approximately 80% in the 2015 flu season.

It is mandatory to report health care associated Staphylococcus aureus blood stream infections to VICNISS every month. These are also published on the MyHospital website. For the last three years the Health Service has maintained a rate of 0%.

EGHS has consistently achieved above the National Benchmark in hand hygiene audits. These audits are conducted three times a year and reported to Hand Hygiene Australia as well as being published on the My Hospital website. The comparative graphs will be published in Community Matters Quality of Care report.

With the installation of a second ultrasound machine in Medical Imaging examinations have increased from 3,636 last financial year to 4,111 this year, with waiting times dramatically reduced. The CT scanner continues to provide high-resolution images at a very low dose compared to other machines on the market. This enables a greater array of examinations to be performed more accurately than the previous machine, as well as minimising the risk to the patient. Medical Imaging is accredited by the National Association of Testing Authorities and continues to implement continuous improvement activities throughout all its processes.

To achieve the delivery of quality care at Garden View Court, resident surveys are completed on a regular basis. In February, residents and their families were invited to participate in an independent resident survey conducted by a Project Officer. The excellent results demonstrated that residents feel very happy with their care with staff happily undertaking additional duties to ensure residents continue to feel safe and secure living at Garden View Court.

## SUPPORT SERVICES

The introduction of contemporary industry practices to Support Services has increased its overall efficiency.

In conjunction with East Wimmera Health Service and West Wimmera Health Service, EGHS has implemented a web-based system that supports the Essential Services Information Systems. Known as iAsset, the program can be accessed via email and iPads, increasing the efficiency of maintenance staff who are able to access the information and act upon requests immediately.



Peter McAdie.

Improvements to service delivery have been made at both Ararat and Willaura campuses with maintenance and refurbishment projects including:

- Refurbishment and reclassification of Garden View Court Hostel, including card access
- Refurbishment of Allied Health at Willaura Campus Day Centre
- Replacement operating Suite Theatre Lights and Theatre refurbishment in Day Procedure
- Implementation of the Montessori Model at 70 Lowe Street
- Landscaping of grounds and gardens at Willaura Campus
- Painting works throughout the entire Health Service

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## DEVELOPMENT AND IMPROVEMENT

At EGHS an environment has been created where staff are mentored and encouraged to excel. The outcomes deliver excellent results for our consumers and provide staff with a real sense of achievement.

The implementation of a Best Practice Clinical Learning Environment Framework has informed the development of policies, practices or behaviours that improve clinical training for all concerned. The Framework identifies six key elements that underpin high quality clinical learning environments.

The first Victorian Healthcare Experience Survey showed that EGHS performed well in all categories and results were significantly better than the state average and, on a number of occasions, significantly better than our peers. This survey replaces the Victorian Patient Satisfaction Monitor. Overall EGHS scored a result of 99% of all respondents rating their overall experience as good or very good. This was from a sample of 79, a 44% response rate, which is an excellent return.

Three of our aged care facilities 70 Lowe Street, Parkland House and Willaura Health Care all received successful accreditation from the Aged Care Standards Accreditation Agency.

Pyrenees House, providing excellence in hospitality, education and conference facilities, has maintained its standard of service to offer internal and external bookings and functions.

EGHS was awarded the 2014 IPAA Risk Management Award – for Internal Auditing of Clinical Areas. This award recognises a public sector organisation that uses risk management based solutions to improve its performance. Our submission identified risks within a clinical area and demonstrated how the internal auditing approach can be used to identify areas of concern and proactively address these risks. This is reported as a matter of governance to the Board for assurance of the management of risk.



Nick Bush, Matthew Wood and Mario Santilli.



Lilly Cooper and Mackense Evans from St Mary's Primary School.

## COMMUNITY SERVICES

Initiatives introduced this year demonstrate our respect for members of the community who play an important role in providing care.

Community Nursing has introduced the Moving on Audits quality program into the service. This system allows benchmarking of results with over 700 other home care organisations.

The production of a Carers Resource DVD has provided useful information for carers, including where to find help when caring for someone at end of life.

The Department of Health and Human Services mid-cycle review of the Patricia Hinchey Day Centre was undertaken in February 2015. No recommendations or further action was required and preparation is now underway for a full audit next year.

Happy Mouths Happy Kids saw 167 primary students from four Ararat schools; this translated to 68% participation in the program, with 66% of students screened requiring further dental treatment.

Results of annual visits to the four primary schools in Ararat demonstrate improvements to oral health issues for this target age group. In the first year a large proportion of preventative work was undertaken that had an impact on reducing the following year's restorative work. However, through education and awareness, Happy Mouths Happy Kids' project team has observed children's oral health practices have contributed to the successful outcomes in the comparative data collected. Children are now on a regular basis brushing their teeth twice a day, flossing more regularly, reducing high sugar food and drink intake and increasing consumption of water, fruit and vegetables.



Jane Millar.



## COMMUNITY

We respect the dignity and rights of our community and acknowledge their beliefs, regardless of their cultural, spiritual or socioeconomic background

**AIM**

Our aim is to share common values with our community by providing significant support and health related activities to our patients, clients, residents, volunteers, students and staff.

**ACHIEVEMENTS**

Our relationship and understanding of our community have been enhanced through sharing different interests and cultures and the recognition of the importance of working together to achieve optimum health outcomes for all.



Lorine Paterson and Rico Hilado.

**EXECUTIVE SERVICES**

EGHS supports the employment of people from different cultures and abilities whose backgrounds broaden our knowledge of the world around us. EGHS also acknowledges the ongoing community donations that enable us to grow our Organisation.

Colleagues and friends celebrated with Rico Hilado, Registered Nurse, Acute Services on becoming an Australian citizen. Born in 1975, Rico arrived in Australia in 2010 and started work at EGHS in that same year on a sponsored visa. Rico is a valued member of the Acute Services team and has happily made Ararat his home.

The awarding of Life Governor acknowledges the importance of a person in the culture of our Organisation. The Board was pleased to honour past Board members Sally Philip and Graeme Foster with the award of Life Governor to recognise their outstanding commitment to EGHS.

**LIFE GOVERNORS AS AT 30 JUNE 2015**

Mr G Anderson	Mr J Evans	Mrs M Heard	Mrs A Milvain	Mr K Shea
Mrs P Armstrong	Mr N Faneco	Mrs F Hull	Mrs M Murray	Mrs V Tosch
Dr G Bertuch	Mrs C Forster	Mrs J Jenkinson	Mrs J Nunan	Mr N Tosch
Mrs J Burke	Mr G Foster	Mr B Jones	Mr A O'Neill	Miss K Turner
Mr P Carthew	Mr I Foster	Mrs L King	Mrs S Philip	Mr T Weeks APM OAM
Mrs N Dalkin	Mr L Gason	Mr G Laidlaw	Dr M Plunkett	Mr E Wilson
Mr I Daly	Mr D Haddow	Mrs J Liddle	Mrs D Radford	
Mr C de Fegely	Mrs S Handscombe	Mr B McCutcheon	Mr D Reid	
Mrs R de Fegely OAM	Mrs K Harvey	Mrs J Millear	Mr R Roberts	
Mrs P Ervin	Mrs W Heard	Mr G Millear	Mrs S Shannon	

Members of the auxiliaries and our local group of volunteers achieve some remarkable outcomes for EGHS supporting the Board, Executive and staff in implementing the Values of the organisation.

Thank you to:

- EGHS Auxiliary
- EGHS Aged Care Auxiliary
- Patricia Hinchey Day Centre Auxiliary and Volunteers
- Willaura Health Care Auxiliary
- Ark Toy & Activity Centre

A very special mention to Margaret Young who received the first Honorary Life Membership from EGHS Aged Care Auxiliary to acknowledge her 40 years service as a volunteer.

In the President's report on Page 12 he summarises the generosity of the local community through donations, commitment and hard work.

## CLINICAL SERVICES

To reflect the demographics of our community, our hours of service and methods of payment have been developed in order that access is available, affordable and meets the needs of the community.

Medical Imaging provides an on-call service for after-hours and weekend emergencies. Waiting times are kept to a minimum and report times from specialists are generated promptly, especially for urgent cases. Specialist Radiology consulting services are available after hours for referrers provided by Bendigo Radiology. Bendigo Radiology is working towards the inclusion of formal typed reports after hours. Medical Imaging also offers Bulk Billing for patients with a Pension or Healthcare card. There are no out-of-pocket expenses for Veteran Affairs Gold Card holders, approved WorkCover claims and TAC claims.

## MEDICAL SERVICES

To be open and honest in our relationship with our consumers we must give them the opportunity to express their concerns freely. We have in place procedures to encourage community feedback.

To improve service provision it is important that we give our community the opportunity to comment if they believe we are not delivering on our promise to provide a high quality standard of care. We have an established complaints process that acknowledges the concern, reviews and investigates in order to analyse and report back to the person with the concern and, if appropriate, the department involved. We have found this to be a most satisfactory way in which to identify and resolve issues.

## SUPPORT SERVICES

Working with VCAL students has been a most rewarding experience for staff and one that we hope will develop further.

Providing hands-on experience in the workplace for VCAL students from Ararat College has been an excellent experience for our staff. They have gained satisfaction from sharing knowledge and enriching their training skills while giving students real life work situations including problem solving, teamwork, time management and commitment.

Work continues with Ararat Rural City Council to install aids for people in the community on HACC Programs.

## COMMUNITY SERVICES

Our collaboration with other health agencies ensures fair and equitable access to services to improve the health of our community.

A community forum for clinicians and carers exploring palliative care in the Grampians Region was followed by a performance of Four Funerals in One Day a play written by Alan Hopgood.

The Palliative Care Team, District Nursing and Allied Health, in partnership with volunteers and carers of our former patients, produced a Carers Resource DVD. This DVD has received excellent feedback as it provides useful information for people caring for someone at end of life.

The Hospital in the Home program continues to develop as an alternative setting for inpatient care for many clients. This year the program is expected to exceed expectations of 60 WEIS with an anticipated 80 WEIS.

Community Nursing productivity has increased with a 23% increase in client visits over the past three years.

District Nursing has established a clinical based program to monitor and evaluate performance against expected Standards of care.

The Patricia Hinchey Day Centre client numbers continue to increase steadily, with clients reporting that they feel less isolated and have a sense of purpose on the days they attend the centre. Staff assist clients to feel connected to their communities with support to attend medical appointments and other activities.

The Grampians Food Alliance has sparked the interest of Day Centre clients for its gardening project. Community members come together weekly, to share in fresh and local food by giving or swapping produce or gardening equipment. Our clients are keeping fit and eating well by actively gardening in raised vegetable beds. Additional garden beds are planned and it is hoped that our clients will grow herbs for the hospital kitchen.

Members of the EGHS Auxiliary generously donated a semi-recumbent exercise bike that has been well used in the Physiotherapy gym.



Karl Kristoff and Patty Mooney.

**DEVELOPMENT AND IMPROVEMENT**

We continue to investigate partnerships with tertiary institutions to deliver programs that will ensure a sustainable, appropriate workforce for the future.

In partnership with Federation University, we continue to deliver the Diploma of Nursing at Pyrenees House, providing 80% of the clinical education component. This program has delivered real employment and career opportunities to the local community as students are able to access training without having to travel to regional centres.

Pyrenees House Education Centre has provided opportunities for work experience to local students and information on careers in the health industry at various forums throughout the district.

EGHS, Ararat Secondary College and local emergency services participated in the school based program - Prevent Alcohol and Risk related Trauma in Youth (P.A.R.T.Y).



**VALE**

**PATSI WILLS**

The Board, Executive and staff were profoundly saddened at the untimely death of Patsi Wills a valued colleague and friend who commenced at EGHS in September 2005 and worked at 70 Lowe Street and the Patricia Hinchey Day Centre. Patsi will be remembered for her genuine and dedicated care of clients, her absolute love of life and the pleasure she gave to those she worked with. Our thoughts are with her partner and family.

**SHANE WALLS**

Shane was a Personal Care Worker at Garden View Court Hostel. While Shane was employed for only a short time before his sudden death he was a respected colleague who will be remembered as a kind and enthusiastic person with a great sense of humour. Our thoughts are with his wife and family.



Sarah Woodburn and Associate Professor Andrew Dean.



## WORKING TOGETHER

We value equally all people who make a contribution to EGHS to achieve shared goals

## AIM

Our goal is to pursue partnerships with organisations that share our values and will work with us to deliver better health and wellbeing for our community. We will continue to create significant strategic alliances with all tiers of government and health services.

## ACHIEVEMENTS

The Health Service has continued to employ, where practical, staff through supported employment agencies. This has created meaningful career opportunities for people requiring supported care.



Roxanne Moos and Jess Jackson.

## EXECUTIVE SERVICES

We are always mindful that as a rural health service the challenge is to attract and retain staff. However, with our reputation for innovation, commitment and resourcefulness it has become less onerous to employ qualified clinicians to become part of our health care team.

Human Resources has developed and implemented a workforce plan to focus training and development initiatives on skills most needed for a sustainable future. This plan will also direct future recruitment.

To address turnover and attrition Human Resources is building pathways to motivate staff to grow within the organisation, to enhance career opportunities through developing skills and abilities to ensure an ongoing, appropriately qualified workforce.

EGHS is actively pursuing the establishment of an Integrated Community Health Centre, working with Ararat Rural City and Grampians Community Health. Documentation clearly identifies the benefits of delivering a range of services from the one location.

It's not all about work at EGHS! There have been a number of fun occasions when staff have donned various "glad rags" all for a good cause. The annual EGHS Ball was attended by over 180 staff who thoroughly enjoyed the opportunity to catch up with friends and colleagues. The President has reported on other activities (page 12) where staff and the community came together for some excellent information and fundraising events, in the main organised by our auxiliaries, volunteers and staff. We are truly grateful by the way in which our community comes together and we thank them sincerely for their ongoing support.

## CLINICAL SERVICES

To achieve the best results for patients, residents and clients we collaborate with other health service providers throughout the region and beyond.

Medical Imaging provides an efficient service working in collaboration with Theatre staff, performing diagnostic examinations, some theatre screening and procedural work. A Radiology Specialist visits one day a week from Bendigo Radiology, performing interventional medical imaging guided procedures, such as injections to joints, biopsies and drainages.

Garden View Court has introduced a range of activities to encourage greater participation from all residents. This year Shaun the Sheep proved to be a real winner, with everyone involved busily making pompoms. The results were on show at the Ararat Art Gallery.

The new Montessori model of care in 70 Lowe Street involves residents and their families, volunteers and staff working together to ensure residents' independence is maintained and assists residents embrace living in aged care.



Catriona Rowntree and Margie Kilpatrick.

## MEDICAL SERVICES

Our continued partnership with other health services provides a much broader experience for our trainee interns and other clinicians.

The Grampians Intern Training Program, of which our Health Service is the lead agency, is an innovative model providing medical interns with an introduction to both public and private health services in a regional and rural setting. Our Health Service is working in collaboration with St John of God Healthcare Ballarat (SJOG) and Maryborough District Health Service (MDHS). Core medical and emergency terms will be at SJOG with core surgical terms at EGHS and MDHS. Surgical terms will give interns daily sessions to theatre and significant exposure to anaesthetics.



Hannah Milne and Tayla Clarke.

## SUPPORT SERVICES

We have created more employment opportunities within Support Services this year.

This year Support Services has worked closely with a number of disability service agencies by providing short-term employment to develop the skills and knowledge of their clients. The clients have worked in areas including Café Pyrenees, catering, environmental and maintenance departments and have been well supported by our staff throughout the Health Service.

## DEVELOPMENT AND IMPROVEMENT

Creating internal partnerships has produced a more effective, collaborative framework in the provision of education and training for staff.

Continued collaboration with Ararat Rural City Council in the development and delivery of programs will significantly improve the health and wellbeing of the community.

Ongoing development of our Consumer Engagement Strategy has identified topics for discussion with our community on a bi-monthly basis. This year three forums have covered:

- Midwifery
- Urgent Care
- Community Health – Secret Shopper



(L-R) Kirsten O'Connor, Sarah Power and Carol Leo.

At the forums consumers were invited to discuss improvements they would like to see implemented and, given the opportunity what they would spend the budget on. Consumers have welcomed these forums as they have enjoyed the opportunity to have meaningful and effective input into the strategic planning of the Health Service.

