WWHS

# WEST WIMMERA HEALTH SERVICE

## ANNUAL REPORT 2015

## LOCATION

West Wimmera Health Service is located in the West and South Wimmera and Southern Mallee Region in rural Northern Victoria and is part of the Grampians Region of the Department of Health and Human Services. It is the last health service before the Victorian and South Australian border.

The median age of the communities depending on this Service for healthcare is 47 years and steadily increasing, considerably older than the median age of 37 across Victoria and also Australia.

In combination with the increasing age of our communities the median weekly income of families is $990 against $1,460 for Victoria and $1,481 for Australia.

These factors, combined with the rural remoteness of our communities, place our people at a high level of socioeconomic vulnerability.

## HISTORY

West Wimmera Health Service was first established in August 1995 under the *Health Services Act 1988* through the amalgamation of the Jeparit and Kaniva Hospitals with the Nhill Hospital. Since that time the Service has evolved through amalgamation with Rainbow and Natimuk Bush Nursing Hospitals, the Goroke Community Health Centre and the final amalgamation with Cooinda Disability Service, Nhill occurred in 1999.

## RESPONSIBLE MINISTERS DURING THE REPORTING PERIOD - FRD22F 6.4(A).

**The Honourable Jill Hennessy MLA**
Minister for Health,
Minister for Ambulance Services
4 December 2014 to 30 June 2015

**The Honourable Martin Foley MLA**
Minister for Mental Health
4 December 2014 to 30 June 2015

**The Honourable David Davis MLC**
Minister for Health, Minister for Ageing
1 July 2014 to 3 December 2014

**The Honourable Mary Wooldridge MLA**
Minister for Mental Health
1 July 2014 to 3 December 2014

## THIS REPORT

- Is compliant with the requirements of the Standard Requirements for the Publication of Annual Reports.
- Details the principles guiding West Wimmera Health Service
- Provides an overview of our services and their outcomes.
- Is an open account of activities, achievements and financial performance.
- Should be read in conjunction with the 2014–15 Annual Review which includes the Quality of Care Report which are available on our website and in hard copy from all sites.

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

**Leonie G Clarke**
President

Nhill
15 August 2015

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# The Vision, Mission and Values of West Wimmera Health Service engender a common sense of purpose, provide direction for long term planning and establish sound principles and beliefs throughout the Service.

## VISION

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

## 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 Southern Wimmera and the Southern Mallee.

## 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.

# PRESIDENT AND CHIEF EXECUTIVE REPORT

The two decades since the amalgamation of three rural Hospitals, two Bush Nursing Centres and a Disability Service to form West Wimmera Health Service has been a very defining period for this burgeoning organisation.

The distillation of the experience gathered during this period has laid a solid foundation on which to carry the Service through the many reforms which have occurred throughout all sections of the health industry and indeed are still on the agenda of both the State and Commonwealth Governments.

Emphasis in healthcare has moved from virtually automatic hospital admission to the many forms of 'in home' care with packages of care available to support living at home safely for people experiencing conditions for which admission to hospital or residential aged care was previously the only option.

Continuing reforms in all sectors of healthcare embracing acute and aged care, disability services, allied health and social services have a major impact on the business and direction of this Service. We have truly embraced the opportunities which have been opened to forge ahead and make this progressive health service even more crucial for the residents of this region.

Change, in its many guises, as a result of reform, and in response to the evolving fabric of our communities or the health status of our residents has generated a new way of thinking, of innovation, planning and fundraising within West Wimmera Health Service and indeed the entire health system.

## FUNDRAISING, PHILANTHROPY AND CAPITAL PROJECTS

Tighter funding regimes, and increased competition for special government funding have placed enormous pressure on this Service. It has highlighted the extreme necessity to continually seek other avenues of funding to meet the ever growing increase in demand for our services while at the same time meeting the stringent demands of Quality systems and Accreditation audits.

Therefore the Capital Fundraising Campaign which commenced in 2013-14 has been a vital element in maintaining the forward thrust of emerging plans for, amongst other projects, an exciting Community Health & Wellbeing Centre so vitally important to the Capital Building Program.

The Peter M. Sudholz Medical and Allied Health Centre adjacent to the Residential Aged Care complex in Natimuk was keenly supported in financial terms by the Natimuk community and in particular by Mr Peter Sudholz, a long term resident of Natimuk, and is an example of a government grant, fundraising and philanthropy all contributing to vital community services.

The Centre was officially opened on 1st May 2015.

The fundraising campaign at Kaniva to construct a hostel adjacent to the Kaniva Hospital is progressing slowly however plans are in place to accelerate its progress in 2015-16.

## SMALL RURAL HEALTH SERVICE FUNDING REFORM

The Department of Health and Human Services is currently reviewing the Small Rural Health Service (SRHS) funding model.

Given a large portion of West Wimmera Health Service funding has been formulated from this model since 2006, the Board is taking a strong interest in the outcome of the final report which has been referred to Government for scrutiny.

It is understood the date for the new funding model to take effect will be 1st July 2016.

## 2014-15 – A SUCCESSFUL FINANCIAL YEAR

Of note is that this year the end result achieved, $103,121, which is the tenth successive surplus for West Wimmera – a positive indication of the viability of West Wimmera Health Service.

## STATEMENT OF PRIORITIES

All but one section of the Statement of Priorities, a funding and monitoring agreement entered into with the Department of Health and Human Services, were achieved. (see SOP note page 15)

## BOARD DIVERSITY

Retirement by two senior board members and the appointment of one new member, leaves the opportunity to restructure the Board in conformity with the number of members stipulated under the *Health Services Act 1988*, if the proposed amalgamation of West Wimmera Health Service with Dunmunkle Health Services takes place.

Mrs Naomi Zanker and Mr Lester Maybery were reappointed to the Board of Governance and we particularly welcome newly appointed Member Mrs Anne Rogers in her first term of office.

Sadly long term Board members, Mrs Janice Sudholz and Mr Rodney Stanford did not seek reappointment to the Board and we thank them sincerely for their valuable and conscientious commitment to West Wimmera Health Service.

## STRATEGIC PLANNING

The ten Strategic Goals as set by the Board in the Strategic Plan 2012-2015, were the backbone of the planning and decision making which drove the Service to achieve at the highest level of performance during this period. (The Strategic Plan is available at www.wwhs.net.au).

The 2016-2019 Strategic Plan is currently in the formative stages of development.

## PROPOSED AMALGAMATION WITH DUNMUNKLE HEALTH SERVICES

Negotiations surrounding the amalgamation of West Wimmera Health Service with Dunmunkle Health Services are continuing with the two Boards working together to plan the best healthcare structure for these rural communities.

## MANAGEMENT RESTRUCTURE

The changing makeup of our communities which manifested in the need to introduce a fresh mode of addressing the emerging possibilities of care combined with the new and proposed reforms referred to previously, prompted a restructure of the management profile within this Service.

Subsequently in March 2015 the Board endorsed a change to the management structure. The number of Executive Directors has increased and their roles have changed markedly to reflect the shifting nature of health care.

While still in its infancy, the restructure appears to have been timely and effective.

## COMMONWEALTH RESTRUCTURE OF PRIMARY HEALTHCARE DELIVERY

Following the Review instigated by the Australian Government to honour its commitment to rebuild the Primary Healthcare system it is proposed local communities will receive more appropriate access to improved health services through the resultant Primary Health Networks (PHNs).

The Networks will work to ensure services across the primary, community and specialist health sectors work together "with the key objective of increasing the efficiency and effectiveness of medical services for patients, particularly those at risk of poor health outcomes, and improving coordination of care to ensure patients receive the right care in the right place at the right time". (Australian Government Department of Health)

The newly established National Primary Healthcare Networks (PHNs) will come into force on 1st July 2015.

West Wimmera Health Service will rest under the umbrella of the Western Victorian Primary Health Network which stretches from the Barwon region through to the South Australian border. We remain positive about the changes mooted given the desire of this new Network to maintain and in fact enhance primary healthcare delivery in the rural remote areas of Western Victoria.

## CAPITAL PROJECTS

### COMMUNITY & ALLIED HEALTH

Stage two of the ongoing redevelopment of the Mira building, Nhill, Stage one of which, 'The Medical, Community & Allied Health Centre', was opened in June 2013 has now reached an extremely exciting point with the construction for the proposed Rehabilitation Centre, Hydrotherapy Pool and Community Gymnasium now underway.

This project will address a very pressing need for a region where there aren't any facilities of this type.

Therefore in line with the current philosophy of preventative health measures, supporting people to manage their health and the need for early intervention in the chronic disease scenario this project will be a mainstay in strengthening the health and social fabric of our communities.

### WEST WIMMERA HEALTH SERVICE LAUNDRY

Investigations are continuing into establishing our own laundry. The emerging realities of the review highlight the positives which would arise:

- Increased employment,
- Another supported employment opportunity for disability clients,
- Above all it would be a cost saving initiative and a financial boost would ensue.

A Business Plan, stringent financial calculations and the value this initiative will present for West Wimmera Health Service is being judiciously and methodically researched prior to the final decision to proceed.

### SHORT TERM STAFF AND STUDENT ACCOMMODATION

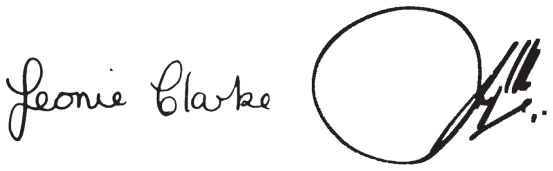
The construction of three modern housing properties in Nhill to accommodate Medical Practitioners, Students on work placements and provide short term rental for new staff are now completed and ready for occupancy. The units which were constructed entirely by our own engineering and maintenance workforce, will be a distinct asset in attracting staff, students and practitioners to seek employment in this rural area.

## OUR VIEW – OUR PRIDE

Our standing in the provision of rural healthcare and proven sustainability as a Service is the end product of a combination of many factors; an efficient Board of Governance, enthusiastic, skilled and passionate staff, volunteers, visiting general and specialist practitioners who willingly bring their expertise to us, and finally, effective resilient management combined with strong leadership are attributes which have won this Service the highest respect.

To all for whom we have the responsibility to provide "health, welfare, and disability services which are compassionate, responsive, accessible and accountable to individual and community needs" we will always do so with the greatest respect and commitment.

We are committed to further strengthening the quality and extent of the health services we deliver and will continue to act in the best interests of all.



**Leonie G Clarke**
President

**John N Smith PSM**
Chief Executive Officer

# SERVICES OFFERED BY WEST WIMMERA HEALTH SERVICE

West Wimmera Health Service is active throughout a very extensive geographical area and includes six separate campuses. These individual communities represent a diverse catchment with equally diverse healthcare needs. Both the diversity and the distances between facilities present challenges. In response the Service continues to design and make available a wide range of services and programs that best relate to the particular healthcare needs of the people we serve.

## AGED CARE

- Aged Care Assessment
- District Nursing
- Home Care Packages
- Aged Residential Homes

## CLINICAL

- Acute Hospital Care
- Audiology
- Dental Services
- Dialysis
- Domiciliary Midwifery
- ENT Surgery
- Gastroenterology
- General Surgery
- Laparoscopic Surgery
- Maternity Shared Care
- Obstetrics and Gynaecology
- Ophthalmic Surgery
- Oral Surgery
- Orthopaedic Surgery
- Palliative Care
- Pharmacy
- Physician
- Radiology – CT scanning, ultrasound, x-ray
- Urgent Care

## PRIMARY & PREVENTATIVE HEALTH

- Cancer Resource Nurse
- Cancer Support Group
- Cardiac Rehabilitation
- Community Health Nursing
- Continence Education
- Diabetes Education
- Dietetics
- Exercise Groups
- School Programs
- Health Promotion
- Immunisations - WWHS staff and major local employers
- Massage Therapy
- Maternal and Child Health
- National Diabetes Service
- Occupational Therapy
- Optometry
- Physiotherapy
- Planned Activity Groups
- Podiatry
- Social Work - Welfare
- Speech Pathology

## DISABILITY SERVICES

- Community Access
- Community Inclusion
- Supported Employment
- Vocational Training

## REGIONAL SERVICES

- Allambi Elderly Peoples Home, Dimboola
- Avonlea Hostel, Nhill
- Dunmunkle Health Services
- Edenhope College
- Edenhope Hospital
- Goroke P-12 College
- Harrow Bush Nursing Centre
- Hindmarsh Shire Council
- Jeparit Primary School
- Kaniva College
- Kindergartens - Nhill, Jeparit, Kaniva, Minyip, Murtoa, Natimuk, 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 Services
- Health Information Management
- Resource Centre
- Volunteers

## TRAINING AND ALLIANCES

- Traineeships
- Work Experience
- Work Placements

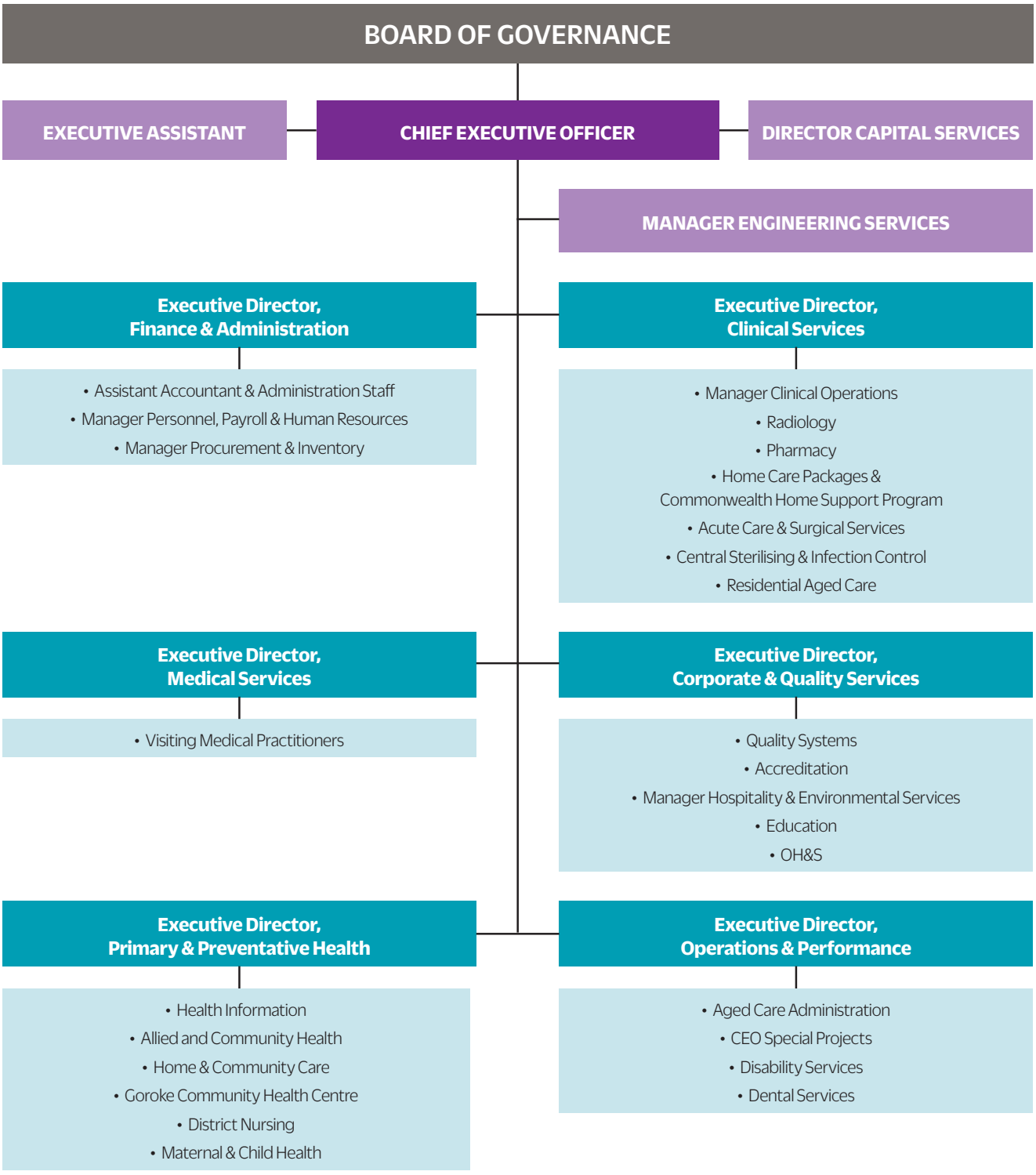
## COMMUNITY PROGRAMS

- Hospital to Home (H2H)
- Hospital in the Home (HITH)
- National Respite for Carers Program (NRCP)
- Post Acute Care (PAC)
- Home and Community Care Program (HACC)

# GOVERNANCE

The Board of Governance (The Board) is empowered to guide West Wimmera Health Service in the assiduous application of correct and accountable standards in all its clinical and corporate activities. The Board is appointed by the Minister for Health and its members are drawn from the breadth of the wide area we serve.

