



East Grampians
Health Service



2016

ANNUAL REPORT

TO BE LEADERS IN RURAL HEALTHCARE

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

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ACKNOWLEDGEMENTS

| | |
|------------------|-----------------------------|
| Editor: | Fiona Watson |
| Design & Layout: | Digital Outlaw |
| Photography: | Danny Drake Fiona Watson |
| Printing: | FRP Printing |

And thanks to the community and staff members who have contributed to this report

ESTABLISHMENT OF THE HEALTH SERVICE

PREMIER'S MEDIUM SIZED HEALTH SERVICE OF THE YEAR 2015

East Grampians Health Service is one of Victoria's most innovative and progressive rural health services. This has been recognised by the State Government who awarded the Health Service the Premier's Medium Sized Health Service of the Year 2015.

East Grampians Health Service was established in 1995 and has developed its reputation as a leader in the delivery of high quality rural health through the provision of integrated acute, residential and primary care.

The Annual Report, read in conjunction with our Quality Account Report, Community Matters provides our community with comprehensive information to help them review our service performance.

East Grampians Health Service delivers quality health care that meets the needs of the community living in Ararat, Willaura, and throughout the local government area of Ararat Rural City. The Board, in partnership with all tiers of Governments, review community expectations through its Strategic Plan. Good governance is led by the Board and implemented by the Executive Team and staff who are committed to delivering patient centred care within fiscal restraints. Working together, the Board and Executive Team continue to deliver appropriate and financially effective programs to the community.

The Annual Report will review the year's progress towards meeting the vision and mission of East Grampians Health Service.

East Grampians Health Services' Annual Report and its Quality Account Report, Community Matters will be presented for adoption at the Annual General Meeting to be held at 6.00 pm on Tuesday 22 November 2016 at the Ararat Performing Arts Centre.

Following our Annual General Meeting the Annual Report and our Quality Account Report, Community Matters. will be available on our website www.eghs.net.au

TRADITIONAL OWNERS

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

SERVICES AND PROGRAMS

East Grampians Health Service 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. East Grampians Health Service has gained a reputation for innovation, excellence, sustainability and growth through its demonstrated leadership and commitment to improving the health of the community.

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 Centre Ararat
- Willaura Health Care
- Parkland House
- Willaura Day Centre
- Lifestyle Team

MEDICAL IMAGING

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

COMMUNITY SERVICES

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

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
- Education and Professional Development
- Quality & Risk
- Research

SUPPORT SERVICES

- Catering (Internal/ external functions & Café Pyrenees/Meals on Wheels/Delivered Meals)
- Environmental (Cleaning/Linen/Waste)
- Maintenance (Preventative Maintenance/Contracts & Agreements/Fleet)
- Building Projects
- Accommodation
- 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)

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

YOUR HEALTH SERVICE



The Health Service's catchment area covers **4,230** sq kms



11,183 people live within the catchment area (ref. Ararat Rural City)



Local Government Authority is Ararat Rural City



115 babies born in 2015-2016



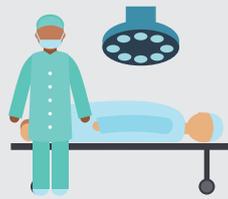
4,195 Urgent Care presentations



12,185 Community Nursing occasions of service



4,799 total admissions



2,013 operations conducted



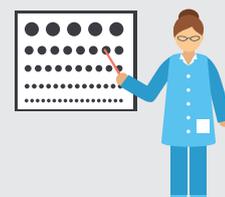
5,436 Dental treatments



34,584 Community Health occasions of service

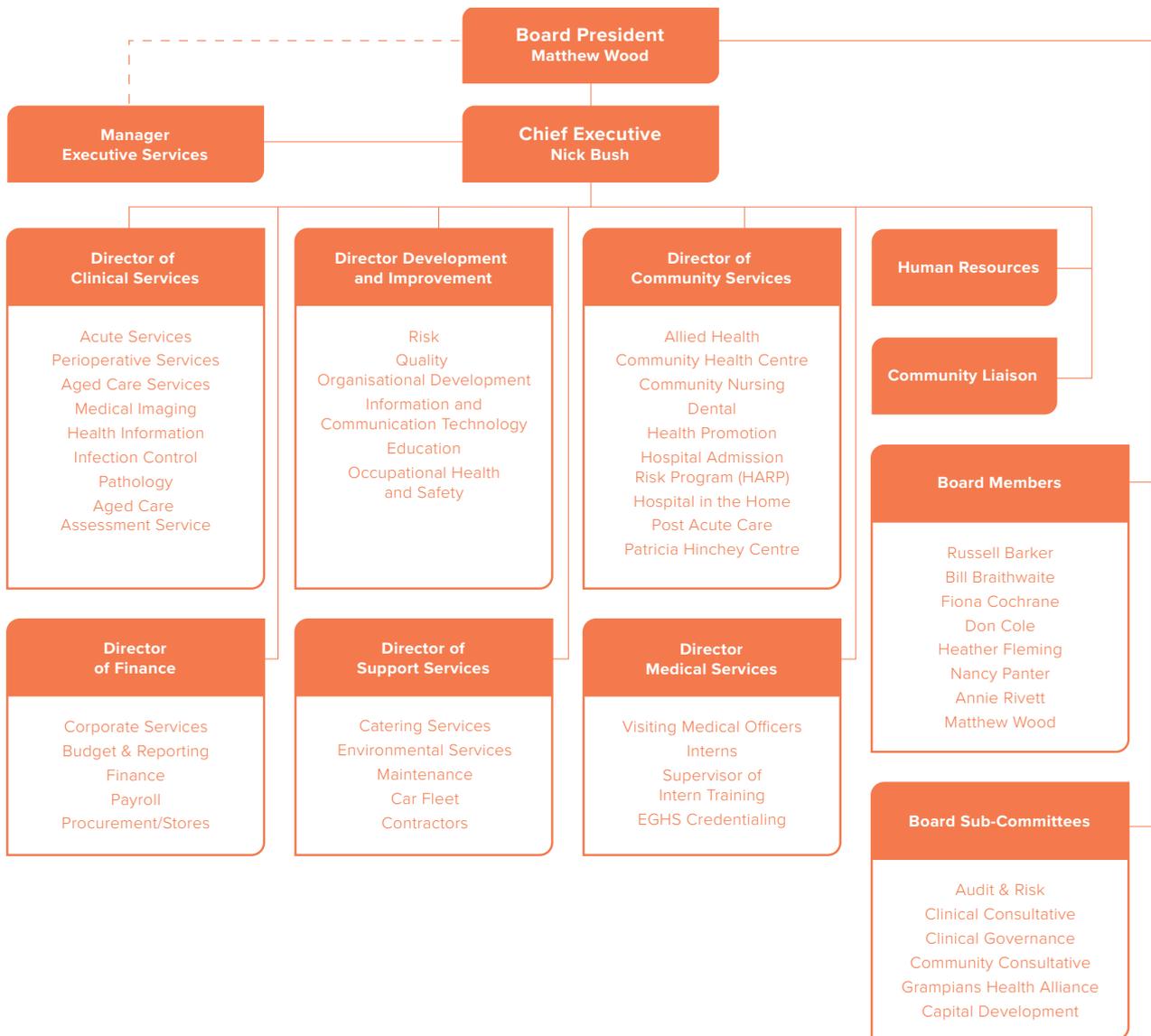


29,405 Aged Care bed days



Number of staff upskilled **44**

ORGANISATIONAL STRUCTURE



HEALTH SERVICE OF THE YEAR



East Grampians Health Service was awarded one of the top honours in the Victorian Public Healthcare Awards by being named the Premier's Medium Sized Health Service of the Year in 2015.

L-R Peter Armstrong, Mario Santilli, Katherine Cooper, Nick Bush, Matthew Wood, Hon Jill Hennessy, Sarah Woodburn, Tony Roberts, Glenys Andrew

STATEMENT OF PRIORITIES - Part A: Strategic Priorities

| DOMAIN | ACTION | DELIVERABLES | OUTCOMES |
|---------------------------------|---|---|--|
| Patient experience and outcomes | Drive improved health outcomes through a strong focus on patient-centred care in the planning, delivery and evaluation of services, and the development of new models for putting patients first. | <p>Increase the number of complex clients in the community health program with a shared care plan by 10%.</p> <p>Work with the Grampians Integrated Cancer Service to further develop Regional Cancer Care Services and improve results against six monthly audits of the state-wide Cancer Key Performance Indicators.</p> | <p>Not Achieved: Data systems are not able to produce accurate reports in relation to client level activity. This is currently being rectified.</p> <p>Achieved: East Grampians Health Service has worked with the Grampians Integrated Cancer Service project worker in helping to develop a regional chemotherapy plan. Data has been provided to assist with the review of bowel cancer clinical pathway.</p> |
| | Strengthen the response of health services to family violence. This includes implementing interventions, processes and systems to prevent; identify and respond appropriately to family violence at an individual and community level. | Develop and implement a policy, including a staff education component at annual mandatory training, aimed at increasing the awareness of and appropriate response to suspected or actual incidents of elder abuse particularly in community settings. | <p>Achieved: Elder abuse policy implemented. Extensions to the Victorian Health Information Management System helps to record elder abuse. Elder abuse information provided to all East Grampians Health Service staff through email. Mandatory education to commence formal education on elder abuse. This will follow East Grampians Health Service policy and reporting protocols.</p> |
| | Use consumer feedback and develop participation processes to improve person and family centred care, health service practice and patient experiences. | Conduct three consumer forums throughout 2015–16 to gain feedback into key areas that require person centred processes and improve services based on feedback received. | <p>Achieved: Forums have been held in the key areas of maternity services, surgical services, disability access, community access and Urgent Care services.</p> |
| | Identify service users who are marginalised or vulnerable to poor health, and develop interventions that improve their outcomes relative to other groups, for example, women, Aboriginal people, people affected by mental illness, people at risk of elder abuse, people with a disability, homeless people, refugees and asylum seekers, people whose alcohol and other drug use is damaging their health or impacting on their recovery. | Work with local Aboriginal Co-operative to identify enablers and barriers to accessing ophthalmology surgery in line with the Grampians Region Aboriginal Eye Health Project. | <p>Partially achieved: East Grampians Health Service has worked with Stawell Regional Health to inform the local aboriginal cooperative that an ophthalmologist consults at Stawell Regional Health. Initial eye examination undertaken in Ballarat.</p> |
| | | By 30 June 2016 develop an action plan to assist in improving access to ophthalmology surgery for Aboriginal people in the Grampians region. | <p>Partially achieved: East Grampians Health Service has worked with Stawell Regional Health to inform the local aboriginal cooperative that an ophthalmologist consults at Stawell Regional Health. Initial eye examination undertaken in Ballarat.</p> |
| | Demonstrate an organisational commitment to quality cancer services through engagement with the local Integrated Cancer Service and implementation of the Optimal Care Pathways. | In collaboration with the Grampians Integrated Cancer Service and other relevant health services progress implementation of the optimal care pathways for colorectal and prostate cancer. | <p>Achieved: East Grampians Health Service is working with Grampians Integrated Cancer Service nurse practitioner in the development of pathways.</p> |

| PRIORITY | ACTION | DELIVERABLE | OUTCOME |
|------------------------------------|---|--|--|
| Governance, leadership and culture | Demonstrate an organisational commitment to Occupational Health and Safety, including mental health and wellbeing in the workplace. Ensure accessible and affordable support services are available for employees experiencing mental ill health. Work collaboratively with the Department of Health and Human Services and professional bodies to identify and address systemic issues of mental ill health amongst the medical professions. | Actively promote the counselling and support program to all staff and volunteers and monitor up take to measure effectiveness of the promotional activity. | Achieved: All staff informed of counselling support services, uptake is monitored by Human Resource Manager. New staff are provided with information at orientation and in their employment packs. |
| | | Work with the Ararat Medical Practice and the Grampians Rural Medical Intern Program to ensure that they have information related to the counselling and support program and that this is accessible to all medical staff. | Achieved: Ararat Medical Practice and The Grampians Medical Intern training have been provided with information on support services and the employee assistance program. |
| | Monitor and publically report incidents of occupational violence. Work collaboratively with the Department of Health and Human Services to develop systems to prevent the occurrence of occupational violence. | Participate in the development of regional code grey standards, including participation of staff in Management of Clinical Aggression training. | Achieved: East Grampians Health Service is involved in a regional Code Grey committee. A quarterly regional meeting has been created for ongoing education on Code Grey and Occupational Violence and Aggression. |
| | | Publically report the occasions of occupational violence, in the 2015–16 Annual Report. | Achieved: 35 reported incidents of violence and aggression. |
| | Promote a positive workplace culture and implement strategies to prevent bullying and harassment in the workplace. Monitor trends of complaints of bullying and harassment and identify and address organisational units exhibiting poor workplace culture and morale. | Provide mandatory training on identifying and dealing with workplace bullying to all staff. | Partially Achieved: All staff receive information on bullying and the process for managing it. A complete review has been undertaken of East Grampians Health Service policies and procedures related to bullying and a formal mandatory education program has been established for staff. This education is to commence in July 2016. |
| | Apply existing capability frameworks and clinical guidelines to inform service system planning, giving consideration to the capability of neighbouring services and how best to allocate available resources so as to deliver the maximum benefit to the local community. | Continue to actively participate in the Grampians Regional Maternity and Newborn Reference Group to enhance partnerships across the region utilising an agreed framework for the delivery of safe patient care for the maternity and newborn cohort. | Achieved: East Grampians Health Service is a member of the Grampians Regional Maternity and Newborn Reference Group and regularly attends. |
| | Build workforce capability and sustainability by supporting formal and informal clinical education and training for staff and health students, in particular inter-professional learning. | Increase clinical placement days by 5% to 2,800. This will enhance training and learning opportunities for health students. | Not Achieved: The 5% increase has not been realised due to many placement cancellations from universities. This is not in the control of the Health Service. Placement days: 2014/2015: 724.69 days 2015/2016: 2553.77 days |

STATEMENT OF PRIORITIES - Part A: Continued

| PRIORITY | ACTION | DELIVERABLE | OUTCOME |
|--------------------|--|---|---|
| Safety and quality | Ensure management plans are in place to prevent, detect and contain Carbapenem Resistant Enterobacteriaceae as outlined in Hospital Circular 02/15 (issued 16 June 2015). | In collaboration with the Grampians Region Infection Control Group facilitate preparedness for the management of Carbapenem Resistant Enterobacteriaceae through the development of a Carbapenem Resistant Enterobacteriaceae resource kit which will include personal protection training for staff, policy and procedure, flow chart for detection and management and emergency department signage. | Achieved: East Grampians Health Service has collaborated with Grampians Region Infection Control Group to establish a draft policy and associated educational presentation. |
| | Implement effective antimicrobial stewardship practices and increase awareness of antimicrobial resistance, its implications and actions to combat it, through effective communication, education, and training. | In collaboration with the Grampians Region Infection Control Group, reaffirm existing stewardship policies and practices through a planned education program to support improved antimicrobial awareness. | Achieved: East Grampians Health Service Infection Control Coordinator and Pharmacist identify and evaluate all uses of antibiotics and report this back to the Infection Control, Medication Advisory and Clinical Consultative committees. |
| | Ensure that emergency response management plans are in place, regularly exercised and updated, including trigger activation and communication arrangements. | Undertake emergency evacuation exercises in all facilities in line with the organisational policy and procedures. | Achieved: Evacuation exercises are undertaken in line with organisation policy. Five exercises have taken place in 2015/16. |
| | Develop perinatal mortality and morbidity review processes in alignment with the Clinical Practice Guideline for Perinatal Mortality. | Actively participate in the bi-annual Regional Mortality and Morbidity Forums. | Achieved: East Grampians Health Service has participated in all perinatal morbidity and mortality committee meetings in 2015/16. |
| | | Review policies and procedures to ensure alignment with the Clinical Practice Guidelines for maternity. | Achieved: East Grampians Health Service has reviewed policies and procedures in relation to guidelines. This has been supported by Department of Health and Human Services directives and ongoing clinical governance arrangements. |

| PRIORITY | ACTION | DELIVERABLE | OUTCOME |
|--------------------------|---|---|---|
| Financial sustainability | Improve cash management processes to ensure that financial obligations are met as they are due. | Review cash management policy and processes as part of an internal audit program. | Achieved: East Grampians Health Service participated in Victorian Auditor General's Office review of cash management and liquidity processes in July 2015. Report published to Parliament in December 2015. East Grampians Health Service's position was better than other Health Services studied. |
| | Work with Health Purchasing Victoria to implement procurement savings initiatives. | Implement the Health Purchasing Victoria contract for Non-Emergency Transport and review all relevant consumable purchases to ensure compliance with Health Purchasing Victoria policy. | Achieved: East Grampians Health Service signed up with Health Select in December 2015 for Non-Emergency Patient Transfer. A review of all non-catalogue purchases has been conducted with intent to align with Health Purchasing Victoria contracts. |
| | Invest in revenue optimisation initiatives to ensure maximisation of revenue from both public and private sources. | Increase private patient revenue by 5% and increase dental activity in line with increased funding opportunities. | Achieved: East Grampians Health Service has exceeded the increase of 5% on private patient revenue and has maximised dental activity funding. |
| Access | Implement integrated care approaches across health and community support services to improve access and responses for disadvantaged Victorians. | Implement diabetes education and podiatry services on a monthly basis at Budja Budja Aboriginal Cooperative. | Partially Achieved: Diabetes education and podiatry sessions provided to Budja Budja Aboriginal Cooperative. |
| | Progress partnerships with other health services to ensure patients can access treatments as close to where they live when it is safe and effective to do so, making the most efficient use of available resources across the system. | Strengthen liaison with General Practices, Ballarat Health Services and individual surgeons to identify patients who can be treated at East Grampians Health Service that might otherwise be referred to other health services. | Achieved: East Grampians Health Service has strong relationships with local General Practice providers and continues to discuss with them the service capability of East Grampians Health Service. Discussions are ongoing with Ballarat Health Services to determine referral pathways for surgical patients. |

PERFORMANCE PRIORITIES - Part B and C

Part B: Performance Priorities

| KEY PERFORMANCE INDICATOR | TARGET | 2015-16 RESULT |
|--|-----------------|----------------|
| SAFETY AND QUALITY PERFORMANCE | | |
| Compliance with NSQHS Standards accreditation | Full compliance | Achieved |
| Compliance with the Commonwealth's Aged Care Accreditation Standards | Full compliance | Achieved |
| Cleaning standards – Overall compliance with standards | Full compliance | Achieved |
| Very high risk (Category A) | 90 | 99 |
| High risk (Category B) | 85 | 99 |
| Moderate risk (Category C) | 85 | 99 |
| Compliance with the Hand Hygiene Australia program | 80% | 85% |
| Percentage of healthcare workers immunised for influenza | 75% | 83.9% |
| Submission of infection surveillance data to VICNISS | Full compliance | Achieved |

PATIENT EXPERIENCE AND OUTCOMES PERFORMANCE

| | | |
|---|-------------------------|-----------------|
| Victorian Healthcare Experience Survey - data submission | Full compliance | Full compliance |
| Victorian Healthcare Experience Survey – patient experience Quarter 1 | 95% positive experience | 96.4% |
| Victorian Healthcare Experience Survey – patient experience Quarter 2 | 95% positive experience | 86.5% |
| Victorian Healthcare Experience Survey – patient experience Quarter 3 | 95% positive experience | 94.8% |
| Maternity – Percentage of women with prearranged postnatal home care | 100% | 100% |

GOVERNANCE, LEADERSHIP AND CULTURE PERFORMANCE

| | | |
|---|-----|-----|
| People Matter Survey - percentage of staff with a positive response to safety culture questions | 80% | 93% |
|---|-----|-----|

FINANCIAL SUSTAINABILITY PERFORMANCE

| | | |
|---|-----------------|----------|
| FINANCE | | |
| Operating result (\$m) | 0.02 | 0.68 |
| Trade creditors | < 60 days | 43 days |
| Patient fee debtors | < 60 days | 42 days |
| Public & private WIES performance to target | 100% | 106% |
| ASSET MANAGEMENT | | |
| Asset management plan | Full compliance | Achieved |
| Adjusted current asset ratio | 0.7 | 0.97 |
| Days of available cash | 14 days | 24 days |

Part C: Activity and Funding

| FUNDING TYPE | 2015-16 ACTIVITY ACHIEVEMENT |
|--|------------------------------|
| ACUTE ADMITTED | |
| WIES Public | 2,171 |
| WIES Private | 567 |
| WIES (Public and Private) | 2,738 |
| WIES DVA | 113 |
| WIES TAC | 1 |
| WIES TOTAL | 2,852 |
| SUBACUTE & NON-ACUTE ADMITTED | |
| Maintenance Public | 776 |
| Palliative Care Public | 174 |
| Palliative Care Private | 53 |
| SUBACUTE NON-ADMITTED | |
| Health Independence Program | 1,129 |
| AGED CARE | |
| Residential Aged Care | 29,084 |
| HACC | 30,731 |
| PRIMARY HEALTH | |
| Community Health / Primary Care Programs | 5,979 |

FINANCIAL OBJECTIVES AND PERFORMANCE

Demand-driven, sustainable services through investment.

