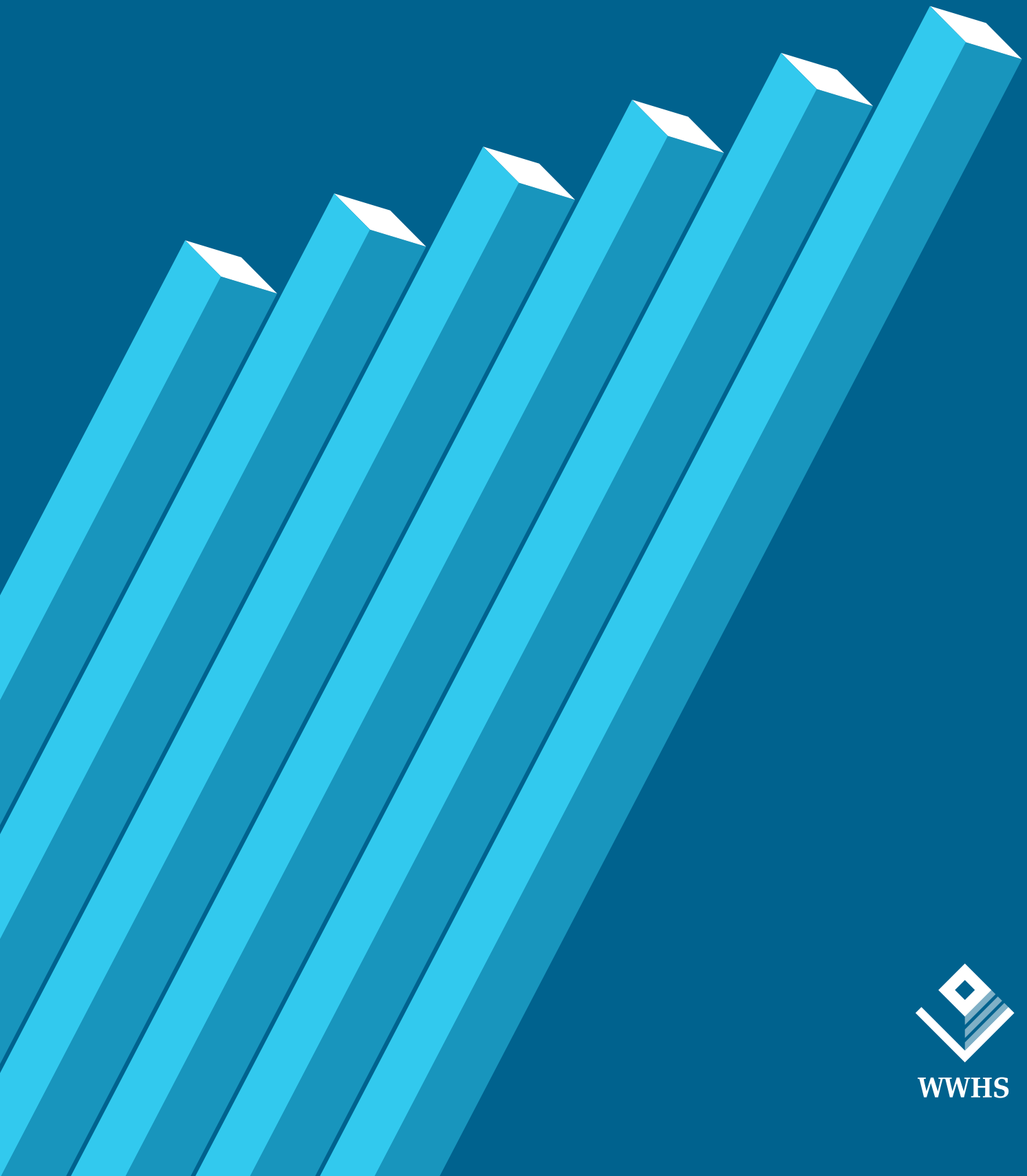
West Wimmera Health Service

2014

Annual Report



WWHS

Mission Vision and Values

The Vision and Mission of West Wimmera Health Service, supported by its established Values, guide the daily approach to its responsibilities of care and are the pillars which underpin the progress towards excellence and successes continually realised.

Our Vision

To establish a health service without peer through the pursuit of excellence and by opening the doors to innovation and technology.

Our Mission

West Wimmera Health Service is committed to the delivery of health, welfare and disability services which are compassionate, responsive, accessible and accountable to individual and community needs, which result in quality outcomes for the people of the West and South Wimmera, and Southern Mallee.

Our Values

Strong Leadership and Management

We value our organisation and will encourage exceptional professional skills and promote collaborative teamwork to drive better outcomes for our consumers.

A Safe Environment

Safety will always be our prime focus.

A Culture of Continuing Improvement

The delivery of superior care to our consumers motivates a culture of quality improvement in all that we do.

Effective Management of the Environment

Our Service is managed in ways which recognise environmental imperatives.

Responsive Partnerships with Our Consumers

We maintain a productive relationship with our communities and stakeholders through open communication, honest reporting and a willingness to embrace constructive suggestions.

Table of Contents

This Report:

- > Sets out the principles guiding West Wimmera Health Service
- > Provides an overview of our services and outcomes
- > Is an open account of activities, achievements and financial performance
- > Is compliant with the requirements of the Department of Treasury and Department of Health.

Responsible Officer Attestation

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations of West Wimmera Health Service for the year ended 30 June 2014

Leonie Clarke

Leonie Clarke JP
President
Nhill, 31 July 2014

To The Hon. David Davis MP – Minister for Health

Minister, it is with confidence that I present to you and to our stakeholders the 2013-2014 Annual Report for West Wimmera Health Service.

The central purpose of West Wimmera Health Service is to improve the health and wellbeing of our communities by providing a broad spectrum of services. This Report outlines the strategies set by the Board of Governance to meet that central purpose.

Accurate reporting of the activities and outcomes of West Wimmera Health Service for this reporting period allows your Government, our communities and other stakeholders to understand all facets of our Service and to gain a clear view of the services and care to which our communities have access.

Reporting our performance against targets as set by the Board and by Government, the extent to which those targets were reached, compliance with State and Commonwealth regulatory obligations and in particular the access our people have to a broad range of health services is a prime consideration for our Service.

Astute financial management in a testing economic climate resulted in a small Operating Surplus which will make sure West Wimmera Health Service retains its role as a key provider of healthcare for the communities of rural remote North West Victoria.

This Report also brings to the fore the benefits of instigating our Capital Infrastructure Plan to 'support the delivery of clinically appropriate and cost-effective care in the most appropriate setting'[1].

Minister, it is with respect I now deliver this Report to you with the confidence it will inform your understanding of the commitment and passion with which West Wimmera Health Service approaches its task of raising the health status of the communities in its care and thus supporting you in your endeavours.

Leonie Clarke

Leonie G. Clarke JP
President

1. *Victorian Health Priorities Framework 2012-2022, Rural & Regional Health Plan*

Chief Executive Report

The diversity of staff, services and facilities at West Wimmera Health Service unite to create an environment of exemplary hospitality and comfort. Our industry-leading systems, assets and work practices ensure our communities receive essential healthcare, in a timely and accessible manner close to home.

Summary of our year

This report discloses the activities, achievements and challenges of West Wimmera Health Service for the reporting period 1 July 2013 to 30 June 2014. It measures performance against targets, describes the methods employed in delivering services, and ensures conscientious compliance with regulatory and reporting standards.

Highlights from the year

Business Expansion

Our impending amalgamation with Dunmunkle Health Service will feature increased service delivery, as we work with them to provide healthcare to Rupanyup, Minyip and Murtoa. This proposed union is in the public interest; we envisage it will provide sustainable health services to the region, as well as ensuring an effective and efficient use of public funds. It will also mean the continued availability of stable, health-related employment in the Dunmunkle area. Our application to amalgamate is currently with the Department of Health, awaiting endorsement in accordance with the Health Services Act 1988 (Vic).

Another business expansion measure we're exploring is employing a general practitioner, based in Nhill, in conjunction with Tristar Medical Group.

If this innovative concept comes to fruition, it will mean the doctor's expertise will be available each morning from Monday to Friday, supporting nurses and existing Tristar general practitioners to provide additional patient care options, expediting medical reviews, diagnostic matters and administration.

This will add another dimension of patient care unique to Western Victoria, and may provide a model for other small rural health services to emulate. The expansion and strengthening of our business relationship with Tristar will continue to be a priority, particularly as we look to appoint medical practitioners to support Natimuk and Goroke in a similar way.

We are also pursuing extended working relationships with other health services in the Grampians region. We hosted executives from Ballarat Health Services who visited in November, with plans to reciprocate their visit in the near future. We also had a combined meeting with clinicians and executive staff from Wimmera Health Care Group early in 2014, which proved fruitful.

Financially, WWHS continues to be very well placed. This year's budget surplus was an important achievement, ensuring our patients, residents and clients have continued to experience our quality services.

Capital Investment

This has been a busy year for capital investment, focusing on three significant community health infrastructure projects. Opening the Goroke Community Health Centre was an essential step toward guaranteeing accessible health services for the residents of Goroke and district. Works are currently underway for the new Natimuk Medical and Allied Health Clinic, which is nearing completion. Preliminary work has also commenced for an Allied Health, Day Care and Community Rehabilitation Centre based in Nhill, which is expected to be completed by June 2015. This Centre will be a first for our region, featuring and supporting our allied and community health personnel.

Residential accommodation is currently being constructed in Nhill, to be occupied by new staff and students carrying out placements with us. Located near the Nhill Hospital, this exciting project will ensure we remain an attractive employer for new staff, and that we continue to provide an excellent standard of training and experience for student healthcare professionals.

Updating the kitchen in our Nhill hospital is a priority, as it is currently over 40 years old. We have submitted proposals in each round for the Rural Capital Support Fund, set up by the State Government to provide capital upgrade funding to rural health services. While we have not yet been successful, we remain optimistic as we anxiously await the outcome of the final round of funding.

We will also continue working with the Hindmarsh Shire Council and Regional Development Victoria to expand the Community Garden in Nhill. The garden has doubled in size since it opened, with ongoing interest from a broad spectrum of community members. The garden is very important to Nhill's Karen community members, most of whom are refugees from Burma, who make up almost 10% of the local community. It is also an important aspect of our Cooinda Division, providing very important life-enhancing opportunities for community members with disabilities.

It is becoming evident that we will be required to make increased financial contributions to the provision of services in forthcoming years. The Board of Governance has decided to embark on a major fundraising initiative, pursuing a $5 million target for use on operational and capital projects. This is astute governance, because although Commonwealth and State budgets provide a component of our funding, they do not provide a total financial solution.

Surgical Services Review

In the 2012-13 financial year, the Department of Health initiated a review of procedural services at the Nhill Hospital. The review was conducted by an expert panel of prominent medical practitioners. It was an excellent process, confirming we are achieving safe and compliant surgical practices.

The panel viewed our facility and operating site, discussing procedures with medical and nursing clinical professionals. Panel member Professor David Watters, Chair in Surgery at Deakin University and Director of Surgery at Barwon Health, said 'WWHS is performing good and important surgery', confirming that appropriate safety measures are in place to mitigate identified risks associated with the types of surgery performed at Nhill. He also noted that 'our complication rate is very low'.

The panel found the range of procedural services undertaken at Nhill hospital is considerable and impressive for a rural hospital. This now means we are set up as a model program for small rural health services providing surgical facilities.

Medical Services Review

Given the result of our surgical services review, we are moving in conjunction with the Department of Health, Ballarat Health Services and Wimmera Healthcare Group to conduct a similar review for medical services. We are presently seeking advice from the Department about how such a review will be conducted, and which eminent practitioners will be suited to assist us in this process.

Dental Care

Our graduate dentist program continues to be very successful. Dental Health Service Victoria's Voluntary Dental Graduate Year Program fully funded us for two six-month placements for graduate dentists this year, providing a full salary and mentoring allowance.

This helps us provide ongoing clinical support to new dentists, enhancing their practice experience and professional development opportunities. It also significantly benefits WWHS, providing an increased dental workforce and service delivery capacity.

The presence of the Royal Flying Doctor Service at our outlying centres has also contributed to our oral hygiene programs.

Community Consultation

To be responsive to patient, carer and consumer input and needs, Members of the Board and Executive Staff visit each community we service annually to discuss issues. We encourage feedback, both positive and negative, and use the information we gain to improve our service delivery.

Political Lobbying

This year, we have been passionately lobbying the Federal Government regarding the proposed repeal of the *Australian Charities and Not-for-profits Act 2012* (Cth) and *Charities Act 2013* (Cth). We voiced our concern that abolishing these Acts would limit the ability of public hospitals to attract donations from charitable funds and trusts. We have also advocated against federal cuts to health funding and discussed our apprehension about the reallocation of funding under the Medicare Locals scheme and the effect these initiatives will have on our services.

Advocating to the Federal and State governments for better healthcare in West Wimmera and the Southern Mallee is an ongoing commitment.

Looking toward the future

The next twelve months will see us adapt to some significant changes relating to health reforms and restructuring of our funding sources.

National Healthcare Reform

This year's National Health Reforms will test our capability to sustain the model of care we efficiently and effectively provide within current policy.

Significant changes are on the horizon for Aged Care services and programs. We have commenced making structural changes within our administrative staffing to ensure the requirements of the reform agenda are met. We have also endeavoured to alert consumers to impending changes and possible implications for residential aged care and lifestyle support.

Through the Rural Primary Health Services program, health and ageing services will be streamlined by consolidating the 159 Commonwealth funded programs in this sector into 18 larger and more flexible funds. We look forward to seeing how this model will affect our operations.

Grampians Medicare Local

The advent of Grampians Medicare Local may well cause significant changes to our organisation in the near future. This program aims to reduce red tape by simplifying administration processes, improving regional planning and coordination of health resources to address the needs and priorities of communities in our region.

However, there is some uncertainty surrounding the future of this program. With this in mind, it is important to note that we maintain a Board of Governance in our own right, which will keep its authority and autonomy at all times.

Quality Services

From 2013, WWHS embraced the National Safety and Quality Health Service (NSQHS) and EQuIP Program accreditation standards. A periodic review proposed in December 2014 will survey WWHS against these standards, covering Governance, Partnering with Consumers and Preventing and Controlling Infection, as well as EQuIP corporate standards.

We are also currently investigating the feasibility of in-sourcing the supply and laundering of our linen. This initiative is likely to create more local employment opportunities and generate a material revenue stream, as well as ensuring WWHS has increased control over the cost and quality of laundering the linen. Further research will take place in the immediate future to ensure this project is viable.

Vision and Challenges

Looking into the next twelve months, the Service will employ every opportunity to achieve its vision, delivering health, welfare and disability services which are compassionate, responsible, accessible, and accountable to individual and community needs, and which result in quality outcomes for all.

In achieving our vision, we will face many challenges given our ageing population which will increase the demand for broad ranging healthcare needs. We must ensure healthcare remains accessible for the significant portion of our community with a low socio-economic status, particularly in the face of rising operating and capital costs and restricted and fragmented funding sources. We must continue to deal with distance as we deal with the seven highest health risks affecting rural areas, including arthritis, depression and anxiety, cancer, heart disease, diabetes, osteoporosis and stroke. Finally, we are tasked with ensuring flexible, effective processes and that funding will be available where it is needed most!

Culture of Success

West Wimmera Health Service has demonstrated its ability to handle change, effectively servicing our patients, residents and clients despite our ageing population and increasing financial constraints.

Our astute management, commitment to service delivery, use of innovative practices and sheer persistence provides us with a 'culture of success', ensuring we will always rise to the occasion as future challenges present!

John N. Smith PSM
Chief Executive Officer

Capital Grants 2013/2014

Grants for new and replacement equipment, redevelopment & construction of buildings and implementing new programs are essential to fulfil the Vision and Mission of our Service.

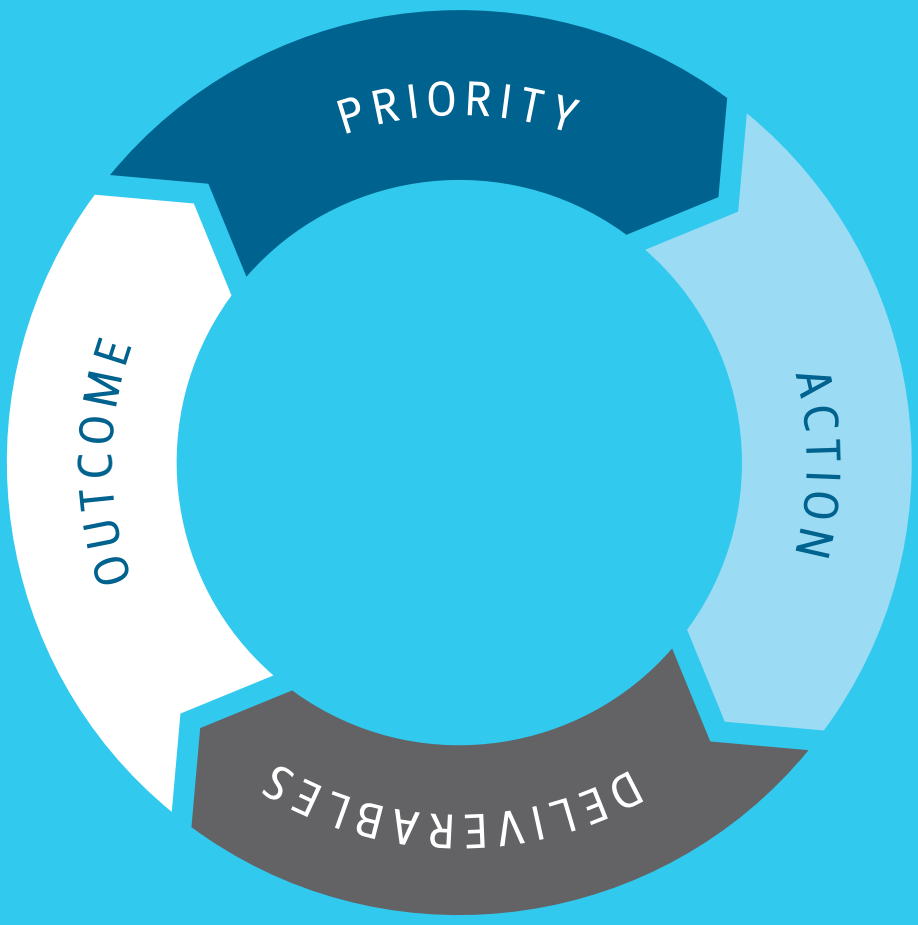
Source	For	$000s
Department of Health	HACC* Minor Equipment	20,726
Department of Health	Residential Minor Capital	50,000
Department of Health	Infrastructure Replacement	59,300
Department of Health	Medical Equipment Replacement	74,700
Department Human Services	Minor Equipment	3,409
FRRR**	Refurbishment of Snappy Seconds	3,500
Australian Government/ Australian Catholic University	Equipment for Education Accommodation	8,000
Australian Government	Natimuk Medical & Allied Health Centre	350,000
	Total	569,635

***HACC –** Home and Community Care, ****FRRR –** Foundation for Rural & Regional Renewal

Statement of Priorities

The Statement of Priorities was introduced in 2012-13 by the Department of Health as the formal funding and performance monitoring agreement between Victorian small rural health services and the Secretary for Health, and is in accordance with Section 26 of the *Health Services Act 1988*.

The agreement which is entered into annually by WWHS and the Department facilitates delivery of, and addresses substantial advancement to, key shared objectives such as financial viability, improved access and quality of services deemed necessary and appropriate for those communities in our care.



PART A: Strategic Priorities for 2013–14

PRIORITY 1. **Developing a system that is responsive to people's needs**

Action	Deliverable	Outcome
Implement formal advanced care planning structures and processes that provide patients with opportunities to develop, review and have their expressed preferences for future treatment and care enacted.	> Review, develop and enhance individual advanced care planning processes for acute, aged, primary care and allied and community health consumers by 30 June 2014.	> 100% of Home Care Packages include Advanced Care Planning as part of the documented process. > 100% of aged care residents are counselled when admitted in regard to advanced care planning and provided with the opportunity to initiate an advanced care plan to suit their individual needs. > An audit undertaken in acute ward noted that 100% of patients with an advanced care plan had the plan enacted. > Primary health clients are offered advanced care planning through the District Nursing service.
Contribute to area based planning initiatives that consider health care across the continuum.	> In conjunction with regional and sub-regional health services in particular through the Wimmera Southern Mallee Health Alliance improve integration and access to healthcare services between Service providers by 30 June 2014.	> Staff attended the Primary Care Partnership (PCP) strategic planning process and adopted the key priority areas for the health promotion plan 2013-2017. > Communication with the local schools, police and other providers has taken place, and the plan has been completed and submitted to the Department of Health for implementation. > Meeting held with Ballarat Health Services senior clinical executive regarding increased collaboration including educational opportunities for medical and nursing staff. > WWHS provided Allied and Community Health services to Rural Northwest Health (RNH), Dunmunkle Health Services (DHS), Edenhope & District Memorial Hospital (EDMH) and Woomelang Bush Nursing Centre through the Home and Community Care program, ensuring continuity of care. > Acute abdominal pain, stroke and chest pain pathways formulated in a collaboration and have now been shared between Wimmera Health Care Group (WHCG), WWHS, EDMH, RNH and East Wimmera Health Service allowing seamless transition of patients to higher levels of care including common documentation. > PCP Regional Nurse Unit Managers Group met regularly to network, liaise and develop shared resources between members. > WHCG and WWHS in collaboration reviewed processes for transfer of patients from WWHS sites to WHCG resulting in improved communication between clinicians.

