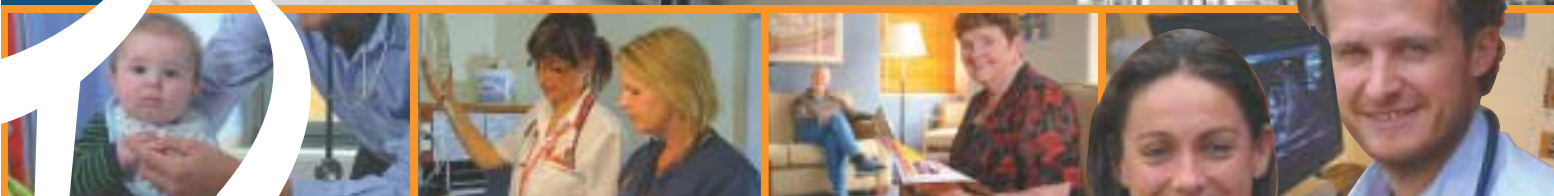




Ballarat **Health** Services
Putting your health first

ANNUAL REPORT 2007 / 2008



*Celebrating the 150th birthday of the
Queen Elizabeth Centre*



Vision

Leadership and Excellence in Healthcare

Mission

To deliver an accessible, inclusive and fully integrated regional health service which maximises care, compassion, individual choice and quality outcomes for all clients and patients in an environment that encourages and supports ongoing education, training and research.

Values

Our services and staff embrace the following values: Client focus (includes individuals, families, communities, service providers and staff). We work towards improving the health and well being of our patients, clients and community, and emphasise care and treatment options and informed choice based on adequate information. We are committed to improving access for all patients/clients and ensuring the care and services are delivered in a culturally appropriate manner.

Professional integrity

We treat all people with honesty, dignity, fairness and with respect for their rights.

Safety and quality

We are committed to providing high quality services, and a culture of continuous improvement.

Collaborative relationships

We seek to co-operate further with other human services providers to ensure better integration of services.

Accountability

We are accountable to Government and the community for quality, effectiveness and efficiency through public awareness and reporting, community participation and professional responsibility, including financial management.

Staff and volunteers

We recognise that the quality of service provided is dependent upon the way in which staff and volunteers perform their respective roles. It is therefore necessary to attract, retain, recognise and develop high quality staff and volunteers, and to ensure their continued motivation and accountability.

Knowledge and innovation

We recognise the importance of encouraging and supporting the ongoing development, education and research for our staff to ensure continued involvement and collaborative efforts promote innovation and improved care and services are delivered for our community.

Staff recognition awards are presented at Ballarat Health Services. Perioperative and Day Procedure Unit nurse Matt Cambrey was the recipient of the monthly award for his outstanding voluntary contribution to painting a mural in the children's anaesthetic room.

Contents

President and Chief Executive Officer's Report	Pages 2 - 12
Ballarat Health Services Board of Management	Page 13
Executive Staff Council	Page 14
Organisational Structure	Page 16
Senior Staff	Pages 17 - 18
Year in Review	Page 19
Admitted Patients	Page 20
Revenue Indicators 2006/07	Page 21
Workforce Data	Page 21
Caring for the environment	Page 22
Research, Ethics and Publications	Pages 23 - 24
Statutory Requirements	Page 25
Building Standards and Condition	Page 26
Accountable Officer's, Chief Finance Officer's and members of Responsible Body's Declaration	Page 27
Victorian Auditor-General's Report	Pages 28 & 29
Financial Statements for the year ended 30 June 2007	Pages 30 - 32
Notes to and forming part of the financial statements for the year ended 30 June 2007	Pages 33 - 64
Compliance Disclosure Index	Page 65
Ballarat Health Services Specialties and Services	Page 66





Overview

The year 2007 / 2008 was an outstanding year for Ballarat Health Services with the highlight being the Queen Elizabeth Centres 150th anniversary.

The Queen Elizabeth Centre has seen significant development, expansion and changes over 150 years.

A feature on the history of the Queen Elizabeth Centre can be found on Page 4.

Patient activity continued to reach record levels during the year. A total of 31,804 inpatients were treated representing an increase of 4.94 per cent or an additional 1495 patients.

The biggest increase in patient activity was seen in the emergency department with a record 43,192 attendances which is an increase of 7.94 per cent or 3178 attendances than the previous year.

Significant factors behind the increase in patient throughput can be attributed to same day elective surgery procedures, a severe influenza and gastroenteritis outbreak in the 2007 winter, greater referrals from outside of Ballarat and the region's general practitioner shortage.

Due to the continued increase in patient demand Ballarat Health Services established a \$380,000 medi-hotel during the year.

The 10-room facility provides supported overnight accommodation for patients not requiring an inpatient acute hospital bed.

It will allow access to up to 17 acute beds in a period when the organisation is experiencing record growth.

Emphasis continued on enhancing and expanding the health service's risk management framework to continue to provide the safest possible care and environment for our patients, staff and community.

The risk management framework has expanded significantly in the past year as a result of the high level of commitment by the management team to safety.

A full-time Risk Manager was appointed in May 2008 to co-ordinate and oversee the development of enterprise wide risk management.

This ensures that risk management is embedded into the culture and processes of quality improvement that has been built up at BHS over recent years.

Ballarat Health Services reported an operating surplus for the year ended 30 June 2008, of \$268,000, against a break even budget, exceeding budget expectations, against the backdrop of unprecedented growth.

This effort reflects very positively on the efforts of all staff within the organisation.

This result has been achieved through ongoing budget and cost initiatives framework, focusing on throughput maximisation, effective labour force management, private revenue generation and ongoing review within the general purchasing of goods and services.

In January 2008 the Ballarat Health Services Board of Management signed off on a master plan of facilities for the next decade and beyond.



All BHS staff are to be congratulated for providing the very best care to patients and clients while under increased service demand pressures.

Ballarat Health Services has identified three priority areas for the first year of the master plan including:

- a Short Stay Unit adjacent to the emergency department for patients requiring regular medical assessment, or with chronic conditions, that if stabilised could be discharged within 24 hours.
- Refurbishment of Ballarat Psychiatric Services inpatient facilities to continue to overcome existing deficiencies.
- Development of an education precinct to accommodate increased rural clinical school placements and associated teaching and training spaces for students and clinical staff.

In March 2008 the Department of Human Services made the decision to fluoridate Ballarat's drinking water after an extensive information and education campaign.

Ballarat Health Services has advocated for the fluoridation of Ballarat's water supply for some time due to concerns about the poor oral health and significant public dental waiting lists within the Grampians region.

At this stage it is expected Ballarat's water supply will be fluoridated during the 2008 / 2009 financial year.

In December 2007 Ballarat Health Services commenced a public awareness campaign against rave party events at Kryal Castle located on the outskirts of Ballarat.

Ballarat Health Services was concerned that the illicit drug use at the rave events put lives at risk and placed enormous pressure on acute health resources.

On 8 December 2007 Ballarat Health Services' emergency department treated 14 people who had suffered drug overdoses at the rave event with three of these patients admitted to intensive care to be resuscitated.

In February 2008 Ballarat Health Services applied to the Victorian Civil and Administrative Tribunal (VCAT) to have all future Kryal Castle rave parties banned.

After a VCAT mediation hearing in May 2008 between all relevant parties, VCAT ruled that rave parties could no longer be held at the venue.

Ballarat Health Services has exciting and challenging times ahead and will continue to improve community engagement and constantly strive to enhance the quality of care provided.

The year 2007 / 2008 was extremely positive and a detailed outline of the specific achievements and issues confronted follows.



Throughput continues to reach record levels

Throughput continued to reach record levels at Ballarat Health Services during the year with unprecedented demand across a number of departments.

For the 2007 / 2008 financial year attendance records were broken in the Base Hospital emergency department with 43,192 attendances (7.94 per cent or 3178 more than previous year), inpatient admissions increased to 31,804 (4.94 per cent or 1495 more patients than the previous year) and operating theatre procedures jumped to 10,403 cases (an increase of 115 or 1.12 per cent on 2006 / 2007).

Births for the 2007 / 2008 financial year were seven less (1192) than the record figure of 1199 in the 2006 / 2007 financial year, however in the past five years birth have increased by 18.61 per cent or 187 more babies.

Ballarat Health Services would like to thank all staff who have continued to provide the very best care to patients and clients while under increased service demand pressures.

Reasons behind the record increases include:

- Ballarat's general practitioner shortage;
- The ageing population across the Grampians region;
- Increase in patients with chronic and complex needs;
- Greater referrals from outside Ballarat;
- A high burden of disease in the Grampians region, particularly diabetes and cardiovascular disease; and
- The extension of services at BHS.

During the 2007 winter the emergency department experienced a significant increase in patients due to an influenza and gastroenteritis outbreak in the Ballarat community.

A total of 75,373 acute hospital bed days was achieved during 2007 / 2008, an increase of 4.04 per cent or 2929 bed days compared to the previous year. The increase in patient numbers together with the significant increase in bed days highlights an increase in same day separations.

The average length of stay for hospital inpatients continued to follow the trend of the past five years and further reduced in 2007 / 2008 and can be demonstrated as follows:



A record 43,192 people attended the Ballarat Health Services emergency department during the 2007/2008 year, up 3178 attendances on the previous year.

YEAR	DAYS
2003/04	2.72
2004/05	2.59
2005/06	2.51
2006/07	2.39
2007/08	2.37

In psychiatric services the number of direct community based client contacts increased by 7961 to a record 100,409 contacts – up 44.33 per cent or 30,252 contacts on five years ago.

Ballarat Psychiatric Services had been very proactive in improving access, which has led to more people being treated.

For the 2007 / 2008 year 15,169 acute inpatient bed days were used in psychiatric services, a decline of 10.22 per cent (1727 bed days) than the previous year.

Ballarat Psychiatric Services has one of the lowest acute inpatient occupancy rates in the state due to the service providing evidence based treatments, family inclusive practice and early intervention .



Queen Elizabeth Centre celebrates 150 years

In November 2007 more than 250 past and present staff attended a function to celebrate the 150th anniversary of the Queen Elizabeth Centre.

The Queen Elizabeth Centre has seen significant development, expansion and changes over 150 years.

The origins of the centre, located in Ascot St, Ballarat, can be traced back to a decision by community minded citizens in 1857 when they agreed to develop a Benevolent and Visiting Society in Ballarat.

The society provided for members of the community who were sick, needed financial assistance or to find employment.

The Ballarat District Benevolent Home officially became the Queen Elizabeth Home in 1945 following a visit by their Royal Highnesses the Duke and Duchess of Gloucester.

In the 1870's the role of the society expanded to incorporate maternity services and visiting people in their own home.

Maternity services transferred to the Base Hospital in the 1920s.

Lederman Hall, which still exists within the grounds today, opened in 1930 as an entertainment and dining hall for the male residents.

In the late 1950's changes to Government policy influenced how services were to be delivered resulting in the decanting of large wards to community based, home like accommodation.

Over the next few years a number of properties around Ballarat were acquired and refurbished to accommodate long term residents.



Today the Queen Elizabeth Centre is used for patient rehabilitation, inpatient complex care, palliative care, residential care and community programs. Alison Gargan, physiotherapist and Bronwyn Davies, speech therapist are part of the team who work at the Ascot St site.

During the 1980s community based homes were purpose built in community settings with the centre developing into a specialised centre for rehabilitation and assessment for older residents.

The Peter Heinz Rehabilitation Centre, originally opened in 1989, was specifically designed to accommodate a multidisciplinary approach to rehabilitation. The centre was relocated to the Ascot St entrance incorporating a gymnasium, hydrotherapy pool and rehabilitation ward in 1999.

Less than 10 years later the Queen Elizabeth Centre merged with the Ballarat Base Hospital and Grampians Psychiatric Services to become Ballarat Health Services.

Celebrating the 150th anniversary of the Queen Elizabeth Centre are Dr John Hurley, Dr John King and Dr John Garner.





Troy Leon, BHS Catering team member, is proud of the success and revenue the business unit generates for Ballarat Health Services.

Financial results

Ballarat Health Services reported an operating surplus for the year ended 30 June 2008, of \$268,000, against a break even budget, exceeding budget expectations, against the backdrop of unprecedented growth in demand. This effort reflects very positively on the efforts of all staff within the organisation.

This result has been achieved through an ongoing budget and cost initiatives, focusing on throughput maximisation, effective labour force management, private revenue generation and ongoing review within the general purchasing of goods and services. Ballarat Health Services has met all financial obligations set out by the Department of Human Services in the Statement of Priorities.

Ballarat Health Services has continued to experience cost pressures across a broad range of areas including increased staffing costs, increased cost of contract staff and the effects of Enterprise Bargaining Agreements.

These costs, coupled with activity driven consumable costs, account for the bulk of expenditure increases.

Ballarat Health Services continues to be a major employer and purchaser of goods and services in the Grampians region.

Average employee Equivalent Full Time (EFT) numbers were more than 2000 per month and employee payments were more than \$162 million for the year. Purchases of goods and services for the year were around \$56 million.

The capital result for the year of a deficit of \$430,000 is more than \$3.1 million better than budget. This result includes the effects of approximately \$10 million of unfunded depreciation.

At this level, the result is more than \$500,000 better than the result from the previous year, and reflects the purchase of a number of large items, such as the \$850,000 for a Digital Subtraction Angiography device in radiology and a range of equipment grants.

The positive operating result continues to support internal funding of a large capital program investing in new technologies and equipment.

During the year Ballarat Health Services spent more than \$14 million on the purchase of capital items, a \$4 million increase on the previous year.

The ability to commit such large amounts for these items is largely dependent on ongoing generous support of donors. Total donations reached almost \$1.3 million, accounting for about one third of the funding required.

Of the \$1.3 million a bequest of \$750,000 was left from the estate of the late Betty Grimm to the Ballarat and District Base Hospital.

Ministerial Review of Victorian Public Health Medical staff

The Ministerial Review of Victorian Public Health Medical Staff was released in November 2007 and contained 71 recommendations which were wide ranging.

BHS considered the review, the Minister's response and the responses from Department of Human Services, the Australian Medical Association and our own medical staff.

This resulted in a number of recommendations being developed which were agreed by the Board of Management and the BHS Medical Staff Group.

These recommendations will improve the communication with senior and junior medical staff.

The progressive implementation of the internal recommendations has commenced.



Capital works top \$7.2 million

Ballarat Health Services spent in excess of \$7.2 million on capital projects to enhance its ability to continue to provide quality health care to Ballarat and the Grampians region.

Topping the list of infrastructure spending was the completion of \$3 million worth of electrical upgrades at the Base Hospital and Queen Elizabeth Centre. This upgrade has been vital to ensure BHS has continuity of power supply to facilities across its two main sites and capacity for future service expansion.

In April 2008 the refurbishment of the fourth floor of the Base Hospital administration building was completed at a cost of \$380,000 to create a medi-hotel.

This 10-bedroom facility provides supported overnight accommodation for people who do not require an inpatient acute hospital bed.

During the year BHS completed the refurbishment of the Central Sterile Supply Department and sixth operating theatre at a total building cost of \$1.5 million.

Other significant projects completed and commenced in the 2007 / 2008 year included:

- Negative pressure rooms in the Emergency Department and Base Hospital Medical Services building. Cost \$594,000.
- Capital works at residential care facilities. Cost \$500,000.
- Capital Works at Psychiatric Services. Cost \$500,000.
- Water recycling plant installed at Eureka Linen Service. Cost \$300,000.
- Upgrades to piped oxygen in the inpatient rehabilitation ward at the Queen Elizabeth Centre. Cost \$94,000.
- Refurbishment of the Base Hospital cafeteria. Cost \$34,000.
- Lift upgrades commenced in the Base Hospital medical services building. Cost \$610,000.

State-of-the-art water recycle system launched

The ongoing drought is causing organisations to review their practices and invest in water saving initiatives to reduce water consumption. Ballarat Health Services implemented a number of water saving strategies to reduce its overall water consumption.

The most significant of these strategies was a joint project initiative with Central Highlands Water (CHW) and the Department of Sustainability and Environment (DSE) launched at the Eureka Linen Service in May 2008.

Eureka Linen is a business unit of BHS and processes about 55 tonnes of laundry each week. Before the installation of the system the plant used about 60 million litres of water a year.

The state-of-the-art water recycling unit, jointly funded by BHS, CHW and DSE at a cost of \$243,000 will save up to 40 million litres of water a year, slashing total water usage at the laundry by 70 per cent.

Ballarat Health Services would like to thank Central Highlands Water and the Department of Sustainability and Environment for their funding, expertise and advice throughout this very significant project.



Central Highlands Water managing director, Neil Brennan, Eureka Linen's manager Paul Robinson and Ballarat Health Services CEO Andrew Rowe with some recycled water.



New senior medical staff appointments

The following specialists commenced at Ballarat Health Services during 2007 / 2008:

- Mr. Johan Le Roux - Full time specialist - Orthopaedic surgery
- Mr. Hans Lombard - Full time specialist - Orthopaedic surgery
- Mr. Robert Forsyth - Visiting Specialist - Urology
- Dr Patrick Maloney - Visiting Specialist - Obstetrics and Gynaecology
- Dr Fiona Noble - Visiting Specialist Paediatric Medicine
- Dr. Daniel McIntyre - Visiting Specialist - Anaesthesia
- Dr Hock Tan - Visiting Specialist - Anaesthesia
- Dr Gregory Mewett - Full time specialist - Palliative Care Medicine
- Assoc. Professor Joseph Ibrahim - Visiting Specialist - Geriatric Medicine
- Dr Stewart Malcolm - Full time specialist - Rehabilitation Medicine

Additional appointments are expected during 2008 / 2009 in the areas of:

- Anaesthesia
- Paediatric Medicine
- Orthopaedic Surgery
- Medical Oncology
- Obstetrics and Gynaecology

Confirmed new appointments for the 2008 / 2009 year are:

- Dr Louise du Plessis - Visiting Specialist Paediatric Medicine
- Dr Lee Na Teo - Full time specialist - Medical oncology
- Dr Michael Farrell - Full time Specialist - Anaesthetics
- Dr David Tickell - Visiting Specialist Paediatric Medicine

Don Moss retires after 32 years service



Ballarat Health Services' Urologist Don Moss touched the lives of many people and families in his 32 years with the organisation so it was a sad day

on 30 June 2008 when he visited his last patient before retiring.

Don was the driving force behind urology being recognised as a specialty unit within Ballarat Health Services and he has been extremely supportive of nursing staff, their expertise and skills in this area, and has willingly contributed to their education over the years.