# ORGANISATIONAL CHART – 2015



# CORPORATE GOVERNANCE 2014-2015

Members of the Board of Governance are appointed in accordance with the *Health Services Act, 1988* and provide effective corporate and clinical governance for the Service. Board members are guided by the State Services Authority Directors Code of Conduct, are volunteers and are not remunerated for their services.

## BOARD OF MANAGEMENT

### BOARD CHAIR

**Leonie G Clarke**
*First appointed:* 01.03.1997

### DEPUTY CHAIRMAN

**Ronald S Rosewall** BSocSc
*First appointed:* 01.03.1999

**David P Buckley** Trade Cert Electrician
*First appointed:* 01.07.2011
*Resigned:* 16.03.2015

**Harvey G Champness** BA, Dip Ed, Accredited Lay Preacher
*First appointed:* 03.03.2009

**Ronald A Ismay**
*First appointed:* 01.10.1998

**Lester C Maybery**
*First appointed:* 01.10.1998

**Rodney L Stanford**
*First appointed:* 01.11.2005

**Janice M Sudholz**
*First appointed:* 01.10.1998

**Naomi E Zanker** BA, Dip Ed, GAICD
*First appointed:* 01.07.2009

## AUDIT AND GOVERNANCE COMMITTEE

### AUDIT AND GOVERNANCE COMMITTEE CHARTER

The purpose of the Audit and Governance Committee is to oversee and advise the Board on matters of accountability and internal control.

The Committee's objective is to maximise the quality and safety of services provided in compliance with all applicable laws, rules and in accordance with the principles of effective risk management. .

### MEMBERS

**Mr J M Hobday LLB*** *Chair*
**Ms L G Clarke** *President*
**Mr D P Buckley**
**Mr H G Champness**
**Mr L C Maybery**
**Mrs J M Sudholz**

*Independent Member

# EXECUTIVE TEAM

## CHIEF EXECUTIVE OFFICER

**John N Smith PSM**
FAICD, MHA, Grad Dip HSM, AFACHSM, AFAHRI, FAHSFMA, AFAIM, Cert 111 OH&S

John is accountable to the Board of Governance for providing strong, reliable leadership and direction in maintaining a sustainable and effective health service.

His extensive experience in the health industry provides valuable, efficient and innovative management ensuring quality and safety systems uphold the very best of care and safety throughout the organisation.

He is currently Vice President of the Australian Council on Healthcare Standards, Treasurer of the International Board of ACHS, a Council Member of the Australian Hospital and Healthcare Association, and Vice President of the Victorian Healthcare Industrial Association.

## EXECUTIVE DIRECTOR, MEDICAL SERVICES

**Dr Ian Graham**
MB,BS; M. Health Planning; FRACMA; Cert. Essential Skills in Medical Education (AMEE)

Dr Graham is responsible for the credentialing, appointment, definition of the scope of practice and performance management of Visiting Medical Practitioners.

Ian was recently appointed to the part-time position as Dean of Education of the Australian and New Zealand College of Anaesthetists and has his own consulting practice in health management, education and information technology and is also the visiting Director of Medical Services for East Wimmera Health Service and Beaufort and Skipton Health Service.

## EXECUTIVE DIRECTOR, FINANCE & ADMINISTRATION

**Ritchie R Dodds**
BCom CA FFin MBA GAICD

Ritchie oversees the Finance, Administration, Procurement, Human Resource Management and Information Technology functions. He plays a key role in the ongoing financial sustainability of the Service and also in keeping the Information and Technology Department up to date with the latest in technology. Representing the Service on the Grampians Region Health Alliance Information Technology Finance Committee, Ritchie also deputises for the Chief Executive Officer as and when required.

## EXECUTIVE DIRECTOR, CLINICAL SERVICES

**Janet K Fisher**
RN, Adv Dip Bus Mgt.

Jan has held the positions of Director of Nursing Rainbow Hospital, Executive Director of Aged Care and, since 2009, the administrative role as Executive Director of Clinical Services for West Wimmera Health Service.

With the management restructure Jan is now responsible for the management of all Clinical services including Acute and Surgical Services, Aged Care, Central Sterilising, Infection Control, Radiology, Pharmacy, Home Care Packages .

## EXECUTIVE DIRECTOR, CORPORATE & QUALITY SERVICES

**Darren Welsh**
RN BN GradDipBus(Admin Mgt) GradCertOccHlthSftyMgnt GradDipOccHlthSfty AFCHSM

Darren commenced in the position of Executive Director, Corporate and Quality Services on 30th March 2015 and has responsibility for Hospitality and Environmental Services, Engineering & Maintenance, Risk Management, Occupational Health & Safety, Education, Security, Emergency Management, Legislative Compliance, Accreditation, Quality Improvement and Consumer Engagement.

Darren previously held a number of senior management and executive level positions at rural and regional centres.

## EXECUTIVE DIRECTOR, PRIMARY & PREVENTATIVE HEALTH

**Kaye D Borgelt**
Assoc. Dip Med Rec Admin, Grad Certificate Mgt Org Change

The Executive Division of Primary & Preventative Health was established as an element of the restructure of management within West Wimmera Health Service and is responsible for all non-bed based clinical services; Allied and Community Health, District Nursing, Health Promotion and Planned Activity Groups to promote health and wellbeing within our communities.

Kaye was Executive Director Corporate & Quality Services for West Wimmera Health Service prior to the management restructure.

## EXECUTIVE DIRECTOR, OPERATIONS & PERFORMANCE

**Melanie R Albrecht**
LLB, BIS, MHA, MBA, GAICD

Melanie has qualifications in law, health and business administration and commenced with West Wimmera Health Service in 2006 and when the new management structure was instigated she was appointed Executive Director, Operations & Performance.

She is responsible for Dental and Disability Services, Aged Care Administration, Contracts and Consumer Analysis and advice. Melanie also assists the Chief Executive Officer with Special Projects and Business Performance.

## EXECUTIVE ASSISTANT TO CEO

**Katrina J Pilgrim**
Adv Dip Mgt, Cert IV Bus Management (Frontline)

Katrina provides a comprehensive range of secretarial and administrative services to the Chief Executive Officer. She is Minute Secretary to the Board of Governance and associated committees and ensures that corporate and strategic issues dealt with by the Chief Executive Officer and the Board are appropriately reported.

Katrina also assists the Chief Executive Officer with operational organisation and event organisation.

# STATEMENT OF PRIORITIES

WWHS and the Victorian Secretary for Health review the key objectives that will form the priority areas of activity and funding on an annual basis. These key objectives are defined, programs developed and enacted and outcomes measured in terms of appropriateness and effectiveness within our communities.

# **PART A:** STRATEGIC PRIORITIES FOR 2014–15

| PRIORITY 1 – DEVELOPING A SYSTEM THAT IS RESPONSIVE TO PEOPLE'S NEEDS | | |
|---|---|---|
| **ACTION** | **DELIVERABLE** | **OUTCOME** |
| Develop an organisational policy for the provision of safe, high quality end of life care in acute and subacute settings with clear guidance about the role of, and access to, specialist palliative care. | Implement an organisational end of life policy by 31 October 2014. | • The New End of Life Decision Making Policy and Protocol were implemented to reflect best practice initiatives. This included changes in accessing expert Hospice Staff for the provision of documenting an end of life plan.<br>• The End of Life Decision Making Policy and End of Life Decision Making Protocol were adopted at the Clinical Quality Improvement Committee in October 2014.<br>• In addition to Service wide education, public education on our policy has occurred at Day Centres and Senior Citizen Groups throughout the year. |
| Implement an organisation-wide policy for responding to clinical and non-clinical violence and aggression by patients, staff and visitors (including code grey) that aligns with department guidance (2014). | Implement a policy in regard to clinical and non-clinical violence and aggression by 30 November 2014.<br>Introduce mandatory occupational violence and aggression education for all staff to be conducted every two years. | • A Code Grey – Unarmed Violence Policy was developed and subsequently adopted by the Clinical Quality Improvement Committee on 23 June 2015.<br>• The intent of this protocol is to ensure that all staff are safe and without risk of injury or illness from aggressive or potentially violent patients, clients, visitors or staff of the Service, whilst they undertake their duties at work, as far as is reasonably practicable.<br>• To ensure all staff are educated on the management of clinical and non-clinical violence and aggression by patients, staff and visitors, the Service modified the Education Policy to introduce mandatory Occupational Violence and Aggression Training.<br>• The amended Education Policy was adopted at the Clinical Quality Governance Committee in July 2014 and mandates all staff to complete this important training every two years.<br>• As at 30 June 2015, 98% of staff had completed the online education module on Occupational Violence and Aggression. |
| Improve outcomes for people with heart disease by addressing the strategic directions of the Heart Health Strategy. | Implement relevant priorities for national action as detailed in the Heart Health Strategy by 30 June 2015.<br>Work collaboratively with Wimmera Health Care Group to access specialist physicians to consult at WWHS by 31 October 2014. | • Successful funding of $16,000 was secured for the Wimmera Southern Mallee Health Alliance Project - 'Hub & Spoke Cardiac Rehabilitation Model of Care for rural patients' from the Department of Health & Human Services in June 2015.<br>• Two Service staff, a Physiotherapist and a Community Health Nurse have undertaken the 5 day Cardiac Rehabilitation Training course to enable implementation of this best practice Cardiac Model.<br>• Agreement signed with Wimmera Health Care Group to access specialist physicians who have commenced offering services in August 2014.<br>• Patients now have access to specialist physicians for cardiac and other conditions in their community. |

| PRIORITY 2 – IMPROVING EVERY VICTORIAN'S HEALTH STATUS AND EXPERIENCES | | |
|---|---|---|
| **ACTION** | **DELIVERABLE** | **OUTCOME** |
| Use consumer feedback to improve person and family centred care, health service practice and patient experience. | Utilise satisfaction surveys across a range of program areas including residential aged care and primary and community health to seek consumer feedback which can then be used to improve service provision.<br><br>Further expand the consumer engagement program and introduce a formal consumer forum process bringing together consumers from all sites. | • To enhance our organisational focus on Consumer participation and engagement a Community Liaison Officer commenced at the Service in March 2015.<br>• The focus of this position is to regularly meet with consumers including inpatients, clients and stakeholders to canvas their views on a range of topics including admission and discharge planning, communication between health care professionals and physical infrastructure<br>• Consumer focus groups were held in Nhill to review the inpatient catering menu. The outcome was the progressive implementation of a new menu during September 2014 which meets the needs of our consumers to improve their meal satisfaction. |
| Identify service users who are marginalised or vulnerable to poor health, and develop interventions that improve their outcomes relative to other groups, for example, Aboriginal people, people affected by mental illness, people at risk of elder abuse, people with disability, homeless people, refugees and asylum seekers. | Engage with the Karen community to seek advice on how we can better service the needs of this marginalised group within the community. | • The employment of two Karen Graduate Nurses has provided a valuable addition to the Nursing division, offering an insight into cultural aspects applicable to health service engagement.<br>• The Karen population is represented on the Service's Cultural Diversity Plan Planning Group ensuring this key population group is engaged for organisational planning purposes.<br>• A local multiagency diversity group meets regularly comprising representatives from the Service, Hindmarsh Shire, local employers and consumer representatives with the aim of improving access, knowledge and health literacy in relation to local population groups particularly the Karen population.<br>• The Service has advocated to Tristar Medical Group regarding local Karen needs for accessing Medical Clinic Services.<br>• Five Primary Health Clinicians attended the 'Working with Interpreters and our Karen Community Forum' held by the Hindmarsh Shire Council, in association with the Centre for Culture, Ethnicity and Health in April 2015. |

| PRIORITY 3 – EXPANDING SERVICE, WORKFORCE AND SYSTEM CAPACITY | | |
|---|---|---|
| **ACTION** | **DELIVERABLE** | **OUTCOME** |
| Develop and implement a workforce immunisation plan that includes pre-employment screening and immunisation assessment for existing staff that work in high risk areas in order to align with Australian infection control and immunisation guidelines. | Develop and implement a workforce immunisation plan that aligns with Australian infection control immunisation guidelines. | • Whilst the Service was not able to meet the target of 75% by March 2015, substantial work has been undertaken in the financial year for preparation of the 2015 Flu season.<br>• These strategies include increased education of the flu vaccination benefits and increased availability through reviewed distribution schedules. |
| Build workforce capability and sustainability by supporting formal and informal clinical education and training for staff and health students, in particular inter-professional learning. | Increase the number of clinical placement days for undergraduate and postgraduate students in 2014-15 by 2%. | • Clinical Placement days in 2014–15 have increased by 28% from 2013–14.<br>• Placements have occurred in the disciplines of Registered and Enrolled Nursing, Physiotherapy, Occupational Therapy, Podiatry, Dietetics and Speech Pathology. |

| PRIORITY 4 – INCREASING THE SYSTEM'S FINANCIAL SUSTAINABILITY AND PRODUCTIVITY | | |
|---|---|---|
| **ACTION** | **DELIVERABLE** | **OUTCOME** |
| Identify and Implement practice change to enhance asset management. | Introduce the RiskMan contracts register software to enhance asset management and ensure timely preventative maintenance or equipment replacement, based on a depreciation methodology. | • RiskMan Contract Register implemented in February 2015 which provides an effective documentation collection and management portal for contracts. |
| **PRIORITY 5 – IMPLEMENTING CONTINUOUS IMPROVEMENTS AND INNOVATION** | | |
| **ACTION** | **DELIVERABLE** | **OUTCOME** |
| Develop a focus on 'systems thinking' to drive improved integration and networking across health care settings. | Continue to be an active member of the Wimmera Southern Mallee Health Alliance (WSMHA). | • West Wimmera Health Service has representatives on the following Wimmera Southern Mallee Health Alliance groups: Persistent Pain Physio Project, Chronic Disease Network, Nurse Unit Managers Network forums, and the Unplanned presentations steering committee,<br>• A member of the West Wimmera Health Service board was also appointed as chair of the Alliance for the second consecutive year. |
| Drive improved health outcomes through a strong focus on patient-centred care in the planning, delivery and evaluation of services, and the development of new models for putting patients first. | Contribute to the business and administration processes of the WSMHA to support its ideals and purposes.<br>Utilise the Victorian Healthcare Experience Survey results to strengthen our focus on patient-centred care, using literature to ensure best practice principles are used. | • Business and administration assistance is provided to the Wimmera Southern Mallee Health Alliance through rotating secretarial support, contributions to Meeting Agendas and the Alliance Newsletter.<br>• Following a review of results from the Victorian Healthcare Experience an additional review was performed of the Acute Discharge experience. This resulted in a consolidated discharge pack being developed to better meet consumer requests. |
| **PRIORITY 6 – INCREASING ACCOUNTABILITY & TRANSPARENCY** | | |
| **ACTION** | **DELIVERABLE** | **OUTCOME** |
| Undertake an annual board assessment to identify and develop board capability to ensure all board members are well equipped to effectively discharge their responsibilities. | Complete an annual board assessment in conjunction with the Australian Institute of Company Directors (AICD) by 30 June 2015.<br>Support board member education by encouraging participation in AICD courses and education forums. | • Annual board assessment and education opportunities have been explored with the Australian Institute of Company Directors and will be combined with the development of the new West Wimmera Health Service Strategic Plan in 2015–16. |
| Demonstrate a strategic focus and commitment to aged care by responding to community need as well as the Commonwealth Living Longer Living Better reforms. | Maintain financial viability in residential aged care services by constructing systems to maximise the aged care financial instrument classification and funding models. | • An Aged Care focus on the Aged Care Funding Instrument has resulted in improved financial results.<br>• Benchmarking of the Aged Care Funding Instrument has commenced with Ballarat Health Services and Barwon Health.<br>• The Service presented to the Barwon Health Chief Executive Officer forum on Aged Care and chaired the inaugural Australia Health Service Financial Managers Association Aged Care Special Interest Group meeting in May 2015 and subsequent meetings.<br>• The Service will present at the Australia Health Service Financial Managers Association Aged Care Conference to be held in October 2015. |

| PRIORITY 7 – IMPROVING UTILISATION OF E-HEALTH AND COMMUNICATIONS TECHNOLOGY | | |
|---|---|---|
| **ACTION** | **DELIVERABLE** | **OUTCOME** |
| Trial, implement and evaluate strategies that use e-health as an enabler of better patient care. | Partner with Grampians Regional Health Alliance (GRHA) to develop and introduce a Grampians wide E-Health Business Plan and proposal. | • West Wimmera Health Service has endorsed in principle the implementation of an electronic clinical records system as part of a Grampians wide E-Health Business Plan.<br>• The Preliminary Business Case is currently being drafted by Grampians Regional Health Alliance (GRHA) with implementation expected to occur in 2015–16. |
| Ensure local ICT strategic plans are in place. | Review the WWHS ICT strategic plan and action outcomes of review. | • The Information and Communication Technology Plan was reviewed by 30 June in conjunction with Dulkeith Computer Solutions, our IT consultant.<br>• At 30 June 2015 no material deficiencies were found and the plan was updated to reflect the desired outcomes for the 2015–16 year. |