PRIORITY 2. **Improving every Victorian's health status and experiences**

Action	Deliverable	Outcome
Work and plan with key partners and service providers to respond to issues of distance and travel time experienced by some rural and regional Victorians.	> Review all clinical services offered across the patient spectrum. Where deficient, secure visiting specialist appointment. Particular focus on endocrinology, urology, and rehabilitation (physician); on-site or utilising telehealth by 30 June 2014.	> Wimmera Uniting Care and Medicare Local specialist counsellors liaise with WWHS counselling staff and offer services at WWHS on a weekly basis in the areas of financial management, drugs and alcohol and sexual assault > A number of specialist and tertiary services are offered locally via telehealth: ▪ Diabetes – Endocrinologist ▪ Physiotherapy – Royal Melbourne Hospital Orthopaedics ▪ Wound – Tertiary Wound Specialist ▪ Residential Aged Care/Acute patients - Geriatrician/ Physician Ballarat ▪ Dietetics – Ballarat Health Services Dietitian Mentoring
Improve thirty-day unplanned readmission rates.	> Monitor unplanned readmission rates at the clinical quality governance level with strategies implemented to ensure decreasing rates by 30 June 2014.	> Unplanned readmission rates are routinely collected as KPI. > Unplanned readmission rate 2012/13 – 7.79%, 2013/14 – 7.82%. > Ophthalmology surgery unplanned readmission rates monitored as part of AHCS clinical indicator reporting process. 0% readmissions in 2013/14, with results presented to Clinical Quality Improvement Committee. > Programs have been put in place designed to reduce the risk of unplanned readmissions including: ▪ Targeted approach aimed at 'Frequent Flyers' with a view of decreasing readmission rates of the few patients who are regularly readmitted; ▪ Home Care Support Packages; ▪ Detailed pre-discharge planning including district nursing and other HACC services and post-acute care services; and ▪ Collaboration with Medicare Locals through the Primary Health Service program.
Collaborate with key partners such as Medicare Locals, community health services and other providers to support local implementation of the Victorian Health and Wellbeing Plan 2011–2015.	> Work to better align planning between Governments at all levels, Primary Care Partnerships, Primary Healthcare Agencies, and those associated with health promotion and prevention.	> The WHY (West Wimmera, Hindmarsh, Yarriambiack) project has commenced in the areas of Occupational Therapy and Physiotherapy and delivering services in all regions. > In 2013/14 the WHY project delivered 3,444 occasions of service. > Expert nutrition and health advice has been delivered in Nhill, Murtoa and Horsham in liaison with the Wimmera Sports Assembly. > Meeting held with Ballarat Health Services senior clinical executive regarding increased collaboration including educational opportunities for medical and nursing staff.

PRIORITY 2. **Continued**

Action	Deliverable	Outcome
Deliver care as close to home as possible, when it is safe and effective to do so.	> Evaluate likely demand and options for expanded specialised services in the context of level 3 surgical services by 31 December 2013.	> Surgical review undertaken, with results confirming that surgical activity undertaken at Nhill Hospital is done in a safe and effective manner and that elective surgery should continue to be performed. Action plan being worked through. > Preliminary discussions held with Wimmera Health Care Group regarding sharing of surgical services. > Agreement signed with WHCG to share a physician on site in Nhill monthly beginning mid 2014. > Specialist Gynaecologist reappointed to WWHS to mentor and assist current Gynaecologist. > Program has been implemented to educate local Visiting Medical Practitioners regarding the level and type of surgical services approved for provision at Nhill Hospital.
Improve health literacy and support informed choice by responding to the health information needs of service users.	> Promote illness and disease prevention using latest technologies such as BrainyApp developed by Alzheimer's Australia and Bupa Health Foundation to raise awareness of the risk factors for Alzheimer's disease.	> Memory Lane Cafés in conjunction with Alzheimer's Australia and Department of Health have taken place. Sessions are held monthly in Nhill and also occur at Rainbow, Goroke and Natimuk.
Contribute to the provision of additional dental services to achieve targets, milestones and objectives of the National Partnership on Treating More Public Dental Patients.	> Increase dental workforce and throughput of dental patients by 30 June 2014.	> Successful application submitted to the Commonwealth Voluntary Dental Graduate Year Program and the Oral Health Therapist Graduate Year Program for 2014 to increase Dental staff. > Capital Infrastructure grant for Dental equipment successfully obtained to the value of $1.1million. > Commencement of additional Dentist through brokerage arrangement with Wimmera Health Care Group. > Commencement of regular Dental Clinics in Kaniva and Goroke in 2014, and service provision to Rainbow Clinic increased to weekly visits. > 3,483 patients treated in 2013/14, an increase of 1,097 (46%) from 2012/13.

PRIORITY 3. **Expanding service, workforce and system capacity**

Action	Deliverable	Outcome
Support excellence in clinical training through productive engagement in clinical training networks and developing health education partnerships across the continuum of learning.	> Consultant Executive Director, Medical Services will continue on the Grampians Clinical Training Network Steering Committee to pursue and contribute to clinical training at WWHS and wider region by 30 June 2014.	> The Executive Director, Medical Services (EDMS) attended meetings of the Grampians CTN Steering Committee in Ballarat during 2013. > The EDMS participated in a state-wide Clinical Placement Network meeting and workshop convened in Melbourne by the Victorian Department of Health. Following the workshop, the Clinical Training Networks were restructured to form Clinical Placement Networks. > WWHS represented on the Allied Health Workforce Development steering committee for the Grampians region which looks at ways to increase professional development opportunities for staff in the Grampians region. > Montessori Training for aged care workers was held on site in Nhill in November 2013. More of this training will be provided in 2014/15. > WWHS Podiatry DVD showcasing basic foot care techniques is now available to all Victorian public health services.
	> Offer training, education course materials and presenters' services to other healthcare organisation on a user-pays basis.	> WWHS Speech Pathology and Dietetics DVD showcasing an assessment tool for identification of malnutrition and swallowing difficulties now available to all Victorian public health services.
Build workforce capability and sustainability by supporting formal and informal clinical education and training for staff and health students, in particular inter-professional learning.	> Further improve the engagement of medical workforce through the Consultant Executive Director, Medical Services and applying recommendations from the procedural surgical review conducted by 30 June 2014.	> Visiting Medical Officers have been invited to attend WHCG professorial lectures. Notification of lectures distributed to all VMOs via email. > Handover of surgical patients by Surgeons to GPs now occurs at the conclusion of each surgical session in accordance with recommendation arising from Surgical Review 2013. > Nursing and Allied Health clinical placements are offered at WWHS for undergraduate and postgraduate students. > Seven Allied and Community health staff have gained formal postgraduate qualifications. > With support from WWHS, four allied health staff members have presented papers at national and international conferences.

PRIORITY 4. **Increasing the system's financial sustainability and productivity**

Action	Deliverable	Outcome
Implement the Credentialing and Scope of Practice policy and 'Partnering for Performance' framework for senior clinicians.	> Implementation of the Mercury e-credentialing system and pilot a rural model for implementation for 'Partnering for Performance' by 30 June 2014.	> The implementation of the Mercury e-credentialing system has been delayed to develop a scope of practice framework applicable across a number of small rural health services. > The rural model for the implementation of the 'Partnering for Performance' professional development process for senior medical officers has been trialled and is now in routine use > The EDMS now a member of the Clinical Engagement Advisory Group and Project Steering Committee
Reduce variation in health service administrative costs.	> Commence development and testing of a benchmarking process utilising performance data collected by the Department of Health and 'like' organisations to identify if cost variations exist by 30 June 2014.	> Awaiting update from Department. > We developed an exercise to reveal variations in service provision across all WWHS specialities. > Contracted a specialist Certified Practicing Accountant to review our performance, using bench marking parameters and industry data specifically relevant to our key service areas.
Identify opportunities for efficiency and better value service delivery.	> Examine competitive options for obtaining and delivering corporate and other services through implementation of system improvements, partnerships and collaboration within the region by 30 June 2014.	> WWHS is now a member of the Wimmera Southern Mallee Health Alliance Building Clinical Capacity initiative. > Grampians Regional Health Alliance (GRHA) continues to provide core IT services. > A review of corporate systems has been undertaken as part of the WWHS/DHS Due Diligence process to ensure the proposed amalgamation with Dunmunkle Health Services goes ahead, system improvements and efficiencies will result.

PRIORITY 5. **Implementing continuous improvements and innovation**

Action	Deliverable	Outcome
Develop and implement improvement strategies that optimise access, patient flow, system coordination and the quality and safety of hospital services.	> Establish and operate a comprehensive lifestyle program for aged care residents, addressing Living Better, Living Longer principles by 30 March 2014.	> An expansion of the WHY project has been granted by the Department of Health. > Funding for a Healthy Ageing Project Officer received. > Healthy Ageing Project Officer employed at 0.8 EFT until June 2015 to work across Hindmarsh, West Wimmera and Yarriambiack Shires. > Each Residential Aged Care Service has designated Activity hours and every resident has an individual program tailored to their specific needs. > A satisfaction survey undertaken in 2013 revealed the following: ▪ 92% of residents stated they enjoyed their activities; ▪ 82% of residents stated they regularly participated in the home's activity program; and ▪ 98% of residents stated that they choose which activities they will participate in. > Regular audits are undertaken to monitor the system and processes in use to support an individual's participation in a program designed to promote individualised, meaningful and purposeful leisure choices. 100% compliance was recorded in January 2014 and 99% compliance in May 2014. > Programs have been implemented across (RACS) based on Montessori training.
Develop and implement strategies that support service innovation and co-design.	> Develop regional and locally available cancer and mental health services in conjunction with the regional provider.	> Mental health services were added to the Health Promotion Plan for 2013-2017 with an increase in collaboration with Wimmera Uniting Care, Education and police. > 100% of Year 7 students at Nhill College were screened by WWHS staff for mental health issues. > Specific mental health programs were held for all Year 7 students, Year 9 girls and Year 10 boys at Nhill College. > Mental health programs were conducted for Year 9 girls at Natimuk, Goroke, Jeparit and Rainbow. > A Cancer Care Nurse has been employed 0.2 EFT as a resource for clients living with cancer.

PRIORITY 6. **Increasing accountability and transparency**

Action	Deliverable	Outcome
Prepare for the National Safety and Quality Health Service Standards, as applicable.	> Implement accreditation survey recommendations from the EQuIP organisation survey held December 2012 by 31 December 2013. > Identify gaps associated with the National Mandatory Accreditation Standards and strategies to address compliance measurements with the ACHS EQuIP National Program by 30 June 2014.	Full accreditation maintained across all WWHS programs in 2013/14: ▪ EQuIP National Standards; ▪ Residential Aged Care; ▪ HACC; ▪ Disability; and ▪ Radiology. > Unannounced visits have occurred at Kaniva Nursing Home, Kaniva Hostel, Natimuk Trescowthick and Lockwood Hostels and Nursing Home. All achieved outstanding reports. > We have allocated key personnel to monitor each standard and gap analyses have commenced on all clinical standards > Clinical Managers provided with education regarding EQuIP National Standards. > Recommendations from previous survey were actioned, with results provided to ACHS as part of Self-Assessment December 2013. > Preparation for certification for the new Department of Human Services accreditation model and the new National Disability Service Standards has significantly progressed for certification in July 2014.
With the support of Government, develop board capability to ensure all board members are well equipped to effectively discharge their responsibilities and deliver again the outcomes articulated in the VHPF.	> Board of Governance Strategic Education Session to be held to cover the Victorian Health Priorities Framework 2012–2022 by 30 April 2014. > Conduct a structured governance and leadership education program for Board members and senior management during 2013-14.	> Board of Governance Strategic Education session conducted at the August 2013 Board Meeting to address the Victorian Health Priorities Framework 2012-2022. > An additional board member has completed the Australian Institute of Company of Directors, Company Director's Course.

PRIORITY 6. **Continued**

Action	Deliverable	Outcome
Prepare for, and respond to changes in policy and regulation, for example with regard to proposed amendments to Aged Care legislation.	> Further the preparation program in place to cope with change associated with aged care, disability, acute, primary and mental health care as related to statutory and financial matters by 30 June 2014.	> Executive Management attended the Victorian Healthcare Association Aged Care Reforms Forum held in July 2013. We are working with an external Consultant to ensure all aspects of the reforms are understood and acted upon in a timely manner. > A review was undertaken of residents who may be eligible to receive the Dementia supplement with claims to the Commonwealth subsequently submitted for those meeting the criteria. > Successfully applied to the Department of Health for Aged Care Readiness Grant to prepare a Residential Aged Care Financial Governance Manual. > Aged care pricing submitted for publishing on My Aged Care website. > Comprehensive discussions held with Grampians Medicare Local in regard to proposed primary health funding changes. > Correspondence submitted to Federal and State Members of Parliament regarding potential loss of funding. > Meetings held with Federal Members of Parliament to argue the case for increased funding for rural and remote public health.

PRIORITY 7. **Improving utilisation of e-health and communications technology.**

Action	Deliverable	Outcome
Maximise the use of health ICT infrastructure.	> Evaluate the costs and benefits of processing other health services' payroll, purchasing and any like transaction types at WWHS by 30 December 2013.	> The proposed amalgamation with Dunmunkle Health Services is expected to partially achieve this deliverable. > Given the result of the due diligence study undertaken for proposed amalgamation assessment purposes the greater volume of transactions brought about by the amalgamation, should it occur, should result in cost savings from the Dunmunkle side.
Trial, implement and evaluate strategies that use e-health as an enabler of better patient care.	> Evaluate the costs and benefits of introducing electronic medication management. > Evaluate the feasibility of expanding the use of electronic medical records.	> Executive Director Clinical has contacted Webster Care for a quote for electronic medication management; > The clinical managers have all attended a demonstration for better decision making. > WWHS has committed to participate in the Grampians Region proposal to implement electronic medical records. A Business Case is being prepared for submission to the Department of Health seeking funding. > WWHS Dental Clinics have successfully introduced electronic records.

PART B: Performance Priorities

Financial Performance

Operating Result	Target	2013–14 Actuals
Annual Operating result ($m)	0.06	0.014
Cash Management	**Target**	**2013–14 Actuals**
Creditors	<60 days	59 days
Debtors	<60 days	29 days

Service Performance

Quality and Safety	Target	2013–14 Actuals
Health service accreditation	Full compliance	Full compliance
Residential aged care accreditation	Full compliance	Full compliance
Cleaning standards (Overall)	Full compliance	99
Cleaning standards (AQL-A)	90	100
Cleaning standards (AQL-B)	85	98
Cleaning standards (AQL-C)	85	97
Submission of data to VICNISS	Full compliance	Full compliance
Health care worker immunisation – influenza	60%	67.3%
Hand Hygiene (rate)	70%	81.2%
Victorian Patient Satisfaction Monitor: (OCI) (July to December 2013)	73	Achieved
Consumer Patient Indicator (July to December 2013)	75	Achieved
Victorian Hospital Experience Measurement Instrument (January to June 2014)	Full compliance	N/A
People Matter Survey	Full compliance	<30 responses

PART C: Activity and Funding

Funding type	2013–14 Activity Achievement
Small Rural	
Small Rural Residential Care	42,304 bed days

Governance

Qualified, experienced, possessing skills and knowledge pertinent to setting the direction and managing the progress of West Wimmera Health Service – these are the fundamental principles required to be appointed by the Minister for Health to our Board of Governance.

Collectively the Board is committed to excellence in the provision of healthcare for the region of rural Victoria which relies on this Service for their lifelong health needs.

The Board is responsible to the Minister for setting the strategic directions of this Service and monitoring compliance with state and commonwealth acts, guidelines and policies.

They are accountable to government and to stakeholders for ensuring that the Service is managed efficiently and effectively, that the services and care generated are of high quality and are developed to meet the healthcare needs of our communities.

The Board is kept up to date with developments in the health industry by attendance at State and National conferences, access to current conference papers, internet research, presentations by peak bodies and seminars conducted by the Australian Institute of Company Directors.

At all Board, Committee and Sub Committee meetings Board members are required to declare when they may have a Conflict of Interest.

Board of Governance as at 30 June 2014

Ms L.G. Clarke JP – *President*

Mr R.S. Rosewall BA, SocSci – *Vice President*

Mr D.P. Buckley

Mr H.G. Champness BA, Dip Ed, Accredited Lay Preacher

Mr R.A. Ismay

Mr L.C. Maybery

Mr R.L. Stanford

Mrs J.M. Sudholz

Mr D.N. Walter

Mrs N.E. Zanker BA, Dip Ed

Audit & Quality Committee

Mr J.M. Hobday LLB – Chairman

Ms L.G. Clarke JP – *President*

Mr D.P. Buckley

Mr H.G. Champness

Mr L.C. Maybery

Mrs J.M. Sudholz

Attestations

Attestation on Data Integrity

I, John Norman Smith, certify that West Wimmera Health Service has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. West Wimmera Health Service has critically reviewed these controls and processes during the year.

John N. Smith
Chief Executive Officer
Nhill, 20 August 2014

Attestation for compliance with the Ministerial Standing Direction 4.5.5.1 – Insurance

I, John Norman Smith, certify that West Wimmera Health Service has complied with Ministerial Direction 4.5.5.1 - Insurance.

John N. Smith
Chief Executive Officer
Nhill, 20 August 2014

Attestation for Compliance with the Australian/New Zealand Risk Management Standard

I, John Norman Smith, certify that West Wimmera Health Service has risk management processes in place consistent with the AS/NZS ISO 31000:2009 (or an equivalent designated standard) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Board of Governance verifies this assurance and that the risk profile of West Wimmera Health Service has been critically reviewed within the last 12 months.

John N. Smith
Chief Executive Officer
Nhill, 20 August 2014

The Executive Group

John Smith PSM
MHA, Grad Dip HSM, FAICD, AFACHSM, AFAHRI, FAHSFMA, AFAIM, Cert III OH&S
Chief Executive Officer

John provides the Board of Governance with comprehensive information to enable prudent and astute decision making. He executes the Board's decisions and policies and manages the business and human assets of the Service.

John is responsible for establishing a framework of strong leadership and management to place the Service in a prime position to take optimal advantage of changes in health service delivery, technology and financial strategies.

He serves on many Boards and working groups and amongst other representations is currently Vice President of the Australian Council on Healthcare Standards (ACHS), Treasurer of the International Board of ACHS, a Council Member of the Australian Hospital and Healthcare Association and Vice President of the Victorian Hospitals' Industrial Association.

Dr Ian Graham
MBBS, MHP, FRACMA
Executive Director Medical Services

Ian is responsible for the credentialling, appointment, definition of the scope of practice and performance management of Visiting Medical Practitioners, including General Practitioners, Visiting Surgeons, Anaesthetists, Gynaecologists, Physicians and Psychiatrists.

Ian is also Clinical Digital Education Consultant at the Royal Australasian College of Surgeons and privately is a consultant in health management, education and information technology.

In 2013 Ian was appointed to the international Board of Directors of the MedBiquitous organisation based at Johns Hopkins Hospital, Baltimore, USA.

Ritchie Dodds
BCom (Acc), CA, FFin, MBA, GAICD
Executive Director Finance and Administration

Ritchie is responsible for the Service's Finance, Human Resources, Information Technology, Procurement and Administration functions.

Since 2006 Ritchie has cemented the Service's strong financial performance and its sound financial position.

Ritchie is a member of the Institute of Chartered Accountants in Australia and deputises for the Chief Executive Officer as and when neccessary.

Ritchie represents the Service as Deputy Chairman of the Grampians Regional Health Alliance Finance Sub Committee.

Janet Fisher
RN, RCNA, Grad Dip Bus Man
Executive Director Clinical Services

Jan is responsible for the management of Medical, Surgical, Primary Care, Aged Care, Allied and Community Health and the Goroke Community Health Centre, Radiology, Central Sterilising, Maternal & Child Health and Pharmacy.

Janet is a Registered Nurse who holds an Advanced Diploma in Business Management and has OH&S credentials.

Janet represents the Service on Regional Committees including; State Aged Care Committee, Grampians Regional Executive Nurses.

Kaye Borgelt
Assoc Dip Med Rec Admin, Grad Certificate Mgt Org Change
Executive Director Corporate & Quality Services

Kaye is responsible for the management of Engineering and Maintenance, Catering and General Services, Education, Health Information Management, Quality and Accreditation, Occupational Health and Safety, Risk Management and Security throughout the Service.

Kaye is presently studying a Masters of Health Science (Health Information Management) through Latrobe University Melbourne.

Kaye represents the Service on Regional Committees including; Victorian Patient Experience State-wide Reference Group, Grampians Regional Health Information Managers, Grampians Regional Patient Management System Operations Group.

Melanie Albrecht
LLB, BIS, Grad Cert HSM, AFCHSE
Operations Manager

Appointed in April 2006 Melanie is responsible for the executive management of Disability Services, Dental, Aged Care Administration, Complaints and Contracts.

Melanie assists the Chief Executive Officer with operational, organisational and special projects.