Don's dedication and contribution to the care and interests of patients and families in the Ballarat district has been exemplary and his leadership as an extraordinary health professional is greatly admired and respected.



During the 2007-2008 year Johan Le Roux started with Ballarat Health Services as a full time orthopaedic surgeon. He checks on the progress of Wade Duffy, one of his first patients.

BHS Foundation

After reaching a \$1 million investment milestone during the 2006 / 2007 year the Ballarat Health Services Foundation has successfully built on that achievement and contributed significantly to equipment and facility purchases during 2007 / 2008.

The Foundation increased its total investment to \$1.23 million and generated interest of \$81,776 to fund projects at Ballarat Health Services.

The Foundation conducted a successful community appeal raising \$40,000 for seven patient treatment chairs for day oncology.

The Foundation paid its final installment of \$100,000 to the sixth operating theatre project, which is now in full service.

Financial support was also made to ensure the success of a number of smaller projects including:

- Prosthetics equipment at the Queen Elizabeth Rehabilitation Centre;
- A teaching skeleton for orthopaedic nursing;
- A voroscope for the emergency department;
- Resuscitation equipment across Ballarat Health Services; and
- Refurbishment of a patient and visitor lounge on the oncology ward.

The Foundation would like to thank its supporters and the community for their enthusiastic response to these vital projects.

In 2008 / 2009 the major appeal aims to raise \$50,000 for the special care nursery and maternity unit.



Ballarat Health Services assumed the management of Ballarat's public dental clinic in May 2008.

Ballarat public dental clinic

In May 2008 Ballarat Health Services assumed responsibility for the management of Ballarat's public dental clinic.

The clinic, located within the grounds of BHS, had been managed by Dental Health Services Victoria for the past 10 years.

Ballarat Health Services acknowledges that there is a significant amount of effort required to reduce the current waiting times which are excessive. However BHS is committed to improving access to dental care for the community.

Ballarat Health Services has started to implement a number of strategies and initiatives to improve access and reduce the current waiting time for both general dental and denture care.

Strategies include:

- Extending the operating hours to improve access;
- Implementing Saturday sessions;
- Increasing clinical placements to encourage dental graduates to choose Ballarat when seeking employment;
- Negotiate with La Trobe university to establish clinical placements for dentist and oral health therapy students including the potential for specialist clinics in Ballarat thus reducing the need for clients to travel to Melbourne;
- Improved links with private dentists to enhance recruitment opportunities and to provide access for some clients through private dentists;
- Initiation of dental assistant traineeships to provide employment opportunities for young people of the Ballarat district;
- Establishment of a pilot project to identify high priority patients as they join the waiting list. This project will also provide oral hygiene and dietary advice for these clients while they wait for care to assist in managing their oral health.

Residential services

Ballarat Health Services provides low and high level residential care on a permanent and respite basis at four sites throughout Ballarat.

During the year a number of major initiatives were undertaken in residential care to ensure that the organisation is well placed to continue to meet the needs of the community.

Some of the major initiatives and projects undertaken in residential services during 2007 / 2008 included:

- The appointment of a nursing professor who will focus on the elderly.
- All BHS residential facilities are moving towards a largely paperless documentation system for residents using iCare to improve efficiencies and facilitate better care management processes.

This computerised clinical and care information management system includes a residential database, assessments, progress notes, forms and charts, care plans, handover sheets, Aged Care Funding Instrument (ACFI) calculations and schedule tasks.

It is anticipated that all facilities will be completely live in iCare by early 2009.

- The introduction of ACFI to assist in the determination of appropriate care interventions and treatments consistent with aged care assessment and care planning.
- Quality improvement projects such as the *Improved Bowel Care In Residential Aged Care Setting* document that has been presented nationally across the aged care spectrum.

This project demonstrated an improvement in the quality of life for BHS residents through the application of best practice in bowel care.

Maternity Consumer Participation Forum

During the year a participation forum was established by Ballarat Health Services to provide advice and direction for maternity services.

The Maternity Consumer Participation Forum includes parents of children born at BHS, Department of Human Services and stakeholder groups.

The forum provides the maternity service with the opportunity to listen to community views and advice on a number of matters including:

- the provision and future direction of midwifery services;
- support and pursuit of initiatives to improve the care and service delivery of midwifery services;
- identify issues affecting delivery of midwifery services for Ballarat and the Grampians region; and
- ensuring appropriate links with local government and non-government pre and post midwifery support services in the Grampians region.



Ballarat Health Services medical oncologist Kate Hamilton with breast cancer survivor Christine Glare. BHS currently has 29 patients enrolled in clinical trials, with eight studies open in oncology.

Internal Medicine Service clinical research

The Internal Medicine Service (IMS) Clinical Research Group brings together specialist research teams in gastroenterology, general medicine, geriatric medicine and oncology.

During the 2007 / 2008 year many candidates were screened for eligibility with 29 patients enrolled in clinical trials.

Clinical trials are currently underway in:

- Oncology (eight studies currently open and one recently closed).
- Gastroenterology (three studies open and one closed).

In the 2008 / 2009 year the clinical research group will expand its oncology and gastroenterology trials portfolio.

Trials in geriatric medicine and general medicine will also commence with:

- Two studies in Alzheimer's disease submitted for Ethics Committee review.
- One study in Calf Vein thrombosis (blood clotting) submitted for Ethics Committee review.

In addition the IMS clinical research team has also been involved in service improvement project work including:

- Completion of the VTE (venothromboembolism) audit.

This project reviewed the appropriate use of VTE prophylaxis in medical inpatients with the results aimed at improving patient care.

- Smoking Cessation Clinic.

Preliminary work has been undertaken to secure funding for this pilot project through the Grampians Integrated Cancer Service (GICS).

To help support the infrastructure for oncology clinical research the organisation has been successful in its application for grants from:

- Victorian Cancer Agency - \$42,000 funding.
- Cancer Council of Victoria - \$5500 funding.

This sustained expansion in research provides significant benefit to the Grampians region and Ballarat Health Services by:

- Providing local access to new drugs and new drug combinations for patients of Ballarat and district.
- participating in clinical research which contributes significantly to the retention of current senior medical staff and improves the organisation's ability to attract new medical staff.
- contributing significantly to the education of advanced trainees in all specialties is a vital element in Ballarat Health Services' aim to become a high profile training centre for medical registrars and an organisation with a reputation for excellence in training.
- expanding clinical research increases IMS' engagement with both the Deakin University Medical School and University of Melbourne Rural Clinical School.

Ballarat Health Psychiatric Services

The ongoing improvement of Psychiatric Services continued during the year and remains a major priority of Ballarat Health Services.

Some of the highlights for psychiatric services during the year were:

- *Working and Caring Together General Practitioners and Ballarat Health Services Psychiatric Services Shared Care Protocol.*

This protocol has been developed, accepted and ratified by all three GP Divisions in the Grampians region, General Practitioners and Ballarat Health Services Psychiatric Services Liaison Committee.

Development of the protocol strengthens the collaborative relationship within the region to ensure all people with mental health problems have access to internationally recognised evidence-based and 'best practice' treatments with the greatest opportunity to recover from their illness.



- *Balint Group for West Vic General Practitioners:*

Balint groups are an important, internationally established method of training general practitioners in the psychological aspects of their work.

There has been active participation from GPs based at Horsham, Stawell, Warracknabeal, Natimuk, Jeparit, Ararat and Beaufort.

The first meeting of the quarterly Balint Group was held in May 2008.

- *Ballarat Health Psychiatrists Training Program*

Ballarat Psychiatric Services currently has six psychiatrists with the Fellowship of Royal Australian and New Zealand College of Psychiatrists (FRANZCP), and seven overseas-trained psychiatrists at various stages of completing the requirements for the Fellowship.

This outstanding success can be attributed to a meticulous recruitment process, collaborative links with internationally renowned medical universities, an acculturation program for new psychiatrists, ongoing professional development activities, and a dedicated fellowship examination training program under the guidance of Dr David Barton.

- *Neuropsychiatry Clinic established in Ballarat*

Ballarat Health Services Psychiatric Services in collaboration with the Neuropsychiatry Unit at the Royal Melbourne Hospital has established a monthly Neuropsychiatry Clinic in Ballarat.

This initiative provides expert neuropsychiatry consultations in Ballarat to assist clients in the Grampians region, who in the past, would have had to travel to the Royal Melbourne Hospital.

- *Psychiatry Clinics expanded in Wimmera-Mallee region*

Ballarat Psychiatric Services has increased the number of full-time psychiatrists available to residents of the Wimmera and Mallee regions to assist in ensuring the range of evidence based treatments are routinely available in this part of the Grampians region.

Psychiatric clinics in Horsham, Warracknabeal, Hopetoun, Nhill, Dimboola, and Edenhope have also commenced to improve access to psychiatrists for residents in remote areas, and access to specialist psychiatrists for consultation and support to locally based health professionals.

- *Expert Reference Group for the National Practice Standards for the Mental Health Workforce: Implementation Project*

The Royal Australian and New Zealand College of Psychiatrists College (RANZCP) has been funded by the Federal Government to form an Expert Reference Group (ERG) for the National Practice Standards for the Mental Health Workforce: Implementation Project.

The aim of the ERG is to develop a framework and resources for the implementation of the National Practice Standards for the Mental Health Workforce.

Ballarat Psychiatric Services' Consultant Psychiatrist Dr David Barton is the Chair of the ERG, while BHS Director of Clinical Services Associate Professor Abdul Khalid is a member of the ERG.

- *Redevelopment and Upgrade of Adult Acute Unit*

Ballarat Psychiatric Services has been allocated \$5.5 million State Government funding to upgrade the Adult Acute Unit.

The redevelopment and upgrades of these buildings will improve amenity for clients through provision of enhanced facilities leading to better treatments and outcomes as well as enabling psychiatric services to improve and extend services in the areas of assessment, treatment, management and care of persons with a mental illness.



Discussing the psychiatric services redevelopments is Associate Prof Abdul Khalid, Ken Burnett, Psychiatric Services executive director, Karen Overington, Ballarat West MLA, Geoff Howard, Ballarat East MLA, and Steven Jones, BHS corporate services executive director.



Sudan's Francis Laki has plenty to be positive about after moving his family to Ballarat to start a new life. Francis works with BHS in environmental services.

- joint planning of service developments;
- an initiative to ensure clients attend outpatient department appointments at BHS. Through collaboration between the BADAC health clinic, BHS and the clients, the fail to attend rate has decreased from around 40 per cent to 15-20 per cent.
- A weekly health clinic staffed by the BHS Aboriginal Midwife, located within BADAC, and run in conjunction with the Maternal and Child Health Nurse Program managed by the City of Ballarat, continues to be very well attended by mothers and their children;
- BHS staff participated in a Patient Registration Training pilot program to improve accuracy of data for all patients on admission including comprehensively collecting information about the Aboriginal community's health needs.

The Partnership Agreement and the taskforce will continue planning to ensure the identification and implementation of strategies and initiatives to improve access and reduce barriers for the Aboriginal community to reduce the gap between health outcomes and life expectancy compared with all Australians.

Cooperative alliance with BADAC

Ballarat Health Services and Ballarat and District Aboriginal Cooperative (BADAC) Partnership Agreement continued to focus to improve the health outcomes for the Aboriginal community.

One of the major priorities of the Partnership Agreement has focused on reducing barriers to access for Aboriginal and Torres Strait Islander people living within Ballarat and district.

The Partnership Agreement Taskforce has implemented initiatives and strategies to break down barriers to access, promote greater understanding of health priorities and improve data collection and enhance service provision.

Key achievements in 2007 / 2008 include:

- the Aboriginal flag was raised at the front of the health service during NAIDOC week 2007 to highlight awareness of the partnership to improve Aboriginal health together with increased understanding and communication between BHS and BADAC;
- improved community relations between BHS and the Aboriginal community;

Cultural Diversity Committee

The Cultural Diversity Committee, established in June 2006, encourages community representatives from culturally diverse backgrounds.

The involvement of Ballarat Health Services on a number of committees in the community has enabled the development of a better understanding of the cultural needs of all members of the community.

As a result greater use of interpreter services and translation cards across the health service has commenced.

In June 2008 Ballarat Health Services took part in a 'Multicultural Conversation' in partnership with the City of Ballarat to discuss what we do well and where we can improve to ensure we are providing services in a culturally appropriate way for all of our consumers.



Board of Management – Dr Brian Hassett retires



Doctor Brian Hassett was the inaugural board president when the merger that created Ballarat Health Services occurred more than 10 years ago.

On 30 June 2008 after being a board member for 21 years at the Base Hospital and BHS he was honoured for his service at a function to mark the end of his term.

Brian brought not only his medical expertise and links with the medical staff to the board, but also a calm, measured and insightful contribution, which will be greatly missed.

The Board also farewelled Julie Rae after four years service. Julie was appointed to the Board in 2004 and Ballarat Health Services thanks her for her valuable contribution.

Appreciation is extended to all board members for the very significant commitment to Ballarat Health Services ensuring the health service provides the best possible care and services.

Life Governors

At the 2007 Annual General Meeting Life Governors commendations were awarded to the following for outstanding service to Ballarat Health Services:

- Sr Paula Fleming
- Mrs Jan Skewes
- Mrs Dorothy Yates

Congratulations are extended to the recipients who have given outstanding service to Ballarat Health Services over many years.

Conclusion

Ballarat Health Services is a very large and complex organisation which continues to undergo very significant change.

These changes have been necessary to expand service provision, improve responsiveness to the community and constantly build a culture of quality and accountability.

The achievements of Ballarat Health Services in 2007 / 2008 have been very substantial and the improvements are evident.

A commitment exists to constantly strive to improve all aspects of our service provision.

The achievements of 2007 / 2008 would not have been possible without the support of staff throughout Ballarat Health Services as well as volunteers, auxiliaries and our many supporters.

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for Ballarat Health Services for the year ending 30 June 2008.

Ms. Lynne McLennan
President
Board of Management

Mr. Andrew R. Rowe
Chief Executive Officer





Ballarat Health Services was incorporated under the *Health Services Act 1988*. The incorporation came into effect on 1 January, 1997. Ballarat Health Services is accountable, through its Board of Management, to the Hon. Daniel Andrews MLA, Minister for Health.

The Board of Management as at 30 June, 2008

President: **Lynne McLennan**

BSc, MBA MAICD

CEO, UFS Dispensaries

Board Member Since: 2000

Term of Appointment: 01.11.08 – 30.06.09

Committees:

Medical Staff Appointments (Chair)

Board Executive and Human Resources (Chair)

Primary Care and Population Health (Chair)

St John of God Joint Liaison

Board Meetings attended : 11

Vice President: **Susanne McKenzie**

BA, DipEd, LLB

Lawyer

Board Member Since: 2004

Term of Appointment: 10.08.05 – 30.06.09

Committees:

Quality Care (Chair)

Board Executive and Human Resources

Credentials Appeal Tribunal

Aboriginal Health Taskforce (Chair)

Board Meetings attended : 11

Vice President: **Jim Elvey**

BA, DipBusStudies(LocalGovt)

Retired CEO Moorabool Shire Council and consultant

Board Member Since: 2006

Term of Appointment: 01.11.08 – 30.06.11

Committees:

Audit (Chair)

Board Executive and Human Resources

Capital Planning and Works

St John of God Joint Liaison (Chair)

Human Research Ethics (Chair)

Board Meetings attended : 11

Chair of Finance: **Catherine Laffey**

MM, MEd, BA, DipEd, DipFMI, JP

Head of Programs, School of Human Services,

University of Ballarat

Board Member Since: 2000

Term of Appointment: 01.11.08 – 30.06.09

Committees:

Audit

Finance (Chair)

Board Executive and Human Resources

Capital Planning and Works (Chair)

Board Meetings attended : 11

Brian Hassett

MBBS FRACGP

Medical Practitioner

Board Member since: 1997

Term of appointment: 1.11.04 – 30.06.08

Committees:

Finance

Quality Care

St. John of God Joint Liaison

Medical Staff Appointments

Board Meetings attended : 10

Leave of Absence granted : 1

Julie Rae

BA

National Manager, Information Library Service

Vision Australia

Board Member since: 2004

Term of appointment: 1.11.04 – 30.06.08

Committees:

Community Advisory (Joint Chair)

Aboriginal Health Taskforce

Board Meetings attended : 7

Leave of Absence granted : 2

Greg Haines

BA, DipEd, DipFrontlineMgt, GradCertLdrshipDev

School Teacher

Board Member Since: 2004

Term of Appointment: 01.07.08 – 30.06.11

Committees:

Audit

Finance

Community Advisory (Joint Chair)

Board Meetings attended : 8

Mark Patterson

MBA, Dip Management, Cert. Public Relations

CEO, North Ballarat Football Club

Board Member since: 2008

Term of Appointment : 22.01.08 – 30.06.10

Committees:

Human Research Ethics

Primary Care and Population Health Advisory

Board Meetings attended : 5

Paul Jans

B.Comm, CPA

Business Manager, Damascus College.

Board Member since: 2008

Term of Appointment: 22.01.08 – 30.06.09

Committees:

Capital Planning and Works

Finance

Quality Care

Board Meetings attended : 4

Medical Staff Association Representative:

James Hurley

MBBS BMedSci PhD FRACP

There were 11 Board of Management meetings held in 2007 / 2008.

Members of the Board of Management are required to lodge declarations of pecuniary interest with the President. Members of the Board of Management receive remuneration as gazetted under the Health Services Act 1988.



Andrew Rowe
BHA MHA AFCHSE CHE
Chief Executive Officer
Appointed June 2003

The Chief Executive Officer is responsible to the Board of Management for the efficient and effective management of Ballarat Health Services. Major responsibilities include the development and implementation of service and strategic planning, the promotion of quality care, optimising financial performance and implementation of human resource strategies. The Chief Executive Officer chairs the Executive Staff Council which comprises the senior executive staff of Ballarat Health Services. He provides leadership through collaborative management with staff and consultation with the community.

John Gallichio
MBBS FRACMA AFCHSE MBA
Executive Director - Medical Services
Appointed March 2007

The Executive Director has overall responsibility for medical services including direct service provision and ongoing medical education, pharmacy, medical records, the library, ethics and research as well as professional medical issues. John ensures all medical staff have appropriate credentials and actively encourages the placement of medical students at Ballarat Health Services. In conjunction with all the clinical executives, he has an active role developing clinical governance frameworks, embracing clinical risk management and continuous quality improvement.

Geraldine Webster
RN BAAppScNsg BN(Mgt)
GradCertGerontology FRCNA.
Executive Director - Nursing Services
Appointed July 2005

The Executive Director has professional and leadership responsibility for nursing credentialing and standards of practice for Acute, Sub-acute and Residential Services. Major management responsibilities include business, resource management, service planning and provision, and quality improvement and compliance.

