



Annual Report 2010-11

Edenhope & District
Memorial Hospital

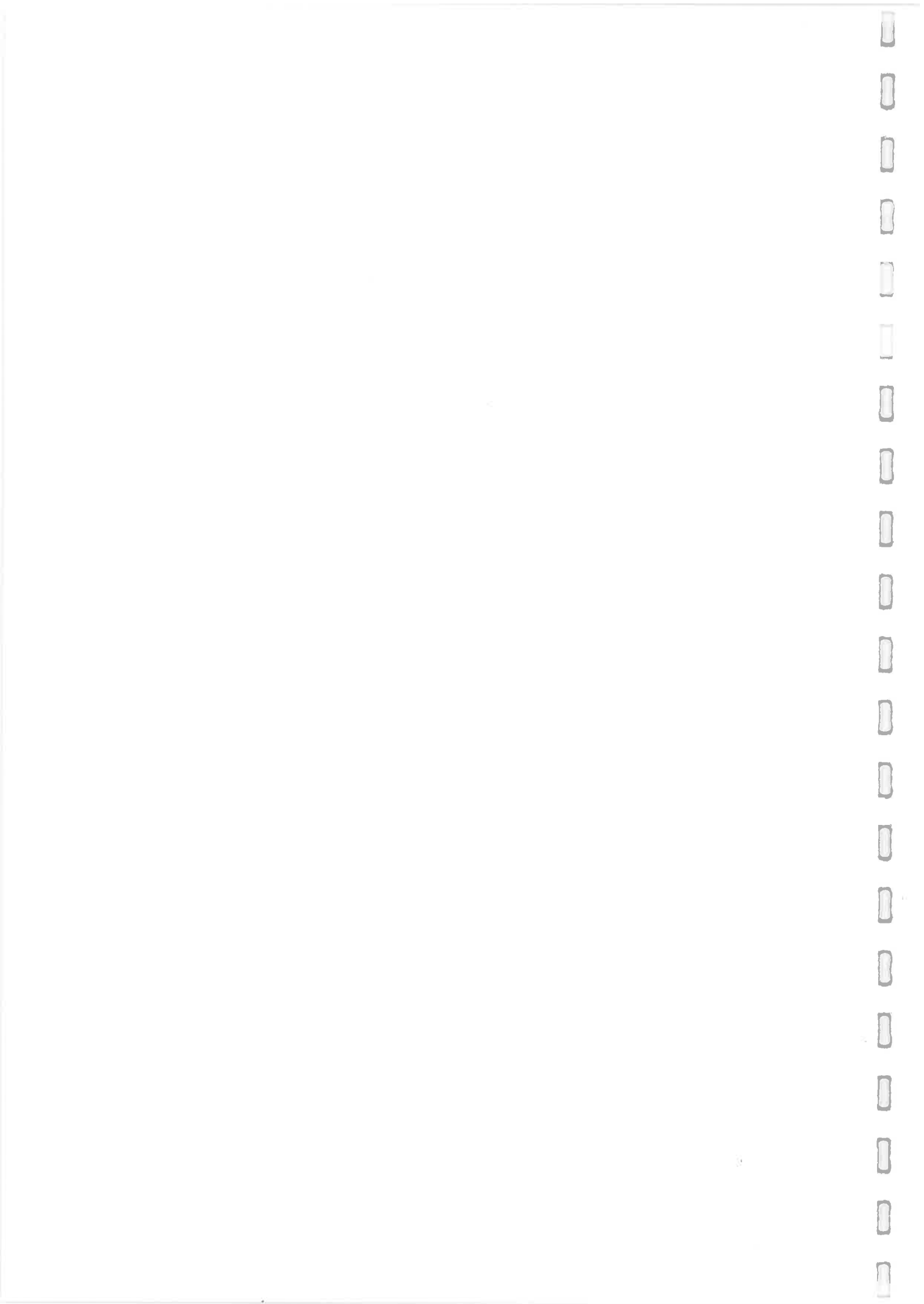


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LIFE GOVERNORS

Mr M G Crawford	Dr R W Bade	Mr J S Warner
Mrs A. Dubois	Mr E J Narik	Mrs I Oliver
Mr L M Bull	Mr J L Jenkins	Mr C Kealy
Mr R T Hood	Mrs C A Hood	Mrs E M M Edgar
Mrs A L Haddon	Mr R McDonald	Mrs J Grigg
Mrs L Stephens	Mr R R Hawkins	Mr M Holland

ACKNOWLEDGEMENTS

Edenhope and District Memorial Hospital would like to thank all Staff, Board Members, Doctors, other health professionals and community members who contributed to the report.