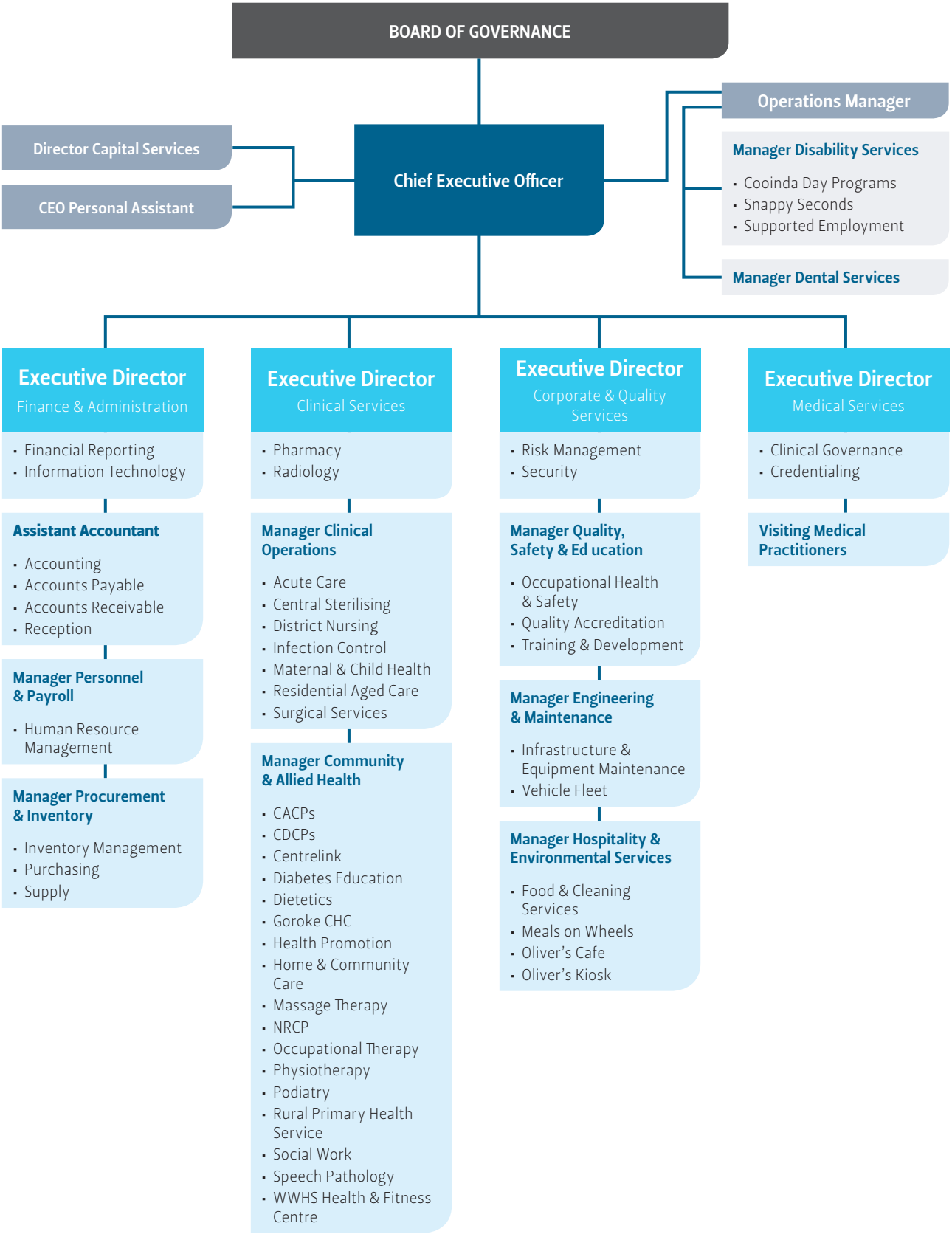
Melanie completed a Masters of Health Administration and Masters of Business Administration with Latrobe University during the 2013-2014 year.

Katrina Pilgrim
Cert IV Bus Management (Frontline)
Executive Assistant to Chief Executive Officer

Katrina provides a high level executive service to the Chief Executive Officer and attending to Executive Departmental requirements.

As Minute Secretary to the Board of Governance and associated committees Katrina is responsible for ensuring the corporate and strategic issues are dealt with by the Chief Executive Officer.

Communication Structure



Our Services

Aged Care

Aged Care Assessment
District Nursing
Home Care Package Program
National Respite for Carers Program
Residential Hostels & Nursing Homes

Clinical

Acute Hospital Care
Admission and Discharge Clinic
Audiology
Dental Diagnostic
Dental Prosthetic
Dialysis
Domiciliary Midwifery
ENT Surgery
Gastroenterology
General and Specialist Medical Care
General and Specialist Surgery
Laparoscopic Surgery
Maternity Shared Care Clinic
Nursing Traineeships
Obstetrics and Gynaecology
Ophthalmic Surgery
Oral Surgery
Orthopaedic Surgery
Palliative Care
Pathology
Pharmacy
Post Acute Care
Primary Care Casualty
Psychiatry
Reconstructive Surgery
Regional Discharge Planning Strategy

Allied and Community Support

Ante/Post Natal Classes
Asthma Education
Cancer Council Victoria
- Cancer Awareness
Cancer Support Group
Cardiac Rehabilitation Program
Community Health Nursing
Continence Education
Diabetes Education
Dietetics
District Nursing
Drug and Alcohol Program
Emergency Relief Program
Exercise Groups –
Aerobics, Falls & Balance Group, Gentle Exercises & Tai Chi
Farm Safety Education
Fitness Assessments
Football Practice for Farmers
Fun Fit & Fabulous
Gateway to GirlPower –
Nhill, Kaniva, Rainbow
Guys & Gals School Program
Gym/Weights Program
Hairdressing
Health Education and Promotion
Wimmera Machinery Field Days
Healthy Habits Happy Life,
Stroke Awareness Presentations
Men's Health Week
Hearing Services
Home and Community Care
Hospital in the Home
Hospital to Home
Immunisations -
staff WWHS and major local employers
Kindergarten Screenings
Speech Pathology, Occupational Therapy, Physiotherapy, Massage Therapy
Maternal and Child Health
Meals on Wheels
Men's Sheds
Mother/Daughter Puberty Nights
National Diabetes Service
Nutrition Education
Occupational Therapy
Optometry
Orthodontic Referral
Pap Smear & Health Check Clinics
Physiotherapy
Planned Activity Groups
- (Adult Day Centres)
Podiatry
Puberty Biz for Grade 6
Children and Parents
Puberty Nights for Boys
QUIT Trainer
Radiology –
CT scanning, ultrasound, X-ray
Rural Primary Health Service
Secret Men's Business
Social Work
- Welfare and Counselling Service
Speech Pathology
Strutting Strollers
WorkHealth Checks

Disability

Adult Day Service
Advocacy
Community Access
Community Inclusion Program
Exercise Program
Food Preparation and Sales
Futures for Young Adults
Garden Maintenance Program
Individual Support
Living Skills
Respite Care
Retail Assistant Training
Supported Employment
Therapy Programs
Vocational Training

Regional

Allambi Elderly Peoples Home, Dimboola
Avonlea Hostel, Nhill
Dunmunkle Health Service
Edenhope Hospital
Goroke P-12 College
Hindmarsh Shire Council
Jeparit Primary School
Kaniva College
Kindergartens - Nhill, Jeparit, Kaniva, Rainbow, Goroke, Lutheran Primary School (Nhill)
Natimuk Primary School
Nhill College
Rainbow College
Rainbow Primary School
Rural Northwest Health
St Patrick's Primary School, Nhill
West Wimmera Shire Council
Woomelang Bush Nursing Centre
Yarriambiack Shire Council

Service Support

Education
Engineering and Maintenance
Environmental
Health Information Management
Hospitality
Library and Resource Centre
Volunteers

Training and Alliances

Traineeships
Universities
– Australian Catholic, Charles Darwin, Charles Sturt, Deakin, Latrobe, Federation, Melbourne, South Australia
Wimmera Football League
– Physiotherapy
Wimmera Hub Inc
Work Experience
Work Placements

Nursing Homes – Hostels

Nhill
Iona Digby Harris Home

Kaniva
Archie Gray Nursing Home
Kaniva Cottages Hostel

Jeparit
Jeparit & District Nursing Home
Jeparit Hostel

Rainbow
Rainbow Bush Nursing Home Annexe
Rainbow Bush Nursing Hospital Hostel

Natimuk
Natimuk Bush Nursing Home Annexe
'Allan W Lockwood' Special Care Hostel
Trescowthick House Hostel

Community Programs

Hospital To Home (H2H)

The program supports patients in the transition from hospital to home. Patients must live in municipalities associated with West Wimmera Health Service.

Hospital in the Home (HITH)

HITH is the provision of hospital care in the comfort of the person's own home. Patients are regarded as hospital inpatients and remain under the care of their treating medical practitioner.

National Respite for Carers Program (NRCP)

This program aims to enhance the quality of life for carers and care recipients, who are frail older people, people with dementia, young people with a disability and people with a terminal illness in need of palliative care.

The program contributes to the support and maintenance of caring relationships between carers and their dependent family members or friends by facilitating access to information, respite care and other support appropriate to the individual needs of carers and those people for whom they care.

Home Care Packages are planned and coordinated packages of care to help older people remain living in their own homes. They are funded by the Australian Government to provide for the complex needs of older people.

Post Acute Care (PAC)

Provides community based services such as community nursing and personal care.

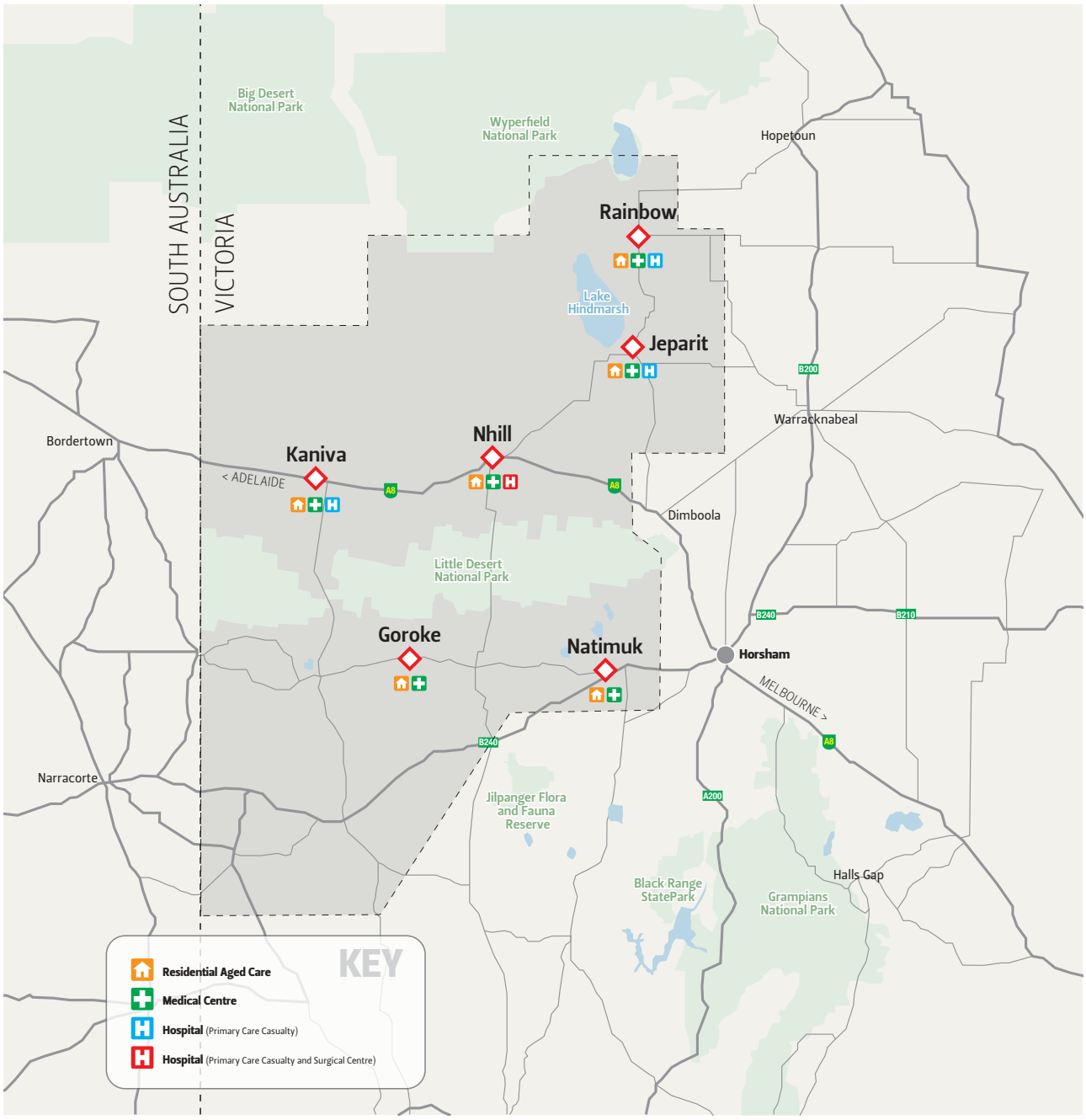
Home and Community Care Program (HACC)

This program provides care in home and community settings to frail older adults, younger people with disabilities and their carers, promoting independence and avoiding premature or inappropriate admission to long term Residential Aged Care.

Our Communities

The vast geographical rural and remote area of the North West Victoria from the tip of the Mallee to the Southern reaches of the Wimmera – **these are the communities in our care.**

Diverse and unique healthcare which overcomes the logistical challenges encountered, its quality and diversity, draws compliments and acclaim universally.



Financial Performance

For the ninth consecutive year the Service has reported an operating surplus (Net Result before Capital and Specific Items). This outcome is testament to our financial agility and in particular our ability to continue to find new revenue streams while at the same time keeping a close eye on our costs.

While the $14k net result before capital items is comparatively low it remains a commendable effort for the Service to have effectively balanced its budget given the difficult financial environment faced throughout the year.

Operating Income ($33.75m)

Victorian State Government (predominantly the Department of Health) sourced grant income comprised 54% of total operating income (2012/13: 52%) followed by Commonwealth Government Residential Aged Care Subsidies on 22% (23%).

Operating Expenditure ($33.74m)

Total employee related costs made up 78% (76%) of total operating expenditure emphasising the critical role that our staff play in the level and quality of care we provide.

Cash and Investments

At 30 June 2014 the Service held total cash and investments of $7.858m comprising $4.339m for the Service's own funds and $3.519m in residential aged care accommodation bonds.

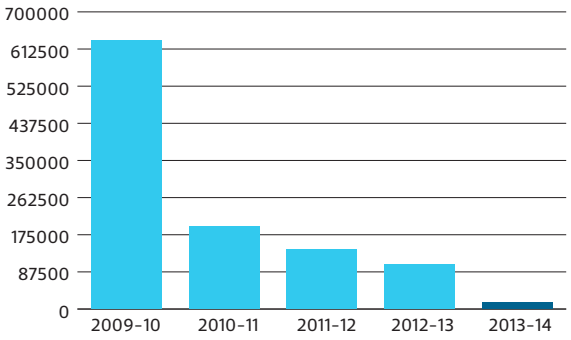
The lower result in 2014 is due primarily to capital works expenditure associated with the new Natimuk Medical Clinic and the Macpherson Street, Nhill student housing projects as well as less residential aged care bonds being held compared with the previous year.

This outcome keeps the Service relatively well placed in terms of being able to meet its short to medium term operating and capital cash requirements.

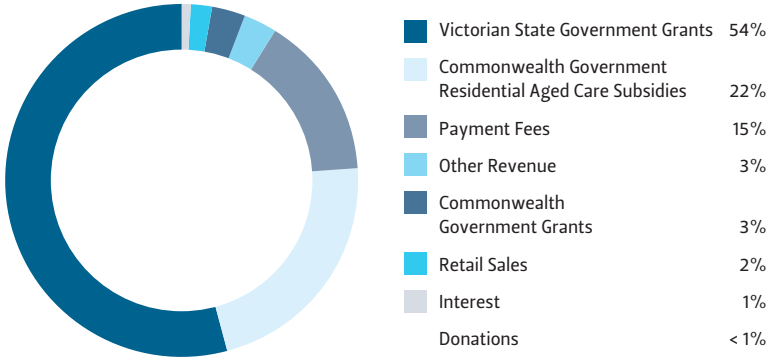
Income Statement – 5 Year Comparison

	Financial Year Ending 30 June				
	2010	2011	2012	2013	2014
	$'000s	$'000s	$'000s	$'000s	$'000s
Revenue	28,396	29,453	32,496	33,582	33,751
Employee Related Expenditure	(20,162)	(21,212)	(22,210)	(23,937)	(24,662)
Non-Salary Labour Costs	(1,042)	(1,104)	(1,458)	(1,553)	(1,498)
Supplies & Consumables	(2,208)	(2,218)	(2,263)	(2,269)	(2,099)
Other Expenses	(4,352)	(4,722)	(6,353)	(5,719)	(5,478)
Net Result before Capital Items	632	197	212	104	14
Net Capital Items & Specific Items	(2,398)	(2,847)	(2,211)	(2,120)	(3,839)
Net Result for the Year	(1,766)	(2,650)	(1,999)	(2,016)	(3,825)

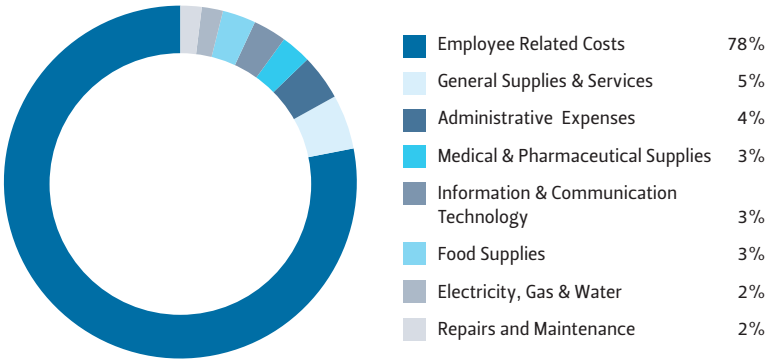
Net results before capital gains



Operating income



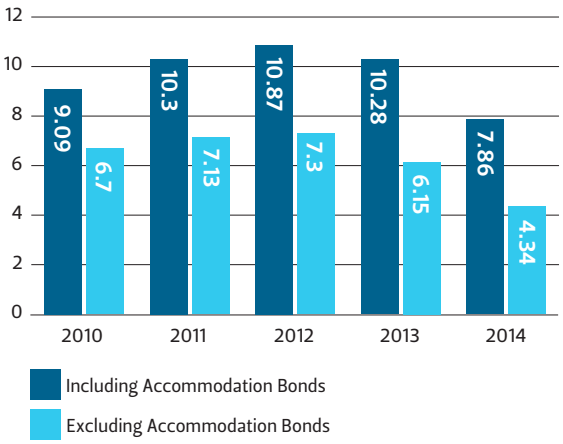
Operating expenditure



Balance Sheet

	Financial Year Ending 30 June				
	2010	2011	2012	2013	2014
	$'000s	$'000s	$'000s	$'000s	$'000s
Current Assets	9,941	11,108	11,636	11,408	8,761
Non-Current Assets	49,944	46,885	45,842	50,013	65,783
Current Liabilities	(9,287)	(10,002)	(11,391)	(12,975)	(12,170)
Non-Current Liabilities	(639)	(802)	(897)	(981)	(1,082)
Net Assets (Equity)	**49,959**	**47,189**	**45,190**	**47,465**	**61,292**

Cash and investments



Financial Ratios

Current Ratio: .72

The Current Ratio (Current Assets divided by Current Liabilities) is used to indicate how well the Service is able to meet its short term financial commitments. At 30 June 2014 the Service's Current Ratio was 0.72 (1.18 at 30 June 2013) which is slightly above the Departmental benchmark level of 0.70.

Quick Asset Ratio: 1.21

The Quick Asset Ratio is similar to the Current Ratio but provides a better indication of the Service's short term solvency by only including those current assets and current liabilities of an easily liquefiable nature. This result means that the Service has $1.21 ($1.43) in liquid assets for every dollar of short term liabilities.

Debt to Equity (Gearing) Ratio: 0.22

This ratio is used to indicate the degree to which the Service is reliant on externally sourced funding and the result at 30 June 2014 of 0.22 (0.29) shows that only a very small amount of such funding is required.

Debtors Days: 32

On average it took the Service 32 days (29) to recoup money owed to it for patient, client and resident fees over the year.

Creditors Days: 29

This measure shows that it took the Service on average 29 days (28) to pay its creditors over the year.

Significant changes in our financial position including significant factors that affected our performance

The Service experienced a significant reduction (10%) in Commonwealth Government Residential Aged Care Subsidy Income. This was primarily due to lower than normal occupancy rates but which had substantially recovered toward year end.

The consequential negative impact on the Service's net operating result was sufficiently offset by positive outcomes for items such as Private Inpatient Fees, Aged Care Resident Fees, Dental Grants, Radiography Income and Medical & Surgical Supplies so that a surplus Net Result before Capital and Specific Items result was achieved.

Re-evaluations carried out with effect on 30 June 2014 resulted in the fair value of the Service's property (land and buildings) and transport fleet increasing significantly over the year.

The amount of these upward revaluation was $17.5m for property and $152k for transport. These revaluations had no effect on the Service's Net Result before Capital and Specific Items as these amounts were taken directly to the Asset Revaluation Surplus in the Balance Sheet which increased from $14,341m at 30 June 2013 to $31.993m at 30 June 2014.

The operational and budgetary objectives of the Health Service this financial year and performance against those objectives including significant activities and achievements during the year

A key financial performance indicator for West Wimmera Health Service is the Net Result before Capital and Specific Items for which the Service budgeted to achieve a $15,227 surplus for the year. The result actually achieved was $14,204.

We also aim to retain sufficient levels of untied cash and investments at all times so that short to medium term operational and capital objectives remain achievable from a financial aspect.

We held some $4.4m of such monies at 30 June 2014 against its originally budgeted amount of $5.5m. The lower than expected outcome was principally due to the substantial completion of the capital works associated with the new Natimuk Medical Centre occurring earlier than was originally anticipated.

There were not any events subsequent to balance date which had a significant effect on the operations of the Health Service in subsequent years.