Wendy Hubbard
BAppSc(PT) MAppSc(HM) MBA AFCHSE CHE
Executive Director Allied Health
Appointed March 2000

The Executive Director has responsibility for nine allied health disciplines, carries executive responsibility for the sub-acute services including rehabilitation, aged care evaluation and palliative care, and has responsibility for community-based services. With a special interest and expertise in quality systems, Wendy has responsibility for the BHS Quality and Safety Unit, overseeing the Clinical Governance structure and quality improvement and accreditation across BHS.

Ken Burnett
MHA BSW BA AMGC RPN
Executive Director Psychiatric Services
Appointed December 2003

The Executive Director is responsible for the full range of psychiatric services provided by Ballarat Health Services within the Grampians Region. These services include child and adolescent, adult, and aged persons mental health services both within the community and as inpatient services. Ken has professional responsibility for all psychiatric staff. He has a particular interest in the routine delivery of evidence-based 'best practice' treatments to clients and their carers, in the context of a family inclusive, recovery orientated, model of integrated mental health care.

Dale Fraser
MBA BBus FCPA FHSM
Executive Director Finance
Appointed July 1997

The Executive Director has responsibility for Ballarat Health Services integrated financial services including accurate and timely budget reports for the Board of Management and staff. Dale also has operational responsibility for finance, information technology, radiology, supply, fleet management, the print shop, insurance and taxation systems.

Trevor Olsson
BBus AIMM AFAHRI
Executive Director Human Resources
Appointed October 1999

The Executive Director's responsibilities include all aspects of strategic human resource management including recruitment, organisational change and development, payroll, industrial relations, equal employment opportunity, occupational health and safety, security services, as well as training and development.

Steven Jones
GradCertPubSecMgt AFCHSE
Executive Director Corporate Services
Appointment May 2005

The Executive Director Corporate Services has responsibility for engineering and environmental services as well as the business units, BHS Catering, Eureka Linen, and Safety Link. Steven also has responsibility for service planning and capital resources, accommodation along with facilities management and development.



BOARD OF MANAGEMENT



Lynne McLennan
President



Susanne McKenzie
Vice President



Jim Elvey
Vice President



Catherine Laffey
Chair of Finance



Brian Hassett



Julie Rae



Greg Haines



Mark Patterson



Paul Jans

EXECUTIVE STAFF COUNCIL



Andrew Rowe



John Gallichio



Geraldine Webster



Wendy Hubbard



Ken Burnett



Dale Fraser

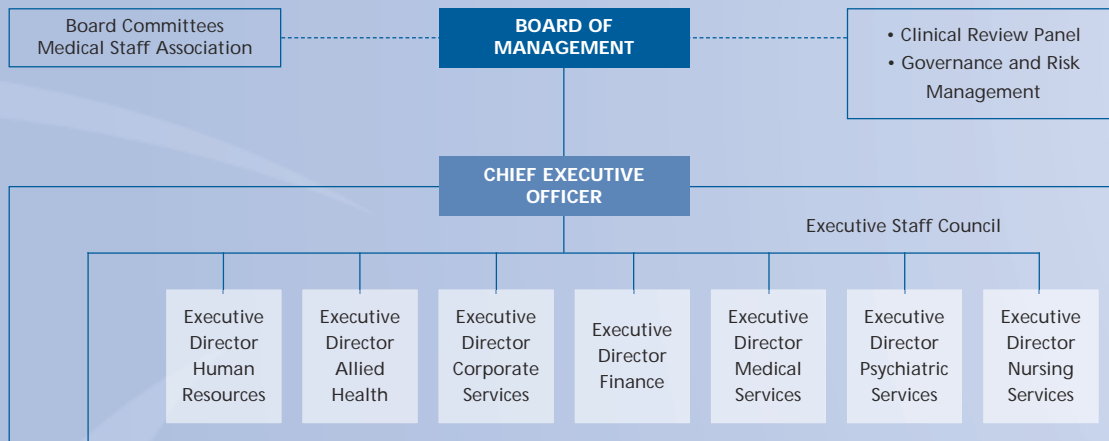


Trevor Olsson



Steven Jones

ORGANISATIONAL STRUCTURE



- Chief Information Officer
- Foundation and Fundraising
- Media and Communications
- Population Health and Strategic Planning
- Operational Performance
- Human Resources
- Employee Relations
- Payroll
- Occupational Health and Safety
- Equal Opportunity
- Training and Development
- Security Services
- Chaplains
- Service Planning and Quality
- Community Programs
- Centre Against Sexual Assault
- Physiotherapy
- Occupational Therapy
- Podiatry
- Dietetics
- Speech Pathology
- Psychology
- Social Work
- Exercise Therapy
- Prosthetics/Orthotics
- Accommodation
- BHS Catering
- Engineering Services
- Environmental Services
- SafetyLink
- Asset and Facilities Management
- Eureka Linen
- Capital Planning and Works
- Corporate Quality
- Finance
- Information Technology
- Medical Imaging
- Contracts and Taxation
- Supply
- Casemix Analyst
- Ambulatory Diagnostics
- Medical Administration
- Senior Medical Staff (Acute and Sub-Acute)
- Registrars / HMOs / Interns
- Medico Legal Services
- Pharmacy Services
- Health Information Services
- Library
- Mortuary
- Clinical Services - Psychiatry
- Ballarat Psychiatric Services
- Horsham Psychiatric Services
- Ararat / Stawell Psychiatric Services
- Adult Residential Mental Health Services
- Child and Adolescent Mental Health Services (CAMHS)
- Aged Persons Mental Health Services
- Primary Mental Health
- Education, Training and Development
- Quality and Performance
- Acute Wards/Units
- Sub Acute Wards
- Clinical Nurse Consultants
- Operating Theatres
- Outpatients
- After-hours Co-ordinator
- Nursing Education
- Residential Services



Nicole Coghlan, paediatric nurse shows Danielle Breust, University of Ballarat second year student nurse some of the finer points of the profession.

Ballarat Health Services employs 3200 full time and part time staff generating more than \$162 million annually into the Ballarat economy.

SENIOR STAFF



CHIEF EXECUTIVE OFFICER

Andrew Rowe
BHA, MHA, AFCHSE, CHE

EXECUTIVE SERVICES

Director, Foundation & Fundraising
Geoff Millar BA, BEd,
GradDipEdAdmin, DipTeach,
GradCertMgt, AMFIA

Manager, Media and Communications
Luke Mullane BA, FLBWR

Director Operational Performance
Fiona Brew RN, CertPeriopNsg,
GradDipAcuteCareNsg, MBA

Manager, Population Health and Strategic Planning
Tracey Wilson DipAppSci, MBA

Chief Information Officer
Paul Mannix BSc(Computer)

MEDICAL SERVICES

Executive Director
John Gallichio MBBS, FRACMA,
AFACHSE, MBA

Deputy Director
Linda Danvers MBBS, FRACGP,
DipRACOG

Manager Medical Resources
Dianne Mayall ADipBusMgt,
ADipComServ

Quality Co-ordinator
Susan Joy Shea BAppSc(Pod), PhD,
FAAQHC

Internal Medicine Service

Clinical Director Internal Medicine
Mark Yates MBBS, FRACP

Physicians

Cardiologists
Jack Gutman MBBS, FRACP, FCSANZ
Christopher Hengel MBBS, FRACP
John Stickland MBBS, FRACP, FRACRM
John van den Broek MBBS, FRACP

Gastroenterologists
Ian Hamilton BSc (Hons),
MBBS, MRCP, MD, FRCP, FRACP
Grant Phelps MBBS, FRACP, MBA, FAIM
Maree Pekin MBBS, FRACP

General (Sub-Specialty)
Michael Giles MBBS, FRCP (Neurology)
Christoph Gatzka MBBS (Bonn), MD
(Bonn), FRACP
James Hurley MBBS, BMedSci, PhD,
FRACP (Infectious Diseases)
Anthony Kemp MBBS, FRACP
(Endocrinology)
Brett Knight MBBS, FRACP
(Respiratory)
John Richmond MBBS, FRACP
(Nephrology)
Wayne Spring MBBS, FRCP, FRACP
(Sleep Studies/Neurology)

Neurologist
John King MD, FRACP

Oncologists

Geoffrey Chong, MBBS, FRACP
Kate Hamilton MBBS, FRACP
Stephen Vaughan MBBS, FRACP

Clinical Research Co-ordinator
Carmel Goss RN

Sub-Acute Medicine

Clinical Director of Sub-Acute Medicine
Mark Yates MBBS, FRACP

Physicians

Sarah Abrahamson, MBBS, FAFRM
Judith Adams MBBS, DGM, FRACP
John Hurley MBBS, LRCP, MRCS,
DObst, RCOG, MRCP, FAFRM
Rosie Shea MBBS, FRACP
Michael Vagg, MBBS, FAFRM (RACP)
Stewart Malcolm MBBS, BMedSci,
FAFRM

Palliative Care

Director of Palliative Care
David Brumley MBBS, FRACGP, MSC,
FACHPM

Palliative care Clinician
Greg Mewett, MBBS, DRCOG,
FRACGP, FACHPM
Kirrily Hartnell MBBS, FRACGP

Surgical Services

Chairman and Clinical Director
David Cook MBBS, FRACS (Urol)
Clinical Supervisor
Advanced Surgical Training
Stephen Tobin MBBS, FRACS,
FRCSI, FRCS

Surgeons

General:
Ruth Bollard, MB ChB, FRCS (Gen)
Peter Denton MBBS, FRACAS
David Deutscher BSc, MBBS, FRACS
Stuart Eaton MBBS, FRACS
Tom Fisher MBBS, FRACS
Andrew Lowe MBBS, FRACS
Bruce Stewart MBBS, FRACS
Stephen Tobin MBBS, FRACS, CIBGS
Robert Ventura MBBS, FRCS, FRACS

Vascular Surgeons
Michael Condous MBBS, FRACS
Robert Ventura MBBS, FRCS, FRACS

Urologists

David Cook MBBS, FRACS
Lachlan Dodds MBBS, FRACS
Richard McMullin MBBS, FRACS
Donald Moss MBBS, FRACS, FACS

Orthopaedic Surgeons
Istvan (Steve) Csongvay MBBS, FRACS
Hans Lombard, MB ChB, FC ORTHO
(SA)
David Mitchell MBBS, FRACS
John Nelson MBBS, FRACS
John Patrikios MBBS, FRACS
Paul Plank MBBS, FRACS

Oto-Rhino Laryngologists
Paul Donoghue MBBS, FRCS (Otol)
Mark Guirguis MBBS, FRACS
Niall McConchie MBBS, FRACS

Ophthalmologists
David McKnight MBBS, FRACO,
FRACS
Michael Toohy MBBS, FRACO

Facio Maxillary
Graeme Fowler MDSc, FDSRCPs

Plastic Surgeon
Robert Sheen MBBS, FRCS, FRACS

Women and Children's Services

Chairman and Clinical Director
Paul Davey MBBS, FRACOG

Gynaecological Oncologist
Tom Jobling MBBS FRAC

Obstetricians and Gynaecologists
Russell Dalton MBBS, FRANZCOG
Marilyn Fooks MBBS, FRANZCOG,
DDU
Deepika Monga MBBS, FRANZCOG,
MD(O&G), DNBE
Patrick Maloney MBBS, FRANZCOG

Paediatricians
Maurice Easton MBBS, FRACP
Brendan McCann MBBS, FRACP
Harry Zehnirith MBBS, FRACP

Neurologist (Paediatric)
Michael Hayman MBBS, FRACP

Critical Care Services

Chairman of Critical Care and Director of Emergency Department
Jaycen Cruickshank MBBS, FACEM

Director of Anaesthesia
Fred Rosewarne MBBS, FANZCA

Deputy Director of Anaesthesia
John Oswald MBBS, FANZCA

Supervisor of Training in Anaesthesia
Michael Shaw MBBS, FRCA, FANZCA

Anaesthetists
Bruce Christie MBBS, FANZCA
Graeme Clarke MBBS, FANZCA
Rob Gazzard MBBS, FANZCA,
FFICANZCA
Greg Henderson MBBS, FANZCA
Greg Hughes MBBS, FANZCA

Tony Keeble MBBS, FANZCA
Craig Mitchell MBBS, FRANZCA

Ross Phillips MBBS, FANZCA
Robert Ray MBBS, FANZCA
Angus Richardson MBBS, FANZCA
Sanjay Sharma MBBS, MD
Michael Shaw MBBS, FRCA, FANZCA
Neil Shorey MBChB, FRCA
Peep Toom MBBS, FANZCA
Mark Tuck MBBS, FANZCA
Michael Whitehead MBBS, FANZCA

Director of Intensive Care
Tony Sutherland MBBS, FANZCA,
FFICANZCA

Deputy Director of Intensive Care
Rob Gazzard MBBS, FANZCA,
FFICANZCA

Anaesthetists/Intensivists
Bruce Christie MBBS, FANZCA
Greg Henderson MBBS, FANZCA
Robert Ray MBBS, FANZCA
Mark Tuck MBBS, FANZCA
Craig Mitchell MBBS, FANZCA
Angus Richardson MBBS, FANZCA

EMERGENCY DEPARTMENT

Director of Emergency Medicine
Jaycen Cruickshank MBBS, FACEM

Deputy Director of Emergency Medicine
Steve Pincus, MBBS, FACEM (DEMT)
Heather Crook, MBBS, FACEM

Emergency Physicians
Nigel Beck, MBBS, FACEM
David Bruce, MBBS
Pauline Chapman MBBS, FACEM
Andrew Crellin MBBS, FACEM
Mark Hartnell MBBS, FACEM
Mark Harris, MBBS
Amanda Lishman MBBS, FACEM
Vince Russell, MBBS
Spiro Tsiouras MBBS, FACEM
Amanda Wilkin MBBS, FACEM
Michael Veal MBBS, FRACGP, FACRRM

Senior Medical Officers (Emergency Medicine)
Ahmed Alwan MBBS
Waad Elias MBBS

Radiology

Director of Radiology
Robert House MBBS, FRACR, DMU

Radiologists
Ross Breamore MBBS, MMed, FRACR
Allstair Firkin MBBS, FRACR
Molly House MBBS FRANZCR
Chien-Ping Ho, MBBS, FRANZCR
Alex Meakin MBBS, FRACR
Vince Mecuri MBBS, FRACR
Manish Mital MBBS, FRACR
Jim Mullany MBBS, FRACR
Yalda Thomas MBBS, FRACR
Ross Wilkie MBBS, FRACR, FRCR,
DMRD

Dorevitch Pathology

Pathologists
Anthony Roberts MBBS, FRCPA, FRC
(Path), MIAC
Vanaja Muthurajah, MBBS, FRCPA

Laboratory Manager
Michael Phyland BAppSc

Forensic Assistant
Charles Harpur

Pharmacy

Director
Geoff McCurdy, BPharm
GradDipBusMgt, FSHP

Health Information Services

Manager Clinical Information Services
Pauline Basilio BAppSc (MRA),

Manager, Libraries
Norma Worswick AALIA

PSYCHIATRIC SERVICES

Executive Director Psychiatric Services
Ken Burnett MHA, BSW, BA, AMGC,
RPN

Director of Clinical Services
Abdul Khalid (A/Prof) MBBS,
FRANZCP, MD(Psych), CCST

Consultant Psychiatrists

Praveen Thottappillil MBBS,
MD(Psych), FRANZCP
Rajul Tandon MBBS, MD(Psych)
Anupam Pokharel MBBS, MD(Psych),
FRANZCP
Ram Singh MBBS, MD(Psych)
Manisha Mishra MBBS, MD(Psych)
Vinit Mathur MBBS, DPM, MD(Psych)
Ramesh Chandra MBBS, MD(Psych)
Sonia Ghai MBBS, DPM(Psych),
DNB(Psych)
David Barton MBBS(UNSW), FRANZCP,
MRACMA
Richard Kefford MBBS, FRANZCP,
Cert.Acc.Trng C&A Psychiatry (RANZCP)
Harish Kalra, MBBS, FRANZCP,
MD(Psych)

Service Managers

Manager Ballarat Psychiatric Services
Michael Struth MHSM, RPN,
GradCertHlthSci (HSM).

Manager Ballarat Northern Adult Community Psychiatric Services
Tamara Irish RN, RM, RPN

Manager Ballarat Southern Adult Community Psychiatric Services
Damien Adler

Manager Horsham Psychiatric Services
Paul Gibbs BA BSW MAASW
GradDipFamilyTherapy

Manager Ararat/Stawell Psychiatric Services
Michael Fryar RPN,
BAppSc(NSGAdmin), GradDip(PsychNsg),

Manager Child and Adolescent Mental Health Services
Joy Nicholls RN, RPN, BN,
GradDipMgt, GradDipFamilyTherapy

Manager Aged Persons Mental Health Services
Darren Gannon Psychologist,
BA(Hon), MBM

Manager Primary Mental Health and Early Intervention Services
Niki Reeve RN, RPN, PGradHRMgt

Manager Education, Training and Development
Julia Hailes RPN, B.Ed, Dip Ass&Trng
Systems, M.Ed

Manager Quality and Performance
Mario Santilli RPN, GradDipPsychNsg

NURSING SERVICES

Executive Director Nursing Services
Geraldine Webster RN, BAppScNsg,
BN(Mgt), GradCertGerontology, FRCNA

Patient Flow Coordinators
Marlene Monck RN, CertCCare,
GradDipBusMgt

Rita Coad RN, RM
Liana Besenghi RN, RM, BN, BA,
BTeach, GradDipAdmin(Hlth)
Cheryl Allen RN, RM

Jenny Wallace RN
Michelle Johns Galea RN
Helen Rylands RN, ICU Cert,
GradDipCritCare, GradDipBus

Nolene Petzke RN
Annette MacFarlane RN,
GradDipBusMgt, GradDipHM

Karina Rieniets RN BANursing,
CertCCare, Dip Bus
Bed Management/Nurse Bank

Jean Dyer RN, RM,
DipHosNsg&UnitMgt (retired Oct 2007)

Casual Workforce Manager

Michelle Koenen

Director of Nursing Business Services
Mick Kirby RN, BAppScNsg, Grad. Dip.
Business Management, CCRN, MRCNA

Director Nursing Education & Practice Development
Denielle Beardmore MEd,
GradDipEdT, GradDipAdvClinicalNsgOnc/
PallCare, BN, DipHlthSci, Cert
IVAss&Tng



Demand continued to reach record levels at Ballarat Health Services during the 2007 / 2008 year.