# **PART B:** PERFORMANCE PRIORITIES

| SAFETY AND PERFORMANCE MEASURES | | |
|---|---|---|
| **KEY PERFORMANCE INDICATOR** | **TARGET** | **2014–15 ACTUAL** |
| **PATIENT EXPERIENCE AND OUTCOMES** | | |
| Victorian Healthcare Experience Survey | Full compliance | Achieved |
| **GOVERNANCE, LEADERSHIP AND CULTURE** | | |
| Patient safety culture | 80 | 92 |
| **SAFETY AND QUALITY** | | |
| Health service accreditation | Full compliance | Achieved |
| Residential aged care accreditation | Full compliance | Achieved |
| Cleaning standards | Full compliance | Achieved |
| Cleaning standards (AQL-A) | 90 | 99 |
| Cleaning standards (AQL-B) | 85 | 100 |
| Cleaning standards (AQL-C) | 85 | 100 |
| Submission of data to VICNISS | Full compliance | Achieved |
| Hand hygiene (rate) – quarter 2 | 75 | 81 |
| Hand hygiene (rate) – quarter 3 | 77 | 80 |
| Hand hygiene (rate) – quarter 4 | 80 | 85 |
| Health care worker immunisation – influenza – as at 30 June 2015 | 75 | Not achieved |

| FINANCIAL SUSTAINABILITY PERFORMANCE | | |
|---|---|---|
| **KEY PERFORMANCE INDICATOR** | **TARGET** | **2014–15 ACTUAL** |
| **FINANCE** | | |
| Annual Operating result ($m) | 0.02 | 0.10 |
| Creditors | <60 days | 40 |
| Debtors | <60 days | 29 |
| **ASSET MANAGEMENT** | | |
| Basic asset management plan | Full compliance | Achieved |

## PART C: ACTIVITIES AND FUNDING

| FUNDING TYPE | 2014–15 ACTIVITY ACHIEVEMENT |
|---|---|
| Small Rural Acute | 2,265 separations |
| Small Rural Primary Health | 12,239 hours |
| Small Rural Mental Health | 2,014 bed days |
| Small Rural Residential Care | 43,640 bed days |
| Small Rural HACC | 39,713 hours |

It is important to note that although a result of 67.3 % was achieved against the health care worker immunisation – influenza result, West Wimmera Health Service has undertaken an intensive staff education and immunisation program with an uptake of 81% to 30 June 2015, This will be reflected in the result next year.

# STRATEGIC PLAN

The Strategic Plan 2012-2015 for West Wimmera Health Service can be found on the website, www.**wwhs.net.au**.

# OUR STAFF

Employee related costs amount to approximately 78% of West Wimmera Health Service income and in that light we abide by all regulations to ensure our staff have the best of employment opportunities.

## THE EMPLOYMENT ASSISTANCE PROGRAM

The Employee Assistance Program (EAP) is a free and confidential counselling service offered to our employees to support their well-being and also in their personal lives. The service is also extended to immediate family members.

We are 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.

WWHS does not have a specific workforce inclusion policy.

**WORKFORCE DATA DISCLOSURES**

| | June | | Full Year | |
|---|---|---|---|---|
| | 2014 | 2015 | 2014 | 2015 |
| **Nursing** | 141.5 | 135.9 | 147.0 | 138.2 |
| **Administration & Clerical** | 19.6 | 22.7 | 19.9 | 22.4 |
| **Hotel & Allied Services** | 148.1 | 140.8 | 152.1 | 141.4 |
| **Medical officers** | 3.6 | 1.9 | 2.6 | 2.1 |
| **Ancillary Staff** | 19.7 | 22.7 | 19.5 | 22.3 |
| **Total** | 332.6 | 324.0 | 341.1 | 326.4 |

# OCCUPATIONAL HEALTH AND SAFETY

West Wimmera Health Service is a responsible leader in the safety of its patients and clients and importantly also of its staff and contractors. The Service complies with the requirements of the *Occupational Health and Safety Act 2004* and the Occupational Health and Safety Regulations 2007.

The Service continues to extend the work of its Injury Management Team and in particular the safe and appropriate 'Return to Work' of its employees following injury or illness.

Our work in that field was acknowledged in 2014 by the Institute of Public Administration Australia (Victoria) Leadership in the Public Sector Awards when our Team was named as a finalist in the category "Leading the Way in Health, Safety and Wellbeing".

Our Occupational Health and Safety strategies are monitored to guarantee that the effectiveness of our policies and processes maintain the safety of all.

**REPORTED HAZARDS/INCIDENTS FOR THE YEAR PER 100 FULL-TIME EQUIVALENT STAFF MEMBERS**

| YEAR | HAZARDS / INCIDENTS | HAZARDS / INCIDENTS PER 100 FTE EMPLOYEES |
|---|---|---|
| **2014/2015** | 134 | 0.410 |
| **2013/2014** | 179 | 0.525 |
| **2012/2013** | 205 | 0.606 |

Staff education, Risk Assessments and the controls put in place to manage Occupational Health and Safety Risks is increasingly reducing the number of incidents reported.

**'LOST TIME' STANDARD CLAIMS FOR THE YEAR PER 100 FULL-TIME EQUIVALENT STAFF MEMBERS**

| YEAR | LOST TIME CLAIMS | HAZARDS / INCIDENTS PER 100 FTE EMPLOYEES | DAYS LOST |
|---|---|---|---|
| **2014/2015** | 3 | 0.009 | 129 |
| **2013/2014** | 4 | 0.011 | 76 |
| **2012/2013** | 6 | 0.018 | 146 |

A timely and responsive Injury Management Team has realised a reduction in lost time claims. Although there was a reduction in the average days lost per claim between 2012/2013 and 2013/2014, the number has risen over the last 12 months and is reflective of more complex claims - an area that will require increased vigilance over the next year.

We will continue to work on decreasing the duration of claims and claim costs, which the Service believes can be achieved by continuing to improve the responsiveness to Health and Safety risk assessments, as well as early incident notification and intervention.

**AVERAGE COST PER CLAIM FOR THE YEAR (INCLUDING PAYMENTS TO DATE AND AN ESTIMATE OF OUTSTANDING CLAIM COSTS AS ADVISED BY WORKSAFE)**

| YEAR | AVERAGE COST PER CLAIM | ESTIMATE OUTSTANDING COSTS |
|---|---|---|
| **2014/2015** | $16,049 | $72,146 |
| **2013/2014** | $11,130 | $35,013 |
| **2012/2013** | $32,952 | $21,746 |

Whilst the performance in the area of cost has dropped with claims in the Service they have been more expensive due to a combination of the seriousness of each claim and the 'lost time' for each claim. Six of the last 20 claims have required surgery and eight of the last 20 claims have over 50 days in lost time, which are the two biggest areas of expense.

No fatalities have been recorded in the last three years.

# RESILIENT FINANCIAL MANAGEMENT

We recorded a $1.134m increase in total residential aged care revenue ($13.59m) compared to the previous year ($12.456m). The increase was primarily driven by higher average occupancy rates as well as a more favourable resident profile.

The amount of Residential Aged Care Accommodation Bonds and Residential Accommodation Deposits (RADs) held by the Service increased over the year by $1.15m from $3.52m to $4.67m.

Total cash and investments available to the Service (i.e. not including accommodation bonds and RADs) increased by $220k from $4.34m to $4.56m.

The primary budgetary objective of the Service is to record at least a break even operating result which was again achieved.

The Service also successfully transitioned to the new Commonwealth Government residential aged care funding framework which significantly changed the way aged care residents contribute to the cost of their accommodation.

Continuing stringent budgetary control measures and continual monitoring of trends and risks will safeguard the financial performance of this Service.

**SUMMARY OF FINANCIAL RESULTS**

| | FINANCIAL YEAR ENDED 30 JUNE | | | | |
|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Total Revenue** | 36,049 | 34,473 | 35,190 | 34,016 | 30,277 |
| **Total Expenses** | -38,079 | -38,298 | -37,206 | -36,015 | -32,927 |
| **Net Result for the Year (inc. Capital and Specific Items)** | -2,030 | -3,825 | -2,016 | -1,999 | -2,650 |
| **Net Result Before Capital and Specific Items** | 103 | 14 | 104 | 212 | 197 |
| **Retained Surplus / (Accumulated Deficit)** | 918 | 2,948 | 6,773 | 8,789 | 10,788 |
| **Total Assets** | 73,980 | 74,544 | 61,421 | 57,478 | 57,993 |
| **Total Liabilities** | -14,718 | -13,252 | -13,956 | -12,288 | -10,804 |
| **Net Assets** | 59,262 | 61,292 | 47,465 | 45,190 | 47,189 |
| **Total Equity** | 59,262 | 61,292 | 47,465 | 45,190 | 47,189 |

## ALTERNATIVE PRESENTATION OF COMPREHENSIVE OPERATING STATEMENT

This report does not form part of the Financial Statements and is not subject to audit

| | FINANCIAL YEAR ENDED 30 JUNE | |
|---|---|---|
| | 2015 | 2014 |
| | $'000 | $'000 |
| **Revenue** | | |
| Interest | 333 | 417 |
| Sales of goods and services | 15,148 | 13,915 |
| Grants | 19,947 | 19,915 |
| Other current revenue | 603 | 297 |
| **Total revenue** | 36,031 | 34,544 |
| **Expenses** | | |
| Employee expenses | (24,803) | (24,671) |
| Depreciation | (3,729) | (4,551) |
| Other operating expenses | (9,547) | (9,076) |
| **Total expenses** | (38,079) | (38,298) |
| | | |
| **Net result from transactions - Net operating balance** | (2,048) | (3,754) |
| | | |
| Net gain/ (loss) on sale of non-financial assets | 18 | (71) |
| **Total other economic flows included in net result** | 18 | (71) |
| | | |
| **Net result** | (2,030) | (3,825) |

# LEGISLATIVE INFORMATION

## FREEDOM OF INFORMATION

The Chief Executive Officer as the Freedom of Information Officer of West Wimmera Health Service has received 8 requests for information under the *Freedom of Information Act (1982)* during the 2014–15 financial year, a decrease of 5 from the previous financial year.

From the 8 requests:

- In 7 cases access was granted in full
- No cases where the records were destroyed
- No request for access was denied
- No case where documents weren't available
- In 1 case the request was not proceeded with
- No cases where the request was not finalised at time of reporting

## BUILDING AND MAINTENANCE

All building works comply with the *Building Act 1993/ Standards for Publicly owned buildings 1994.*

West Wimmera Health Service undertakes an extensive Essential Services Maintenance Program to ensure that all regulatory requirements and safety standards in regard to plant and equipment, buildings and fire management systems are maintained.

Building Permits are obtained for all construction projects and all builders and contractors involved in building construction are registered practitioners.

In 2014/15 the two projects that were completed with certificates of occupancy provided were:

- Natimuk Medical and Allied Health Centre.
- Three residential houses in Nhill for Health Professional / Student accommodation

## *PROTECTED DISCLOSURE ACT 2012*

West Wimmera Health Service is committed to the aims and objectives of the *Protected Disclosure Act 2012 (the Act)* and addresses this through the application of its Protected Disclosure Policy. We recognise the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment. During 2014 / 15 the Service was not advised of any Public Disclosures under the Act.

## COMPETITIVE NEUTRALITY

All competitive neutrality requirements were met in accordance with the requirements of the Government policy statement, Competitive Neutrality Policy Victoria and subsequent reforms.

## *CARERS RECOGNITION ACT 2012*

West Wimmera Health Service has taken measures to ensure awareness and understanding of carer relationship principles, in line with Section 11 of the *Carer's Recognition Act 2012.*

## EVENTS OCCURRING AFTER BALANCE DATE

No events occurred after balance date which may have had a significant effect on the operations of the Service in subsequent years.

## DETAILS OF CONSULTANCIES

In 2014-15, there was one consultancy where the total fees payable to the consultant were $10,000 or greater. The total expenditure incurred during 2014-15 in relation to this consultancy is $33,870. The details of this consultancy are as follows:

| CONSULTANCIES 2014-15 | |
|---|---|
| **Consultant** | Michael Rhook – Health Economics |
| **Purpose of consultancy** | Budget Overview |
| **Start date** | 1 July 2014 |
| **End date** | 31 October 2014 |
| **Total approved project fee (ex GST)** | $34k |
| **Expenditure 2014-2015 (ex GST)** | $34k |
| **Future expenditure (ex GST)** | $0 |

In 2014-15, there were no consultancies where the total fees payable to the consultants were less than $10 000.

## EX-GRATIA PAYMENTS

No ex-gratia payments have been incurred and written off during the reporting period.

## VICTORIAN INDUSTRY PARTICIPATION POLICY

West Wimmera Health Service complies with the requirements of the *Victorian Industry Participation Policy Act 2003.*

## COMPLIANCE WITH DATA VIC ACCESS POLICY

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the information [insert relevant information submitted to DataVic e.g. all data tables] included in this Annual Report will be available at http://www.data.vic.gov.au/ in machine readable format.

## OTHER INFORMATION

Consistent with FRD 22F (Section 6.18) 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):

**a.** Declarations of pecuniary interests have been duly completed by all relevant officers.

**b.** Details of shares held by senior officers as nominee or held beneficially.

**c.** Details of publications produced by the entity about itself, and how these can be obtained.

**d.** Details of changes in prices, fees, charges, rates and levies charged by the Health Service.

**e.** Details of any major external reviews carried out on the Health Service.

**f.** Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the Report of Operations or in a document that contains the financial statements and Report of Operations.

**g.** Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.

**h.** Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services.

**i.** Details of assessments and measures undertaken to improve the occupational health and safety of employees.

**j.** General statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations.

**k.** A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved.

**l.** Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

## ATTESTATION ON DATA INTEGRITY

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

**John N Smith PSM**
Chief Executive Officer

Nhill
15 August, 2015

## ATTESTATION FOR RISK MANAGEMENT FRAMEWORK AND PROCESSES

I, John Norman Smith certify that West Wimmera Health Service has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes.

The West Wimmera Health Service Audit Committee verifies this.

**John N Smith PSM**
Chief Executive Officer

Nhill
15 August, 2015

# DEPARTMENTAL REPORTS

West Wimmera Health Service offers a wide range of integrated health and support services in modern, comfortable and secure surroundings. The Service employs fully accredited staff and visiting medical specialists utilising advanced technology to meet its medical, diagnostic and communication demands.

# ACUTE & SURGICAL SERVICES

Communities of the West Wimmera region have access to the highest levels of clinical care in very close proximity to their homes.

The regular comments from patients and visitors praising the care and attention of our skilled nursing and medical staff and visiting specialists complimenting the décor and the cleanliness of the facilities constantly reinforces the attention to detail we take in planning every facet of our Service and the passion clinicians place on providing the very best of care.

## OUR ACUTE CARE

The Operating Suite at the Nhill Hospital is available for surgical procedures each week day and Urgent Care Departments at Rainbow, Jeparit, Nhill and Kaniva are available 24 hours seven days per week.

Acute, Aged and Primary Care available at all West Wimmera Health Service sites are supported by an accredited Medical Imaging Department, Pharmacy Service and St John of God Pathology collection arrangement.