Photographs and cover design: Christine Bull Photography

COMPLIANCE DISCLOSURE INDEX

The Annual Report of Edenhope and District Memorial Hospital is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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ADDITIONAL INFORMATION (FRD 22B APPENDIX)

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by Edenhope and District Memorial Hospital, and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

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

LOCATION AND CONTACT DETAILS

Edenhope and District Memorial Hospital

Incorporating The Lakes Hostel, Kowree Nursing Home, Barkala Flats, and Elsie Bennett Community Centre

128-134 Elizabeth Street (PO Box 75), Edenhope, Victoria, 3318

Phone 03 5585 9800

Fax 03 5585 9891

Email info@edmh.org.au

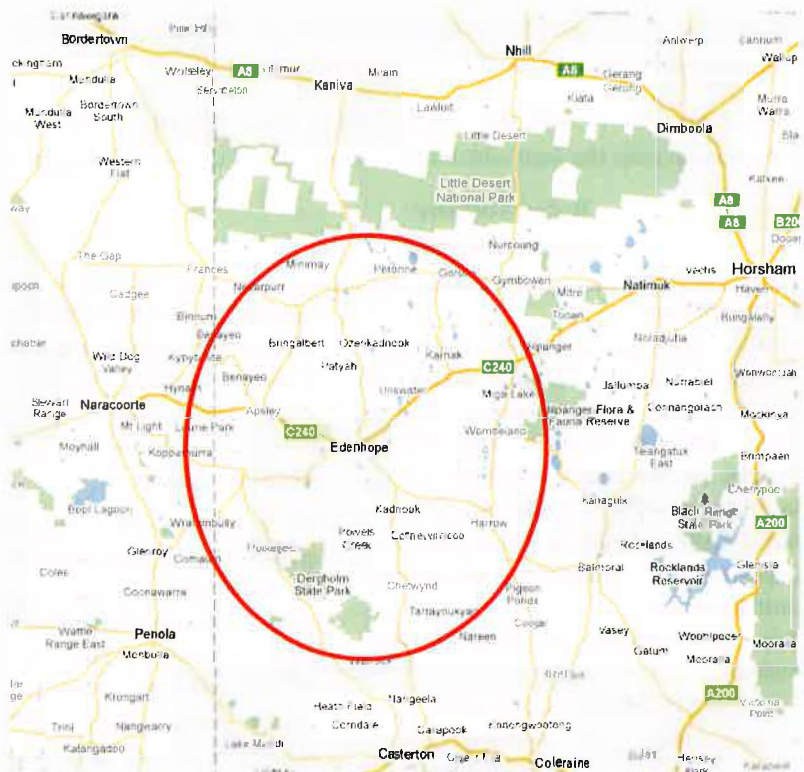
Web www.edmh.org.au (under redevelopment)

The township of Edenhope is located in Western Victoria, and is the major town in the West Wimmera Shire. Edenhope and District Memorial Hospital is the main health care provider for local communities in the region including Edenhope, Apsley, Harrow, Minimay and surrounding districts.

Edenhope is 395 kilometres from Melbourne, which provide the majority of the communities' requirements for tertiary health facilities.

Ballarat is 287 kilometres from Edenhope, and is the nearest rural tertiary health care facility. Horsham is 100 kilometres from Edenhope, and is the nearest sub-regional base hospital.

There are a number of similar or smaller sized Victorian health care facilities in the vicinity however none of these are located within an 80 kilometre radius of Edenhope.



OUR HISTORY

The Hospital began in 1910 as a privately owned and managed private Hospital. At that time it was situated in a house owned by Mrs Jerome Minogue, who was Mrs Daly's mother of Clunie at Harrow. This building was later owned by Mr Tabby Preece and is now known as 'Edenhope Antiques'.

The Hospital was rebuilt in 1930 on its present site, becoming two wards with a total of five beds. Donations for the construction were sought with the help of many district people and Mrs 'Tug' Kealy who ventured out to collect them via horse and cart. The Hospital continued to function as two wards until 1950, at which time management of the Hospital was transferred to the Hospitals and Charities Commission.

The 'Halahan Wing', which currently houses the Executive Offices, was the residence of Mr McDonald who operated Horsham Drays, a gravel contractor for the Kowree Shire. He also housed his horses at stables which were located where the current Elsie Bennett Community Centre stands today. In winter the stables were often flooded.

During 1961 the Hospital underwent an upgrade and was extended to a 23 bed facility. In 1981 approval was given for eight beds in the Nurses Home to be reallocated as Nursing Home beds, raising the total number of Hospital beds to 31.

In 1988-89 a new Nursing Home was built consisting of 18 beds. This created a facility of 20 acute beds and 18 Nursing Home beds.

In 1998 the Hospital opened a 17 bed Hostel which is now known as the Lakes Hostel, and the Elsie Bennett Community Health Centre.

The ownership of the Barkala Flats was transferred to Edenhope and District Memorial Hospital in 2001. Of the 19 flats, 18 are provided as independent living units for community members, and one is utilised by the Hospital for short term accommodation for staff, students and other visitors as required.

In 2003, five beds were added to the Hostel, providing a total of 22 Hostel beds.