Graduate nurse program study days have combined with graduates from Stawell Regional Health, East Wimmera Health Service and Rural North West Health Service.

Collaboration with education providers Australian Catholic University, Charles Sturt University, Deakin University, Federation University, Latrobe University, Monash University, University of South Australia, University of Western Sydney, Queensland TAFE, St Laurence and BRACE in the planning and administering of clinical placements.

EGHS has hosted the Grampians Regional Educators group meetings, regional midwifery forums and Grampians Regional Emergency Care Group education workshops.

## COMMUNITY SERVICES

Planning and coordination of services with local government and other agencies has resulted in efficient delivery and coordinated care to clients.

The introduction of weekly “Care co” meetings has provided an opportunity for EGHS Community Nursing staff and Ararat Rural City to meet to plan and coordinate care for our home care clients. Better communication and effective relationships have increased between these essential service groups.

Podiatry is improving its service access and availability for priority clients who are in need of frequent service provision. This is achieved through servicing outreach sites and, in the future, extending on-site service provision. This will facilitate better access to services for members of the community.

As well as increasing Physiotherapy hours to focus on residential care residents, services have broadened to include physiotherapy at the Hopkins and Langi Kal Kal Correctional Centres. A new graduate physiotherapist and an exercise physiologist have been employed to meet this increase in demand.

At the commencement of 2015 staff from the Patricia Hinchey Day Centre partnered with Ararat Rural City in the delivery of Healthy Body Healthy Mind program. Under the umbrella of Ararat Active the Council provided clients with electronic pedometers or “pebbles” to record their activity. Walking tracks for different levels of fitness and ability were planned and the clients enthusiastically joined the program. Clients benefited from increased fitness levels and weight loss. The results were recorded from the data gathered from the “pebbles”.

Volunteers and the Auxiliary play a very important role in the daily activities of the day centre. We were delighted this year to be able to give each volunteer a uniform. This gives them a greater sense of identity and assists in making their position more recognisable to our clients and visitors. The day centre Auxiliary raises much-needed funds for improvements that benefit clients. We value them greatly.

Clients from the day centre attended Jamie Oliver’s Ministry of Food, a mobile kitchen offering cooking classes to the community.

Happy Mouths Happy Kids delivers its program to primary school students in Ararat with the support of EGHS Dietitians, the Dental team and the Happy Mouths Happy Kids project team.

A Dental Van service started this year, visiting seven primary schools in our catchment area. We are now offering dental services to all grades, with participation uptake of 95%.

Our aim next year is to offer our mobile dental service to all grades in the 11 primary schools in the Ararat Rural City municipality.

The results from Happy Mouths Happy Kids project demonstrate that annual visits to the four Ararat primary schools have made real improvements to oral health issues for this target age group.





Chloe Gooding.



## LEARNING CULTURE

We strive to continually learn and develop through education, training, mentoring and by teaching others

**AIM**

Our aim is to create an environment where staff and the community feel comfortable and confident to ask questions and to seek answers. We are committed to the development of professional and personal growth through reflection, vision and courage. We support the translation of ideas and experiences into practices and processes of teaching and learning.

**ACHIEVEMENTS**

The number of staff participating in both formal and informal education and training has continued to be a feature this year with 60 staff participating in education programs.



(L-R) Dr Hemma M.T. Valluvan, Dr Austin Nguyen, Sarah Woodburn, Associate Professor Andrew Dean, Dr Caitlin Young, Dr Collin McDonnell and Dr Manissa Sufian.

**EXECUTIVE SERVICES**

EGHS is committed to ongoing education for all staff for professional development and personal growth. Where appropriate EGHS offers financial support for training.

The awarding of Scholarships and Bursaries are key factors to supporting staff to complete education programs, including:

- Midwifery
- Sonography
- Registered and Enrolled Nursing studies

Bursaries and Scholarships support staff to focus on strategies to maintain a strong and efficient workforce. The Health Service, in partnership with Building for the Future Foundation and other generous supporters, has been able to promote and provide financial assistance for professional and personal development that has enabled the Health Service to recruit within its own staff.

EGHS has continued to work with several education providers including Ararat College and Marian College. Work Experience and VCAL programs provide excellent opportunities for both students and staff, creating strong links for future prospects. The time invested in these programs has already proved worthwhile, with several Work Experience students undertaking more advanced studies in Nursing and Podiatry.

**CLINICAL SERVICES**

Many of our staff require specialist training and we are pleased that we can support them as they up skill to enhance service delivery.

Midwifery, Urgent Care, Medical Imaging and Oncology staff within these disciplines have all been supported by EGHS to undertake further education.

The Australasian Sonographers Association is applying for extended scope of practice in order for specifically trained Sonographers to perform Therapeutic Musculo-Skeletal injections. If successful, Medical Imaging will aim to be part of this pilot program.

Medical Imaging technologists and nursing staff all undergo annual professional development to maintain registration.

**MEDICAL SERVICES**

All medical staff have an obligation to undertake professional development throughout the year. EGHS actively supports them in their endeavours.

Across the medical spectrum education has taken place, with training of interns, e-credentialing and on-going continuous education for all medical staff.

**DEVELOPMENT AND IMPROVEMENT**

Collaborative research helps us improve our ongoing delivery of programs. This year real progress in the development of research capabilities has enhanced our Organisation’s reputation as an employer of choice.

Progress has been made in the development of relationships with charitable organisations that are funding specific research projects, including the Collier Charitable Trust that has generously funded our research program with the University of New South Wales.

Federation University has expressed interest around partnerships in research, in particular social research incorporating health and wellbeing.

High quality clinical education to undergraduate students from various disciplines, along with the provision of free accommodation, orientation and supervisors trained in clinical supervision and support has attracted a high calibre of students.

To expand its capacity of nurses available to teach into VET programs, 100% of the clinical education team, and an additional two nurses, have successfully completed Cert IV in Training and Assessment.

The increasing number of applications for scholarships and bursaries, reflect the increase in the number of staff wanting to undertake further education. 460 education leave applications were processed last financial year.

100% (nine) graduate nurses employed post program over the last two years.

94% of employees have completed mandatory education.

Specific programs have been developed for staff to improve workforce capability and workforce supply.

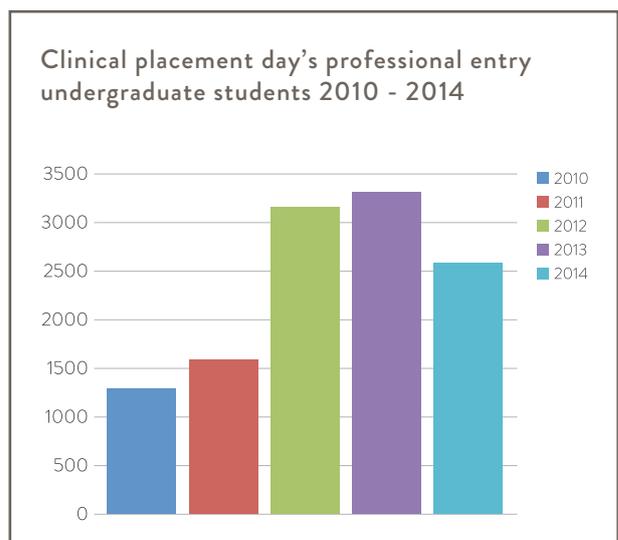
Increase in the number of clinical placements in Allied Health. Training has been provided for staff in this area so they can undertake student supervision.



Jane Bourman and Sarah Woodburn.

AUSTRALIAN QUALIFICATION FRAMEWORK LEVEL	NUMBER OF EMPLOYEES SKILLING
Certificate III	3
Certificate IV	6
Diploma	14
Bachelor	5
Graduate Certificate	8
Graduate Diploma	7
Master	1
Total	44

- Five employees completed units of competency to up skill to Cert IV in Training and Assessment and seven employees completed Diploma units of competency.
- Approximately 15 % EGHS workforce up skilling to formal qualifications.
- Two Enrolled Nurses and one Personal Care Worker (PCW) up skilling to Bachelor of Nursing.
- 12 employees - Nine Enrolled Nurses and three (PCW) up skilling to Diploma of Nursing.
- Two Registered Nurses studying Graduate Diploma of Midwifery.
- One Registered Nurse studying to become Lactation Consultant.
- Five Registered Nurses upskilling to Rural Isolated Practice RN.



## SUPPORT SERVICES

EGHS supports traineeships and apprenticeships and on successful completion it is pleasing to report that EGHS has been able to offer ongoing employment to:

Mandy Schoenfelder is in her 4th year Apprentice Chef

Ashley Leggett is in his 4th year Apprentice Carpenter

EGHS endeavours to train or place apprentices within our support services department. Our aim is to have a working relationship with the community colleges in training young people into a trade, such as hospitality, gardening, carpentry.

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## COMMUNITY SERVICES

Partnerships with tertiary institutes ensure education programs reflect contemporary curriculum and training methods.

Podiatry has successfully established a partnership with the University of Western Sydney, which is keen to utilise the Health Service as a preferred regional provider of placements. EGHS is able to provide acute, sub-acute, community and outreach experiences for students. This partnership adds to the already established relationship with Charles Sturt University and La Trobe University.

Dietetics has grown its partnership with Deakin University with student throughput growing by 300% this year. Dietetics now takes three seven-week placement blocks per calendar year.

Master's students from Deakin University are involved in projects working with Ararat schools and Healthy Together, a Victorian State Government initiative, to achieve:

- Healthy eating resources for schools and parents
- Whole of school healthy eating policies
- School canteen menu reviews that meet healthy menu standards.

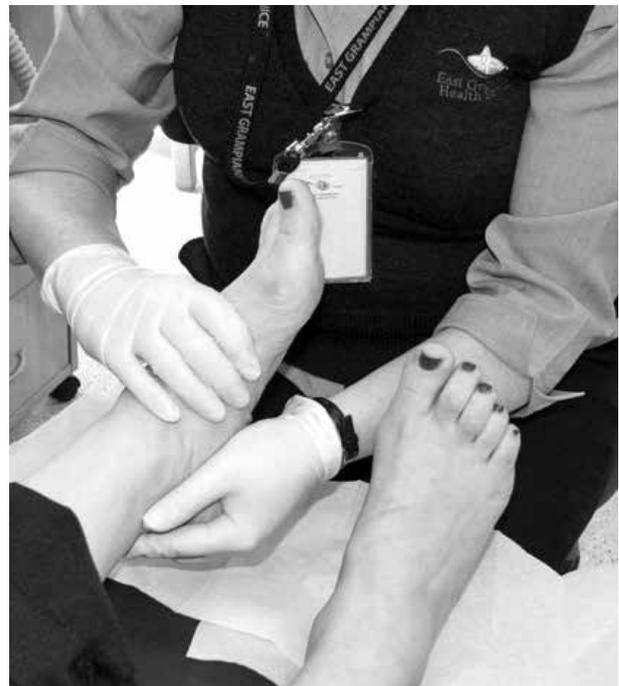
The most recent group of Master's students from Deakin University have been nominated for a Deakin University Award for their community placement.

The Palliative Care Team attended an excellent conference on Sex, Drugs and Dying Well (Palliative Care). The two-day program, featuring leading practitioners from around Australia, enabled participants to explore important aspects of the end of life journey.

The Hospital Admission Risk program took part in a two-day Acceptance and Commitment therapy workshop. This was an opportunity for staff to learn new skills that are essential to chronic disease management.

To support the variety of conditions treated through Physiotherapy services, staff have continued to complete professional development courses including Gerontology, McKenzie lumbar spine, Tai Chi leadership, Continence and Pelvic Floor. J Care training for Correctional services has also been completed.

Students from Charles Sturt University and Federation University continue to undertake clinical placements at EGHS.



# CORPORATE GOVERNANCE

## Responsible Ministers and Officers for the reporting period 1 July 2014 – 30 June 2015

### STATE

- 1 July 2014 – 3 December 2014  
Honourable David Davis MLC,  
Minister for Health, Minister for Ageing  
Member for Southern Metropolitan
- 1 July 2014 – 3 December 2014  
Honourable Mary Wooldridge MLA,  
Minister for Mental Health  
Member Eastern Metropolitan Region
- 4 December 2014 – 30 June 2015  
Honourable Jill Hennessy MLA  
Minister for Health and  
Minister for Ambulance Services  
Member for Altona
- 4 December 2014 – 30 June 2015  
Honourable Martin Foley MLA,  
Minister for Mental Health  
Member for Albert Park
- 4 December 2014 – 30 June 2015  
Hugh Delahunty MLA  
Member for Lowan
- 1 July 2014 – 3 December 2014  
Emma Kealy MLA  
Member for Lowan
- 4 December 2014 – 30 June 2015  
Louise Staley MLA  
Member for Ripon
- 1 July 2014 – 3 December 2014  
Joe Helper MLA  
Member for Ripon

### FEDERAL

- Dan Tehan MP  
Member for Wannon

### DEPARTMENT OF HEALTH & HUMAN SERVICES

- Dr Pradeep Philip  
Secretary

### GRAMPIANS REGION / WEST DIVISION

- Tom Nierdele  
Regional Director

## BOARD

As at 30 June 2015

<b>President:</b>	Matthew Wood
<b>Vice President:</b>	Heather Fleming
<b>Treasurer:</b>	Russell Barker
<b>Board Members:</b>	Bill Braithwaite Fiona Cochrane Don Cole Nancy Panter

### Chief Executive

Nick Bush

### Bankers

Commonwealth Bank of Australia

### Solicitors

DLA Phillips Fox

### Auditors

Coffey Hunt Chartered Accountants

### Internal Auditors

Crowe Horwath

## COMMITTEES

- Audit and Risk
- Clinical Consultative
- Clinical Governance
- Grampians Health Alliance
- Project Development
- Grampians Region Building Board Capacity Advisory

## AUDIT & RISK COMMITTEE

**PURPOSE:** To oversee and advise the Board on matters of accountability and internal control affecting the operations of East Grampians Health Service.

### Board Membership:

- Nancy Panter
- Matt Wood
- Russell Barker

### Community Membership

- Lucy Tribe
- Vaughan Williams
- David Webber

## BOARD

The Board comprises community members who are appointed by the Governor-in-Council on the advice of the Minister for Health, usually for a period of three years, with the option of applying for reappointment. The powers and functions of the Board are regulated by the Health Services Act 1988 and the By-Laws made in accordance with the Act. Members of the Board receive no remuneration, but can be reimbursed for expenses incurred when undertaking Board member duties.

### BOARD MEMBERS



#### PRESIDENT

##### **Matthew Wood**

Manager of Risk, Emergency Services and Local Laws, Ararat Rural City Council

Board Member since 01.07.11

Term of Appointment 01.07.11 – 30.06.15

##### *Committee Membership*

Audit & Risk

Building for the Future Foundation

Grampians Health Alliance

Grampians Region Building Board

Capacity Advisory



#### VICE PRESIDENT

##### **Heather Fleming BEd(Sec)**

Farmer

Board Member since 01.07.08

Term of Appointment 01.07.13 – 30.06.16

##### *Committee Membership*

Clinical Governance



#### TREASURER

##### **Russell Barker**

Business Manager, Marian College

Board Member since 01.07.13

Term of Appointment 01.07.13 – 30.06.15

##### *Committee Membership*

Audit & Risk

Capital Development

### BOARD DIRECTORS



##### **Bill Braithwaite DiP CE MBA**

Owner/Director Bratf Olives

Board Member since 01.07.13

Term of Appointment 01.07.13 – 30.06.15

##### *Committee Membership*

Clinical Governance

Capital Development



##### **Fiona Cochrane**

Pharmacist

Board Member since 01.07.14

Term of Appointment 01.07.14 – 30.06.17

##### *Committee Membership*

Clinical Consultative



##### **Don Cole**

Director of Assets, Finances and Corporate Services, Ararat Rural City Council

Board Member since 01.07.13

Term of Appointment 01.07.13 – 30.06.16

##### *Committee Membership*

Clinical Consultative



##### **Nancy Panter**

Special Projects Manager Grampians  
Tourism and Marketing Consultant

Board Member since 01.07.14

Term of Appointment 01.07.14 – 30.06.17

##### *Committee Membership*

Building for the Future Foundation

## EXECUTIVE TEAM



### CHIEF EXECUTIVE: Nick Bush

*MHA, Grad Dip HSc(Admin), Grad Cert Crit Care, Dip HSc(Nsg), GAICD*

**Appointed: 2010**

The Chief Executive takes responsibility to lead an effective workforce that delivers appropriate health care within the parameters of government policy, financial responsibility and demographic sensitivity. The Chief Executive works with the community to explore ways in which our Health Service continues to deliver services and programs to the diverse rural community of Western Victoria. The Chief Executive also has line management for Business Support including Compliments and Concerns, Human Resources and Community Liaison.