Significant factors behind the increase in service demand can be attributed to an increase in same day elective surgery procedures, a severe influenza and gastroenteritis outbreak in the 2007 winter, greater referrals from outside of Ballarat, ageing population and the region's general practitioner shortage.

In the past five years some areas have seen demand increase by up to 35 per cent.

It should also be noted that BHS provides a wide array of complex patient care and diagnostic services across the continuum of health care and is the only provider of a number of specialty services in the region.



Ballarat Health Services continues to experience record growth particularly in the areas of emergency and maternity. Dr David Bruce is one of the dedicated staff in the BHS emergency department.

FINANCIAL	2006/07	2007/08	%change
Total Revenue	211,763	229,575	8.41%
Total Expenditure	212,708	230,005	8.13%
Total Assets	227,267	235,331	3.55%
Total Liabilities	65,211	70,304	7.81%
Performance Indicators			
Inpatients treated			
Acute Hospital	30,318	31,808	4.91%
Extended Care	907	923	1.76%
Psychiatric Care	722	733	1.52%
ALOS (Acute)	2.39	2.37	-0.83%
Bed Days			
Acute	72,444	75,373	4.04%
Extended Care	20,672	21,005	1.15%
Psychiatric	16,896	15,169	-10.22%
Non-admitted Patient Services			
Medical Outpatients	35,709	36,694	2.76%
Allied Health	11,093	10,843	-2.25%
Psychiatric Community	92,448	100,409	8.61%
Aged Care Assessment Service	2696	3,120	15.73%
Community Rehabilitation	10,455	10,688	2.23%
Emergency	40,014	43,192	7.94%
Numbers of Births	1199	1192	-0.58%
Waiting List (average)			
Acute	1140	1017	-10.79%
Residential	58	64	10.34%
Other			
Fundraising Income	945,000	1,155,000	22.22%

ADMITTED PATIENTS



ADMITTED PATIENTS	Acute	Mental Health	Aged	Total
Separations				
Sameday	18,352	16	2	18,370
Multiday	13,456	717	921	15,094
Total Separations	31,808	733	923	33,464
Emergency	11,700	602	2	12,304
Elective	17,163	129	825	18,117
Other inc Maternity	2,945	2	96	3,043
Total Separations	31,808	733	923	33,464
Total WIES	21,422			
Total Bed Days	75,373	15,169	21,005	111,547

Source: VAED

NON ADMITTED PATIENTS	Acute	Mental Health	Aged	Total
Emergency Department Presentations	43,192			43,192
Outpatient Services - occasions of services (VACS and Non VACS clinics)	36,694	100,409		137,103
Other Services - occasions of services	10,843			10,843
Total occasions of service	90,729	100,409		191,138
Victorian Ambulatory Classification System - Number of Encounters	40,556			40,556

Source: AIMS

1. ELECTIVE SURGERY PERFORMANCE

	2008	2007
Category 1 proportion of patients waiting less than 30 days %	100%	100%
Category 2 proportion of patients waiting less than 90 days %	89%	96%
Category 3 proportion of patients waiting less than 365 days %	84%	83%

Source: ESIS (Excludes PPP 500 codes)

2. EMERGENCY DEPARTMENT PERFORMANCE

	2008	2007
2a. Percentage of Triage category 1 emergency patients seen immediately	100%	100%
2b. Percentage of emergency patients admitted to an inpatient bed within eight hours	79%	83%
2c. Percentage of operating time on hospital bypass	N/A	N/A
2d. Percentage of non-admitted emergency patients with a length of stay (LOS) of less than 4 hours	89%	89%
2e. Number of patients with an emergency department length of stay greater than 24 hours	0	0

Source: VEMD

BALLARAT HEALTH SERVICES REVENUE INDICATORS 2007/08



	Under 30 Days	31-60 Days	61-90 Days	Over 90 Days	Total 30/06/08	Total 30/06/07	Total 30/06/06	Total 30/06/05
Privates	1,155,331	88,722	9,783	19,039	1,272,875	1,196,850	1,189,339	1,072,199
TAC	41,517	2,253	1,228	14,990	59,988	32,846	37,729	4,466
VWA	74,249	10,226	3,895	2,675	91,045	112,799	38,791	35,838
Nursing Home	43,713	27,309	16,127	35,505	122,654	167,518	72,833	71,557
Total	1,314,809	128,511	31,033	72,208	1,546,561	1,510,014	1,338,692	1,184,061

	Total Private	Total TAC	Total W/C	Total N/H
Average Monthly Raisings	620,276	10,045	29,897	558,507
Debtor	1,272,875	59,988	91,045	122,654
Average Collection Days 30/06/2008	62.4	181.6	92.6	6.7
Average Collection Days 30/06/2007	60.6	75.0	86.9	9.3
Average Collection Days 30/06/2006	57.5	169.1	56.9	4.2
Average Collection Days 30/06/2005	62.3	20.9	61.7	4.1

WORKFORCE DATA

	2004	2005	2006	2007	2008
Total Staff Employed	2932.00	2674.00	2836.00	2949.00	3196.00
Nursing	832.34	839.28	868.43	874.25	901.08
Doctors	97.81	122.58	122.40	134.07	165.90
Allied Health					
Ancillary Support	127.84	136.52	158.71	157.19	184.43
Administration/ Clerical	268.93	281.75	301.76	328.81	341.92
Hotel Allied	316.23	304.18	383.56	388.26	398.87
Medical Support	222.79	218.40	145.79	152.46	161.75
Total Staff Employed EFT	1865.94	1902.71	1980.65	2035.04	2153.94



Caring for the environment

Ballarat Health Services has continued its proactive approach towards a sustainable environment through its effective waste management program and, in a more holistic way, through the establishment and care of sensory gardens around the residential sites.

The key to reducing the amount of wastage produced has been to encourage and assist our facilities to practice good waste management and segregation, that is separating, of different types of waste "streams" together with the "3Rs" program of Reduce, Re-use and Recycle.

Waste volumes and recycling percentages have remained consistent while there have been significant increases to production and organizational growth. Our overall waste volume is up 71,311 kilograms or 11.68 per cent on last year.

In the 2007 / 2008 financial year we recycled 38.27 per cent up 0.85 per cent from 2006/2007 figures. We continue to recycle food waste, paper, cardboard, glass, cans, medical scrap metals and printer cartridges. Appropriate equipment is donated to third world countries.



Natasha Burns and Bernadette Kauss are part of the busy environmental services team which is dedicated towards a sustainable environment through an effective waste management program.

WASTE MANAGEMENT

	2003	2004	2005	2006	2007	2008
Total waste costs \$						
Base Hospital	102,511	105,696	115,771	104,228	116,456	144,504
OEC	23,726	25,516	27,951	28,852	30,581	40,695
Recycling Volumes kg						
Food & waste to worm farm	128,960	131,040	119,120	136,980	144,540	143,440
Paper and cardboard	53,980	57,680	59,650	55,915	60,360	76,365
Cans, glass and plastics	2,759	3,046	3,913	5,140	6,819	8,738
Document destruction	9,039	11,162	11,571	12,652	13,265	16,590
Medical Scrap Metal					2,169	13,750
Printer Cartridges					1,170	1,675
Recycling Batteries						243
Total	193,738	202,928	194,254	210,687	228,323	260,801
Landfill kg						
General Waste	263,070	256,050	266,370	285,450	301,470	328,692
Incineration kg						
Bio medical waste	61,017	60,903	68,272	73,753	80,329	91,918
Waste Total kg	324,087	316,953	334,642	359,203	381,799	420,610
Combined Total kg	517,825	519,881	528,896	569,890	610,122	681,411
Recycling %	37.6	39.04	36.73	36.96	37.42	38.27%



The Ballarat Health Services and St John of God Health Care, Ballarat joint Human Research Ethics Committee (HREC) has continued to receive applications for single centre, multi-centre and international projects from a broad range of research categories, as shown below:

Research Category	No of Applications
Clinical (drug/device) trials	9
Clinical Research	8
Public Health	5
Psychological	4
Social Science	6
Quality Management	1
TOTAL	33

All applications submitted received ethical approval, generally conditional upon acceptance of the Committee's requests for amendments or following clarification of matters of concern. Again, no complaints were received by the HREC in relation to ethical conduct of research approved by the Committee and the NHMRC also made a positive assessment of the HREC's activities for the preceding twelve months.

The projects listed below are those submitted by Ballarat Health Services staff or Visiting Medical Officers and subsequently approved.

- Inter-observer reliability of radiologist interpretation of CT in patients with clinical scaphoid fracture and normal x-rays
Dr Jaycen Cruickshank, Clinical Director, Emergency Medicine
- Factors which influence resilience to burnout and build up well-being among palliative care doctors
Dr David Brumley/Dr John Fisher, Gandarra Palliative Care
- Investigation of ongoing impairments and functional limitations 3-6 months following total hip or knee arthroplasty – A pilot study"
A/Professor Bev Phillips, A/Professor of Allied Health
- **BIO21:** MMIM (Molecular Medicine Informatics Model) Project – Australian Cancer Grid"
Dr Kate Hamilton, Dr Geoff Chong, Dr Stephen Vaughan, Medical Oncologists
- Survey of Health Priorities of older Australians with a focus on screening colonoscopy"
Dr Mark Yates, Clinical Director, Internal Medicine & Sub-Acute Services
- NCICCTG Study Protocol CA182009: A Phase III randomised study of Brivanib Alaninate (AMBS 582664) in combination with Cetuximab (Erbix) versus placebo in patients previously treated with combination chemotherapy for metastatic colorectal carcinoma
Dr Geoff Chong, Medical Oncologist
- **PRISM Study:** Amgen Protocol 20062088. A Phase II, single-arm, open label, multi-centre trial of second-line Panitumumab monotherapy in patients with metastatic recurrent squamous cell carcinoma of the head and neck
Dr Kate Hamilton, Medical Oncologist
- **Protocol B021128/Version A:** A Phase II Dose-Escalation to Rash Trial of Erlotinib (Tarceva®) plus Gemcitabine in patients with metastatic pancreatic cancer"
Dr Kate Hamilton, Medical Oncologist
- Assessment of non-invasive forearm blood pressure monitoring in patients with a Body Mass Index (BMI) of 35 or more undergoing surgery
Dr Michael Shaw, VMO Anaesthetist
- A Quality Improvement Initiative on the discharge management of Acute Coronary Syndromes (DMACS)
Ms Chritine Tauschke, Critical Care Research Study Coordinator
- **Study No: AZ3110866** – A fixed dose study of SB-742457 –v- placebo when added to existing Donepezil treatment in subjects with mild-to-moderate Alzheimer's disease
Dr Mark Yates, Clinical Director, Internal Medicine & Sub-Acute Services
- A family-centred model of care in Paediatric Speech Pathology: A pilot study
A/Professor Bev Phillips, A/Professor of Allied Health

Ballarat Health Services continues to be grateful to the HREC, and particularly the external members who volunteer their time to continue the vital task of safeguarding our patients and staff as potential participants in research.



PUBLICATIONS & PRESENTATIONS

- **Brumley, D. & Fisher, J.** (2008). Listen up! Hearing all the voices in caring for palliative patients in a regional/rural setting. Paper presented at the Kochipallcon Conference, Kochi, India, February 2008.
- **Brumley, David.** (2007). Listen up! Hearing all the voices in caring for palliative patients in a regional/rural setting. Paper presented at the 9th Australian Palliative Care Convention, Melbourne, 28-31 August.
- **Brumley, David** (2007). Pain & Symptom Management. Keynote address at the 1st Grampians Regional Palliative Care Conference, 23-24 May, Mid City Motel, Ballarat.
- **Fisher, John** (2007). Influences on effectiveness of Palliative Care education for aged care staff. Paper presented at the 9th Australian Palliative Care Convention, Melbourne, 28-31 August.
- **Fisher, John** (2007). Listen up! Hearing all the voices in caring for palliative patients in a regional/rural setting. Paper presented at the University of Melbourne 2007 Shepparton Research Conference, 'Moving Forward: Rural research & Knowledge Transfer,' 27 November
- **Fisher, John** (2007). Spiritual Health And Life-Orientation Measure. In M. Oliver et al. (Eds.) Assessment Tools pp. 74-78 of Pastoral care, counselling and support: Reflective practice in palliative care – A Resource Manual for Health Professionals. Adelaide: University of South Australia.
- **Fisher, J.W. & Brumley, D.J.** (2008) Nurses' and Carers' Spiritual Well-Being in the Workplace. Australian Journal of Advanced Nursing, 25(4): 49-57
- **Hartnell, Kirrily** (2007). The Role of GPs in Palliative Care. Paper presented at the 1st Grampians Regional Palliative Care Conference, 23-24 May, Mid City Motel, Ballarat.
- **Hengel, Chris Camuglia Anthony, Manins Vance, Taylor Andrew,** Case Report and Review: Epicardial Coronary Artery Fibromuscular Dysplasia Heart Lung Circ. 2008 Jan 30; : 18242135 (P,S,G,E,B,D)
- **Hudson, P., Thomas, K., Kristjanson, L., Quinn, K.A., Braithwaite, M., Fisher, J. & Cockayne** (2008) Evaluation of a psycho-educational group programme for family caregivers in home-based palliative care. Palliative Medicine, 22(3): 270-280.
- **Hurley JC.** 'Hazards of thrombolytic therapy for stroke: the real world experience' Intern Med. J. 2007;37:348-349.
- **Hurley JC.** 'Tissue plasminogen activator for acute ischaemic stroke' Med. J. Aust. 2008; 188 (8): 488.
- **Hurley JC** (2008) 'Profound effect of study design factors on ventilator associated pneumonia incidence of prevention studies.' Benchmarking the literature experience. J Antimicrob Chemother 61: 1154-1161
- **Mani VK, Phelps G, Hamilton I, Goss C, Shea S** 'A Regional Centre's experience of combination therapy for Hepatitis C'. Presented as a poster, Royal Australasian College of Physicians Annual Scientific Meeting Adelaide May 2008
- **Phelps G., Gruner L.,** "Quality Improvement Training: Is this the promised land of Doctor Engagement" Presented at the Royal Australasian College of Medical Administrators Annual Scientific August 2007
- **Phelps, G. Gruner L., Watters D A** 'Engaging Rural Doctors in Quality Improvement, a collegiate first step' Presented at Internal Medicine Society of ANZ Annual Scientific meeting Adelaide September 2007
- **Phelps G.** 'The essential component of high performance'. Presentation regarding clinical leadership and high performance clinical cultures. Presented at Australian Centre for Clinician Leadership Gold Coast April 2008
- **Phelps G.** 'Leading by example'. Presentation on current state of clinician leadership both internationally and nationally. Presented at Australian Centre for Clinician Leadership Gold Coast April 2008
- **Phelps G.** 'Cutting through the red tape' A discussion of waste in health care. Presented at Australian Centre for Clinician Leadership Gold Coast April 2008
- **Phelps G.** 'Making talent a strategic priority' Workshop on managing staff presented at Australian Centre for Clinician Leadership Gold Coast April 2008
- **Phelps G, Gruner L** 'Keeping the customer satisfied' An interactive workshop presented to the Royal Australasian College of Physicians Annual Scientific Meeting May Adelaide 2008
- **Phelps G, McMillan A** 'Engaging Doctors - The Continuing Leadership Challenge in implementing a New Strategy' Australian College of Health Service Executives Victorian Workshop July 18 2008
- **Phelps G,** 'Competent Doctors, Competent Systems' Centre for Research Excellence in Patient Safety Seminar Credentialing and Health Care - Adelaide August 15 2008
- **Phelps G.** 'Enhancing Medical Practice in Victoria's Public Hospitals' Medical Practitioner's Board of Victoria Bulletin June 2008



- Phelps G. Shea S. (2007) Winter; 11-15 'Assessing Service Quality in the Outpatient setting: The patient perspective' Journal of the Australasian Association for Quality in Healthcare
- Phelps G. 'Enhancing Medical Practice in Victoria's Public Hospitals' Medical Practitioner's Board of Victoria Bulletin June 2008
- Tobin Stephen 'Impact of National Bowel Cancer Screening Project' - RACS Victorian Fellowship Scientific Meeting, Mt Eliza, 20/10/2007
- Tobin, Stephen 'Provincial Colorectal Surgery Outcomes : Single Surgeon Prospective Audit' Provincial Surgeons Association (PSA), 43rd Annual Scientific Congress, Whyalla, 14/11/2007 (runner-up for best scientific paper)
- Tobin Stephen, Cheng Anthony, Lowe Andrew, Eaton Stuart, Fisher Thomas 'Ventral Hernia - A Regional experience and literature review' - PSA, 16/11/2007

LEGISLATIVE COMPLIANCE

Ballarat Health Services uses web based compliance software package to record and manage risks and compliance obligations in line with Australian Standards.

WHISTLEBLOWERS PROTECTION ACT 2001

There were no disclosures received during 2007/08. Disclosures of improper conduct by Ballarat Health Services or its employees can be made to the Protected Disclosure Officer in writing to Ballarat Health Service PO Box 577 Ballarat Vic 3353 or by telephone 5320 4093.

FREEDOM OF INFORMATION REQUESTS

Applications received:

2004	2005	2006	2007	2008
252	200	215	293	215

FEES

All fees charged by Ballarat Health Services are regulated by the Commonwealth Department of Health and Aged Care, the Commonwealth Department of Family Services and the Hospitals and Charities (Fees) Regulations 1986, or as otherwise determined by the Department of Human Services.

NATIONAL COMPETITION POLICY

Ballarat Health Services complied with all government policies regarding competitive neutrality with respect to all tender applications.

VICTORIAN INDUSTRY PARTICIPATION POLICY ACT 2003

Ballarat Health Services abides by the principles of the Victorian Industry Participation Policy. In 2007/08 there were no contracts commenced or completed by BHS under this act.

CONSULTANCIES

There were no consultancies in excess of \$100,000 at Ballarat Health Services during the year. There were four consultancies less than \$100,000 totaling \$49,726.

COMPLIANCE WITH BUILDING ACT

The following report describes the extent to which Ballarat Health Services complies with the Building Act 1993 - Guidelines issued by the Minister for Finance for publicly owned buildings.

STATEMENT OF MERIT AND EQUITY

Ballarat Health Services ensures open competition in recruitment, selection, transfer and promotion, bases its employment decisions on merit, treats employees fairly and reasonably, provides employees with a reasonable avenue of redress against unfair or unreasonable treatment, does not discriminate, directly or indirectly, on the basis of various individual proclivities personal characteristics, beliefs and social activities.