Master planning for redevelopment of the Hospital concluded in 2009. The redevelopment will include a new Nursing Home to be built co-located with the Hostel, extension of the Elsie Bennett Community Centre, and rebuild of the areas housing acute services, minor procedures, administration, and hotel services. Additionally, it is proposed that the Ambulance Station and Medical Centre will be located on Hospital premises.

In early 2011 the Hospital secured funding from the Australian Government National Rural and Remote Health Infrastructure Program to build a medical clinic on-site. These works are expected to be completed in early 2012.

We are actively pursuing funding for the first stages of the Master Plan, which includes the Nursing Home and administration wing, and are hopeful this will be achieved in the near future.

REPORT OF OPERATIONS: BOARD PRESIDENT AND CHIEF EXECUTIVE OFFICER

On behalf of the Board of management, Executive and staff of Edenhope and District Memorial Hospital (EDMH) we are pleased to present this Annual Report for the year ending 30th June 2011. The Annual Report is a business and financial overview of the year, designed to be read in conjunction with the Quality of Care report which gives further detail on our services, achievements and improvements over the year.

We would like to take this opportunity to thank everyone associated with EDMH for their commitment, hard work and dedication over the year which has assisted EDMH to continue to provide high quality healthcare to the community.

Robert Carberry
Board President

Emma Kealy
Chief Executive Officer

Governance

In July 2010 we welcomed four new members to the EDMH Board of Management; Ann Warner, Angela Wait, Michael Rentsch and Robert Tuncks. All are active members of our local community, and each contributes individually specialised knowledge and experience to Boardroom discussions and decisions.

Key achievements in 2010-11 year include:

- Restructure of financial services
- Engagement of Director of Medical Services, John Best MD AO
- Commitment to operating a medical clinic
- Review of the clinical governance structure

We thank all Board Members for their contribution to the success and achievements of EDMH during the 2010-11 period.

In January 2011 we secured the services of Dr John Best AO to perform the duties of the Director of Medical Services. This agreement has greatly improved many aspects of the EDMH clinical governance framework.

A key achievement of Dr Best has been to establish a Credentialing and Privileging Committee whereby the qualifications, experience and skills of all medical practitioners providing services to the Edenhope community of formally reviewed by a select panel. Membership of the Committee includes Dr John Best AO (EDMH DMS), Prof Emeritus Ken Hardy AO, Dr Sue Morey AM, Dr David Senior (Robe GP), Meredith Finnigan (EDMH DON), and Emma Kealy (EDMH CEO).

We thank Dr Best for sharing his expertise in rural health, and providing leadership and advice regarding best practice in provision of medical services.

Leadership and Staffing

Director of Finance and Administration, Alister Ferguson, resigned in January 2010. We thank Alister for his contribution to the organisation during his employment.

A review of the financial services structure at EDMH identified a number of weaknesses in the existing service model. Of key importance were the high turn-over of staff in the role (six finance officers over the past ten years), and the increasing difficulty and associated cost of filling the role.

As a result of this review, and following a trial period, the Board made the decision to outsource financial management to Accounting and Auditing Solutions Bendigo (AASB). This has not only resulted in timely and far more detailed financial reporting to the Board of Management and Executive team, but has resulted in a net annual benefit of approximately \$80,000. These funds will be allocated to continue to broaden the scope of health services that the Hospital provides to the community.

Staffing throughout the period was otherwise stable, with no key positions vacant for an extended period.

Strategic Planning

Over the past years there has been growing pressure on rural communities to attract and retain doctors. To ensure the security and sustainability of doctors in Edenhope, in June 2011 the EDMH Board of Management committed to operating its own medical clinic. It is envisaged that the clinic will be operational by November 2011, and will be based in the new medical clinic at the Hospital.

This commitment to running a GP clinic will greatly reduce the risk to the Hospital and the wider community of being without a doctor for an extended period of time, and will ensure that all money associated with the clinic is retained in the community. This is an exciting venture, and although will be difficult to achieve it is envisaged that establishment of a hospital run clinic will be extremely rewarding and beneficial, for both the Hospital and broader community.

The Wimmera Sub-Region Service Plan was finalised in May 2011. This Service Plan includes a review of Health Services available across the Wimmera Region, with the aim of identifying service gaps and maximising utilisation of current services.

STAFF ARRAY				
Labour Category	JUNE		JUNE	
	Current Month FTE		YTD FTE	
	2011	2010	2011	2010
Nursing	30.72	33.72	35.38	32.74
Administration and Clerical	5.51	7.35	6.38	5.93
Medical Support	-	-	-	-
Hotel and Allied Services	26.63	30.53	30.19	30.93
Medical Officers	-	-	-	-
Hospital Medical Officers	-	-	-	-
Sessional Clinicians	-	-	-	-
Ancillary Staff (Allied Health)	1	0.36	1.01	0.22

Recommendations raised in the final report will be addressed by all Health Services in the region through the existing networks of the Wimmera Southern Mallee Health Alliance, the Wimmera CEO group, and regional clinical networks.