In 2016, East Grampians Health Service has continued to deliver more health care services to its community whilst also delivering a meaningful financial operating surplus.

This year's operating surplus before capital and specific items of \$679,000 was ultimately the result of higher throughput and occupancy of our services. As demand for our services continues to increase, we remain grateful to the community for their support in using their private health insurance. This year's result has been significantly supported by this.

Total Operating revenue from all sources totalled \$34.11 million for the Health Service and our Total Operating Expenditure was \$33.43 million.

Ongoing asset replacement ensures that our clinicians have the facilities and contemporary equipment needed to practice. Government grants provide a significant source of funding for capital investment, which is complemented by community fundraising and donations, plus the creation of operating surpluses. This year saw \$1.86 million outlaid on updating our assets.

East Grampians Health Service ensures that it can meet its financial obligations by maintaining an adequate quick asset ratio. At 30 June 2016, the consolidated quick asset ratio was 1.2 and had combined net available cash holdings of \$3.73 million.

Comparative Financial Results

| FOR THE PAST FIVE FINANCIAL YEARS | 2016 \$000 | 2015 \$000 | 2014 \$000 | 2013 \$000 | 2012 \$000 |
|--|---------------|---------------|---------------|---------------|---------------|
| Total Revenue | 35,648 | 32,423 | 32,156 | 30,881 | 29,646 |
| Total Expenses | 36,921 | 34,122 | 33,729 | 31,880 | 31,048 |
| Comprehensive Result for the Year (inc Capital and Specific items) | (1,347) | (1,699) | 7,147 | 1,742 | (1,402) |
| Retained Surplus / (Accumulated Deficit) | (3,051) | (1,886) | (94) | 1,289 | 2,304 |
| Total Assets | 51,122 | 49,813 | 51,629 | 45,632 | 43,121 |
| Total Liabilities | 11,370 | 8,715 | 8,832 | 9,982 | 9,213 |
| Net Assets | 39,752 | 41,099 | 42,797 | 35,650 | 33,908 |
| Total Equity | 39,752 | 41,099 | 42,797 | 35,650 | 33,908 |

PRESIDENT'S REPORT

**EAST GRAMPPIANS
HEALTH SERVICE HAS
BEEN RECOGNISED AND
AWARDED THE PREMIER'S
MEDIUM SIZED HEALTH
SERVICE OF THE YEAR IN
THE VICTORIAN PUBLIC
HEALTHCARE AWARDS
FOR 2015.**



This outstanding achievement acknowledges the role of the Board to affect the strategic direction of East Grampians Health Service and the operational partnership between the Board and Chief Executive to communicate strategic policies and transform them into practicalities. I want to acknowledge the exceptional leadership of Chief Executive Nick Bush and every member of staff. Together you have always focussed on the consumer, whatever your role within the Organisation. To you all, I offer my sincere thanks.

The award was presented in November 2015 and I was very proud and humbled to be part of this dynamic Health Service as it received this award. The Award demonstrates our ongoing commitment to our community. But we know we must never rest on our achievements; we have to keep working with our community to ensure we deliver appropriate services that meet their changing needs and expectations.

In determining the strategic direction of our Health Service, members of the Board work cohesively to develop an overall plan that establishes a well-defined pathway. In our Board meetings we acknowledge the importance of differing opinions and respect those differences; they are vital in influencing and shaping our strategic thinking. I want to acknowledge all Board members for their input into the strategic development of our Health Service. I particularly want to thank Vice President Heather Fleming and Treasurer Russell Barker for their wise counsel. It has been a pleasure to work alongside such a group of committed and determined people. I also want to acknowledge the excellent advice and support the Health Service receives from partnerships with all levels of Government, other agencies and health services. I greatly appreciate the support and advice from the Department of Health and Human Services and their input is reflected in our Strategic Plan.

The best Strategic Plan is only as good as the people who roll it out. At East Grampians Health Service we have a Chief Executive who has demonstrated an amazing ability to transform the strategic direction into daily operational objectives and positive consumer outcomes. Nick Bush achieves this through his inclusive management style, good governance, trusting in those appointed to carry out specific tasks and by honest communication at all levels.

The Board and staff have made a commitment to continue to deliver the most effective health service that seeks to improve the well being of our community. I have every confidence this will be achieved.

Matthew Wood
President

Again this year we will demonstrate through the Report of Operations how our Values underpin all aspects of strategic and operational management.

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.

It's so important that our Board reflects the community in which we live and work and who shape our core business. We were especially pleased when The Hon Jill Hennessy MLA, Minister for Health appointed Registered Nurse Annie Rivett to the Board in July 2015. Annie has worked for many years in senior management roles within the health care industry. Passionate about nursing, Annie has extensive experience in workforce management and will be a great asset to the Board. Annie, as did other new Board members last year, has undertaken Board training through the Australian Centre for Healthcare Governance.

All Board members continue to gain invaluable insight into Board and governance procedures through attendance at VHA conferences and professional development days with the Australian Centre for Healthcare Governance. We again complied with all aspects of the Victorian Healthcare Governance Framework, an assessment tool to evaluate Board performance.

Clinical and Corporate Governance are core elements to safe, quality management of our Health Service. We take very seriously Risk Management and have in place outstanding protocols to protect our patients, residents, clients, contractors and staff. These are reviewed regularly and no breach of protocols was reported during the year.

Our Health Service has maintained its accreditation status with all the relevant agencies and this is testament to the commitment by staff to deliver quality, safe health care.



70 Lowe Street
resident
Betty Billman

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.

East Grampians Health Service was awarded The Premier's Medium Sized Health Service of the Year. We believe we achieved this as we were able to demonstrate that our workforce responds to new challenges, creates new opportunities and importantly, delivers the best possible health care to our patients and consumers.

We also demonstrated how we have improved the health of our community through working with other health care partners in delivering appropriate services, based on evidence-based research and responsive service planning.

Working alongside our community, talking with them, listening to them, we find out how, when faced with some pretty challenging diagnoses, they want to receive care. East Grampians Health Service has, through research, innovation and effective communication, improved the wellbeing of our community. This has had a really positive impact for people who choose to live in our catchment area.

COMMUNITY

This Value conveys our belief in the relationship we enjoy with our community, and it with us. Connecting honestly with people who matter, our patients, residents and clients, our volunteers and auxiliaries, all tiers of government and other health care providers and, of course our staff, makes such a difference in effective communication. We provide opportunities for meaningful and honest feedback, which shapes how we develop our services.

Everyone in the Ararat community was absolutely delighted to learn that Dr Graeme Bertuch had been awarded an Order of Australia Medal for services to Medicine and the Community in this year's Australia Day Honors list.

Dr Bertuch has made a really significant contribution to the Ararat community and East Grampians Health Service for over 36 years

He dedicated his life to caring for his patients and their families, developing strategies to enable them to take greater responsibility for their own wellbeing. In 2012 Dr Bertuch was recognised for his important contribution to rural health by receiving the Rural Workforce Agency Victoria Rural Doctors' Award. He is a Life Governor of our Health Service and in 2014 was presented with the Health Service's inaugural Health Lifetime Achievement Award at our Annual General Meeting.

On page 33 there is fuller coverage of Dr Bertuch's award.

Australia Day also saw our Vice President Heather Fleming receive Ararat Rural City's Citizen of the Year award. As those who work closely with Heather know, she is passionate about the community and works tirelessly to ensure it remains connected and engaged.

The continued support of the Ararat Branch of the Victoria Police Blue Ribbon Foundation is truly remarkable. The Health Service has received over \$800,000 since 2002. And this year we received two donations of \$30,000 each that have been allocated to the Perioperative Unit, named in honour of Victoria Police recruit Jason Bond who died from injuries he received in a motorcar collision in 2011. The dedication and enthusiastic efforts of a small number of people have achieved outstanding results for our Health Service. Our community is indeed fortunate to have the ongoing support of the Foundation.

The Health Service was the beneficiary of the annual Grampians Ride to Remember, also organised by the Victoria Police Blue Ribbon Foundation. This year numbers surpassed all expectations with 460 motorcycle riders and pillion taking part in the 174 km ride. Over \$10,000 was raised which will also go towards the Jason Bond Perioperative Unit. This ride is only made possible by the support of Victoria Police and a great many volunteers. Our sincere thanks to you all.

We were all saddened to learn of the death of Ruth de Fegeley OAM in January of this year. She was a stalwart member of our community for so many years. Ruth contributed significantly to our Health Service and we were delighted to award her a Life Governor in 2006. We shall always be indebted to Ruth for her vision, her love of community and her dedication to make a difference. She is missed by all those who worked with her at the Ark Toy Library and the EGHS Auxiliary.

This year the Board established the Community Consultative Committee, a sub-Committee that will provide assurance to the Board that appropriate mechanisms are in place governing the roles of consumers and volunteers. This is a significant initiative and the committee has the responsibility to monitor and oversee the recruitment, scope of practice and retention of volunteers and consumers as well as supporting our auxiliaries.

WORKING TOGETHER

This Value demonstrates how important it is to work in partnership with our colleagues from other agencies and health care providers in order to achieve optimal results for our consumers. Together we use resources effectively and provide the continuum of care without duplicating services.

Last year we were optimistic that work would commence on an Integrated Community Health Centre. Director of Community Services Ms Debbie Schulz finalised a proposal for an expanded community health centre, which was submitted to the State Government for consideration. We are hopeful that our funding submission will be successful.

I am pleased to report that a Memorandum of Understanding has been developed between our Health Service and The Royal Women's Hospital. I, along with the Vice President and Chief Executive, had the opportunity to visit the Royal Women's and attend a Board meeting to benchmark systems of governance. It was an excellent opportunity to learn from one of Australia's leading obstetrics' hospitals and to come away feeling reassured that our processes and systems are very similar. Women giving birth in Ararat can feel confident that as we strengthen our ties with The Royal Women's Hospital, our birthing centre will continue to provide the best, safe, quality service.

The Grampians Health Alliance continues to provide opportunities for sharing of resources, knowledge and expertise. There are, of course, similarities but there are also unique differences. It is these differences that can provide insights into how we deliver future services. I would like to acknowledge our partners from 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. You are generous with your knowledge and ultimately we are providing better care to our community because we are willing to share.

The Building for the Future Foundation is a charitable Trust established to provide funding for special purpose projects and equipment. Its main objective is to provide bursaries for staff members undertaking ongoing education. To date ten members of staff have received bursaries, which have made a real difference to their ability to fund their studies. The Trust is governed by six independent local Trustees and I want to acknowledge and thank Chair David Hosking, Bill Jones, Geoff Laidlaw, Jill Tivey and Deputy Board Chair, Heather Fleming who, along with me, make up the Board of the Foundation.

LEARNING CULTURE

This Value is at the core of Our Mission – to improve our community’s health and quality of life. Our Health Service will be judged on the standard of care, the level of our knowledge and our desire to keep learning.

As we partner with other agencies and health care facilities in delivery of care, so too do we partner with a range of tertiary and health care facilities for our education and training. This year we have engaged with BRACE Education & Training, Federation University Australia and Australian Catholic University.

The Health Service was winner of the Institute of Public Administration Australia (IPAA) Victoria’s Leadership in the Public Sector Awards – People Development. This award recognises the outstanding professional achievements of teams and individuals within the Victorian Public Sector. The winning program, Learning, Education, Training and Sustainability (LETS), was developed to increase clinical workforce capability to meet the health needs of the community with the underlying principle of “Grow your own and Teach to grow”. Congratulations to the education team for its commitment to encourage the local community to study in Ararat. This is good for the individuals choosing nursing as a career and certainly assists with future workforce planning and sustainability.

Pyrenees House continues to be an important regional centre of learning. It is fully resourced with state of the art technology, delivers relevant learning programs to assist both personal and professional development and has an excellent café that provides really healthy eating and drinking options.

Following on from a successful first year, which saw all five medical interns obtain positions in pathways to their fields of interest, we have welcomed another group of interns into the Grampians Medical Training Intern Program. This innovative intern program was developed as part of our LETS program and is the first in Victoria where core surgical rotations are occurring in rural hospitals.

Ongoing education is a key philosophy of our Organisation and the Board is always pleased to be able to offer scholarships and bursaries to staff who make the commitment to undertake further study.

This year the following Scholarships were awarded:

- The Angela Laidlaw Clinical Scholarship [Natalie Wohlers to complete a Bachelor of Nursing]
- The Building for the Future Foundation Scholarship x 2 [Jessica Williamson to undertake a Graduate Diploma of Midwifery and Caroline Hamilton to undertake a Graduate Certificate in Physiotherapy]
- Freemasons Victoria (Rebbekkah Seary to undertake an Advanced Diploma of Dental Prosthetics)

LOOKING FORWARD

Evidence based research is fundamental to sound clinical governance. The Western Alliance Academic Health Science Network was established to bridge the gaps and reduce inequities in the health of populations in regional Australia and the Board is very optimistic that its application to join this important alliance will be granted.

We will be joining a strategic group of health service providers and tertiary institutions from across western Victoria. The opportunities for collaborative research, education and training will have enormous benefits for people living in our catchment area.

There will always be significant challenges for the Board, from legislative changes to funding reforms, to workforce capacity. When I see what the Organisation has achieved during the past year I feel very confident that we are ready to accept new challenges. In fact, I believe that staff absolutely thrive on looking at a project from all angles and working out how they can deliver that project more creatively, more effectively – with money to spare.

Again, I thank every single person who works for the Organisation, who chooses to be cared for by us, or who volunteers their time. You are the people who are important to the members of the Board. You are the people who make our Health Service a leader in rural healthcare. And on their behalf, I thank you all for the trust you place in us.

RESPONSIBLE BODIES DECLARATION

Responsible Bodies Declaration as at 30 June 2016

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 2016.



Matthew Wood

Board President

East Grampians Health Service

18 August 2016

CHIEF EXECUTIVE'S REPORT

**WHEN WE COMMENCED
THE YEAR OUR HEALTH
SERVICE WAS UNITED IN
ITS DETERMINATION TO
CREATE EXCEPTIONAL
EXPERIENCES FOR OUR
COMMUNITY.**



I am immensely proud of the way in which staff and volunteers, on a daily basis, have implemented the Board's strategic direction across the Organisation. This has been accomplished through engaging with all stakeholders to achieve optimal patient-centred outcomes. It is heartening to see our organisational Values incorporated into daily activities.

The culmination of this dedication, accountability and creativity saw our Health Service being awarded the Premier's Medium Sized Health Service of the Year in the 2015 Victorian Public Healthcare Awards. This is a wonderful achievement and demonstrates that our organisational Values continue to be integrated into the planning and delivery of care.

This year's Annual Report again reflects the State Government's directive to provide practical, accurate information that highlights current activities and new initiatives. Incorporating a glossary in last year's report was well received and this year we shall maintain the high standard of transparent reporting.

Working with members of the Board, people who have a broad understanding of the needs of our diverse community, has certainly enabled the Executive Team to implement far-reaching strategies that enhance the development of health care within our region. I want to thank Matthew Wood for the trust he places in me personally, my Executive Team and staff so that we can continue to create exceptional experiences for our community.

Nick Bush
Chief Executive

INTEGRITY

Our community has confidence in our Organisation and in return it is our responsibility to ensure that we have developed comprehensive clinical and corporate governance practices that will protect those who have placed their trust in us, from consumers to our staff and community.

Each member of staff has an important role, from the care of patients, clients and residents to the cleanliness of wards and theatres to the safety of everyone who comes through our doors. We expect high standards from staff and it is rewarding to observe the way in which they embrace our Health Service Values and the concept of always striving to give their best. All clinicians have appropriate skills, training and registration, which is renewed annually. The Health Service participates in various surveys that measure our performance against industry standards.

The Montessori Model of Care at 70 Lowe Street, which commenced in 2015, has had a significant impact on residents who live in the facility. To progress this innovative program East Grampians Health Service was delighted to receive a grant of \$100,000 from the Department of Health and Human Services Aged Care Branch to fund further this important initiative. An additional grant of \$20,000 from the Grosvenor Foundation and \$30,000 from the Collier Charitable Trust towards the project will ensure its ongoing success.

The introduction of a Commitment to Safety is a new Child Safe Standard that aims to drive cultural change to protect children from abuse. This initiative will have an impact on staff and volunteers. Director of Clinical Services Peter Armstrong has been appointed Child Safety Officer.

As an organisation that promotes health and wellbeing in the community – and has been awarded for its commitment to encouraging self help and home grown education, it was entirely appropriate that our Health Service should take the lead in improving the health of staff. With the support of the Board we made the decision to cease selling sugar-laden soft drinks. The only drinks available at Café Pyrenees, or through vending machines are water, coffee and tea. The Health Service has a responsibility to lead the way when it comes to healthy living. We are focusing on reducing obesity throughout our catchment area and decided to take a leadership role. It is pleasing to note that other health services in the Grampians Region are considering following our lead.

We have maintained our strong financial position this year through planning, strategies for income growth and continued vigilance by staff on revenue collection and maintaining staffing levels within budgets. This takes commitment and I thank staff for their continued support in order for the Health Service to achieve its budgets.

EXCELLENCE

Our Health Service has received one of the highest accolades presented by the Victorian Government, that of Premier's Medium Sized Health Service of the Year Award. Our Mission is to improve the community's health and quality of life through strong partnerships and by responding to changing needs.