### DIRECTOR MEDICAL SERVICES: Eric Kennelly

*BSc, MBBS, DipRACOG, AFRACMA*

**Appointed: 2011**

The Director of Medical Services is responsible for credentialing and privileging of all Visiting Medical Officers to define their scope of practice. The DMS is also responsible for aspects of the Health Services' Medico legal work. He liaises closely with his colleagues from other Grampians Region health services to ensure that clinical practice throughout the region reflects current best practice in rural health care.



### DIRECTOR DEVELOPMENT & IMPROVEMENT: Mario Santilli

*MBA, RPN, GradCertBusMan, GradDipPsychNsg*

**Appointed: 2010**

The Director Development & Improvement has responsibility to integrate Risk Management across the Organisation, to ensure that all Standards for Accreditation are met by providing safe and quality care. The Director also investigates ways in which the Health Service can reflect Government priorities strategically. In addition to this the Director oversees research, information technology, education and management interns.



### DIRECTOR SUPPORT SERVICES: Stuart Kerr

*PIHHC, Dip Bus*

**Appointed: 2007**

The Director Support Services is responsible for Catering, Café Pyrenees/ Functions, Environmental/Cleaning and Linen Services, Fire & Emergency/ Security, Maintenance (including Preventative Maintenance Programs, Building Maintenance, Project works and Compliance Reporting), Management of Contractors Agreements and Fleet Management.



### DIRECTOR OF CLINICAL SERVICES: Peter Armstrong

*RN, RPN, BNsg, GradDipPsychNsg, MBA*

**Appointed: 2013**

The Director of Clinical Services is responsible for the management of the Acute Inpatient Unit, Urgent Care Centre, Oncology Services, Perioperative Services, which includes Day Procedure, Pre Admission and Dialysis, Aged Care, Willaura Health Care, Pathology Services, Radiology Services and Infection Control.



### DIRECTOR OF FINANCE: Tony Roberts

*BCom, Grad Dip ICAA*

**Appointed: 2015**

The Director of Finance has financial and operational responsibility for Budget and Finance, General Accounting, Payroll, Inpatient and Sundry Billing, Reception and Supply.



### DIRECTOR OF COMMUNITY SERVICES: Debra Schulz

*PhysioD MGeron GradDipBus BAppSci(Physio)*

**Appointed: 2015**

The Director of Community Services is responsible for the services provided through the Community Health Centre, Community Nursing and Day Centre.

## SENIOR STAFF (as at 30 June 2015)

### EXECUTIVE SERVICES

#### Chief Executive (Freedom of Information Principal Officer)

Nick Bush MHA, Grad Dip H Science (Admin) Grad Cert Crit Care, Dip of H Sc (Nursing), GAICD

#### Manager Executive Services (Complaints Officer)

Glenys Andrew

#### Human Resources Manager

Ros Bloomfield Cert IV in Employment Services

#### Community Liaison Officer

Danny Drake Grad Cert Comm Serv Pract

### FINANCIAL SERVICES

#### Director of Finance

Tony Roberts BCom, Grad Dip ICAA

### DEVELOPMENT AND IMPROVEMENT

#### Director

Mario Santilli RPN, Grad Cert Bus Man, Grad Dip Psych Nsg, MBA

#### Clinical Governance Co-ordinator

Sarah Woodburn B AppSc (Pod), Grad Dip HSci (Ex.Rehab), Grad Cert Mgmt, MBA

#### Manager Education

Heather Phillips RN, Dip Applied Science – Nursing, Critical Care Certificate, Cert IV in Training and Assessment

#### Information Technology Consultant

Ian Seaman DipLG

### COMMUNITY SERVICES

#### Director

Dr Debra Schulz PhysioD MGeron GradDipBus BAppSci(Physio)

#### Manager Community Nursing - including District Nursing and Palliative Care

Jane Bourman RN, Grad Cert Health

#### Manager Patricia Hinchey Day Centre

Jacinta Harman EN End, Dip Bus Man

#### Senior Dentist

Wacim Gami B Dental Services

#### Chief Physiotherapist

Chris Perry BAppSc (Physio), Grad Cert in Mgmt

### SUPPORT SERVICES

#### Director

Stuart Kerr PIHHC, Dip Bus

#### Executive Chef/Co-ordinator

Michael Kelly Cert III in Commercial Cookery, Dip of Bus, Cert IV in Workplace Training and Assessment

#### Maintenance

Ann Grierson Ass Dip of Mgmt

#### Environmental Services, Fire & Emergency Co-ordinator

Dayle Smith

### CLINICAL SERVICES

#### Director

Peter Armstrong RN, RPN, BNsg, Grad Dip Psych Nsg, MBA

#### Chief Medical Imaging Technologist

Craig Newson BAppSci Medical Imaging, GradDipAppSciMedical Ultrasound

#### Manager Acute Services

Lorine Paterson RN, DipBus

#### Manager Perioperative Services

Jane Smith RN, BN, Grad Dip Nurs (Periop), Cert Infection Control and Sterilisation.

#### Manager Health Information

Nicki Blackie BMRA

#### Manager 70 Lowe Street

Sharon Taylor RN, Grad Cert HPE

#### Manager Garden View Court

Amanda Hastings EN End, Dip Bus Man

#### Manager Willaura Healthcare

Christine Jordan RN, Post Grad Nsg, Cert Gerontology, RPN

#### Pharmacist

Olga Karia BPharm (Hons) (Russia), Post Grad Cert Clin Pharm(UK), MSHP, MPS

#### Infection Control Co-ordinator

Linden Marland B Nsg, RN, Cert Steril & Inf Cont

## MEDICAL SERVICES STAFF (as at 30 June 2015)

### DIRECTOR OF MEDICAL SERVICES

Dr Eric Kennelly BSc MB BS  
DipRACOG, AFRACMA

### VISITING MEDICAL STAFF

Dr David Breed (Registrar) MBBS  
Dr Michael Connellan MBBS,  
DRANZCOG, FRACGP, FACRRM  
Dr Allison Choong MBBS  
Dr Mark Deary MBBS, (Zimbabwe)  
Dr Prasad Fonseka MBBS (Sri Lanka)  
Dr Adam Ghazal MBBS (Syria)  
Dr Allan Huynh (Registrar) MBBS  
Dr Edgardo Lou MD (Philippines)  
Dr Luhong Min (Registrar) MBBS  
Dr Derek Pope MBBS, DRANZCOG,  
FACRRM  
Dr Pieter Pretorius MBChB (Pretoria)  
M.Med (Family Medicine) FRACGP  
Dr Emily Price MBBS  
Dr Novreen Rasool MBBS  
Dr Carolyn Sebastian (Registrar) MBBS  
Dr Eric Van Opstal MBBS, DGM, D.Pall  
Med FRACGP, DRANZCOG, FACRRM  
Dr Chee Sheng Wong MBBS,  
DRANZCOG (Advanced), FRACGP

### GENERAL SURGEONS

Dr Ruth Bollard MBChB, FRCS, FRACS  
Dr Michael Condous MBBS, FRACS  
Dr David Deutscher MBBS, BSC,  
FRACS  
Dr Thomas Fisher MBBS (Melb) FRACS  
Mr Abrar Maqbool MBBS, FRACS  
Mr Ahmed Naqeeb MBBS, FRACS  
Dr Kontoku Shimokawa MBBS, FRACS  
Mr Shanthapriya Tellambura MBBS,  
FRACS

### ANAESTHETIST

Dr Neil Provis-Vincent MBBS, BMedSci.  
(Hons), FACRRM

### CARDIOLOGIST

Dr Christopher Hengel MBBS, FRACP  
Dr Rodney Reddy MB ChB, FRACP

### EAR, NOSE & THROAT SURGEON

Mr Niall McConchie MBBS, FRACS

### GYNAECOLOGIST

Dr Michael Bardsley MBBS,  
DRANZCOG, FRACGP, FRANZCOG  
Dr Michael Carter MBBS, FRANZCOG  
Dr Katrina Guerin MBBS, DRANZCOG  
Dr Carolyn Wilde MBBS, FRANZCOG

### NEPHROLOGY

Dr John Richmond MBBS, FRACP

### ONCOLOGIST & HAEMATOLOGIST

Dr Craig Carden MBBS, FRACP

### OPHTHALMIC SURGEON

Dr David Francis MBBS, FRANZCO  
Dr David McKnight MBBS, FRANZCO  
Dr Trent Roydhouse MBBS, FRANZCO  
Dr Michael Toohey MBBS, FRANZCO

### ORTHOPAEDIC SURGEON

Mr John Patrikios MBBS, MS, FRACS  
Mr Scott Mason MBBS, FRACS

### PALLIATIVE CARE

Dr Penny Cotton MBBS, FACHPM  
Dr Greg Mewett MBBS, DRCOG,  
FRACGP, FACHPM

### RADIOLOGISTS

Dr Damien Cleeve MBBS, FRANZCR  
Dr John Eng MBBS, FRANZCR  
Dr Robert Jarvis MBBS, FRANZCR  
Dr Sarah Skinner MBBS FRANZCR  
Dr Jill Wilkie MBBS RCR  
Dr Julius Tamangani MBChB (Hons),  
MSc, FRCR

### UROLOGISTS

Dr Lydia Johns Putra MBBS, FRACS

### VISITING DENTAL STAFF

Dr Charles Reid BDS (Liverpool)  
Dr Yea Lee Shu BDS  
Dr Wacim Gami BDS (India)  
Dr Sue Lim BDS  
Ms Kaylene Jackson (Dental Therapist)

## LEGISLATIVE COMPLIANCE

East Grampians Health Service complies with both statutory and financial disclosures under all relevant Acts and Legislation.

### ATTESTATION ON DATA INTEGRITY

I, Nick Bush certify that East Grampians Health Service has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. East Grampians Health Service has critically reviewed these controls and processes during the year.



**Nick Bush**  
Accountable Officer  
East Grampians Health Service  
31 July 2015

### ATTESTATION FOR RISK MANAGEMENT PROCESSES AND FRAMEWORK

I, Matthew Wood, certify that East Grampians Health Service has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes. The East Grampians Health Service Audit & Risk Committee verifies this.



**Matthew Wood**  
Responsible Officer  
East Grampians Health Service  
31 July 2015

### BUILDING ACT 1993

The Health Service continues to comply with the Building Act 1993 and Standards for Publicly Owned Buildings November 1994, as under FRD22F (Section 6.17b)

Members of the Project Development Committee guarantee that all works requiring building approvals have the necessary certification, inspections and Occupancy Permits issued by independent Building Surveyors.

The Project Control Group undertakes to ensure that plans are lodged with the relevant local Council. All building practitioners engaged on works for the Health Service are required to show evidence of current registration and have to maintain their registered status for the course of their contract.

All building practitioners engaged by the Health Service maintained their registered status throughout the year.

The following works and maintenance were undertaken during the year to conform with the relevant Standards.

During the financial year Support Services has planned and completed a number of projects to improve its service delivery:

#### Ararat Campus

- Completion of the refurbishment of Garden View Court Hostel
- Reclassification of Garden View Court Hostel
- Card Access
- New operating Theatre Light – Operating Suite 1
- Theatre refurbishments in Day Procedure – discharge lounge
- Fire Service Ring Main Upgrade
- Gates at the entrances to car parks
- Implementation of the Montessorri Model at 70 Lowe Street
- Medical Consult Room
- Pergola area
- Day Centre (Ararat campus) refurbishments to kitchen area
- Painting works throughout the Health Service

#### Willaura Campus

- Day Centre (Willaura campus) refurbishments (Allied Health Area)
- Beautification and landscaping of grounds and gardens
- Painting works throughout the Health Service
- Front fence

## LEGISLATIVE COMPLIANCE (continued)

### CARERS RECOGNITION ACT 2012

The Health Service values careers and actively promotes recognition of this vital role both in the community and the Health Service. Policies have been developed to ensure employees understand their obligations in relation to this Act, and carry out their duties to reflect the care relationship principles in developing, providing or evaluating support and assistance for persons in care relationship.

### COMPETITIVE NEUTRALITY

All competitive neutrality requirements comply with the National Competition Policy and have been made in accordance with Government costing policies for public hospitals.

### CONSULTANCIES

There were no consultancies over \$10,000 during the year.

In 2014-15, East Grampians Health Service engaged one consultant where the total fee payable to the consultant was less than \$10,000, with a total expenditure of \$4,951.91 (excl. GST).

The consultant, Loss Prevention Group of Australia, was engaged to complete a risk assessment. There is no further expenditure committed to this project.

### DATAVIC ACCESS POLICY

EGHS complies with this policy and supplies data to the Department of Health and Human Services as applicable.

### EX-GRATIA PAYMENTS

No ex-gratia payments were incurred in 2014/2015.

### FINANCIAL MANAGEMENT ACT 1994 (FMA)

In accordance with the Direction of the Minister for Finance (Part 9.1.3 iv) information requirements have been prepared and are available to the relevant Minister, Members of Parliament and the public on request to the Chief Executive. The Board of East Grampians Health Service is confident that it has complied with its obligations as established in the FMA.

### FREEDOM OF INFORMATION

East Grampians Health Service is an agency subject to the Freedom of Information Act 1982. As required under The Act, East Grampians Health Service has nominated the Chief Executive, Nick Bush, as the Principal Officer and Health Information Manager, Nicki Blackie as the Officer. The legislated application fee for the 2014/15 financial year was \$26.50 per application, and the processing fee included a search fee of \$20 and a photocopying fee of 20 cents per A4 page. All reports requested from the Director of Medical Services, Eric Kennelly, incurred a fee of \$100. Exemptions applied that related to privacy of patients and third parties.

In 2014/15 East Grampians Health Service received 48 requests, 47 of which were processed and granted in full.

### REQUESTS

2014/15	2013/14	2012/13	2011/12
48	52	61	58

### INFORMATION PRIVACY ACT 2000 AND HEALTH RECORDS ACT 2001

Privacy Legislation commenced July 1 2002 and comprises

- Health Records Act 2001
- Information Privacy Act 2000

Information Privacy Act 2001 covers the privacy principles of:

- The collection of health information
- Use and disclosure of health information
- Data quality
- Data security and retention of information
- Openness
- Access to health information

Policies ensure strict adherence to the Act and that the personal health information of patients, residents and clients remains confidential and secure. The information will only be used by non-service staff with the consent of the consumer and is accessible by the consumer under Freedom of Information guidelines.

Patients, families, residents and clients are informed of their rights regarding their health information on first contact with the Health Service.

The Chief Executive Officer is the designated Privacy Officer and manages all enquiries relating to these two Acts.

78 written requests were received in 2014/15.

## OCCUPATIONAL HEALTH AND SAFETY 2004

The Occupational Health and Safety Act 2004 and its Schedules of 2007 guide the Health Service in its occupational health and safety responsibilities. Designated work groups operate with trained OH&S representatives who consult on matters relating to OH&S. The OH&S committee develops strategic thinking in relation to the safety and welfare of workers. Lead and lag indicators are established and quarterly reported to the Board. These indicators include the participation of staff in training; the number of incidents and the types of incidents and how they have been managed; the numbers of days lost to injury; the cost of injury and measurement of the Health Service's performance against industry Standards. The Health Service participates in WorkCover inspections. No Provisional Improvement Notices were issued in 2014/15.

Initiatives during the last financial year include:

- In the last three years EGHS has maintained a rate of 0% for Health – care associated Staphylococcus aureus blood stream infections
- Staff flu vaccinations increased from 74.4% to 80% this financial year

## PROTECTED DISCLOSURE ACT 2012

Allegations of improper conduct by employees or the Board of the Health Service is very serious. Allegations can include corrupt conduct, substantial mismanagement of public resources or conduct involving substantial risk to public health or safety.

The Protected Disclosure Act 2012 is designed to protect people who disclose information about serious wrongdoings within the Victorian Public Sector and to provide a framework for the investigation of these matters.