Acute, bed-based accommodation is located at:

- **Rainbow** 7 beds
- **Jeparit** 4 beds
- **Nhill** 35 beds
- **Kaniva** 6 beds

## VISITING SPECIALISTS

Elective Surgery at the Nhill Hospital includes the specialties of Ear Nose and Throat, Orthopaedic, Oral and General Surgery, Ophthalmology and Gynaecology.

A visiting Geriatrician is available by arrangement and by video link as required.

A Physician consults at the Nhill Hospital fortnightly and also regularly provides education programs to Visiting Medical Practitioners and staff.

Access to these specialties is crucial to the wellbeing of our community reducing the need to travel huge distances for specialist treatment enabling patients to retain the support of family and friends during this period at the same time avoiding the considerable expense and mental stress associated with accessing surgery at a distant location.

All patients are encouraged to discuss with their metropolitan and regional based specialists the technology we have available to use video link technology rather than travel for follow up appointments.

Surgical services close to where we live – how fortunate are we?

## OPERATING SUITE

The up to date, well-equipped Nhill Hospital Operating Suite provides planned and unplanned surgical procedures in the utmost immaculate conditions as proven by the result of an independent cleaning audit of 99% against a Department set target of 90%.

The rigorous criteria surrounding all aspects of surgical procedures results in care delivered in the safest way possible with the optimum outcome.

## ADMISSION AND DISCHARGE SERVICE

The Admission and Discharge Department at the Nhill Hospital co-ordinated by Division 1 and 2 Registered Nurses has two main functions – the Pre-Admission Clinic and Discharge Planning.

### PRE ADMISSION

Elective surgery patients attend a pre admission interview prior to presenting for surgery at the Nhill Hospital. The interview is designed to educate, assess and inform the patient about what to expect resulting from their surgical procedure, pre and post-operative requirements, preparation required and lifestyle restrictions during recuperation.

### DISCHARGE

The Discharge Planning is developed in conjunction with the patient and clinical staff to organise the timely discharge of patients from acute wards ensuring every assistance is offered for a safe and planned return home.

## HAEMODIALYSIS

This Unit continues to function three days per week with the capacity to expand to five should the need arise.

The Unit also offers vacation care for Dialysis patients visiting our region.

## PHARMACY

In 2014-15 the Pharmacy Department concentrated on refining the management of its pharmaceutical stock.

In consultation with the Visiting Medical Practitioners and Clinical Staff, a Formulatory of Medication for prescribing is referenced. Imprest lists for individual wards were also established which reflect their differing medication preferences of the Visiting Medical Practitioners' prescribing needs.

### IMPROVEMENT IN THE COLD STORAGE OF PHARMACEUTICALS

Refrigerated Temperature Data Loggers have been installed to more accurately document the temperature range pharmaceutical products are subjected to around the clock. This has proven to be a remarkable improvement associated with the correct storage of medications.

This has also resulted in a reduction in the costly disposal of medications due to inappropriate storage.

To meet the increasing standards and safety requirements for the provision of Pharmaceutical services and as part of the Capital Building program a new Pharmacy Department is in the design construction stage.

### MEDICAL IMAGING

Extending the hours of the availability of our imaging service set the stage for expansion of Medical Imaging at West Wimmera Health Service.

The hours of service were increased, thus providing Xray, OPG & CT scan service 5 days per week with Ultrasound available 3-4 days per week.

To maintain a smooth flowing and readily accessible service the number of radiographers increased to four, a combination which has enabled the expansion of the service.

Professional development is a crucial element of maintaining modern up to date services with all Medical Imaging staff attending seminars and educational forums at a State and National level.

Software associated with Computerised Tomography was upgraded with the introduction of the most appropriate software. The upgrade has resulted in a noticeable improvement in image quality, especially for X-rays of shoulders and the chest. The new software also allows us to collect data on our "repeat rate", which now occurs each month.

### WHAT NEXT FOR MEDICAL IMAGING?

Given the access now available and the uptake of this excellent, comprehensive and accredited imaging service we must now focus on keeping the technology which drives it up to date.

Our challenge therefore, in the next twelve to eighteen months, must be to investigate the replacement of both the Ultrasound and Computerised Tomography equipment to maintian the excellence of imaging quality.

## AGED CARE SERVICES

Aged Care is our core business and a responsibility we take seriously.

Residential aged care is an extremely important element for the communities we serve. It is paramount that we make sure our residents who are frail, maybe experiencing Dementia and other age related complications enjoy a lifestyle, care, facilities and safety second to none – and we guarantee they do!

Nine residential aged care homes provide comfortable modern accommodation for up to 123 residents at five locations.

- **Nhill** Iona Digby Harris Home, 26 Beds
- **Kaniva** Archie Gray Nursing Home & Kaniva Cottages, 21 Beds
- **Jeparit** Tullyvea Nursing Home, 15 Beds
- **Rainbow** Weeah Lodge Nursing Home & Bowhaven Hostel, 20 Beds
- **Natimuk** Trescowthick Hostel, Allan W Lockwood Hostel & Natimuk Nursing Home, 41 Beds.

Each of these homes offer residential aged care in two forms for permanent residence or short term residence, addressing 'Respite Care' needs.

### AGED CARE REFORM

1st July 2014 – the beginning of the new Commonwealth Residential Aged Care Reform changed how entry into residential care is now administered and managed.

Important points to note:

- Residents who can afford to do so are now required to contribute more towards the cost of their care.
- The Accommodation Bonds and the Accommodation Charges have been replaced by Refundable Accommodation Deposit (RAD) and Refundable Accommodation Contribution (RAC).
- The Income Tested Fee has been replaced by the Means Tested Care Fee.

These terms are fully explained in detail in Commonwealth Aged Care publications and at interview on seeking accommodation at our Residential facilities.

The Victorian the Department of Health and Human Services requires all Residential Aged Care providers to advertise their maximum RAD amount on the My Aged Care website.

West Wimmera Health Service has done so and developed strategies to more effectively market our residential facilities.

### BECOMING A RESIDENT

To become a resident in any aged care facility requires an assessment by an Aged Care Assessment (ACAS) Officer.

Your General Practitioner, service provider, a family member or carer can refer you for an ACAS assessment or you can refer yourself.

### ACCREDITATION

West Wimmera Health Service residential aged care homes are funded by the Commonwealth Government and regularly audited by the Australian Aged Care Quality Agency.

To receive ongoing funding the Government has introduced nationally legislated standards of care, for which each facility must gain certification.

The Australian Aged Care Quality Agency is the statutory body responsible for managing the accreditation process and ongoing supervision of Commonwealth funded aged care homes.

Each of our Aged Care homes is thoroughly committed to providing excellent care for its residents and given the stringent conditions of the audit process it is with pride we report our homes all hold Accreditation status, evidence that our commitment to quality is highly regarded.

To this end we welcome comments and suggestions from residents and families which may help to improve our service in any way.

### NATIONAL RESPITE FOR CARERS PROGRAM

The National Respite for Carers Program (NRCP) is a program designed to enhance the quality of life for carers and care recipients, who are frail aged people with dementia, young people with a disability and those with a terminal illness in need of palliative care.

The program contributes to the support of caring relationships between carers, family or friends by facilitating access to information, respite care and other support services appropriate to the individual needs of carers and the care recipient.

From 1st July 2015 the National Respite for Carers Program will become part of the Commonwealth Home Support Program.

### HOME CARE PACKAGES

Home Care Packages are planned and co-ordinated to provide care in the home for people sixty five and over who wish to stay in their own homes independently and safely for as long as possible with the support of personal care services.

Packages are flexibly designed to respond to the needs of individuals and may include services such as Personal care; Social support; Transport to appointments; Home help; Meal preparation and Gardening.

Given Aged Care is such a critical component of West Wimmera Health Service and particularly the influence we have on the daily lives of our residents, we will continue to practice best care, maintain accreditation status and monitor the changes we have made to the administration and delivery of our residential aged care services to make sure the aged in our community enjoy the very best of life.

## CORPORATE AND QUALITY SERVICES

Corporate and Quality Services provides the essential amenities required to support the clinical operations of West Wimmera Health Service. The Directorate includes Hospitality and Environmental Services, Engineering and Maintenance, Occupational Health and Safety, Accreditation and Quality Improvement and Consumer Engagement Services.

### HOSPITALITY AND ENVIRONMENTAL SERVICES

#### FOOD SERVICES

Nutritious, freshly cooked meals are delivered at the appropriate temperature, on time to patients and residents. Freshness of the produce is paramount therefore food is locally sourced as far as possible.

Food safety is also of equal importance. Impressive results were achieved in a 2014 /15 comprehensive independent food safety audit which resulted in a “Certificate of Compliance” attained for all sites.

#### CLEANING

Our extremely high quality cleaning services are measured by the results of our own and independent cleaning audits. In 2014 /15 the independent cleaning audits realised extremely high compliance rates. In the very high risk area of the Operating Theatre, the result was a compliance of 99% against a target of 90% set by the Department of Health and Human Services.

#### LINEN SERVICES

Best practice is observed in providing general and personal laundry services, supporting quality clinical and residential care. Delivering clean linen to each campus, is quality controlled in partnership with our External Linen Service providers.

### ENGINEERING SERVICES

This year all Essential Services Measures were undertaken.
This important compliance and testing process ensured that plant, equipment and services designed to protect the safety of patients, residents, staff and the general public were of the highest operational capability.

#### CAPITAL WORKS

The Peter M. Sudholz, Medical and Allied Health Centre in Natimuk, a major building project was completed. The new facility comprises six Medical and Allied Health consulting rooms and a Planned Activity Group area in a modern, purpose built and designed building.

## ENVIRONMENTAL PERFORMANCE

West Wimmera Health Service is committed to sustainability and reducing its carbon footprint. New and ongoing initiatives include:

- Continuing installation of LED lighting, discerning research to purchase low energy usage equipment and is an essential consideration in building programs leading to a 3% reduction in electricity consumption.
- Harvesting water from the roofs of our buildings with high level filtration systems reduces consumption of a potable resource.
- Our use of LPG for some heating, cooking and hot water has reduced in the last twelve months by 22% due to more efficient use of electricity and introduction of some solar energy.
- Plans for increasing the use of solar energy will increase in the future, further enhancing the reduction in the use of LPG.
- Supply of domestic hot water to one building which has changed in purpose was inefficient and costly. Therefore we have changed the mechanism of providing hot water to further reduce the use of electricity.
- A Building Condition audit in the Iona Nursing Home revealed a reduction to 80% for insulation coverage thus effecting the energy efficiency of the building. Reinstating the coverage resulted in 95% thermal coverage. As many of our facilities have been redeveloped, undergone upgrades and consequently disturbance of insulation, this process is being rolled out across the Service.

## ACCREDITATION

West Wimmera Health Service submits for external examination of its clinical and corporate operations against a variety of national accreditation standards.

We continue to maintain full accreditation in five key areas:

- Acute and associated care programs
- Residential Aged Care
- National Safety and Quality Health Service Standards
- Disability Services
- Diagnostic Imaging (X-ray, Ultrasound, CT)

In April 2015, the Service underwent a Periodic Review against Standards 1 – 3 of the National Safety and Quality Health Service Standards conducted by the Australian Council on Healthcare Standards resulting in total 'Compliance Met' with the expected actions within these three standards.

## CONSUMER ENGAGEMENT

For the first time West Wimmera Health Service has appointed a Community Liaison Officer to assist the development of stronger links with consumers of our health care organisation. This important role, while in its early stages of evolving has already created increased opportunities for members of the community to be engaged in the evaluation and review of services and planning for new developments for the future.

## FUNDING INITIATIVES

We received a grant of $10,000 for Code Grey Implementation under the Victorian, Department of Health and Human Services, Improving Hospital Safety and Security Program.

A Code Grey Policy has been developed and in 2015/16 a Train the Trainer program in the Management of Clinical Aggression (MOCA) will assist staff with education to reduce the impact of aggression in the workplace.

Future commitment to continuing sustainability and reduction of carbon footprint Planning is in process to embark on our most vigorous energy conservation project in 2015/16 with the installation of a solar thermal (hydronic balancing) system. The installation will significantly reduce the amount of Liquid Petroleum Gas used at the Nhill campus by as much as 60 – 70 %.

In the redevelopment of the Mira Building and the creation of a new Rehabilitation Unit double glazed windows will be utilised to improve the building energy efficiency in terms of heating and cooling.

## FUTURE DIRECTIONS

The highest level of service for the people we serve, patients, residents, visitors and staff, is always at the forefront of any decision, plan or initiative we contemplate.

We will continue to develop the use of microfibre in cleaning to reduce reliance on chemical cleaning and increase the efficiency of surface cleaning processes.

Investigate and trial the use of 'Redware crockery' in Residential Aged Care. Research has revealed the use of red crockery improves the ability of Residents to clearly see, as far as is possible, the meal they are eating thereby improving the total meal experience. The result - amount eaten increases, improving resident nutrition and also reducing wastage.

In 2015/16 Engineering and Maintenance Services will continue the amazing redevelopment to the Mira Building resulting in a new Rehabilitation Centre and completion of the Medical, Allied Health and Community Health precinct. A project which will actually fill a void in preventative health opportunities in this rural remote area.

In addition a renovated area of the Nhill Hospital will witness Medical Records relocated to a fit-for-purpose medical records storage, administration and coding department.

Planning is well advanced for West Wimmera Health Service to embark on its most dynamic energy conservation project with the installation of a solar thermal (hyrdonic balancing) system which will significantly reduce the volume of Liquid Petroleum Gas used at Nhill Hospital by as much as 60 – 70 %.

Essentially, the heating and cooling system of the Nhill Hospital and associated buildings will be finely balanced using solar heated and cooled water circulating through the buildings 365 days of the year.

# PRIMARY & PREVENTATIVE HEALTH

Primary and Preventative Health is a new Executive Division within West Wimmera Health Service and encompasses all non bed-based health and wellbeing activities.

The Division was formed as a result of the restructure of the Executive Management of the Service in March 2015. The new division acknowledges the vital role primary health has in the provision of health care for our communities.

We deliver a wide range of allied and community health services, maternal and child health, incorporating antenatal and domiciliary postnatal visits, diabetes education, dietetics, district nursing, occupational therapy, physiotherapy, planned activity groups, podiatry, social work/counselling and speech pathology.

In line with the philsophy of this Service we strive to provide services to match consumer health needs and improve their access.

## ALLIED HEALTH

In 2014/15 we achieved this by delivering primary and community services in Nhill, Kaniva, Jeparit, Rainbow, Goroke and Natimuk and extending our services to Woomelang Bush Nursing Centre, Edenhope & District Memorial Hospital and Dunmunkle Health Services which do not have the capacity to employ allied health professionals.

Through the Home and Community Care (HACC) program we incorporate regular visits to each of these sites into our service delivery programme.

- We delivered 17,575 hours of allied and community health care, 2,768 hours of district nursing and 30,954 hours of Planned Activity Groups.
- A number of group activities to improve health and wellbeing operate regularly at all sites.
- We also worked with schools in all communities to improve self esteem and reduce bullying for students in Years 6-9.
- Popular evening clinics were introduced for busy women to participate in health checks and a pap smear service at a convenient time.
- Community health nurses visited local Pharmacies conducting free health checks for customers.
- In partnership with other Wimmera Southern Mallee Health Alliance (WSMHA) organisations we are developing several projects including:
    - A Cardiac Rehabilitation Clinic has commenced in response to community need and to fulfil a goal in the Statement of Priorities.
    - We are also working in collaboration to implement a Persistent Pain Clinic, to promote a life with less pain for people living with chronic and consistent pain. This clinic will commence in 2015/16.

## INDIVIDUAL ASSESSMENT & TREATMENT

Assessments and treatments were provided for acute inpatients, residential aged care residents at our nine aged care services and for outpatients at each site.

All aged care residents receive a comprehensive allied health assessment when admitted to one of our Residential Care Units and followed up at least every twelve months.

## EARLY YEARS CARE – MATERNAL & CHILD HEALTH

An innovative shared care antenatal program continues successfully. Mothers attend regular antenatal visits at their local hospital with the Maternal and Child Health Nurse, who is also a midwife.

Forty five infants were enrolled in the Early Years Program this year. A visit is received on the day of return from hospital to their home with regular checks between 2 weeks and 3.5 years of age.

## CHALLENGE

Recruitment and retention of skilled and competent Primary and Preventative Health professionals remains a key challenge and we are constantly investigating different models of care delivery to ensure we continue to satisfy the care needs of our communities.