EDMH continued its commitment as a member organisation of the Wimmera Southern-Mallee Health Alliance. Involving the five health care groups in the region, this forum provides formal platform to discuss the local health environment and to manage any issues or opportunities in a co-operative and co-ordinated manner.

Quality Management

At EDMH we are committed to continually improving the quality of our services. To assess our performance and understand the impact of any changes to our system it is essential that we regularly evaluate and measure different aspects of our operations.

Accreditation is undertaken by an independent body that assess that we demonstrate evidence of our compliance with required quality standards, and our continuous improvements activities and outcomes over the specified period. EDMH is accredited through the Australian Council on Healthcare Standards (ACHS) until March 2013, and undertook a Periodic Review in September 2010.

The EDMH Residential Services are currently fully accredited by the Aged Care Standards Agency (ACSA). Both facilities received unannounced visits from the Agency during the reporting period.

By achieving accreditation, EDMH can demonstrate to the community the quality and safety of the services we provide, and our commitment to continuous improvement.

EDMH view accreditation as an opportunity to showcase the quality of the services we provide and more importantly a learning experience that provides opportunities for future improvements which have been:

- Internal Intranet reviewed, with all policies and procedures now available online
- Review of orientation program
- Increase in total number of Study Day's taken, which reflects the an increase in the expertise of local staff

and greater access to educational activities through teleconferencing and eLearning

- Medical Services provided by the hospital underwent a review by the BOM, resulting in a commitment to operate a medical clinic
- Financial Services reviewed which resulted in outsourcing of the financial management tasks.

Financial Management

Restructure of the financial management structure at EDMH has resulted in significant cost savings, improved transparency and internal reporting, and achievement of compliance with external reporting requirement and timeframes. It has also benefited the Hospital in providing much improved feedback and advice, giving us greater ability to manage our finances effectively.

In 2010-11 EDMH delivered a \$296,722 surplus prior to capital and specific items. This is an excellent result, particularly in light of the comparative result last year of a \$191,484 deficit.

This result is reflective of the strong leadership and decision made by the Board of Management and Executive team over the financial year.

Further details regarding this years result are available in the Financial Performance report on page 11.

Capital Purchases

In May 2011 EDMH received \$482,300 under the Australian Government National Rural and Remote Health Infrastructure Program. This funding will be used to extend the Elsie Bennett Community Centre to build a set of consulting suites, which will be used as the site of the new medical clinic.

We continue to seek financial commitment by the Government to progress the hospital redevelopment program. We are working closely with the Department of Health to achieve our aim of commencing the project within the next four years.

Capital items purchased in the 2010-11 year are listed in the column to the right. Capital funding by the State Government was particularly strong, which we greatly acknowledge.

We are extremely fortunate for the ongoing generous support by the community. Donations directly to the Hospital and fundraising activities by

the Hospital associated Ladies Auxiliary and Murray to Moyne team have enabled us to purchase items and other general facility improvements that we would otherwise be unable to afford. In this financial year these purchases include a Bariatric Bed and display boards for the Nursing Home.

We also gratefully acknowledge the financial support received from the Edenhope Community Bank (Bendigo Bank), Lake Charlegrark Country Music Marathon Committee, and Edenhope Lions Club. With the Hospital Auxiliary, these bodies generously supported the Hospital to purchase the iStat pathology analyser, and assisted us to invest in the antenna to allow radiology images to be sent in a digital format, giving us the ability to expand our x-ray services.

We would like to extend sincere gratitude to everyone who has supported the Hospital by donation or volunteer contributions throughout the year.

The Hospital has self-funded a number of additional capital purchases and infrastructure improvements, as indicated in the table below.

Capital Purchases 2010-11	
SELF FUNDED	
105 Lake St Renovations	\$9,286
Barkala Flat Renovations	\$85,351
Hostel and Nursing Home Air-Conditioning Units	\$25,334
District Nursing/OHS Office Refit	\$4,023
Nissan Maxima	\$27,674
Ride-on Mower	\$4,545
RobotCoupe Kitchen Mixer	\$1,300
Chair Scale	\$2,563
VICTORIAN GOVERNMENT CAPITAL FUNDING	
Lift Chair	\$4,354
Emergency Generator	\$49,470
Electrical Switchboard	\$39,014
Patient Lifter	\$10,090
Dust Extractor for Mens Shed	\$1,162
Nursing Home Beds x 2 with Mattress	\$10,000
LADIES AUXILIARY	
Bariatric Bed	\$3,030
JOINT FUNDRAISING AND COMMUNITY BODIES	
iStat Pathology Analyser	\$12,645
TOTAL	\$289,841

Visiting Medical Officers

Dr Afzal Khan departed Edenhope in February 2011 to pursue further experience in larger metropolitan hospitals in Melbourne. The Edenhope Medical Clinic is yet to replace Dr Khan. Over the 2010-11 year Dr Amjad Hafizullah continued to provide valuable medical services to the community and EDMH.

In addition, Dr Ron Bade continues to provide locum and out of hours emergency support to EDMH.