Disclosures of improper conduct by East Grampians Health Service or its employees may be made to:

The Protected Disclosure Co-ordinator  
Nick Bush  
Nick.bush@eghs.net.au

or

The Ombudsman Victoria  
Level 22, 459 Collins Street, Melbourne, 3000  
Tel: 9613 6222 Toll free: 1800 806 314

In 2014/15 there were no disclosures or notifications of disclosure relevant to the Protected Disclosure Act received.

## REGISTRATION

All clinical practitioners engaged by the Health Service maintained their registered status throughout the year.

## VICTORIAN INDUSTRY PARTICIPATION POLICY

East Grampians Health Service complies with the requirements of the Victorian Industry Participation Policy Act 2003 and wherever practicable and fiscally responsible will make every endeavour to purchase locally.

# DISCLOSURE INDEX

The annual report of East Grampians Health Service is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

## MINISTERIAL DIRECTIONS

Report of Operations - FRD Guidance

Legislation	Requirement	Page	Legislation	Page
<i>Financial Management Act</i>			<i>Key Financial and Service Performance Reporting</i>	
SD 4.2(a)	Compliance with Australian accounting standards (AAS and AASB standards) and other mandatory professional reporting requirements.	FR	Statement of Priorities	
SD 4.2(b)	Financial Statements: <ul style="list-style-type: none"> <li>• income statement</li> <li>• balance sheet</li> <li>• statement of recognised income and expense</li> <li>• cash flows statement</li> <li>• notes to the financial statements.</li> </ul>	FR	Part A	6
SD 4.2(c)	Accountable Officer, Chief Financial Officer and Responsible Body declaration and sign off	FR	Part B	8
SD 4.2(d)	Rounding of amounts	FR	Part C	9
SD 4.2(j)	Responsible Bodies Declaration	13		
<i>Financial Reporting Directions</i>			<b>ADDITIONAL INFORMATION</b>	
FRD 10	Disclosure Index	46	In compliance with the requirements on FRD 22F Standard Disclosures in the Report of Operations, details in respect of the items listed below have been retained by East Grampians Health Service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the requirements, of the Freedom of Information Act, if applicable):	
FRD 11A	Disclosure of ex-gratia payments	44	(a)	Declarations of pecuniary interests have been duly completed by all relevant officers. <b>Declarations of pecuniary interests have been duly completed by all relevant officers.</b>
FRD 12A	Disclosure of Major Contracts	44	(b)	Details of shares held by senior officers as nominee or held beneficially. <b>No shares are held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.</b>
FRD 21B	Responsible Persons Disclosure	FR	(c)	Details of publications produced by the entity about itself, and how these can be obtained. <b>The Health Service produces a number of community publications detailing services, programs and future strategies. They include the Annual Report, Strategic Plan, Quality of Care Report and a range of patient information brochures. They are all available at the Ararat and Willaura campuses and on line at <a href="http://www.eghs.net.au">www.eghs.net.au</a></b>
FRD 22F	Manner of establishment and the relevant Ministers	3, 38	(d)	Details of changes in prices, fees, charges, rates and levies charged by the Health Service. <b>All fees charged by the Health Service are regulated by the Commonwealth Government and the Victorian Government's Department of Health. There were no changes to fees or charges during the year.</b>
FRD 22F	Purpose, functions, powers and duties	3, 4	(e)	Details of any major external reviews carried out on the Health Service. <b>No major external reviews were carried out by the Health Service during the year.</b>
FRD 22F	Nature and range of services provided	4	(f)	Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the Report of Operations or in a document that contains the financial statements and Report of Operations. <b>There was no major research or development activity carried out by the Health Service during the year.</b>
FRD 22F	key initiatives, programs and achievements	6-36	(g)	Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit. <b>No overseas visits were authorised by the Health Service during the year.</b>
FRD 22F	Organisational Structure	4	(h)	Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services. <b>The Health Service continues to engage successfully with the community through local media on a regular basis.</b>
FRD 22F	Workforce data	19	(i)	Details of assessments and measures undertaken to improve the occupational health and safety of employees. <b>A list of key initiatives are described on page 45.</b>
FRD 22F	Statement on employment and conduct principles	19	(j)	General statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations. <b>The Health Service continues to work with unions representing all staff. This year there were no disputes nor time lost through industrial accidents.</b>
FRD 22F	Occupational Health and Safety	45	(k)	A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved. <b>List of Committees of the Board, along with members of the Audit Committee can be found on page 38.</b>
FRD 22F	Financial information: <ul style="list-style-type: none"> <li>• summary of the financial results for past five years</li> <li>• summary of the significant changes in financial position</li> <li>• summary of the entity's operational and budgetary objectives</li> <li>• subsequent events</li> </ul>	9 8 9 FR	(l)	Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement. <b>Details in regard to consultants and contractors engaged at the Health Service can be found on page 44.</b>
FRD 22F	Significant factors affecting performance	FR		
FRD 22F	Details of consultancies over \$10,000	44		
FRD 22F	Details of consultancies under \$10,000	44		
FRD 22F	Application and compliance <ul style="list-style-type: none"> <li>• summary of the application and operation of the Freedom of Information Act 1982 (FOI Act);</li> <li>• statement on compliance with the building and maintenance provisions of the Building Act 1993;</li> <li>• summary of the application and operation of the Protected Disclosure Act 2012;</li> <li>• statement on the implementation and compliance with National Competition Policy;</li> <li>• statement on the application and operation of the Carers Recognition Act 2012 (Carers Act).</li> <li>• summary of an entity's environmental performance.</li> </ul>	44 43 45 44 44 20, 21		
FRD 22F	Additional information available on request	46		
FRD 25B	Disclosures under the Victorian Industry Participation Policy 2003.	45		
FRD 30B	Compliance with the Standard Requirements for the Publication of Annual Reports	3		
<i>Attestations</i>				
SD 3.4.13	Attestation of Data Integrity	43		
SD 4.5.5	Attestation for compliance with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes	43		
	Compliance with DataVic Access Policy	44		

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# GLOSSARY

## BEST PRACTICE

Best Practice is a technique that, through experience, research, review, reassessment and refinement, has proved to reliably lead to a desired result.

## CLINICAL GOVERNANCE

The basis on which East Grampians Health Service is accountable to its stakeholders to continually improve the quality of its services. This is achieved by creating a culture of learning where staff are provided with opportunities for education to maximise their potential to deliver this quality service. Clinical excellence will be encouraged and will prosper.

## DRG

Diagnostic Related Groupings. The inpatient casemix funding system where each patient episode of care receives a DRG based upon the complexity of the medical condition.

## HACC

The Home and Community Care program is Victoria's principal source of funding for services that support frail aged people, younger people with disabilities and carers.

## VCAL

Victorian Certificate of Applied Learning is a hands on option for students wishing to complete a senior secondary qualification.

## VICNISS

VICNISS Healthcare Associated Infection Surveillance System. The primary aim of VICNISS is to lower the number of infections acquired in Victorian hospitals. The system collates and analyses data on healthcare associated infections in acute care public and private hospitals in Victoria, and reports individual hospital and aggregate data back to participants and the Department of Health and Human Services. Surveillance activities are targeted to those patients at highest risk of healthcare associated infections.

## WIES

Weighted Inlier Equivalent Separation. Every patient discharged from East Grampians Health Service is allocated a DRG (see above), which reflects the primary reason for the patient's episode of care. The DRG has an assigned resource weight, which is related to the complexity of the patient's medical condition on which the WIES is calculated.

# '15

## FINANCIAL REPORT



## CONTENTS

Certification	FR ii
Victorian Auditor-General's Report	FR iii
<b>Disclosure Index</b>	
FRD 22F Relevant Ministers	FR 44
FRD 21B Executive Officer Disclosures	FR 45
FRD 21B Responsible Persons Disclosure	FR 44
FRD 22F Subsequent Events	FR 45
<b>Financial Statements required under Part 7 of the FMA</b>	
SD 4.2(a) Statement of changes in equity	FR 3
SD 4.2(b) Operating Statement	FR 1
SD 4.2(b) Balance Sheet	FR 2
SD 4.2(b) Cash Flow Statement	FR 4
<b>Other requirements under Standing Directions 4.2</b>	
SD 4.2(a) Compliance with Australian Accounting Standards and other mandatory professional reporting requirements	FR 5
<b>Financial Statements</b>	
SD 4.2(b) Income Statement	FR 1
SD 4.2(b) Balance Sheet	FR 2
SD 4.2(b) Statement of Recognised Income and Expense	FR 1
SD 4.2(b) Cash Flow Statement	FR 4
SD 4.2(b) notes to the financial statements	FR 5
SD 4.2(c) Accountable Officer, Chief Financial Officer and Responsible Body declaration sign off	FR ii
SD 4.2(d) Rounding of Amounts	FR 8
SD 4.2(j) Responsible Bodies Declaration	FR 44



**East Grampians  
Health Service**

**East Grampians Health Service**  
**Board member's, accountable officer's and  
chief finance & accounting officer's  
declaration**

The attached financial statements for East Grampians Health Service and the Consolidated Entity have been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2015 and the financial position of East Grampians Health Service and the Consolidated Entity at 30 June 2015.

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

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

  
Mr Matthew Wood  
Board President

Ararat  
12 August 2015

  
Mr Nick Bush  
Accountable Officer

Ararat  
12 August 2015

  
Mr Tony Roberts  
Chief Finance & Accounting  
Officer

Ararat  
12 August 2015

**VAGO**

Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000  
Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010  
Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au)  
Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, East Grampians Health Service

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2015 of the East Grampians Health Service which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited. The financial report is the consolidated financial statements of the consolidated entity, comprising the East Grampians Health Service and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 23 to the consolidated financial statements.

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

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independent Auditor's Report (continued)***Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

*Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of East Grampians Health Service and the consolidated entity as at 30 June 2015 and their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the Australian accounting profession.

MELBOURNE  
20 August 2015

  
John Doyle  
Auditor-General

## East Grampians Health Service Comprehensive Operating Statement For the Year Ended 30 June 2015

	Note	Parent Entity 2015 \$'000	Parent Entity 2014 \$'000	Consolidated Entity 2015 \$'000	Consolidated Entity 2014 \$'000
Revenue from Operating Activities	2	30,782	29,872	30,834	29,956
Revenue from Non-operating Activities	2	563	508	605	767
Employee Expenses	3	(19,570)	(19,040)	(19,570)	(19,040)
Non Salary Labour Costs	3	(3,164)	(2,996)	(3,164)	(2,996)
Supplies & Consumables	3	(6,124)	(3,737)	(6,124)	(3,737)
Other Expenses From Continuing Operations	3	(2,412)	(4,518)	(2,435)	(4,778)
<b>Net Result Before Capital &amp; Specific Items</b>		<b>75</b>	<b>89</b>	<b>146</b>	<b>172</b>
Capital Purpose Income	2	984	1,649	984	1,433
Depreciation and Amortisation	4	(2,628)	(3,071)	(2,628)	(3,071)
Expenditure using Capital Purpose Income	3	(201)	(107)	(201)	(107)
<b>NET RESULT FOR THE YEAR</b>		<b>(1,770)</b>	<b>(1,440)</b>	<b>(1,699)</b>	<b>(1,573)</b>
<b>Other comprehensive income</b>					
Changes in physical asset revaluation surplus		-	8,720	-	8,720
<b>COMPREHENSIVE RESULT FOR THE YEAR</b>		<b>(1,770)</b>	<b>7,280</b>	<b>(1,699)</b>	<b>7,147</b>

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

East Grampians Health Service  
Annual Report 2014/2015

## East Grampians Health Service Balance Sheet As at 30 June 2015

	Note	Parent Entity 2015 \$'000	Parent Entity 2014 \$'000	Consolidated Entity 2015 \$'000	Consolidated Entity 2014 \$'000
<b>Current Assets</b>					
Cash and Cash Equivalents	5	5,677	6,067	6,907	7,229
Receivables	6	1,000	908	1,005	914
Inventories	7	50	54	50	54
Other Current Assets	8	124	147	124	147
<b>Total Current Assets</b>		<b>6,851</b>	<b>7,176</b>	<b>8,086</b>	<b>8,344</b>
<b>Non-Current Assets</b>					
Receivables	6	908	841	908	841
Property, Plant & Equipment	9	39,714	41,339	39,714	41,339
Investment Properties	10	1,105	1,105	1,105	1,105
<b>Total Non-Current Assets</b>		<b>41,727</b>	<b>43,285</b>	<b>41,727</b>	<b>43,285</b>
<b>TOTAL ASSETS</b>		<b>48,578</b>	<b>50,461</b>	<b>49,813</b>	<b>51,629</b>
<b>Current Liabilities</b>					
Payables	11	602	943	613	946
Provisions	12	4,326	4,180	4,326	4,180
Other Liabilities	13	3,095	3,052	3,095	3,064
<b>Total Current Liabilities</b>		<b>8,023</b>	<b>8,175</b>	<b>8,034</b>	<b>8,190</b>
<b>Non-Current Liabilities</b>					
Provisions	12	681	642	681	642
<b>Total Non-Current Liabilities</b>		<b>681</b>	<b>642</b>	<b>681</b>	<b>642</b>
<b>TOTAL LIABILITIES</b>		<b>8,704</b>	<b>8,817</b>	<b>8,715</b>	<b>8,832</b>
<b>NET ASSETS</b>		<b>39,875</b>	<b>41,644</b>	<b>41,099</b>	<b>42,797</b>
<b>EQUITY</b>					
Property, Plant & Equipment Revaluation Surplus	14a	22,456	22,456	22,456	22,456
General Purpose Surplus	14a	141	140	141	140
Restricted Specific Purpose Surplus	14a	491	399	491	399
Contributed Capital	14b	19,896	19,896	19,896	19,896
Accumulated Surpluses/(Deficits)	14c	(3,110)	(1,247)	(1,886)	(94)
<b>TOTAL EQUITY</b>	14	<b>39,875</b>	<b>41,644</b>	<b>41,099</b>	<b>42,797</b>
Contingent Assets and Contingent Liabilities	18				
Commitments for Expenditure	17				

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

### East Grampians Health Service Statement of Changes in Equity For the Year Ended 30 June 2015

Consolidated Entity		Property, Plant & Equipment Revaluation Surplus	General Purpose Surplus	Restricted Specific Purpose Surplus	Contributions by Owners	Accumulated Surpluses/ (Deficits)	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2013</b>		13,736	139	590	19,896	1,289	35,650
Net result for the year		-	-	-	-	(1,573)	(1,573)
Other comprehensive income for the year	14a	8,720	-	-	-	-	8,720
Transfer to / (from) accumulated surplus	14a,c	-	1	(191)	-	190	-
<b>Balance at 30 June 2014</b>		22,456	140	399	19,896	(94)	42,797
Net result for the year		-	-	-	-	(1,699)	(1,699)
Transfer to / (from) accumulated surplus	14a,c	-	1	92	-	(93)	-
<b>Balance at 30 June 2015</b>		22,456	141	491	19,896	(1,886)	41,099
<b>Parent Entity</b>							
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2013</b>		13,736	139	590	19,896	3	34,364
Net result for the year		-	-	-	-	(1,440)	(1,440)
Other comprehensive income for the year	14a	8,720	-	-	-	-	8,720
Transfer to / (from) accumulated surplus	14a,c	-	1	(191)	-	190	-
<b>Balance at 30 June 2014</b>		22,456	140	399	19,896	(1,247)	41,644
Net result for the year		-	-	-	-	(1,770)	(1,770)
Transfer to / (from) accumulated surplus	14a,c	-	1	92	-	(93)	-
<b>Balance at 30 June 2015</b>		22,456	141	491	19,896	(3,110)	39,875

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

East Grampians Health Service  
Annual Report 2014/2015

## East Grampians Health Service Cash Flow Statement For the Year Ended 30 June 2015

	Note	Parent Entity 2015 \$'000	Parent Entity 2014 \$'000	Consolidated Entity 2015 \$'000	Consolidated Entity 2014 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating Grants from Government		24,802	24,418	24,802	24,418
Patient and Resident Fees Received		4,165	2,726	4,165	2,726
Donations and Bequests Received		50	132	50	208
GST Received from/(paid to) ATO		929	1,033	929	1,033
Interest Received		177	-	220	51
Other Receipts		1,890	2,919	1,878	2,945
Employee Expenses Paid		(19,386)	(18,710)	(19,386)	(18,710)
Non Salary Labour Costs		(3,480)	(3,296)	(3,480)	(3,296)
Payments for Supplies & Consumables		(6,492)	(5,308)	(6,488)	(5,312)
Other Payments		(2,995)	(5,144)	(3,014)	(5,400)
<b>Cash Generated from Operations</b>		<b>(340)</b>	<b>(1,230)</b>	<b>(324)</b>	<b>(1,337)</b>
Capital Grants from Government		635	921	635	921
Capital Donations and Bequests Received		264	328	264	328
Other Capital Receipts		105	347	105	347
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	15	<b>664</b>	<b>366</b>	<b>680</b>	<b>259</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Payments for Non-Financial Assets		(1,129)	(1,789)	(1,129)	(1,789)
Proceeds from sale of Non-Financial Assets		105	61	105	61
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>		<b>(1,024)</b>	<b>(1,728)</b>	<b>(1,024)</b>	<b>(1,728)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(360)</b>	<b>(1,362)</b>	<b>(344)</b>	<b>(1,469)</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		3,025	4,387	4,187	5,656
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	5	<b>2,665</b>	<b>3,025</b>	<b>3,843</b>	<b>4,187</b>

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

## Note 1: Statement of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for East Grampians Health Service for the year ended 30 June 2015. The purpose of the report is to provide users with information about East Grampians Health Service's stewardship of resources entrusted to it.