The growing number of people from culturally and linguistically diverse (CALD) backgrounds, in particular Karen refugees who now form some 10% of the Nhill population, present new opportunities for us to engage with this community to ensure they are aware of and can also easily access services and indeed that the services we are providing are what is actually required.

## THE FUTURE

In 2015/16 we will:

1. Review our Diversity and Health Promotion Plans targeting priority areas leading to improved health outcomes for all who live within our communities.
2. Investigate the introduction of a Refugee Health Nurse, to interact directly with the Karen population so that we can better address their healthcare needs.
3. Investigate varying the Social Work/Counselling model of care to focus on the mental health needs of our communities.
4. Continue to provide services locally across the Southern Mallee, West and Southern Wimmera and where appropriate continue to collaborate with smaller healthcare providers to ensure that the people of this region have access to quality accessible health care.

# DENTAL SERVICES

## 2014-15 – an outstanding year of growth in dental service delivery.

Additional funds from Dental Health Services Victoria (DHSV) enabled increased throughput in our Nhill, Rainbow, Goroke and Kaniva Clinics.

The valuable partnership with the Royal Flying Doctor Service (RFDS) continued with visits to Goroke, Natimuk and Kaniva by the RFDS Mobile Dental Program which provides volunteer Dentists to rural communities to increase access to oral health services.

West Wimmera Health Service Dental staff arrange the timing of visits, booking patients and providing support such as sterilisation of the instruments.

This collaboration is a step forward in our efforts to achieve positive oral health outcomes for our catchment. Another step in this direction was the qualifications in Oral Health Promotion obtained by one of our Dental Assistants this year and has commenced educational services in the Clinics, Schools and in 2015-16 will extend the program to the Kindergartens in each community – prevention rather than repair!

Participation in the Commonwealth Graduate programs for Dentists and Oral Health Therapists has continued to bring high calibre Clinicians to our Dental Clinics enabling more patients to be treated.

The commissioning of the mobile dental van funded by a Commonwealth grant last year is nearing introduction and we look forward to taking our dental care and oral health promotion to our more remote communities.

The School Screening Program was a highlight of the year with over 300 students screened in Wimmera schools. Our Dental Team, travelled to 10 Primary Schools and 2 Kindergartens screening 371 students with their portable clinic.

The purpose of the screenings is to detect if students required more extensive examination or treatment. Of the 371 students, 199 required follow up appointments, ranging from minor to major treatment - over 50% of students screened highlighting the significance of this Project.

2015-16 will bring with it an extension of mobile dental and oral health programs emanating from West Wimmera Health Service Dental Clinics which undoubtedly raised its dental profile throughout the Wimmera region.

# DISABILITY SERVICES

## Cooinda Disability Services supports a diverse group of people with disabilities by assisting them to achieve quality of life and enhanced daily lifestyle through personal development and positive encouragement.

Cooinda, located in Nhill, offers the opportunity for people to attend Day Service programs or participate in work based activities with Supported Employment enterprises Oliver's Café and Snappy Seconds providing valuable education and on the job training, and skills to enable them to work in hospitality or retail under the guidance of trained supervisors.

The Stores and Maintenance Departments of the Service also provide work opportunities in an open employment environment for supported employees.

Highlights for Cooinda include:

- A new social engagement activity, the 'Ladies' and 'Gents' outings involving 14 clients participating in activities of interest. This monthly activity is proving very popular.
- Hosting a "Spook Fest" to celebrate Halloween with Wimmera Uniting Care Day Service and Woodbine Disability Service.
- The commencement of a Friendship Group with Pinnacle Disability Services in Ararat involves fortnightly Skype sessions for five participants who have a "buddy" in Ararat to talk with.
- Nine Cooinda attendees are presently undertaking a Certificate I in Transition Education in Volunteering and Employment.

### COMMUNITY GARDEN

The Nhill Community Garden supported by a grant from Regional Development Victoria is situated adjacent to Cooinda Enterprises.

The initiative is flourishing with people from the Karen Community, students from Nhill College and Nhill Lutheran School, participants from Cooinda and others from the Nhill Community making use of the garden.

Involvement in the Community Garden provides an outdoor activity and the pleasure and educational benefits of producing flowers and vegetables, and interaction with the Karen Community is socially rewarding.

### ACCREDITATION - A HUGE SUCCESS!

In July 2014 accreditation of both the Commonwealth funded Business Services and State funded Day Service was successfully accomplished against the new Disability standards. Only one opportunity for improvement was suggested - "that the Manager of Oliver's undertake studies in Disability". The Manager has already commenced Certificate III in Disability Studies.

The auditors were very impressed with our Service and the range of programs offered, especially the opportunities given to supported employees to work alongside West Wimmera Health Service staff members and learn from them.

### THE FUTURE

The reality of the National Disability Insurance Scheme roll out is imminent and will offer challenges not previously encountered. The NDIS is a reform that will deliver a national system of disability support focused on the individual needs and choices of people with disability. The NDIS will provide reasonable and necessary supports to live life their way, achieve personal goals and participate in social and economic life.

Cooinda will move towards providing services and opportunities for people with a disability in line with the NDIS framework.

However many operational and management aspects must be considered as we address the complexities embodied and establish what it will mean for Cooinda.

# DISCLOSURE INDEX

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

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| **SD 4.2(d)** | Rounding of amounts | Financial Statements |
| **SD 4.2(j)** | Responsible Bodies Declaration | IFC |
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# FINANCIAL REPORT

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 Health Service and it is by virtue of such capabilities and expertise another outstanding financial year has been achieved.

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Victorian Auditor-General's Office

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# 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 2015 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 & 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 2015 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*.

MELBOURNE
31 August 2015

John Doyle
*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 Direction 4.2 of the *Financial Management Act 1994,* applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

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

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

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

| | | |
|---|---|---|
| **L G Clarke**<br>**Board President** | **J N Smith PSM**<br>**Accountable Officer** | **R R Dodds CA**<br>**Chief Finance & Accounting Officer** |
| Nhill<br>28 August 2015 | Nhill<br>28 August 2015 | Nhill<br>28 August 2015 |

**West Wimmera Health Service**
**Comprehensive Operating Statement**
**For the Year Ended 30 June 2015**

| | Note | 2015 $'000 | 2014 $'000 |
|---|---|---|---|
| Revenue from operating activities | 2 | 34,070 | 33,280 |
| Revenue from non-operating activities | 2 | 377 | 471 |
| Employee expenses | 3 | (24,803) | (24,662) |
| Non salary labour costs | 3 | (1,948) | (1,498) |
| Supplies and consumables | 3 | (2,287) | (2,099) |
| Other expenses | 3 | (5,307) | (5,478) |
| **Net result before capital and specific items** | | **103** | **14** |
| Capital purpose income | 2 | 1,602 | 722 |
| Depreciation | 4 | (3,729) | (4,551) |
| Finance Costs | 5 | (6) | (10) |
| **NET RESULT FOR THE YEAR** | | **(2,030)** | **(3,825)** |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified to net result** | | | |
| Changes in physical asset revaluation surplus | 16 | - | 17,652 |
| **Total other comprehensive income** | | **-** | **17,652** |
| **Comprehensive result** | | **(2,030)** | **13,827** |

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

**West Wimmera Health Service**
**Balance Sheet**
**As at 30 June 2015**

| | Note | 2015 $'000 | 2014 $'000 |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | 6 | 9,275 | 7,858 |
| Receivables | | 861 | 736 |
| Inventories | 8 | 86 | 86 |
| Other assets | 9 | 111 | 81 |
| **Total current assets** | | **10,333** | **8,761** |
| **Non-current assets** | | | |
| Receivables | | 1,588 | 1,302 |
| Property, plant & equipment | 11 | 62,059 | 64,480 |
| **Total non-current assets** | | **63,647** | **65,782** |
| **TOTAL ASSETS** | | **73,980** | **74,543** |
| **Current liabilities** | | | |
| Payables | 12 | 941 | 892 |
| Provisions | 13 | 7,382 | 6,953 |
| Other current liabilities | 15 | 5,291 | 4,324 |
| **Total current liabilities** | | **13,614** | **12,169** |
| **Non-current liabilities** | | | |
| Provisions | 13 | 1,104 | 1,082 |
| **Total non-current liabilities** | | **1,104** | **1,082** |
| **TOTAL LIABILITIES** | | **14,718** | **13,251** |
| **NET ASSETS** | | **59,262** | **61,292** |
| **EQUITY** | | | |
| Property, plant & equipment revaluation surplus | 16a | 31,993 | 31,993 |
| Contributed capital | 16b | 25,924 | 25,924 |
| Accumulated surpluses/(deficits) | 16c | 1,345 | 3,375 |
| **TOTAL EQUITY** | 16c | **59,262** | **61,292** |
| Commitments | 19 | | |
| Contingent assets and contingent liabilities | 20 | | |

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

**West Wimmera Health Service**
**Statement of Changes in Equity**
**For the Year Ended 30 June 2015**

| | Note | Property Reval'n Surplus $'000 | Conts. By Owners $'000 | Accum'd Surpluses/ (Deficits) $'000 | Totals $'000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2013** | | **14,341** | **25,924** | **7,200** | **47,465** |
| Net result for the year | | | | (3,825) | (3,825) |
| Revaluation of buildings and motor vehicles | 16a | 17,652 | - | - | 17,652 |
| **Balance at 30 June 2014** | | **31,993** | **25,924** | **3,375** | **61,292** |
| Net result for the year | | | | (2,030) | (2,030) |
| **Balance at 30 June 2015** | | **31,993** | **25,924** | **1,345** | **59,262** |

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

**West Wimmera Health Service**
**Cash Flow Statement**
**For the Year Ended 30 June 2015**

| | Note | 2015 $'000 | 2014 $'000 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Operating grants from government | | 18,828 | 19,378 |
| Patient and resident fees received | | 13,119 | 12,437 |
| Donations and bequests received | | 20 | 74 |
| GST received from / (paid to) ATO | | 676 | 544 |
| Interest received | | 313 | 415 |
| Other receipts | | 1,675 | 1,152 |
| ***Total receipts*** | | **34,631** | **34,000** |
| Employee expenses paid | | (24,349) | (24,637) |
| Non salary labour costs | | (1,843) | (1,648) |
| Payments for supplies & consumables | | (8,444) | (7,815) |
| Finance costs | | (6) | (10) |
| ***Total payments*** | | **(34,642)** | **(34,110)** |
| **Cash generated from operations** | | **(11)** | **(110)** |
| Capital grants from government | | 633 | 570 |
| Capital donations and bequests received | | 335 | 223 |
| Residential Aged Care Fees | | 616 | - |
| **NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES** | 17 | **1,574** | **683** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for non-financial assets | | (1,661) | (2,714) |
| Proceeds from sale of non-financial assets | | 372 | 259 |
| **NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES** | | **(1,289)** | **(2,455)** |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD** | | **285** | **(1,772)** |
| Cash and cash equivalents at beginning of financial year | | **4,278** | **6,050** |
| **CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR** | 6 | **4,563** | **4,278** |

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

# Notes to the financial statements
## 30 June 2015
### 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 ("the Service") for the period ending 30 June 2015. 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" health services under the AASs.

The annual financial statements were authorised for issue by the Board of West Wimmera Health Service on 28 August 2015.

## (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 2015, and the comparative information presented in these financial statements for the year ended 30 June 2014.

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

These financial statements are presented in Australian dollars, the functional and presentation currency of 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 impairment 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.

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

- the fair value of land, buildings, infrastructure, plant and equipment, (refer to Note 1(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*, West Wimmera Health Service determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, investment properties and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant FRDs.

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

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

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

**Non-Specialised Land and Non-Specialised Buildings**

Non-specialised land and non-specialised buildings 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.

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

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land is 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 sets 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 2015.
For all assets measured at fair value, the current use is considered the highest and best use.

## (c) Reporting entity

The financial statements include all the controlled activities of West Wimmera Health Service. The Service's principal address is 47 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.

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

## (d) Principles of consolidation

In accordance with AASB 10 *Consolidated Financial Statements* the Service is required to incorporate the assets and liabilities of all entities under its control as at 30 June 2015, and their income and expenses for that part of the reporting period in which control existed.

Control exists when the Service has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

The Service does not sufficiently control any other entity and therefore consolidated financial statements are not required.

**Intersegment Transactions**

Transactions between segments within the West Wimmera Health Service are not considered to be sufficiently material to be required to be 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 Health Services Agreement and Services Supported By Hospital and Community Initiatives**

Activities classified as *Services Supported by Health Services Agreement* (HSA) are substantially funded by the Department of Health and Human Services and include Residential Aged Care Services (RACS) and are also funded from other sources such as the Commonwealth, patients and residents, while *Services Supported by Hospital and Community Initiatives* (H&CI) are funded by the 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 revenue.

The results of the Service's main areas of operation have been segregated based on actual revenue earned and expenditure incurred by each operation in Notes 2 and 3 to the financial statements.

**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 West Wimmera Health Service. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, expenditure using capital purpose income and items of an unusual nature and amount such as specific income and expenses. The exclusion of these items is made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services.

The 'net result before capital & specific items' is used by the management of West Wimmera Health Service, the Department of Health and Human Services 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. It also includes donations of plant and equipment (refer Note 1 (g)). 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.

- impairment of financial and non-financial assets, includes all impairment losses (and reversal of previous impairment losses), which have been recognised in accordance with Note 1 (j).

- depreciation, as described in Note 1 (h);

Other economic flows are changes arising from market remeasurements. They include:

- gains and losses from disposals of non-financial assets;
- revaluations and impairments of non-financial physical and intangible assets;
- remeasurement arising from defined benefit superannuation plans; and
- fair value changes of financial instruments.

**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.

The net result is equivalent to profit or loss derived in accordance with AASs.

**Statement of changes in equity**

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

**Cash flow statement**

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

**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 sums of components are due to rounding.

## (f) Change in accounting policies

Subsequent to the 2013-14 reporting period, the following new and revised Standards have been adopted for the first time in the current period with their financial impacts disclosed.

**AASB 10 Consolidated financial statements**

AASB 10 provides a new approach to determine whether an entity has control over another entity, and therefore must present consolidated financial statements. The new approach requires the satisfaction of **all three** criteria for control to exist over an entity for financial reporting purposes:

(a) The investor has power over the investee;

(b) The investor has exposure, or rights to variable returns from its involvement with the investee; and

(c) The investor has the ability to use its power over the investee to affect the amount of investor's returns.

Based on the new criteria prescribed in AASB 10, West Wimmera Health Service has reviewed its existing arrangements to determine if there are any entities that need to be consolidated into the group and consolidated financial statements prepared accordingly.

The Service did not at any time during the 2014-2015 financial year have control over another entity.

**AASB 11 Joint Arrangements**

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

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

The Service is a member of the Grampians Regional Health Alliance (GRHA) IT Alliance which is a joint operation and therefore has included in these financial statements its share of the assets, liabilities and equity of GRHA.

**AASB 12 Disclosure of Interests in Other Entities**

AASB 12 *Disclosure of Interests in Other Entities* prescribes the disclosure requirements for an entity's interests in subsidiaries, associates and joint arrangements; and extends to the entity's association with unconsolidated structured entities.

Where applicable, West Wimmera Health Service has disclosed information about its interests in associates and joint ventures, including any significant judgements and assumptions used in determining the type of joint arrangement in which it has an interest.

## (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 West Wimmera Health Service and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.

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

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

In accordance with AASB 1004 *Contributions*, government grants and other transfers of income (other than contributions by owners) are recognised as income when 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 and Human Services**

- Insurance is recognised as revenue following advice from the Department of Health and Human Services.

- Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in the Service's LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 05/2013 (update for 2013-14).

**Patient and Resident Fees**

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

**Revenue from commercial activities**

Revenue from commercial activities such as diagnostic imaging and café / retail operations 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 special 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 in account the effective yield of the financial asset, which allocates interest over the relevant period.

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

During the reporting period the Service did not receive any assets or services free of charge or for nominal consideration.

## (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;
- sick leave;
- long service leave; and
- superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

***Defined contribution 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 14: *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 and Human Services.