We have achieved this through building on past achievements, listening to our patients, residents and consumers, learning from their feedback, implementing change, increasing productivity and, importantly, improving the overall health experience for our community.

We understand the importance of working with colleagues across all tiers of government and health agencies. We already enjoy significant partnerships with other health services, but have further developed strong relationships with others to broaden our scope throughout the region. Together we can influence and support the health of our broader communities, especially in the area of self-management of chronic conditions.

We live in an ever-changing world, where technology has advanced at a rapid pace. We utilise e-health and communications technology in all aspects of patient care and staff training. It has been an invaluable asset to improve systems, efficiency and capture consumer feedback. We became the first health service in the GRHANet region to implement an iPM software upgrade to collect more detailed patient level data from our preadmission clinic.

Interestingly, it is not only our staff that utilise technology. Residents and day centre clients maintain social connections through access to Skype and can happily wander the world using Google maps. We need to continue to improve in this area.

Maintaining an appropriately qualified workforce is always a challenge for rural communities. To increase and maintain our clinical capability to meet the health needs of our community, an innovative program with the underlying principle of "Grow your own and Teach to Grow" was introduced by the Health Service's Education Department. This program encourages and supports people who want to work in health and to study where they live. The program Learning, Education, Training and Sustainability (LETS) has been recognised by the Institute of Public Administration Australia (IPAA) Victoria's Leadership in the Public Sector Awards. The LETS program won the outstanding professional achievements of teams and individuals within the Victorian Public Sector Awards. This is a great achievement by a dedicated team of nurse educators who understand the demands on people returning to study. Some graduands have been out of the workforce and have to balance busy lives, study, work and home life. It's not always easy, but our staff have certainly supported those prepared to make the commitment. I thank them all.

COMMUNITY

We know we live in an amazing corner of the world: its natural beauty, the diversity of the landscape, the cultural mix of the community. Ararat Rural City has a population of just fewer than 12,000 with 8,000 people living within the township itself. Our Health Service employs 400 from the local community and we have over 150 volunteers supported by five auxiliaries.

The majority of staff live within Ararat Rural City, but for many their country of origin is many miles away. This is what makes working at East Grampians Health Service such an interesting prospect. We enjoy sharing and learning from each other. In this way we grow as individuals and become more understanding human beings.

As a community we experience both the highs and lows of rural living, through achievements and disappointments. As the largest employer in our region we value our staff, their families and, of course, the people for whom we care.

We have been saddened by the death of one of our most respected auxiliary members Ruth de Fegely OAM. Ruth was a proud member of her community and worked diligently so that others could experience a better life.

I want to thank all our volunteers and auxiliary members who give their time freely. We know that without your commitment many of our programs would not run. In return we will ensure that you are supported, receive appropriate training and that you never feel exploited. Volunteers do not participate in work undertaken by paid employees, rather they complement and support to enrich the lives of residents, clients and patients.

Foundation members of the Ararat Branch of the Victoria Police Blue Ribbon Foundation are all volunteers who work tirelessly to raise funds that enable our Health Service to provide state of the art medical facilities and equipment to the Ararat and district community and has made our Organisation one of the best equipped medical facilities in regional Victoria. I particularly want to acknowledge members of the Ararat Branch that include:

President: Terry Weeks OAM

Hon Secretary: Dianne Radford

Hon Treasurer: Chris Emmerson

| | | |
|----------------|---------------|-----------------|
| Shaun Allen | Tim Andrew | Jess Baird |
| Nick Bush | Jodie Holwell | Stuart Kerr |
| Peter McIntosh | Rod McKenzie | Sandra Marriner |
| Dean Pinniger | | |

The Foundation has made many significant contributions to the Health Service including:

- \$63,000 to fit out the Urgent Care Centre
- \$150,000 to build the Helipad
- \$136,000 to purchase an image intensifier for the Medical Imaging Department
- \$50,000 to purchase a Microscope for the Perioperative Unit
- \$150,000 to purchase a General X-Ray and Portable X-Ray machine
- \$150,000 to contribute to the purchase of a C.T. Scanner
- \$100,000 to redevelop the Jason Bond Perioperative Unit

Our thanks go to the members of the Ararat Branch of the Victoria Police Blue Ribbon Foundation members for their dedication and commitment to East Grampians Health Service.

The East Grampians Health Service Building for the Future Foundation is now in its seventh year. The Trustees, who volunteer their time, are to be commended for their diligence and insight into progressing our Health Service into the future. The Foundation supports staff by providing two bursaries annually.

Building for the Future Foundation Trustees

David Hosking (Chair)

Bill Jones

Geoff Laidlaw

Jill Tivey

Matthew Wood – Board representative

Heather Fleming – Board representative

There are many organisations that help our Health Service so that we can achieve our aim of delivering world-class care. In particular:

- The Victoria Blue Ribbon Foundation – Ararat Branch
- East Grampians Health Service Building for the Future Foundation
- East Grampians Health Service Auxiliary
- Women, Wisdom and Wellbeing Dinner
- East Grampians Health Service Aged Care Auxiliary
- The Willaura Health Care Outdoor Market – in particular Jane Milllear's coordination
- The Willaura Auxiliary
- The Ark Toy & Activity Centre Auxiliary
- Murray to Moyne Relay Bike Ride
- Ararat Breast Cancer Support Group
- The East Grampians Health Service Charity Golf Day

Each of these committees, auxiliaries and events has made significant financial contributions that have noticeably improved the experience for our community. Their ongoing support is absolutely outstanding.

WORKING TOGETHER

Working cooperatively with a range of partners we can achieve extraordinary outcomes for our patients, residents, clients and staff. Meaningful cooperation gives staff the opportunity to be creative in ways of sharing information, as well as contributing resources and new technologies.

I am delighted that during the year a Memorandum of Understanding between our Health Service and The Royal Women's Hospital was ratified. This will progress our Obstetric service and provide opportunities for our midwives to work with some of the most experienced clinicians in the country. We are grateful to The Royal Women's Hospital Board for its commitment to support the development of each other's strategic direction with an emphasis on pursuing opportunities for our birthing service. Our aim, through best practice to improve safety and quality, is to provide birthing mothers with the safest birthing experience available in rural Victoria.

The establishment of the Community Consultative Committee is an important adjunct to the Board's governance role.

In an advisory capacity the committee will be a forum for open discussion between members of the community and Health Service representatives focussing on consumers, volunteers and auxiliaries. I would like to thank the inaugural members of the committee for their commitment to good governance.

Patients living in the Ararat district have access to excellent medical services and with a strong focus on education and training continues to strengthen its delivery capabilities. I want to thank the Doctors, Nurses, Allied Health practitioners and support staff at the Ararat Medical Centre for their ongoing support to our community.

One of our organisational aims is to reduce the growing number of people developing chronic diseases within our catchment area. Staff have been working with key partners including Ararat Rural City, Grampians Pyrenees Primary Care Partnership, Grampians Community Health, local businesses and Healthy Together Victoria. Together we can coordinate an approach to achieve best health outcomes for our community. Our Health Service is actively involved in the development and implementation of:

- The Ararat Rural City Municipal Public Health & Wellbeing Plan – a population health plan
- Assisting Ararat Rural City with the Ararat Active 8 Program. Our Dietitians and Exercise Physiologists have supported participants and the community to change their eating and exercise behaviours.
- Review of group exercise programs in Willaura to improve participation rates.
- Participation with the Grampians Food Alliance to improve knowledge about nutrition and cooking and access to fresh food.
- Education sessions for parents with primary school students about providing health lunchboxes and meals.
- Surveying schools in the area to determine how many are conducting regular cooking sessions with recommendations to improve the nutritional value of recipes.
- Increasing the number of primary school aged children attending the dentist with the expansion of the dental van service.

LEARNING CULTURE

As an Organisation we have made a commitment to support staff to continue ongoing education to improve knowledge and skills to achieve better health outcomes for our community.

We continue to plan for turnover and attrition by building pathways to keep motivated staff moving and growing within our Organisation. By developing and enhancing our skills and abilities ensures our Health Service has a sustainable workforce.

This year 56 staff have achieved or are working towards formal qualifications, including two staff members studying for a Master's degree. This is an increase of nine staff members studying, as compared to last year.

The Health Service has again presented a number of staff with scholarships and bursaries to assist them further develop their skills and enhance their work practices:

- **Angela Laidlaw Clinical Scholarship**
Natalie Wohlers to complete a Bachelor of Nursing
- **Building for the Future Foundation Scholarship**
Jessica Williamson to undertake a Graduate Diploma of Midwifery
- **Building for the Future Foundation Scholarship**
Caroline Hamilton to undertake a Graduate Certificate in Physiotherapy
- **Freemasons Victoria**
Rebbekkah Seery to undertake an Advanced Diploma of Dental Prosthetics

THE FUTURE

Improving the health and wellbeing of our community needs to be embraced by everyone. Our future depends on it.

We have engaged with the community in consultation, planning and implementation and we have seen real improvements in the overall health of our society.

I know too that as an Organisation we must continue to strive for excellence in service delivery so our patients, residents and clients are proud of the services they can access. The one thing we cannot do is reflect on our past achievements and think we don't have to improve. We will continue to enjoy the challenge of working towards a healthier community, where we all take greater responsibility for our wellbeing.



Nick Bush

Chief Executive

East Grampians Health Service

18 August 2016

INTEGRITY



*Tammy Day
and
Bryan Bell*

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.



WE VALUE INTEGRITY, HONESTY AND RESPECT IN ALL RELATIONSHIPS

THE BIRTH OF A BABY

The most significant event for a mother and her partner must be the birth of their baby.

At East Grampians Health Service we have in place stringent clinical governance protocols to ensure that the birthing experience for every mother is of the highest standard. Of course we take very seriously the health and wellbeing of all those for whom we care. However the birth of a new life is especially precious.

Our Health Service has developed a relationship with the Royal Women's Hospital in Melbourne to ensure that our protocols and processes continue to be of the highest standard. Midwives from East Grampians Health Service will have placements at the Royal Women's Hospital. This will strengthen the service we provide as there can be no better way for our midwives to gain experience at one of the busiest birthing hospitals in Australia.

From the time that a pregnancy is confirmed our birthing service delivers a comprehensive service to an expectant mother and her partner. They have access to a multidisciplinary team who support them through pregnancy.



Top:
Sarah Power

Bottom:
Kerryn Leggett and
Jessica Williamson



Dr Chee
Sheng Wong

The Ararat district is particularly fortunate to have a number of Doctors who have additional Obstetric qualifications and training.

The Ararat Medical Centre has five Doctors who provide a comprehensive Obstetric service seven days a week. Specialist Gynaecologists visit the Health Service on a regular basis. This ensures that women are able to undertake the whole birthing journey in Ararat and only visit regional centres if advised by their Gynaecologist or Obstetrician.



FAMILY VIOLENCE

It is disturbing for our whole community that incidents of family violence are increasing, with women more likely to experience domestic and family violence.

Our Health Service has developed and implemented a policy, including a staff education component at annual mandatory training, aimed at increasing the awareness of and appropriate response to suspected or actual incidents of family violence and elder abuse particularly in community settings. We want to ensure that all women feel supported and able to report abuse. In addition, Peter Armstrong has been appointed Child Safety Officer and will oversee our Organisation's compliance with the new Commitment to Safety Standard. Children are our future and we are determined to provide a safe environment for them in our Health Service and to support them in the broader context of community.

MAINTAINING THE BUILT ENVIRONMENT

To maintain our facilities to a high standard, works have been undertaken at all campuses including refurbishment of residential and day centres, improvements to residents' lifestyle amenities, additional car parking spaces, fire service upgrades and safety measures.

Our maintenance team takes pride in maintaining both the internal and external environment to ensure it is aesthetically pleasing and safe for our residents, patients, clients, visitors and staff.



Ash Leggett
and
Ray Mason



Chris Jordan,
Peter Armstrong,
Garda Hemming
and Susan Shaw

ACCREDITATION

Accreditation of Clinical Services has been maintained over the past 12 months, with visits from the Aged Care Quality Agency to support our Aged Care facilities.

The National Association of Testing Authorities reviewed our Medical Imaging department and granted us ongoing accreditation.

We are currently accredited with

- Australian Aged Care Quality Agency
- National Safety and Quality Health Service Standards
- Department of Health and Human Services Disability Standards
- National Association of Testing Authorities

Accreditation for Acute services will take place in early July, Garden View Court Aged Care in October, and other Aged Care services not due for accreditation for another two years.

SUSTAINABILITY

AND OUR ENVIRONMENTAL IMPACT



The quality of the built environment is as important as the quality of care we provide throughout the Health Service. As our community grows we are mindful of our footprint on the environment.

While it might appear a small step, the implementation of a new printer system has saved 3,479 pages in one month throughout the Organisation. As the printer requires the release of print jobs employees must use an ID card swiped at a reader on the printer. No print jobs are printed unless an employee swipes at the printer. This has reduced the uncollected jobs and wrong print jobs.

| | |
|------------------------|------------------|
| Sheets | 2,291 |
| Total Printed Pages: | 3,479 |
| Colour Pages: | 1,121 |
| Greyscale Pages: | 2,358 |
| Value Saved: | \$159.26 |
| Jobs: | 352 |
| Trees Saved: | 2,846% of a tree |
| CO2 Saved: | 10.3 kg |
| Equivalent Bulb Hours: | 6491 hours |

In recognising the need to reduce our environmental impact our Health Service underwent Waste Wise certification, which commenced in 2005, achieving bronze certification in 2008 and silver certification in early 2010, just prior to this system being phased out. We continue to demonstrate our commitment to a more sustainable environment.

For the last two years the Department of Health and Human Services has required health services to report on energy consumption as well as strategies in place to reduce our impact on the environment.

These reports can be accessed via the Health Service website: www.eghs.org.au

Some of our initiatives include:

- Comingled recycling
- Reuse of building materials, furniture and furnishings where possible
- Replacing normal lights with LED bulbs on a planned process
- Introduction of biodegradable garbage bags across the health service
- Lights that turn themselves off after a certain period
- Sustainability has been added to the staff hand book
- Articles in the Health Service newsletter

The results of the Cleaning Audits will be published in Community Matters our Quality of Care Report.

EXCELLENCE



*Margaret Kidd
and
Jessica Williamson*

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.



WE VALUE EXCELLENCE AS THE APPROPRIATE STANDARD FOR ALL SERVICES AND PRACTICES

East Grampians Health Service was awarded one of the top honours in the Victorian Public Healthcare Awards by being named the Premier's Medium Sized Health Service of the Year in 2015.

This is a great achievement and reflects on the hard work carried out by staff to ensure that we continue to create exceptional experiences for our patients, residents and clients and, importantly, for each other.



*Don Cole,
Bill Braithwaite,
Heather Fleming,
Matthew Wood,
Nancy Panter,
Annie Rivett,
Russell Barker*

In our submission we set out to demonstrate that our strategic planning took into account the challenges of operating a rural health service and that strategies were in place to address many workforce issues. These included:

- Partnership between LaTrobe University Bendigo and our Dental Service to provide extended clinical placements for final year dental students to have six months at Ararat.
 - Advanced training for supervision staff
 - Improved dental recruitment
 - Increased productivity – dental students complete 50% of all treatments
 - Positive student feedback
- Significant partnership with St John of God Health Ballarat (SJOG), Maryborough District Health Service (MDHS) and three General Practices to develop Grampians Medical Training Intern Program.
 - The inaugural five interns have all successfully obtained positions in pathways to their fields of interest: Surgery, Emergency, Psychiatry and Paediatrics.
 - The second group of interns commenced in January and are on rotation through MDHS and SJOG.
 - Increase in: clinical placement days, Graduate Nurse numbers, Enrolled Nurses upskilling, numbers of staff completing formal qualifications.

Health challenges have a significant impact on both the financial and physical wellbeing of our community. Our Health Service has introduced ground-breaking initiatives that have demonstrated quantifiable improvements for our staff and our community. Partnering with the Ararat City Council has also created real opportunities to improve the health of our community.

- Healthy food options have been introduced at all meetings and are offered in Café Pyrenees.
- Sugar-laden drinks are no longer available at vending machines and Pyrenees Café.
- The Ararat Active City program promotes our exercise programs throughout the community.
- Free exercise classes are available for staff.
- Carers and clients are involved in the development of care plans.
- Many brochures have been developed in Easy English, with picture versions available.
- 100% of internally produced health information literature involves consumer feedback.
- Following the introduction of strategies to help self-manage conditions, participant feedback emphasized the importance of locally run programs, creating opportunities to build networks with people in similar circumstances.

In line with our Values, patient-centred care remains at the forefront of all care throughout our Organisation. There is nothing our staff enjoy more than the challenge of improving health outcomes by creating innovative pathways and practices that provide meaningful results for patients. These challenges are undertaken in consultation and commitment from patients, clients and carers.

- Following the implementation of an Active Service Model and Home and Community Care (HACC) assessment service, there has been a significant reduction to average length of stay from 236 to 86 days in Community Nursing, an increase in outgoing referrals by 46% and an increase in the total number of clients to 34%.
- Over a two-year period occupancy rates have increased in residential aged care from 80.2% to 97.5%. This has been achieved through providing staff education in person-centred care and assessment education, upskilling of Enrolled Nurses, upgrading facilities made possible through effective fundraising campaigns and successfully marketing access to a range of onsite health facilities.

Caring for our community means that we must demonstrate that we care about our staff as well. Unfortunately obesity is a health related issue experienced by many people living within our catchment area. Throughout all our facilities we have ceased the sale of drinks that contain excessive amounts of sugar. We have made it a top priority to introduce healthy eating to reduce obesity and conversely to reduce the risk of malnutrition in our residents and clients.

These three strategies have had a significant impact on the wellbeing of our staff, residents and clients. In our Inpatient Unit we introduced Protected Meal Times enabling our patients to focus on meals without interruptions from medical procedures, consultations or visitors. We also implemented a blue tray system, to identify patients who require assistance with meals. Careful monitoring has reduced the risk of patients not receiving adequate nutrition while in hospital.

The introduction of specialist surgical consulting suites in the Community Health Centre, and the recruitment of two surgeons (Orthopaedic and General Surgery), has provided strong links between surgeons, Perioperative Services and Allied Health Services. Client feedback indicates that this is now a more efficient service.



Top:
Ron Johnson

Bottom:
Terri Jones

Staff and residents have embraced the introduction of the Montessori Model of Care at 70 Lowe Street. This innovative approach of supporting our residents who have been diagnosed with memory loss and dementia, has been adapted to meet the needs of our residents. Meaningful activities involve family and friends, and changes to the built environment have contributed to the success of the program. We are grateful to the Department of Health and Human Services, Collier Charitable Trust and the Grosvenor Foundation for their generous funding. The Sensory Support Unit has been refurbished, creating a more homelike environment. The bright colours help residents identify their bathroom and bedroom. Most bedroom doors have been redesigned as “barn” doors. This allows for residents’ privacy, while at the same time enabling staff to check on security.

EGHS@home is an innovative, new service that provides quality at home care for frail and elderly clients or those with complex health care needs to remain at home with the personal, domestic, social and clinical care of their choosing. We were delighted to be awarded nine high level Home Care Packages in this highly competitive environment.