OCCUPATIONAL HEALTH AND SAFETY

The Occupational Health and Safety Act 2004, which was introduced into health services from 1 July 2005 places responsibility on employers and employees to ensure a safe environment for staff, patients and visitors. Ballarat Health Services acknowledges its requirement under law, to provide a safe environment for staff, patients, residents and visitors at any of our facilities. During the 2007 / 2008 year there was 32 workplace injuries reported.

COMPLIANCE WITH RISK MANAGEMENT STANDARDS

I, Sue Gervasoni certify that Ballarat Health Services has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executives to understand, manage and satisfactorily control risk exposures. The audit committee verifies this assurance and that the risk profile of Ballarat Health Services has been critically reviewed within the last 12 months.

Signed Sue Gervasoni



ASSESSMENTS

Ballarat Health Services undertakes routine audits on its buildings to ensure buildings comply with the Minister for Finance guidelines in relation to the maintenance of publicly owned buildings.

Capital works are referred to the Capital Planning and Works Committee for prioritization as part of the Capital Budget. Minor Works are addressed using the Maintenance Budget.

Fire Reports are current with a routine planned review commissioned on all buildings owned by Ballarat Health Services. This review will be completed in early 2008 / 2009. Works to address any issues identified in these reports will be addressed on a priority basis during the year.

During the financial year the following works were undertaken to ensure compliance with relevant standards and to maintain operational effectiveness of Ballarat Health Services.

BUILDING WORKS

- Occupancy Permits issued 1
- Works in construction and the subject of mandatory inspection 0

MAINTENANCE

- Notices issued for rectification of substandard building requiring urgent attention 0
- Involving major expenditure and urgent attention 0

ESSENTIAL SAFETY MEASURES

Ballarat Health Services buildings constructed after July 1994 have been designed to conform to *The Building Act 1993* and its regulations as well as to meet other statutory regulations that relate to health and safety matters. All buildings have been issued with occupancy permits. All building practitioners engaged by Ballarat Health Services are required to produce evidence of current registration on commencing a project, as well as evidence that their registered status will be maintained throughout the year.

Ballarat Health Services operates a comprehensive Essential Safety Measures programme to ensure essential safety systems are operating at the required level of performance.

Compliance involves ensuring that all Essential Safety Measures covered by the regulations are being maintained to fulfil their purpose. It also involves keeping records of maintenance checks, completing an Annual Essential Safety Measures Report, and retaining records and reports on the premises for inspection by the Municipal Building Surveyor or the Chief Fire Officer on request.

Safety Measures Reports (Form 10) are prepared annually for properties owned by Ballarat Health Services to confirm the performance of the Essential Safety Measures.

An Essential Safety Measures audit has been recently commissioned on all buildings owned by Ballarat Health Services; this will be completed in early 2008 / 2009 and will ensure that all Essential Safety Measures are included in our current programme.



ACCOUNTABLE OFFICER'S, CHIEF FINANCE OFFICER'S AND MEMBER OF RESPONSIBLE BODY'S DECLARATION



We certify that the attached financial report for Ballarat Health Services have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards, Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes forming part of the financial report, presents fairly the financial transactions during the year ended 30 June 2008 and financial position of Ballarat Health Service as at 30 June 2008.

We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

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

President
Ms H L McLennan

Chief Executive Officer
Mr A R Rowe

Chief Finance Officer
Mr D J Fraser

Dated the 28th day of August, 2008 at Ballarat.



VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

Ballarat Health Services

To the Board Members of Ballarat Health Services

The Financial Report

The accompanying financial report for the year ended 30 June 2008 of Ballarat Health Services which comprises the operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the board member's, accountable officer's, and chief finance and accounting officer's declaration has been audited.

The Board Members Responsibility for the Financial Report

The Board Members of Ballarat Health Services are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

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. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The 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 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 Ballarat Health Services' 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 obtained is sufficient and appropriate to provide a basis for my audit opinion.



VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial statements published in both the annual report and on the website of the Ballarat Health Services for the year ended 30 June 2008. The Board Members of Ballarat Health Services are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on Ballarat Health Services' web site.

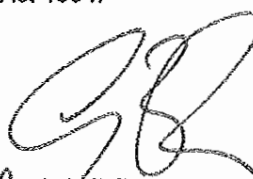
Independence

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.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Ballarat Health Services as at 30 June 2008 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
5 September 2008



DDR
D D R Pearson
Auditor-General



**BALLARAT HEALTH SERVICES
OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$000	2007 \$000
Revenue from Operating Activities	2,2(a)	219,141	202,332
Revenue from Non-Operating Activities	2,2(a)	509	625
Employee Benefits	2(c)	162,316	151,071
Supplies and Consumables	2(c)	19,959	18,382
Other Expenses from Continuing Operations	2(c)	37,107	33,347
Finance Costs	4	-	8
NET RESULT BEFORE CAPITAL & SPECIFIC ITEMS		268	149
Capital Purpose Income	2,2(a)	9,925	8,806
Capital Purpose Expense	2(c)	607	946
Depreciation	3	10,016	8,954
		(698)	(1,094)
NET RESULT FOR THE YEAR	16	(430)	(945)

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




**BALLARAT HEALTH SERVICES
BALANCE SHEET AS AT 30 JUNE 2008**

	Note	2008 \$000	2007 \$000
ASSETS			
Current Assets			
Cash and Cash Equivalents	5,17	751	2,834
Inventory	8	1,117	1,084
Receivables	6,17	7,613	5,374
Other Financial Assets	7,17	17,026	14,193
Prepayments	9	427	766
Total Current Assets		26,934	24,251
Non Current Assets			
Receivables	6,17	521	1,683
Other Financial Assets	7,17	12,889	11,942
Property, Plant and Equipment	10(a)	194,292	188,662
Intangible Assets	10(b)	695	729
Total Non Current Assets		208,397	203,016
TOTAL ASSETS		235,331	227,267
LIABILITIES			
Current Liabilities			
Payables	11,17	11,604	10,351
Employee Benefits	12	34,448	30,002
Other Liabilities	13	19,923	19,424
Total Current Liabilities		65,975	59,777
Non Current Liabilities			
Employee Benefits	12	4,208	4,792
Other Liabilities	13	121	642
Total Non Current Liabilities		4,329	5,434
TOTAL LIABILITIES		70,304	65,211
NET ASSETS		165,027	162,056
EQUITY			
Specific Purpose Reserve	14,15	18,563	16,800
Contributed Capital	14	149,599	147,914
Asset Revaluation Reserve	14	18,842	17,126
Retained Earnings	14	(21,977)	(19,784)
TOTAL EQUITY	14	165,027	162,056

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



**BALLARAT HEALTH SERVICES
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$000 Inflows (Outflows)	2007 \$000 Inflows (Outflows)
TOTAL EQUITY AT BEGINNING OF FINANCIAL YEAR		162,056	162,869
Gain/(Loss) on Asset Revaluation	14	1,716	132
NET INCOME RECOGNISED DIRECTLY IN EQUITY		1,716	132
Net result for the year		(430)	(945)
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR		1,286	(813)
Capital contribution received from Victorian Government	14	1,685	-
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR		165,027	162,056

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





**BALLARAT HEALTH SERVICES
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$000 Inflows (Outflows)	2007 \$000 Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Grants from Government (inclusive of goods and services tax)		176,768	179,163
Patient Fees		13,358	12,199
Interest Received		2,606	2,290
Other (inclusive of goods and services tax)		29,646	29,650
Goods and Services Tax Received		3,078	-
Payments			
Employee Benefits		(158,454)	(148,712)
Goods and Services Tax Paid		(950)	(11,610)
Other (inclusive of goods and services tax)		(60,363)	(56,691)
CASH GENERATED FROM OPERATIONS		5,689	6,289
Capital Development Funds		2,508	2,455
Capital Grants		4,596	3,946
Proceeds from Donations and Bequests		1,155	945
Repayment of Monies Held in Trust		(7,054)	(6,146)
Proceeds from Monies Held in Trust		7,032	8,318
NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES	16	13,925	15,807
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(16,365)	(12,987)
Purchase of Investments		(7,503)	(24,750)
Sale of Investments		3,602	18,935
Proceeds from Sale of Property, Plant and Equipment		2,573	2,760
NET CASH INFLOWS/(OUTFLOWS) FROM INVESTING ACTIVITIES		(17,693)	(16,042)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest on Borrowings		-	(8)
Repayment of Borrowings		-	(379)
Contributed Capital from Government		1,685	-
NET CASH INFLOWS/(OUTFLOWS) FROM FINANCING ACTIVITIES		1,685	(387)
NET INCREASE/(DECREASE) IN CASH HELD		(2,083)	(622)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		2,834	3,456
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	751	2,834

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



**NOTE 1: STATEMENT OF SIGNIFICANT
ACCOUNTING POLICIES**

(a) Statement of Compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the Financial Management Act 1994, applicable Australian Accounting Standards (AAS), which includes the Australian accounting standards issued by the Australian Accounting Standards Board (AASB), Interpretations and other mandatory professional requirements.

(b) Basis of preparation

The financial report is prepared in accordance with the historical cost convention, except for the revaluation of certain non-current assets and financial instruments, as noted. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AAS's, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; or in the period of the revision, and future periods if the revision affects both current and future periods.

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 report for the year ended 30 June 2008, and the comparative information presented in these financial statements for the year ended 30 June 2007.

(c) Reporting Entity

The financial report includes all the controlled activities of Ballarat Health Services. Ballarat Health Services is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" entities under the AAS.

(d) Rounding Off

All amounts shown in the financial report are expressed to the nearest thousand dollars unless otherwise stated.

(e) Principles of Consolidation

Ballarat Health Service has not consolidated the Ballarat Health Services Foundation from 1 July 2006. The reason for the change is due to a change in the accounting standards AASB 127 where the factor in determining control was the ability to enjoy the majority of the benefits and to be exposed to the majority of the risks of another entity. We have relied on this factor, both under A-IFRS and A-GAAP, to consolidate the Foundation into the hospital accounts. However, during 2006 the AASB removed that Australian guidance from the standard and consequently that indicator of control no longer exists.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the balance sheet.

(g) Receivables

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 raised where doubt as to collection exists. Bad debts are written off when identified.



(h) Inventories

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

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

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

Cost is assigned to land for sale (undeveloped, under development and developed) and to other high value, low volume inventory items on a specific identification of cost basis.

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

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

(i) Other Financial Assets

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

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

Ballarat Health Services assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Loans and receivables Trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Held-to-maturity investments Where the entity has the positive intent and ability to hold investments to maturity, they are stated at amortised cost less impairment losses.

Available-for-sale financial assets Other financial assets held by the entity are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognized directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in profit or loss for the period. Fair value is determined in the manner described in Note 17.

(j) Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as patents, trademarks, computer software and development costs.

Intangible assets are initially recognized at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalized when it is expected that additional future economic benefits will flow to Ballarat Health Services.

Amortization is allocated to intangible assets with finite useful lives on a systematic (typically straight-line) basis over the asset's useful life. Amortization begins when the asset is available of use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or whenever there is an indication that the asset may be impaired. The useful lives of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. In addition, Ballarat Health Services tests all intangible assets with indefinite useful lives for impairment by comparing its recoverable amount with its carrying amount:

- annually, and
- whenever there is an indication that the intangible asset may be impaired.

Any excess of the carrying amount over the recoverable amount is recognized as an impairment loss.

Intangible assets with finite useful lives are amortised over a 3-5 year period (2007 10-15 years).



(k) Property Plant and Equipment

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

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

Plant, Equipment and Vehicles are measured at cost less accumulated depreciation and impairment.

(l) Revaluations of Non Current Physical Assets

Non-current Physical Assets measured at fair value are revalued in accordance with FRD 103C. This revaluation process normally occurs every five years, as dictated by timelines in FRD 103C which states the next revaluation to occur on 30 June 2009, or earlier should there be an indication that fair values are materially different from the carrying value. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised at an expense in net result, the increment is recognised as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within a class are offset against one another within that class but are not offset in respect of assets in different classes. Revaluation reserves are not transferred to accumulated funds on derecognition of the relevant asset.

(m) Investment Property

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

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

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as income or expenses in the

period that they arise. The properties are not depreciated.

Rental revenue from the leasing of investment properties is recognised in the Operating Statement in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the properties.

(n) Depreciation

Assets with a cost in excess of \$2,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives using the straight-line methodology. Estimates of the remaining useful lives for all assets are reviewed at least annually. This depreciation charge is not funded by the Department of Human Services. Depreciation rates are reviewed on an annual basis. Linen used in the Linen Service is considered a fixed asset of Ballarat Health Services and depreciated accordingly.

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

Building works currently in progress are not depreciated until the completion of the building project.

	2008	2007
Buildings	30 to 50 years	30 to 50 years
Plant & Equipment	8 to 10 years	8 to 10 years
Medical Equipment	4 to 10 years	4 to 10 years
Computers & Communications	3 to 5 years	3 to 5 years
Furniture & Fittings	3 to 10 years	3 to 10 years
Motor Vehicles	2 to 7 years	2 to 7 years
Intangible Assets	3 to 5 years	3 to 5 years
Other	3 to 5 years	3 to 5 years

(o) Payables

These amounts consist predominantly of liabilities for goods and services.

Payables are initially recognised at fair value, then subsequently carried at amortised cost and represent liabilities for goods and services provided to the health service prior to the end of the financial year that are unpaid, and arise when the health service becomes obliged to make future payments in respect of the purchase of these goods and services.

The normal credit terms are usually 30 Days from the end of this month in which the invoice was raised.



(p) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

(q) Resources Provided and Received Free of Charge or for Nominal Consideration

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

(r) Interest Bearing Liabilities

Interest bearing liabilities in the Balance Sheet are recognised at fair value upon initial recognition. Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the interest bearing liability using the effective interest rate method. Fair value is determined in the manner described in Note 17.

(s) Functional and Presentation Currency

The presentation currency of Ballarat Health Services is the Australian Dollar, which has also been identified as the functional currency of the entity.

(t) Goods and Services Tax

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

Receivables and Payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with 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 operating cash flow.



(u) Employee Benefits

Wages and Salaries, Annual Leave and Accrued Days Off

Liabilities for wages and salaries, including annual leave and accrued days off expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee's services up to the reporting date, classified as current liabilities and measured at nominal values.

Those liabilities that Ballarat Health Services does not expect to settle within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long Service Leave

Current Liability – unconditional LSL

(representing 10 or more years of continuous service) is disclosed as a current liability even where Ballarat Health Services 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:

Present value – component that Ballarat Health Services does not expect to settle within 12 months; and

Nominal value – component that Ballarat Health Services expects to settle within 12 months.

Non-Current Liability – conditional LSL

(representing less than 10 years of continuous service) 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. Conditional LSL is required to be measured at present value.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates of Commonwealth Government guaranteed securities in Australia.

Superannuation

Defined contribution plans

Contributions to defined contribution superannuation plans are expenses when incurred.

Defined benefit plans

The amount charged to the Operating Statement in respect of defined benefit plan superannuation

represents the contributions made by Ballarat Health Services to the superannuation plan in respect to the current services of current Ballarat Health Services' staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

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

The name and details of the major employee superannuation funds and contributions made by Ballarat Health Services are as follows:

Fund	Contributions Paid or Payable for the year	
	2008 \$000	2007 \$000
Defined benefit plans:		
Health Super	2,045	1,955
Defined contribution plans:		
Health Super	9,226	9,051
HESTA	957	757
Emergency Services Scheme	678	697
Other	228	175
Total	13,134	12,635

Ballarat Health Services does not recognise any defined benefit liability in respect of the superannuation plan because Ballarat Health Services 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. The Department of Treasury and Finance has assumed responsibility for the defined benefit liability of the Health Service, and administers and discloses the State's defined benefit liabilities in its financial report.

Termination Benefits

Liabilities for termination benefits are recognised when a detailed plan for the termination has been developed and a valid expectation has been raised with those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in other creditors unless the amount or timing of the payments is uncertain, in which case they are recognised as a provision.

On-Costs

Employee benefit on-costs (workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from provision for employee benefits.



(v) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred.

(w) Joint Ventures

Interests in jointly controlled operations and jointly controlled assets are accounted for by recognising in Ballarat Health Services' financial statements, its share of assets, liabilities and any revenue and expenses of such joint ventures. Details of the joint venture are set out in note 20.

(x) Intersegment Transactions

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

(y) Leases (Leased Property and Equipment)

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

Entity as lessor Amounts due from lessees under finance leases are recorded as receivable.

Entity as lessee Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Operating lease payments, including any contingent rentals are recognised as an expense in the 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.

Lease Incentives All incentives for the agreement of a new or renewed operating lease shall be 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 to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction or 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 are consumed.

The cost of leasehold improvements is 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.

(z) Revenue Recognition

Revenue is recognised in accordance with AASB 118 Revenue and is recognised as to the extent it is earned. 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 Grants are recognised as income when Ballarat Health Service gains control of the underlying assets in accordance with AASB 1004 Contributions. For reciprocal grants, Ballarat Health Services is deemed to have assumed control when the performance has occurred under the grant. For non-reciprocal grants, Ballarat Health Services is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Indirect Contributions

- Insurance is recognised as revenue following advice from the Department of Human Services.
- Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Acute Health Division Hospital Circular 13/2008.

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

Private Practice Fees Private practice fees are recognised as revenue at the time invoices are raised.

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

Interest Revenue Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial assets.

(aa) Fund Accounting

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



(ab) Services Supported By Health Services Agreement and Services Supported by Hospital and Community Initiatives

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

(ac) Comparative Information

Where necessary the previous year's figures have been reclassified to facilitate comparisons.

Ballarat Health Services took over responsibility for the Dental Clinic from Dental Health Services Victoria (DHSV) effective from the 26 May 2008.

At the effective date Dental Clinic Assets of \$94,417 were recognised and Employee Liabilities of \$38,884 were recorded by Ballarat Health Services. The assets were treated as income in the 2007/2008 financial year and DHSV has funded the Employee Liabilities.

(ad) Patient Trust Account

Ballarat Health Services holds deposits in trust on behalf of residents. As Ballarat Health Services has no claim on these funds they have been shown in the balance sheet as a liability.

(ae) Economic Dependency

Ballarat Health Services is dependent upon the State of Victoria, via the Department of Human Services, for the funding of a significant proportion of its operations.

(af) Going Concern

These accounts are prepared on a going concern basis. After due consideration of the results of the operations of Ballarat Health Services for the year ended 30 June, 2008, and the forecast cash flows of Ballarat Health Services for the next 12 months, the Board of Ballarat Health Services have determined that preparing the accounts on a going concern basis is appropriate.

(ag) Contributed Capital

Consistent with UIG Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities and FRD 2A Contributions by Owners, appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions that have been designated as contributed capital are also treated as contributed capital.