Assets with a cost in excess of $1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

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

| | 2015 | 2014 |
|---|---|---|
| Buildings | 5 to 48 years | 5 to 48 years |
| Plant & Equipment | 5 to 10 years | 1 to 10 years |
| Medical Equipment | 5 to 10 years | 1 to 10 years |
| Art Work | 10 to 100 years | 10 to 100 years |
| Computers and Communication | 4 to 10 years | 1 to 10 years |
| Motor Vehicles | 5 to 10 years | 1 to 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 and deposits 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 which are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

**Bad and doubtful debts**
Refer to Note 1 (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 that 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***

**Receivables**

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, receivables are measured at amortised cost using the effective interest method, less any impairment.

The 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 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, which are readily convertible to known amounts of cash with an insignificant risk of changes in value.

**Receivables**

Receivables consist of:

- contractual receivables, which includes mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables; 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. It excludes depreciable assets.

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

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

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

**Non-financial physical assets classified as held for sale**

Non-financial physical assets and disposal groups and related liabilities are treated as current and are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the asset's sale (or disposal group) is expected to be completed within 12 months from the date of classification, and the asset is available for immediate use in the current condition.

Non-financial physical assets (including disposal groups) classified as held for sale are treated as current and are measured at the lower of carrying amount and fair value less costs of disposal, and are not subject to depreciation or amortisation.

**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 11 *Property, plant and equipment*.

The initial cost for non-financial physical assets under finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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

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

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

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

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

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

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

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

In accordance with FRD 103F, the Service's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required. Such assessment resulted in it being determined that no revaluation was required as the reported carrying values of non-current physical assets do not materially differ from their assessed fair value.

**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 accounted for using the equity method**

An associate is an entity over which the Service exercises significant influence, but not control. The investment in the associate is accounted for using the equity method of accounting. Under the equity method for accounting, the investment in the associate is recognised at cost on initial recognition, and the carrying amount is increased or decreased in subsequent years to recognise the Service's share of the profits or losses of the associates after the date of acquisition.

The Service's share of the associate's profit or loss is recognised in the Service's net result as 'other economic flows'. The share of post-acquisition changes in revaluation surpluses and any other reserves, are recognised in both the comprehensive operating statement and the

statement of changes in equity. The cumulative post acquisition movements are adjusted against the carrying amount of the investment, including dividends received or receivable from the associate.

**Joint control** is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. **Joint ventures** are joint arrangements whereby the Service, via its joint control of the arrangement, has rights to the net assets of the arrangements.

Interests in joint ventures are accounted for in the financial statements using the equity method, as applied to investments in associates and are disclosed as required by AASB 12.

**Investments in joint operations**

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

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

**Derecognition of financial assets**

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

- the rights to receive cash flows from the asset have expired; or
- 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 Service assesses whether there is objective evidence that a financial asset or group of financial asset is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Bad debts considered as written off and allowances for doubtful receivables are expensed. Bad debts 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 usually Nett 30 days.

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

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

### Borrowings

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs (refer also to note 1(m) Leases). The measurement basis subsequent to initial recognition depends on whether the Service has categorised its borrowings as either financial liabilities designated at fair value through profit or loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in the net result over the period of the borrowings using the effective interest method.

The classification depends on the nature and purpose of the borrowing. The Service determines the classification of its borrowing at initial recognition.

### Provisions

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

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

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

### Employee benefits

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

***Wages and salaries, annual leave and accrued days off***

Liabilities for wages and salaries, including non-monetary benefits and annual leave are all recognised in the provision for employee benefits as 'current liabilities', because the 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 and annual leave are measured at:

- Undiscounted value – if the Service expects to wholly settle within 12 months; or
- Present value – if the Service does not expect to wholly settle within 12 months.

***Long service leave (LSL)***

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

***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.

***Employee benefit on-costs***

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

**Superannuation liabilities**

West Wimmera Health 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.

**Onerous contracts**

An onerous contract is considered to exist when the Service has a contract under which the unavoidable cost of meeting the contractual obligation exceeds the estimated economic benefits to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the estimated economic benefits to be received. The Service is not presently subject to any onerous contracts.

## (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.

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

All other leases are classified as operating leases.

**Operating leases**

***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 119A *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 to or distributions by owners 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, plant & equipment 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 19) 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 between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. 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 that are considered to be of material interest.

## (s) AASs issued that are not yet effective

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

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

| ***Standard/Interpretation*** | ***Summary*** | ***Applicable for annual reporting periods beginning on*** | ***Impact on public sector entity financial statements*** |
|---|---|---|---|
| **AASB 9 *Financial Instruments*** | The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred. | 1 Jan 2018 | The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.<br><br>While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed. |
| **AASB 15 *Revenue from Contracts with Customers*** | The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. | 1 Jan 2017<br><br>(Exposure Draft 263 – potential deferral to 1 Jan 2018) | The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. |

| ***Standard/Interpretation*** | ***Summary*** | ***Applicable for annual reporting periods beginning on*** | ***Impact on public sector entity financial statements*** |
|---|---|---|---|
| | | | A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding. |
| **AASB 2014-4** ***Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*** **[AASB 116 & AASB 138]** | Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to:<br>• establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset;<br>• prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset. | 1 Jan 2016 | The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation. |
| **AASB 2014-9** ***Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]*** | Amends AASB 127 Separate Financial Statements to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. | 1 Jan 2016 | The assessment indicates that there is no expected impact as the entity will continue to account for the investments in subsidiaries, joint ventures and associates using the cost method as mandated if separate financial statements are presented in accordance with FRD 113A. |
| **AASB 2014-10** ***Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]*** | AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that:<br>• a full gain or loss to be recognised by the investor when a transaction involves a business (whether it is | 1 Jan 2016 | The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature. |

| *Standard/Interpretation* | *Summary* | *Applicable for annual reporting periods beginning on* | *Impact on public sector entity financial statements* |
|---|---|---|---|
| | housed in a subsidiary or not); and<br>• a partial gain or loss to be recognised by the parent when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. | | |
| **AASB 2015-6** ***Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]*** | The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities. | 1 Jan 2016 | The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions. |
| **AASB 2015-7** ***Amendments to Australian Accounting Standards*** | The Australian Accounting Standards Board issued an amending accounting standard AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value disclosures of Not-for-Profit Public Sector Entities on 13 July 2015. In accordance with FRD 7A Early adoption of authoritative accounting pronouncements, the Minister for Finance has approved the option for Victorian not-for-profit public sector entities to early adopt the amending accounting standard to enable them to benefit from some limited exemption in relation to fair value disclosures for the 2014-15 reporting period. The limited exemption is available to those entities whose assets are held primarily for their current service potential rather than to generate net cash inflows. | 1 July 2014 | As West Wimmera Health Service meets the criteria specified in AASB 2015-7 to benefit from the reduced disclosure requirements, it has chosen to early adopt the Amendments to Fair Value disclosures of Not-For-Profit Public Sector Entities. Such early adoption simplifies Note 11 Property, Plant and Equipment and has no impact on the Service's reported financial performance or position. |

## (t) Category groups

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

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

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

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

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

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

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

## (u) Reclassification of Aged Care Funding Instrument (ACFI) Income Comparative Amount for 2014

In Note 2 to the 2013-2014 Financial Statements the Service classified its RAC Incl. Mental Health ACFI type income as Government Grants when such income should have been recorded as Patient & Resident Fees. Accordingly, the following adjustment has been made to the 2014 comparative amount for Note 2.

| Item | Original $000s | Revised $000s | Change $000s |
|---|---|---|---|
| RAC Incl. Mental Health - Government Grants | 9,633 | 2,345 | -7,288 |
| RAC Incl. Mental Health - Patient & Resident Fees | 2,625 | 9,913 | 7,288 |
| Government Grants - Total | 26,302 | 19,014 | -7,288 |
| Patient & Resident Fees - Total | 4,510 | 11,798 | 7,288 |
| Net change | | | 0 |

The above changes had no effect on the Service's financial result for the 2013-2014 financial year.

| | Admitted Patients 2015 $'000 | Non-Admitted Patients 2015 $'000 | RAC incl. Mental Health 2015 $'000 | Aged Care 2015 $'000 | Primary Health 2015 $'000 | Other 2015 $'000 | Total 2015 $'000 |
|---|---|---|---|---|---|---|---|
| Government Grants | 11,496 | 1,101 | 2,399 | 923 | 2,227 | 833 | 18,979 |
| Indirect contributions by Department of Health and Human Services | - | - | - | - | - | 335 | 335 |
| Patient & Resident Fees | 981 | 125 | 11,034 | 64 | 106 | 397 | 12,707 |
| Commercial Activities | - | - | - | - | - | 530 | 530 |
| Donations & Bequests | - | - | - | - | - | 20 | 20 |
| Other Revenue from Operating Activities | 259 | 58 | 157 | 22 | 27 | 976 | 1,499 |
| **Total Revenue from Operating Activities** | **12,736** | **1,284** | **13,590** | **1,009** | **2,360** | **3,091** | **34,070** |
| Interest | - | - | - | - | - | 333 | 333 |
| Property Rental | - | - | - | - | - | 44 | 44 |
| **Total Revenue from Non-Operating Activities** | **-** | **-** | **-** | **-** | **-** | **377** | **377** |
| Capital Purpose Income (excluding Interest) | - | - | - | - | - | 1,602 | 1,602 |
| **Total Capital Purpose Income** | **-** | **-** | **-** | **-** | **-** | **1,602** | **1,602** |
| **Total Revenue** | **12,736** | **1,284** | **13,590** | **1,009** | **2,360** | **5,070** | **36,049** |

| | Admitted Patients 2014 $'000 | Non-Admitted Patients 2014 $'000 | RAC incl. Mental Health 2014 $'000 | Aged Care 2014 $'000 | Primary Health 2014 $'000 | Other 2014 $'000 | Total 2014 $'000 |
|---|---|---|---|---|---|---|---|
| Government Grants | 11,554 | 841 | 2,345 | 1,113 | 2,246 | 915 | 19,014 |
| Indirect contributions by Department of Health and Human Services | - | - | - | - | - | 331 | 331 |
| Patient & Resident Fees | 1,247 | 130 | 9,913 | 49 | 103 | 356 | 11,798 |
| Commercial Activities | - | - | - | - | - | 594 | 594 |
| Donations & Bequests | - | - | - | - | - | 74 | 74 |
| Other Revenue from Operating Activities | 197 | 29 | 198 | 7 | 44 | 994 | 1,469 |
| **Total Revenue from Operating Activities** | **12,998** | **1,000** | **12,456** | **1,169** | **2,393** | **3,264** | **33,280** |
| Interest | - | - | - | - | - | 417 | 417 |
| Property Rental | - | - | - | - | - | 54 | 54 |
| **Total Revenue from Non-Operating Activities** | **-** | **-** | **-** | **-** | **-** | **471** | **471** |
| Capital Purpose Income (excluding Interest) | | | | | | 722 | 722 |
| **Total Capital Purpose Income** | **-** | **-** | **-** | **-** | **-** | **722** | **722** |
| **Total Revenue** | **12,998** | **1,000** | **12,456** | **1,169** | **2,393** | **4,457** | **34,473** |

Indirect contributions by Department of Health (1 July 2014 - 31 Dec 2014) / Department of Health and Human Services (1 Jan 2015 - 30 June 2015).

The Department of Health / Department of Health and Human Services makes long service leave and insurance contributions 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 as applicable.

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

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| **Proceeds from Disposals of Non-Current Assets** | | |
| Medical Equipment | 45 | - |
| Motor Vehicles | 193 | 259 |
| Land & Buildings | 134 | - |
| **Total Proceeds from Disposal of Non-Current Assets** | **372** | **259** |
| **Less: Written Down Value of Non-Current Assets Sold** | | |
| Motor Vehicles | 219 | 330 |
| Computer Equipment | 9 | - |
| Land & Buildings | 127 | - |
| **Total Written Down Value of Non-Current Assets Sold** | **355** | **330** |
| **Net gain/(loss) on Disposal of Non-Financial Assets** | **17** | **(71)** |

**Note 3: Analysis of Expenses by Source**

| | Admitted Patients 2015 $'000 | Non-Admitted Patients 2015 $'000 | RAC incl. Mental Health 2015 $'000 | Aged Care 2015 $'000 | Primary Health 2015 $'000 | Other 2015 $'000 | Total 2015 $'000 |
|---|---|---|---|---|---|---|---|
| Employee Expenses | 7,975 | 1,270 | 11,059 | 880 | 2,162 | 1,457 | 24,803 |
| Non Salary Labour Costs | 1,158 | 3 | 29 | 0 | - | 757 | 1,948 |
| Supplies & Consumables | 1,301 | 40 | 385 | 34 | 64 | 463 | 2,287 |
| Other Expenses | 2,339 | 190 | 1,167 | 492 | 392 | 728 | 5,307 |
| **Total Expenditure from Operating Activities** | **12,773** | **1,503** | **12,640** | **1,406** | **2,617** | **3,405** | **34,344** |
| Depreciation (refer note 4) | 1,387 | 163 | 1,372 | 153 | 284 | 370 | 3,729 |
| Finance Costs (refer note 5) | - | - | - | - | - | 6 | 6 |
| **Total other expenses** | **1,387** | **163** | **1,372** | **153** | **284** | **376** | **3,735** |
| **Total Expenses** | **14,160** | **1,667** | **14,012** | **1,559** | **2,902** | **3,780** | **38,079** |

**Note 3: Analysis of Expenses by Source (continued)**

| | Admitted Patients | Non-Admitted Patients | RAC incl. Mental Health | Aged Care | Primary Health | Other | Total |
|---|---|---|---|---|---|---|---|
| | 2014 $'000 | 2014 $'000 | 2014 $'000 | 2014 $'000 | 2014 $'000 | 2014 $'000 | 2014 $'000 |
| Employee Expenses | 8,430 | 1,222 | 10,816 | 895 | 1,888 | 1,411 | 24,662 |
| Non Salary Labour Costs | 830 | 5 | 20 | - | - | 643 | 1,498 |
| Supplies & Consumables | 1,094 | 43 | 377 | 56 | 62 | 467 | 2,099 |
| Other Expenses | 2,536 | 148 | 1,221 | 327 | 617 | 629 | 5,478 |
| **Total Expenditure from Operating Activities** | **12,890** | **1,418** | **12,434** | **1,278** | **2,567** | **3,150** | **33,737** |
| Depreciation (refer note 4) | 1,777 | 194 | 1,714 | 176 | 354 | 336 | 4,551 |
| Finance Costs (refer note 5) | - | - | - | - | - | 10 | 10 |
| **Total other expenses** | **1,777** | **194** | **1,714** | **176** | **354** | **346** | **4,561** |
| **Total Expenses** | **14,667** | **1,612** | **14,148** | **1,454** | **2,921** | **3,496** | **38,298** |

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

| | Expense | | Revenue | |
|---|---|---|---|---|
| | 2015 $'000 | 2014 $'000 | 2015 $'000 | 2014 $'000 |
| **Commercial Activities** | | | | |
| Diagnostic Imaging | 604 | 651 | 530 | 594 |
| **Total** | **604** | **651** | **530** | **594** |

**Note 4: Depreciation**

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| **Depreciation** | | |
| Buildings | 2,841 | 3,803 |
| Plant, Equipment, Furniture & Fittings | 233 | 223 |
| Medical Equipment | 248 | 256 |
| Computers & Communication | 258 | 78 |
| Motor Vehicles | 149 | 191 |
| **Total Depreciation** | **3,729** | **4,551** |

**Note 5: Finance Costs**

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| Interest on Unpaid RAC Deposits | 6 | 10 |
| **Total Finance Costs** | **6** | **10** |

**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, net of outstanding bank overdrafts.

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| Cash on hand | 5 | 4 |
| Cash at bank | 806 | 1,221 |
| Cash - GRHA | 43 | 61 |
| Deposits at call | 8,421 | 6,572 |
| **Total Cash and Cash Equivalents** | **9,275** | **7,858** |
| **Represented by:** | | |
| Cash for Health Service Operations (as per Cash Flow Statement) * | 4,563 | 4,278 |
| Cash - GRHA | 43 | 61 |
| Cash for Monies Held in Trust - Deposits at Call | 4,669 | 3,519 |
| **Total Cash and Cash Equivalents** | **9,275** | **7,858** |

* As at 30 June 2015 these funds were held on deposit with one of the four large Australian banks with a credit rating of AA-. As available funds exceeded $2m but were not invested with Treasury Corporation of Victoria, the Service was in contravention of Standing Direction 4.5.6 of the Minister for Finance. The Service expects to be in full compliance with Standing Direction 4.5.6 by 30 June 2016.