CARING FOR OUR PATIENTS



*Annai Murphy and
Medical Intern
Dr Tom Na*

COMMUNITY



*Hamish and
Claire Sladdin*

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.



WE RESPECT THE DIGNITY AND RIGHTS OF OUR COMMUNITY AND ACKNOWLEDGE THEIR BELIEFS, REGARDLESS OF THEIR CULTURAL, SPIRITUAL OR SOCIOECONOMIC BACKGROUND.

We live in an era where the sense of community has changed, and for that reason, community is a really important aspect of where we live and how we live.

East Grampians Health Service is extremely fortunate to be located in a supportive and culturally diverse community where members share their interests and history with each other.

As care givers we neither discriminate nor criticise but embrace our vibrant community and acknowledge their beliefs whatever their background.

Staff are an important component of our internal community. We use contemporary recruitment practices based on fair and equitable employment principles to ensure that the right person is appointed to a position. References and registrations are scrutinised and procedures ensure that annually clinical registrations are renewed.

Our Health Service employs over 400 staff who are covered by seven Awards/Enterprise Agreements and are remunerated in accordance with these Awards. We have a diverse workforce from over 14 different countries. These staff members have greatly added to our understanding of cultural awareness.

The Hospital in the Home (HITH) program continues to develop as an alternative setting for inpatient care for many clients. This year Community Nursing exceeded its target of 60 WEIS and achieved 80 WEIS. Our HITH service reached 66.91 WEIS this year, which constitutes a total of 325 home visits to acute patients in the home instead of in the hospital. Overall Community Nursing productivity has increased with a 23% increase in client visits over the past three years.

WORKFORCE DATA

| HOSPITALS LABOUR CATEGORY | JUNE CURRENT MONTH FTE* | | JUNE YTD FTE** | |
|---------------------------------|-------------------------|--------|----------------|--------|
| | 2015 | 2016 | 2015 | 2016 |
| Nursing | 119.44 | 119.24 | 120.68 | 113.42 |
| Administration and Clerical | 43.24 | 42.04 | 40.74 | 38.96 |
| Medical Support | 7.63 | 8.69 | 7.05 | 8.04 |
| Hotel and Allied Services | 61.18 | 73.56 | 58.85 | 65.88 |
| Medical Officers | 0.71 | 0.86 | 0.26 | 0.59 |
| Hospital Medical Officers | 5.00 | 5.05 | 2.27 | 2.31 |
| Sessional Clinicians | 0.00 | 0.00 | 0.00 | 0.00 |
| Ancillary Staff (Allied Health) | 19.72 | 18.66 | 16.74 | 15.49 |

Following the successful implementation of our Workforce Plan in 2014 that focused on training and development throughout the Organisation, we now have a clear and viable future plan for workforce sustainability. We continue to plan for turnover and attrition by building pathways to keep motivated staff moving and growing within our Organisation and by developing and enhancing our skills and abilities that will ensure our sustainable workforce.



Top:
Rico Hilado



Bottom:
Anthony McKenna

Learning, Education, Training and Sustainability (LETS) program, developed to increase clinical workforce capability to meet the health needs of the community, with the underlying principle of “Grow your own and Teach to grow”, has strengthened our commitment to our staff.

The results of the 2015 Victorian Public Sector People Matter Survey indicate our ongoing commitment to our organisational Values.

We have engaged Sally Philip, a former Board President, to implement the Improving Performance Management in accordance with the Victorian Auditor General’s findings and People Matter information.

VOLUNTEERS AND AUXILIARIES

As well as paid employees the Health Service also enjoys the support of a volunteer workforce of over 150 volunteers supported by five auxiliaries.

This is truly a remarkable statistic and an indication of the respect in which the Health Service is held by our wider community.

We will never take this group of supporters for granted and have developed policies that provide the same level and duty of care and a safe environment as paid employees.

Our volunteers support staff in all of our facilities, including residential aged care and day centres. Without their commitment it would be much harder for us to deliver the quality of patient-centred care and lifestyle programs. We are looking to strengthen their role through the establishment of the Community Consultative Committee. We are sincerely grateful for all their support.



*Willaura Auxiliary
President
Judy Paterson and
Peter Armstrong*

TOP 10 RESULTS

| QUESTION TEXT | QUESTION GROUP | % |
|--|------------------------------|-----|
| Cultural background is not a barrier to success in my organisation | Equal employment opportunity | 100 |
| I provide help and support to other people in my workgroup | Workplace wellbeing | 100 |
| I am encouraged to report health and safety incidents and injuries | Workplace wellbeing | 99 |
| I feel I make a contribution to achieving the organisation’s objectives | Workplace wellbeing | 99 |
| I view my organisation as an employer of choice | Employee commitment | 99 |
| Equal Employment Opportunity is provided in my organisation | Equal employment opportunity | 99 |
| Gender is not a barrier to success in my organisation | Equal employment opportunity | 99 |
| My organisation has policies that require employees to act in ways that are consistent with human rights | Human rights | 99 |
| Government policies and programs affecting the community are implemented equitably by my organisation | Impartiality | 99 |
| In my organisation, earning and sustaining a high level of public trust is seen as important | Integrity | 98 |

10 THINGS WE NEED TO WORK ON

| QUESTION TEXT | QUESTION GROUP | % |
|--|---------------------|----|
| Workplace stress does not have a negative impact on my wellbeing | Workplace wellbeing | 71 |
| There is a clear consultation process when change in my organisation is proposed | Change management | 79 |
| I rarely think about leaving this organisation | Employee commitment | 79 |
| I am provided with the opportunity to influence changes in my organisation | Change management | 80 |
| Trainees in my discipline are adequately supervised | Patient safety | 82 |
| There is a good team spirit in my workgroup | Workplace wellbeing | 82 |
| People in my workgroup treat each other with respect | Respect | 83 |
| My manager keeps me informed about what’s going on | Respect | 84 |
| Communications about change from senior managers are timely and relevant | Change management | 85 |
| I am recognised for the contribution I make | Workplace wellbeing | 85 |

70 LOWE STREET

Volunteers have been active in erecting a chook shed, appropriately named **Cluckingham Palace!**

This has greatly added to the activities undertaken by residents as they now clean the shed, feed and collect the eggs.

With the renaming of each wing of 70 Lowe Street – Bird, Floral and Butterfly Avenues, local artist Jeanette Todd painted the entrance to each wing, with spectacular results. Alcoves, set into the Avenue walls, have changing displays that residents enjoy touching and reminiscing in front of.



Roy McKinnis

DR GRAEME BERTUCH OAM

One of our Life Governors is Dr Graeme Bertuch and this year we can add OAM to his title. Our Health Service is absolutely delighted that Graeme has been recognised for the lifelong commitment he has made to improve the health and wellbeing of Ararat's community.

We sincerely believe that without Graeme's determination and vision the community would now not have access to one of the very best health services in rural Victoria.

Graeme came to work in Ararat in 1976 when the Ararat Practice was at risk of closing. With Graeme's knowledge, skills and qualifications in General Practice, Obstetrics and Paediatrics, and his desire to work cohesively with colleagues, he negotiated and achieved the amalgamation of the two medical practices in Ararat. This resulted in the establishment of the Ararat Medical Centre (AMC). It was under Graeme's stewardship that an effective single practice Medical Centre was established that includes a medical practice, comprehensive medical service and surgery. The AMC is only one of a few rural medical centres focused on procedural services in Victoria that has actually increased its numbers as it attracts Doctors to its clinic.

Perhaps one of the most significant events with which Graeme was involved was the amalgamation of the Willaura and District Hospital with our Health Service in 1995. This one event ensured that members of the local community could continue to be cared for in their own environment.

Graeme has always been a strong advocate for rural communities and worked towards improving the community where he lived and worked.

Graeme has certainly left an amazing legacy of a healthier, more socially inclusive community in Ararat.

The AMC has increased its workforce to 15 doctors, five with Obstetric qualifications and four with Anaesthetics. Our Health Service now provides a stable, rural Obstetric service, one of the few in rural Victoria. We now enjoy a sustainable medical and nursing workforce in Ararat that has also had a direct impact on the economic viability of our community.

We are delighted that Dr Graeme Bertuch OAM has been recognised for his commitment to the health and wellbeing of our community.



Dr Graeme Bertuch OAM

AUXILIARIES

The EGHS Ladies Auxiliary has continued its fantastic effort in raising many thousands of dollars this year to purchase important items of equipment to improve patient comfort and wellbeing:

- \$25,830 for seven pressure-relieving mattresses
- Over 100 people attended the annual Winter's Luncheon at the Willaura Town hall in May. This year's fundraising efforts are supporting Women's Health.

The EGHS Aged Auxiliary also works tirelessly in raising funds for our aged care facilities:

- \$7,230 for two pressure-relieving mattresses for 70 Lowe Street and Garden View Court.
- \$2,000 raised from a Christmas Discount Night at a local major retail outlet, which will be used to support residential aged care at 70 Lowe Street and Garden View Court.
- Donation of two iPads to support the residents of 70 Lowe Street. This assists residents with their fine motor skills as well as reading books and listening to music.

The Annual Health Service Charity Golf Day

- Keen golfers raised \$3,500, which went towards the purchase of a Vital Signs Monitor for the Inpatient Unit. Many local businesses supported the well-attended event, perhaps as there was the opportunity to win a car worth \$20,000 as a hole in one prize on the 18th hole. No one was lucky enough to walk away with the keys on the day. There's always next year!

Willaura Health Care

- Over 1,500 people attended the Willaura Market, enjoying local arts, crafts and food stalls. Over \$10,000 was raised, which will go towards the family day room and equipment at the Willaura Healthcare Service. Our thanks to Jane Millear for her ongoing commitment to coordinate this great annual event.
- The Willaura Auxiliary raised \$482 by providing lunch and refreshments at the annual Mt William cattle sale and \$1000 from providing a BBQ lunch at a local farm-clearing sale.

The Murray to Moyne Relay Bike Ride

- Over \$16,000 was raised by a team of enthusiastic cyclists, many of whom are our staff. All riders are prepared to commit to two days of gruelling exercise to raise money for their chosen health service. 22 riders spent the year fundraising and training to raise funds that will go towards the purchase of an Anaesthetic Monitor for Theatre.

The Ark Toy and Activity Centre Auxiliary

- Raised \$2,090 from a movie day, which will go towards purchasing resources and educational equipment to support people who use the centre's facilities, including children as well as elderly people.

The Ararat Breast Cancer Support Group

- With the support of the Ararat Grease Monkeys (a local car enthusiast club) the Ararat Breast Cancer Support Group donated \$11,740.00 for two new Oncology chairs.

LIFE GOVERNORS (AS AT 30 JUNE 2015)

Conferring a Life Governor on a member of the community acknowledges the importance of that person in our organisational culture. The Board was pleased to honour Mrs Val Albert and Mrs Margaret Young to recognise their outstanding commitment to our Health Service.

Mrs Albert has been a valued volunteer at Willaura Healthcare since 1980, first as a volunteer driver for Meals on Wheels and then continuing her involvement with residents by providing morning tea, or just sitting and chatting to those who don't have family close by. Her visits are a real highlight and make an immeasurable difference to our residents.

Mrs Young has been a volunteer for 40 years, when she first started work in the kitchen cleaning silverware! She has certainly moved on from those days, helping to raise over \$25,000 in the last five years. She spends valuable time with residents making them feel at home while she organises, buys and wraps Christmas presents, Easter eggs and birthday cards for residents in 70 Lowe Street. Mrs Young's commitment to volunteering epitomises the benefits of belonging to a community.

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

VALE

IT IS ALWAYS WITH MUCH SADNESS WHEN WE LEARN OF THE DEATH OF VALUED MEMBERS OF OUR COMMUNITY, ESPECIALLY WHEN THEY HAVE DONATED SO MANY HOURS TO HELPING OTHERS.



Kerry Parker

Kerry was employed as a Registered Nurse in February 2010, and was an invaluable member of the Perioperative Unit. In June 2011 she was appointed as Clinical Nurse Specialist and sadly died in December 2015 after a long illness.

Kerry will always be remembered as a colourful, never dull, presence in the Perioperative Unit during her five years with the Health Service. She was an experienced, professional nurse constantly striving for perfection. Kerry was a role model for less experienced staff and was a valued member of the Perioperative team. She is missed by all her colleagues and our sympathy goes out to her partner Peter, her four children and extended family.



John Billett

John joined the Patricia Hinchey Centre volunteer team in 2006 and became President of the Auxiliary in 2014/2015. He was very proud of his role and during this time helped with fundraising for the upgrade of the kitchen and new outdoor furniture. For John, the highlight was assisting with giving out gifts at the annual Christmas party. He loved seeing the clients enjoying themselves and his regular Thursday visits for a chat and a laugh with clients was always appreciated. The annual excursion to the Billett's farm during shearing time was an important event in the clients' calendar. John will be missed by all and will fondly be remembered as "Farmer John".



Ruth de Fegely OAM

Ruth gave so much of her time over many years to support families with special needs.

The Ark Toy Library was established in 1982 to provide special toys for children with special needs. Ruth was then Chairperson of the Ararat Branch of the Red Cross, and when the Noah's Ark Mobile Library ceased visiting in Ararat, Ruth was more than willing to take up the challenge to set up and fund a permanent Toy Library in Ararat. In 2004 the Ark Toy Library was incorporated into the Health Service and relocated to a new, more spacious area. In 2006 Ruth was conferred as a Life Governor of the Health Service and in 2007, she received an Order of Australia in the Australia Day Awards. In receiving her OAM Ruth paid tribute to the people she had worked with over the years. In typical Ruth style she said she had been blessed with fantastic committees who were dedicated to what they did. She believed that together people could move mountains.



Tom Rees

Tom began volunteering with the Patricia Hinchey Centre in 1990 and will be fondly remembered for his work over 25 years. He relished the role of MC for the annual Day Centre balls and Christmas parties and thoroughly enjoyed being part of the limelight. With his beautiful voice, his monthly visits to sing many old songs were truly memorable. He will be missed by everyone.

WORKING TOGETHER



*Kaye Chamings
and
Daphne Lewis*

This Value demonstrates how important it is to work in partnership with our colleagues from other agencies and health care providers in order to achieve optimal results for our consumers. Together we use resources effectively and provide the continuum of care without duplicating services.



WE VALUE EQUALLY ALL PEOPLE WHO MAKE A CONTRIBUTION TO EGHS TO ACHIEVE SHARED GOALS

During the year we have continued to pursue partnerships that will be advantageous to our Health Service and its community. Perhaps the most significant partnership has been the signing of a Memorandum of Understanding between The Royal Women's Hospital and our Health Service.

It has been a privilege to continue our partnership with disability service agencies providing employment for their clients within our Health Service. This association has grown in strength and it has been rewarding to see the way in which these members of our staff have grown in confidence while working in Café Pyrenees, cleaning, catering and maintenance.

COMMUNITY FORUMS

During the year we held community forums in key areas of maternity services, surgical/perioperative services, urgent care services, disability access and community access. These forums have been invaluable to help us increase our knowledge on consumer perspectives and expectations. Each attendee provided opinions and feedback, which have been used to develop Action Plans that have been implemented and improvements now made based on direct consumer advice. We have also invited interested people to consider committing to more in-depth involvement in future forums.

We have maintained strong links with several local education providers, including Ararat College and Marian College, to support Work Experience and Victorian Certificate of Applied Learning (VCAL) programs. These programs provide real workplace scenarios that enhance students' understanding of the range of and scope of work in health.

Our relationship with Ararat Rural City is based on cooperation and common aims. We both want to see the health of our community improve and together we are making a difference such as the development of the Municipal Public Health and Wellbeing Plan. East Grampians Health Service is the community representative on the Alexandra Oval redevelopment committee, as well as planning for the extended community health centre, which will include maternal and child health services and Home and Community Care services.

Care Co meetings between Community Nursing and the City are an opportunity to plan and coordinate care for our homecare clients. We now have better communication and understanding between these essential service groups that ultimately improve outcomes for our clients.

Our work with Ararat Rural City on HACC programs has assisted with the rehabilitation of clients as our maintenance team install aids, such as shower rails, alterations to doorways and ramps.

The Western Victoria Primary Health Network (PHN), established at the beginning of the financial year, provides us with advice and support that is invaluable as we deliver effective primary health care to members of our community, especially those who have been identified as having complex care needs. We look forward to a productive partnership with our colleagues in Geelong who oversee the Western Victoria PHN.

The membership of the Grampians Health Alliance continues to be an excellent forum for robust discussion, cooperative sharing of information and knowledge, as well as providing educational opportunities.

Our relationship with our regional colleagues in health services, agencies and all levels of government is so important. Sharing experiences, gaining knowledge and contributing to a broader network than just our catchment area really helps us in providing a first class health service. We particularly want to thank members of the Grampians Regional Alliance, Ararat Rural City, Grampians Pyrenees Primary Care Partnership, the local Aboriginal community and Western Victoria Primary Health Network. This sharing of experiences and resources has opened up many opportunities for staff to develop both professionally and personally.



Chris Jordan
and
Joe Dowling

LEARNING CULTURE



*Annai Murphy
and Medical Intern
Dr Tom Na*

This Value is at the core of Our Mission – to improve our community’s health and quality of life. Our Health Service will be judged on the standard of care, the level of our knowledge and our desire to keep learning.



WE STRIVE TO CONTINUALLY LEARN AND DEVELOP THROUGH EDUCATION, TRAINING, MENTORING AND BY TEACHING OTHERS.

Our Health Service is committed to “growing our own” through supporting staff who are prepared to take the, sometimes, challenging journey of further study to prepare themselves for a more rewarding career pathway.

Learning, Education, Training and Sustainability (LETS) program, developed by our Nurse Educators, has been successful because it recognises and addresses the challenges that our local community face on a daily basis, yet still they are committed to pursue a career pathway – and we have designed a program specifically to help them.

Throughout our Organisation there are staff prepared to work hard and study to gain initial and additional qualifications.