We were very fortunate to secure visiting services from two highly reputable medical Specialists. Dr John Hurley, a geriatrician from Ballarat, has provided an on-site clinic throughout the 2011 year, predominantly providing valuable clinical support to our aged care residents. Dr Bill Heddle - a highly experienced and respected cardiologist and consultant physician from Adelaide - has established a regular visiting schedule to Edenhope, providing on-site clinical services to community members and EDMH patients over the 2011 year.

We would like to thank all Doctors for their ongoing support and commitment to EDMH and the community.

Partnerships

EDMH works in conjunction with many partner organisations to continue to deliver high quality care and a variety of health options to the local community.

Wimmera Primary Care Partnership continues to provide support through training, co-ordination and funding for a number of special community health programs.

A Community Health Nurse and Social Worker were funded in partnership with West Wimmera Health Service via the Department of Health and Ageing Rural Primary Health Program.

Financial Services and Information Technology Support services were provided through Wimmera Health Care Group; Western District Health Service provided education support, physiotherapy to our Aged Care residents, speech pathology and dietetics; and Casterton Memorial Hospital provided coding services.

We thank all partner organisations for their ongoing support and high quality, reliable services over the year.

Community Support

Our local community have continued to provide impressive support to EDMH through direct donations, support of fundraising events, and contribution of volunteer hours.

We offer our sincere thanks to fundraising bodies including the Ladies Auxiliary and Murray to Moyne team, services clubs, businesses, and community members that have assisted us throughout the year.

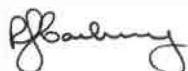
If you are interested in assisting the Hospital through volunteer activities, direct donations or other support, please contact us on 5585 9800 for further information.

Department of Health

We acknowledge the support and assistance we receive from the Department of Health and particularly acknowledge the Grampians Regional Director, Tom Niederle, and his staff directly involved with EDMH over the 2010-11 year; Claire Sandford, Warren Anderson, Luke Cooper, Max Watson, Pat Standen, Sue Daly, Kristy Bellman, and all other Grampians Region team members.

RESPONSIBLE BODIES DECLARATION

In accordance with the *Financial Management Act 1994*, I am please to present the Report of Operations for Edenhope and District Memorial Hospital for the year ending 30th June 2011.



Mr Robert Carberry
Board President

Edenhope
25th August 2011

BOARD OF MANAGEMENT

The Board of Management is appointed by the Governor-in-Council from nominations received by the Hospital. The Hospital is incorporated under and regulated by the *Health Service Act, 1988*. The Minister's during the reporting period were The Hon. Daniel Andrews MP from 1 July 2010 to 2 December 2010, and The Hon David Davis MP from 2 December 2010 to 30th June 2011.

The role of the Board of Management is to ensure EDMH achieves its Mission and Strategic goals and objectives and, in doing so, meets all the legal and moral responsibilities accompanying 'best practice' corporate governance.

Robert Carberry

President

Occupation: Wool Broker
Committee: Clinical Governance
Audit & Compliance
Comm. Consultation
Medication Advisory
First appointed: 1 Nov 2005
Term expiry: 30 Jun 2011

James Farran

Treasurer

Occupation: Grazier
Resides: Edenhope
Committees: Audit & Compliance
First appointed: 1 Nov 2006
Term expiry: 30 Jun 2012

Jan Grigg

Board Member

Occupation: Business Mgr
Committees: Safe Environment
Clinical Governance

Initial period served:
1 Nov 1976 – 1 Oct 1991

Newly Appointed: 1 Nov 2000
Term expiry: 30 Jun 2012

Kate Hausler

Board Member

Occupation: Farmer
Resides: Ullswater
Committee: Clinical Governance
First appointed: 1 Jul 2009
Term expiry: 30 Jun 2012

Ron Hawkins

Junior Vice President

Occupation: West Wimmera Shire
Council – Councillor
Farmer
Resides: Minimag
Committees: Medication Advisory
Comm. Consultation
First appointed: 1 Sept 1974
Term expiry: 30 Jun 2011

Michael Holland

Senior Vice President

Occupation: Agribusiness Mgr
Resides: Charam
Committees: Safe Environment
Building
Medication Advisory
First appointed: 1 Nov 1993
Term expiry: 30 Jun 2011

Tony Kealy

Assistant Treasurer

Occupation: Farmer
Resides: Patyah
Committees: Audit & Compliance
First appointed: 1 Jul 2008
Term expiry: 30 Jun 2010

Robert Okely

Board Member

Occupation: Farmer
Resides: Edenhope
Committees: Building
First appointed: 1 Jul 2009
Term expiry: 30 Jun 2012

Michael Rentsch

Board Member

Occupation: Police Officer
Resides: Edenhope
Committees: Building
First appointed: 1 Jul 2010
Term expiry: 30 Jun 2014

Robert Tuncks

Board Member

Occupation: Farmer
Resides: Edenhope
First appointed: 1 Jul 2010
Term expiry: 30 Jun 2014