### (a) Statement of Compliance

These financial statements are a general purpose financial report which have been prepared in accordance with the Financial Management Act 1994 and applicable Australian Accounting Standards (AASs), which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*.

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

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

The annual financial statements were authorised for issue by the Board of East Grampians Health Service on 12th August 2015.

### (b) Basis of preparation

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015, and the comparative information presented in these financial statements for the year ended 30 June 2014.

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

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

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are prepared in accordance with the historical cost convention, except for:

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

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, related to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1(j));
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to note 1(k)).

Consistent with AASB 13 Fair Value Measurement, East Grampians Health Service determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, investment properties and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant FRDs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Note 1: Statement of Significant Accounting Policies**

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, East Grampians Health Service has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, East Grampians Health Service determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is East Grampians Health Service's independent valuation agency.

East Grampians Health Service, in conjunction with VGV monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

**(c) Reporting Entity**

The financial statements include all the controlled activities of East Grampians Health Service.

Its principal address is: Girdlestone Street, Ararat, Victoria 3377.

A description of the nature of East Grampians Health Service's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

**Objectives and funding**

East Grampians Health Service's overall objective is to improve our communities health and quality of life through strong partnerships and by responding to changing needs, as well as improve the quality of life to Victorians.

East Grampians Health Service is predominantly funded by accrual based grant funding for the provision of outputs.

**(d) Principles of Consolidation**

In accordance with AASB 127 Consolidated and Separate Financial Statements, the consolidated financial statements of East Grampians Health Service incorporates the assets and liabilities of all entities controlled by East Grampians Health Service as at 30 June 2015, and their income and expenses for that part of the reporting period in which control existed. Control exists when East Grampians Health Service has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The consolidated financial statements include the audited financial statements of the controlled entities listed in **note 23**.

Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Bodies consolidated into East Grampians Health Service reporting entity include:

- East Grampians Health Building For The Future Foundation

**Intersegment Transactions**

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

**Jointly controlled assets or operations**

Interests in jointly controlled assets or operations are not consolidated by East Grampians Health Service, but are accounted for in accordance with the policy outlined in note 1(j) Financial assets.

## Note 1: Statement of Significant Accounting Policies

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

#### Fund Accounting

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

#### Services Supported By Health Services Agreement and Services Supported By Hospital and Community Initiatives

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

#### Residential Aged Care Service

Residential Aged Care Service operations are an integral part of East Grampians Health Service and shares its resources. An apportionment of land and buildings has been made based on floor space. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation in **note 19** to the financial statements.

Residential Aged Care Services are substantially funded from Commonwealth bed-day subsidies.

#### Comprehensive operating statement

The comprehensive operating statement includes the subtotal entitled 'Net result Before Capital & Specific Items' to enhance the understanding of the financial performance of East Grampians Health Service. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, and items of an unusual nature and amount such as specific income and expenses. The exclusion of these items is made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services. The 'Net result Before Capital & Specific Items' is used by the management of East Grampians Health Service, the Department of Health and Human Services and the Victorian Government to measure the ongoing performance of Health Services.

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

- Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. It also includes donations of plant and equipment (refer note 1 (f)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided.
- Depreciation as described in note 1 (g).
- Assets provided or received free of charge (refer to Notes 1 (f) and (g)); and
- Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

#### Balance sheet

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

#### Statement of changes in equity

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

#### Cash flow statement

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

## Note 1: Statement of Significant Accounting Policies

### Rounding

All amounts shown in the financial statements are expressed to the nearest \$1,000 unless otherwise stated.

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

### (f) Income from transactions

Income is recognised in accordance with AASB 118 Revenue and is recognised as to the extent that it is probable that the economic benefits will flow to East Grampians Health Service and the income can be reliably measured. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

### Government Grants and other transfers of income (other than contributions by owners)

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

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

### Indirect Contributions from the Department of Health and Human Services

- Insurance is recognised as revenue following advice from the Department of Health and Human Services.
- Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 5/2013.

### Patient and Resident Fees

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

### Revenue from commercial activities

Revenue from commercial activities is recognised at the time invoices are raised.

### Donations and Other Bequests

Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a surplus, such as the restricted specific purpose surplus.

### Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes in account the effective yield of the financial asset, which allocates interest over the relevant period.

### Fair value of assets and services received free of charge or for nominal consideration

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

### (g) Expense Recognition

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

### Cost of Goods Sold

Costs of goods sold are recognised when the sale of an item occurs by transferring the cost or value of the item/s from inventories.

**Note 1: Statement of Significant Accounting Policies****Employee expenses**

Employee expenses include:

- Wages and salaries;
- Annual leave;
- Sick leave;
- Long service leave; and
- Superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

**Defined contribution plans**

In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

**Defined benefit plans**

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by East Grampians Health Service to the superannuation plans in respect of the services of current Health Service staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

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

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

Fund	Contributions Paid or Payable for the year	
	2015 \$'000	2014 \$'000
<b>Defined benefit plans:</b>		
Health Super Superannuation Fund	146	120
<b>Defined contribution plans:</b>		
Health Super Superannuation Fund	1,170	1,106
HESTA Superannuation Fund	330	263
<b>Total</b>	<b>1,646</b>	<b>1,489</b>

**Note 1: Statement of Significant Accounting Policies****Depreciation**

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated. Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation charge is not funded by the Department of Health and Human Services. Assets with a cost in excess of \$1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

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

	<u>2015</u>	<u>2014</u>
Buildings		
- Structure Shell Building Fabric	5 to 50 years	5 to 50 years
- Site Engineering Services and Central Plant	5 to 50 years	5 to 50 years
Central Plant		
- Fit Out	5 to 50 years	5 to 50 years
- Trunk Reticulated Building Systems	5 to 50 years	5 to 50 years
Plant & Equipment	5 to 15 years	5 to 15 years
Medical Equipment	5 to 15 years	5 to 15 years
Computers and Communication	3 to 5 years	3 to 5 years
Furniture and Fitting	5 to 15 years	5 to 15 years
Motor Vehicles	5 to 7 years	5 to 7 years

As part of the buildings valuation, building values were separated into components and each component assessed for its useful life which is represented above.

**Other operating expenses**

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

**Supplies and consumables**

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

**Bad and doubtful debts**

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

**(h) Other comprehensive income**

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

**Note 1: Statement of Significant Accounting Policies****Net gain/(loss) on non-financial assets**

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

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

**(i) Financial instruments**

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

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

The following refers to financial instruments unless otherwise stated.

**Categories of non-derivative financial instruments****Loans and receivables**

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

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

**Financial liabilities at amortised cost**

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of East Grampians Health Service's contractual payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

**(j) Assets****Cash and Cash Equivalents**

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

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet.

**Receivables**

Receivables consist of:

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

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

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

## Note 1: Statement of Significant Accounting Policies

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

### Investments and Other Financial Assets

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

Investments are classified in the following categories:

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

East Grampians Health Service classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

East Grampians Health Service assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

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

### Inventories

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

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

Inventories acquired for no cost or nominal considerations are measured at current replacement cost at the date of acquisition.

The bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Cost for all other inventory is measured on the basis of weighted average cost.

### Property, Plant and Equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger/machinery of government are transferred at their carrying amount.

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 9 Property, plant and equipment.

**Crown Land** is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

**Land and Buildings** are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment.

**Plant, Equipment and Vehicles** are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for fair value because of the short lives of the assets concerned.

### Revaluations of Non-current Physical Assets

**Note 1: Statement of Significant Accounting Policies**

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

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

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

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

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

In accordance with FRD 103F, East Grampians Health Service's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

**Investment properties**

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the health services.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Health Service.

Subsequent to initial recognition at cost, investment properties are revalued to fair value, determined annually by independent valuers. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. Investment properties are neither depreciated nor tested for impairment.

Rental revenue from leasing of investment properties is recognised in the comprehensive operating statement in the periods in which it is receivable on a straight line basis over the lease term.

**Prepayments**

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

**Disposal of Non-Financial Assets**

Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement. Refer to Note 1(h) – 'other comprehensive income'.

**Impairment of Non-Financial Assets**

Assets are assessed annually for indications of impairment, except for:

- inventories; and
- investment properties that are measured at fair value.

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

**Note 1: Statement of Significant Accounting Policies**

If there is an indication that there has been a reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

**Investments in jointly controlled assets and operations****AASB 11 Joint Arrangements**

In accordance with AASB 11, there are two types of joint arrangements, i.e. joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportionate consolidation of joint ventures is no longer permitted.

East Grampians Health Service has reviewed its existing contractual arrangements with other entities to ensure they are aligned with the new classifications under AASB 11.

East Grampians Health Service has concluded that its joint arrangement in the Grampians Region Health IT Alliance is a joint operation and will be accounted for as such.

**Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- East Grampians Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- East Grampians Health Service has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset; or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where East Grampians Health Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of East Grampians Health Service's continuing involvement in the asset.

**Impairment of Financial Assets**

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

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

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

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

**Note 1: Statement of Significant Accounting Policies****(k) Liabilities****Payables**

Payables consist of:

- Contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to East Grampians Health Service prior to the end of the financial year that are unpaid, and arise when East Grampians Health Service becomes obliged to make future payments in respect of the purchase of those goods and services.

The normal credit terms for accounts payable are usually Nett 30 days.

- Statutory payables, such as goods and services tax and fringe benefits tax payables.

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

**Provisions**

Provisions are recognised when East Grampians Health Service has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

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

**Employee Benefits**

This provision arises for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

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

Liabilities for wages and salaries, including non-monetary benefits, and annual leave are all recognised in the provision for employee benefits as 'current liabilities', because the health service does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

Undiscounted value – if the health service expects to wholly settle within 12 months; or

Present value – if the health service does not expect to wholly settle within 12 months.

***Long Service Leave***

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the health service does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

Undiscounted value – if the health service expects to wholly settle within 12 months; or

Present value – if the health service does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss followed revaluation of the present value of non-current LSL liability is recognised as a transaction in the operating statement.

## **Note 1: Statement of Significant Accounting Policies**

### ***Termination Benefits***

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

East Grampians Health Service recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### ***Employee benefit on-costs***

Provisions for on-costs, such as workers compensation and superannuation are recognised together with provisions for employee benefits.

### ***Superannuation liabilities***

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

### **(I) Leases**

A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

For service concession arrangements, the commencement of the lease term is deemed to be the date the asset is commissioned.

All other leases are classified as operating leases.

#### **Finance Leases**

East Grampians Health Service does not hold any finance lease arrangements with other parties.

#### **Operating Leases**

##### ***Entity as lessor***

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

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

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

##### ***Entity as lessee***

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

#### **Lease Incentives**

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

In the event that lease incentives are received by the lessee to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished.

**Note 1: Statement of Significant Accounting Policies****(m) Equity****Contributed Capital**

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

**Property, Plant & Equipment Revaluation Surplus**

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

**General Reserves**

A general purpose reserve is established where East Grampians Health Service has placed a restriction and/or condition on the use of particular funds received.

**Specific Restricted Purpose Reserve**

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

**(n) Commitments**

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to note 17) at their nominal value and are inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

**(o) Contingent assets and contingent liabilities**

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

**(p) Goods and Services Tax (GST)**

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

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

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

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

**(q) AASs issued that are not yet effective**

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2015 reporting period. DTF assesses the impact of all these new standards and advises East Grampians Health Service of their applicability and early adoption where applicable.

As at 30 June 2015, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. East Grampians Health Service has not and does not intend to adopt these standards early.

**Note 1: Statement of Significant Accounting Policies**

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on financial statements
AASB 9 Financial Instruments	<p>The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.</p> <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk is also presented in profit or loss."</p>	1 Jan 2018	<p>The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.</p> <p>While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.</p>
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2017 (Exposure Draft 263 – potential deferral to 1 Jan 2018)	<p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.</p> <p>A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.</p>
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]	Amends AASB 127 Separate Financial Statements to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 Jan 2016	The assessment indicates that there is no expected impact as the entity will continue to account for the investments in subsidiaries, joint ventures and associates using the cost method as mandated if separate financial statements are presented in accordance with FRD 113A.

**Note 1: Statement of Significant Accounting Policies**

AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.
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**(r) Category Groups**

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

**Admitted Patient Services (Admitted Patients)** comprises all acute and subacute admitted patient services, where services are delivered in public hospitals.

**Non Admitted Services** comprises acute and subacute non admitted services, where services are delivered in public hospital clinics and provide models of integrated community care, which significantly reduces the demand for hospital beds and supports the transition from hospital to home in a safe and timely manner.

**Aged Care** comprises a range of in home, specialist geriatric, residential care and community based programs and support services, such as Home and Community Care (HACC) that are targeted to older people, people with a disability, and their carers.

**Primary, Community and Dental Health (Primary Health)** comprises a range of home based, community based, community, primary health and dental services including health promotion and counselling, physiotherapy, speech therapy, podiatry and occupational therapy and a range of dental health services

**Residential Aged Care including Mental Health (RAC incl. Mental Health)** referred to in the past as psychogeriatric residential services, comprises those Commonwealth-licensed residential aged care services in receipt of supplementary funding from the department under the mental health program. It excludes all other residential services funded under the mental health program, such as mental health funded community care units and secure extended care units.

**Other Services not reported elsewhere - (Other)** comprises services not separately classified above, including: Public Health Services including laboratory testing, blood borne viruses / sexually transmitted infections clinical services, Kooris liaison officers, immunisation and screening services, drugs services including drug withdrawal, counselling and the needle and syringe program, Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including sexual assault support, early parenting services, parenting assessment and skills development, and various support services. Health and Community Initiatives also falls in this category group.

**Note 2: Analysis of Revenue by Source**

	Admitted Patients 2015 \$'000	Non-Admitted Services 2015 \$'000	Aged Care 2015 \$'000	Primary Health 2015 \$'000	RAC incl. Mental Health 2015 \$'000	Other 2015 \$'000	Total 2015 \$'000
<b>Revenue from Services Supported by Health Services Agreement</b>							
Government Grant	14,108	1,174	896	2,409	6,092	622	25,301
Indirect contributions by Department of Health and Human Services	67	-	-	-	-	33	100
Patient & Resident Fees	722	-	131	209	1,791	1,259	4,111
Commercial Activities	-	-	-	-	-	482	482
Other Revenue from Operating Activities	77	59	30	193	41	441	840
<b>Total Revenue from Operating Activities</b>	<b>14,974</b>	<b>1,233</b>	<b>1,056</b>	<b>2,811</b>	<b>7,924</b>	<b>2,837</b>	<b>30,834</b>
Interest	-	-	-	-	95	174	269
Share of Jointly Controlled Revenue (Note 20)	-	-	-	-	-	336	336
<b>Total Revenue from Non-Operating Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95</b>	<b>510</b>	<b>605</b>
Capital Purpose Income (excluding interest)	-	-	-	-	-	984	984
Capital Interest	-	-	-	-	-	984	984
<b>Total Capital Purpose Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>984</b>	<b>984</b>
<b>Total Revenue</b>	<b>14,974</b>	<b>1,233</b>	<b>1,056</b>	<b>2,811</b>	<b>8,018</b>	<b>4,331</b>	<b>32,423</b>

Indirect contributions by Department of Health (1 July 2014 - 31 Dec 2014) / Department of Health and Human Services (1 Jan 2015 - 30 June 2015) Department of Health / Department of Health and Human Services makes certain payments on behalf of the Health Service (List). These amounts have been brought to account in determining the operating result for the Year by recording them as revenue and expenses.