During the year:

- 93 % employees completed mandatory education
- 12 employees upskilled to formal qualifications, 44 employees currently upskilling to formal qualifications ranging from Certificate III to Master’s level on Australian Qualifications framework
- Increasing number of applications for career progression
- Provision of high quality clinical education to undergraduate students from 15 health disciplines
- Provision of free accommodation, Health Service orientation and supervisors with clinical supervision skills training

CAREER PROGRESSION STATISTICS

| Australian Qualifications Framework | No employees qualified 2014/2015 | No employees qualified 2015/2016 | No employees upskilling 2014/2015 | No employees upskilling 2015/2016 |
|-------------------------------------|----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|
| Certificate III | 2 | 1 | 3 | 4 |
| Certificate IV | 2 | | 6 | 7 |
| Diploma | 2 | 6 | 14 | 6 |
| Advanced Diploma | 1 | | | 1 |
| Bachelor | | 2 | 5 | 6 |
| Graduate Certificate | 4 | 2 | 8 | 6 |
| Graduate Diploma | 1 | 1 | 7 | 5 |
| Master's | | | 1 | 4 |
| Other | | | | 5 |
| Total | 12 | 12 | 44 | 44 |

APPRENTICESHIPS

Mandy Shoenfelder

– Completed Certificate III in Hospitality – Commercial Cookery

Ashley Leggett

– Completed Apprentice Carpenter and has continued his employment as a carpenter with us

Anthony McKenna

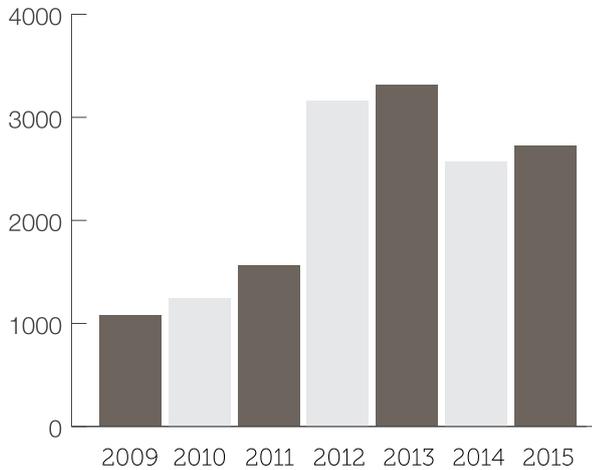
– 1st year Certificate III in Hospitality
– Commercial Cookery

- In addition, three employees completing Diploma units of competency, one employee Advanced ICD-10-AM, ACHI and ACS and one employee Accredited Nurse immuniser course
- Approximately 14 % of our workforce upskilling to formal qualifications
- Three employees (two x Enrolled Nurse and one x midwife with Bachelor of Midwifery) upskilling to Bachelor of Nursing
- Six employees (five x Enrolled Nurses and one x Personal Care Worker) upskilling to Diploma of Nursing
- Two Registered Nurses studying Graduate Diploma of Midwifery
- Three Registered Nurses upskilling to rural and isolated practice RN
- Other Registered Nurses undertaking post graduate qualification in infection control nursing (two), renal nursing (one), agricultural health and medicine (one), palliative care (one) and gerontology (one)
- Four employees studying to achieve Master’s level qualifications

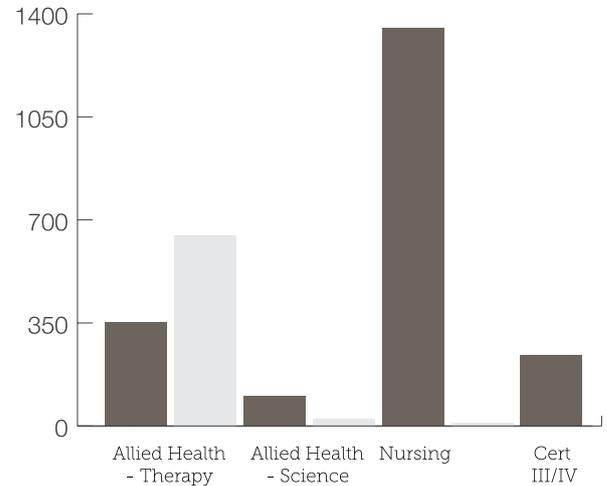
CLINICAL PLACEMENT DAYS

PROFESSIONAL ENTRY UNDERGRADUATE STUDENTS 2009-2015

EGHS Number clinical placement days
2009-2015



Clinical placement days - discipline



- Allied Health therapy = dietetics, exercise physiology, physiotherapy, podiatry, speech pathology, social work, occupational therapy
- Allied Health science = radiography/medical imaging, sonography, pharmacy
- 1351.21 nursing days = 11.43 midwifery + 318.16 Enrolled Nurse + 1021.62 Registered Nurse



Top to Bottom:
Geoff Laidlaw and
Natalie Wohlers
Rebbekkah Seary
and Richard Parkin
David Hosking and
Jessica Williamson

SCHOLARSHIPS AND BURSARIES

As an Organisation committed to life long learning we are delighted that this year, through the support of bursaries and scholarships, a number of staff were able to complete education programs and have continued their studies in Midwifery, Registered and Enrolled Nursing and advanced studies in Physiotherapy and Dental practices.

LEARN AND DEVELOP



*L-R
Amanda Cranstoun
Nicola Pearse
Jessica Attwell
Annai Murphy
Rachel Nichols
Demi Holcombe
Jennifer Cole*

CORPORATE GOVERNANCE

Responsible Ministers and Officers for the reporting period 1 July 2015 – 30 June 2016

STATE

- Hon Jill Hennessy MLA
Minister for Health and Minister for Ambulance Services
Member for Altona
- Hon Martin Foley MLA
Minister for Mental Health
Member for Albert Park
- Louise Staley MLA
Member for Ripon

DEPARTMENT OF HEALTH & HUMAN SERVICES

- July - September 2015
Dr Pradeep Philip
Secretary
- November 2015 - June 2016
Kym Peake
Secretary

GRAMPIANS REGION / WEST DIVISION HEALTH

- July 2015 - March 2016
Tom Nierdele
Regional Director
- March 2016 - June 2016
Monica Kelly
Regional Director

BOARD

As at 30 June 2016

- President:** Matthew Wood
- Vice President:** Heather Fleming
- Treasurer:** Russell Barker
- Board Members:** 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
Deloitte Touche Tohmatsu

COMMITTEES

- Audit and Risk
- Capital Development
- Clinical Consultative
- Clinical Governance
- Community Consultative
- Grampians Health Alliance
- 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
- Russell Barker
- Don Cole

Community Membership

- Lucy Tribe
- Vaughan Williams
- David Webber

BOARD

The Board comprises dynamic members of our community who have demonstrated a commitment to good governance, strategic planning and business acumen all of which will benefit our Health Service. They 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.

OUR BOARD



PRESIDENT

Matthew Wood

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

Board Member since 01.07.11

Term of Appointment

01.07.15 – 30.06.18

Committee Membership

Building for the Future Foundation
Grampians Health Alliance
Grampians Region Building Board
Capacity Advisory



BOARD DIRECTOR

Fiona Cochrane

Pharmacist

Board Member since 01.07.14

Term of Appointment

01.07.14 – 30.06.17

Committee Membership

Clinical Governance
Clinical Consultative



VICE PRESIDENT

Heather Fleming *BEd(Sec)*

Farmer

Board Member since 01.07.08

Term of Appointment

01.07.13 – 30.06.16

Committee Membership

Community Consultative
Building for the Future Foundation



BOARD DIRECTOR

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
Audit & Risk



TREASURER

Russell Barker

Business Manager, Marian College

Board Member since 01.07.13

Term of Appointment

01.07.15 – 30.06.18

Committee Membership

Audit & Risk
Capital Development



BOARD DIRECTOR

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

Audit & Risk
Community Consultative



BOARD DIRECTOR

Bill Braithwaite *DiP CE MBA*

Owner/Director Bratf Olives

Board Member since 01.07.13

Term of Appointment

01.07.15 – 30.06.18

Committee Membership

Capital Development



BOARD DIRECTOR

Annie Rivett *DiP CE MBA*

Registered Nurse

Board Member since 01.07.15

Term of Appointment

01.07.15 – 30.06.16

Committee Membership

Clinical Governance

EXECUTIVE TEAM



CHIEF EXECUTIVE: Nick Bush

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

Appointed: 2011

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 of 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. The Director oversees research, information technology, education and management of 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, Cert IV T&A

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, Medical Imaging, Aged Care, Willaura Health Care, Pathology 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 Patricia Hinchey Centre.

(as at 30 June 2016)

SENIOR STAFF

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 *GradCertCommServPract*

FINANCIAL SERVICES

Director

Tony Roberts *BCom, Grad Dip ICAA*

DEVELOPMENT AND IMPROVEMENT

Director

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

Manager Development & Improvement

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, GradCertHealth*

Manager Patricia Hinchey Day Centre

Jacinta Harman *EN End, DipBusMan*

Senior Dentist

Wacim Gami *B Dental Services*

Chief Physiotherapist

Christine Perry *BAppSc (Physio), GradCertMgmt*

SUPPORT SERVICES

Director

Stuart Kerr *PIHHC, DipBus*

Executive Chef/Co-ordinator

Michael Kelly *Cert III in Commercial Cookery, DipBus, Cert IV in Workplace Training and Assessment*

Maintenance

Ann Grierson *AssDipMgmt*

Environmental Services, Fire & Emergency Co-ordinator

Dayle Smith

CLINICAL SERVICES

Director

Peter Armstrong *RN, RPN, BNsg, GradDipPsychNsg, MBA (Child Safety Officer)*

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, GradDipNsg(Periop), Cert Infection Control and Sterilisation*

Manager Health Information

Nicki Blackie *BMRA*

Manager 70 Lowe Street

Tanya Haslett *RN, ACFI Assessor*

Manager Garden View Court

Maree Fraser *RN, AdvDipMan(Human Resources)*

Manager Willaura Healthcare

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

Pharmacist

Olga Karia *BPharm(Hons)(Russia), PostGradCertClin Pharm(UK), MSHP, MPS*

Infection Control Co-ordinator

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

MEDICAL SERVICES STAFF

(as at 30 June 2016)

DIRECTOR OF MEDICAL SERVICES

Dr Eric Kennelly *BSc MB BS DipRACOG, AFRACMA*

VISITING MEDICAL STAFF

Dr Michael Connellan *MBBS, DRANZCOG, FRACGP, FACRRM*

Dr Mark Deary *MBBS, (Zimbabwe)*

Dr Prasad Fonseka *MBBS (Sri Lanka)*

Dr Adam Ghazal *MBBS (Syria)*

Dr Megan Helper *(Registrar) MBBS*

Dr Edgardo Lou *MD (Phillippines)*

Dr Luhong Min *(Registrar) MBBS*

Dr Falak Naz *(Registrar) MBBS*

Dr Derek Pope *MBBS, DRANZCOG, FACRRM*

Dr Pieter Pretorius *MBChB (Pretoria) M.Med (Family Medicine) FRACGP*

Dr Novreen Rasool *MBBS*

Dr Kenji Takasaki *(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*

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 GRAMPPIANS 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
18 August 2016

ATTESTATION FOR RISK MANAGEMENT PROCESSES AND FRAMEWORK

I, Nick Bush, 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.



Nick Bush
Accountable Officer
East Grampians Health Service
18 August 2016

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 Capital 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 must 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 ensure that the Health Service conforms with the relevant Standards.

| | |
|---|---|
| Building Works | 2 |
| Building certified for approval | 2 |
| Works in construction and subject of mandatory inspection | 2 |
| Occupancy Permits issued | 1 |

Maintenance

| | |
|--|-----|
| Notices issued for rectification of substandard buildings requiring urgent attention | Nil |
| Involving major expenditure and urgent attention | Nil |
| Building Condition Assessment | Yes |
| Essential Services Maintenance | Yes |

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.

CAR PARKING

East Grampians Health Service is not required to comply with the Department of Health and Human Services hospital Circular on car parking fees as it does not operate any fee paying car park space. Additional car parking space, facing Lowe Street, was opened up in this financial year.

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

Details of consultancies (under \$10,000)

In 2015-16, there were no consultancies where the total fees payable to the consultants were less than \$10,000.

Details of consultancies (valued at \$10,000 or greater)

In 2015-16, there were two consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2015-16 in relation to these consultancies is \$62,034 (excl. GST). See following table for details of these consultancies.

| Consultant | Purpose | Total Approved Project Fee \$'000 | Expenditure 2015-16 (Ex GST) \$'000 | Future Expenditure (Ex GST) \$'000 |
|------------------------------------|--------------------------------|-----------------------------------|-------------------------------------|------------------------------------|
| Provider Assist | ACFI Claiming Review | 27 | 27 | 0 |
| Montessori Ageing Support Services | Aged Care Service Model Review | 35 | 35 | 0 |

DATAVIC ACCESS POLICY

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

DISCLOSURE OF ICT EXPENDITURE

In accordance with FRD 22G (6.17) the following costs have been incurred by East Grampians Health Service. The total ICT expenditure incurred during 2015/16 is \$987,012 (excluding GST) with the details shown below.

| Business-As-Usual (BAU) ICT expenditure | Non-Business As Usual (Non-BAU) ICT expenditure | Operational expenditure (excluding GST) | Capital expenditure (excluding GST) |
|---|---|---|-------------------------------------|
| \$857 | \$130 | \$699 | \$288 |

EX-GRATIA PAYMENTS

East Grampians Health Service made \$71k of redundancy payments in 2015. See note 24 to the financial statements.

FEES

Most 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.

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 2015/16 East Grampians Health Service received 46 requests, 45 of which were processed and granted in full.

REQUESTS

| 2015/16 | 2014/15 | 2013/14 | 2012/13 |
|---------|---------|---------|---------|
| 46 | 48 | 52 | 61 |

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.

71 written requests were received in 2015/16.

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 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 and one Provisional Improvement Notice was issued in 2015/16.

Initiatives undertaken during the last financial year include:

- 1) Increased CCTV coverage
- 2) Increasing the number of areas where door access is through individualized swipe card
- 3) Introduction of the Management of Clinical Aggression training MOCA (this is a regional approach to training supported by Ballarat Health Service and the Department of Health and Human Services)

- 4) Instigation of a regional OH&S committee with membership from Health Services within the Grampians Region. This included standing agenda items such as Occupational Violence and MOCA training.
- 5) Installation of automated security gates to lock down the site after hours.

OCCUPATIONAL VIOLENCE STATISTICS

1. Workcover accepted claims with an occupational violence cause per 100 FTE = 0
2. Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked = 0.
3. Number of occupational violence incidents reported = 37
4. Number of occupational violence incidents reported per 100 FTE = 0.15
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition = 2%

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 2015/16 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 legislations and pronouncements. This index has been prepared to facilitate identification of East Grampians Health Service compliance with statutory disclosure requirements.

| Legislation Requirement | Page | Legislation Requirement | Page |
|---|-------|---|------|
| Report of Operations - FRD Guidance | | Financial Report | |
| <i>Charter and Purpose</i> | | <i>Financial Statements required under Part 7 of the FMA</i> | |
| FRD 22G Manner of establishment and the relevant Ministers | 03 | SD 4.2(a) Statement of changes in equity | FR |
| FRD 22G Purpose, functions, powers and duties | 04 | SD 4.2(b) Operating statement | FR |
| FRD 22G Key initiatives and projects | 08-11 | SD 4.2(b) Balance sheet | FR |
| FRD 22G Nature and range of services provided | 04 | SD 4.2(b) Cash flow statement | FR |
| <i>Management and Structure</i> | | <i>Other requirements under Standing Directions 4.2</i> | |
| FRD 22G Organisational structure | 06 | SD 4.2(c) Compliance with Australian accounting standards and other authoritative pronouncements | FR |
| <i>Financial and Other Information</i> | | SD 4.2(c) Compliance with Ministerial Directions | FR |
| FRD 10A Disclosure index | 50 | SD 4.2(c) Rounding of amounts | FR |
| FRD 22G Employment and conduct principles | 31 | SD 4.2(c) Accountable officer's declaration | FR |
| FRD 22G Occupational health and safety policy | 49 | <i>Other disclosures as required by FRDs in notes to the financial statements</i> | |
| FRD 22G Summary of the financial results for the year | 13 | FRD 11A Disclosure of ex gratia expenses | 48 |
| FRD 22G Significant changes in financial position during the year | 13 | Legislation | |
| FRD 22G Major changes or factors affecting performance | FR | Freedom of Information Act 1982 | 48 |
| FRD 22G Subsequent events | FR | Building Act 1993 | 47 |
| FRD 22G Application and operation of Freedom of Information Act 1982 | 48 | Protected Disclosure Act 2012 | 49 |
| FRD 22G Compliance with building and maintenance provisions of Building Act 1993 | 47 | Carers Recognition Act 2012 | 48 |
| FRD 22G Statement on National Competition Policy | 48 | Victorian Industry Participation Policy Act 2003 | 49 |
| FRD 22G Application and operation of the Protected Disclosure 2012 | 49 | Financial Management Act 1994 | 48 |
| FRD 22G Application and operation of the Carers Recognition Act 2012 | 48 | Additional information available on request | |
| FRD 22G Details of consultancies over \$10,000 | 48 | Consistent with FRD 22G (Section 6.19) the Report of Operations confirms that subject to the provisions of the FOI Act, information retained by the Accountable Officer includes: | |
| FRD 22G Details of consultancies under \$10,000 | 48 | a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers; | |
| FRD 22G Disclosure of ICT expenditure | 48 | b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary; | |
| FRD 22G Statement of availability of other information | 50 | c) details of publications produced by the entity about itself, and how these can be obtained; | |
| FRD 22G Summary of entity's environmental performance | 25 | d) details of changes in prices, fees, charges, rates and levies charged by the entity; | |
| FRD 25B Victorian Industry Participation Policy disclosures | 49 | e) details of any major external reviews carried out on the entity; | |
| <i>Attestations</i> | | f) details of major research and development activities undertaken by the entity; | |
| SD 3.4.13 Attestation of Data Integrity | 47 | g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit; | |
| SD 4.5.5 Attestation for compliance with the Ministerial Standing Direction 4.5.5 | 47 | h) details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services; | |
| Occupational Violence Reporting | 49 | i) details of assessments and measures undertaken to improve the occupational health and safety of employees; | |
| Compliance with car parking fees reporting | 48 | j) a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes; | |
| Compliance with DataVic Access Policy | 48 | k) a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and | |
| SD 4.2(j) Responsible bodies declaration | 17 | l) details of all consultancies and contractors including: | |
| | | (i) consultants/contractors engaged; | |
| | | (ii) services provided; | |
| | | (iii) expenditure committed to for each engagement. | |

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 casemix funding system is based upon throughput with each patient receiving a DRG based upon the complexity of the medical condition.

HACC

Home and Community Care is a funding model for people living in the community. Three key initiatives have been implemented in order to refocus HACC services to a more capacity-building, person centred approach.

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.

FINANCIAL REPORT

CONTENTS

| | |
|---|--------|
| Certification | FR ii |
| Victorian Auditor-General's Report | FR iii |
| Disclosure Index | |
| FRD 22F Relevant Ministers | FR 45 |
| FRD 21B Executive Officer Disclosures | FR 46 |
| FRD 21B Responsible Persons Disclosure | FR 45 |
| FRD 22F Subsequent Events | FR 46 |
| Financial Statements required under Part 7 of the FMA | |
| SD 4.2(a) Statement of changes in equity | FR 4 |
| SD 4.2(b) Operating Statement | FR 1 |
| SD 4.2(b) Balance Sheet | FR 2 |
| SD 4.2(b) Cash Flow Statement | FR 3 |
| Other requirements under Standing Directions 4.2 | |
| SD 4.2(a) Compliance with Australian Accounting Standards and other mandatory professional reporting requirements | FR 5 |
| Financial Statements | |
| 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 3 |
| 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 45 |

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 2016 and the financial position of East Grampians Health Service and the Consolidated Entity at 30 June 2016.