Angela Wait

Board Member

Occupation: Project Officer
Resides: Powers Creek
Committees: Cont. Improvement
First appointed: 1 Jul 2010
Term expiry: 30 Jun 2014

Ann Warner

Board Member

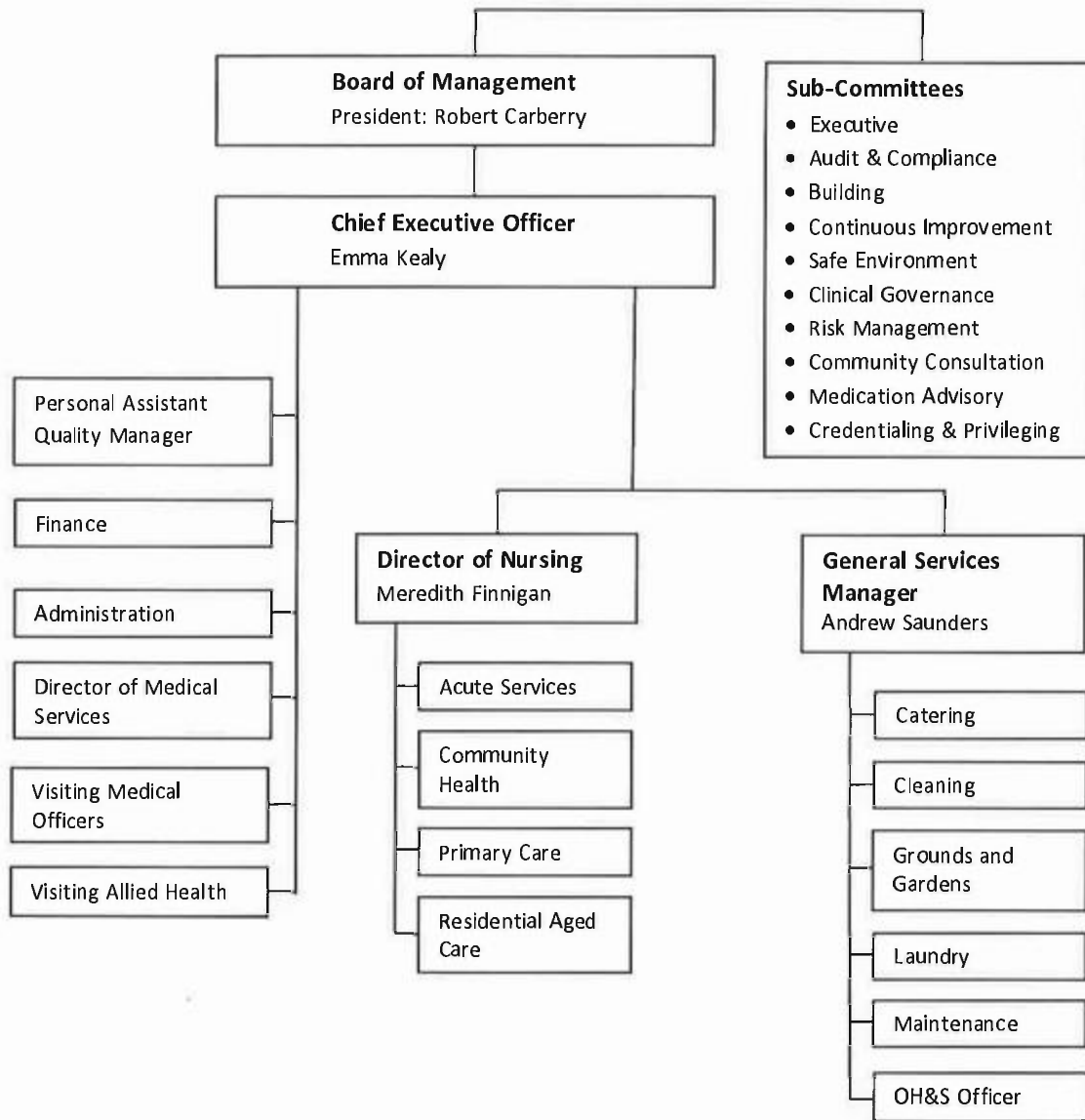
Occupation: Farmer
Resides: Powers Creek
Committees: Risk Management
First appointed: 1 Jul 2010
Term expiry: 30 Jun 2014

OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

Edenhope and District Memorial Hospital is a public Agency established under the Health Services Act 1988. It is authorised to provide public health and ancillary services as authorised under the Act, and operate Residential Care Services under the Aged Care Act 1997.

The Board of Management consists of persons appointed by the Minister for Health under the Act who are empowered to provide strategic direction for the organisation. Whilst the Board provide direction for the Agency and determine what must be done, the responsibility for determining how services are delivered is invested in the Chief Executive Officer.