(ah) Net Result Before Capital & Specific Items

The subtotal entitled 'Net result Before Capital & Specific Items' is included in the Operating Statement to enhance the understanding of the financial performance of Ballarat Health Services. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, and items of unusual nature and amount such as specific revenues and expenses. The exclusion of these items are made to enhance matching of income and expense 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 Ballarat Health Services, the Department of Human Services and the Victorian Government to measure the ongoing result of Health Services in operating hospital services.

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

- Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment. It also includes donations of plant and equipment (refer note 1 (p)). 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.
- Specific income/expense, comprises the following items, where material:
 - o Voluntary departure packages
 - o Write-down of inventories
 - o Non-current asset revaluation increments/decrements
 - o Diminution in investments
 - o Restructuring of operations (disaggregation /aggregation of health services)
 - o Litigation settlements
 - o Non-current assets lost or found
 - o Forgiveness of loans
 - o Reversals of provisions
 - o Voluntary changes in accounting policies (which are not required by an accounting standard or other authoritative pronouncement of the Australian Accounting Standards Board).
- Depreciation and amortisation, as described in note 1 (k) and (n)
- Expenditure using capital purpose income, which comprises expenditure which either falls below the asset capitalisation threshold or does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income. The asset capitalisation threshold is set at \$2,000 (2007: \$2,000).



(ai) Category Groups

Ballarat Health Services has used the following category groups for reporting purposes for the current and previous financial years.

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

Mental Health Services (Mental Health) comprises all recurrent health revenue/expenditure on specialised mental health services (child and adolescent, general and adult, community and forensic) managed or funded by the state or territory health administrations, and includes: Admitted patient services (including forensic mental health), outpatient services, emergency department services (where it is possible to separate emergency departmental mental health services), community-based services, residential and ambulatory services.

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

Emergency Department Services (EDS) comprises all recurrent health revenue/expenditure on emergency department services that are available free of charge to public patients.

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

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

Off Campus, Ambulatory Services (Ambulatory) comprises all recurrent health revenue/expenditure on public hospital type services including palliative care facilities and rehabilitation facilities, as well as services provided under the following agreements: Services that are provided or received by hospitals (or area health services) but are delivered/ received outside a hospital campus, services which have moved from a hospital to a community setting since June 1998, services which fall within the agreed scope of inclusions under the new system, which have been delivered within hospitals i.e. in rural / remote areas.

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

Other Services excluded from Australian Health Care Agreement (AHCA) (Other) comprises revenue/expenditure for services not separately classified above, including: Public 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, Dental Health services including general and specialist dental care, school dental services and clinical education, Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including 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.

(aj) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting period. As at 30 June 2008, the following standards and interpretations had been issued but were not mandatory for financial years ending 30 June 2008. Ballarat Health Service has not and does not intend for adopted these standards early.



STANDARD / INTERPRETATION	SUMMARY	APPLICABLE FOR REPORTING PERIODS BEGINNING ON OR ENDING ON	IMPACT ON HEALTH SERVICES' ANNUAL STATEMENTS
AASB 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12.	Amendments arise from the release in February 2007 of interpretation 12 Service Concession Arrangements.	Beginning 1 July 2008.	The impact of any changes that may be required cannot be reliably estimated and is not disclosed in the financial report
AASB 8 Operating Segments	Supersedes AASB 114 Segment Reporting	Beginning 1 Jan 2009.	Not Applicable
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038]	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 Jan 2009.	Impact expected to be not significant.
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and interpretations 1 & 12]	Option to expense borrowing cost related to a qualifying asset had been removed. Entities are now required to capitalise borrowing costs relevant to qualifying assets.	Beginning 1 Jan 2009.	All Australian government jurisdictions are currently still actively pursuing an exemption for government from capitalising borrowing costs.
AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101	Editorial amendments to Australian Accounting Standards to align with IFRS terminology.	Beginning 1 Jan 2009.	Impact expected to be not significant.
Interpretation 12 Service Concession Agreements	Amendments arising from the release of AASB 2007-06	Beginning 1 Jan 2009.	Impact expected to be not significant.
AASB 1004 (Revised) Contributions	Relocation of requirements on contributions from AASs 27, 29 and 31, into AASB 1004.	Beginning 1 July 2008.	Impact expected to be not significant.
AASB 1050 Administered items	Relocation of the requirements for the disclosure of administered items from AAS 29 into a new topic-based Standard.	Beginning 1 July 2008.	Impact expected to be not significant.
AASB 1051 Land Under Roads	Relocation of the requirements for the disclose into a new topic-based Standard.	Beginning 1 July 2008.	Impact expected to be not significant.



STANDARD / INTERPRETATION	SUMMARY	APPLICABLE FOR REPORTING PERIODS BEGINNING ON OR ENDING ON	IMPACT ON HEALTH SERVICES' ANNUAL STATEMENTS
AASB 1052 Disaggregated Disclosures	Relocation of the requirements relating to reporting of disaggregated information from AAS 27 and AAS 29, into a new topic-based Standard.	Beginning 1 July 2008.	Impact expected to be not significant.
Interpretation 1038 (Revised) Contributions by Owners Made to Wholly-owned Public Sector Entities.	Relocation of the requirement on contributions from AASs 27, 29 and 31, into AASB 1004.	Beginning 1 July 2007.	Impact expected to be not significant.
AASB 2007-9 Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137]	Relocation of certain relevant requirements from the AASs 27, 29 and 31, into existing topic-based Standards. In particular, this Standard addresses: the notion of reporting entity as it applies to local governments and government departments; (a) restructures of local government; infrastructure, cultural, community and heritage assets; (b) control in the public sector; and (c) obligations arising from local government and government existing public policies, budget policies, election promises or statements of intent. This Standard also makes consequential amendments, arising from the short-term review of the requirements in AASs 27, 29 and 31, to AASB 5, AASB 8, AASB 101 and AASB 114.	Beginning 1 July 2008.	Impact expected to be not significant.

(ak) Information Technology Alliance

In June 2008, the Department of Human Services issued circular number 17/2008, which outlines government requirements for the operation of rural health information and communication technology (ICT) alliances. The policy outlines the accepted governance model for the operation of the ICT alliances. The policy requires public hospitals, public health services, multipurpose services and community health centres which are declared or established under the Health Services Act 1988, to enter into the alliance for the region in which they operate, in accordance with a Joint Venture Agreement (JVA). Consistent with this policy, upon the commencement of the JVA, Ballarat Health Services will assume certain rights and obligations, as a member of the joint venture.

Until such stage as the functions of the regional ICT service are re-established in a form that is consistent with the proposed JVA, Ballarat Health Service will continue to treat the funds held for regional purposes as a liability. This approach is consistent with the treatment in previous years. As at balance date, the finalisation of the JVA remains outstanding.



NOTE 2: REVENUE

	HSA 2008 \$000	HSA 2007 \$000	Non HSA 2008 \$000	Non HSA 2007 \$000	Total 2008 \$000	Total 2007 \$000
Revenue from Operating Activities						
Recurrent						
Government Grants						
- Department of Human Services	150,861	138,563	-	-	150,861	138,563
- Commonwealth Government						
- Residential Aged Care Subsidy	16,762	16,563	-	-	16,762	16,563
- Other	7,104	6,203	-	-	7,104	6,203
Total Government Grants	174,727	161,329	-	-	174,727	161,329
Indirect contributions by Department of Human Services						
- Insurance	2,018	2,462	-	-	2,018	2,462
Total Indirect Contributions by Department of Human Services	2,018	2,462	-	-	2,018	2,462
Patient and Resident Fees - [Note 2(d)]	12,831	12,300	-	-	12,831	12,300
Private Practice Fees	-	-	586	379	586	379
Total Patient and Resident Fees	12,831	12,300	586	379	13,417	12,679
Safety Link	-	-	8,327	7,122	8,327	7,122
Catering	-	-	4,816	4,745	4,816	4,745
Radiology	-	-	4,597	4,353	4,597	4,353
Eureka Linen	-	-	2,590	2,072	2,590	2,072
Salary Packaging	-	-	1,193	1,121	1,193	1,121
Accommodation	-	-	498	389	498	389
Education Services	-	-	249	735	249	735
Print Shop	-	-	196	200	196	200
Diabetic Shop	-	-	189	201	189	201
Car Parking	-	-	146	136	146	136
Pharmaceutical Sales	-	-	136	123	136	123
Total Business Units and Specific Purpose Funds	-	-	22,937	21,198	22,937	21,198
Recoupment from Private Practice for Use of Hospital Facilities	-	-	255	165	255	165
Donations & Bequests	-	-	334	443	334	443
Other Services	3,774	1,632	1,679	2,425	5,453	4,057
Sub-Total Revenue from Operating Activities	193,350	177,723	25,791	24,609	219,141	202,332
Revenue from Non-Operating Activities						
Interest	-	-	509	625	509	625
Sub-Total Revenue from Non-Operating Activities	-	-	509	625	509	625
Revenue from Capital Purpose Income						
Government Grants						
- Department of Human Services	-	-	4,110	3,864	4,110	3,864
- Commonwealth Government	-	-	1,668	1,614	1,668	1,614
Residential Accommodation Payments	-	-	840	841	840	841
Capital Interest	-	-	1,906	1,903	1,906	1,903
Donations and Bequests	-	-	821	502	821	502
Other Capital Purpose Income	-	-	580	82	580	82
Sub-Total Revenue from Capital Purpose Income	-	-	9,925	8,806	9,925	8,806
Total Revenue [refer to note 2(a)]	193,350	177,723	36,225	34,040	229,575	211,763

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



NOTE 2(a): ANALYSIS OF REVENUE BY SOURCE

	Admitted Patients	Outpatients	EDS	Ambulatory	Mental Health	RAC	Aged Care	Other	Total
	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000
Revenue from Services Supported by Health Service Agreement									
Government Grants	85,307	9,378	6,575	14,046	23,025	23,587	6,365	6,444	174,727
Indirect contributions by Department of Human Services									
- Insurance	985	108	76	162	266	272	74	74	2,018
Patient and Resident Fees - [Note 2(d)]	3,827	104	-	2,358	180	6,176	186	-	12,831
Other	1,385	559	3	852	352	267	199	157	3,774
Sub-Total Revenue from Services Supported by Health Services Agreement	91,504	10,149	6,654	17,418	23,823	30,302	6,824	6,675	193,350
Revenue from Services Supported by Hospital and Community Initiatives									
Business Units & Special Purpose Funds	-	-	-	-	-	-	-	27,033	27,033
Capital Purpose Income	-	-	-	-	-	-	-	7,513	7,513
Other	-	-	-	-	-	-	-	1,679	1,679
Sub-Total	-	-	-	-	-	-	-	36,225	36,225
Total Revenue All Sources	91,504	10,149	6,654	17,418	23,823	30,302	6,824	42,900	229,575

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

NOTE 2(a): ANALYSIS OF REVENUE BY SOURCE (CONTINUED)

	Admitted Patients	Outpatients	EDS	Ambulatory	Mental Health	RAC	Aged Care	Other	Total
	2007 \$000	2007 \$000	2007 \$000	2007 \$000	2007 \$000	2007 \$000	2007 \$000	2007 \$000	2007 \$000
Revenue from Services Supported by Health Service Agreement									
Government Grants	76,088	8,900	5,793	13,132	22,800	23,246	5,954	5,415	161,329
Indirect contributions by Department of Human Services									
- Insurance	1,327	159	103	234	406	119	58	56	2,462
Patient and Resident Fees - [Note 2(d)]	3,735	115	-	2,019	182	6,060	189	-	12,300
Other	550	144	4	530	101	66	180	57	1,632
Sub-Total Revenue from Services Supported by Health Services Agreement	81,700	9,318	5,901	15,915	23,489	29,491	6,381	5,528	177,723
Revenue from Services Supported by Hospital and Community Initiatives									
Business Units & Special Purpose Funds	-	-	-	-	-	-	-	25,111	25,111
Capital Purpose Income	-	-	-	-	-	-	-	6,504	6,504
Other	-	-	-	-	-	-	-	2,425	2,425
Sub-Total	-	-	-	-	-	-	-	34,040	34,040
Total Revenue All Sources	81,700	9,318	5,901	15,915	23,489	29,491	6,381	39,568	211,763

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



NOTE 2(b): EXPENSES

	HSA 2008 \$000	HSA 2007 \$000	Non HSA 2008 \$000	Non HSA 2007 \$000	Total 2008 \$000	Total 2007 \$000
Employee Entitlements						
Salaries and Wages	131,001	121,875	9,385	9,650	140,386	131,525
Workcover	2,268	2,476	266	350	2,534	2,826
Superannuation	12,364	11,802	891	930	13,255	12,732
Long Service Leave	3,718	2,360	164	171	3,882	2,531
Departure Packages	496	211	48	66	544	277
Total Employee Benefits	149,847	138,724	10,754	11,167	160,602	149,891
Non Salary Labour Costs						
Agency Costs Medical	859	571	-	-	859	571
Agency Costs Other	741	382	115	227	856	609
Total Non Salary Labour Costs	1,600	953	115	227	1,715	1,180
Supplies and Consumables						
Drug Supplies	5,047	4,500	-	-	5,047	4,500
S100 Drugs	1,965	1,758	-	-	1,965	1,758
Medical and Surgical Supplies	8,196	7,556	592	632	8,788	8,188
Food Supplies	2,541	2,281	1,618	1,655	4,159	3,936
Total Supplies and Consumables	17,749	16,095	2,210	2,287	19,959	18,382
Other Expenses from Continuing Operations						
Purchased Services	9,349	8,939	2,326	1,894	11,675	10,833
Energy Costs	2,216	2,148	122	128	2,338	2,276
Domestic Services	1,728	1,605	277	235	2,005	1,840
Repairs and Maintenance/Minor Equipment	4,513	4,251	2,899	1,012	7,412	5,263
Patient Transport	812	661	-	-	812	661
Safety Link Units	-	-	1,392	1,215	1,392	1,215
Administrative Expenses	6,394	5,900	2,896	2,679	9,290	8,579
Insurance Costs funded by DHS	2,018	2,462	-	-	2,018	2,462
Audit Fees						
- Auditor General	-	-	67	63	67	63
- Other	-	-	98	155	98	155
Total Other Expenses from Continuing Operations	27,030	25,966	10,077	7,381	37,107	33,347
Depreciation [Note 3]	-	-	10,016	8,954	10,016	8,954
Interest and Other Finance Charges [Note 4]	-	-	-	8	-	8
Net Gain/(Loss) from Disposal of Non Current Asset	-	-	112	538	112	538
Other	-	-	495	408	495	408
Total Expenses from Ordinary Activities	196,226	181,738	33,779	30,970	250,005	212,708



NOTE 2(c): ANALYSIS OF EXPENSES BY SOURCE

	Admitted Patients	Outpatients	EDS	Ambulatory	Mental Health	RAC	Aged Care	Other	Total
	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000
Services Supported by Health Service Agreement									
Employee Entitlements									
Salaries and Wages	55,772	6,980	7,582	12,902	18,227	24,132	3,210	2,196	131,001
Workcover	865	51	105	237	306	616	59	29	2,268
Superannuation	5,282	592	744	1,177	1,727	2,339	291	212	12,364
Long Service Leave	1,538	396	137	458	491	562	63	73	3,718
Departure Packages	157	-	-	44	105	93	50	47	496
Non Salary Labour Costs									
Agency Costs Medical	840	-	19	-	-	-	-	-	859
Agency Costs Other	-	-	-	7	80	156	2	496	741
Supplies and Consumables									
Drug Supplies	3,984	-	584	197	237	45	-	-	5,047
S100 Drugs	1,904	-	-	-	61	-	-	-	1,965
Medical and Surgical Supplies	5,881	120	391	509	80	322	15	878	8,196
Food Supplies	780	126	27	400	271	833	61	43	2,541
Other Expenses									
Purchased Services	2,987	307	714	856	245	145	2,197	1,898	9,349
Energy Costs	1,574	61	-	51	84	404	30	12	2,216
Domestic Services	713	182	40	199	144	402	25	23	1,728
Repairs and Maintenance/ Minor Equipment	1,700	768	17	742	585	402	188	111	4,513
Patient Transport	403	7	207	83	30	12	64	6	812
Administrative Expenses	2,449	830	114	789	1,150	581	164	317	6,394
Insurance Costs funded by DHS	859	108	117	199	281	372	49	34	2,018
Sub-Total Expenses from Services Supported by Health Services Agreement	87,688	10,528	10,798	18,850	24,104	31,416	6,468	6,375	196,226
Services Supported by Hospital and Community Initiatives									
Employee Entitlements									
Salaries and Wages	-	-	-	-	-	-	-	9,385	9,385
Workcover	-	-	-	-	-	-	-	266	266
Superannuation	-	-	-	-	-	-	-	891	891
Long Service Leave	-	-	-	-	-	-	-	164	164
Departure Packages	-	-	-	-	-	-	-	48	48
Non Salary Labour Costs									
Agency Costs Other	-	-	-	-	-	-	-	115	115
Supplies and Consumables									
Medical and Surgical Supplies	-	-	-	-	-	-	-	592	592
Food Supplies	-	-	-	-	-	-	-	1,618	1,618
Other Expenses									
Purchased Services	-	-	-	-	-	-	-	2,326	2,326
Energy Costs	-	-	-	-	-	-	-	122	122
Domestic Services	-	-	-	-	-	-	-	277	277
Repairs and Maintenance/ Minor Equipment	-	-	-	-	-	-	-	2,899	2,899
Safety Link Units	-	-	-	-	-	-	-	1,392	1,392
Administrative Expenses	-	-	-	-	-	-	-	2,896	2,896
Depreciation [Note 3]	1,646	1,771	196	129	430	2,420	1,000	2,424	10,016
Audit Fees									
- Auditor General	30	4	4	6	8	11	2	2	67
- Other	44	5	5	9	12	16	3	3	98
Net Loss from Disposal of Non Current Asset [Note 2(e)]	-	-	-	-	-	-	-	112	112
Other	-	-	-	-	-	-	-	495	495
Sub-Total	1,720	1,780	205	145	450	2,447	1,005	26,027	33,779
Total Expenses from Ordinary Activities	89,408	12,307	11,003	18,994	24,554	33,862	7,473	32,402	230,005



NOTE 2(c): ANALYSIS OF EXPENSES BY SOURCE (CONTINUED)