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
18 August 2016



Mr Nick Bush
Accountable Officer

Ararat
18 August 2016



Mr Tony Roberts
Chief Finance & Accounting
Officer

Ararat
18 August 2016

INDEPENDENT AUDITOR'S REPORT

To the Board Members, East Grampians Health Service

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the East Grampians Health Service which comprises comprehensive operating statement, balance sheet, cash flow statement, statement of changes in equity, notes comprising a summary of significant accounting policies and other explanatory information, and the Board member's, accountable officer's and chief finance & accounting officer's declaration of East Grampians Health Service and the consolidated entity. The consolidated entity comprises 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 26 to the financial statements

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on 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, I and my staff and delegates have complied with all applicable independence pronouncements.

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 2016 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 *Financial Management Act 1994*.

MELBOURNE
19 August 2016



Dr Peter Frost
Acting Auditor-General

East Grampians Health Service
Comprehensive Operating Statement
For the Year Ended 30 June 2016

| | Note | Parent Entity 2016 \$'000 | Parent Entity 2015 \$'000 | Consolidated Entity 2016 \$'000 | Consolidated Entity 2015 \$'000 |
|---|------|------------------------------------|------------------------------------|--|--|
| Revenue from Operating Activities | 2 | 33,671 | 30,782 | 33,698 | 30,834 |
| Revenue from Non-operating Activities | 2 | 436 | 563 | 482 | 605 |
| Employee Expenses | 3 | (20,962) | (19,482) | (20,962) | (19,482) |
| Non Salary Labour Costs | 3 | (3,085) | (3,164) | (3,085) | (3,164) |
| Supplies & Consumables | 3 | (7,172) | (6,124) | (7,172) | (6,124) |
| Other Expenses | 3 | (2,209) | (2,412) | (2,227) | (2,435) |
| Net Result Before Capital & Specific Items | | 679 | 163 | 734 | 234 |
| Capital Purpose Income | 2 | 1,468 | 984 | 1,468 | 984 |
| Depreciation and Amortisation | 4 | (2,709) | (2,628) | (2,709) | (2,628) |
| Expenditure using Capital Purpose Income | 3 | (564) | (201) | (564) | (201) |
| NET RESULT FOR THE YEAR | | (1,126) | (1,682) | (1,071) | (1,611) |
| Other economic flows included in net result | | | | | |
| Revaluation of Long Service Leave | | (202) | (88) | (202) | (88) |
| Total other economic flows included in net result | | (202) | (88) | (202) | (88) |
| Net result from continuing operations | | (1,328) | (1,770) | (1,273) | (1,699) |
| Other comprehensive income | | | | | |
| Items that may be reclassified subsequently to net result | | | | | |
| Net fair gains/(losses) on Available for Sale Financial Investments | | - | - | 12 | - |
| Changes in physical asset revaluation surplus | | (86) | - | (86) | - |
| Total other comprehensive income | | (86) | - | (74) | - |
| COMPREHENSIVE RESULT FOR THE YEAR | | (1,414) | (1,770) | (1,347) | (1,699) |

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

East Grampians Health Service Balance Sheet

For the Year Ended 30 June 2016

| | Note | Parent Entity 2016 \$'000 | Parent Entity 2015 \$'000 | Consolidated Entity 2016 \$'000 | Consolidated Entity 2015 \$'000 |
|--|------|---------------------------------|---------------------------------|--|--|
| Current Assets | | | | | |
| Cash and Cash Equivalents | 5 | 6,714 | 5,677 | 7,681 | 6,907 |
| Receivables | 6 | 1,885 | 1,000 | 1,909 | 1,005 |
| Investments and other Financial Assets | 7 | - | - | 303 | - |
| Inventories | 8 | 58 | 50 | 58 | 50 |
| Other Current Assets | 9 | 174 | 124 | 174 | 124 |
| Total Current Assets | | 8,831 | 6,851 | 10,125 | 8,086 |
| Non-Current Assets | | | | | |
| Receivables | 6 | 1,080 | 908 | 1,080 | 908 |
| Property, Plant & Equipment | 10 | 38,898 | 39,714 | 38,898 | 39,714 |
| Investment Properties | 11 | 1,019 | 1,105 | 1,019 | 1,105 |
| Total Non-Current Assets | | 40,997 | 41,727 | 40,997 | 41,727 |
| TOTAL ASSETS | | 49,828 | 48,578 | 51,122 | 49,813 |
| Current Liabilities | | | | | |
| Payables | 12 | 1,842 | 602 | 1,845 | 613 |
| Provisions | 13 | 4,786 | 4,326 | 4,786 | 4,326 |
| Other Liabilities | 14 | 3,961 | 3,095 | 3,961 | 3,095 |
| Total Current Liabilities | | 10,589 | 8,023 | 10,592 | 8,034 |
| Non-Current Liabilities | | | | | |
| Provisions | 13 | 778 | 681 | 778 | 681 |
| Total Non-Current Liabilities | | 778 | 681 | 778 | 681 |
| TOTAL LIABILITIES | | 11,367 | 8,704 | 11,370 | 8,715 |
| NET ASSETS | | 38,461 | 39,875 | 39,752 | 41,099 |
| EQUITY | | | | | |
| Property, Plant & Equipment Revaluation Surplus | 15a | 22,370 | 22,456 | 22,370 | 22,456 |
| Financial Asset Available for Sale Revaluation Surplus | 15a | - | - | 12 | - |
| General Purpose Surplus | 15a | 140 | 141 | 140 | 141 |
| Restricted Specific Purpose Surplus | 15a | 420 | 491 | 432 | 491 |
| Contributed Capital | 15b | 19,896 | 19,896 | 19,896 | 19,896 |
| Accumulated Surpluses/(Deficits) | 15c | (4,366) | (3,110) | (3,099) | (1,886) |
| TOTAL EQUITY | 15 | 38,461 | 39,875 | 39,752 | 41,099 |
| Contingent Assets and Contingent Liabilities | 19 | | | | |
| Commitments for Expenditure | 18 | | | | |

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

East Grampians Health Service
Cash Flow Statement
For the Year Ended 30 June 2016

| | Note | Parent Entity 2016 \$'000 | Parent Entity 2015 \$'000 | Consolidated Entity 2016 \$'000 | Consolidated Entity 2015 \$'000 |
|--|------|------------------------------------|------------------------------------|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Operating Grants from Government | | 26,012 | 24,802 | 26,012 | 24,802 |
| Patient and Resident Fees Received | | 4,385 | 4,165 | 4,385 | 4,165 |
| Donations and Bequests Received | | - | 50 | - | 50 |
| GST Received from/(paid to) ATO | | 882 | 929 | 882 | 929 |
| Interest Received | | 101 | 177 | 109 | 220 |
| Other Receipts | | 3,191 | 1,890 | 3,191 | 1,878 |
| Employee Expenses Paid | | (20,405) | (19,386) | (20,405) | (19,386) |
| Non Salary Labour Costs | | (3,616) | (3,480) | (3,616) | (3,480) |
| Payments for Supplies & Consumables | | (6,214) | (6,492) | (6,227) | (6,488) |
| Other Payments | | (3,799) | (2,995) | (3,823) | (3,014) |
| Cash Generated from Operations | | 537 | (340) | 508 | (324) |
| Capital Grants from Government | | 765 | 635 | 765 | 635 |
| Capital Donations and Bequests Received | | 202 | 264 | 202 | 264 |
| Other Capital Receipts | | 487 | 105 | 487 | 105 |
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | 16 | 1,991 | 664 | 1,962 | 680 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Payments for Non-Financial Assets | | (1,873) | (1,129) | (1,861) | (1,129) |
| Proceeds from sale of Non-Financial Assets | | 75 | 105 | 75 | 105 |
| Purchase of Investments | | - | - | (291) | - |
| NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES | | (1,798) | (1,024) | (2,077) | (1,024) |
| NET INCREASE/(DECREASE) IN CASH HELD | | 193 | (360) | (115) | (344) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | | 2,665 | 3,025 | 3,843 | 4,187 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 5 | 2,858 | 2,665 | 3,728 | 3,843 |

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 2016

| Consolidated Entity | | Property, Plant & Equipment Revaluation Surplus | Financial Asset Available for Sale Revaluation Surplus | General Purpose Surplus | Restricted Specific Purpose Surplus | Contributions by Owners | Accumulated Surpluses/ (Deficits) | Total |
|--|-------------|--|---|--------------------------------|--|--------------------------------|--|---------------|
| | Note | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 30 June 2014 | | 22,456 | - | 140 | 399 | 19,896 | (94) | 42,797 |
| Net result for the year | | - | - | - | - | - | (1,699) | (1,699) |
| Transfer to / (from) accumulated surplus | 15a,c | - | - | 1 | 92 | - | (93) | - |
| Balance at 30 June 2015 | | 22,456 | - | 141 | 491 | 19,896 | (1,886) | 41,099 |
| Net result for the year | | - | - | - | - | - | (1,273) | (1,273) |
| Other comprehensive income for the year | | (86) | 12 | - | - | - | - | (74) |
| Transfer to / (from) accumulated surplus | 15a,c | - | - | (1) | (59) | - | 60 | - |
| Balance at 30 June 2016 | | 22,370 | 12 | 140 | 432 | 19,896 | (3,099) | 39,752 |

| Parent Entity | | Property, Plant & Equipment Revaluation Surplus | Financial Asset Available for Sale Revaluation Surplus | General Purpose Surplus | Restricted Specific Purpose Surplus | Contributions by Owners | Accumulated Surpluses/ (Deficits) | Total |
|--|-------------|--|---|--------------------------------|--|--------------------------------|--|---------------|
| | Note | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 July 2014 | | 22,456 | - | 140 | 399 | 19,896 | (1,247) | 41,644 |
| Net result for the year | | - | - | - | - | - | (1,770) | (1,770) |
| Transfer to / (from) accumulated surplus | 15a,c | - | - | 1 | 92 | - | (93) | - |
| Balance at 30 June 2015 | | 22,456 | - | 141 | 491 | 19,896 | (3,110) | 39,875 |
| Net result for the year | | - | - | - | - | - | (1,328) | (1,328) |
| Other comprehensive income for the year | 15a | (86) | - | - | - | - | - | (86) |
| Transfer to / (from) accumulated surplus | 15a,c | - | - | (1) | (71) | - | 72 | - |
| Balance at 30 June 2016 | | 22,370 | - | 140 | 420 | 19,896 | (4,366) | 38,461 |

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 2016. 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 general purpose financial statements 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 18th August 2016.

(b) Basis of accounting preparation and measurement

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016, and the comparative information presented in these financial statements for the year ended 30 June 2015.

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 when new indices are published by the Valuer General 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 amounts 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.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

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

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:

- 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.

Note 1: Statement of Significant Accounting Policies

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 10 Consolidated Financial Statements:

- the consolidated financial statements of East Grampians Health Service include all reporting entities controlled by East Grampians Health Service as at 30 June 2016; and
- the consolidated financial statements exclude bodies of East Grampians Health Service that are not controlled by East Grampians Health Service, and therefore are not consolidated.
- 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 26.

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 entities adopt dissimilar accounting policies 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 20** 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, expenditure using capital purpose income 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 changes in equity from 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 at fair value. 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;
- Leave entitlements;
- Termination payments; 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(s) 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 | |
|------------------------------------|--|----------------|
| | 2016 \$'000 | 2015 \$'000 |
| Defined benefit plans: | | |
| Health Super Superannuation Fund | 127 | 146 |
| Defined contribution plans: | | |
| First State Superannuation Fund | 1,282 | 1,170 |
| HESTA Superannuation Fund | 408 | 330 |
| Total | 1,817 | 1,646 |

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 (i.e. excludes land assets held for sale, and investment properties). Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

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>2016</u> | <u>2015</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.

Intangible produced assets with finite lives are depreciated as an expense from transactions on a systematic basis over the asset's useful life.

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 economic flows included in the net result

Other economic flows are changes in the volume or value of assets or liabilities that do not result from transactions.

Note 1: Statement of Significant Accounting Policies

Net gain/(loss) on disposal of 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.
- **Other gains/ (losses) from other economic flows**
Other gains/ (losses) include:
 - a. the revaluation of the present value of the long service leave liability due to changes in the bond interest rates, this will also include the impact of changes related to the impact of moving from the 2004 long service leave model to the 2008 long service leave model; and
 - b. transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

(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.

Available-for-sale financial assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, gains and losses arising from changes in fair value are recognised in 'other comprehensive income' until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period. Fair value is determined in the manner described in Note 17.

(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 includes 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.

Note 1: Statement of Significant Accounting Policies

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

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

Hospital investments must be in accordance in Standing Direction 4.5.6 – Treasury Risk Management. 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 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 loss. 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.

Note 1: Statement of Significant Accounting Policies

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 10 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

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 of disposal. 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 of disposal.

Investments in joint operations

In respect of any interest in joint operations, East Grampians Health Service recognises in the financial statements:

- its assets, including its share of any assets held jointly;
- any liabilities including its share of liabilities that it had incurred;
- its revenue from the sale of its share of the output from the joint operation;
- its share of the revenue from the sale of the output by the operation; and
- its expenses, including its share of any expenses incurred jointly.

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 liability 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, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow.

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.

On-costs related to employee expense

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.

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

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 18) at their nominal value and are inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

(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 2016 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 2016, 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 | 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. | 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 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. 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. |
| AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 | This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018. | 1-Jan-18 | This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements. |
| AASB 16 Leases | The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet. | 1-Jan-19 | The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors. |

(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 2016 \$'000 | Non-Admitted Services 2016 \$'000 | Aged Care 2016 \$'000 | Primary Health 2016 \$'000 | RAC incl. Mental Health 2016 \$'000 | Other 2016 \$'000 | Total 2016 \$'000 |
|---|--|--|--------------------------------------|---|--|----------------------------------|----------------------------------|
| Government Grant | 15,020 | 1,192 | 1,003 | 2,560 | 6,949 | 144 | 26,868 |
| Indirect contributions by Department of Health and Human Services | 429 | - | - | - | - | 54 | 483 |
| Patient & Resident Fees | 898 | - | 116 | 221 | 1,951 | 1,379 | 4,565 |
| Commercial Activities | - | - | - | - | - | 522 | 522 |
| Other Revenue from Operating Activities | 166 | 56 | 34 | 507 | 29 | 468 | 1,260 |
| Total Revenue from Operating Activities | 16,513 | 1,248 | 1,153 | 3,288 | 8,929 | 2,567 | 33,698 |
| Interest | - | - | - | - | 94 | 34 | 128 |
| Share of Jointly Controlled Revenue (Note 21) | - | - | - | - | - | 354 | 354 |
| Total Revenue from Non-Operating Activities | - | - | - | - | 94 | 388 | 482 |
| Capital Purpose Income (excluding interest) | - | - | - | - | - | 1,237 | 1,237 |
| Share of Jointly Controlled Capital Revenue (Note 21) | - | - | - | - | - | 231 | 231 |
| Total Capital Purpose Income | - | - | - | - | - | 1,468 | 1,468 |
| Total Revenue | 16,513 | 1,248 | 1,153 | 3,288 | 9,023 | 4,423 | 35,648 |

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

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 |
|---|--|--|--------------------------------------|---|--|----------------------------------|----------------------------------|
| 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 |
| Total Revenue from Operating Activities | 14,974 | 1,233 | 1,056 | 2,811 | 7,924 | 2,837 | 30,834 |
| Interest | - | - | - | - | 95 | 174 | 269 |
| Share of Jointly Controlled Revenue (Note 21) | - | - | - | - | - | 336 | 336 |
| Total Revenue from Non-Operating Activities | - | - | - | - | 95 | 510 | 605 |
| Capital Purpose Income (excluding interest) | - | - | - | - | - | 984 | 984 |
| Total Capital Purpose Income | - | - | - | - | - | 984 | 984 |
| Total Revenue | 14,974 | 1,233 | 1,056 | 2,811 | 8,018 | 4,331 | 32,423 |

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

| | Consol'd 2016 \$'000 | Consol'd 2015 \$'000 |
|---|-------------------------------------|-------------------------------------|
| Proceeds from Disposals of Non-Current Assets | | |
| Plant and Equipment | - | 7 |
| Motor Vehicles | 75 | 98 |
| Total Proceeds from Disposal of Non-Current Assets | 75 | 105 |
| Less: Written Down Value of Non-Current Assets Sold | | |
| Plant and Equipment | - | 1 |
| Motor Vehicles | 58 | 121 |
| Total Written Down Value of Non-Current Assets Sold | 58 | 122 |
| Net gains/(losses) on Disposal of Non-Current Assets | 17 | (17) |

Note 3: Analysis of Expenses by Source

| | Admitted Patients 2016 \$'000 | Non-Admitted 2016 \$'000 | Aged Care 2016 \$'000 | Primary Health 2016 \$'000 | RAC incl. Mental Health 2016 \$'000 | Other 2016 \$'000 | Total 2016 \$'000 |
|--|-------------------------------------|--------------------------------|-----------------------------|----------------------------------|---|-------------------------|-------------------------|
| Employee Expenses | 9,711 | 450 | 674 | 3,750 | 6,145 | 232 | 20,962 |
| Non Salary Labour Costs | 2,897 | - | - | 26 | - | 364 | 3,287 |
| Supplies & Consumables | 5,042 | 76 | 31 | 147 | 475 | 1,401 | 7,172 |
| Other Expenses | 259 | 17 | 74 | 545 | 617 | 374 | 1,886 |
| Share of Jointly Controlled Expenses (note 21) | - | - | - | - | - | 341 | 341 |
| Total Expenditure from Operating Activities | 17,909 | 543 | 780 | 4,469 | 7,237 | 2,712 | 33,648 |
| Expenditure for Capital Purposes | - | - | - | - | - | 543 | 543 |
| Depreciation & Amortisation (refer note 4) | 1,442 | 44 | 63 | 360 | 583 | 218 | 2,709 |
| Share of Jointly Controlled Capital Expenses (note 21) | - | - | - | - | - | 21 | 21 |
| Total other expenses | 1,442 | 44 | 63 | 360 | 583 | 782 | 3,273 |
| Total Expenses | 19,351 | 587 | 843 | 4,829 | 7,820 | 3,494 | 36,921 |

| | 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 |
| Total Expenditure from Operating Activities | 16,017 | 1,261 | 795 | 2,494 | 7,503 | 2,885 | 30,955 |
| 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 21) | - | - | - | - | - | 338 | 338 |
| Total other expenses | 1,360 | 107 | 67 | 212 | 637 | 784 | 3,167 |
| Total Expenses | 17,377 | 1,368 | 862 | 2,706 | 8,140 | 3,669 | 34,122 |

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 2016 \$'000 | Consol'd 2015 \$'000 | Consol'd 2016 \$'000 | Consol'd 2015 \$'000 |
| Diagnostic Imaging | 1,354 | 1,152 | 1,490 | 1,221 |
| Catering & Conference | 323 | 478 | 300 | 418 |
| Fundraising and Community Support | 5 | 4 | 17 | 261 |
| TOTAL | 1,682 | 1,634 | 1,807 | 1,900 |

Note 4: Depreciation

| | Consol'd 2016 \$'000 | Consol'd 2015 \$'000 |
|---------------------------|----------------------------|----------------------------|
| Depreciation | | |
| Land Improvements | 36 | 36 |
| Buildings | 1,918 | 1,918 |
| Plant & Equipment | 423 | 347 |
| Medical Equipment | 332 | 327 |
| Total Depreciation | 2,709 | 2,628 |

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.