ORGANISATIONAL STRUCTURE



NATURE AND RANGE OF SERVICES PROVIDED BY EDMH

Urgent Care Service

- 24 hr, 7 day service (not registered)

Medical Services

- Haemodialysis
- Chemotherapy
- Acute Care

Medical Imaging – Bendigo Radiology

- X-Ray

Pathology – St John of God Pathology

- Daily pick-up and testing
- iStat point of care testing on-site

Community Services

- Community Health Nurse
- District Nursing Service
- Post Acute Care
- Meals on Wheels
- Adult Day Centre
- Women's Health

Primary Care

- Audiology
- Dentistry
- Diabetes Education
- Dietetics
- Health Promotion
- Occupational Therapy
- Optometry
- Physiotherapy
- Podiatry
- Social Work
- Speech Pathology

Visiting Specialists

- Cardiology
- Geriatrics

Residential Aged Care

- 18 bed high care facility (Kowree Nursing Home)
- 22 bed low care facility (The Lakes Hostel)
- 19 independent living units (Barkala Flats)
- Home and bed-based respite care

CLINICAL SERVICES

Director of Medical Services

Edenhope and District Memorial Hospital (EDMH) is facing all the challenges that small town rural Australia is facing in regard to its medical services. Not only is Edenhope distant from Melbourne, but being close to the South Australian border, it has a natural affinity with Naracoorte. There is also an affinity with Hamilton, where many of the children are students in the schools.

However, state borders (not to mention regional boundaries) create a form of rigidity in that services are often determined by the State and/or regional provider. Even though there have been strong protagonists for the Greater Green Triangle concept, and I have always been one of those, it is difficult to maintain the integrity of such a concept when the progression in service complexity means going to Horsham thence to Ballarat with all roads eventually winding their way into Melbourne.

I have always had a personal interest in this part of Victoria, my uncle by marriage even being inscribed on the Edenhope war memorial. But that was not what attracted me to Edenhope. One of the key features in any revival of a service is vested in the Chief Executive Officer and having such strategically savvy and active person such as Emma Kealy with the plus of being born and bred in the district is a distinct advantage.

The other advantage which tends to get lost in the discussion of being unable to recruit doctors is the fact that with Meredith Finnigan and her staff, EDMH is fortunate in having a stable and competent workforce. After all in the far East of the state many of the small towns depend on bush nursing –and in my way of thinking these nurses are the true nurse practitioners.

Doctors and allied health professionals are nevertheless important; and one of the challenges is to recruit more doctors, able to both work independently and also have the procedural skills to deal with emergencies. As road transport has improved and air retrieval become feasible, so the need for the hospital to provide surgical procedures and deal with trauma has diminished. However,

the doctors need to be skilled and this recognised by your current IMG, Dr Amjad Hafizullah, being in the remote vocational training scheme (RVTS).

Nevertheless, the ideal situation for Edenhope will be when additional doctors including a general practitioner registrar have been recruited.

To underpin the acquisition of more medical staff and to also cement at least a permanent part-time allied health professional service, there is a need to create appropriate infrastructure and some funding has been received from the Australian Government to form the basis of funding a medical centre attached to the hospital.

At the same time funding has been obtained from the Victorian Department of Health to establish a geriatric service and the conditions for this are being negotiated. In a community such as Edenhope geriatric health is a major component of the health service. Having a visiting specialist geriatrician is essential.

Edenhope is even more fortunate in having a leading Adelaide consultant physician making regular visits. Dr Bill Heddie is a specialist cardiologist, but in Edenhope he is referred a wide variety of conditions –and hence is a medical referral point for the local doctors.

EDMH has a long way to go –probably not back to when it did deliveries and the doctors were also surgeons. However, the challenge is to build a stable workforce and in so doing be a place where students and early medical graduates can come as Dr Bade those long years ago and thus help to sustain the traditions of which EDMH has been so proud of in the past - but probably a set of traditions which have accommodated the changes that have occurred in medical care since Dr Bade first came.

Dr John Best AO MD PHD FRACMA

Director of Nursing

Throughout the year we identify areas where we can improve the care and services which are provided to our community.

Our key improvements for the 2010-11 year include:

- Two Enrolled Nurses undertook Medication Management training
- Installed a Digital X-Ray link which will enable us to be able to transmit X-Rays electronically
- Four Registered Nurses undertook a five day training course in Comprehensive Health Assessing for aged care patients and residents
- Execution of a Memorandum of Understanding with Ambulance Victoria to enable us to use the skills and expertise of ambulance officers in the hospital setting for deteriorating patients and for patients who present to the emergency department by private transport who require advanced interventions and resuscitation
- Received funding for Community Health to implement a quality improvement system called the PDSA cycle. The project is currently looking at improving communication and feedback between community health providers and GPs
- Upgrade of student accommodation using funding provided by the Department of Health
- Purchase of two electric floor-line beds which go down to the floor to reduce the risk of patients or residents falling from bed
- Purchase of an electric lifting machine for the Nursing Home
- Purchase of an iStat pathology analyser which will enable us to test patients and residents blood and get accurate, timely results without having to transport blood to Horsham for testing

I would like to thank all clinical and hostel staff for their hard work and commitment throughout the year, and extend thanks to all other staff and external providers for their support. I look forward to continuing our success in the coming year.