**Note 7: Receivables**

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| **CURRENT** | | |
| **Contractual** | | |
| Trade Debtors | 130 | 200 |
| Sundry Debtors - GRHA | 35 | 40 |
| Patient Fees | 367 | 443 |
| Bond Monies Held | 1 | 2 |
| Accrued Revenue | 274 | 7 |
| *Less* Allowance for Doubtful Debts - Trade Debtors | (5) | (5) |
| Total Contractual | **802** | **687** |
| **Statutory** | | |
| GST Receivable | 59 | 49 |
| Total Statutory | **59** | **49** |
| **TOTAL CURRENT RECEIVABLES** | **861** | **736** |
| **NON CURRENT** | | |
| **Statutory** | | |
| Long Service Leave - Department of Health / Department of Health and Human Services | 1,588 | 1,302 |
| **TOTAL NON-CURRENT RECEIVABLES** | **1,588** | **1,302** |
| **TOTAL RECEIVABLES** | **2,449** | **2,038** |

**Note 7: Receivables (continued)**
**(a) Movement in the Allowance for doubtful debts**

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| Balance at beginning of year | 5 | 5 |
| Increase/(decrease) in allowance recognised in net result | - | - |
| **Balance at end of year** | **5** | **5** |

**(b) Ageing analysis of receivables**
Refer to note 18(c) for the ageing analysis of contractual receivables.

**(c) Nature and extent of risk arising from receivables**
Refer to note 18(c) for the nature and extent of credit risk arising from contractual receivables.

**Note 8: Inventories**

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| Pharmaceutical Supplies at Cost | 28 | 28 |
| Catering Supplies at Cost | 9 | 5 |
| Housekeeping Supplies at Cost | 5 | 5 |
| Medical & Surgical Supplies at Cost | 39 | 45 |
| Administration Supplies at Cost | 5 | 3 |
| **TOTAL INVENTORIES** | **86** | **86** |

**Note 9: Other Assets**

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| **CURRENT** | | |
| Prepayments | 111 | 81 |
| **TOTAL CURRENT OTHER ASSETS** | **111** | **81** |

**Note 10: Interest in GRHA Joint Operation**

| Name of Entity | Principal Activity | Country of Incorpor'n. | Ownership Interest 2015 % | Ownership Interest 2014 % | Published Fair Value 2015 $'000 | Published Fair Value 2014 $'000 |
|---|---|---|---|---|---|---|
| **Jointly Controlled Entities** | | | | | | |
| *Grampians Regional Health Alliance IT JVA* | Information Technology Services | Australia | 7.36 | 7.58 | 146 | 152 |

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.

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| **Summarised balance sheet:** | | |
| **Current assets** | | |
| Cash and cash equivalents | 44 | 61 |
| Receivables | 34 | 40 |
| Other current assets | 5 | 10 |
| **Total current assets** | 83 | 111 |
| **Non-Current Assets** | | |
| Property, Plant & Equipment | 81 | 87 |
| **Total non-current assets** | 81 | 87 |
| **Total Assets** | **164** | **198** |
| **Current Liabilities** | | |
| Payables | 19 | 46 |
| **Total current liabilities** | 19 | 46 |
| **Total Liabilities** | **19** | **46** |
| **Equity** | | |
| Accumulated Surpluses/(Deficits) | 145 | 152 |
| **Total Equity** | **145** | **152** |
| **Revenue** | | |
| Revenue from operating activities | 353 | 369 |
| **Total Revenue** | **353** | **369** |
| **Expenses** | | |
| Info. Tech. and Administrative Expenses | 277 | 264 |
| Employee Expenses | 64 | 75 |
| Depreciation | 18 | 13 |
| **Total Expenses** | **359** | **352** |
| **Net Result** | **(6)** | **17** |

**Note 11: Property, plant & equipment**
**(a) Gross carrying amount and accumulated depreciation**

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| **Land** | | |
| Land at Fair Value | 751 | 758 |
| **Total Land** | **751** | **758** |
| | | |
| **Buildings** | | |
| Buildings Under Construction at cost | 381 | 1,626 |
| Buildings at Fair Value | 59,677 | 57,806 |
| Less Acc'd Depreciation | (2,837) | - |
| **Total Buildings** | **57,221** | **59,432** |
| | | |
| **Plant, Equipment, Furniture & Fittings** | | |
| Plant etc. Under Construction at Cost | - | 3 |
| Plant etc. at Fair Value | 3,635 | 3,423 |
| Less Acc'd Depreciation | (2,415) | (2,189) |
| **Total Plant, Equipment, Furniture & Ftngs.** | **1,220** | **1,237** |
| | | |
| **Medical Equipment** | | |
| Medical Equipment at Fair Value | 4,121 | 4,026 |
| Less Acc'd Depreciation | (2,814) | (2,565) |
| **Total Medical Equipment** | **1,307** | **1,461** |
| | | |
| **Computers & Communication** | | |
| Computers & Communication at Fair Value | 1,188 | 1,018 |
| Less Acc'd Depreciation | (449) | (197) |
| **Total Computers & Communication** | **739** | **821** |
| | | |
| **Motor Vehicles** | | |
| Motor Vehicles under Construction at Cost | 70 | - |
| Motor Vehicles at Fair Value | 876 | 773 |
| Less Acc'd Depreciation | (125) | (1) |
| **Total Motor Vehicles** | **821** | **772** |
| | | |
| **TOTAL** | **62,059** | **64,480** |

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

| | Land | Buildings | Plant, Equipment & Furniture | Medical Equipment | Computers & Comms. | Motor Vehicles | Assets Under Constrc'n | Totals |
|---|---|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Balance at 1 July 2013** | **698** | **42,181** | **1,233** | **1,423** | **414** | **638** | **2,408** | **48,995** |
| Additions | - | - | 228 | 339 | 193 | 458 | 1,497 | 2,715 |
| Transfer from Assets Under Construction | - | 1,988 | - | - | 292 | - | (2,280) | - |
| 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 1 July 2014** | **758** | **57,806** | **1,237** | **1,461** | **821** | **772** | **1,625** | **64,480** |
| Additions | - | - | 119 | 95 | 185 | 347 | 904 | 1,650 |
| Additions / (Disposals) - GRHA | - | - | 26 | - | - | - | (13) | 13 |
| Transfer to / (from) Assets Under Construction | - | 1,994 | 71 | - | - | - | (2,065) | - |
| Disposals | (7) | (120) | - | - | (9) | (219) | - | (355) |
| Depreciation (note 4) | - | (2,841) | (233) | (248) | (258) | (149) | - | (3,729) |
| **Balance at 30 June 2015** | **751** | **56,839** | **1,220** | **1,308** | **739** | **751** | **451** | **62,059** |

**Land and buildings carried at valuation**

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.

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 the valuation is 30 June 2014.

**Note 11: Property, plant & equipment (continued)**
**(c) Fair value measurement hierarchy for assets as at 30 June 2015**

| | Carrying amount as at 30 June 2015 $'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 | 345 | - | - | 345 | - |
| Total of land at fair value | 751 | - | - | 345 | 406 |
| **Buildings at fair value** | | | | | |
| Buildings under construction | 381 | 381 | - | - | - |
| Specialised buildings | 55,445 | - | - | - | 55,445 |
| Non-specialised buildings | 1,395 | - | - | 1,395 | - |
| Total of building at fair value | 57,221 | 381 | - | 1,395 | 55,445 |
| **Plant, equipment, furniture & fittings at fair value** | | | | | |
| Plant etc. at fair value | 1,220 | - | - | - | 1,220 |
| Total Plant etc. at fair value | 1,220 | | - | - | 1,220 |
| **Medical equipment at fair value** | | | | | |
| General medical equipment | 1,307 | - | - | - | 1,307 |
| Total medical equipment at fair value | 1,307 | - | - | - | 1,307 |
| **Computers and communications at fair value** | | | | | |
| Computers and communications equipment | 739 | - | - | - | 739 |
| Total computers and communications equipment | 739 | - | - | - | 739 |
| **Motor vehicles at fair value** | | | | | |
| Motor vehicles under construction | 70 | 70 | - | - | - |
| Motor vehicles | 751 | - | - | 617 | 134 |
| Total motor vehicles | 821 | 70 | - | 617 | 134 |
| | **62,059** | **451** | **-** | **2,357** | **59,251** |

There have been no transfers between levels during the period.

**(d) Reconciliation of Level 3 fair value**

| 30 June 2015 | Land $'000 | Buildings $'000 | Plant and equipment $'000 | Medical Equip. $'000 | Comps. & Commns. $'000 | Motor Vehicles $'000 | Totals $'000 |
|---|---|---|---|---|---|---|---|
| **Opening Balance** | 406 | 56,216 | 1,237 | 1,461 | 821 | 149 | 60,290 |
| **Purchases (sales)** | - | 1,994 | 209 | 95 | 176 | - | 2,474 |
| Gains or losses recognised in net result | | | | | | | |
| - Depreciation | - | (2,766) | (226) | (248) | (258) | (15) | (3,513) |
| **Closing Balance** | 406 | 55,444 | 1,220 | 1,308 | 739 | 134 | 59,251 |

There have been no transfers between levels during the period.

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

| | Valuation technique | Significant unobservable inputs |
|---|---|---|
| **Specialised land (Nhill, Jeparit, Kaniva, Rainbow, Natimuk, Goroke and Cooinda campuses)** | Market approach | Community Service Obligation (CSO) adjustment |
| **Specialised buildings (Nhill, Jeparit, Kaniva, Rainbow, Natimuk, Goroke and Cooinda campuses)** | Depreciated replacement cost | Direct cost per square metre |
| | | Useful life |
| **Plant and equipment at fair value** | Depreciated replacement cost | Cost per unit |
| | | Useful life |
| **Computers and Communications** | Depreciated replacement cost | Cost per unit |
| | | Useful life |
| **Medical equipment at fair value** | Depreciated replacement cost | Cost per unit |
| | | Useful life |
| **Vehicles** | Depreciated replacement cost | Cost per unit |
| | | Useful life |

**Note 12: Payables**

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| **CURRENT** | | |
| **Contractual** | | |
| Trade Creditors | 669 | 844 |
| Accrued Expenses | 272 | 48 |
| **TOTAL CURRENT** | **941** | **892** |

**Note 13: Provisions**

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| **Current Provisions** | | |
| Employee Benefits (Note 13(a)) | | |
| Annual leave (Note 13(a)) | | |
| Unconditional and expected to be settled within 12 months | 2,328 | 2,236 |
| Unconditional and expected to be settled after 12 months | 390 | 345 |
| Long service leave (Note 13(a)) | | |
| Unconditional and expected to be settled within 12 months | 390 | 376 |
| Unconditional and expected to be settled after 12 months | 3,414 | 3,269 |
| Accrued Wages, Superannuation & ADOs | | |
| Unconditional and expected to be settled within 12 months | 860 | 727 |
| **Total Current Provisions** | **7,382** | **6,953** |
| **Non-Current Provisions** | | |
| Employee Benefits (i) (Note 13(a)) | | |
| Long service Leave | 1,104 | 1,082 |
| **Total Non-Current Provisions** | **1,104** | **1,082** |
| **Total Provisions** | **8,486** | **8,035** |
| **(a) Employee Benefits including Related On-Costs** | | |
| **Current Employee Benefits including related on-costs** | | |
| Annual Leave Entitlements | 2,718 | 2,581 |
| Accrued Wages and Salaries | 476 | 365 |
| Superannuation Entitlements | 249 | 223 |
| Accrued Days Off | 135 | 139 |
| Unconditional Long Service Leave Entitlement | 3,804 | 3,645 |
| **Non-Current Employee Benefits and related on-costs** | | |
| Conditional Long Service Leave Entitlements | 1,104 | 1,082 |
| **Total Employee Benefits** | **8,486** | **8,035** |
| **(b) Movements in provisions** | | |
| **Movement in Long Service Leave:** | | |
| **Balance at start of year** | **4,727** | **4,328** |
| Provision made during the year | | |
| - Expense recognising Employee Service | 729 | 853 |
| Settlement made during the year | (548) | (454) |
| **Balance at end of year** | **4,908** | **4,727** |
| **Movement in Annual Leave:** | | |
| **Balance at start of year** | **2,581** | **2,484** |
| Provision made during the year | | |
| - Expense recognising Employee Service | 2,028 | 2,024 |
| Settlement made during the year | (1,891) | (1,927) |
| **Balance at end of year** | **2,718** | **2,581** |

**Note 14: Superannuation**

| | Paid Contributions for the Year | | Contributions Outstanding at Year End | |
|---|---|---|---|---|
| | 2015 $'000 | 2014 $'000 | 2015 $'000 | 2014 $'000 |
| **Defined benefit plans (i)** | | | | |
| First State Superannuation Fund | 37 | 42 | 2 | 3 |
| Total defined benefit plans | **37** | **42** | **2** | **3** |
| **Defined contribution plans:** | | | | |
| First State Superannuation Fund | 1,714 | 1,663 | 133 | 127 |
| HESTA Superannuation Fund | 93 | 81 | 7 | 7 |
| Other | 108 | 96 | 10 | 6 |
| Total defined contribution plans | **1,915** | **1,840** | **150** | **140** |
| **Total** | **1,952** | **1,882** | **152** | **143** |

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

**Note 15: Other Liabilities**

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| **CURRENT** | | |
| Monies Held in Trust* | | |
| - Accommodation Bonds / Residential Aged Care Deposits | 5,274 | 4,124 |
| Other | | |
| - PAYG Tax | 14 | - |
| - Residential Bond Monies | 3 | - |
| - Department of Health & Human Services | - | 200 |
| **Total Current** | **5,291** | **4,324** |
| | | |
| *** Total Monies Held in Trust** | | |
| **Represented by the following assets:** | | |
| Cash Assets (refer to Note 6) | 4,669 | 3,519 |
| Land & Buildings | 605 | 605 |
| **TOTAL** | **5,274** | **4,124** |

**Note 16: Equity**

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| **(a) Surpluses** | | |
| **Property, Plant & Equipment Revaluation Surplus** | | |
| Balance at the beginning of the reporting period | 31,993 | 14,341 |
| Revaluation Increments / (Decrements) | | |
| - Land & Buildings | - | 17,500 |
| - Motor Vehicles | - | 152 |
| **Balance at the end of the reporting period*** | **31,993** | **31,993** |
| | | |
| * Represented by: | | |
| - Land | 297 | 297 |
| - Buildings | 31,544 | 31,544 |
| - Motor Vehicles | 152 | 152 |
| **Total Surpluses** | **31,993** | **31,993** |
| | | |
| **(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 | 3,223 | 7,063 |
| Balance at the beginning of the reporting period - GRHA | 152 | 137 |
| Net Result for the Year | (2,024) | (3,840) |
| Net Result for the Year - GRHA | (6) | 15 |
| **Balance at the end of the reporting period** | **1,345** | **3,375** |
| | | |
| **Total Equity at end of financial year** | **59,262** | **61,292** |

**Note 17: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities**

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| **Net result for the period** | (2,030) | (3,825) |
| **Non-cash movements:** | | |
| Depreciation and amortisation | 3,745 | 4,551 |
| **Movements included in investing and financing activities** | | |
| Net (gain)/loss from disposal of non financial physical assets | (17) | 71 |
| **Movements in assets and liabilities:** | | |
| Change in operating assets and liabilities | | |
| (Increase)/decrease in receivables | (411) | (111) |
| (Increase)/decrease in other assets | (30) | 675 |
| Increase/(decrease) in payables | 49 | (824) |
| Increase/(decrease) in provisions | 451 | 544 |
| Increase/(decrease) in other liabilities | (183) | (424) |
| Change in inventories | - | 26 |
| **NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES** | **1,574** | **683** |

**Note 18: 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 and deposits

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**

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| **Contractual Financial Assets - Receivables** | | |
| Cash and cash equivalents | 9,275 | 7,858 |
| Receivables | 527 | 678 |
| **Total Contractual Financial Assets** | **9,802** | **8,536** |
| | | |
| **Contractual Financial Liabilities at Amortised Cost** | | |
| Payables | 941 | 893 |
| Accommodation Bonds / Residential | 5,274 | 4,124 |
| **Total Contractual Financial Liabilities** | **6,215** | **5,017** |

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

| | Total interest income / (expense) $'000 | Total $'000 |
|---|---|---|
| **2015** | | |
| **Financial Assets** | | |
| Cash and Cash Equivalents | 333 | 333 |
| **Total Financial Assets** | **333** | **333** |
| | | |
| **2014** | | |
| **Financial Assets** | | |
| Cash and Cash Equivalents | 417 | 417 |
| **Total Financial Assets** | **417** | **417** |

**(c) 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.

**Note 18: Financial Instruments (continued)**
**(c) Credit risk (continued)**

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**

| 2015 | institutions (AA credit rating) $'000 | Other (min BBB credit rating) $'000 | Total $'000 |
|---|---|---|---|
| **Financial Assets** | | | |
| Cash and Cash Equivalents | 9,275 | - | 9,275 |
| Loans and Receivables | | | |
| - Trade Debtors | - | 165 | 165 |
| - Other Receivables | - | 362 | 362 |
| **Total Financial Assets** | **9,275** | **527** | **9,802** |
| | | | |
| **2014** | | | |
| **Financial Assets** | | | |
| Cash and Cash Equivalents | 7,858 | - | 7,858 |
| Loans and Receivables | | | |
| - Trade Debtors | - | 240 | 240 |
| - Other Receivables | - | 438 | 438 |
| **Total Financial Assets** | **7,858** | **678** | **8,536** |

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**

| | | | Past Due But Not Impaired | |
|---|---|---|---|---|
| 2015 | Carrying Amount $'000 | Not Past Due and Not Impaired $'000 | Less than 1 Month $'000 | 1-3 Months $'000 |
| **Financial Assets** | | | | |
| Cash and Cash Equivalents | 9,275 | 9,275 | - | - |
| Loans and Receivables | | | | |
| - Trade Debtors | 165 | 118 | 4 | 43 |
| - Other Receivables | 362 | 265 | 52 | 45 |
| **Total Financial Assets** | **9,802** | **9,658** | **56** | **88** |
| | | | | |
| **2014** | | | | |
| **Financial Assets** | | | | |
| Cash and Cash Equivalents | 7,858 | 7,858 | - | - |
| Loans and Receivables | | | | |
| - Trade Debtors | 240 | 212 | 16 | 12 |
| - Other Receivables | 438 | 365 | 19 | 54 |
| **Total Financial Assets** | **8,536** | **8,435** | **35** | **66** |

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.