| | Consol'd Entity 2016 \$'000 | Consol'd Entity 2015 \$'000 |
|---|--------------------------------------|--------------------------------------|
| Cash on Hand | 3 | 3 |
| Cash at Bank | 192 | 123 |
| Short Term Money Market | 7,339 | 6,740 |
| Jointly Controlled Cash and Cash Equivalents (note 21) | 147 | 41 |
| TOTAL | 7,681 | 6,907 |
| Represented by: | | |
| Cash for Health Service Operations (as per Cash Flow Statement) | 3,728 | 3,843 |
| Cash for Monies Held in Trust | | |
| - Cash on Hand | 1 | 1 |
| - Cash at Bank | 750 | 750 |
| - Short Term Money Market | 3,202 | 2,313 |
| Total Cash and Cash Equivalents | 7,681 | 6,907 |

Note 6: Receivables

| | Consol'd Entity 2016 \$'000 | Consol'd Entity 2015 \$'000 |
|--|--------------------------------------|--------------------------------------|
| CURRENT | | |
| Contractual | | |
| Inter Hospital Debtors | 429 | 181 |
| Trade Debtors | 139 | 173 |
| DHHS Grant Receivable | 157 | - |
| Jointly Controlled Receivables (note 21) | 89 | 33 |
| Patient Fees | 549 | 258 |
| Accrued Investment Income | 3 | 8 |
| Accrued Revenue - Other | 462 | 190 |
| Less Allowance for Doubtful Debts | | |
| - Patient Fees | (126) | (15) |
| | 1,702 | 828 |
| Statutory | | |
| GST Receivable | 207 | 177 |
| TOTAL CURRENT RECEIVABLES | 1,909 | 1,005 |
| NON CURRENT | | |
| Statutory | | |
| Long Service Leave - Department of Health/ Department of Health and Human Services | 1,080 | 908 |
| | 1,080 | 908 |
| TOTAL NON-CURRENT RECEIVABLES | 1,080 | 908 |
| TOTAL RECEIVABLES | 2,989 | 1,913 |

(a) Movement in the Allowance for doubtful debts

| | Consol'd Entity 2016 \$'000 | Consol'd Entity 2015 \$'000 |
|---|--------------------------------------|--------------------------------------|
| Balance at beginning of year | 15 | 19 |
| Amounts written off during the year | 4 | 4 |
| Increase/(decrease) in allowance recognised in net result | 107 | (8) |
| Balance at end of year | 126 | 15 |

(b) Ageing analysis of receivables

Please refer to note 17(b) for the ageing analysis of contractual receivables

(c) Nature and extent of risk arising from receivables

Please refer to note 17(b) for the nature and extent of credit risk arising from contractual receivables

Note 7: Investments and other Financial Assets

| | Capital Fund | | Consol'd | |
|--|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| CURRENT | | | | |
| <i>Equities and Managed Investment Schemes</i> | | | | |
| Australian Listed Equity Securities | 303 | - | 303 | - |
| Total Current | 303 | - | 303 | - |
| TOTAL | 303 | - | 303 | - |
| Represented by: | | | | |
| Foundation Investments | 303 | - | 303 | - |
| TOTAL | 303 | - | 303 | - |

(b) Ageing analysis of investments and other financial assets

Please refer to note 17(b) for the ageing analysis of investments and other financial assets

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

Please refer to note 17(c) for the nature and extent of credit risk arising from investments and other financial assets

Note 8: Inventories

| | Consol'd 2016 \$'000 | Consol'd 2015 \$'000 |
|-----------------------------------|----------------------------|----------------------------|
| Pharmaceuticals | | |
| At cost | 10 | 9 |
| Medical and Surgical Lines | | |
| At cost | 48 | 41 |
| TOTAL INVENTORIES | 58 | 50 |

* All categories are to be valued at Cost and/or Net Realisable Value.

Note 9: Other Assets

| | Consol'd 2016 \$'000 | Consol'd 2015 \$'000 |
|---|----------------------------|----------------------------|
| Prepayments | 154 | 110 |
| Rental Property Bonds | 8 | 9 |
| Jointly Controlled Other Assets (note 21) | 12 | 5 |
| CURRENT | 174 | 124 |
| TOTAL | 174 | 124 |

Note 10: Property, Plant & Equipment

(a) Gross carrying amount and accumulated depreciation

| | Consol'd 2016 \$'000 | Consol'd 2015 \$'000 |
|---|----------------------------|----------------------------|
| Land | | |
| Crown Land at Fair Value | 1,035 | 1,035 |
| Land Improvements at Fair Value | 710 | 710 |
| Less Accumulated Depreciation | (71) | (36) |
| Total Land | 1,674 | 1,709 |
| Buildings | | |
| Buildings Under Construction at cost | 1,258 | 376 |
| Buildings at Fair Value | 36,212 | 36,213 |
| Less Accumulated Depreciation | (3,833) | (1,917) |
| Buildings at Cost | 15 | 15 |
| Less Acc'd Depreciation | (1) | (1) |
| Total Buildings | 33,651 | 34,686 |
| Plant and Equipment | | |
| Plant and Equipment at Fair Value | 4,398 | 3,843 |
| Less Accumulated Depreciation | (2,832) | (2,457) |
| Total Plant and Equipment | 1,566 | 1,386 |
| Medical Equipment | | |
| Medical Equipment at Fair Value | 4,983 | 4,664 |
| Less Accumulated Depreciation | (3,142) | (2,807) |
| Total Medical Equipment | 1,841 | 1,857 |
| Jointly Controlled Property, Plant & Equipment | | |
| Jointly Controlled Property, Plant & Equipment at Fair Value | 208 | 168 |
| Less Accumulated Depreciation | (42) | (92) |
| Total Jointly Controlled Property, Plant & Equipment | 166 | 76 |
| TOTAL | 38,898 | 39,714 |

Note 10: 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 |
|--|----------------|---------------------|--------------------------------|--------------------------------|---|-----------------|
| Balance at 1 July 2014 | 1,745 | 36,213 | 1,334 | 1,967 | 80 | 41,339 |
| Additions | - | 391 | 521 | 218 | - | 1,130 |
| Disposals | - | - | (122) | - | - | (122) |
| Movement in Jointly Controlled Property, Plant & Equipment (note 21) | - | - | - | - | (4) | (4) |
| Depreciation (note 4) | (36) | (1,918) | (347) | (327) | - | (2,628) |
| Balance at 1 July 2015 | 1,709 | 34,686 | 1,386 | 1,858 | 76 | 39,715 |
| Additions | - | 883 | 661 | 315 | - | 1,859 |
| Disposals | - | - | (58) | - | - | (58) |
| Movement in Jointly Controlled Property, Plant & Equipment (note 21) | - | - | - | - | 90 | 90 |
| Depreciation (note 4) | (36) | (1,918) | (423) | (332) | - | (2,709) |
| Balance at 30 June 2016 | 1,674 | 33,651 | 1,566 | 1,841 | 166 | 38,898 |

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 10: Property, Plant & Equipment (Continued)

(c) Fair value measurement hierarchy for assets

| | Carrying amount as at 30 June 2016 | Fair value measurement at end of reporting period using: | | | Carrying amount as at 30 June 2015 | Fair value measurement at end of reporting period using: | | |
|---|---------------------------------------|--|------------------------|------------------------|---------------------------------------|--|------------------------|------------------------|
| | | Level 1 ⁽¹⁾ | Level 2 ⁽¹⁾ | Level 3 ⁽¹⁾ | | Level 1 ⁽¹⁾ | Level 2 ⁽¹⁾ | Level 3 ⁽¹⁾ |
| Land at fair value | | | | | | | | |
| Specialised land | 1,674 | - | - | 1,674 | 1,709 | - | - | 1,709 |
| Total land at fair value | 1,674 | - | - | 1,674 | 1,709 | - | - | 1,709 |
| Buildings at fair value | | | | | | | | |
| Specialised buildings | 33,651 | - | - | 33,651 | 34,686 | - | - | 34,686 |
| Total building at fair value | 33,651 | - | - | 33,651 | 34,686 | - | - | 34,686 |
| Plant and equipment at fair value | | | | | | | | |
| Plant equipment and vehicles at fair value | | | | | | | | |
| - Vehicles | 498 | - | - | 498 | 498 | - | - | 498 |
| - Plant and equipment | 1,068 | - | - | 1,068 | 888 | - | - | 888 |
| Total plant, equipment and vehicles at fair value | 1,566 | - | - | 1,566 | 1,386 | - | - | 1,386 |
| Medical equipment at fair value | | | | | | | | |
| Specialised medical equipment | 1,841 | - | - | 1,841 | 1,857 | - | - | 1,857 |
| Total medical equipment at fair value | 1,841 | - | - | 1,841 | 1,857 | - | - | 1,857 |
| Jointly controlled property, plant & equipment at fair value | | | | | | | | |
| Specialised ICT equipment | 166 | - | - | 166 | 76 | - | - | 76 |
| Total jointly controlled property, plant & equipment at fair value | 166 | - | - | 166 | 76 | - | - | 76 |
| TOTAL | 38,898 | - | - | 38,898 | 39,714 | - | - | 39,714 |

(i) 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 2016.

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

Note 10: Property, Plant & Equipment (Continued)

(d) Reconciliation of Level 3 fair value

| 30-Jun-16 | Land | Buildings | Plant & Equipment | Medical Equipment | Jointly Controlled PP&E | Total |
|--|---------------|------------------|------------------------------|--------------------------|------------------------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening Balance | 1,709 | 34,686 | 1,386 | 1,858 | 76 | 39,715 |
| Purchases (sales) | - | 883 | 603 | 315 | 90 | 1,891 |
| Subtotal | 1,709 | 35,569 | 1,989 | 2,173 | 166 | 41,606 |
| Gains or losses recognised in net result | | | | | | |
| - Depreciation | (36) | (1,918) | (423) | (332) | - | (2,709) |
| Subtotal | (36) | (1,918) | (423) | (332) | - | (2,709) |
| Closing Balance | 1,674 | 33,651 | 1,566 | 1,841 | 166 | 38,898 |

| 30-Jun-15 | Land | Buildings | Plant & Equipment | Medical Equipment | Jointly Controlled PP&E | Total |
|--|---------------|------------------|------------------------------|--------------------------|------------------------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening Balance | 1,745 | 36,213 | 1,334 | 1,967 | 80 | 41,339 |
| Purchases (sales) | - | 391 | 399 | 218 | (4) | 1,004 |
| Subtotal | 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) |
| - Impairment loss | | | | | | - |
| Subtotal | (36) | (1,918) | (347) | (327) | - | (2,628) |
| Closing Balance | 1,709 | 34,686 | 1,386 | 1,858 | 76 | 39,715 |

Note 10: Property, Plant & Equipment (Continued)

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

| | Valuation technique | Significant unobservable inputs | 2015 Range (weighted average) | 2016 Range (weighted average) | Sensitivity of fair value measurement to changes in significant unobservable inputs |
|--|------------------------------|---|---|---|--|
| Specialised land | 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 |
| Specialised buildings | 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. |
| Plant and equipment at fair value | 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. |
| Vehicles at fair value | 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. |
| Medical equipment at fair value | 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 11: Investment Properties

(a) Movements in carrying value for investment properties as at 30 June 2016

| | Consol'd 2016 \$'000 | Consol'd 2015 \$'000 |
|---|----------------------------|----------------------------|
| Balance at Beginning of Period | 1,105 | 1,105 |
| Net Gain/(Loss) from Fair Value Adjustments | (86) | - |
| Balance at End of Period | 1,019 | 1,105 |

(b) Fair value measurement hierarchy for investment properties as at 30 June 2016

| | Carrying amount as at 30 June 2016 | Fair value measurement at end of reporting period using: | | |
|-----------------------|---|---|------------------------|------------------------|
| | | Level 1 ⁽¹⁾ | Level 2 ⁽¹⁾ | Level 3 ⁽¹⁾ |
| Investment properties | 1,019 | - | 1,019 | - |
| | 1,019 | - | 1,019 | - |

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

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

(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 2016 have been arrived on the basis of an independent valuation carried out as at 30 June 2016. 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 12: Payables

| | Consol'd 2016 \$'000 | Consol'd 2015 \$'000 |
|---------------------------------------|----------------------------|----------------------------|
| CURRENT | | |
| Contractual | | |
| Trade Creditors | 1,190 | 379 |
| Accrued Expenses | 601 | 206 |
| Jointly Controlled Payables (note 21) | 54 | 18 |
| | 1,845 | 603 |
| Statutory | | |
| Department of Health & Human Services | - | 10 |
| | - | 10 |
| TOTAL CURRENT | 1,845 | 613 |
| TOTAL | 1,845 | 613 |

(a) Maturity analysis of payables

Please refer to note 17c for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from payables

Please refer to note 17c for the nature and extent of risks arising from contractual payables.

Note 13: Provisions

| | Consol'd 2016 \$'000 | Consol'd 2015 \$'000 |
|---|----------------------------|----------------------------|
| Current Provisions | | |
| Employee Benefits (i) (Note 13(a)) | | |
| Annual leave (Note 13(a)) | | |
| - Unconditional and expected to be settled wholly within 12 months (ii) | 1,387 | 1,300 |
| - Unconditional and expected to be settled wholly after 12 months (iii) | 121 | 113 |
| Accrued days off (Note 13(a)) | | |
| - Unconditional and expected to be settled wholly within 12 months (ii) | 53 | 46 |
| Accrued salaries and wages (Note 13(a)) | | |
| - Unconditional and expected to be settled wholly within 12 months (ii) | 647 | 441 |
| Long service leave (Note 13(a)) | | |
| - Unconditional and expected to be settled wholly within 12 months (ii) | 330 | 314 |
| - Unconditional and expected to be settled wholly after 12 months (iii) | 1,735 | 1,649 |
| | 4,273 | 3,863 |
| Provisions related to Employee Benefit On-Costs | | |
| - Unconditional and expected to be settled within 12 months (ii) | 290 | 252 |
| - Unconditional and expected to be settled wholly after 12 months (iii) | 223 | 211 |
| | 513 | 463 |
| Total Current Provisions | 4,786 | 4,326 |
| Non-Current Provisions | | |
| Employee Benefits (i) | 695 | 608 |
| Provisions related to Employee Benefit On-Costs | 83 | 73 |
| Total Non-Current Provisions | 778 | 681 |
| Total Provisions | 5,564 | 5,007 |
| (a) Employee Benefits and Related On-Costs | | |
| Current Employee Benefits and related on-costs | | |
| Unconditional LSL Entitlement | 2,313 | 2,198 |
| Annual Leave Entitlements | 1,689 | 1,582 |
| Accrued Wages and Salaries | 725 | 494 |
| Accrued Days Off | 59 | 52 |
| Non-Current Employee Benefits and related on-costs | | |
| Conditional Long Service Leave Entitlements (iii) | 778 | 681 |
| Total Employee Benefits and Related On-Costs | 5,564 | 5,007 |

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 2016 \$'000 | Consol'd 2015 \$'000 |
|--|----------------------------|----------------------------|
| (b) Movements in provisions | | |
| Movement in Long Service Leave: | | |
| Balance at start of year | 2,879 | 2,819 |
| Provision made during the year | | |
| - Revaluations | 202 | 89 |
| - Expense recognising Employee Service | 309 | 439 |
| Settlement made during the year | (299) | (468) |
| Balance at end of year | 3,091 | 2,879 |

Note 14: Other Liabilities

| | Consol'd 2016 \$'000 | Consol'd 2015 \$'000 |
|--|----------------------------|----------------------------|
| CURRENT | | |
| Monies Held in Trust* | | |
| - Patient Monies Held in Trust* | 52 | 45 |
| - Accommodation Bonds (Refundable Entrance Fees)* | 3,826 | 3,014 |
| - Other Monies Held in Trust* | 75 | 5 |
| Other | 8 | 31 |
| Total Current | 3,961 | 3,095 |
| Total Other Liabilities | 3,961 | 3,095 |
| * Total Monies Held in Trust Represented by the following assets: | | |
| Cash Assets (refer to note 5) | 3,953 | 3,064 |
| TOTAL | 3,953 | 3,064 |

Note 15: Equity

| | Consol'd 2016 \$'000 | Consol'd 2015 \$'000 |
|--|----------------------------|----------------------------|
| (a) Surpluses | | |
| Property, Plant & Equipment Revaluation Surplus | | |
| Balance at the beginning of the reporting period | 22,456 | 22,456 |
| Revaluation Increment/(Decrements) | | |
| - Land | (86) | - |
| Balance at the end of the reporting period* | 22,370 | 22,456 |
| * Represented by: | | |
| - Land | 2,526 | 2,612 |
| - Buildings | 19,844 | 19,844 |
| | 22,370 | 22,456 |
| Financial Assets Available-for-Sale Revaluation Surplus | | |
| Balance at the beginning of the reporting period | - | - |
| Valuation gain/(loss) recognised | 12 | - |
| Balance at end of the reporting period | 12 | - |
| General Purpose Surplus | | |
| Balance at the beginning of the reporting period | 141 | 140 |
| Transfer to General Reserve | (1) | 1 |
| Balance at the end of the reporting period | 140 | 141 |
| Restricted Specific Purpose Surplus | | |
| Balance at the beginning of the reporting period | 491 | 399 |
| Transfer to and from Restricted Specific Purpose Reserve | (59) | 92 |
| Balance at the end of the reporting period | 432 | 491 |
| Total Reserves | 22,954 | 23,088 |
| (b) Contributed Capital | | |
| Balance at the beginning of the reporting period | 19,896 | 19,896 |
| Balance at the end of the reporting period | 19,896 | 19,896 |
| (c) Accumulated Surpluses/(Deficits) | | |
| Balance at the beginning of the reporting period | (1,886) | (94) |
| Net Result for the Year | (1,273) | (1,699) |
| Transfers to/(from): | | |
| - General Purpose Surplus | 1 | (1) |
| - Restricted Specific Purpose Surplus | 59 | (92) |
| Balance at the end of the reporting period | (3,099) | (1,886) |
| Total Equity at end of financial year | 39,752 | 41,099 |

Note 16: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from

| | Consol'd 2016 \$'000 | Consol'd 2015 \$'000 |
|--|-------------------------------------|-------------------------------------|
| Net Result for the Year | (1,273) | (1,699) |
| Depreciation & Amortisation | 2,709 | 2,628 |
| Provision for Doubtful Receivables | 111 | (4) |
| Change in Inventories | (8) | 4 |
| Net (Gain)/Loss from Sale of Plant and Equipment | (17) | 17 |
| Change in Operating Assets & Liabilities | | |
| (Increase)/Decrease in Receivables | (1,186) | (144) |
| (Increase)/Decrease in Other Assets | (979) | (18) |
| (Increase)/Decrease in Prepayments | (50) | 12 |
| Increase/(Decrease) in Payables | 1,232 | (333) |
| Increase/(Decrease) in Provisions | 557 | 185 |
| Increase/(Decrease) in Other Liabilities | 866 | 32 |
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | 1,962 | 680 |