\* The intent is to classify commercial activities (previously reported as "Hospital and Community Initiatives") revenue into the "Other" program column.

## Note 2: Analysis of Revenue by Source

	Admitted Patients 2014 \$'000	Non-Admitted Services 2014 \$'000	Aged Care 2014 \$'000	Primary Health 2014 \$'000	RAC incl. Mental Health 2014 \$'000	Other 2014 \$'000	Total 2014 \$'000
<b>Revenue from Services Supported by Health Services Agreement</b>							
Government Grant	14,369	631	915	1,757	5,531	1,341	24,544
Indirect contributions by Department of Health and Human Services	141	-	-	-	-	17	158
Patient & Resident Fees	694	-	107	80	1,881	55	2,817
Commercial Activities						1,741	1,741
Other Revenue from Operating Activities	316	88	40	114	122	16	696
<b>Total Revenue from Operating Activities</b>	<b>15,520</b>	<b>719</b>	<b>1,062</b>	<b>1,951</b>	<b>7,534</b>	<b>3,170</b>	<b>29,956</b>
Interest	-	-	-	-	124	92	216
Other Revenue from Non-Operating Activities	-	-	-	-	-	208	208
Share of Jointly Controlled Revenue (Note 20)	-	-	-	-	-	343	343
<b>Total Revenue from Non-Operating Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124</b>	<b>643</b>	<b>767</b>
Capital Purpose Income (excluding interest)	-	-	-	-	-	1,433	1,433
<b>Total Capital Purpose Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,433</b>	<b>1,433</b>
<b>Total Revenue</b>	<b>15,520</b>	<b>719</b>	<b>1,062</b>	<b>1,951</b>	<b>7,658</b>	<b>5,246</b>	<b>32,156</b>

Notes To and Forming Part of the Financial Statements  
 East Grampians Health Service  
 Annual Report 2014/2015

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

	Consol'd 2015 \$'000	Consol'd 2014 \$'000
<b>Proceeds from Disposals of Non-Current Assets</b>		
Plant and Equipment	7	6
Motor Vehicles	98	55
<b>Total Proceeds from Disposal of Non-Current Assets</b>	<b>105</b>	<b>61</b>
<b>Less: Written Down Value of Non-Current Assets Sold</b>		
Plant and Equipment	1	7
Motor Vehicles	121	38
<b>Total Written Down Value of Non-Current Assets Sold</b>	<b>122</b>	<b>45</b>
<b>Net gains/(losses) on Disposal of Non-Current Assets</b>	<b>(17)</b>	<b>16</b>

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

	Consol'd 2015 \$'000	Consol'd 2014 \$'000
During the reporting period, the fair value of assets received free of charge, was as follows:		
Plant and Equipment	-	37
<b>TOTAL</b>	<b>-</b>	<b>37</b>

Notes To and Forming Part of the Financial Statements  
East Grampians Health Service  
Annual Report 2014/2015

### Note 3: Analysis of Expenses by Source

	Admitted Patients 2015 \$'000	Non-Admitted 2015 \$'000	Aged Care 2015 \$'000	Primary Health 2015 \$'000	RAC incl. Mental Health 2015 \$'000	Other 2015 \$'000	Total 2015 \$'000
Employee Expenses	9,417	634	682	2,270	6,012	555	19,570
Non Salary Labour Costs	2,805	-	-	5	-	354	3,164
Supplies & Consumables	3,574	569	52	156	446	1,327	6,124
Other Expenses	221	58	61	63	1,045	649	2,097
<b>Total Expenditure from Operating Activities</b>	<b>16,017</b>	<b>1,261</b>	<b>795</b>	<b>2,494</b>	<b>7,503</b>	<b>2,885</b>	<b>30,955</b>
Expenditure for Capital Purposes	-	-	-	-	-	201	201
Depreciation & Amortisation (refer note 4)	1,360	107	67	212	637	245	2,628
Share of Jointly Controlled Expenses (note 20)	-	-	-	-	-	338	338
<b>Total other expenses</b>	<b>1,360</b>	<b>107</b>	<b>67</b>	<b>212</b>	<b>637</b>	<b>784</b>	<b>3,167</b>
<b>Total Expenses</b>	<b>17,377</b>	<b>1,368</b>	<b>862</b>	<b>2,706</b>	<b>8,140</b>	<b>3,669</b>	<b>34,122</b>

	Admitted Patients 2014 \$'000	Non-Admitted 2014 \$'000	Aged Care 2014 \$'000	Primary Health 2014 \$'000	RAC incl. Mental Health 2014 \$'000	Other 2014 \$'000	Total 2014 \$'000
Employee Expenses	9,175	518	754	1,423	5,540	1,630	19,040
Non Salary Labour Costs	2,825	11	11	34	71	44	2,996
Supplies & Consumables	2,152	21	51	30	481	1,002	3,737
Other Expenses	2,309	66	145	237	1,046	639	4,442
<b>Total Expenditure from Operating Activities</b>	<b>16,461</b>	<b>616</b>	<b>961</b>	<b>1,724</b>	<b>7,138</b>	<b>3,315</b>	<b>30,215</b>
Expenditure for Capital Purposes	-	-	-	-	-	107	107
Depreciation & Amortisation (refer note 4)	1,440	29	124	155	1,005	318	3,071
Share of Jointly Controlled Expenses (note 20)	-	-	-	-	-	336	336
<b>Total other expenses</b>	<b>1,440</b>	<b>29</b>	<b>124</b>	<b>155</b>	<b>1,005</b>	<b>761</b>	<b>3,514</b>
<b>Total Expenses</b>	<b>17,901</b>	<b>645</b>	<b>1,085</b>	<b>1,879</b>	<b>8,143</b>	<b>4,076</b>	<b>33,729</b>

NOTES 10 and Forming Part of the Financial Statements  
 East Grampians Health Service  
 Annual Report 2014/2015

### Note 3a: Analysis of Expense and Revenue by Internally Managed and Restricted Specific Purpose Funds for Services Supported by Hospital and Community Initiatives

	Expense		Revenue	
	Consol'd 2015 \$'000	Consol'd 2014 \$'000	Consol'd 2015 \$'000	Consol'd 2014 \$'000
Diagnostic Imaging	1,273	1,152	1,288	1,221
Catering & Conference	349	478	287	418
Fundraising and Community Support	5	4	24	261
<b>TOTAL</b>	<b>1,627</b>	<b>1,634</b>	<b>1,599</b>	<b>1,900</b>

### Note 4: Depreciation

	Consol'd 2015 \$'000	Consol'd 2014 \$'000
<b>Depreciation</b>		
Land Improvements	36	-
Buildings	1,918	2,361
Plant & Equipment	347	350
Medical Equipment	327	360
<b>Total Depreciation</b>	<b>2,628</b>	<b>3,071</b>

**Note 5: Cash and Cash Equivalents**

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

	<b>Consol'd Entity 2015 \$'000</b>	<b>Consol'd Entity 2014 \$'000</b>
Cash on Hand	3	3
Cash at Bank	123	1,040
Short Term Money Market	6,740	6,130
Jointly Controlled Cash and Cash Equivalents (note 20)	41	56
<b>TOTAL</b>	<b>6,907</b>	<b>7,229</b>
<b>Represented by:</b>		
Cash for Health Service Operations (as per Cash Flow Statement)	3,843	4,187
Cash for Monies Held in Trust		
- Cash on Hand	1	1
- Cash at Bank	750	750
- Short Term Money Market	2,313	2,291
<b>Total Cash and Cash Equivalents</b>	<b>6,907</b>	<b>7,229</b>

**Note 6: Receivables**

	<b>Consol'd Entity 2015 \$'000</b>	<b>Consol'd Entity 2015 \$'000</b>
<b>CURRENT</b>		
<b>Contractual</b>		
Inter Hospital Debtors	181	34
Trade Debtors	173	162
Jointly Controlled Receivables (note 20)	33	43
Patient Fees	258	316
Accrued Investment Income	8	6
Accrued Revenue - Other	190	178
Less Allowance for Doubtful Debts		
- Patient Fees	(15)	(19)
	<b>828</b>	<b>720</b>
<b>Statutory</b>		
GST Receivable	177	194
<b>TOTAL CURRENT RECEIVABLES</b>	<b>1,005</b>	<b>914</b>
<b>NON CURRENT</b>		
<b>Statutory</b>		
Long Service Leave - Department of Health/ Department of Health and Human Services	908	841
	<b>908</b>	<b>841</b>
<b>TOTAL NON-CURRENT RECEIVABLES</b>	<b>908</b>	<b>841</b>
<b>TOTAL RECEIVABLES</b>	<b>1,913</b>	<b>1,755</b>

**(a) Movement in the Allowance for doubtful debts**

	<b>Consol'd Entity 2015 \$'000</b>	<b>Consol'd Entity 2015 \$'000</b>
Balance at beginning of year	19	46
Amounts written off during the year	4	20
Increase/(decrease) in allowance recognised in net result	(8)	(47)
<b>Balance at end of year</b>	<b>15</b>	<b>19</b>

**(b) Ageing analysis of receivables**

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

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

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

Notes To and Forming Part of the Financial Statements  
East Grampians Health Service  
Annual Report 2014/2015

## Note 7: Inventories

	Consol'd 2015 \$'000	Consol'd 2014 \$'000
<b>Pharmaceuticals</b>		
At cost	9	12
<b>Medical and Surgical Lines</b>		
At cost	41	42
<b>TOTAL INVENTORIES</b>	<b>50</b>	<b>54</b>

## Note 8: Other Assets

	Consol'd 2015 \$'000	Consol'd 2014 \$'000
Prepayments	110	136
Rental Property Bonds	9	8
Jointly Controlled Other Assets (note 20)	5	3
<b>CURRENT</b>	<b>124</b>	<b>147</b>
<b>TOTAL</b>	<b>124</b>	<b>147</b>

## Note 9: Property, Plant & Equipment

### (a) Gross carrying amount and accumulated depreciation

	Consol'd 2015 \$'000	Consol'd 2014 \$'000
<b>Land</b>		
Crown Land at Fair Value	1,035	1,035
Land Improvements at Fair Value	710	710
Less Impairment	(36)	-
<b>Total Land</b>	<b>1,709</b>	<b>1,745</b>
<b>Buildings</b>		
Buildings Under Construction at cost	376	-
Buildings at Fair Value	36,213	36,213
Less Accumulated Depreciation	(1,917)	-
Buildings at Cost	15	-
Less Acc'd Depreciation	(1)	-
<b>Total Buildings</b>	<b>34,686</b>	<b>36,213</b>
<b>Plant and Equipment</b>		
Plant and Equipment at Fair Value	3,843	3,540
Less Accumulated Depreciation	(2,457)	(2,206)
<b>Total Plant and Equipment</b>	<b>1,386</b>	<b>1,334</b>
<b>Medical Equipment</b>		
Medical Equipment at Fair Value	4,664	4,446
Less Accumulated Depreciation	(2,807)	(2,479)
<b>Total Medical Equipment</b>	<b>1,857</b>	<b>1,967</b>
<b>Jointly Controlled Property, Plant &amp; Equipment</b>		
Jointly Controlled Property, Plant & Equipment at Fair Value	168	157
Less Accumulated Depreciation	(92)	(77)
<b>Total Jointly Controlled Property, Plant &amp; Equipment</b>	<b>76</b>	<b>80</b>
<b>TOTAL</b>	<b>39,714</b>	<b>41,339</b>

## Note 9: Property, Plant & Equipment (Continued)

### (b) Reconciliations of the carrying amounts of each class of asset

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

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Medical Equipment \$'000	Jointly Controlled PP&E \$'000	Total \$'000
<b>Balance at 1 July 2013</b>	<b>2,063</b>	<b>29,742</b>	<b>1,363</b>	<b>1,766</b>	<b>65</b>	<b>34,999</b>
Additions	-	899	366	561	-	1,826
Disposals	-	-	(45)	-	-	(45)
Revaluation Increments/(Decrements)	787	7,933	-	-	-	8,720
Net Transfers to Investment Properties (Note 10)	(1,105)	-	-	-	-	(1,105)
Movement in Jointly Controlled Property, Plant & Equipment (note 20)	-	-	-	-	15	15
Depreciation (note 4)	-	(2,361)	(350)	(360)	-	(3,071)
<b>Balance at 1 July 2014</b>	<b>1,745</b>	<b>36,213</b>	<b>1,334</b>	<b>1,967</b>	<b>80</b>	<b>41,339</b>
Additions	-	391	521	218	-	1,130
Disposals	-	-	(122)	-	-	(122)
Movement in Jointly Controlled Property, Plant & Equipment (note 20)	-	-	-	-	(4)	(4)
Depreciation (note 4)	(36)	(1,918)	(347)	(327)	-	(2,628)
<b>Balance at 30 June 2015</b>	<b>1,709</b>	<b>34,686</b>	<b>1,386</b>	<b>1,858</b>	<b>76</b>	<b>39,714</b>

### Land and buildings carried at valuation

An independent valuation of the Health Service's land and buildings was performed by the Valuer-General Victoria to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2014.

**Note 9: Property, Plant & Equipment (Continued)****(c) Fair value measurement hierarchy for assets**

	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using:			Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(1)</sup>	Level 2 <sup>(1)</sup>	Level 3 <sup>(1)</sup>		Level 1 <sup>(1)</sup>	Level 2 <sup>(1)</sup>	Level 3 <sup>(1)</sup>
<b>Land at fair value</b>								
Specialised land	1,709	-	-	1,709	1,745	-	-	1,745
<b>Total land at fair value</b>	<b>1,709</b>	<b>-</b>	<b>-</b>	<b>1,709</b>	<b>1,745</b>	<b>-</b>	<b>-</b>	<b>1,745</b>
<b>Buildings at fair value</b>								
Specialised buildings	34,686	-	-	34,686	36,213	-	-	36,213
<b>Total building at fair value</b>	<b>34,686</b>	<b>-</b>	<b>-</b>	<b>34,686</b>	<b>36,213</b>	<b>-</b>	<b>-</b>	<b>36,213</b>
<b>Plant and equipment at fair value</b>								
Plant equipment and vehicles at fair value								
- Vehicles	498	-	-	498	498	-	-	498
- Plant and equipment	888	-	-	888	836	-	-	836
<b>Total plant, equipment and vehicles at fair value</b>	<b>1,386</b>	<b>-</b>	<b>-</b>	<b>1,386</b>	<b>1,334</b>	<b>-</b>	<b>-</b>	<b>1,334</b>
<b>Medical equipment at fair value</b>								
Specialised medical equipment	1,857	-	-	1,857	1,967	-	-	1,967
<b>Total medical equipment at fair value</b>	<b>1,857</b>	<b>-</b>	<b>-</b>	<b>1,857</b>	<b>1,967</b>	<b>-</b>	<b>-</b>	<b>1,967</b>
<b>Jointly controlled property, plant &amp; equipment at fair value</b>								
Specialised ICT equipment	76	-	-	76	80	-	-	80
<b>Total jointly controlled property, plant &amp; equipment at fair value</b>	<b>76</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>80</b>
<b>TOTAL</b>	<b>39,714</b>	<b>-</b>	<b>-</b>	<b>39,714</b>	<b>41,339</b>	<b>-</b>	<b>-</b>	<b>41,339</b>

(1) Classified in accordance with the fair value hierarchy, see Note 1

**Specialised land and specialised buildings**

The market approach is used for specialised land and specialised buildings although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 under the market based direct comparison approach.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the health services, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of the Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2014.

**Vehicles**

The Health Service acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the Health Service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying value (depreciated cost).

**Plant and equipment**

Plant and equipment is held at carrying value (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying value.

There were no changes in valuation techniques throughout the period to 30 June 2015.

For all assets measured at fair value, the current use is considered the highest and best use.