Consultancies (not contractors) whose consultancy amounted to $10,000+

Consultant	Project	Total Project Fee Approved $'000s	Total Fees Incurred $'000s	Future Commitment $'000s
DVA Navion	Capital Fundraising	163	100	63

Consultancies

Consultancies during the year costing less than $10,000 (exclusive of GST) per consultancy, the number and total cost (exclusive of GST) of engagements was not applicable to West Wimmera Health Service. However consultancies which exceeded $10,000 are required to be declared.

Advertising Expenditure

Declaration of this item was not applicable to WWHS this year.

Ex-Gratia Expenses

There were no ex-gratia expenses made by the Service during the financial year.

Occupational Health and Safety

West Wimmera Health Service prides itself on the highest levels of safety in the workplace, a workplace where each and every staff member has a responsibility for their own safety but also for their colleagues, patients, residents and visitors to the Service.

Our safe systems of work are underpinned by:

- *The Occupational Health and Safety Act 2004*
- *Occupational Health and Safety Regulations 2007*
- *Workplace Injury Rehabilitation and Compensation Act 2013*
- *Dangerous Goods (Storage and Handling) Regulations 2012*
- *Compliance codes*
- *Australian/New Zealand Standard, AS/NZS 4801:2001 Occupational Health and Safety Management System*

How we perform

Five key areas of health and safety are monitored through the Victorian Health Incident Management System. In the last year, 116 incidents involving aggression toward staff, manual handling, occupational exposures to body fluids, slips, trips and falls and security incidents were documented; this is 4 more than for the previous 12 months.

Occupational Health and Safety incidents over the past three years have plateaued, as the graph below illustrates.

Preventing and Managing Occupational Violence and Aggression training has been instigated as an on-line course for all staff.

The main incidents of aggression occur through the actions of residents experiencing Dementia. Therefore specific staff training in this area of care has also been undertaken. As an extra safeguard for these occasions enhanced referral pathways for review by our specialist geriatrician have been introduced and the intricacies of special caring for these residents has been successfully explored.

We have invested significant funds in the renewal of worn areas of carpeted floor in high traffic areas to reduce slips, trips and falls.

The new electric trolley with scissor lift has assisted procurement staff in their daily routine of lifting and moving the immense number of boxes and parcels which move through the Procurement Department each day.

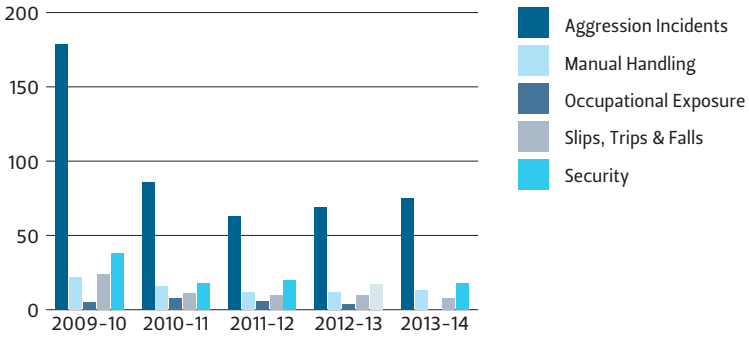
An Injury Management Team has been developed providing employees who have been injured either at work or at home with assistance to return to work as quickly and safely as possible; this is a collaborative effort between the employee, management and the employee's healthcare team.

No notifications of serious staff injuries resulting in hospitalisation or death were made to the Victorian WorkCover Authority in 2013-14; compared with two in the prior year.

Future

An action research project is being considered to better understand the safety culture of our organisation and its workforce which will lead to the development of a higher level of safety first, safety at all times.

Number of OHS incidents per year



Human Resource Management

The quality and scope of the many and varied health services we provide are heavily dependent on our ability to maintain a motivated and properly trained workforce.

Throughout the year we incurred a total salary and wage cost of $24.7 million to employ 563 staff across a variety of disciplines. We continued to make good use of basic database and communication systems to ensure these staff remained competent, motivated and well trained to perform their duties.

We achieved an average compliance rate of 99.56% for mandatory education elements such as police checks, fire and emergency training, CPR, basic life support and professional registration.

The fact that no days were lost to industrial action throughout the year is testament to the professional relationships we maintain with both Victorian Hospitals Industrial Association (VHIA) and relevant employee unions.

Our employees continued to enjoy free access to our independently provided Employee Assistance Program which offers a wide range of health and personal assistance giving our staff and their immediate families an extra layer of support when needed.

At 12.4% staff turnover was lower than for the previous year (12.8%) and indicates a more satisfied workforce. Lower turnover rates also mean less costs required in order to attract and retain new staff.

At 5.2% of basic wages (4.96% prior year) our sick leave is higher than we would like but this is not an uncommon result in our industry given such issues as ageing workforces and communities in general.

The total of WorkCover payments made to injured workers ($95k) fell significantly compared to last year ($160k) and is reflective of the valuable work undertaken by our Injury Management Team throughout the year.

Each year the Service participates in the independently provided People Matter Survey as conducted by the Victorian Public Sector Commission. As shown in the following table we continue to report acceptable levels of agreement across a range of indicators.

WWHS is bound by the rules and regulations contained in the following legislation:

- The Victorian Public Authorities (Equal Employment Opportunity) Act 1990.
- The Victorian Equal Opportunity Act 1995.
- The Victorian Public Sector Management and Employment Act 1998.
- The Commonwealth Disability Discrimination Act 1992.
- The Commonwealth Racial Discrimination Act 1975.
- The Victorian Public Administration Act 2004.

Through the application of Service policies and protocols and monitoring of compliance with relevant industrial relations instruments we aim to:

- Ensure open competition in recruitment, selection, transfer and promotion
- Base employment decisions on merit
- Treat employees fairly and reasonably
- Provide employees with a reasonable avenue of redress against unfair or unreasonable treatment
- Avoid discriminating between employees on the basis of their gender, age, impairment, industrial activity, marital status and religious or political beliefs

We do not tolerate bullying or harassment in any form.

Victorian People Matter Survey – 4 year comparison

	2011	2012	2013	2014
Values				
Providing the best standards of service and advice (Responsiveness)	98%	97%	96%	97%
Earning and sustaining public trust (Integrity)	86%	83%	97%	85%
Acting objectively (Impartiality)	91%	88%	92%	88%
Accepting responsibility for decisions and actions (Accountability)	83%	82%	93%	82%
Treating others fairly and objectively (Respect)	85%	87%	91%	87%
Actively implementing, promoting and supporting the values (Leadership)	81%	76%	93%	76%
Respecting and upholding human rights of the public (Human rights)	94%	98%	96%	98%
Principles				
Choosing people for the right reasons (Merit)	NS*	NS*	90%	NS*
Respecting and balancing people's needs (Fair and reasonable treatment)	87%	88%	95%	88%
Providing a fair go for all (Equal employment opportunity)	98%	95%	99%	95%
Resolving issues fairly (Reasonable avenues of redress)	85%	84%	93%	84%
Workplace wellbeing and commitment				
Workplace wellbeing	93%	92%	94%	95%
Employee commitment	94%	91%	86%	NS*
Patient Safety				
Patient Safety	NS*	94%	97%	94%

* not surveyed

Workforce Composition

	June Current Month		Full Year	
Employees by Category	**2013**	**2014**	**2013**	**2014**
Nursing	147.3	141.5	148.9	147.0
Administration & Clerical	19.4	19.6	19.3	19.9
Hotel & Allied Services	152.1	148.1	147.5	152.1
Medical Officers	1.6	3.6	2.0	2.6
Ancillary Staff	22.2	19.7	20.4	19.5
Totals	**342.6**	**332.6**	**338.1**	**341.1**

Information and Communications Technology

The Service operates and maintains several mission critical information technology systems including a wide area information technology and communications network across seven separate sites, IPM (Patient Management), Oracle (Financial Management) and PayGlobal (Payroll and Human Resource Management). As with last year the Service suffered no significant amounts of downtime associated with system failure. Also, no loss of data or breach of data security occurred.

Our basic computer and server replacement plan remained in place whereby the oldest 25% of hardware items was replaced such that at no time did the Service own any IT equipment that was greater than four years old.

Clinical Services Report

Residential Aged Care

West Wimmera Health Service's residential aged care provides an environment in which residents feel assisted and encouraged to live their lives meaningfully. Because residential aged care facilities are home for our residents and the positive attitude of our staff is what makes them feel at home.

Highlights from the year

Our accreditation this year is something special. Accreditation is assessed every three years on two pre-determined days, with at least one unannounced visit at each of our nine sites. Assessors look at records, policies and procedures, interview staff, residents and families to determine our quality of care across 44 outcome standards.

We received our accreditation with a score of 100%, with assessors finding no non-compliance on unannounced visits. We are very proud of this effort.

This year, we received significant funding from the Department of Health for equipment to aid lifting, mobility and early assessment for clinical management of residents' needs.

Facilities in Nhill and Natimuk received $20,000, while Rainbow, Jeparit and Kaniva received $12,000 each.

This equipment has increased comfort and safety for residents and staff across our organisation.

Other significant achievements include our continued access to an experienced and respected Geriatrician as required, as well as installing a breakfast bar and sensory room to 'Iona' in Nhill. The breakfast bar increases resident experiences by providing a comfortable place reminding them to sit and eat, while the sensory room is a restful environment designed to stimulate the senses.

Staff training throughout the year covered elements from medication management to legislative and regulative requirements, how to recognise and report situations such as elder abuse, and manual handling, ensuring our standards are industry-leading.

Montessori training was also delivered across the organisation, which was well-received by staff, who use it to develop individual care plans for residents, managed in a meaningful way to better entice different behaviours. This will continue to improve the activities for residents living with dementia.

The ability of WWHS residents to access every type of allied health professional is a hallmark of our service, with high calibre staff ensuring the physical, social and emotional needs of residents can be met immediately.

Over the coming 12 months, we anticipate some changes to our residential aged care delivery due to the Aged Care Reforms, which will affect access, cost, and resident decision-making.

Looking toward the future

With state-wide aged-care reforms coming into play in July 2014, WWHS is in good stead, as senior staff and financial officers have attended metro and regional information sessions in preparation.

The reforms will see consumer choice and industry marketing to compete with each other, meaning we will be competing with all other aged care providers to attract residents.

We will also look at advancing our Montessori training with additional furniture and equipment being planned to support the program, as well as further staff training scheduled, being ever mindfull that Aged Care is our 'core business'.

Community Aged Care

WWHS facilitates a number of community home care packages for clients, designed to assist ageing community members to live in their homes for as long as possible. Currently, our packaged services include domestic assistance, transport, social outings, maintenance, personal care and respite care.

Highlights of the year

Demand is increasing substantially for the 20 home care packages WWHS delivers. These packages are managed by a case manager who sets up services and monitors the client to ensure their needs are met, and are available in all of our communities.

We are also providing support to carers of our clients, enabling them to enjoy breaks through the National Respite for Carers Program. This type of care is managed and tailored individually, ensuring the best outcome for both client and carer.

Looking toward the future

Home care packages are set to change with aged care reform, meaning clients will have a much bigger say in the way money allocated to their package is spent so that their goals meet both physical and social needs.

This is a very innovative and challenging approach to the delivery of this specialist program.

Acute Patient Care

West Wimmera Health Service continues to provide outstanding acute facilities. We've made a concerted effort to reduce the clinical look of our facilities providing instead a vibrant and inspiring décor across our sites, making patients as comfortable as possible.

We have also up-skilled a nurse to provide asthma care, and added a palliative care resource nurse who is based in Nhill but accessible at all campuses.

We offer a wide range of hospital and ambulatory care with 35 beds in Nhill, seven in Rainbow, six in Kaniva and four in Jeparit.

Our Admission and Discharge Department provides stable and comprehensive services, ensuring clients know what to expect from surgery, and are aware of pre- and post-operative requirements such as preparation for the procedure and lifestyle restrictions during recuperation.

Theatre

Highlights of the year

Our well-equipped theatre operates every week, with visiting surgeons specialising in Ear Nose and Throat, Orthopaedics, Oral Dental, General Surgery, Ophthalmology, and Gynaecology.

One of our biggest achievements this year is the introduction of a macular injection service, which has assisted many people maintain their eyesight for a significantly longer period of time.

Generally, waiting times for surgery are exceptional, with most people having surgery within six months of their initial consultation.

A range of new equipment was purchased to ensure we consistently deliver optimal care to our patients, including a video laryngoscope, peripheral nerve stimulator, magnets for use with patients with pacemakers, and biological monitoring incubator. This equipment was funded by WWHS, and will ensure care provided is safe in all facilities.

Exemplary screening policies mean we have a wound infection rate of 'nil', as we continue to follow strict guidelines set by the World Health Organisation, the Australian and New Zealand College of Anaesthetists and Australian College of Operating Room Nurses and Australian/New Zealand Standards.

Continuing access to these specialties is crucial to the wellbeing of our community, reducing the need to travel huge distances for specialist treatment which is critical to enabling patients to retain the support of family and friends at all times.

Looking toward the future

We will improve preparation for patients undergoing colonoscopies, working with the surgeons, pre-admission clinic and pharmacist to achieve better outcomes for our patients.

The general surgeons have met with WWHS managers and doctors to explain the surgery they can perform in Nhill, and make it known we intend to increase General Surgery for next year. We will also obtain more equipment to meet standards and ensure patient safety.

It is the intention to re-evaluate the way we disinfect and sterilise instruments to ensure such standards are best-practice and in accordance with the new Australian/New Zealand Standards to be released.

We will continue this annual audit program for this purpose.

Dialysis

Highlights of the year

With increased staff training, our dialysis can expand from one to two sessions per day as required. The unit continues to run three days a week, providing reliable treatment for patients, with the capacity to offer vacation care to dialysis patients travelling through the region.

The refurbished unit and office space allows staff to manage treatment more effectively, facilitating discussion between clients with specialists in a more private space.

It has been a challenging year in dialysis, with three much-loved patients passing away. Remaining patients and staff were grateful to receive counselling support from the Royal Melbourne Hospital.

Looking toward the future

The dialysis unit will continue their impressive record with no infections, as well as increasing dialysis capacity by involving enrolled nurses in the unit.

Wound Management

Highlights of the year

WWHS continues to provide specialty wound-care services to patients in the acute setting, as well as in aged care. Specialist wound-care services increased this year, with a wound clinic providing assessment, management and advice to outpatients and community members as well as inpatients.

Looking toward the future

Our wound-care service is set to commence exciting research this year, and is currently awaiting ethics approval from the Ballarat Health Services and St John of God Hospital Human Research Ethics Committee.

The project will investigate the efficacy of the wound-healing cream Olivamine, which is currently considered best practice in the United States but is yet to become available in Australia.

The research will treat participants' wounds with Olivamine cream products rather than simply dressing the area. The study is expected to conclude in December 2017, and will ensure WWHS is at the forefront of best-practice methods in Australia.

Allied Health

Our team of qualified health professionals provides services in the acute, rehabilitation, residential aged care and community settings. We will break down the barriers and health inequalities existing within our communities to enable opportunities for improved health outcomes.

Highlights of the year

Our Community and Allied Health team consists of expert staff in their respective fields, meaning we are able to offer and implement a wide range of initiatives designed to strengthen our community.

This year, a significant achievement was working in partnership with West Wimmera, Hindmarsh and Yarriambiack Shire Councils to develop the 'WHY Project', offering Occupational Therapy, Physiotherapy, Podiatry and Dietetic services across all Shires, administered by WWHS.

Developing and implementing a Healthy Ageing initiative across our catchment was another key achievement. This program ensures older people within our communities are connected to services and programs across the region, offering information sessions and programs relating to staying strong and living at home for longer.

We also targeted the mental health of young people in our community, initiating and implementing a mental health program for school students in conjunction with Nhill College.

These programs are effective in reducing health inequalities among our community members, enhancing community participation and promoting health across our region.

WWHS was involved in exciting major research, investigating the effect of different types of fluids on patients with swallowing difficulties. This research is being conducted in collaboration with the University of Melbourne and Baker IDI, and has approval to continue until December 2015.

The wide variety of programs delivered is a credit to the diversity and strength of our Community and Allied Health team.

The multidisciplinary team ensures quality health outcomes for our clients, and includes the following:

Dietetics

WWHS dietitians advance good health by promoting better choices around nutrition, which includes food, menu planning and cooking methods.

Diabetes Education

Our expert staff are trained to teach people with diabetes how to better manage their medical condition and conduct a sustainable lifestyle.

Counselling

We provide a professional and accessible service dedicated to improving the mental, physical and psychological wellbeing of individuals who wish to improve their lives and the lives of those around them.

Massage

Massage therapy improves circulation by bringing oxygen and other nutrients to body tissues. It relieves muscle tension and pain, increases flexibility and mobility, and helps clear lactic acid and other waste, which reduces pain and stiffness in muscles and joints.

Occupational Therapy

Occupational Therapists assist people to maintain or gain the skills and confidence to complete activities and tasks that are meaningful and useful to the person. They can recommend specific tools and/or equipment that can be of benefit to the client.

Physiotherapy

Our expert staff focus on prevention, assessment and treatment of physical disorders and the promotion of movement and health.

Podiatry

WWHS Podiatrists deal with the prevention, diagnosis, treatment and rehabilitation of medical and surgical conditions of the feet and lower limbs.

Speech Pathology

The Speech Pathology Department provides effective and efficient intervention for those with communication and swallowing disorders.

District Nursing

Experienced District Nurses provide nursing care which allows people to remain in their own homes, maintain their independence, or have additional support after discharge from hospital. District nurses assist clients with administration of medications, wound management, continence management, and personal care, and thus enhance quality of life for clients.

Home and Community Care

This program provides services to frail, aged, people with a disability and their carers, who live in the community.

Planned Activity Groups

These groups are designed to help older people and people with disabilities stay healthy and active by engaging in interesting and fun group activities. Planned Activity Groups are also a great way to stay informed about health and community services offered within the community by West Wimmera Health Service.

Looking toward the future

WWHS will continue to enhance the rehabilitation and mental health services available to our community clients. Planning is underway to develop a Rehabilitation Centre, offering expert facilities for people to receive health rehabilitation in Nhill, as well as a Cancer Resource Centre.

We will continue enhancing the mental health services offered for young people, working more closely with the schools across our catchment to implement programs.

WWHS has committed to developing health promoting plans over the next three years in conjunction with the Wimmera Primary Care Partnership and Local Governments. Priority areas identified include mental health and physical activity.

We will also continue our clinical research, ensuring we remain a leader in the health industry.

Grants Received

WWHS has been allocated additional HACC funding for:

> PAG Care Planning - $5,435

> Minor Capital - $20,726

Received $4,800 from the Department of Health for Allied Health training of staff to attend seminars and conferences.

Radiology

Highlights of the year

Radiology enjoyed another very successful year, with increasing patient attendance in computerised tomography (CT), ultrasound, and general X-ray.

The quality of dental images was vastly improved with the installation of a state-of-the-art dental X-ray, or orthopantomogram (OPG). This machine also enables us to perform some procedures for the first time, saving patients trips outside the region for examinations such as lateral cephalograms.

We will continue to improve the use of the OPG, developing sterilisation and infection control practices to ensure standards remain best practice.

Looking toward the future

A team approach has strengthened our Radiology Department, improving service delivery. To improve patient confidentiality we are investigating the possibility of developing a dedicated waiting area and reception.

Case study

When patient Elly took X-rays from the Nhill hospital to her Melbourne-based orthodontist, the orthodontist said the X-rays coming from Nhill were some of the best he has ever seen, and the radiographer should be commended.

Pharmacy

Highlights from the year

Inspected by the Victorian Pharmacy Authority this year, our pharmacy service passed with flying colours. We continue to provide consistent and effective pharmacy services, implementing recommendations from the internal audit, and introducing a temperature data logger to all medication fridges.

This monitors our fridges continuously, assisting us to confidently evaluate the temperature to ensure safe storage of medications.

Our pharmacy continues to be a member of the Medication Reconciliation Working Party Members auspiced by the Department of Health, ensuring correct selection of the 'right' medication for the 'right patient'.

Looking toward the future

In furthering our medication reconciliation efforts we are developing our own hospital formulary, which will stabilise our existing pharmacy stock usage and help improve the system between doctor prescribing and medication delivery.

We will also investigate better patient medication summary software to replace existing systems with the endeavour of providing more complete patient care information at the time of discharge.

Dental

Highlights from the year

Dental Services flourished this year with significantly increased program delivery. Undoubtedly the highlight of the year was opening the Kaniva and Goroke Dental Clinics in February. These modern facilities, together with well-trained staff, ensures WWHS continues to deliver the most comprehensive dental services in our region.

Our graduate dentist program continues to be a tremendous success, attracting one talented graduate to our service every six months, with three graduates currently being mentored by our senior dentist.

This program ensures our dentists are up-to-date with the latest practices and technology, keeping us at the forefront of oral health promotion.

New – alternative to traditional braces to align teeth

We were successful in retaining a senior dentist on a permanent part-time basis, meaning we can offer a significantly broader range of general and advanced dental procedures.

Our senior dentist specialises in Invisaline, an orthodontic treatment using clear, removable aligners as an alternative to traditional metal dental braces.

Continued investment in training made it possible for two dentists to become certified to provide conscious sedation, with other dental staff undertaking programs such as Certificate IV in Health Promotion and Certificate III in Dental Assisting.

WWHS is committed to making dental services accessible to all members of our communities.

Our sustained partnership with the Royal Flying Doctors volunteer dentists helps us ensure dental services are freely available, providing free checks and treatment through their regular three-monthly visits.

With the help of Dental Health Services Victoria, we also had access to portable dental equipment for two months thus providing oral health services to 15 primary schools during this period.

Our Rainbow clinic has also seen increased program delivery, moving operations to weekly instead of fortnightly.