**(d) Liquidity risk**

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

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.

**Note 18: Financial Instruments (continued)**
**(d) Liquidity risk (continued)**

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 | |
|---|---|---|---|---|
| 2015 | Carrying Amount $'000 | Nominal Amount $'000 | 1-3 Months $'000 | 3 months - 1 Year $'000 |
| **Financial Liabilities** | | | | |
| At amortised cost | | | | |
| Payables | 941 | 941 | 941 | - |
| Accommodation Bonds / RADs | 5,274 | 5,274 | - | 5,274 |
| **Total Financial Liabilities** | **6,215** | **6,215** | **941** | **5,274** |
| | | | | |
| **2014** | | | | |
| **Financial Liabilities** | | | | |
| At amortised cost | | | | |
| Payables | 893 | 893 | 893 | - |
| Accommodation Bonds / RADs | 4,124 | 4,124 | - | 4,124 |
| **Total Financial Liabilities** | **5,017** | **5,017** | **893** | **4,124** |

**(e) 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 | | |
|---|---|---|---|---|---|
| 2015 | 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 | 3.85 | 9,275 | 7,722 | 1,553 | - |
| Receivables | | | | | |
| - Trade Debtors | | 165 | - | - | 165 |
| - Other Receivables | | 362 | - | - | 362 |
| | | **9,802** | **7,722** | **1,553** | **527** |
| **Financial Liabilities** | | | | | |
| At amortised cost | | | | | |
| Payables | | 941 | - | - | 941 |
| Other Financial Liabilities | | | | | |
| - Accommodation Bonds & RAC Deposits | | 5,274 | - | - | 5,274 |
| | | **6,215** | **-** | **-** | **6,215** |
| **2014** | | | | | |
| **Financial Assets** | | | | | |
| Cash and Cash Equivalents | 4.99 | 7,858 | 6,573 | 1,285 | - |
| Receivables | | | | | |
| - Trade Debtors | | 240 | - | - | 240 |
| - Other Receivables | | 438 | - | - | 438 |
| | | **8,536** | **6,573** | **1,285** | **678** |
| **Financial Liabilities** | | | | | |
| At amortised cost | | | | | |
| Payables | | 893 | - | - | 893 |
| Other Financial Liabilities | | | | | |
| - Accommodation Bonds & RAC Deposits | | 4,124 | - | - | 4,124 |
| | | **5,017** | **-** | **-** | **5,017** |

***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 2.5%;
- 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 18: Financial Instruments (continued)**
**(e) Market risk (continued)**

| | | Interest Rate Risk | | | |
|---|---|---|---|---|---|
| | Carrying | -1% | | +1% | |
| 2015 | Amount $'000 | Profit $'000 | Equity $'000 | Profit $'000 | Equity $'000 |
| **Financial Assets** | | | | | |
| Cash and Cash Equivalents | 9,275 | (93) | (93) | 93 | 93 |
| Receivables | | | | | |
| - Trade Debtors | 165 | - | - | - | - |
| - Other Receivables | 362 | - | - | - | - |
| **Financial Liabilities** | | | | | |
| Payables | 941 | - | - | - | - |
| Other Financial Liabilities | | | | | |
| - Accommodation Bonds | 5,274 | - | - | - | - |
| | | **(93)** | **(93)** | **93** | **93** |
| **2014** | | | | | |
| **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** |

**(f) 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**

| | Carrying Amount 2015 $'000 | Fair value 2015 $'000 | Carrying Amount 2014 $'000 | Fair value 2014 $'000 |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Cash and Cash Equivalents | 9,275 | 9,275 | 7,858 | 7,858 |
| Loans and Receivables | | | | |
| - Trade Debtors | 165 | 165 | 240 | 240 |
| - Other Receivables | 362 | 362 | 438 | 438 |
| **Total Financial Assets** | **9,802** | **9,802** | **8,536** | **8,536** |
| **Financial Liabilities** | | | | |
| At amortised cost | | | | |
| Payables | 941 | 941 | 893 | 893 |
| Other Financial Liabilities | | | | |
| - Accommodation Bonds | 5,274 | 5,274 | 4,124 | 4,124 |
| **Total Financial Liabilities** | **6,215** | **6,215** | **5,017** | **5,017** |

**Note 19: Commitments**

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| **Lease commitments** | | |
| Commitments in relation to leases contracted for at the reporting date: | | |
| Operating leases | | |
| Photocopier Agreement | 43 | 101 |
| Motor Vehicles | 7 | 20 |
| **Total lease commitments** | **50** | **121** |
| ***Operating leases*** | | |
| *Cancellable* | | |
| Not later than one year | 44 | 78 |
| Later than 1 year and not later than 5 years | 6 | 43 |
| **Total lease commitments** | **50** | **121** |
| **Total Commitments (inclusive of GST)** | **50** | **121** |
| less GST recoverable from the Australian Tax Office | (5) | (11) |
| **Total Commitments (inclusive of GST)** | **45** | **110** |

**Note 19: 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 one vehicle primarily for use by the "Lowan" Rural Health Service Program. It commenced in April 2015 for a period of 12 months at a monthly cost of $608. The Service is under no obligation to renew the lease upon expiry.

**Note 20: Contingent Assets and Contingent Liabilities**

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

| | 2015 $'000 | 2014 $'000 |
|---|---|---|
| **Contingent Liabilities** | | |
| **Quantifiable** | | |
| Caveat over property - Kaniva Hostel Units | 200 | 200 |
| **Total Quantifiable Contingent Liabilities** | **200** | **200** |

**Note 21: Operating Segments**

| | Admitted | | Non-Admitted | | RACS | | Aged Care Other | |
|---|---|---|---|---|---|---|---|---|
| | 2015 $'000 | 2014 $'000 | 2015 $'000 | 2014 $'000 | 2015 $'000 | 2014 $'000 | 2015 $'000 | 2014 $'000 |
| **REVENUE** | | | | | | | | |
| External Segment Revenue | 12,736 | 12,998 | 1,284 | 1,000 | 13,590 | 12,456 | 1,009 | 1,169 |
| **Total Revenue** | **12,736** | **12,998** | **1,284** | **1,000** | **13,590** | **12,456** | **1,009** | **1,169** |
| **EXPENSES** | | | | | | | | |
| External Segment Expenses | (12,773) | (12,890) | (1,503) | (1,418) | (12,640) | (12,434) | (1,406) | (1,278) |
| **Total Expenses** | **(12,773)** | **(12,890)** | **(1,503)** | **(1,418)** | **(12,640)** | **(12,434)** | **(1,406)** | **(1,278)** |
| **Net result before capital and specific items** | **(37)** | **108** | **(219)** | **(418)** | **950** | **22** | **(397)** | **(109)** |
| Depreciation | (1,387) | (1,777) | (163) | (194) | (1,372) | (1,714) | (153) | (176) |
| **Net Result for Year** | **(1,424)** | **(1,669)** | **(383)** | **(612)** | **(422)** | **(1,692)** | **(550)** | **(285)** |
| **OTHER INFORMATION** | | | | | | | | |
| Segment Assets | 27,352 | 29,110 | 2,758 | 2,194 | 29,187 | 27,855 | 2,167 | 2,614 |
| **Total Assets** | **27,352** | **29,110** | **2,758** | **2,194** | **29,187** | **27,855** | **2,167** | **2,614** |
| Segment Liabilities | (5,442) | (5,175) | (549) | (390) | (5,807) | (4,952) | (431) | (465) |
| **Total Liabilities** | **(5,442)** | **(5,175)** | **(549)** | **(390)** | **(5,807)** | **(4,952)** | **(431)** | **(465)** |
| Segment Equity | 21,911 | 23,935 | 2,209 | 1,804 | 23,380 | 22,903 | 1,736 | 2,149 |
| **Total Equity** | **21,911** | **23,935** | **2,209** | **1,804** | **23,380** | **22,903** | **1,736** | **2,149** |
| Acquisition of Property and Plant & Equipment | 204 | 84 | - | - | 18 | 109 | - | - |

| | Business Units | | Primary Health | | Other Programs | | Totals | |
|---|---|---|---|---|---|---|---|---|
| | 2015 $'000 | 2014 $'000 | 2015 $'000 | 2014 $'000 | 2015 $'000 | 2014 $'000 | 2015 $'000 | 2014 $'000 |
| **REVENUE** | | | | | | | | |
| External Segment Revenue | 530 | 594 | 2,360 | 2,393 | 2,561 | 2,670 | 34,070 | 33,280 |
| Interest | - | - | - | - | 333 | 417 | 333 | 417 |
| Property Rental | - | - | - | - | 44 | 54 | 44 | 54 |
| **Total Revenue** | **530** | **594** | **2,360** | **2,393** | **2,938** | **3,141** | **34,447** | **33,751** |
| **EXPENSES** | | | | | | | | |
| External Segment Expenses | (604) | (651) | (2,617) | (2,567) | (2,801) | (2,499) | (34,344) | (33,737) |
| **Total Expenses** | **(604)** | **(651)** | **(2,617)** | **(2,567)** | **(2,801)** | **(2,499)** | **(34,344)** | **(33,737)** |
| **Net Result from ordinary activities** | **(74)** | **(57)** | **(257)** | **(174)** | **137** | **642** | **103** | **14** |
| Interest Expense | - | - | - | - | (6) | (10) | (6) | (10) |
| Capital Purpose Income | - | - | - | - | 1,602 | 722 | 1,602 | 722 |
| Depreciation | - | - | (284) | (354) | (370) | (336) | (3,729) | (4,551) |
| **Net Result for Year** | **(74)** | **(57)** | **(542)** | **(528)** | **1,364** | **1,018** | **(2,030)** | **(3,825)** |
| **OTHER INFORMATION** | | | | | | | | |
| Segment Assets | 1,138 | 1,328 | 5,068 | 5,351 | 6,310 | 6,092 | 73,980 | 74,544 |
| **Total Assets** | **1,138** | **1,328** | **5,068** | **5,351** | **6,310** | **6,092** | **73,980** | **74,544** |
| Segment Liabilities | (226) | (236) | (1,008) | (951) | (1,255) | (1,083) | (14,718) | (13,252) |
| **Total Liabilities** | **(226)** | **(236)** | **(1,008)** | **(951)** | **(1,255)** | **(1,083)** | **(14,718)** | **(13,252)** |
| Segment Equity | 912 | 1,092 | 4,060 | 4,400 | 5,054 | 5,009 | 59,262 | 61,292 |
| **Total Equity** | **912** | **1,092** | **4,060** | **4,400** | **5,054** | **5,009** | **59,262** | **61,292** |
| Acquisition of Property and Plant & Equipment | - | 19 | - | 1,991 | 1,439 | 512 | 1,661 | 2,715 |

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

| **Business Segments** | **Services** |
|---|---|
| Acute Care (Admitted Patients) | Acute Inpatient Care and Outpatients |
| Non-Admitted Patients | Urgent Care, Community Nursing & Maternal & Child Health Nurse |
| Residential Aged Care Services (RACS) | Provision of Residential Aged Care Places |
| 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 result from ordinary activities and segment assets relate to operations in this area.

**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 Minister for Ageing | 1/7/2014 - 3/12/2014 |
| The Honourable Mary Wooldridge MP, Minister for Mental Health | 1/7/2014 - 3/12/2014 |
| The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services | 4/12/2014 - 30/6/2015 |
| The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health | 4/12/2014 - 30/6/2015 |
| **Governing Board Members:** | |
| D Buckley | 1/7/2014 - 25/3/2015 |
| H Champness | 1/7/2014 - 30/6/2015 |
| L Clarke | 1/7/2014 - 30/6/2015 |
| R Ismay | 1/7/2014 - 30/6/2015 |
| L Maybery | 1/7/2014 - 30/6/2015 |
| R Rosewall | 1/7/2014 - 30/6/2015 |
| R Stanford | 1/7/2014 - 30/6/2015 |
| J Sudholz | 1/7/2014 - 30/6/2015 |
| N Zanker | 1/7/2014 - 30/6/2015 |
| **Accountable Officer:** | |
| J N Smith - Chief Executive Officer | 1/7/2014 - 30/6/2015 |

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

| **Income Band** | **2015 No.** | **2014 No.** |
|---|---|---|
| $0 - $9,999 | 9 | 10 |
| $230,000-$239,999 | - | 1 |
| $240,000 - $249,999 | 1 | - |
| **Total Numbers** | **10** | **11** |
| **Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:** | **$243,648** | **$233,871** |

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. | 4 | 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. | 53 | 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. | 33 | 28 |

**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** | |
|---|---|---|---|---|
| | **2015 No.** | **2014 No.** | **2015 No.** | **2014 No.** |
| $150,000 – $159,999 | - | - | - | 2 |
| $160,000 – $169,999 | - | 2 | - | 1 |
| $180,000 – $189,999 | - | 1 | 2 | - |
| $190,000 – $199,999 | 2 | - | 1 | - |
| $210,000 – $219,999 | 1 | - | - | - |
| **Total** | 3 | 3 | 3 | 3 |
| **Total annualised employee equivalents (AEE)** [(i)] | 3.0 | 3.0 | 3.0 | 3.0 |
| **Total Remuneration** | **$603,779** | **$513,430** | **$566,572** | **$478,015** |

**Note 23: Remuneration of auditors**

| | **2015 $'000s** | **2014 $'000s** |
|---|---|---|
| **Victorian Auditor-General's Office** | | |
| Audit Fees | 24 | 22 |

**Note 24: Events Occurring after the Balance Sheet Date**

There were no events occurring after the balance sheet date which would have had a material impact on the Service's financial position as at 30 June 2015

**Note 25: Econonomic Dependence**

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

# 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 patients/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

**DHHS** The Department of Health & 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

**ICT** 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

**LPG** Liquid Petroleum Gas

**M&CH** Maternal and Child Health

**Medicare Local** 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

**RAC** Refundable Accommodation Contribution

**RAD** Refundable Accommodation Deposit

**RFDS** Royal Flying Doctor Service

**RPHS** Rural Primary Health Service

**Schedule 11 drugs** A group of medications kept in locked cupboard that can only be ordered by a Medical Practitioner

**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

**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

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**ACKNOWLEDGEMENTS**

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Co-ordination DMR Associates Pty Ltd, Nhill

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