## Note 9: Property, Plant & Equipment (Continued)

(d) Reconciliation of Level 3 fair value

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Medical Equipment \$'000	Jointly Controlled PP&E \$'000	Total \$'000
<b>30-Jun-15</b>						
<b>Opening Balance</b>	1,745	36,213	1,334	1,967	80	41,339
Purchases (sales)	-	391	399	218	(4)	1,004
<b>Subtotal</b>	1,745	36,604	1,733	2,185	76	42,343
Gains or losses recognised in net result						
- Depreciation	(36)	(1,918)	(347)	(327)	-	(2,628)
<b>Subtotal</b>	(36)	(1,918)	(347)	(327)	-	(2,628)
<b>Closing Balance</b>	1,709	34,686	1,386	1,858	76	39,715
<b>30-Jun-14</b>						
<b>Opening Balance</b>	2,063	29,742	1,363	1,766	65	34,999
Purchases (sales)	-	899	321	561	15	1,796
Transfers In (out) of Level 3	(1,105)	-	-	-	-	(1,105)
<b>Subtotal</b>	958	30,641	1,684	2,327	80	35,690
Gains or losses recognised in net result						
- Depreciation	-	(2,361)	(350)	(360)	-	(3,071)
- Impairment loss	-	-	-	-	-	-
<b>Subtotal</b>	-	(2,361)	(350)	(360)	-	(3,071)
Items recognised in other comprehensive income						
- Revaluation	787	7,933	-	-	-	8,720
<b>Subtotal</b>	787	7,933	-	-	-	8,720
<b>Closing Balance</b>	1,745	36,213	1,334	1,967	80	41,339

Notes To and Forming Part of the Financial Statements  
East Grampians Health Service  
Annual Report 2014/2015

## Note 9: Property, Plant & Equipment (Continued)

### (e) Description of significant unobservable inputs to Level 3 valuations:

	Valuation technique	Significant unobservable inputs	2015 Range (weighted average)	2014 Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
<b>Specialised land</b>	Market approach	Community Service Obligation (CSO) adjustment	20 - 20% (20%)	20 - 20% (20%)	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value
<b>Specialised buildings</b>	Depreciated replacement cost	Direct cost per square metre	\$455 - \$4,545/m2 (\$1,933)	\$455 - \$4,545/m2 (\$1,933)	A significant increase or decrease in direct cost per square meter adjustment would result in a significantly higher or lower fair value
		Useful life of specialised buildings	5-50 years (22 years)	5-50 years (22 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
<b>Plant and equipment at fair value</b>	Depreciated replacement cost	Cost per unit	\$0 - \$48,681 (\$1,325)	\$0 - \$48,681 (\$1,325)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of PPE	3-15 years (7 years)	3-15 years (7 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
<b>Vehicles at fair value</b>	Depreciated replacement cost	Cost per unit	\$3,292-\$43,824 per unit (\$20,748 per unit)	\$3,292-\$43,824 per unit (\$20,748 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of vehicles	5-7 years (7 years)	5-7 years (7 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
<b>Medical equipment at fair value</b>	Depreciated replacement cost	Cost per unit	\$0 - \$351,338 (\$4,149)	\$0 - \$351,338 (\$4,149)	Increase (decrease) in gross replacement cost would result in a significantly higher (lower) fair value
		Useful life of medical equipment	5-15 years (10 years)	5-15 years (10 years)	Increase (decrease) in useful life would result in a significantly higher (lower) fair value

**Note 10: Investment Properties****(a) Movements in carrying value for investment properties as at 30 June 2015**

	Consol'd 2015 \$'000	Consol'd 2014 \$'000
<b>Balance at Beginning of Period</b>	1,105	-
Transfers	-	1,105
<b>Balance at End of Period</b>	<b>1,105</b>	<b>1,105</b>

**(b) Fair value measurement hierarchy for investment properties as at 30 June 2015**

	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(1)</sup>	Level 2 <sup>(1)</sup>	Level 3 <sup>(1)</sup>
Investment properties	1,105	-	1,105	-
	<b>1,105</b>	-	<b>1,105</b>	-

(i) Classified in accordance with the fair value hierarchy, see Note 1

	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(1)</sup>	Level 2 <sup>(1)</sup>	Level 3 <sup>(1)</sup>
Investment properties	1,105	-	1,105	-
	<b>1,105</b>	-	<b>1,105</b>	-

(i) Classified in accordance with the fair value hierarchy, see Note 1

The fair value of East Grampians Health Service's investment properties at 30 June 2015 have been arrived on the basis of an independent valuation carried out as at 30 June 2015. The valuation was determined by reference to market evidence of transaction process for similar properties with no significant unobservable adjustments, in the same location and condition and subject to similar lease and other contracts.

**Note 11: Payables**

	Consol'd 2015 \$'000	Consol'd 2014 \$'000
<b>CURRENT</b>		
<b>Contractual</b>		
Trade Creditors	379	307
Accrued Expenses	206	308
Jointly Controlled Payables (note 20)	18	43
	<b>603</b>	<b>658</b>
<b>Statutory</b>		
Department of Health	10	288
	<b>10</b>	<b>288</b>
<b>TOTAL CURRENT</b>	<b>613</b>	<b>946</b>
<b>TOTAL</b>	<b>613</b>	<b>946</b>

**(a) Maturity analysis of payables**

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

**(b) Nature and extent of risk arising from payables**

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

Notes To and Forming Part of the Financial Statements  
East Grampians Health Service  
Annual Report 2014/2015

## Note 12: Provisions

	Consol'd 2015 \$'000	Consol'd 2014 \$'000
<b>Current Provisions</b>		
Employee Benefits (i) (Note 12(a))		
Annual leave (Note 12(a))		
- Unconditional and expected to be settled wholly within 12 months (ii)	1,300	1,271
- Unconditional and expected to be settled wholly after 12 months (iii)	113	118
Accrued days off (Note 12(a))		
- Unconditional and expected to be settled wholly within 12 months (ii)	46	40
Accrued salaries and wages (Note 12(a))		
- Unconditional and expected to be settled wholly within 12 months (ii)	441	360
Long service leave (Note 12(a))		
- Unconditional and expected to be settled wholly within 12 months (ii)	314	313
- Unconditional and expected to be settled wholly after 12 months (iii)	1,649	1,630
	3,863	3,732
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months (ii)	252	238
- Unconditional and expected to be settled wholly after 12 months (iii)	211	210
	463	448
<b>Total Current Provisions</b>	<b>4,326</b>	<b>4,180</b>
<b>Non-Current Provisions</b>		
Employee Benefits (i)	608	573
Provisions related to Employee Benefit On-Costs	73	69
<b>Total Non-Current Provisions</b>	<b>681</b>	<b>642</b>
<b>Total Provisions</b>	<b>5,007</b>	<b>4,822</b>
<b>(a) Employee Benefits and Related On-Costs</b>		
<b>Current Employee Benefits and related on-costs</b>		
Unconditional LSL Entitlement	2,198	2,177
Annual Leave Entitlements	1,582	1,555
Accrued Wages and Salaries	494	403
Accrued Days Off	52	45
<b>Non-Current Employee Benefits and related on-costs</b>		
Conditional Long Service Leave Entitlements (iii)	681	642
<b>Total Employee Benefits and Related On-Costs</b>	<b>5,007</b>	<b>4,822</b>

Notes:

(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal values

(iii) The amounts disclosed are discounted to present values

	Consol'd 2015 \$'000	Consol'd 2014 \$'000
<b>(b) Movements in provisions</b>		
<b>Movement in Long Service Leave:</b>		
<b>Balance at start of year</b>	<b>2,819</b>	<b>2,575</b>
Provision made during the year		
- Revaluations	89	90
- Expense recognising Employee Service	439	461
Settlement made during the year	(468)	(307)
<b>Balance at end of year</b>	<b>2,879</b>	<b>2,819</b>

**Note 13: Other Liabilities**

	Consol'd 2015 \$'000	Consol'd 2014 \$'000
<b>CURRENT</b>		
Monies Held in Trust*		
- Patient Monies Held in Trust*	45	30
- Accommodation Bonds (Refundable Entrance Fees)*	3,014	3,008
- Other Monies Held in Trust*	5	4
Other	31	22
<b>Total Current</b>	<b>3,095</b>	<b>3,064</b>
<b>Total Other Liabilities</b>	<b>3,095</b>	<b>3,064</b>
<b>* Total Monies Held in Trust</b>		
<b>Represented by the following assets:</b>		
Cash Assets (refer to note 5)	3,064	3,042
<b>TOTAL</b>	<b>3,064</b>	<b>3,042</b>

**Note 14: Equity**

	Consol'd 2015 \$'000	Consol'd 2014 \$'000
<b>(a) Surpluses</b>		
<b>Property, Plant &amp; Equipment Revaluation Surplus</b>		
Balance at the beginning of the reporting period	22,456	13,736
Revaluation Increment/(Decrements)		
- Land	-	787
- Buildings	-	7,933
<b>Balance at the end of the reporting period*</b>	<b>22,456</b>	<b>22,456</b>
* Represented by:		
- Land	2,612	2,612
- Buildings	19,844	19,844
	<b>22,456</b>	<b>22,456</b>
<b>General Purpose Surplus</b>		
Balance at the beginning of the reporting period	140	139
Transfer to General Reserve	1	1
Balance at the end of the reporting period	<b>141</b>	<b>140</b>
<b>Restricted Specific Purpose Surplus</b>		
Balance at the beginning of the reporting period	399	590
Transfer to and from Restricted Specific Purpose Reserve	92	(191)
Balance at the end of the reporting period	<b>491</b>	<b>399</b>
<b>Total Reserves</b>	<b>23,088</b>	<b>22,995</b>
<b>(b) Contributed Capital</b>		
Balance at the beginning of the reporting period	19,896	19,896
Balance at the end of the reporting period	<b>19,896</b>	<b>19,896</b>
<b>(c) Accumulated Surpluses/(Deficits)</b>		
Balance at the beginning of the reporting period	(94)	1,289
Net Result for the Year	(1,699)	(1,573)
Transfers to/(from):		
- General Purpose Surplus	(1)	(1)
- Restricted Specific Purpose Surplus	(92)	191
Balance at the end of the reporting period	<b>(1,886)</b>	<b>(94)</b>
<b>Total Equity at end of financial year</b>	<b>41,099</b>	<b>42,797</b>

Notes To and Forming Part of the Financial Statements  
 East Grampians Health Service  
 Annual Report 2014/2015

### Note 15: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from

	Consol'd 2015 \$'000	Consol'd 2014 \$'000
<b>Net Result for the Year</b>	(1,699)	(1,573)
Depreciation & Amortisation	2,628	3,071
Provision for Doubtful Receivables	(4)	(27)
Change in Inventories	4	(8)
Resources/Assets Received Free of Charge	-	(37)
Net (Gain)/Loss from Sale of Plant and Equipment	17	(16)
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	(144)	116
(Increase)/Decrease in Other Assets	(18)	(120)
(Increase)/Decrease in Prepayments	12	3
Increase/(Decrease) in Payables	(333)	(1,507)
Increase/(Decrease) in Provisions	185	330
Increase/(Decrease) in Other Liabilities	32	27
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>680</b>	<b>259</b>

## Note 16: Financial Instruments

### (a) Financial Risk Management Objectives and Policies

East Grampians Health Service's principal financial instruments are comprise of:

- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory payables)
- Accommodation Bonds

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

The main purpose in holding financial instruments is to prudentially manage East Grampians Health Service's financial risks within the government policy parameters.

	Contractual financial assets/liabilities designated at fair value through profit/loss \$'000	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss \$'000	Contractual financial assets - loans and receivables \$'000	Contractual financial assets - available for sale \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
<b>2015</b>						
<b>Contractual Financial Assets</b>						
Cash and cash equivalents	-	-	6,907	-	-	6,907
Receivables						
- Trade Debtors	-	-	585	-	-	585
- Other Receivables	-	-	243	-	-	243
<b>Total Financial Assets <sup>(i)</sup></b>	<b>-</b>	<b>-</b>	<b>7,735</b>	<b>-</b>	<b>-</b>	<b>7,735</b>
<b>Financial Liabilities</b>						
Payables					603	603
Other Financial Liabilities						
- Accomodation bonds	-	-	-	-	3,014	3,014
- Other	-	-	-	-	81	81
<b>Total Financial Liabilities <sup>(ii)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,698</b>	<b>3,698</b>

	Contractual financial assets/liabilities designated at fair value through profit/loss \$'000	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss \$'000	Contractual financial assets - loans and receivables \$'000	Contractual financial assets - available for sale \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
<b>2014</b>						
<b>Contractual Financial Assets</b>						
Cash and cash equivalents	-	-	7,229	-	-	7,229
Receivables						
- Trade Debtors	-	-	423	-	-	423
- Other Receivables	-	-	297	-	-	297
<b>Total Financial Assets <sup>(i)</sup></b>	<b>-</b>	<b>-</b>	<b>7,949</b>	<b>-</b>	<b>-</b>	<b>7,949</b>
<b>Financial Liabilities</b>						
Payables					658	658
Other Financial Liabilities						
- Accomodation bonds	-	-	-	-	3,008	3,008
- Other	-	-	-	-	56	56
<b>Total Financial Liabilities <sup>(ii)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,722</b>	<b>3,722</b>

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

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

### Net holding gain/(loss) on financial instruments by category

	Net holding gain/(loss) \$'000	Total interest income / (expense) \$'000	Fee income / (expense) \$'000	Impairment loss \$'000	Total \$'000
<b>2015</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents <sup>(i)</sup>	-	273	-	-	273
<b>Total Financial Assets</b>	<b>-</b>	<b>273</b>	<b>-</b>	<b>-</b>	<b>273</b>
<b>Financial Liabilities</b>					
<b>2014</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents <sup>(i)</sup>	-	51	-	-	51
<b>Total Financial Assets</b>	<b>-</b>	<b>51</b>	<b>-</b>	<b>-</b>	<b>51</b>

**Note 16: Financial Instruments (continued)****(b) Credit Risk**

Credit risk arises from the contractual financial assets of the Health Service, which comprise cash and deposits and non-statutory receivables financial assets. The Health Service's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Health Service. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Health Service's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Health Service's policy to only deal with entities with high credit ratings of a minimum Triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

In addition, the Health Service does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Health Service's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Health Service will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents East Grampians Health Service's maximum exposure to credit risk without taking account of the value of any collateral obtained.

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

	Financial institutions	Other	Total
	\$'000	\$'000	\$'000
<b>2015</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	6,907	-	6,907
Receivables			
- Trade Debtors	585	585	1,170
- Other Receivables	243	243	486
<b>Total Financial Assets</b>	<b>7,735</b>	<b>828</b>	<b>8,563</b>
<b>2014</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	7,229	-	7,229
Receivables			
- Trade Debtors	-	423	423
- Other Receivables	-	297	297
<b>Total Financial Assets</b>	<b>7,229</b>	<b>720</b>	<b>7,949</b>

**Ageing analysis of Financial Asset as at 30 June**

	Consolidated Carrying Amount	Not Past Due and Not Impaired	Past Due But Not Impaired				Impaired Financial Assets
			Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2015</b>							
<b>Financial Assets</b>							
Cash and Cash Equivalents	6,907	6,907	-	-	-	-	-
Receivables							
- Trade Debtors	585	532	16	19	18	-	-
- Other Receivables	243	130	31	14	53	-	15
<b>Total Financial Assets</b>	<b>7,735</b>	<b>7,569</b>	<b>47</b>	<b>33</b>	<b>71</b>	<b>-</b>	<b>15</b>
<b>2014</b>							
<b>Financial Assets</b>							
Cash and Cash Equivalents	7,229	7,229	-	-	-	-	-
Receivables							
- Trade Debtors	423	355	31	26	11	-	-
- Other Receivables	297	94	71	6	107	-	19
<b>Total Financial Assets</b>	<b>7,949</b>	<b>7,678</b>	<b>102</b>	<b>32</b>	<b>118</b>	<b>-</b>	<b>19</b>

**Note 16: Financial Instruments (continued)****(c) Liquidity Risk**

Liquidity risk is the risk that the Health Service would be unable to meet its financial obligations as and when they fall due. The Health Services operates under the Government's fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

Financial instruments particular to East Grampians Health Service which would be subject to liquidity risk include:

- Trade Creditors and Accruals
- Monies Held In Trust and Aged Care Accommodation Bonds
- Other Liabilities

East Grampians Health Service's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet. It is the Board's policy to manage the organisation under the Financial Management Act to ensure that it meets its financial obligations as and when they fall due.