Equipment upgrades continue to improve our service delivery as with digital X-rays, we provide faster imaging services and access images from all four dental clinics.

Digital Inter-oral cameras were purchased, taking images in the mouth so patients can gain a visual understanding of what the dentist has achieved.

Finally, WWHS Dental Clinics are now all paperless, increasing efficiency in our clinics and making them more environmentally friendly.

Looking toward the future

Over the next year, Dental Services will aim to increase promotion of good oral health in the region, continuing our commitment to making Dental Services accessible to everyone.

As well as maintaining our four Dental Clinics, we will continue our partnership with the Royal Flying Doctors, deliver free school screenings, and organise a mobile dental van to reach outlying areas within our region.

We will continue to provide oral surgery services in Nhill, with the ability to treat patients in the dental chair or in the hospital theatre, and are looking to facilitate dental implant services in the future.

Disability Services

'Cooinda' Disability Service based at Nhill supports people with disabilities and ensures achievable individual outcomes, encouraging personal development while promoting positive interaction and participation within the wider community.

Cooinda offers individual support based services for eligible participants, with choices of interesting programs and activities with, supported employment opportunities, for people with a disability who require guidance and assistance to perform employment duties.

This is a special feature of our program.

Day Services

Highlights for Cooinda Day Services include:

> Participation in the Oral Health Promotion for people with disabilities entitled 'Keep the Wimmera Smiling' incorporating participants from Cooinda, Wimmera Uniting Care Horsham, Woodbine Warracknabeal and Edenhope and District Memorial Hospital.

> Introduction of joint programs with Wimmera Uniting Care Day Service with each agency hosting activities on alternate weeks resulting in new and renewed friendships.

> Competing in the Tri State Games, an annual sporting competition held over five days in various towns throughout South Australia, New South Wales and Victoria where Cooinda participants were successful medal recipients.

Business Services

Our supported employment sites of Oliver's Café and Snappy Seconds continue to provide valuable education and on the job training which feature support and work experience in a busy enterprise.

Supported employees learn skills to enable them to work in hospitalities or retail under the guidance of trained supervisors.

Those working in the café learn the importance of food preparation and presentation, customer service and the importance of cleanliness and correct food handling skills.

At Snappy Seconds supported employees are given training in customer service, selection of and display of goods for sale and deportment.

The Stores Department of West Wimmera Health Service has now combined with Maintenance in providing work opportunities in an open employment environment for supported employees, teaching work ethics, responsibilities and expectations of working in a busy hospital setting.

Accreditation of the Commonwealth funded business services in 2013 was once again successfully accomplished. In July 2014 both State and Commonwealth funded programs will be audited against the new Disability Standards.

Looking Ahead

Cooinda staff continue to participate in information sessions showcasing the outcomes of the Barwon National Disability Insurance Scheme (NDIS) trials.

The NDIS is a generational reform that will deliver a national system of disability support focused on the individual needs and choices of people with unfortunate handicaps.

NDIS will progressively roll out in Victoria from July 2016 to July 2019.

The Service will closely monitor the reform to maximize opportunities to provide meaningful programs, activities and employment to people with disabilities in our catchment area and also capitalise on the benefits this reform program may bring.

Corporate & Quality Divisional Report

It takes an enormous number of departments and individuals working together towards a common goal to make an organisation as diverse as West Wimmera Health Service function effectively, safely and efficiently. Quality care comprises many facets in addition to medical, nursing and allied healthcare.

A Clean Environment

Providing a clean and attractive environment for patients plays an important part in the road to recovery. It is also important as a means of reducing the risk of patients contracting hospital acquired infections.

Highlights from the year

This year's external cleaning audit highlighted the immaculate cleanliness and tidiness of our campuses, with our four acute hospital sites at Nhill, Kaniva, Jeparit and Rainbow recording a 99% compliance result.

This is the second consecutive year we've received this excellent result, meaning WWHS is substantially above the 85% benchmark set by the Department of Health regarding cleaning standards.

Our nine residential aged care facilities also achieved an excellent outcome, receiving a score of 97% for the second year in a row.

Following a detailed tendering and review process conducted in accordance with Health Purchasing Victoria (HPV) requirements, we introduced a new cleaning system this year, resulting in a 13% reduction in the use of chemicals and an associated saving of $3,500 per annum.

A further improvement has been noted by decreasing the size of chemical containers from five to two litres, reducing manual handling risks.

Looking toward the future

This year, we took proactive steps toward decreasing our environmental footprint, introducing a new chemical-free cleaning system to our Natimuk residential aged care facility.

Microfibre cleaning has been used for several years in Iona Digby Harris Home in Nhill, providing residents with a clean and chemical free environment.

Over the next year, we will implement microfibre cleaning in our aged care facilities, before introducing it to the acute ward areas.

Fresh Food Services

Freshly cooked meals are a feature of West Wimmera Health Service's Food Services. We deliver tasty and nutritious meals made with fresh, locally-sourced ingredients to patients and residents at all sites. We understand that meals are a highlight in an otherwise long day for many residents and patients, and we make the effort to go above and beyond to cater for individual tastes and requests.

Menus are prepared in conjunction with expert allied health staff including Dieticians and Speech Pathologists, ensuring food provided is not only tasty, but healthy and safe for everyone.

WWHS kitchens also provide meals to a number of external groups including Senior Citizens and Meals on Wheels. We are delighted to support these community partnerships.

In 2013/14 183,047 meals were provided, 3,340 (1.8%) less than the previous year. This year's external food audit indicated all sites are fully compliant with food safety regulations and guidelines.

Engineering and Maintenance

The physical environment at all sites is impeccably maintained and presented, ensuring front-line clinical care is always provided in a safe and pleasant environment. Engineering staff at each site undertake routine repairs and maintenance and complete a detailed preventative maintenance program comprising daily, weekly, monthly and annual checks.

Highlights of the year

Our progressive capital redevelopment program replaces and improves physical infrastructure in a planned and financially sustainable manner every year. This year's projects included:

> Completing and officially opening the Goroke Community Health Centre;

> Making major upgrades to the Nhill nurse call system, eliminating the risk of system malfunction and flow-on effects;

> Developing a Dental Clinic at Goroke, which included installing a new Dental Chair and suction equipment, and providing X-ray;

> Upgrading the Kaniva and Rainbow Dental Clinics, installing new X-ray equipment and X-ray viewers;

> Installing a new commercial dishwasher in the Nhill Hospital Kitchen, replacing the existing 30 year old unit;

> Upgrading our staff accommodation house at Macpherson Street in Nhill, including repairs and painting; and

> Building three houses in Nhill to provide accommodation for undergraduate and postgraduate students completing placements with us, as well as other staff requiring short-term accommodation and visiting medical officers.

Looking toward the future

A site risk survey undertaken by Victorian Managed Insurance Authority at Nhill this year provided us a good rating, indicating that we control risks well. This review provided a number of recommendations we are now putting into place.

Predicted budgetary constraints will test our capacity to continue to provide the exceptional physical infrastructure we presently enjoy, but we will meet this challenge head-on, striving to find ways to 'do more with less'.

Education

Ongoing education makes sure we remain at the forefront of modern practices. It is very important to the sustainability and success of our organisation.

Highlights of the year

This year, we actively promoted education in a number of ways:

> Engaging undergraduate students by providing supervised placements in nursing and allied health;

> Up-skilling staff in all departments to increase their knowledge and qualifications;

> Ensuring our care is best practice by encouraging staff to attend internal and external conferences and seminars; and

> Offering mandatory training in critical areas such as fire and evacuation, medication management and manual handling for all staff.

This year, 475 undergraduate clinical placement days were undertaken, including a Speech Pathology placement for the first time in five years. Compared with 45 days in 2012-13 and applications for 2014-15 already standing at 595.

The healthcare sector has witnessed an increase in occupational violence and aggression and as a result we are taking proactive steps to mitigate the risk of this behaviour.

We have provided training to 209 staff, teaching them strategies to prevent these kinds of incidents from occurring.

Our commitment to furthering qualifications of our staff is evident with the enrolment of three Hospitality and Environmental Services staff in Commercial Cookery apprenticeships, with a further three staff currently enrolled in a Certificate IV Disability course.

Nine staff have also successfully completed 'barista' coffee training, guaranteeing Oliver's' Café and Kiosk will continue to serve the best coffee in Western Victoria.

Environmental Sustainability

Achievements of the year

Electricity

A plan to replace incandescent and fluorescent lights in our buildings has commenced, with a total of 560 LED lights being installed in all new facilities. This has decreased our energy consumption by 112,420 kilowatt hours, with a resultant saving of $33,700 per annum.

Waste

WWHS is conscious of reducing its environmental footprint, conscientiously recycling cardboard, paper and plastic products in all of our administrative, clinical and support services.

Equipment no longer in use and suitable for resale is also recycled. Our second-hand retail outlet Snappy Seconds sells a variety of items, from desks, chairs and curtains to computers.

Domestic Hot Water

The gas-fired hot water service in the Mira Medical and Allied Health Centre at Nhill was replaced this year with an electrical service. This has reduced our LPG consumption by 18% in three months, providing a more efficient and stable water heating source.

House Construction

An energy auditor was engaged for the first time this year to assist us to meet our obligations for appropriate energy conservation in our new staff and student accommodation in Nhill.

As a result of this audit, double-glazed gas-filled windows have been installed, reducing noise levels by at least 50% while maintaining the internal thermal environment. This will significantly reduce energy consumption and our cost of providing this accommodation.

In a first for construction at West Wimmera Health Service, insulation has been installed to the ceilings, walls and subfloors of all new constructions creating a thermal barrier. By doing this, we have created an environment requiring minimal energy input to maintain a comfortable setting for occupants.

Water

We 'farm' water from roof tops by directing the rainwater to three 22,000 litre tanks for use in toilets, washing machines and hot water systems. Water conservation of this nature reduces our reliance on mains water supply, reducing our costs and also the possibility of water being wasted as storm water.

Looking toward the future

We will now focus on new methods of managing our heating, ventilation and cooling systems at the Nhill Hospital to ensure maximum efficiency.

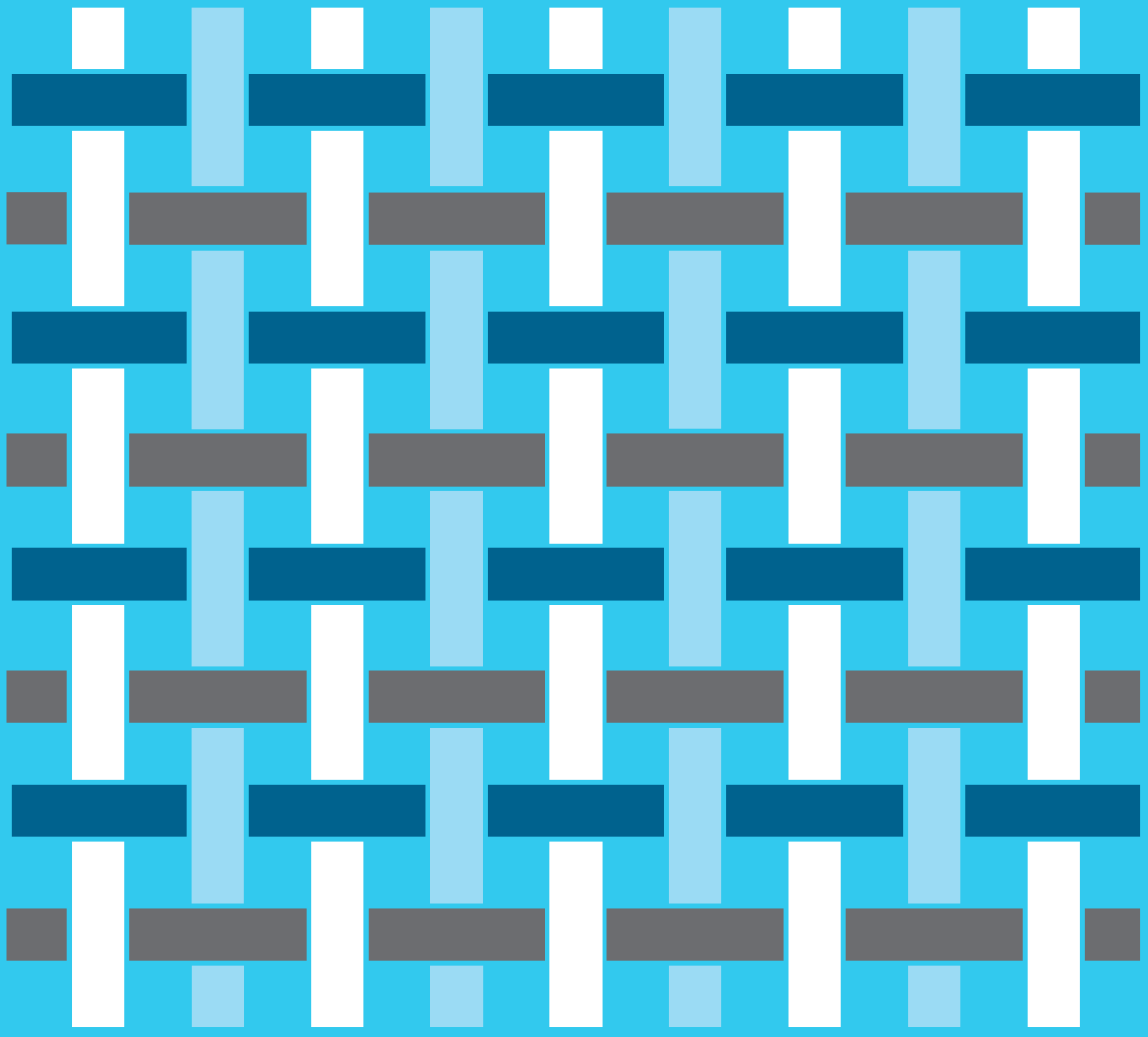
We trust that research currently underway will see innovations in the forms of heating and cooling we install in our buildings, such as using solar and vacuum technology to preheat hot water loops.

It is anticipated that a direct result of these efforts will realise a reduction in energy costs, particularly relating to liquid petroleum gas (LPG).

Financial Report 2013/14

As ever the financial sustainability of any organisation underpins its ability to survive and advance its ideals and values.

Financial management of the highest order prevails at West Wimmera and it is by virtue of such capabilities and expertise another outstanding financial year has been achieved.



VAGO
Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, West Wimmera Health Service

The Financial Report

The accompanying financial report for the year ended 30 June 2014 of the West Wimmera Health Service which comprises Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board member's, accountable officer's and chief finance and accounting officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

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

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

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the West Wimmera Health Service as at 30 June 2014 and of its financial performance and its 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*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the West Wimmera Health Service for the year ended 30 June 2014 included both in the West Wimmera Health Service's annual report and on the website. The Board Members of the West Wimmera Health Service are responsible for the integrity of the West Wimmera Health Service's website. I have not been engaged to report on the integrity of the West Wimmera Health Service's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
18 August 2014

Dr Peter Frost
Acting Auditor-General

West Wimmera Health Service

Board member's, accountable officer's and chief finance & accounting officer's declaration

The attached financial statements for West Wimmera Health Service have been prepared in accordance with Standing Directions 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 2014 and the financial position of West Wimmera Health Service at 30 June 2014.

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.

Leonie Clarke **Board President**	**John Smith** **Accountable Officer**	**Ritchie Dodds** **Chief Finance & Accounting Officer**
Nhill 18 August 2014	Nhill 18 August 2014	Nhill 18 August 2014

Comprehensive Operating Statement
For the Year Ended 30 June 2014

	Note	2014 $'000	2013 $'000
Revenue from operating activities	2	33,280	32,956
Revenue from non-operating activities	2	471	626
Employee expenses	3	(24,662)	(23,937)
Non salary labour costs	3	(1,498)	(1,553)
Supplies and consumables	3	(2,099)	(2,269)
Other expenses	3	(5,478)	(5,719)
Net result before capital and specific items		**14**	**104**
Capital purpose income	2	722	1,608
Depreciation	4	(4,551)	(3,713)
Finance costs	5	(10)	(15)
NET RESULT FOR THE YEAR		**(3,825)**	**(2,016)**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	15a	17,652	4,291
Total other comprehensive income		**17,652**	**4,291**
Comprehensive result		**13,827**	**2,275**

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

Balance Sheet
As at 30 June 2014

	Note	2014 $'000	2013 $'000
Current assets			
Cash and cash equivalents	6	7,858	10,276
Receivables	7	736	910
Inventories	8	86	112
Other assets	9	81	110
Total current assets		**8,761**	**11,408**
Non-current assets			
Receivables	7	1,302	1,017
Property, plant & equipment	10	64,481	48,996
Total non-current assets		**65,783**	**50,013**
TOTAL ASSETS		**74,544**	**61,421**
Current liabilities			
Payables	11	893	1,717
Provisions	12	6,953	6,510
Other current liabilities	14	4,324	4,748
Total current liabilities		**12,170**	**12,975**
Non-current liabilities			
Provisions	12	1,082	981
Total non-current liabilities		**1,082**	**981**
TOTAL LIABILITIES		**13,252**	**13,956**
NET ASSETS		**61,292**	**47,465**
EQUITY			
Asset revaluation surplus	15a	31,993	14,341
Restricted specific purpose surplus	15a	427	427
Contributed capital	15b	25,924	25,924
Accumulated surpluses/(deficits)	15c	2,948	6,773
TOTAL EQUITY	15	**61,292**	**47,465**
Commitments	18		
Contingent assets and contingent liabilities	19		

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

Statement of Changes in Equity
For the Year Ended 30 June 2014

	Note	Property Revaluation Surplus $'000	Restricted Specific Purpose Surplus $'000	Contribs. by Owners $'000	Accum'd. Surpluses/ (Deficits) $'000	Total $'000
Balance at 1 July 2012		**10,050**	**427**	**25,924**	**8,789**	**45,190**
Net result for the year		-	-	-	(2,016)	(2,016)
Revaluation of Buildings	10	4,291	-	-	-	4,291
Balance at 30 June 2013		**14,341**	**427**	**25,924**	**6,773**	**47,465**
Net result for the year		-	-	-	(3,825)	(3,825)
Revaluation of Buildings and Motor Vehicles	10	17,652	-	-	-	17,652
Balance at 30 June 2014		**31,993**	**427**	**25,924**	**2,948**	**61,292**

This statement should be read in conjunction with the accompanying notes

Cash Flow Statement
For the Year Ended 30 June 2014

	Note	2014 $'000	2013 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from government		19,378	18,784
Patient and resident fees received		12,437	11,464
Donations and bequests received		74	29
GST received from/(paid to) ATO		544	542
Interest received		417	594
Other receipts		1,490	2,085
Total receipts		**34,340**	**33,498**
Employee expenses paid		(24,713)	(23,414)
Non salary labour costs		(1,648)	(1,708)
Payments for supplies & consumables		(8,079)	(8,216)
Finance costs		(10)	(15)
Total payments		**(34,450)**	**(33,353)**
Cash generated from operations		**(110)**	**145**
Capital grants from government		570	1,031
Capital donations and bequests received		223	167
Other capital receipts		-	502
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	16	**683**	**1,845**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for non-financial assets		(2,714)	(3,236)
Proceeds from sale of non-financial assets		259	189
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		**(2,455)**	**(3,047)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	345
Repayment of borrowings		-	(345)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		**-**	**-**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**(1,772)**	**(1,202)**
Cash and cash equivalents at beginning of financial year		**6,050**	**7,252**
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6	**4,278**	**6,050**

This statement should be read in conjunction with the accompanying notes

Notes to the financial statements
30 June 2014
Table of Contents

Note 1: Summary of significant accounting policies

These annual financial statements represent the audited general purpose financial statements for West Wimmera Health Service (WWHS, The Service) for the year ended 30 June 2014. The purpose of the report is to provide users with information about the 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 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.

The 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 West Wimmera Health Service on 18 August 2014.

(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 2014, and the comparative information presented in these financial statements for the year ended 30 June 2013.

The going concern basis was used to prepare the financial statements. The service contemplates the continuity of normal trading operations and the realisation of assets and settlement of liabilities in the ordinary course of business. The Department of Health has confirmed in writing its intention to continue to provide financial support to West Wimmera Health Service up until September 2015 should such financial support be required.

These financial statements are presented in Australian dollars which is the functional and presentation currency of the 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 re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;

- the fair value of assets other than land and motor vehicles is generally based on their depreciated replacement value;
- the fair value of motor vehicles is based on their market value.

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

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

- the fair value of land, buildings, plant and equipment (refer to Note 1(k);
- superannuation expense (refer to note 1(h)); and
- 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(l)).

Consistent with AASB 13 *Fair Value Measurement*, the 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, the 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, the 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 the Service's independent valuation agency.

The 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 West Wimmera Health Service the principal address of which is 49 Nelson Street, Nhill, Victoria, 3418.

A description of the nature of the 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

West Wimmera Health Service's overall objective is to deliver health, welfare and disability services which are compassionate, responsive, accessible and accountable to individual community needs, as well as to improve the quality of life for Victorians.

The Service is predominantly funded by accrual based grant funding for the provision of outputs.

(d) Principles of consolidation

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

Jointly controlled assets or operations
Interests in jointly controlled assets or operations are not consolidated by the Service, but are accounted for in accordance with the policy outlined in Note 1(k) Financial Assets.

(e) Scope and presentation of financial statements

Fund Accounting

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

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

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

Residential Aged Care Service

The Service's Residential Aged Care Service operations are an integral part of the Service and share 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 2b to the financial statements. The Residential Aged Care Service is 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 the Service. This subtotal reports the result excluding items such as capital grants, capital type fee income, finance charges and depreciation. 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 Services. The 'net result before capital & specific items' is used by the management of the Service, the Department of Health and the Victorian Government to measure the ongoing operating performance of the Service.