	Admitted Patients	Outpatients	EDS	Ambulatory	Mental Health	RAC	Aged Care	Other	Total
	2007 \$000	2007 \$000	2007 \$000	2007 \$000	2007 \$000	2007 \$000	2007 \$000	2007 \$000	2007 \$000
Services Supported by Health Service Agreement									
Employee Entitlements									
Salaries and Wages	51,855	6,545	6,072	12,162	17,722	23,161	2,700	1,658	121,875
Workcover	955	61	138	254	318	639	70	41	2,476
Superannuation	5,012	594	612	1,152	1,721	2,282	240	189	11,802
Long Service Leave	994	145	109	253	338	436	46	39	2,360
Departure Packages	-	-	-	-	64	85	-	62	211
Non Salary Labour Costs									
Agency Costs Medical	568	-	3	-	-	-	-	-	571
Agency Costs Other	-	-	-	2	61	145	-	174	382
Supplies and Consumables									
Drug Supplies	3,552	-	521	176	211	40	-	-	4,500
S100 Drugs	1,703	-	-	-	55	-	-	-	1,758
Medical and Surgical Supplies	5,017	160	329	582	108	365	19	976	7,556
Food Supplies	673	135	24	362	247	748	53	39	2,281
Other Expenses									
Purchased Services	2,406	326	1,081	793	265	164	2,215	1,689	8,939
Energy Costs	1,544	60	-	50	76	395	11	12	2,148
Domestic Services	659	176	20	190	134	379	26	21	1,605
Repairs and Maintenance/ Minor Equipment	1,637	783	9	695	513	402	108	104	4,251
Patient Transport	288	6	168	94	23	10	68	4	661
Administrative Expenses	2,087	814	27	802	1,197	662	127	184	5,900
Insurance Costs funded by DHS	1,048	132	123	246	358	468	55	33	2,462
Sub-Total Expenses from Services Supported by Health Services Agreement	79,998	9,937	9,236	17,813	23,411	30,381	5,738	5,225	181,738
Services Supported by Hospital and Community Initiatives									
Employee Entitlements									
Salaries and Wages	-	-	-	-	-	-	-	9,650	9,650
Workcover	-	-	-	-	-	-	-	350	350
Superannuation	-	-	-	-	-	-	-	930	930
Long Service Leave	-	-	-	-	-	-	-	171	171
Departure Packages	-	-	-	-	-	-	-	66	66
Non Salary Labour Costs									
Agency Costs Other	-	-	-	-	-	-	-	227	227
Supplies and Consumables									
Medical and Surgical Supplies	-	-	-	-	-	-	-	632	632
Food Supplies	-	-	-	-	-	-	-	1,655	1,655
Other Expenses									
Purchased Services	-	-	-	-	-	-	-	1,894	1,894
Energy Costs	-	-	-	-	-	-	-	128	128
Domestic Services	-	-	-	-	-	-	-	235	235
Repairs and Maintenance/ Minor Equipment	-	-	-	-	-	-	-	1,012	1,012
Safety Link Units	-	-	-	-	-	-	-	1,215	1,215
Administrative Expenses	-	-	-	-	-	-	-	2,679	2,679
Depreciation [Note 3]	2,416	276	175	471	412	2,331	899	1,975	8,954
Audit Fees									
- Auditor General	28	3	3	6	8	11	2	2	63
- Other	68	8	8	15	20	26	5	4	155
Interest and Other Finance Charges [Note 4]	-	-	-	-	-	-	-	8	8
Net Loss from Disposal of Non Current Asset [Note 2(e)]	-	-	-	-	-	-	-	538	538
Other	-	-	-	-	-	-	-	408	408
Sub-Total	-	-	-	-	-	-	-	23,779	30,970
Total Expenses from Ordinary Activities	79,998	9,937	9,236	17,813	23,411	30,381	5,738	29,005	212,708



NOTE 2(d): PATIENT AND RESIDENT FEES

	2008 \$000	2007 \$000
Patient and Resident Fees Raised		
Acute		
Inpatients	6,185	5,754
Outpatients	104	115
Residential Aged Care		
Geriatric	5,946	5,841
Psychogeriatric	230	219
Mental Health	180	182
Aged Care	186	189
Total	12,831	12,300
Capital Purpose		
Residential Accommodation Payments	840	841
Total Capital	840	841

Ballarat Health Services charge fees in accordance with Department of Human Services directives.

**NOTE 2(e): NET GAIN/(LOSS) ON DISPOSAL
OF NON CURRENT ASSETS**

	2008 \$000	2007 \$000
Proceeds from Disposal of Non-Current Assets		
Plant and Equipment	3	-
Motor Vehicles	2,570	2,760
Total Proceeds from Disposal of Non-Current Assets	2,573	2,760
Less: Written Down Value of Non-Current Assets Sold		
Plant and Equipment	3	67
Motor Vehicles	2,682	3,231
Total Written Down Value of Non-Current Assets Sold	2,685	3,298
Net Gain/(Loss) on Disposal of Non-Current Assets	(112)	(538)



**NOTE 2(f): ANALYSIS OF EXPENSE FOR SERVICES SUPPORTED BY
HOSPITAL AND COMMUNITY INITIATIVES**

	2008 \$000	2007 \$000
Business Units		
Safety Link	5,664	4,995
Catering	3,598	3,553
Eureka Linen	1,518	1,113
	10,780	9,661
Other Services		
Radiology	5,136	4,839
Private Practice	847	542
Accommodation	403	372
Diabetic Shop	283	294
Education Services	282	1,198
Salary Packaging	256	208
Print Shop	219	176
Other	4,785	3,554
	12,211	11,183
Total	22,991	20,844

NOTE 3: DEPRECIATION AND AMORTISATION

	2008 \$000	2007 \$000
Buildings	3,059	3,018
Plant and Equipment		
- Intangibles	352	337
- Plant	5,265	4,602
- Transport	1,008	718
Linen Stock	331	279
Total	10,015	8,954

NOTE 4: FINANCE COSTS

	2008 \$000	2007 \$000
Interest on Hire Purchase Agreements	-	8
Total	-	8

NOTE 5: CASH AND CASH EQUIVALENTS

	2008 \$000	2007 \$000
Cash and cash at bank ⁽¹⁾	751	2,834
Total	751	2,834
Represented By		
Cash for Health Services Operations (as per cash flow statement)	751	2,834

(1) Cash on hand includes cash at bank and petty cash advances.



NOTE 6: RECEIVABLES

	Current	Non Current	2008	2007
	\$000	\$000	\$000	\$000
Trade Debtors				
- Acute and Sub-Acute Inpatients	1,365	-	1,365	1,294
- RAC	249	-	249	261
- Other	37	-	37	155
- Eureka Linen	433	-	433	326
- Sundry	2,992	-	2,992	2,431
Accrued Investment Income	134	-	134	325
GST Receivable	464	-	464	-
Department of Human Services	2,119	521	2,640	2,437
Total	7,793	521	8,314	7,229
Less: Allowance for Doubtful Debts				
Trade Debtors	87	-	87	29
Patient Fees	93	-	93	143
Net Debtors and Accrued Revenue	7,613	521	8,134	7,057

(a) Movement in the Allowance for doubtful debts

	2008	2007
	\$000	\$000
Balance at beginning of year	172	114
Amounts written off during the year	(63)	(42)
Amounts recovered during the year	(101)	(67)
Increase/(decrease) in allowance recognised in profit or loss	172	167
Balance at end of year	180	172

(b) Ageing analysis of receivables

Please refer to note 17 for the ageing analysis of receivables

(c) Nature and extent of risk arising from receivables

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



NOTE 7: OTHER FINANCIAL ASSETS

	Specific Purpose Fund 2008 \$000	Specific Purpose Fund 2007 \$000	Trust Fund 2008 \$000	Trust Fund 2007 \$000	Capital Fund 2008 \$000	Capital Fund 2007 \$000	Total 2008 \$000	Total 2007 \$000
Current								
Treasury Bills	3,757	2,326	13,269	11,867	-	-	17,026	14,193
	3,757	2,326	13,269	11,867	-	-	17,026	14,193
Non Current								
Treasury Bills	5,224	2,814	6,775	8,199	-	-	11,999	11,013
Radiotherapy Joint Venture	-	-	-	-	890	929	890	929
	5,224	2,814	6,775	8,199	890	929	12,889	11,942
Total	8,981	5,140	20,044	20,066	890	929	29,915	26,135
Represented by:								
Health Service Investments	8,981	5,140	-	-	890	929	9,871	6,069
Monies held in Trust								
- Patient Monies	-	-	843	748	-	-	843	748
- Accommodation Bonds	-	-	17,375	17,974	-	-	17,375	17,974
- Regional IT Alliance	-	-	1,296	916	-	-	1,296	916
- DHS Equipment Loan	-	-	169	164	-	-	169	164
- GICS	-	-	361	264	-	-	361	264
	8,981	5,140	20,044	20,066	890	929	29,915	26,135

(a) Ageing analysis of other financial assets

Please refer to note 17 for the ageing analysis of other financial assets

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

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

NOTE 8: INVENTORY

	2008 \$000	2007 \$000
General - at cost	624	631
Pharmaceuticals - at cost	412	366
Safety Link - at cost	81	87
Total	1,117	1,084

NOTE 9: PREPAYMENTS

	2008 \$000	2007 \$000
Prepayments	427	766
Total	427	766



NOTE 10(a): PROPERTY, PLANT & EQUIPMENT

	Gross Cost/ Valuation 2008 \$000	Accumul. Dep'n 2008 \$000	Written Down Value 2008 \$000	Written Down Value 2007 \$000
At Cost				
Land	431	-	431	335
Buildings	4,929	120	4,809	3,708
Work in Progress	4,969	-	4,969	2,182
Plant and Equipment	13,404	5,696	7,708	7,012
Medical Equipment	18,338	11,368	6,970	6,035
Information Technology	6,777	6,024	753	1,622
Furniture & Fittings	2,540	267	2,273	1,284
Kitchen & Catering	2,591	1,403	1,188	1,156
Personal Alert Call Systems	12,095	6,873	5,222	4,660
Linen Stock	2,279	1,165	1,114	818
Motor Vehicles	4,862	1,217	3,645	3,842
Total	73,215	34,133	39,082	32,654
At Valuation				
Land	15,538	-	15,538	13,365
Buildings	148,603	8,931	139,672	142,643
Total	164,141	8,931	155,210	156,008
Total Fixed Assets	237,356	43,064	194,292	188,662

Land was revalued as at June 30, 2008. A managerial valuation was undertaken for land in accordance with FRD103C on advice from the Department of Human Services. Buildings were revalued as at June 30, 2005. The basis of the valuation for buildings was depreciated replacement cost. The valuation was completed by Mr Shane Irwin of the Landlink Property Group, who is a Certified Practising Valuer and an Associate of the Australian Property Institute.

Reconciliations of the carrying amounts of each class of land, buildings, plant and equipment for the consolidated entity at the beginning and end of the previous and current financial year is set out below.

	Land \$000	Buildings & Work in Progress \$000	Plant & Equipment \$000	Medical Equipment \$000	Information Technology \$000	Furniture & Fittings \$000	Kitchen & Catering \$000
2008							
Carrying amount at start of year	13,700	148,533	7,012	6,034	1,622	1,283	1,156
Additions	431	3,976	1,610	2,208	178	1,168	261
Revaluations	1,838	-	-	-	-	-	-
Disposals	-	-	3	-	-	-	-
Depreciation expense	-	3,059	911	1,272	1,047	178	229
Carrying amount at end of year	15,969	149,450	7,708	6,970	753	2,273	1,188
2007							
Carrying amount at start of year	13,550	149,916	6,173	6,125	2,079	482	814
Additions	150	1,635	1,620	1,085	710	863	525
Revaluations	-	-	-	-	-	-	-
Disposals	-	-	-	-	2	-	-
Depreciation expense	-	3,018	781	1,176	1,165	62	183
Carrying amount at end of year	13,700	148,533	7,012	6,034	1,622	1,283	1,156



A total of 31,804 inpatients were treated at the Base Hospital during the year representing an increase of 4.94 per cent or an additional 1495 patients on the previous year.

Personal Alert Call Systems \$000	Linen Stock \$000	Motor Vehicles \$000	Total \$000
4,660	818	3,844	188,662
2,190	627	3,491	16,140
-	-	-	1,838
-	-	2,682	2,685
1,628	331	1,008	9,663
5,222	1,114	3,645	194,292
3,527	844	4,164	187,674
2,368	318	3,629	12,903
-	-	-	-
-	65	3,231	3,298
1,235	279	718	8,617
4,660	818	3,844	188,662



NOTE 10(b): INTANGIBLE ASSETS

	2008 \$000	2007 \$000
Computer Software	1,384	1,066
Less: Accumulated Amortisation	689	337
	695	729
	Computer Software \$000	
2008		
Carrying amount at start of year	729	
Additions	318	
Revaluations	-	
Disposals	-	
Amortisation	352	
Carrying amount at end of year	695	
2007		
Carrying amount at start of year	982	
Additions	84	
Disposals	-	
Amortisation	337	
Carrying amount at end of year	729	

NOTE 11: PAYABLES

	2008 \$000	2007 \$000
Trade Creditors and Accrued Expenses	10,994	8,841
Salary Packaging Held in Trust	610	558
GST Payable	-	952
Total	11,604	10,351

(a) Maturity analysis of payables

Please refer to note 17 for the ageing analysis of payables

(b) Nature and extent of risk arising from payables

Please refer to note 17 for the nature and extent of credit risk arising from payables

NOTE 12: EMPLOYEE BENEFITS

	2008 \$000	2007 \$000
Current		
Unconditional Long Service Leave	15,733	13,868
Accrued Wages and Salaries	6,548	4,303
Accrued Leave	11,755	11,443
Accrued Days Off	412	388
Total	34,448	30,002
Non-Current		
Conditional Long Service Leave	4,208	4,792
Total	4,208	4,792
Movement in Long Service Leave:		
Balance July 1	18,660	18,688
Provision made during the year	3,882	2,739
Settlement made during the year	(2,601)	(2,767)
Balance June 30	19,941	18,660

Provision for Long Service Leave in accordance with AASB 101: Presentation of Financial Statements, Provision for Long Service Leave is considered a current liability in respect to employees who have met the required qualification period, and therefore Ballarat Health Service does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance date. Refer Note 1(n) for details.

The Long Service Leave settlement to be made in the 2008/09 Financial Year is expected to be consistent with prior years (\$2,603,000 2007/08, \$2,767,000 2006/07).



NOTE 13: OTHER LIABILITIES

	2008 \$000	2007 \$000
Current		
Resident Monies Held in Trust	843	748
Regional Information Technology Alliance	1,296	400
Refundable Accommodation Bonds	17,375	17,974
Grampians Intergrated Cancer Service (GICS)	361	264
DHS Equipment Loan	48	38
	19,923	19,424
Non-Current		
Regional Information Technology Alliance	-	516
DHS Equipment Loan	121	126
	121	642
Total	20,044	20,066
Represented by:		
Other Financial Assets	20,044	20,066
Total	20,044	20,066



NOTE 14: EQUITY

	Note	2008 \$000	2007 \$000
(a) Reserves			
Asset Revaluation Reserve⁽¹⁾			
Balance at the beginning of the reporting period		17,126	16,994
Revaluation Increments/(Decrements)			
- Land		1,837	-
- Investments		(121)	132
Balance at the end of the reporting period		18,842	17,126
Represented by:			
Land		8,652	6,815
Buildings		10,179	10,179
Investments		11	132
		18,842	17,126
Specific Purpose Reserve			
Balance at the beginning of the reporting period		16,800	22,608
Transfer from accumulated surplus		1,763	(5,808)
Balance at the end of the reporting period	15	18,563	16,800
Total Reserves		37,405	33,926
(b) Contributed Capital			
Balance at the beginning of the reporting period		147,914	147,914
Capital contribution received from Victorian Government		1,685	-
Balance at the end of the reporting period		149,599	147,914
(c) Retained Earnings			
Balance at the beginning of the reporting period		(19,784)	(24,647)
Net Result for the Year		(430)	(945)
Transfer to and from Reserve		(1,763)	5,808
Balance at the end of the reporting period		(21,977)	(19,784)
(d) Total Equity at the end of the Financial Year			
Total Equity at the beginning of the reporting period		162,056	162,869
Total Changes in Equity Recognised in the Statement of Financial Performance		2,971	(813)
Total Equity at the end of the reporting period		165,026	162,056

(1) The land, building and investment assets revaluation reserve arises on the revaluation of land, buildings and investments.

NOTE 15: SPECIFIC PURPOSE RESERVE

	2008 \$000	2007 \$000
Building & Equipment Fund	10,433	10,013
Hostel Development	7,144	5,951
Ward Funds	662	483
Other	276	292
Clinical Services	48	61
Total	18,563	16,800

The above Reserves are internally managed Special Purpose Funds, which are used to quarantine Capital income such as Donations, Capital Grants and Interest Revenue. Once quarantined, this income is used to fund Capital Projects, Refurbishments, Equipment and Education.



**NOTE 16: RECONCILIATION OF NET RESULTS FOR THE YEAR TO
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	Note	2008 \$000	2007 \$000
Entity Deficit for the Year		(430)	(945)
Non Operating Cash Movements			
Net (Gain)/Loss on Sale of Fixed Assets	2(e)	112	538
Interest on Borrowings		-	8
Assets Received Free of Charge		(94)	-
Non Cash Movements			
Depreciation and Amortisation		10,016	8,954
Increase/(Decrease) in Payables		1,253	670
Increase/(Decrease) in Employee Entitlements		3,862	2,359
Increase/(Decrease) in Other Liabilities		(23)	2,172
(Increase)/Decrease in Inventory		(33)	(18)
(Increase)/Decrease in Prepayments		339	121
(Increase)/Decrease in Receivables		(1,077)	1,948
Net Cash Inflows from Operating Activities		13,925	15,807

NOTE 17: FINANCIAL INSTRUMENTS

(a) Significant accounting policies

Financial assets are recognised and derecognised on trade date, where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs. Other financial assets are classified between current and non current assets, based on the Board of Management's intention at balance date with respect to the timing of disposal of each asset.

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(b) Categorisation of Financial Instruments

	Note	Category	Carrying Amount 2008 \$000	Carrying Amount 2007 \$000
Financial Assets				
Cash and cash equivalents	5	N/A	751	2,834
Receivables	6	Loans and Receivables	8,134	7,057
Other Financial assets	7	Available for sale financial assets (at fair value)	29,915	26,135
Financial Liabilities				
Payables	11	Financial liabilities measured at amortised cost	11,604	10,351
Accommodation Bonds	14		17,375	17,974
Other Liabilities	14		2,500	1,928
DHS Equipment Loan	14		169	164



(c) Credit risk

All investments are governed by an Investment Policy which details the level of counter-party risk that is acceptable to Ballarat Health Services. All such investments are rated by independent rating agencies, and are classified as having adequate capacities to pay. Ballarat Health Services does not consider that it is materially exposed to any individual debtor. Credit risk represents the loss that would be recognised if counterparties fail to meet their obligations under the respective contracts at maturity. The credit risk on financial assets of the entity have been recognised on the Balance Sheet, as the carrying amount, net any provisions for doubtful debts.