Trade Creditors and Accruals are generally paid within trading terms. It is the Health Service's policy to monitor and review the capabilities and credit worthiness of counter parties on a regular basis. The Health Service maintains a list of approved suppliers and overlays a delegation of authority for supplies over certain monetary thresholds.

The Board also recognises that, where obligated by specific legislation to quarantine financial assets to meet future financial liabilities such as Aged Care Accommodation Bonds, that it does so without using these financial assets to meet day to day liquidity needs.

Monies Held In Trust and Aged Care Accommodation Bonds are paid in accordance with the terms or conditions stipulated under the relevant legislation applying to them, for example the Aged Care Act (Cwlth) for the refunding of Aged Care Accommodation Bonds.

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

**Maturity analysis of Financial Liabilities as at 30 June**

	Carrying Amount \$'000	Contractual Cash Flows \$'000	Maturity Dates			
			Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000
<b>2015</b>						
<b>Financial Liabilities</b>						
Payables	603	603	603	-	-	-
Other Financial Liabilities						
- Accommodation Bonds	3,014	3,014	3,014	-	-	-
- Other	81	81	81	-	-	-
<b>Total Financial Liabilities</b>	<b>3,698</b>	<b>3,698</b>	<b>3,698</b>	-	-	-
<b>2014</b>						
<b>Financial Liabilities</b>						
Payables	658	658	658	-	-	-
Other Financial Liabilities						
- Accommodation Bonds	3,008	3,008	3,008	-	-	-
- Other	56	56	56	-	-	-
<b>Total Financial Liabilities</b>	<b>3,722</b>	<b>3,722</b>	<b>3,722</b>	-	-	-

Notes To and Forming Part of the Financial Statements  
 East Grampians Health Service  
 Annual Report 2014/2015

## Note 16: Financial Instruments (continued)

### (d) Market Risk

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

### Currency Risk

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

### Other Price Risk

East Grampians Health Service has not identified any other price risks.

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

	Weighted Average Effective Interest Rate (%)	Carrying Amount \$'000	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- Interest Bearing \$'000
<b>2015</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	2.98	6,907	4,000	2,904	3
Receivables					
- Trade Debtors	-	585	-	-	585
- Other Receivables	-	243	-	-	243
		<b>7,735</b>	<b>4,000</b>	<b>2,904</b>	<b>831</b>
<b>Financial Liabilities</b>					
Payables	-	603	-	-	603
Other Financial Liabilities					
- Accommodation Bonds	-	3,014	-	-	3,014
- Other	-	81	-	-	81
		<b>3,698</b>	<b>-</b>	<b>-</b>	<b>3,698</b>
<b>2014</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	4.05	7,229	6,130	1,096	3
Receivables					
- Trade Debtors	-	423	-	-	423
- Other Receivables	-	297	-	-	297
		<b>7,949</b>	<b>6,130</b>	<b>1,096</b>	<b>723</b>
<b>Financial Liabilities</b>					
Payables	-	658	-	-	658
Other Financial Liabilities					
- Accommodation Bonds	-	3,008	-	-	3,008
- Other	-	56	-	-	56
		<b>3,722</b>	<b>-</b>	<b>-</b>	<b>3,722</b>

## Note 16: Financial Instruments (continued)

### (d) Market Risk (continued)

#### Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, East Gramplains Health Service believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Reserve Bank of Australia).

- A shift of +1% and -1% in market interest rates (AUD) from year-end rates of 2.98%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 1.3%

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

	Carrying Amount	Interest Rate Risk				Other Price Risk			
		-1%		+1%		-1%		+1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>2015</b>									
<b>Financial Assets</b>									
Cash and Cash Equivalents	6,907	(69)	(69)	69	69	-	-	-	-
Receivables									
- Trade Debtors	585	-	-	-	-	-	-	-	-
- Other Receivables	243	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>									
Payables	603	-	-	-	-	-	-	-	-
Other Financial Liabilities									
- Accommodation Bonds	3,014	-	-	-	-	-	-	-	-
- Other	81	(69)	(69)	69	69	-	-	-	-
<b>2014</b>									
<b>Financial Assets</b>									
Cash and Cash Equivalents	7,229	(72)	(72)	72	72	-	-	-	-
Receivables									
- Trade Debtors	423	-	-	-	-	-	-	-	-
- Other Receivables	297	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>									
Payables	658	-	-	-	-	-	-	-	-
Other Financial Liabilities									
- Accommodation Bonds	3,008	-	-	-	-	-	-	-	-
- Other	56	(72)	(72)	72	72	-	-	-	-

Notes To and Forming Part of the Financial Statements  
 East Grampians Health Service  
 Annual Report 2014/2015

## Note 16: Financial Instruments (continued)

### (e) Fair Value

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 - the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

East Grampians Health Services holds only Level 1 category financial assets.

East Grampians Health Services considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

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

#### Comparison between carrying amount and fair value

	Consolidated Carrying Amount	Fair value	Consolidated Carrying Amount	Fair value
	2015 \$'000	2015 \$'000	2014 \$'000	2014 \$'000
<b>Financial Assets</b>				
Cash and Cash Equivalents	6,907	6,907	7,229	7,229
Receivables				
- Trade Debtors	585	585	423	423
- Other Receivables	243	243	297	297
<b>Total Financial Assets</b>	<b>7,735</b>	<b>7,735</b>	<b>7,949</b>	<b>7,949</b>
<b>Financial Liabilities</b>				
Payables	603	603	658	658
Other Financial Liabilities				
- Accommodation Bonds	3,014	3,014	3,008	3,008
- Other	81	81	56	56
<b>Total Financial Liabilities</b>	<b>3,698</b>	<b>3,698</b>	<b>3,722</b>	<b>3,722</b>

**Note 17: Commitments for Expenditure**

	<b>Consol'd 2015 \$'000</b>	<b>Consol'd 2014 \$'000</b>
<b>Capital expenditure commitments</b>		
<u>Payable:</u>		
Land and Buildings	-	70
Plant and Equipment	99	9
<b>Total capital expenditure commitments</b>	<b>99</b>	<b>79</b>
Land and Buildings		
Not later than one year	99	79
<b>Total</b>	<b>99</b>	<b>79</b>
<b>Lease commitments</b>		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	-	36
<b>Total lease commitments</b>	<b>-</b>	<b>36</b>
<b>Operating Leases</b>		
<u>Cancellable:</u>		
Not later than one year	-	36
<b>TOTAL</b>	<b>-</b>	<b>36</b>
<b>Total Commitments for Expenditure (inclusive of GST)</b>	<b>109</b>	<b>115</b>
Less GST recoverable from the Australian Tax Office	(10)	(10)
<b>Total Commitments for Expenditure (exclusive of GST)</b>	<b>99</b>	<b>105</b>

**Note 18: Contingent Assets and Contingent Liabilities**

As at 30 June 2015 East Grampians Health Service has no knowledge of any contingent assets or liabilities. (Nil for 30 June 2014.)

**Note 19: Operating Segments**

	RAC		Acute		Other		Consolid	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>REVENUE</b>								
External Segment Revenue	7,924	8,043	14,974	16,968	9,257	7,094	32,154	32,105
<b>Total Revenue</b>	<b>7,924</b>	<b>8,043</b>	<b>14,974</b>	<b>16,968</b>	<b>9,257</b>	<b>7,094</b>	<b>32,154</b>	<b>32,105</b>
<b>EXPENSES</b>								
External Segment Expenses	(8,140)	(8,221)	(17,377)	(18,752)	(8,605)	(6,756)	(34,122)	(33,729)
<b>Total Expenses</b>	<b>(8,140)</b>	<b>(8,221)</b>	<b>(17,377)</b>	<b>(18,752)</b>	<b>(8,605)</b>	<b>(6,756)</b>	<b>(34,122)</b>	<b>(33,729)</b>
<b>Net Result from ordinary activities</b>	<b>(216)</b>	<b>(178)</b>	<b>(2,403)</b>	<b>(1,784)</b>	<b>652</b>	<b>338</b>	<b>(1,968)</b>	<b>(1,624)</b>
Interest Income	95	-	-	-	174	51	269	51
<b>Net Result for Year</b>	<b>(122)</b>	<b>(178)</b>	<b>(2,403)</b>	<b>(1,784)</b>	<b>826</b>	<b>389</b>	<b>(1,699)</b>	<b>(1,573)</b>
<b>OTHER INFORMATION</b>								
Segment Assets	19,452	19,073	22,191	25,753	8,169	6,803	49,813	51,629
<b>Total Assets</b>	<b>19,452</b>	<b>19,073</b>	<b>22,191</b>	<b>25,753</b>	<b>8,169</b>	<b>6,803</b>	<b>49,813</b>	<b>51,629</b>
Segment Liabilities	5,890	4,950	1,396	3,071	1,429	811	8,715	8,832
<b>Total Liabilities</b>	<b>5,890</b>	<b>4,950</b>	<b>1,396</b>	<b>3,071</b>	<b>1,429</b>	<b>811</b>	<b>8,715</b>	<b>8,832</b>
Acquisition of Property, Plant and Equipment	304	603	616	968	210	256	1,130	1,826
Depreciation & Amortisation Expense	867	1,005	1,330	1,469	431	597	2,628	3,071

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

<b>Business Segments</b>	<b>Services</b>
Residential Aged Care Services (RAC)	High and Low Level Aged Care
Acute Health	Acute Medical & Surgical Services
Others	Physiotherapy, Podiatry, Dietetics, Speech Pathology, Occupational Therapy & Dental
-Primary Health	
-District Nursing	
-Radiology Services	
-Catering Services	
-Day Centre	
-Consulting Rooms	
-Fundraising	

**Geographical Segment**

East Grampians Health Service operates predominantly in the Grampians region in Victoria. 100% of revenue, net surplus from ordinary activities and segment assets relate to operations in the Grampians region, Victoria.

**Note 20: Jointly Controlled Operations and Assets**

Name of Entity	Principal Activity	Ownership Interest	
		2015 %	2014 %
Grampians Region Health IT Alliance	ICT Systems	6.94	6.96

East Grampians Health Service's interest in assets and liabilities employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the financial statements under their respective asset and liability categories:

	2015 \$'000	2014 \$'000
<b>Current Assets</b>		
Cash and Cash Equivalents	41	56
Receivables	33	43
Other Current Assets	5	3
<b>Total Current Assets</b>	<b>79</b>	<b>102</b>
<b>Non Current Assets</b>		
Property, Plant and Equipment	76	80
<b>Total Non Current Assets</b>	<b>76</b>	<b>80</b>
<b>Total Assets</b>	<b>155</b>	<b>182</b>
<b>Current Liabilities</b>		
Payables	18	43
<b>Total Current Liabilities</b>	<b>18</b>	<b>43</b>
<b>Total Liabilities</b>	<b>18</b>	<b>43</b>

East Grampians Health Service's interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

	2015 \$'000	2014 \$'000
<b>Revenues</b>		
Other	336	343
<b>Total Revenue</b>	<b>336</b>	<b>343</b>
<b>Expenses</b>		
Information Technology and Administrative Expenses	338	336
<b>Total Expenses</b>	<b>338</b>	<b>336</b>
<b>Net result</b>	<b>(2)</b>	<b>7</b>

**Contingent Liabilities and Capital Commitments**

As at 30 June 2015 the Grampians Region Health IT Alliance has not reported any contingent liabilities.

**Note 21a: Responsible Persons Disclosures**

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

**Responsible Minister:**

The Honourable David Davis, MLC, Minister for Health and Ageing  
 The Honourable Mary Woodridge MP, Minister for Mental Health  
 The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services  
 The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health

**Governing Boards**

Ms L Staley  
 Mr M Wood  
 Mrs H Fleming  
 Mr R Barker  
 Mr D Cole  
 Mr B Braithwaite  
 Ms N Parter  
 Mrs F Cochrane

**Accountable Officers**

Mr N Bush

Period	2015 No.	2014 No.
1/07/2014 - 3/12/2014	8	8
1/07/2014 - 3/12/2014	-	1
4/12/2014 - 30/06/2015	1	-
1/07/2014 - 30/06/2015	9	9

**Remuneration of Responsible Persons**

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

Income Band	Consol'd	
	2015 No.	2014 No.
\$0 - \$9,999	8	8
\$190,000 - \$199,999	-	1
\$210,000 - \$219,999	1	-
<b>Total Number of Responsible Persons</b>	<b>9</b>	<b>9</b>
<b>Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:</b>	<b>\$216,715</b>	<b>\$199,282</b>

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

## Note 21b: Executive Officer Disclosures

### Executive Officers' Remuneration

The numbers of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands.

The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

Income Band	CONSOLID			
	Total Remuneration		Base Remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
\$20,000 - \$29,999	2	-	2	-
\$70,000 - \$79,999	-	-	1	-
\$120,000 - \$129,999	-	-	-	1
\$130,000 - \$139,999	1	2	1	1
\$140,000 - \$149,999	1	-	1	-
\$150,000 - \$159,999	1	2	1	2
\$170,000 - \$179,999	1	-	-	-
<b>Total Number of Executives (i)</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>4</b>
<b>Total Annualised Employee Equivalent (AEE) (ii)</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
<b>Total Remuneration</b>	<b>\$ 678,304</b>	<b>\$ 578,212</b>	<b>\$ 577,298</b>	<b>\$ 570,374</b>

(i) Interim Director for some of 2015 financial year.

(ii) Annualised Employee Equivalent (AEE) is based on working 38 ordinary hours per week over the reporting period.

## Note 22: Events Occurring after the Balance Sheet Date

No significant events occurred after the reporting date.

## Note 23: Controlled Entities

Name of entity	Country of incorporation	Equity Holding
East Grampians Health Building for the Future Foundation	Australia	100%

Notes To and Forming Part of the Financial Statements  
 East Grampians Health Service  
 Annual Report 2014/2015

### Note 24: Alternate Presentation of Comprehensive operating statement

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest	269	216
Sales of goods and services	4,594	4,558
Grants	25,401	24,702
Other Income	1,176	1,039
<b>Total revenue</b>	<b>31,439</b>	<b>30,515</b>
Employee expenses	19,570	19,056
Depreciation	2,628	3,071
Other operating expenses	11,368	11,511
<b>Total expenses</b>	<b>33,566</b>	<b>33,638</b>
<b>Net result from transactions - Net operating balance</b>	<b>(2,127)</b>	<b>(3,123)</b>
Net gain/ (loss) on sale of non-financial assets	(17)	16
Other gains / (losses) from other economic flows	445	1,534
Total other economic flows included in net result	<b>428</b>	<b>1,550</b>
<b>Items that may be reclassified subsequently to net result</b>		
Changes to financial assets available-for-sale revaluation surplus	-	8,720
<b>Total other economic flows included in net result</b>	<b>-</b>	<b>8,720</b>
<b>Net result</b>	<b>(1,699)</b>	<b>7,147</b>

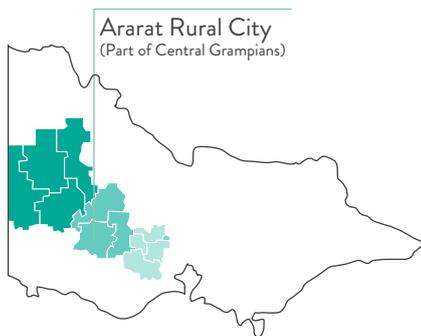






East Grampians  
Health Service

## SITE DIRECTORY AND LOCATION MAPS



Ararat Rural City  
(Part of Central Grampians)

Wimmera Central Grampians Central Highlands



### EAST GRAMPIANS HEALTH SERVICE

PO Box 155  
Girdlestone Street, Ararat 3377

P: 03 5352 9300  
F: 03 5352 5676

E: [info@eghs.net.au](mailto:info@eghs.net.au)

[www.eghs.net.au](http://www.eghs.net.au)

### 70 LOWE STREET

Aged Care Facility  
70 Lowe Street, Ararat 3377  
P: 03 5352 9323

### GARDEN VIEW COURT

Lowe Street, Ararat 3377  
P: 03 5352 9324

### PATRICIA HINCHEY DAY CENTRE

Girdlestone Street, Ararat 3377  
P: 03 5352 9326

### WILLAURA HEALTH CARE

Delacombe Way, Willaura 3379  
P: 03 5354 1600

### PARKLAND HOUSE

Delacombe Way, Willaura 3379  
P: 03 5354 1613



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