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. 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 (h); and
- Finance charges (interest).

Balance sheet

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

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) Change in accounting policies

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when a health service is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted. The Service has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revised and adjusted where applicable. In light of AASB 13, the Service has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

AASB 13 has predominantly impacted the disclosures of the Service. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 *Financial Instruments: Disclosures*.

The disclosure requirements of AASB 13 apply prospectively and need not to be provided for comparative periods, before initial application. Consequently, comparatives of these disclosures have not been provided for 2012-13, except for financial instruments, of which the fair value disclosures are required under AASB 7 *Financial Instruments Disclosures*.

AASB 119 Employee Benefits

In 2013-14, the Service has applied AASB 119 *Employee Benefits (Sep 2011, as amended)*, and related consequential amendments for the first time.

The revised AASB 119 changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. As the current accounting policy is for the Department of Treasury and Finance to recognise and disclose the State's defined benefit liabilities in its financial statements, changes in defined benefit obligations and plan assets will have limited impact on the Service.

The revised standard also changes the definition of short-term employee benefits. These were previously benefits that were expected to be settled within 12 months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified as short-term employee benefits no longer meet this definition and are now classified as long-term employee benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis.

The Service has used the discounted measurement basis to re-calculate the annual leave provision reported as at 30 June 2013 and has determined that the amended provision was not materially different to the amount originally reported.

The change in accounting policy has resulted in the following revision of the disclosures in the Current Provisions section of Note 12: Provisions as at 30 June 2013.

Current Provisions	**Original 2013 $'000**	**Change $'000**	**Revised 2013 $'000**
Employee Benefits			
- Unconditional and expected to be settled within 12 months	3,163	-3,163	-
- Unconditional and expected to be settled after 12 months	3,347	-3,347	-
Annual Leave			
- Unconditional and expected to be settled within 12 months	-	2,139	2,139
- Unconditional and expected to be settled after 12 months	-	345	345
Long Service Leave			
- Unconditional and expected to be settled within 12 months	-	344	344
- Unconditional and expected to be settled after 12 months	-	3,003	3,003
Accrued Wages, Superannuation & ADOs			
- Unconditional and expected to be settled within 12 months	-	679	679
Total Current Provisions	**6,510**	**-**	**6,510**

(g) Income from transactions

Income is recognised in accordance with AASB 118 *Revenue* and is recognised to the extent that it is probable that the economic benefits will flow to the 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 the Service gains control of the underlying assets irrespective of whether conditions are imposed on the Service's use of the contributions.

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

Indirect Contributions from the Department of Health

- Insurance is recognised as revenue in accordance with advice from the Department of Health.

- 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 05/2013 (updated for 2013-14).

Patient and Resident Fees

Patient and resident 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 Bequests

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

Interest Revenue

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

(h) Expense recognition

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

Employee expenses

Employee expenses include:
- wages and salaries;
- annual leave;
- long service leave; and
- superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

Defined contribution superannuation 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 superannuation plans

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Service to the superannuation plans in respect of the services of current 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 the Service are entitled to receive superannuation benefits and the Service contributes to both the defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

The name and details of the major employee superannuation funds and contributions made by the Service are disclosed in Note 13: Superannuation.

Depreciation

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

Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation charge is not funded by the Department of Health.

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.

	2014	2013
Buildings	5 to 48 years	3 to 33 years
Plant & Equipment	1 to 10 years	3 to 10 years
Medical Equipment	1 to 10 years	3 to 10 years
Computers and Communication	1 to 10 years	3 to 5 years
Motor Vehicles	1-10 years	1-10 years

Finance costs

Finance costs are recognised as expenses in the period in which they are incurred and relate to interest on residential aged care accommodation bonds payable.

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 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 (k) *Impairment of financial assets.*

(i) Other comprehensive income

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

Net gain/(loss) on non-financial assets

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

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

Net gain/ (loss) on disposal of non-financial assets
Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is the difference between the proceeds and the carrying value of the asset at the time.

(j) 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 the 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. The loans and receivables category includes cash and deposits (refer to Note 1(k)), 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 the 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.

(k) 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, and which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Receivables

Receivables consist of:

- contractual receivables, which includes mainly debtors in relation to goods and services; and

- statutory receivables, which includes predominantly amounts owing from the Victorian Government and Goods and Services Tax ("GST") input tax credits recoverable.

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract. Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less any accumulated impairment.

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.

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 but excludes depreciable assets.

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

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.

Property, plant and equipment

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

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 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 constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the 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.

Assets Under Construction relate to assets which are being constructed by or on behalf of the Service and which were not yet made ready for use at balance date. Assets Under Construction are measured at cost.

Revaluations of non-current physical assets

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103E *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 its fair value.

Revaluation increments are recognised in 'other comprehensive income' and are credited directly 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 thata 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 is not normally transferred to accumulated funds on derecognition of the relevant asset.

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

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(i) – 'other comprehensive income'.

Impairment of non-financial assets

Non-financial assets are assessed annually for indications of impairment, except for inventories.

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.

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

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

Investments in jointly controlled assets and operations

In respect of any interest in jointly controlled assets, West Wimmera Health Service recognises in the financial statements:

- its share of jointly controlled assets;
- any liabilities that it had incurred;
- its share of liabilities incurred jointly by the joint venture;
- any income earned from the selling or using of its share of the output from the joint venture; and
- any expenses incurred in relation to being an investor in the joint venture.

For jointly controlled operations the Service recognises:

- the assets that it controls;
- the liabilities that it incurs;
- expenses that it incurs; and
- the share of income that it earns from selling outputs of the joint venture

De-recognition 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

- the 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

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

Impairment of financial assets

At the end of each reporting period the Services 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. Bad debt written off by mutual consent and the allowance for doubtful debts are classified as 'other comprehensive income' in the net result.

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*.

(I) Liabilities

Payables

Payables consist of contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to the Service prior to the end of the financial year that are unpaid, and arise when the 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 Nett 30 days. Payables also includes statutory payables such as goods and services tax and fringe benefits tax payable.

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 the Service has a present obligation, the future sacrifice of economic benefits to meet that obligation 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, annual leave and accrued days off are all recognised in the provision for employee benefits as 'current liabilities', because the 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

Liability for 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 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 Service expects to wholly settle within 12 months; and
- Present value – if the 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 following revaluation of the present value of non-current LSL liability is recognised as a transaction in the operating statement.

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.

The 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

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

Superannuation liabilities

The Service does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the 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.

(m) 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. All other leases are classified as operating leases.

Finance leases

The Service does not hold any finance lease arrangements with other parties.

Operating leases

Entity as lessor

Rental income from operating leases 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.

Leasehold Improvements

The cost of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

(n) 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.

Transfers of net assets arising from administrative restructurings are treated as contributions by owners. Transfers of net liabilities arising from administrative restructures are to go through the comprehensive operating statement.

Property revaluation surplus

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

Specific restricted purpose surplus

A specific restricted purpose surplus is established where the 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.

(o) 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 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.

(p) 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.

(q) 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, the GST payable 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.

(r) Events after the reporting period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Service and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period.

Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period.

Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period and which may have a material impact on the results of subsequent reporting periods.

(s) AASs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2014 reporting period. DTF assesses the impact of all these new standards and advises the Service of their applicability and early adoption where applicable.

As at 30 June 2014, 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. West Wimmera Service has not and does not intend to adopt these standards early.

Standard/Interpretation	*Summary*	*Applicable for annual reporting periods beginning*	*Impact on public sector entity financial statements*
AASB 10 *Consolidated Financial Statements*	This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities. The AASB has issued an Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.	1 Jan 2014 (not-for-profit entities)	For the public sector, AASB 10 builds on the control guidance that existed in AASB 127 and Interpretation 112 and is not expected to change which entities need to be consolidated.
AASB 12 *Disclosure of Interests in Other Entities*	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127	1 Jan 2014 (not-for-profit entities)	The new standard is likely to require additional disclosures in relation to the Service's interest in the Grampians Regional Health Alliance (GRHA) IT joint venture and ongoing work is being done to determine the extent of additional disclosure required.

Standard/Interpretation	*Summary*	*Applicable for annual reporting periods beginning*	*Impact on public sector entity financial statements*
	Separate Financial Statements and AASB 131 Interests in Joint Ventures.		
AASB 127 *Separate Financial Statements*	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 Jan 2014 (not-for-profit entities)	Current assessment indicates that this will have limited impact on the Service. Ongoing work is being done to monitor and assess the impact of this standard.

(t) Category groups

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

Admitted Patient Services (Admitted Patients) comprises all recurrent health revenue/expenditure on admitted patient services, where services are delivered in public hospitals, or free standing day hospital facilities, or hospitals specialising in dental services, hearing and ophthalmic aids.

Outpatient Services (Outpatients) comprises all recurrent health revenue/expenditure on public hospital type outpatient services, where services are delivered in public hospital outpatient clinics, or free standing day hospital facilities or outpatient clinics specialising in ophthalmic aids or palliative care.

Aged Care comprises revenue/expenditure form Home and Community Care (HACC) programs, Allied Health, Aged Care Assessment and support services.

Primary Health comprises revenue/expenditure for Community Services including health promotion and counselling, physiotherapy, speech therapy, podiatry, massage therapy and occupational therapy.

Off Campus, Ambulatory Services (Ambulatory) comprises all recurrent health revenue/expenditure on public hospital type services including palliative care facilities and rehabilitation facilities, as well as services provided under the following agreements: Services that are provided or received by hospitals (or area Services) but are delivered/received outside a hospital campus, services which have moved from a hospital to a community setting since June 1998, services which fall within the agreed scope of inclusions under the new system, and which have not been delivered within hospitals i.e. in rural/remote areas.

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 DH 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 (CCUs) and secure extended care units (SECs).

Other Services excluded from Australian Health Care Agreement (AHCA) (Other) comprises revenue/expenditure for services not separately classified above, including: Public Services including immunisation and screening services; Dental Health services including general and specialist dental care, school dental services and clinical education; Disability services including aids and equipment and flexible support packages to people with a disability; Community Care programs including early parenting services, parenting assessment and skills development; and various support services. Health and Community Initiatives also falls in this category group.

Notes to and forming part of the financial statements

Note 2: Revenue

	HSA 2014 $'000	HSA 2013 $'000	H&CI 2014 $'000	H&CI 2013 $'000	Total 2014 $'000	Total 2013 $'000
Revenue from Operating Activities						
Government Grants						
- Department of Health	17,046	16,540	-	-	17,046	16,540
- Department of Human Services	268	286	-	-	268	286
- Dental Health Services Victoria	482	309	-	-	482	309
- State Government - Other						
Department of Education	191	183	-	-	191	183
- Commonwealth Government						
Residential Aged Care Subsidies	7,288	8,037	-	-	7,288	8,037
Other	1,027	1,131	-	-	1,027	1,131
Total Government Grants	**26,302**	**26,486**	**-**	**-**	**26,302**	**26,486**
Indirect Contributions by Department of Health						
- Insurance	47	4	-	-	47	4
- Long Service Leave	284	599	-	-	284	599
Total Indirect Contributions by Department of Health	**331**	**603**	**-**	**-**	**331**	**603**
Patient and Resident Fees						
- Patient Fees (refer note 2b)	1,885	1,874	-	-	1,885	1,874
- Residential Aged Care Resident Fees (refer note 2b)	2,626	2,005	-	-	2,626	2,005
Total Patient & Resident Fees	**4,511**	**3,879**	**-**	**-**	**4,511**	**3,879**
Business units						
- Diagnostic Imaging	-	-	594	383	594	383
Total Business Units			**594**	**383**	**594**	**383**
Donations & Bequests	-	-	74	29	74	29
Other revenue from operating activities	1,099	1,244	-	-	1,099	1,244
Other revenue from operating activities - GRHA	369	332	-	-	369	332
Total Revenue from Operating Activities	**32,612**	**32,544**	**668**	**412**	**33,280**	**32,956**
Revenue from Non-Operating Activities						
Interest - GRHA	-	-	2	2	2	2
Interest	-	-	415	592	415	592
Property Income	-	-	54	32	54	32
Total Revenue from Non-Operating Activities	**-**	**-**	**471**	**626**	**471**	**626**
Capital Purpose Income						
State Government Capital Grants						
- Equipment and Infrastructure Maintenance	134	239	-	-	134	239
- Minor Equipment	71	-	-	-	71	-
Commonwealth Government Capital Grants	365	720	-	-	365	720
Residential Accommodation Payments (refer note 2b)	-	-	-	502	-	502
Net Gain/(Loss) on Disposal of Non-Financial Assets (note 2c)	-	-	(71)	(20)	(71)	(20)
Donations & Bequests	-	-	223	167	223	167
Total Capital Purpose Income	**570**	**959**	**152**	**649**	**722**	**1,608**
Total Revenue (refer to note 2a)	**33,182**	**33,503**	**1,291**	**1,687**	**34,473**	**35,190**

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

Note 2a: Analysis of Revenue by Source (based on the consolidated view of note 2)

	Admitted Patients 2014 $'000	Outpatients 2014 $'000	Ambulatory 2014 $'000	RAC incl. Mental Health 2014 $'000	Aged Care 2014 $'000	Primary Health 2014 $'000	Other 2014 $'000	Total 2014 $'000
Revenue from Services Supported by Health Services Agreement								
Government Grants	11,554	-	841	9,633	1,113	2,246	915	26,302
Indirect contributions by Department of Health							331	331
Patient & Resident Fees (refer note 2b)	1,247	19	112	2,625	49	103	356	4,511
Other Revenue from Operating Activities	197	-	28	198	7	44	994	1,468
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	570	570
Total Revenue from Services Supported by Health Services Agreement	**12,998**	**19**	**981**	**12,456**	**1,169**	**2,393**	**3,166**	**33,182**
Revenue from Services Supported by Hospital and Community Initiatives								
Donations & Bequests (non capital)	-	-	-	-	-	-	74	74
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	152	152
Diagnostic Imaging	-	-	-	-	-	-	594	594
Property Income	-	-	-	-	-	-	54	54
Interest	-	-	-	-	-	-	417	417
Total Revenue from Services Supported by Hospital and Community Initiatives	**-**	**-**	**-**	**-**	**-**	**-**	**1,291**	**1,291**
Total Revenue	**12,998**	**19**	**981**	**12,456**	**1,169**	**2,393**	**4,457**	**34,473**

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

Notes to and forming part of the financial statements

Note 2a: Analysis of revenue by source (continued)
(based on the consolidated view of note 2)

	Admitted Patients 2013 $'000	Outpatients 2013 $'000	Ambulatory 2013 $'000	RAC incl. Mental Health 2013 $'000	Aged Care 2013 $'000	Primary Health 2013 $'000	Other 2013 $'000	Total 2013 $'000
Revenue from Services Supported by Health Services Agreement								
Government Grants	11,391	-	1,948	10,441	487	1,481	738	26,486
Indirect contributions by Department of Health	-	-	-	-	-	-	603	603
Patient & Resident Fees (refer note 2b)	1,176	19	148	2,005	49	120	362	3,879
Other Revenue from Operating Activities	288	-	14	168	5	31	1,070	1,576
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	959	959
Total Revenue from Services Supported by Health Services Agreement	**12,855**	**19**	**2,110**	**12,614**	**541**	**1,632**	**3,732**	**33,503**
Revenue from Services Supported by Hospital and Community Initiatives								
Donations & Bequests (non capital)	-	-	-	-	-	-	29	29
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	649	649
Diagnostic Imaging	-	-	-	-	-	-	383	383
Property Income	-	-	-	-	-	-	32	32
Interest	-	-	-	-	-	-	594	594
Total Revenue from Services Supported by Hospital and Community Initiatives	**-**	**-**	**-**	**-**	**-**	**-**	**1,687**	**1,687**
Total Revenue	**12,855**	**19**	**2,110**	**12,614**	**541**	**1,632**	**5,419**	**35,190**

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

Note 2b: Patient and Resident Fees

	2014 $'000	2013 $'000
Patient and Resident Fees		
Acute		
– Inpatients	1,222	1,137
– Outpatients	19	19
– Other	645	718
Residential Aged Care		
– Generic	2,487	1,909
– Mental Health	138	96
Total Patient and Resident Fees	**4,511**	**3,879**
Capital Purpose Income:		
Residential Accommodation Payments	-	502
Total Capital Purpose Income	**-**	**502**

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

	2014 $'000	2013 $'000
Proceeds from Disposals of Non-Current Assets		
Motor Vehicles	259	189
Total Proceeds from Disposal of Non-Current Assets	**259**	**189**
Less: Written Down Value of Non-Current Assets Sold		
Motor Vehicles	330	209
Total Written Down Value of Non-Current Assets Sold	**330**	**209**
Net gain/(loss) on Disposal of Non-Financial Assets	**(71)**	**(20)**

Notes to and forming part of the financial statements

Note 3: Expenses

	HSA 2014 $'000	HSA 2013 $'000	H&CI 2014 $'000	H&CI 2013 $'000	Total 2014 $'000	Total 2013 $'000
Employee Expenses						
Salaries & Wages	21,279	20,624	22	17	21,301	20,641
Salaries & Wages - GRHA	66	57	-	-	66	57
WorkCover Premium	484	353	-	-	484	353
WorkCover Premium - GRHA	1	1	-	-	1	1
Long Service Leave	850	1,035	-	-	850	1,035
Long Service Leave - GRHA	2	2	-	-	2	2
Superannuation	1,949	1,840	2	2	1,951	1,842
Superannuation - GRHA	7	6	-	-	7	6
Total Employee Expenses	**24,638**	**23,918**	**24**	**19**	**24,662**	**23,937**
Non Salary Labour Costs						
Fees for Visiting Medical Officers	953	1,000	-	-	953	1,000
Contractor Costs - Radiography	30	19	474	414	504	433
Agency Costs - Nursing	41	120	-	-	41	120
Total Non Salary Labour Costs	**1,024**	**1,139**	**474**	**414**	**1,498**	**1,553**
Supplies & Consumables						
Drug Supplies	135	147	-	-	135	147
Medical, Surgical Supplies and Prostheses	1,037	1,154	7	8	1,044	1,162
Food Supplies	920	960	-	-	920	960
Total Supplies & Consumables	**2,092**	**2,261**	**7**	**8**	**2,099**	**2,269**
Other Expenses						
Domestic Services & Supplies	632	640	-	-	632	640
Fuel, Light, Power and Water	760	698	7	4	767	702
Insurance costs funded by the Department of Health	47	4	-	-	47	4
Motor Vehicle Expenses	280	276	-	-	280	276
Motor Vehicle Expenses - GRHA	-	2	-	-	-	2
Repairs & Maintenance	388	557	2	-	390	557
Maintenance Contracts	162	170	116	98	278	268
Patient Transport	230	154	-	-	230	154
Bad & Doubtful Debts	10	7	2	-	12	7
Lease Expenses	24	23	-	-	24	23
Other Administrative Expenses	2,487	2,755	19	18	2,506	2,773
Other Administrative Expenses - GRHA	264	264	-	-	264	264
Audit Fees						
- VAGO - Audit of Financial Statements	22	26	-	-	22	26
- Other	26	23	-	-	26	23
Total Other Expenses	**5,332**	**5,599**	**146**	**120**	**5,478**	**5,719**
Depreciation (refer to note 4)	4,551	3,713	-	-	4,551	3,713
Finance Costs (refer note 5)	10	15	-	-	10	15
Total Impairment of Assets	**4,561**	**3,728**	**-**	**-**	**4,561**	**3,728**
Total Expenses	**37,647**	**36,645**	**651**	**561**	**38,298**	**37,206**

Note 3a: Analysis of Expenses by Source (based on the consolidated view of Note 3)

	Admitted Patients 2014 $'000	Outpatients 2014 $'000	Ambulatory 2014 $'000	RAC incl. Mental Health 2014 $'000	Aged Care 2014 $'000	Primary Health 2014 $'000	Other 2014 $'000	Total 2014 $'000
Services Supported by Health Services Agreement								
Employee Expenses	8,430	3	1,219	10,816	895	1,888	1,387	24,638
Non Salary Labour Costs	830	-	5	20	-	-	169	1,024
Supplies & Consumables	1,094	6	37	377	56	62	460	2,092
Other Expenses from Continuing Operations	2,536	13	135	1,221	327	617	483	5,332
Total Expenses from Services Supported by Health Services Agreement	**12,890**	**22**	**1,396**	**12,434**	**1,278**	**2,567**	**2,499**	**33,086**
Services Supported by Hospital and Community Initiatives								
Employee Expenses	-	-	-	-	-	-	24	24
Non Salary Labour Costs	-	-	-	-	-	-	474	474
Supplies & Consumables	-	-	-	-	-	-	7	7
Other Expenses from Continuing Operations	-	-	-	-	-	-	146	146
Total Expenses from Services Supported by Hospital and Community Initiatives	**-**	**-**	**-**	**-**	**-**	**-**	**651**	**651**
Depreciation (refer note 4)	1,777	3	191	1,714	176	354	336	4,551
Finance Costs (refer note 5)							10	10
Total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives	**1,777**	**3**	**191**	**1,714**	**176**	**354**	**346**	**4,561**
Total Expenses	**14,667**	**25**	**1,587**	**14,148**	**1,454**	**2,921**	**3,496**	**38,298**

Notes to and forming part of the financial statements

Note 3a: Analysis of expenses by source (continued)
(based on the consolidated view of Note 3)

Prior Year	Admitted Patients 2013 $'000	Outpatients 2013 $'000	Ambulatory 2013 $'000	RAC incl. Mental Health 2013 $'000	Aged Care 2013 $'000	Primary Health 2013 $'000	Other 2013 $'000	Total 2013 $'000
Services Supported by Health Services Agreement								
Employee Expenses	7,876	-	1,224	10,929	688	1,958	1,243	23,918
Non Salary Labour Costs	1,009	-	5	75	-	-	50	1,139
Supplies & Consumables	1,295	3	41	376	31	100	415	2,261
Other Expenses from Continuing Operations	2,435	15	156	1,371	427	659	536	5,599
Total Expenses from Services Supported by Health Services Agreement	**12,615**	**18**	**1,426**	**12,751**	**1,146**	**2,717**	**2,244**	**32,917**
Services Supported by Hospital and Community Initiatives								
Employee Expenses	-	-	-	-	-	-	19	19
Non Salary Labour Costs	-	-	-	-	-	-	414	414
Supplies & Consumables	-	-	-	-	-	-	8	8
Other Expenses from Continuing Operations	-	-	-	-	-	-	120	120
Total Expense from Services Supported by Hospital and Community Initiatives	**-**	**-**	**-**	**-**	**-**	**-**	**561**	**561**
Depreciation (refer note 4)	1,424	2	161	1,438	129	306	253	3,713
Finance Costs (refer note 5)	-	-	-	-	-	-	15	15
Total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives	**1,424**	**2**	**161**	**1,438**	**129**	**306**	**268**	**3,728**
Total Expenses	**14,039**	**20**	**1,587**	**14,189**	**1,275**	**3,023**	**3,073**	**37,206**

Note 3b: Analysis of Expenses by Internally Managed and Restricted Specific Purpose Funds for Services Supported by Hospital and Community Initiatives

	2014 $'000	2013 $'000
Commercial Activities		
Diagnostic Imaging	651	561
TOTAL	**651**	**561**

Note 4: Depreciation

	2014 $'000	2013 $'000
Depreciation		
Buildings - at fair value	3,779	2,996
Buildings - at cost value	24	11
Plant & Equipment	152	133
Medical Equipment	256	254
Computers & Communication	78	51
Furniture & Fittings	71	69
Motor Vehicles	191	198
Total Depreciation	**4,551**	**3,712**

Note 5: Finance Costs

	2014 $'000	2013 $'000
Interest on Residential Aged Care Accommodation Bonds Payable	10	15
Total Finance Costs	**10**	**15**

Note 6: 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.