Interest rate exposure and ageing analysis of financial assets as at 30/06/2008

	*Weighted Average Effective Interest Rate (%)	Consolidated Carrying Amount \$000	INTEREST RATE EXPOSURE			Not Past Due & Not Impaired \$000	Less than 1 Month \$000
			Fixed Interest Rate \$000	Variable Interest Rate \$000	Non Interest Bearing \$000		
2008							
Financial Assets							
Cash and Cash Equivalents	7.3%	751	-	751	-	751	-
Receivables	0%	7,670	-	-	7,670	3,714	764
Other Financial Assets	7.7%	29,915	-	29,025	890	29,915	-
	-	38,336	-	29,776	8,560	34,380	764
2007							
Financial Assets							
Cash and Cash Equivalents	6.3%	2,961	-	2,961	-	2,961	-
Receivables	0%	7,057	-	-	7,057	3,004	825
Other Financial Assets	6.5%	26,135	2,018	23,188	929	26,135	-
	-	36,153	2,018	26,149	7,986	32,100	825

* Weighted average effective interest rates for each class of assets.

(d) Liquidity Risk

Ballarat Health Services manages its financial instruments so as to minimise liquidity risk. This is achieved through a combination of daily cash flow forecasting and appropriate budget setting and monitoring.

	Carrying Amount \$000	INTEREST RATE EXPOSURE			*Weighted Average Effective Interest Rate (%)	Contractual Cash Flows \$000	MATURITY DATES				
		Fixed Interest Rate \$000	Variable Interest Rate \$000	Non Interest Bearing \$000			Less than 1 Month \$000	1-3 Months \$000	3 Months - 1 Year \$000	1-5 Years \$000	Over 5 Years \$000
2008											
Financial Liabilities											
Creditors	11,604	-	-	11,604	0%	-	5,348	6,256	-	-	-
Accommodation Bonds	17,375	17,375	-	-	5.5%	-	486	1,241	4,007	11,641	-
Monies Held in Trust	2,500	2,500	-	-	5.2%	-	102	1,557	841	-	-
DHS Equipment Loan	169	-	-	169	0%	-	-	-	48	121	-
	31,648	19,875	-	11,773	-	-	5,936	9,054	4,896	11,762	-
2007											
Financial Liabilities											
Creditors	9,399	-	-	9,399	0%	-	4,542	4,857	-	-	-
Accommodation Bonds	17,974	17,974	-	-	5.0%	-	503	1,284	4,145	12,042	-
Monies Held in Trust	1,928	1,928	-	-	5.2%	-	86	619	707	516	-
DHS Equipment Loan	164	-	-	164	0%	-	-	-	38	126	-
	29,465	19,902	-	9,563	-	-	5,131	6,760	4,890	12,684	-

* Weighted average effective interest rates for each class of assets.

(e) Market Risk

Ballarat Health Services is exposed to insignificant foreign currency risk through its payables relating to purchase 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.



PAST DUE BUT NOT IMPAIRED				Impaired Financial Assets \$000
1 - 3 Months \$000	3 Months - 1 Year \$000	1-5 Years \$000	Over 5 Years \$000	
-	-	-	-	-
425	2,246	521	-	-
-	-	-	-	-
425	2,246	521	-	-
-	-	-	-	-
663	882	1,683	-	-
-	-	-	-	-
663	882	1,683	-	-

(f) Interest Rate Risk

Exposure to interest rate risk might arise primarily through Ballarat Health 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 health service mainly undertake financial liabilities with relatively even maturity profiles.

(g) Other Price Risk

Ballarat Health Services is not subject to price risk.

(h) Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecast, and management's knowledge and experience of the financial markets, Ballarat Health Services believe the following movements are "responsibly possible" over the next 12 months (Base rates are sourced from the Federal Bank of Australia).

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 6%.

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

	Carrying Amount \$000	INTEREST RATE RISK			
		-1%		+1%	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000
2008					
Financial Assets					
Cash and Cash Equivalents	751	(8)	(8)	8	8
Other Financial Assets	29,915	(299)	(299)	299	299
Financial Liabilities					
Accommodation Bonds	17,375	(174)	(174)	174	174
Monies Held in Trust	2,500	(25)	(25)	25	25

	Carrying Amount \$000	INTEREST RATE RISK			
		-1%		+1%	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000
2007					
Financial Assets					
Cash and Cash Equivalents	2,961	(30)	(30)	30	30
Other Financial Assets	26,135	(261)	(261)	261	261
Financial Liabilities					
Accommodation Bonds	17,974	(180)	(180)	180	180
Monies Held in Trust	1,928	(19)	(19)	19	19



NOTE 18: COMMITMENTS

	2008 \$000	2007 \$000
Capital Expenditure Commitments		
Land and Buildings	322	3,694
Plant and Equipment	185	75
Medical Equipment	120	-
Computer	230	-
Total	857	3,769
Not later than 1 year	857	3,769
Later than 1 year and not later than 5 years	-	-
	857	3,769
Operating Expenditure Commitments		
Medical Equipment	57	-
Computer	98	-
Other	26	-
Total	181	-
Not later than 1 year	181	-
Later than 1 year and not later than 5 years	-	-
	181	-
Operating Lease		
Medical Equipment	917	-
Total	917	-
<i>Non Cancellable</i>		
Not later than 1 year	216	-
Later than 1 year and not later than 5 years	647	-
Later than 5 years	54	-
Total	917	-
Total Commitments for expenditure (inclusive of GST)	1,955	3,769
Less GST recoverable from the Australian Tax Office	121	343
Total Commitments for expenditure (exclusive of GST)	1,834	3,426

NOTE 19: SEGMENT REPORTING

	Acute Care 2008 \$000	Acute Care 2007 \$000	Business Units 2008 \$000	Business Units 2007 \$000	RAC 2008 \$000	RAC 2007 \$000
Revenue						
External Segment Revenue	125,665	112,770	33,810	31,512	30,302	29,491
Total Revenue	125,665	112,770	33,810	31,512	30,302	29,491
Expenses						
External Segment Expenses	131,713	120,461	26,027	23,771	33,862	32,748
Total Expenses	131,713	120,461	26,027	23,771	33,862	32,748
Net Result from Ordinary Activities	(6,048)	(7,691)	7,783	7,741	(3,560)	(3,257)
Interest Expense	-	-	-	8	-	-
Interest Income	677	455	180	275	1,357	1,566
Share of Net Result of Associates & Joint Ventures using Equity Model	61	64	-	-	-	-
Net Result for Year	(5,311)	(7,172)	7,963	8,008	(2,203)	(1,691)
Other Information						
Segment Assets	108,242	96,608	15,304	15,950	72,200	70,865
Total Assets	108,242	96,608	15,304	15,950	72,200	70,865
Segment Liabilities	20,290	15,620	7,652	8,017	28,686	24,368
Total Liabilities	20,290	15,620	7,652	8,017	28,686	24,368
Investments in associates and joint venture partnership	890	965	-	-	-	-
Acquisition of property, plant and equipment	9,000	7,559	1,472	1,029	3,930	3,202
Depreciation and amortisation expense	3,754	3,025	2,426	1,818	2,419	2,088



A \$380,000 medi-hotel was opened in May 2008 to assist with increasing patient demand.

	Aged Care 2008 \$000	Aged Care 2007 \$000	Mental Health 2008 \$000	Mental Health 2007 \$000	Total 2008 \$000	Total 2007 \$000
	13,499	11,909	23,823	23,489	227,099	209,171
	13,499	11,909	23,823	23,489	227,099	209,171
	13,848	11,869	24,554	23,851	230,005	212,700
	13,848	11,869	24,554	23,851	230,005	212,700
	(349)	40	(731)	(362)	(2,906)	(3,529)
	-	-	-	-	-	8
	73	128	128	103	2,415	2,528
	-	-	-	-	61	64
	(277)	168	(603)	(259)	(430)	(945)
	26,285	27,685	13,342	12,150	235,373	223,258
	26,285	27,685	13,342	12,150	235,373	223,258
	7,247	6,659	6,472	5,725	70,347	60,389
	7,247	6,659	6,472	5,725	70,347	60,389
	-	-	-	-	890	965
	2,693	1,251	883	549	17,978	13,590
	987	877	430	349	10,016	8,157



NOTE 20: JOINTLY CONTROLLED OPERATIONS & ASSETS

Ballarat Health Services has a joint interest in the Ballarat - Austin Radiotherapy Oncology Centre with the St John of God Hospital.

The investment was used for the construction of the Radiation Oncology Centre, for which Ballarat Health Service has an entitlement to receive a share of property rental under a 20 year co-operation agreement to recoup its investment.

No further amounts are receivable other than lease payments in respect of the investment. Ballarat Health Service is required to meet its share of the costs of maintaining the building over the term of the agreement. Lease payments received are allocated between the repayment of capital and rental income. The allocation of capital repaid is made so as to amortise the cost of the investment over the 20 year lease term. The carrying amount of the investment is as follows;

	2008 \$000	2007 \$000
Opening Balance	929	965
New Investments	-	-
Repayments	100	100
Interest	(61)	(64)
Capital Repaid	39	36
Closing Balance	890	929
Ownership Interest	47.67%	47.67%

Ballarat Health Services share of entitlement to lease receivables under the terms of the co-operation agreement are as follows;

Less than 1 year	100	100
Greater than 1 and less than 5 years	400	400
Greater than 5 years	390	429
	890	929

NOTE 21: RESPONSIBLE PERSON RELATED DISCLOSURES

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

Responsible Minister:	Period
The Honourable Bronwyn Pike, MLA, Minister for Health	01/07/2007 - 03/08/2007
The Honourable Daniel Andrews, MLA, Minister for Health	03/08/2007 - 30/06/2008

Governing Boards:

Ms L McLennan	01/07/2007 - 30/06/2008
Ms C Laffey	01/07/2007 - 30/06/2008
Mr P Duffy	01/07/2007 - 05/09/2007
Mr J Elvey	01/07/2007 - 30/06/2008
Mr G Haines	01/07/2007 - 30/06/2008
Dr B Hassett	01/07/2007 - 30/06/2008
Mrs S McKenzie	01/07/2007 - 30/06/2008
Ms J Rae	01/07/2007 - 30/06/2008
Mr P Jans	22/01/2008 - 30/06/2008
Mr M Patterson	22/01/2008 - 30/06/2008

Accountable Officer

Mr A R Rowe - Chief Executive Officer	01/07/2007 - 30/06/2008
---------------------------------------	-------------------------



Remuneration of Responsible Persons

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

	2008 No.	2007 No.
Income Band		
\$0 - \$9,999	3	-
\$10,000 - \$19,999	6	7
\$30,000 - \$39,999	1	1
\$320,000 - \$329,999	-	1
\$350,000 - \$359,999	1	-
Total Numbers	11	9

Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:

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

521,863	489,781
----------------	----------------

Other Transactions of Responsible Persons and their Related Parties

	2008 \$000	2007 \$000
Ms L McLennan has an association with UFS Dispensary, who provided pharmacy goods and services on commercial terms and conditions. The total value of transactions with this entity was;	4	4

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	
	2008 No.	2007 No.	2008 No.	2007 No.
\$110,000 - \$119,999	-	-	-	1
\$120,000 - \$129,999	-	1	-	-
\$140,000 - \$149,999	-	1	-	2
\$150,000 - \$159,999	-	1	2	1
\$160,000 - \$169,999	2	-	1	-
\$170,000 - \$179,999	1	-	1	2
\$180,000 - \$189,999	-	2	1	1
\$190,000 - \$199,999	-	2	1	-
\$200,000 - \$209,999	1	-	-	-
\$210,000 - \$219,999	2	-	-	-
\$240,000 - \$249,999	1	-	1	-
Total	7	7	7	7
Total Remuneration	1,373,327	1,194,738	1,282,078	1,103,313

All payments made to Executives are governed by the Government Sector Executive Reumeration Panel. The changes from the previous year reflect GSERP approved pay increases, as well as the payment of accumulated long service leave for a number of Executives.

NOTE 22: EVENTS OCCURING AFTER THE BALANCE SHEET DATE

There were no events occurring after reporting date, which require additional information to be disclosed.



The Annual Report of Ballarat Health Services is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Health Service's compliance with statutory disclosure requirements.

Legislation reference	Page	Requirement
Ministerial Directions		
Report of Operations – FRD Guidance		
Charter and Purpose		
FRD 22B	Manner of establishment and the relevant Ministers	Page 13
FRD 22B	Objectives, functions, powers and duties	Page 13
FRD 22B	Nature and range of services provided	Page 3-11
Management and structure		
FRD 22B	Organisational structure	Page 16
Financial and other information		
SD 4.2(j)	Accountable officer, signed Report of Operations	Page 27
SD 4.5.5	Risk Management Compliance	Page 25
FRD 22B	Operational and budgetary objectives and performance Against objectives	Page 19
FRD 22B	Statement of merit and equity	Page 25
FRD 22B	Workforce Data Disclosures	Page 21
FRD 22B	Occupational Health and Safety	Page 25
FRD 22B	Summary of the financial results of the year	Page 19
FRD 22B	Significant changes in financial position during the year	Page 19
FRD 22B	Major changes or factors affecting performance	Page 3
FRD 22B	Subsequent events	Page 64
FRD 22B	Application and operation of Freedom of Information Act 1982	Page 25
FRD 22B	Compliance with building and maintenance provisions Of Building Act 1993	Page 25
FRD 25	Victorian Industry Participation Policy disclosures	Page 25
FRD 22B	Statement on National Competition Policy	Page 25
FRD 22B	Application and operation of the Whistleblowers Protection Act 2001	Page 25
FRD 22B	Details of consultancies over \$100,000	Page 25
FRD 22B	Details of consultancies under \$100,000	Page 25
FRD 22B	Statement of availability of other information	Page 65
FRD 10	Disclosure index	Page 65
FRD 21A	Responsible person and executive officer disclosures	Page 63-64
Financial Statements – FRD Guidance		
Financial statements required under Part 7 of the FMA		
SD 4.2(b)	Operating Statement	Page 30
SD 4.2(b)	Balance Sheet	Page 31
SD 4.2(b)	Statement of Changes in Equity	Page 32
SD 4.2(b)	Cash Flow Statement	Page 33
SD 4.2(c)	Accountable officer's declaration	Page 27
Other requirements under Standing Directions 4.2		
SD 4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 34
SD 4.2(c)	Compliance with Ministerial Directions	Page 34
SD 4.2(d)	Rounding of amounts	Page 34
Legislation		
<i>Freedom of Information Act 1982</i>		Page 25
<i>Whistleblowers Protection Act 2001</i>		Page 25
<i>Building Act 1993</i>		Page 26
<i>Financial Management Act 1994</i>		Page 34
<i>Audit Act 1994</i>		Page 28

Additional information (FRD 22B Appendix)

The following information is available upon request to the Chief Executive Officer by relevant Ministers, members of Parliament and the public:

1. A statement of pecuniary interest has been completed.
2. Details of shares held by senior officers as nominee or held beneficially.
3. Details of publications produced by the Health Service about the activities of the Board and where they can be obtained.
4. Details of changes in prices, fees, charges, rates and levies charged by the Board.
5. Details of any major external reviews carried out on the Board.
6. Details of major research and development activities undertaken by the Board that are not otherwise cover either in the Report of Operations or in a document that contains the Financial Report and Report of Operations.
7. Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
8. Details of major promotional, public relations and marketing activities undertaken by the Board to develop community awareness of the Board and its services.
9. Details of assessments and measures undertaken to improve the occupational health and safety of employees.
10. General statement on industrial relations within the Board and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations.
11. A list of major committees sponsored by the Board, the purpose of each committee and the extent to which the purpose had been achieved.



Allied Health Services:

- Dietetics
- Exercise Therapy
- Occupational Therapy
- Physiotherapy
- Podiatry
- Prosthetics and Orthotics
- Psychology
- Social Work
- Speech Therapy

Acquired Brain Injury

Breast Care

Cardiology

Central Sterile Supply Department (CSSD)

Coronary Care Unit

Cognitive Impairment & Dementia Management

Community Nursing

Diagnostic and Radiology (X-ray) Services:

- Ultrasound
- CT Scan
- MRI
- EEG
- ECG
- Breast Screen

Critical Care Unit

Dental Services

Dialysis

Ear, Nose and Throat Surgery

Emergency Medicine

Endocrinology, including Diabetes Management

Falls and Balance

Gastroenterology

General Medicine

General Surgery

Gynaecology

Infection Control

Intensive Care Unit & Medical Emergency Response Team

Lymphoedema

Medical Oncology

Neonatal

Nephrology

Neurology

Maternity Services

Operating Suite

Ophthalmology

Orthopaedic Surgery

Otolaryngology

Outpatient Services

Paediatric Medicine

Perioperative Day Procedure Unit

Pain Management

Palliative Care

Plastic Surgery

Psychiatry including:

- Child and Adolescent Mental Health Services
- Acute Community and Inpatient Services
- Aged Community and Inpatient Services

Radiology

Rehabilitation, (In-patient and Out-patient)

Residential Aged Care

Respite Care

Safety Link

Stroke Management

Stomal Therapy

Thoracic Medicine

Urological Surgery

Wound Management

Community Programs including:

- Adult Day Activity Centres
- Aged Care Assessment Service (ACAS)
- Allied Health Domiciliary Service
- Commonwealth Carer Respite Centre - Carelink Centres
- Domiciliary Care
- Hospital Admission Risk Program (HARP)
- Hospital in the Home
- Linkages - Central Highlands Coordinated Care
- Planned Activity Groups
- Post Acute Care
- Regional Continence Service
- Regional Palliative Care Team
- Rehabilitation in the Home



Base Hospital

Drummond Street North
Ballarat 3350
Phone: (03) 5320 4000
Fax: (03) 5320 4828

Queen Elizabeth Centre

102 Ascot Street South
PO Box 199 Ballarat 3353
Phone: (03) 5320 3700
Fax: (03) 5320 3860

Psychiatric Services

Sturt Street
PO Box 577 Ballarat 3353
Phone: (03) 5320 4100
Fax: (03) 5320 4028



For all enquiries please contact the Ballarat Health Services
switchboard on 5320 4000 or email info@bhs.org.au