Notes to and Forming Part of the Financial Statements

East Grampians Health Service Annual report 2015-16

Note 17: 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 |
|--|--|--|---|--|--|--------------|
| 2016 | | | | | | |
| Contractual Financial Assets | | | | | | |
| Cash and cash equivalents | - | - | 7,681 | - | - | 7,681 |
| Receivables | - | - | 1,279 | - | - | 1,279 |
| - Trade Debtors | - | - | 423 | - | - | 423 |
| - Other Receivables | - | - | - | - | - | - |
| Other Financial Assets | - | - | - | 303 | - | 303 |
| - Shares in Other Entities | - | - | - | 303 | - | 303 |
| Total Financial Assets ⁽ⁱ⁾ | - | - | 9,383 | 303 | - | 9,686 |
| Financial Liabilities | | | | | | |
| Payables | - | - | - | - | 1,845 | 1,845 |
| Other Financial Liabilities | - | - | - | - | 3,826 | 3,826 |
| - Accommodation bonds | - | - | - | - | 135 | 135 |
| - Other | - | - | - | - | - | - |
| Total Financial Liabilities ⁽ⁱⁱ⁾ | - | - | - | - | 5,806 | 5,806 |

| | 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 |
|--|--|--|---|--|--|--------------|
| 2015 | | | | | | |
| Contractual Financial Assets | | | | | | |
| Cash and cash equivalents | - | - | 6,907 | - | - | 6,907 |
| Receivables | - | - | 585 | - | - | 585 |
| - Trade Debtors | - | - | 243 | - | - | 243 |
| - Other Receivables | - | - | - | - | - | - |
| Total Financial Assets ⁽ⁱ⁾ | - | - | 7,735 | - | - | 7,735 |
| Financial Liabilities | | | | | | |
| Payables | - | - | - | - | 603 | 603 |
| Other Financial Liabilities | - | - | - | - | 3,014 | 3,014 |
| - Accommodation bonds | - | - | - | - | 81 | 81 |
| - Other | - | - | - | - | - | - |
| Total Financial Liabilities ⁽ⁱⁱ⁾ | - | - | - | - | 3,698 | 3,698 |

(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 |
|--|--------------------------------|--|-------------------------------|------------------------|--------------|
| 2016 | | | | | |
| Financial Assets | | | | | |
| Cash and Cash Equivalents ⁽ⁱ⁾ | - | 128 | - | - | 128 |
| Total Financial Assets | - | 128 | - | - | 128 |
| Financial Liabilities | | | | | |
| 2015 | | | | | |
| Financial Assets | | | | | |
| Cash and Cash Equivalents ⁽ⁱ⁾ | - | 273 | - | - | 273 |
| Total Financial Assets | - | 273 | - | - | 273 |

Note 17: 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 (min BBB rating) | Other | Total |
|-------------------------------|--|--------------|--------------|
| | \$'000 | \$'000 | \$'000 |
| 2016 | | | |
| Financial Assets | | | |
| Cash and Cash Equivalents | 7,681 | - | 7,681 |
| Receivables | | | |
| - Trade Debtors | - | 1,279 | 1,279 |
| - Other Receivables | - | 423 | 423 |
| Total Financial Assets | 7,681 | 1,702 | 9,383 |
| 2015 | | | |
| Financial Assets | | | |
| Cash and Cash Equivalents | 6,907 | - | 6,907 |
| Receivables | | | |
| - Trade Debtors | 585 | 585 | 1,170 |
| - Other Receivables | 243 | 243 | 486 |
| Total Financial Assets | 7,735 | 828 | 8,563 |

Ageing analysis of Financial Asset as at 30 June

| | Consolidated Carrying Amount \$'000 | Not Past Due and Not Impaired \$'000 | Past Due But Not Impaired | | | | Impaired Financial Assets \$'000 |
|-------------------------------|--|---|-----------------------------|----------------------|-----------------------------|---------------------|-------------------------------------|
| | | | Less than 1 Month \$'000 | 1-3 Months \$'000 | 3 months - 1 Year \$'000 | 1-5 Years \$'000 | |
| 2016 | | | | | | | |
| Financial Assets | | | | | | | |
| Cash and Cash Equivalents | 7,681 | 7,681 | - | - | - | - | - |
| Receivables | | | | | | | |
| - Trade Debtors | 1,279 | 1,059 | 48 | 46 | 126 | - | - |
| - Other Receivables | 423 | 224 | 16 | 15 | 42 | - | 126 |
| Other Financial Assets | | | | | | | |
| - Shares in Other Entities | 303 | 303 | - | - | - | - | - |
| Total Financial Assets | 9,686 | 9,267 | 64 | 62 | 168 | - | 126 |
| 2015 | | | | | | | |
| Financial Assets | | | | | | | |
| Cash and Cash Equivalents | 6,907 | 6,907 | - | - | - | - | - |
| Receivables | | | | | | | |
| - Trade Debtors | 585 | 532 | 16 | 19 | 18 | - | - |
| - Other Receivables | 243 | 134 | 31 | 14 | 53 | - | 11 |
| Total Financial Assets | 7,735 | 7,573 | 47 | 33 | 71 | - | 11 |

Note 17: 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 |
| 2016 | | | | | | |
| Financial Liabilities | | | | | | |
| Payables | 1,845 | 1,845 | 1,845 | - | - | - |
| Other Financial Liabilities | | | | | | |
| - Accommodation Bonds | 3,826 | 3,826 | 3,826 | - | - | - |
| - Other | 135 | 135 | 135 | - | - | - |
| Total Financial Liabilities | 5,806 | 5,806 | 5,806 | - | - | - |
| 2015 | | | | | | |
| Financial Liabilities | | | | | | |
| Payables | 603 | 603 | 603 | - | - | - |
| Other Financial Liabilities | | | | | | |
| - Accommodation Bonds | 3,014 | 3,014 | 3,014 | - | - | - |
| - Other | 81 | 81 | 81 | - | - | - |
| Total Financial Liabilities | 3,698 | 3,698 | 3,698 | - | - | - |

Note 17: 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 |
| 2016 | | | | | |
| Financial Assets | | | | | |
| Cash and Cash Equivalents | 2.19 | 7,681 | 4,903 | 2,775 | 3 |
| Receivables | | | | | |
| - Trade Debtors | - | 1,279 | - | - | 1,279 |
| - Other Receivables | - | 423 | - | - | 423 |
| Other Financial Assets | | | | | |
| - Shares in Other Entities | - | 303 | - | - | 303 |
| | | 9,686 | 4,903 | 2,775 | 2,008 |
| Financial Liabilities | | | | | |
| Payables | - | 1,845 | - | - | 1,845 |
| Other Financial Liabilities | | | | | |
| - Accommodation Bonds | - | 3,826 | - | - | 3,826 |
| - Other | - | 135 | - | - | 135 |
| | | 5,806 | - | - | 5,806 |
| 2015 | | | | | |
| Financial Assets | | | | | |
| Cash and Cash Equivalents | 2.98 | 6,907 | 4,000 | 2,904 | 3 |
| Receivables | | | | | |
| - Trade Debtors | - | 585 | - | - | 585 |
| - Other Receivables | - | 243 | - | - | 243 |
| | | 7,735 | 4,000 | 2,904 | 831 |
| Financial Liabilities | | | | | |
| Payables | - | 603 | - | - | 603 |
| Other Financial Liabilities | | | | | |
| - Accommodation Bonds | - | 3,014 | - | - | 3,014 |
| - Other | - | 81 | - | - | 81 |
| | | 3,698 | - | - | 3,698 |

Note 17: 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 Grampians 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 2.19%;

- A parallel shift of +1% and -1% in inflation rate from year-end rates of 1.0%

The following table discloses the impact on net operating result and equity for each category of financial instrument held by East Grampians 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 |
| 2016 | | | | | | | | | |
| Financial Assets | | | | | | | | | |
| Cash and Cash Equivalents | 7,681 | (77) | (77) | 77 | 77 | - | - | - | - |
| Receivables | | | | | | | | | |
| - Trade Debtors | 1,279 | - | - | - | - | - | - | - | - |
| - Other Receivables | 423 | - | - | - | - | - | - | - | - |
| Other Financial Assets | | | | | | | | | |
| - Shares in Other Entities | 303 | - | - | - | - | - | (3) | - | 3 |
| Financial Liabilities | | | | | | | | | |
| Payables | 1,845 | - | - | - | - | - | - | - | - |
| Other Financial Liabilities | | | | | | | | | |
| - Accommodation Bonds | 3,826 | - | - | - | - | - | - | - | - |
| - Other | 135 | - | - | - | - | - | - | - | - |
| | | (77) | (77) | 77 | 77 | - | (3) | - | 3 |
| 2015 | | | | | | | | | |
| Financial Assets | | | | | | | | | |
| Cash and Cash Equivalents | 6,907 | (69) | (69) | 69 | 69 | - | - | - | - |
| Receivables | | | | | | | | | |
| - Trade Debtors | 585 | - | - | - | - | - | - | - | - |
| - Other Receivables | 243 | - | - | - | - | - | - | - | - |
| Other Financial Assets | | | | | | | | | |
| Financial Liabilities | | | | | | | | | |
| Payables | 603 | - | - | - | - | - | - | - | - |
| Other Financial Liabilities | | | | | | | | | |
| - Accommodation Bonds | 3,014 | - | - | - | - | - | - | - | - |
| - Other | 81 | - | - | - | - | - | - | - | - |
| | | (69) | (69) | 69 | 69 | - | - | - | - |

Note 17: 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 |
|------------------------------------|---|------------------------|---|------------------------|
| | 2016 \$'000 | 2016 \$'000 | 2015 \$'000 | 2015 \$'000 |
| Financial Assets | | | | |
| Cash and Cash Equivalents | 7,681 | 7,681 | 6,907 | 6,907 |
| Receivables | | | | |
| - Trade Debtors | 1,279 | 1,279 | 585 | 585 |
| - Other Receivables | 423 | 423 | 243 | 243 |
| Other Financial Assets | | | | |
| - Shares in Other Entities | 303 | 303 | - | - |
| Total Financial Assets | 9,686 | 9,686 | 7,735 | 7,735 |
| Financial Liabilities | | | | |
| Payables | 1,845 | 1,845 | 603 | 603 |
| Other Financial Liabilities | | | | |
| - Accommodation Bonds | 3,826 | 3,826 | 3,014 | 3,014 |
| - Other | 135 | 135 | 81 | 81 |
| Total Financial Liabilities | 5,806 | 5,806 | 3,698 | 3,698 |

Note 18: Commitments for Expenditure

| | Consol'd 2016 \$'000 | Consol'd 2015 \$'000 |
|---|-------------------------------------|-------------------------------------|
| Capital expenditure commitments | | |
| <u>Payable:</u> | | |
| Land and Buildings | - | - |
| Plant and Equipment | - | 99 |
| Total capital expenditure commitments | - | 99 |
| Land and Buildings | | |
| Not later than one year | - | 99 |
| Total | - | 99 |
| Total Commitments for Expenditure (inclusive of GST) | - | 109 |
| Less GST recoverable from the Australian Tax Office | - | (10) |
| Total Commitments for Expenditure (exclusive of GST) | - | 99 |

Note 19: Contingent Assets and Contingent Liabilities

As at 30 June 2016 East Grampians Health Service has no knowledge of any contingent assets or liabilities. (Nil for 30 June 2015.)

Note 20: Operating Segments

| | RAC | | Acute | | Other | | Consol'd | |
|---|----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| REVENUE | | | | | | | | |
| External Segment Revenue | 8,929 | 7,924 | 16,513 | 14,974 | 10,078 | 9,257 | 35,520 | 32,154 |
| Total Revenue | 8,929 | 7,924 | 16,513 | 14,974 | 10,078 | 9,257 | 35,520 | 32,154 |
| EXPENSES | | | | | | | | |
| External Segment Expenses | (7,820) | (8,140) | (19,351) | 20 | (9,750) | (8,605) | (36,921) | (16,725) |
| Total Expenses | (7,820) | (8,140) | (19,351) | (17,377) | (9,750) | (8,605) | (36,921) | (34,122) |
| Net Result from ordinary activities | 1,109 | (216) | (2,838) | (2,403) | 328 | 652 | (1,401) | (1,968) |
| Interest Income | 94 | 95 | - | - | 34 | 174 | 128 | 269 |
| Share of Net Result of Joint Ventures using Equity Method | - | - | - | - | - | - | - | - |
| Net Result for Year | 1,203 | (122) | (2,838) | (2,403) | 362 | 826 | (1,273) | (1,699) |
| OTHER INFORMATION | | | | | | | | |
| Segment Assets | 20,695 | 19,452 | 22,043 | 22,191 | 8,384 | 8,169 | 51,122 | 49,813 |
| Total Assets | 20,695 | 19,452 | 22,043 | 22,191 | 8,384 | 8,169 | 51,122 | 49,813 |
| Segment Liabilities | 7,577 | 5,890 | 1,928 | 1,396 | 1,865 | 1,429 | 11,370 | 8,715 |
| Total Liabilities | 7,577 | 5,890 | 1,928 | 1,396 | 1,865 | 1,429 | 11,370 | 8,715 |
| Acquisition of Property, Plant and Equipment | 544 | 304 | 1,105 | 616 | 210 | 210 | 1,859 | 1,130 |
| Depreciation & Amortisation Expense | 894 | 867 | 1,371 | 1,330 | 444 | 431 | 2,709 | 2,628 |

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

Business Segments

Residential Aged Care Services (RAC)
Acute Health
Others
-Primary Health
-District Nursing
-Radiology Services
-Catering Services
-Day Centre
-Consulting Rooms
-Fundraising

Services

High and Low Level Aged Care
Acute Medical & Surgical Services
Physiotherapy, Podiatry, Dietetics, Speech Pathology, Occupational Therapy & Dental

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 21: Jointly Controlled Operations and Assets

| Name of Entity | Principal Activity | Ownership Interest | |
|-------------------------------------|--------------------|--------------------|-----------|
| | | 2016 % | 2015 % |
| Grampians Region Health IT Alliance | ICT Systems | 6.94 | 6.94 |

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:

| | 2016 \$'000 | 2015 \$'000 |
|----------------------------------|----------------|----------------|
| Current Assets | | |
| Cash and Cash Equivalents | 147 | 41 |
| Receivables | 89 | 33 |
| Other Current Assets | 12 | 5 |
| Total Current Assets | 248 | 79 |
| Non Current Assets | | |
| Property, Plant and Equipment | 166 | 76 |
| Total Non Current Assets | 166 | 76 |
| Total Assets | 414 | 155 |
| Current Liabilities | | |
| Payables | 54 | 18 |
| Total Current Liabilities | 54 | 18 |
| Total Liabilities | 54 | 18 |

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

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Revenues | | |
| Operating receipts | 354 | - |
| Capital receipts | 231 | 336 |
| Total Revenue | 585 | 336 |
| Expenses | | |
| Information Technology and Administrative Expenses | 341 | 338 |
| Capital expenses | 21 | - |
| Total Expenses | 362 | 338 |
| Net result | 223 | (2) |

Contingent Liabilities and Capital Commitments

As at 30 June 2016 the Grampians Region Health IT Alliance has not reported any contingent liabilities.

Note 22a: 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 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

Mr M Wood
 Mrs H Fleming
 Mr R Barker
 Mr D Cole
 Mr B Braithwaite
 Ms N Panter
 Mrs F Cochrane
 Mrs A Rivett

Accountable Officers

Mr N Bush

| Period |
|------------------------|
| 1/07/2015 - 30/06/2016 |
| 1/07/2015 - 30/06/2016 |
| 1/07/2015 - 30/06/2016 |
| 1/07/2015 - 30/06/2016 |
| 1/07/2015 - 30/06/2016 |
| 1/07/2015 - 30/06/2016 |
| 1/07/2015 - 30/06/2016 |
| 1/07/2015 - 30/06/2016 |
| 1/07/2015 - 30/06/2016 |
| 1/07/2015 - 30/06/2016 |

Remuneration of Responsible Persons

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

| Income Band | Consol'd | |
|--|------------------|------------------|
| | 2016 No. | 2015 No. |
| \$0 - \$9,999 | 8 | 8 |
| \$210,000 - \$219,999 | 1 | 1 |
| Total Number of Responsible Persons | 9 | 9 |
| Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to: | \$217,436 | \$216,715 |

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

Note 22b: 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 | CONSOL'D | | | |
|--|--------------------|-------------------|-------------------|-------------------|
| | Total Remuneration | | Base Remuneration | |
| | 2016 No. | 2015 No. | 2016 No. | 2015 No. |
| \$20,000 - \$29,999 | - | 2 | - | 2 |
| \$70,000 - \$79,999 | - | - | - | 1 |
| \$120,000 - \$129,999 | - | - | - | - |
| \$130,000 - \$139,999 | 1 | 1 | 1 | 1 |
| \$140,000 - \$149,999 | 2 | 1 | 2 | 1 |
| \$150,000 - \$159,999 | 1 | 1 | 1 | 1 |
| \$160,000 - \$169,999 | 1 | - | 1 | - |
| \$170,000 - \$179,999 | - | 1 | - | - |
| Total Number of Executives | 5 | 6 | 5 | 6 |
| Total Annualised Employee Equivalent (AEE) ⁽ⁱ⁾ | 5.00 | 4.00 | 5.00 | 4.00 |
| Total Remuneration | \$ 736,152 | \$ 678,304 | \$ 736,152 | \$ 577,298 |

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

Note 23: Remuneration of auditors

| | 2016 \$'000 | 2015 \$'000 |
|---|----------------|----------------|
| Victorian Auditor-General's Office | | |
| Audit or review of financial statement | 15 | 13 |
| Other Providers | | |
| Internal Audit reviews | 50 | 26 |

Note 24: Ex-gratia expenses

| | 2016 \$'000 | 2015 \$'000 |
|---|----------------|----------------|
| East Grampians Health Service is recognising the following ex gratia expenses in the operating result for the year: | | |
| Redundancy amounts paid to staff | 31 | - |
| Total ex-gratia expenses | 31 | - |

Note 25: Events Occurring after the Balance Sheet Date

No significant events occurred after the reporting date.

Note 26: Controlled Entities

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

Note 27: Alternate Presentation of Comprehensive operating statement

| | 2016 \$'000 | 2015 \$'000 |
|---|------------------------|------------------------|
| Interest | 128 | 269 |
| Sales of goods and services | 5,087 | 4,594 |
| Grants | 27,351 | 25,401 |
| Other Income | 1,597 | 1,176 |
| Total revenue | 34,163 | 31,439 |
| Employee expenses | 20,962 | 19,570 |
| Depreciation | 2,709 | 2,628 |
| Other operating expenses | 12,686 | 11,368 |
| Total expenses | 36,357 | 33,566 |
| Net result from transactions - Net operating balance | (2,194) | (2,127) |
| Net gain/ (loss) on sale of non-financial assets | 17 | (17) |
| Other gains / (losses) from other economic flows | 904 | 445 |
| Total other economic flows included in net result | 921 | 428 |
| Net result | (1,273) | (1,699) |



East Grampians
Health Service

SITE DIRECTORY AND LOCATION MAPS



EAST GRAMPIANS HEALTH SERVICE

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F: 03 5352 5676

E: info@eghs.net.au

www.eghs.net.au

70 LOWE STREET

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

GARDEN VIEW COURT

Low Street, Ararat 3377
P: 03 5352 9324

PATRICIA HINCHEY 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
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