	2014 $'000	2013 $'000
Cash on hand	4	4
Cash at bank	1,221	871
Cash - GRHA Joint venture	61	102
Deposits at call	6,572	9,299
Total Cash and Cash Equivalents	**7,858**	**10,276**
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	4,278	6,050
Cash - GRHA Joint Venture	61	102
Cash for Monies Held in Trust		
- Deposits at Call	3,519	4,124
Total Cash and Cash Equivalents	**7,858**	**10,276**

Notes to and forming part of the financial statements

Note 7: Receivables

	2014 $'000	2013 $'000
CURRENT		
Contractual		
Trade Debtors	200	203
Sundry Debtors - GRHA	40	72
Patient Fees	443	341
Bond Monies Held by Third Parties	2	3
Accrued Revenue	7	220
Less Allowance for Doubtful Debts		
- Trade Debtors	(5)	(5)
Total Contractual	**687**	**834**
Statutory		
GST Receivable	49	76
Total Statutory	**49**	**76**
TOTAL CURRENT RECEIVABLES	**736**	**910**
NON CURRENT		
Statutory		
Long Service Leave - Department of Health	1,302	1,017
TOTAL NON-CURRENT RECEIVABLES	**1,302**	**1,017**
TOTAL RECEIVABLES	**2,038**	**1,927**

(a) Movement in the Allowance for doubtful debts

	2014 $'000	2013 $'000
Balance at beginning of year	5	5
Amounts written off during the year	-	(8)
Amounts recovered during the year	-	-
Increase/(decrease) in allowance recognised in net result	-	8
Balance at end of year	**5**	**5**

(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 8: Inventories

	2014 $'000	2013 $'000
Pharmaceutical Supplies at Cost	28	27
Catering Supplies at Cost	5	8
Housekeeping Supplies at Cost	5	7
Medical & Surgical Supplies at Cost	45	65
Administration Stores at Cost	3	5
TOTAL INVENTORIES	**86**	**112**

Note 9: Other Assets

	2014 $'000	2013 $'000
CURRENT		
Prepayments	78	107
Prepayments - GRHA	3	3
TOTAL CURRENT OTHER ASSETS	**81**	**110**

Note 10: Property, plant & equipment
(a) Gross carrying amount and accumulated depreciation

	2014 $'000	2013 $'000
Land		
Land at Fair Value	758	698
Total Land	**758**	**698**
Buildings		
Buildings Under Construction at cost	1,626	2,409
Buildings at cost	-	722
Less Acc'd Depreciation	-	(6)
Buildings at Fair Value	57,806	41,465
Less Acc'd Depreciation	-	-
Total Buildings	**59,432**	**44,590**
Plant and Equipment		
Plant Under Construction at Cost	3	-
Plant and Equipment at Fair Value	1,968	1,770
Less Acc'd Depreciation	(1,157)	(950)
Plant and Equipment at Fair Value - GRHA	143	78
Less Acc'd Depreciation - GRHA	(84)	(71)
Total Plant and Equipment	**873**	**827**
Medical Equipment		
Medical Equipment at Fair Value	4,026	3,758
Less Acc'd Depreciation	(2,565)	(2,335)
Total Medical Equipment	**1,461**	**1,423**
Computers & Communication		
Computers & Communication at fair value	1,018	534
Less Acc'd Depreciation	(197)	(120)
Total Computers & Communication	**821**	**414**

Notes to and forming part of the financial statements

Note 10: Property, plant & equipment (continued)

	2014 $'000	2013 $'000
Furniture & Fittings		
Furniture & Fittings at fair value	1,312	1,346
Less Acc'd Depreciation	(948)	(940)
Total Furniture & Fittings	**364**	**406**
Motor Vehicles		
Motor Vehicles at fair value	769	1,310
Less Acc'd Depreciation	-	(674)
Motor Vehicles at fair value - GRHA	4	3
Less Acc'd Depreciation - GRHA	(1)	(1)
Total Motor Vehicle	**772**	**638**
TOTAL	**64,481**	**48,996**

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

	Land $'000	Buildings $'000	Plant & Equipment $'000	Medical Equipment $'000	Assets Under Construction $'000	Computers & Comms. $'000	Motor Vehicles $'000	Total $'000
Balance at 1 July 2012	**698**	**40,046**	**1,270**	**1,274**	**1,262**	**145**	**729**	**45,424**
Additions	-	129	198	403	1,869	320	316	3,235
Transfer fom Assets Under Construction	-	722	-	-	(722)	-	-	-
Disposals	-	-	-	-	-	-	(209)	(209)
Disposals - GRHA	-	-	(33)	-	-	-	-	(33)
Revaluation Increment	-	4,291	-	-	-	-	-	4,291
Depreciation (note 4)	-	(3,007)	(202)	(254)	-	(51)	(198)	(3,712)
Balance at 1 July 2013	**698**	**42,181**	**1,233**	**1,423**	**2,409**	**414**	**638**	**48,996**
Additions	-	-	160	339	1,497	193	458	2,647
Transfer from Assets Under Construction	-	1,988	-	-	(2,280)	292	-	-
Additions - GRHA	-	-	68	-	-	-	-	68
Disposals	-	-	-	(45)	-	-	(286)	(331)
Revaluation Increment	60	17,440	-	-	-	-	152	17,652
Depreciation (note 4)	-	(3,803)	(224)	(256)	-	(78)	(190)	(4,551)
Balance at 30 June 2014	**758**	**57,806**	**1,237**	**1,461**	**1,626**	**821**	**772**	**64,481**

Land and buildings carried at valuation

An independent valuation of the 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 this valuation is 30 June 2014.

(c) Fair value measurement hierarchy for assets as at 30 June 2014

	Carrying amount as at 30 June 2014 $'000	At Cost $'000	Fair value measurement at end of reporting period using: Level 1 $'000	Level 2 $'000	Level 3 $'000
Land at fair value					
Specialised land	406		-	-	406
Non-specialised land	352		-	352	-
Total of land at fair value	758		-	352	406
Buildings at fair value					
Specialised buildings	56,216		-	-	56,216
Non-specialised buildings	1,590		-	1,590	-
Total of building at fair value	57,806		-	1,590	56,216
Plant and equipment at fair value					
Plant equipment and vehicles at fair value					
- Vehicles	772		-	623	149
- Plant and equipment	1,237		-	-	1,237
Total of plant, equipment and vehicles at fair value	2,009		-	623	1,386
Computers and Communications at fair value					
Computers and Communications Equipment	821		-	-	821
Total computers and communications equipment	821		-	-	821
Medical equipment at fair value					
General Medical Equipment	1,461		-	-	1,461
Total medical equipment at fair value	1,461		-	-	1,461
Work in Progress at cost					
Assets Under Construction at cost	1,626	1,626	-	-	-
Total Works in Progress at cost	1,626	1,626	-	-	-
	64,481	**1,626**	**-**	**2,565**	**60,290**

Non-specialised land, non-specialised buildings and artwork

Non-specialised land, non-specialised buildings and artworks are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by independent valuers Property Dynamics to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014.
For artwork, valuation of the assets is determined by a comparison to similar examples of the artists work in existence throughout Australia and research on price paid for similar examples offered at auction or through art galleries in recent years.

To the extent that non-specialised land, non-specialised buildings and artworks do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land and specialised buildings

The market approach is also 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.

Notes to and forming part of the financial statements

Note 10: Property, plant & equipment (continued)

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 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 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 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 Service who set relevant depreciation rates during use to reflect the consumption of the vehicles. Where the fair value of vehicles differs materially from the carrying value (depreciated cost) the Service revalues them based on current market values.

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 2014.

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

(d) Reconciliation of Level 3 fair value

2014	Specialised land $'000	Specialised buildings $'000	Plant and equipment $'000	Computers & Comms. $'000	Medical Equipment $'000	Motor Vehicles $'000	Totals $'000
Opening Balance	389	42,887	1,233	414	1,423	34	46,380
Purchases (sales)	-	-	228	485	294	-	1,007
Transfers in (out) of Level 3	-	-	-	-	-	-	-
Gains or losses recognised in net result	-	-	-	-	-	-	-
- Depreciation	-	(3,751)	(224)	(78)	(256)	(7)	(4,316)
- Impairment loss	-	-	-	-	-	-	-
Subtotal	389	39,136	1,237	821	1,461	27	43,071
Items recognised in other comprehensive income							
- Revaluation	17	17,080	-	-	-	122	17,219
Subtotal	17	17,080	-	-	-	122	17,219
Closing Balance	406	56,216	1,237	821	1,461	149	60,290

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

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised land (Nhill, Jeparit, Kaniva, Rainbow, Natimuk, Goroke and Cooinda campuses)	Market approach	Community Service Obligation (CSO) adjustment	20% reduction (20%)	A significant increase or decrease in the CSO adjustment would result in a significantly lower or higher fair value
Specialised buildings (Nhill, Jeparit, Kaniva, Rainbow, Natimuk, Goroke and Cooinda campuses)	Depreciated replacement cost	Direct cost per square metre	$757 - $3,425 ($3,142)	A significant increase or decrease in direct cost per square meter adjustment would result in a significantly higher or lower fair value
		Useful life	5 - 48 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	$1,000 - $236,000 ($35,232)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life	1-10 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Computers and Communications	Depreciated replacement cost	Cost per unit	$1,000 - $292,000 ($135,723)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life	1-10 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	$1,000 - $256,000 ($49,942)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life	1-10 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Vehicles	Depreciated replacement cost	Cost per unit	$4,000-$51,275 ($36,363)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life	1 - 5 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Note 11: Payables

	2014 $'000	2013 $'000
CURRENT		
Contractual		
Trade Creditors [(i)]	799	1,311
Trade Creditors - GRHA	46	116
Accrued Expenses	48	278
Other	-	12
TOTAL PAYABLES	**893**	**1,717**

(i) The average credit period is 30 days. No interest is charged on payables.

(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 12: Provisions

	2014 $'000	2013 $'000
Current Provisions		
Employee Benefits		
Annual Leave		
- Unconditional and expected to be settled within 12 months	2,236	2,139
- Unconditional and expected to be settled after 12 months	345	345
Long Service Leave		
- Unconditional and expected to be settled within 12 months	376	344
- Unconditional and expected to be settled after 12 months	3,269	3,003
Accrued Wages, Superannuation & ADOs		
- Unconditional and expected to be settled within 12 months	727	679
Total Current Provisions	**6,953**	**6,510**
Non-Current Provisions		
Employee Benefits		
Long Service Leave	1,082	981
Total Non-Current Provisions	**1,082**	**981**
Total Provisions	**8,035**	**7,491**
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and related on-costs		
Unconditional LSL Entitlement	3,645	3,347
Annual Leave Entitlements	2,581	2,484
Accrued Wages and Salaries	588	510
Accrued Days Off	139	169
Non-Current Employee Benefits and related on-costs		
Conditional Long Service Leave Entitlements	1,082	981
Total Employee Benefits	**8,035**	**7,491**

(b) Movements in provisions	2014 $'000	2013 $'000
Movement in Long Service Leave:		
Balance at start of year	**4,328**	**3,553**
Provision made during the year		
- Expense recognising Employee Service	853	1,036
Settlement made during the year	(454)	(261)
Balance at end of year	**4,727**	**4,328**
Movement in Annual Leave:		
Balance at start of year	**2,484**	**2,438**
Provision made during the year		
- Expense recognising Employee Service	2,024	1,820
Settlement made during the year	(1,927)	(1,774)
Balance at end of year	**2,581**	**2,484**

Note 13: Superannuation

	Paid Contributions for the Year		Contributions Outstanding at Year End	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Defined benefit plans[(i)]:				
First State Superannuation Fund	43	40	3	3
Defined contribution plans:				
First State Superannuation Fund	1,703	1,640	130	130
Other	114	164	11	10
Total	1,860	1,844	144	143

(i) The bases for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

Note 14: Other Liabilities

	2014 $'000	2013 $'000
CURRENT		
Monies Held in Trust*		
- Accommodation Bonds*	4,124	4,731
Income Received in Advance		
- Department of Health DVA Grant	200	17
Total Current	**4,324**	**4,748**
*** Total Monies Held in Trust**		
Represented by the following assets:		
Cash Assets (refer to Note 6)	3,519	4,126
Land & Buildings	605	605
TOTAL	**4,124**	**4,731**

Note 15: Equity

	2014 $'000	2013 $'000
(a) Surpluses		
Asset Revaluation Surplus		
Balance at the beginning of the reporting period	14,341	10,050
Revaluation of Land and Buildings	17,500	4,291
Revaluation of Motor Vehicles	152	-
Balance at the end of the reporting period*	**31,993**	**14,341**
* Represented by:		
- Land	297	237
- Buildings	31,544	14,104
- Motor Vehicles	152	-
	31,993	**14,341**

Notes to and forming part of the financial statements

Note 15: Equity (continued)

	2014 $'000	2013 $'000
Restricted Specific Purpose Surplus		
Balance at the beginning of the reporting period	427	427
Balance at the end of the reporting period	**427**	**427**
Total Surpluses	**32,420**	**14,768**
(b) Contributed Capital		
Balance at the beginning of the reporting period	25,924	25,924
Balance at the end of the reporting period	**25,924**	**25,924**
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	6,636	8,646
Balance at the beginning of the reporting period - GRHA	137	143
Net Result for the Year	(3,840)	(2,010)
Net Result for the Year GRHA	15	(6)
Balance at the end of the reporting period	**2,948**	**6,773**
Total Equity at end of financial year	**61,292**	**47,465**

Other economic flows included in net result

	2014 $'000	2013 $'000
(d) Net gain/(loss) on non-financial assets		
Net gain on disposal of property plant and equipment	(71)	(20)
Total net gain/(loss) on non-financial assets	(71)	(20)
e) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	2	12
Net gain/(loss) arising from revaluation of annual leave liability	20	15
Total net gain/(loss) from other economic flows	22	27
Total other gains/(losses) from other economic flows	(49)	7

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

	2014 $'000	2013 $'000
Net result for the period	(3,825)	(2,016)
Depreciation and amortisation	4,551	3,712
Net (Gain)/Loss from Disposal of Non-Financial Physical Assets	71	20
Change in operating assets and liabilities		
(Increase)/Decrease in Receivables	(111)	(878)
(Increase)/Decrease in Other Assets	675	(81)
Increase/(Decrease) in Payables	(824)	543
Increase/(Decrease) in Provisions	544	547
Increase/(Decrease) in Other Liabilities	(424)	-
Change in Inventories	26	(2)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**683**	**1,845**

Note 17: Financial Instruments

(a) Financial risk management objectives and policies

West Wimmera Health Service's principal financial instruments comprise of:
- cash assets
- term deposits
- receivables (excluding statutory receivables)
- payables (excluding statutory payables)
- residential aged care 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 Service's main financial risks include credit risk, liquidity risk and interest rate risk. The Service manages these financial risks in accordance with its financial risk management policy. The Service uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Service's Audit and Governance Committee.

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

There were no gains or losses arising out of the holding of financial instruments.

Categorisation of financial instruments

	2014 $'000	2013 $'000
Contractual Financial Assets - Loans and Receivables		
Cash and cash equivalents	7,858	10,276
Loans and Receivables	678	611
Total Contractual Financial Assets	**8,536**	**10,887**
Contractual Financial Liabilities at Amortised Cost		
Payables	893	1,717
Accommodation Bonds	4,124	4,731
Total Contractual Financial Liabilities	**5,017**	**6,448**

Note 17: Financial Instruments (continued)

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

	Total interest income $'000	Total $'000
2014		
Financial Assets		
Cash and Cash Equivalents	417	417
Total Financial Assets	**417**	**417**
2013		
Financial Assets		
Cash and Cash Equivalents	594	594
Total Financial Assets	**594**	**594**

(b) Credit risk

Credit risk arises from the contractual financial assets of the Service, which comprise cash and deposits and non-statutory receivables. The 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 Service. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Service's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the 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 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 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 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 the 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

2014	Financial institutions (AA credit rating) $'000	Other (no rating) $'000	Total $'000
Financial Assets			
Cash and Cash Equivalents	7,858	-	7,858
Receivables			
- Trade Debtors	-	240	240
- Other Receivables	-	438	438
Total Financial Assets	**7,858**	**678**	**8,536**
2013			
Financial Assets			
Cash and Cash Equivalents	10,276	-	10,276
Receivables			
- Trade Debtors	-	275	275
- Other Receivables	-	336	336
Total Financial Assets	**10,276**	**611**	**10,887**

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

Ageing analysis of Financial Assets as at 30 June

2014	Consol'd Carrying Amount $'000	Not past due and not impaired $'000	Past due but less than 1 month $'000	Not impaired 1-3 months $'000
Financial Assets				
Cash and Cash Equivalents	7,858	7,858	-	-
Receivables				
- Trade Debtors	240	212	16	12
- Other Receivables	438	365	19	54
Total Financial Assets	**8,536**	**8,435**	**35**	**66**
2013				
Financial Assets				
Cash and Cash Equivalents	10,276	10,276	-	-
Receivables				
- Trade Debtors	275	140	8	127
- Other Receivables	336	240	50	46
Total Financial Assets	**10,887**	**10,656**	**58**	**173**

There are no material financial assets which are individually determined to be impaired. Currently the Service does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

Notes to and forming part of the financial statements

Note 17: Financial Instruments (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Service would be unable to meet its financial obligations as and when they fall due. The Service 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.

The Service's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Service manages its liquidity risk by regularly assessing cash requirements to pay liabilities in the ensuing twelve month period to ensure that sufficient liquid assets are available to meet expected liability payments. In relation to its holdings of aged care accommodation bonds and its capacity to fully repay such bonds as and when they become due and payable, the Service follows its Liquidity Management Strategy. The Liquidity Management Strategy takes into account the total amount of bonds outstanding, the total amount of bonds refunded in the previous year and the average bond amount to determine the minimum amount of liquidity that must be held at all times.

The following table discloses the contractual maturity analysis for the Serivce'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

			Maturity Dates	
2014	Carrying Amount $'000	Contractual Cash Flows $'000	1-3 Months $'000	3 months - 1 Year $'000
Financial Liabilities				
Payables	893	893	893	-
Other Financial Liabilities				
- Accommodation Bonds	4,124	4,124	-	4,124
Total Financial Liabilities	**5,017**	**5,017**	**893**	**4,124**
2013				
Financial Liabilities				
Payables	1,717	1,717	1,717	-
Other Financial Liabilities				
- Accommodation Bonds	4,731	4,731	-	4,731
Total Financial Liabilities	**6,448**	**6,448**	**1,717**	**4,731**

(d) Market risk

The 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 paragraphs below.

Currency risk

The 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.

Interest rate risk

Exposure to interest rate risk might arise primarily through the Service's interest bearing liabilities. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments. For financial liabilities, the Service mainly undertakes financial liabilities with relatively even maturity profiles. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Service has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate. The Service manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management monitors movement in interest rates on a daily basis.

Other price risk

The Service is not materially exposed to other price risk.

Interest rate exposure of financial assets and liabilities as at 30 June

			Interest Rate Exposure		
2014	Weighted Average Effective Interest Rate (%)	Carrying Amount $'000	Fixed Interest Rate $'000	Variable Interest Rate $'000	Non-Interest Bearing $'000
Financial Assets					
Cash and Cash Equivalents	3.82	7,858	6,573	1,286	-
Receivables					
- Trade Debtors		240	-	-	240
- Other Receivables		438	-	-	438
		8,536	**6,573**	**1,286**	**678**
Financial Liabilities					
Payables		893	-	-	893
Other Financial Liabilities					
- Accommodation Bonds		4,124	-	-	4,124
		5,017	**-**	**-**	**5,017**
2013					
Financial Assets					
Cash and Cash Equivalents	4.99	10,276	9,298	978	-
Receivables					
- Trade Debtors		275	-	-	275
- Other Receivables		336	-	-	336
		10,887	**9,298**	**978**	**611**
Financial Liabilities					
Payables		1,717	-	-	1,717
Other Financial Liabilities					
- Accommodation Bonds		4,731	-	-	4,731
		6,448	**-**	**-**	**6,448**

Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the 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 4%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%

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

Note 17: Financial Instruments

(d) Market risk (continued)

	Carrying Amount	Interest Rate Risk			
		-1%		+1%	
2014		Profit $'000	Equity $'000	Profit $'000	Equity $'000
Financial Assets					
Cash and Cash Equivalents	7,858	(79)	(79)	79	79
Receivables					
- Trade Debtors	240	-	-	-	-
- Other Receivables	438	-	-	-	-
Financial Liabilities					
Payables	893	-	-	-	-
Other Financial Liabilities					
- Accommodation Bonds	4,124	-	-	-	-
		(79)	**(79)**	**79**	**79**
2013					
Financial Assets					
Cash and Cash Equivalents	10,276	(103)	(103)	103	103
Receivables					
- Trade Debtors	275	-	-	-	-
- Other Receivables	336	-	-	-	-
Financial Liabilities					
Payables	1,717	-	-	-	-
Other Financial Liabilities					
- Accommodation Bonds	4,731	-	-	-	-
		(103)	**(103)**	**103**	**103**

(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 instruments 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.

The Service considers 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 all of the contractual financial assets and liabilities are the same as the carrying amounts.

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

Comparison between carrying amount and fair value

	Consol'd Carrying Amount	Fair value	Consol'd Carrying Amount	Fair value
	2014 $'000	2014 $'000	2013 $'000	2013 $'000
Financial Assets				
Cash and Cash Equivalents	7,858	7,858	10,276	10,276
Receivables				
- Trade Debtors	240	240	275	275
- Other Receivables	438	438	336	336
Total Financial Assets	**8,536**	**8,536**	**10,887**	**10,887**
Financial Liabilities				
Payables	893	893	1,717	1,717
Other Financial Liabilities				
- Accommodation Bonds	4,124	4,124	4,731	4,731
Total Financial Liabilities	**5,017**	**5,017**	**6,448**	**6,448**

Note 18: Commitments

	2014 $'000	2013 $'000
Lease commitments		
Commitments for leases contracted for at reporting date:		
Operating leases		
Photocopier Agreement	101	153
Motor Vehicles	20	50
Total lease commitments	**121**	**203**
Operating leases		
Payable as follows:		
Cancellable		
Not later than one year	78	82
Later than 1 year and not later than 5 years	43	121
Sub Total	**121**	**203**
Total lease commitments (inclusive of GST)	**121**	**203**
less GST recoverable from the Australian Tax Office	(11)	(18)
Total Commitments (exclusive of GST)	**110**	**185**

Notes to and forming part of the financial statements

Note 18: Commitments (continued)

Lease and Renewal Terms Included in Lease Agreements

Photocopier Agreement: This lease commenced in April 2011 and is for a period of 60 months with a minimum monthly cost of $4,825. The Service is under no obligation to renew the lease upon expiry.

Motor Vehicles: This lease is for three vehicles primarily for use by the "Lowan" Rural Health Service Program and commenced in April 2014 for a period of 12 months and at a monthly cost of $1,992. The Service is under no obligation to renew the lease upon expiry.

Note 19: Contingent Assets and Contingent Liabilities

Details of estimates of maximum amounts of Contingent Assets and Contingent Liabilities are as follows:

	2014 $'000	2013 $'000
Contingent Liabilities		
Quantifiable		
Caveat over property - Kaniva Cottages	200	200
Total Quantifiable Contingent Liabilities	**200**	**200**

The West Wimmera Shire Council holds a caveat of $200,000 over the title of the Kaniva Hostel Cottages. Should the Cottages be sold for any other purpose than to provide Aged Care accommodation at any future time, or be wound up, the Council retains the right to recoup $200,000 from the Service.

Note 20: Operating Segments

	Acute Care		Ambulatory		RACS		Aged Care Other	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
REVENUE								
External Segment Revenue	13,017	12,874	981	2,110	12,456	12,614	1,169	541
Total Revenue	**13,017**	**12,874**	**981**	**2,110**	**12,456**	**12,614**	**1,169**	**541**
EXPENSES								
External Segment Expenses	(12,912)	(12,633)	(1,396)	(1,426)	(12,434)	(12,751)	(1,278)	(1,146)
Total Expenses	**(12,912)**	**(12,633)**	**(1,396)**	**(1,426)**	**(12,434)**	**(12,751)**	**(1,278)**	**(1,146)**
Net result before capital and specific items	**105**	**241**	**(415)**	**684**	**22**	**(137)**	**(109)**	**(605)**
Interest Income	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
Capital Purpose Income	-	-	-	-	-	-	-	-
Depreciation	(1,780)	(1,426)	(191)	(161)	(1,714)	(1,438)	(176)	(129)
Net Result for Year	**(1,675)**	**(1,185)**	**(606)**	**523**	**(1,692)**	**(1,575)**	**(285)**	**(734)**
OTHER INFORMATION								
Segment Assets	29,110	23,546	2,194	3,859	27,855	23,071	2,614	989
Total Assets	**29,110**	**23,546**	**2,194**	**3,859**	**27,855**	**23,071**	**2,614**	**989**
Segment Liabilities	(5,175)	(5,350)	(390)	(877)	(4,952)	(5,242)	(465)	(225)
Total Liabilities	**(5,175)**	**(5,350)**	**(390)**	**(877)**	**(4,952)**	**(5,242)**	**(465)**	**(225)**
Segment Equity	23,935	18,196	1,804	2,982	22,903	17,829	2,149	765
Total Equity	**23,935**	**18,196**	**1,804**	**2,982**	**22,903**	**17,829**	**2,149**	**765**
Acquisition of Property and Plant & Equipment	84	484	-	25	109	40	-	-

	Business Units		Primary Health		Other Programs		Totals	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
REVENUE								
External Segment Revenue	594	383	2,393	1,632	2,724	2,834	33,334	32,988
Interest	-	-	-	-	417	594	417	594
Total Revenue	**594**	**383**	**2,393**	**1,632**	**3,141**	**3,428**	**33,751**	**33,582**
EXPENSES								
External Segment Expenses	(651)	(561)	(2,567)	(2,717)	(2,499)	(2,244)	(33,737)	(33,478)
Total Expenses	**(651)**	**(561)**	**(2,567)**	**(2,717)**	**(2,499)**	**(2,244)**	**(33,737)**	**(33,478)**
Net Result from ordinary activities	**(57)**	**(178)**	**(174)**	**(1,085)**	**642**	**1,184**	**14**	**104**
Interest Expense	-	-	-	-	(10)	(15)	(10)	(15)
Capital Purpose Income	-	-	-	-	722	1,608	722	1,608
Depreciation	-	-	(354)	(306)	(336)	(253)	(4,551)	(3,713)
Net Result for Year	**(57)**	**(178)**	**(528)**	**(1,391)**	**1,018**	**2,524**	**(3,825)**	**(2,016)**
OTHER INFORMATION								
Segment Assets	1,328	700	5,351	2,985	6,092	5,277	74,544	60,427
Total Assets	**1,328**	**700**	**5,351**	**2,985**	**6,092**	**6,270**	**74,544**	**60,427**
Segment Liabilities	(236)	(159)	(951)	(678)	(1,083)	(1,425)	(13,252)	(13,956)
Total Liabilities	**(236)**	**(159)**	**(951)**	**(678)**	**(1,083)**	**(1,425)**	**(13,252)**	**(13,956)**
Segment Equity	1,092	541	4,400	2,307	5,009	4,845	61,292	47,465
Total Equity	**1,092**	**541**	**4,400**	**2,307**	**5,009**	**4,845**	**61,292**	**47,465**
Acquisition of Property and Plant & Equipment	19	23	1,991	785	512	731	2,715	2,088

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

Business Segments	**Services**
Acute Care	Acute Inpatient Care and Outpatients
Ambulatory Care	Community Nursing & Maternal & Child Health
Residential Aged Care Services (RACS)	Provision of Residential Aged Care Beds
Aged Care Other	Community Aged Care Packages, Carers' Respite & Day Centre
Business Units	Radiography
Primary Health	Allied & Community Health
Other Programs	Disability Services, Dental Service and Meals on Wheels

Geographical Segment

The Service operates predominantly in the West Wimmera region. More than 90% of revenue, net suprlus from ordinary activities and segment assets relate to operations in this area.

Notes to and forming part of the financial statements

Note 21: Jointly Controlled Operations and Assets

Name of Entity	Principal Activity	Ownership Interest 2014 %	Ownership Interest 2013 %
Grampians Regional Health Alliance	Information Systems	7.6	7.6

The Service's interest in the above jointly controlled operations and assets is detailed below. The amounts are included in each relevant category of the financial statements and notes thereto.

	2014 $'000	2013 $'000
Current Assets		
Cash and Cash Equivalents	61	102
Receivables	40	72
Other current assets	10	5
Total Current Assets	**111**	**179**
Non Current Assets		
Property, Plant and Equipment	87	73
Total Non Current Assets	**87**	**73**
Total Assets	**198**	**252**
Current Liabilities		
Payables	46	116
Total Liabilities	**46**	**116**
Equity		
Accumulated Surpluses/(Deficits)	152	135
	152	**135**
Revenues		
Revenue from operating activities	369	335
Total Revenue	**369**	**335**
Expenses		
Information Technology and Administrative Expenses	264	264
Employee Expenses	75	66
Depreciation	13	10
Total Expenses	**352**	**340**
Net result	**17**	**(5)**

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.

	Period
Responsible Ministers:	
The Honourable David Davis, MLC, Minister for Health and Ageing	1/7/2013 - 30/6/2014
The Honourable Mary Woodridge, MLA, Minister for Mental Health	1/7/2013 - 30/6/2014
Governing Board Members:	
D Buckley	1/7/2013 - 30/6/2014
H Champness	1/7/2013 - 30/6/2014
L Clarke	1/7/2013 - 30/6/2014
R Ismay	1/7/2013 - 30/6/2014
L Maybery	1/7/2013 - 30/6/2014
R Rosewall	1/7/2013 - 30/6/2014
R Stanford	1/7/2013 - 30/6/2014
J Sudholz	1/7/2013 - 30/6/2014
D Walter	1/7/2013 - 30/6/2014
N Zanker	1/7/2013 - 30/6/2014
Accountable Officer:	
J Smith - Chief Executive Officer	1/7/2013 - 30/6/2014

Note 22a: Responsible Persons Disclosures (continued)

Remuneration of Responsible Persons

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

Income Band	2014 No.	2013 No.
$0 - $9,999	10	10
$230,000 - $239,999	1	1
Total Numbers	**11**	**11**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**233,871**	**230,848**

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

	$'000	$'000
Other Transactions of Responsible Persons and their Related Parties.		
T Ismay & Co. of which Mr R Ismay is a director provided hardware supplies and services to the Service on normal terms and conditions.	1	1
Mrs L M Graham is the daughter of the Chief Executive Officer and was employed to provide administrative services to the Service on normal award terms and conditions.	50	50
Mrs A J Alexander is the daughter of the Chief Executive Officer and was employed to provide catering services to the Service on normal award terms and conditions.	28	29

Notes to and forming part of the financial statements

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.

	Total Remuneration		Base Remuneration	
	2014 No.	2013 No.	2014 No.	2013 No.
$140,000 - $149,999	-	1	-	1
$150,000 - $159,999	-	1	2	2
$160,000 - $169,999	2	-	1	-
$170,000 - $179,999	-	1	-	-
$180,000 - $189,999	1	-	-	-
Total	3	3	3	3
Total annualised employee equivalents (AEE)	3.0	3.0	3.0	3.0
Total Remuneration	**$ 513,430**	**$ 474,833**	**$ 478,015**	**$ 453,942**

(i) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

Note 23: Remuneration of auditors

	2014 $'000s	2013 $'000s
Victorian Auditor-General's Office		
Audit Fees	22	26

Note 24: Events Occurring after the Balance Sheet Date

Potential Amalgamation with Dunmunkle Health Services

At a combined special meeting of the Boards of Governance of West Wimmera Health Service and Dunmunkle Health Services held on 8 July 2014 it was resolved that both organisations continue the process to enable them to amalgamate as soon as reasonably practicable.
Accordingly, a jointly prepared Proposal to Amalgamate has been forwarded to the Department of Health for its consideration and the Service is now awaiting a formal response from the Department as to whether it has approved the proposal for submission to the Secretary of the Department of Health.

The Service's analysis of the possible impact of the amalgamation on its current and future financial performance and position is that both will be positively affected however given the uncertainty surrounding the likelihood and exact timing of any amalgamation no definitive estimate of the financial impact can yet be made.

Note 25: Economic Dependence

The Service is wholly dependent on the continued financial support of the State Government and in particular the Department of Health.

Compliance with Government Regulations

Compliance with the *Building and Maintenance Provisions of the Building Act* 1993

In accordance with the Building Regulations 2006 under the *Building Act 1993,(The Act)* each building in West Wimmera Health Service is classified according to its function.

A Building Permit is obtained for new construction and redevelopment projects where required. A Certificate of Occupancy is obtained and displayed for each completed project in accordance with The Act.

A comprehensive preventative maintenance program ensures essential equipment and systems such as fire systems, hot water systems, air conditioning, emergency generators, sterilizers and anaesthetic machines are serviced regularly and maintained in accord with manufacturer instructions.

Application of the *Freedom of Information Act* (FOI)

The *Victorian Freedom of Information Act* provides individuals with the opportunity to access documents about their personal affairs and the activities of government departments from government agencies, including public hospitals.

The Chief Executive Officer is the designated Freedom of Information Officer.

West Wimmera Health Service FOI application fees and access charges are in accordance with State Government regulations.

In 2013/14 thirteen requests, all relating to access to medical records, were received. Full access was granted in each case.

There were no complaints lodged with the Ombudsman by FOI applicants, our administration of FOI matters, and no appeals were made to the Victorian Civil and Administrative Tribunal (VCAT) regarding access to records.

Summary of FOI Activity 2013/14

Number of Personal Requests Received	4
Number of Non-Personal Requests Received	9
Total Number of FOI Requests	13
Access Granted in Full	13
Application Fees Collected	$257.00
Application Fees Waived	$77.10
Charges Collected	$97.10
Charges Waived	$12.00

The application and operation of the *Protected Disclosure Act 2012* (the Act), including disclosures required by the Act

There were no incidences during the year of this Act being activated in relation to the operations of the Service.

Victorian Industry Participation Policy

There was no relevant activity for this reporting period.

National Competition Policy

Implementation and compliance with the government policy statement, Competitive Neutrality Policy Victoria; and subsequent reforms were not applicable to this Service for 2013/14.

Additional Information Available on Request (FRD 22E)

In compliance with the requirements of FRD 22E Standard Disclosures in the Report of Operations, details in respect of the items listed below have been retained by West Wimmera Health Service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- A statement of pecuniary interest;
- Details of shares held by senior officers as nominee or held beneficially;
- Details of publications produced by the Department about the activities of the Health Service and where they can be obtained;
- Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- Details of any major external reviews carried out on the Health Service;
- Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the Report of Operations or in a document that contains the financial statements and Report of Operations;
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;
- Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- General statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations;
- A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved;
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

Compliance Disclosure Index

The annual report of West Wimmera Health Service is prepared in accordance with all relevant Victorian legislation. The index has been prepared by this Service to facilitate identification of the Victorian Department of Health compliance with statutory disclosure requirements.

Compliance Disclosure Index

Legislation	Requirement	Page
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22E	Manner of establishment and the relevant Ministers	F35
FRD 22E	Objectives, functions, powers and duties	IFC, 6
FRD 22E	Nature and range of services provided	20
Management and structure		
FRD 22E	Organisational structure	19
Financial and other information		
FRD 10	Disclosure index	42
FRD 11A	Disclosure of ex gratia expenses	25
FRD 21B	Responsible person and executive officer disclosures	IFC
FRD 22E	Application and operation of Protected Disclosure 2012	41
FRD 22E	Application and operation of *Carers Recognition Act 2012*	29
FRD 22E	Application and operation of *Freedom of Information Act 1982*	41
FRD 22E	Compliance with building and maintenance provisions of *Building Act 1993*	41
FRD 22E	Details of consultancies over $10,000	25
FRD 22E	Details of consultancies under $10,000	25
FRD 22E	Employment and conduct principles	27, 28
FRD 22E	Major changes or factors affecting performance	25
FRD 22E	Occupational health and safety	26
FRD 22E	Operational and budgetary objectives and performance against objectives	25
FRD 22E	Significant changes in financial position during the year	25
FRD 22E	Statement of availability of other information	41
FRD 22E	Statement on National Competition Policy	41
FRD 22E	Subsequent events	25
FRD 22E	Summary of the financial results for the year	23
FRD 22E	Workforce Data Disclosures including a statement on the application of employment and conduct principles	27, 28
FRD 25B	Victorian Industry Participation Policy disclosures	41

Compliance Disclosure Index

Legislation	Requirement	Page
FRD 29	*Workforce Data disclosures*	28
SD 4.2(g)	*Specific information requirements*	6
SD 4.2(j)	*Sign-off requirements*	40
SD 3.4.13	*Attestation on data integrity*	17
SD 4.5.5.1	*Ministerial Standing Direction 4.5.5.1 compliance attestation*	17
SD 4.5.5	*Risk management compliance attestation*	17
Financial Statements		
Financial statements required under Part 7 of the FMA		
SD 4.2(a)	Statement of changes in equity	F3
SD 4.2(b)	Comprehensive operating statement	F2
SD 4.2(b)	Balance sheet	F3
SD 4.2(b)	Cash flow statement	F3
Other requirements under Standing Directions 4.2		
SD 4.2(a)	Compliance with Australian accounting standards and other authoritative pronouncements	F5
SD 4.2(c)	Accountable officer's declaration	F1
SD 4.2(c)	Compliance with Ministerial Directions	F1
SD 4.2(d)	Rounding of amounts	F8
Legislation		
Freedom of Information Act 1982		41
Protected Disclosure Act 2012		42
Carers Recognition Act 2012		29
Victorian Industry Participation Policy Act 2003		41
Building Act 1993		41
Financial Management Act 1994		41

Index

Glossary

ACAS Aged Care Assessment System

ACFI Aged Care Funding Instrument

ACHS Australian Council on Healthcare Standards

Australian Standards National Standards developed by the Standards Association of Australia/New Zealand

Best Practice Measuring results against the best performance of other groups

CACS&AA Commonwealth Aged Care Standards and Accreditation Agency

Carers Carers of patient/clients who are not part of the Service Care Team

Catchment Geographical area for which West Wimmera Health Service is responsible to provide services

CEO Chief Executive Officer

CT Scanner Computed Tomography Scanner

DH The Department of Health Victoria

DHS The Department of Human Services Victoria

e-health the transfer of health resources and healthcare by electronic means

EQuIP Accreditation Evaluation Quality Improvement Program

FOI Freedom of Information

GCHC Goroke Community Health Centre

GP General Practitioner

HACC Home and Community Care – funding for services and programs which are provided in the home or the community

I&CT Information and Communications Technology

iCare software program designed for use in aged care

Inpatient A person who is admitted to an acute bed

LED light emitting diode

M&CH Maternal and Child Health

Medicare Local health services for local communities in line with local needs, a National Health Reform initiative

OHS Occupational Health & Safety

Outcome The result of a service provided

Outpatient A patient/client who is not admitted to a bed

PCP Primary Care Partnership

RFDS Royal Flying Doctor Service

RPHS Rural Primary Health Service

Telehealth Use of telecommunication and information technology to provide clinical healthcare at a distance

The Board The Board of Governance WWHS

The Department The Department of Health Victoria

The Service West Wimmera Health Service

Tristar Tristar Medical Group

Values The principles and beliefs that guide West Wimmera Health Service

VHIA Victorian Hospitals Industrial Association

VMO Visiting Medical Officer

W&SMHA Wimmera & Southern Mallee Health Alliance

WHY Project West Wimmera, Hindmarsh & Yarriambiack Shires - collaboration of HACC services

WWHS West Wimmera Health Service

Please use, re-use & recycle.

The paper stock used in this publication is ENVI 50/50 Recycled uncoated. It is a government certified, carbon neutral paper, 50% (miminum) recycled waste, FSC certified and Australian made.

WW204 / MOTIV 2014

ACKNOWLEDGEMENTS

Design & Production Motiv Brand Design, Adelaide

Co-ordination DMR Associates Pty Ltd, Nhill

CONTACT DETAILS

Nhill

43-51 Nelson Street
Nhill Victoria 3418
T (03) 5391 4222
F (03) 5391 4228

Goroke

Natimuk Road
Goroke Victoria 3412
T (03) 5363 2200
F (03) 5386 1268

Kaniva

7 Farmers Street
Kaniva Victoria 3419
T (03) 5392 7000
F (03) 5392 2203

Rainbow

2 Swinbourne Avenue
Rainbow Victoria 3424
T (03) 5396 3300
F (03) 5395 1411

Cooinda

Queen Street
Nhill Victoria 3418
T (03) 5391 1095
F (03) 5391 1229

Jeparit

2 Charles Street
Jeparit Victoria 3423
T (03) 5396 5500
F (03) 5397 2392

Natimuk

6 Schurmann Street
Natimuk Victoria 3409
T (03) 5363 4400
F (03) 5387 1303

Email

corporate@wwhs.net.au

www.**wwhs.net.au**