Meredith Finnigan

OCCUPATIONAL HEALTH AND SAFETY

Kirily Ryan continues in the role of Occupational Health and Safety (OHS) Officer at EDMH on a part time basis. Whilst the OHS program is overseen by the General Services Manager, support is provided by the Grampians Region Department of Health.

Andrew Saunders was appointed the responsibility of Fire Officer in November 2010.

EDMH run several risk prevention programs which include No Lift, Manual Handling, Safety Inspections, Workplace Inspections and Risk Assessments.

Incident Reporting

In November 2010 EDMH implemented the Victorian Health Incident Management System (VHIMS), which is an electronic OH&S incident reporting system. Non clinical reports are reviewed by the CEO and clinical reports by the Director of Nursing. Consolidated reports are presented to the Safe Environment Committee, Risk Management Committee, Continuous Improvement Committee and the Board of Management.

For all risks identified remedial action is implemented to minimise or eliminate exposure to the risk.

In 2010/2011 there were 14 reported staff incidents of which two (14.28%) resulted in injuries. The number of reported incidents marginally increased in the past year (1.4%). Slips/Trips/Falls and Manual Handling were the significant contributory factors in reportable injuries.

Comparative lost time injuries over the past three years total 40 days (2010/2011), 52 days (2009/2010), 0 days (2008/2009).

External Audits

No on-site visit or audits were received by Worksafe over the past year, nor any other external safety audit.

Safe Environment Committee

The Safe Environment Committee continues to meet on a monthly basis.

Health and Safety Representatives (designated workgroup representatives) for all sections of the hospital attend these meetings on behalf of staff. Staff are encouraged to attend these meetings along with members of the Committee to contribute valuable input in minimising risk to the organisation.

Appreciation and thanks is extended to all staff involved and to Board Members who attend these meetings.

Staff Training

Occupational Health and Safety is an integral aspect of continuous education at EDMH. In the past year staff, contractors and volunteers have undertaken training in various aspects of safety including:

- Orientation for new staff – manual handling, fire and evacuation, VHIMS, OHS and clinical risk respectively.
- No Lift and Manual Handling training
- Fire extinguisher, fire evacuation drills, and online fire safety training
- Emergency Controller duty training, including fire panel training
- Victorian Health Incident Management System (VHIMS) training
- eLearning via Grampians Loddon Mallee and E3 online learning portals
- OHS designated workgroup representative training
- Volunteer training package: manual handling, fire and evacuation, and electrical safety
- Contractors OHS package: evacuation and emergency procedure action plans and fire safety training

Hazardous Substances

In 2010/2011 Health and Safety Representatives undertook and reviewed all hazardous substances in their designated areas. Where able

hazardous substances have been replaced with eco- friendly products or removed from use.

All chemicals used are accompanied with a Material Safety Data Sheet and where required have a Hazardous or Dangerous Risk Assessment completed. This information is co- located with stored chemicals for accessibility and is audited regularly. Staff are encouraged to access information prior to usage of chemicals.

The OH&S Officer maintains a main chemical register, hazardous chemical register and manual handling register for EDMH. Updates of material safety data sheets are sourced by the OHS Officer as required and are supplied to relevant Health and Safety Representatives. Main copies of these registers are located and kept in the OHS office.

Safety Initiatives

Many of our risks and safety improvement programs are initiated by biannual workplace inspections and reviews by Health and Safety Representatives and staff.

Inspection findings are submitted to the Safe Environment Committee for review and discussion. This resulted in several improvements including:

- Contractors OHS package developed and distributed to all contractors
- Purchase of new trailer ramps
- Relocation of the medical records room to a new location
- Appointment of Fire Officer
- Purchase of new high low electric beds in hospital
- Implementation of Job Safety Analysis program
- Installation of shelving in Hotel Services
- Purchase of gel pack knee pads for kitchen and maintenance staff use

ATTESTATION ON COMPLIANCE WITH AUSTRALIAN/NEW ZEALAND RISK MANAGEMENT STANDARD

I, Robert Carberry certify that the EDMH 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 Edenhope and District Memorial Hospital has been critically reviewed within the last 12 months.



Mr Robert Carberry
Board President

Edenhope
25th August 2011

FINANCIAL PERFORMANCE

NET RESULT BEFORE CAPITAL AND SPECIFIC ITEMS

Edenhope & District Memorial Hospital (EDMH) has delivered a net operating surplus before capital and specific items of \$296,722 compared to a deficit of \$191,484 in 2009/10.

OPERATING RESULT

The comprehensive result for the year was a \$269,244 deficit (\$996,064 deficit 2009/10).

The major reason for the improved performance was an increase in revenue from operating activities (\$6.9M 2010/11, \$6.2M 2009/10), specifically:

- Increase Residential Aged Care occupancy and ACFI rates, Commonwealth grants increased by \$167,857 and fees increased by \$120,670.
- State Government Funding includes \$89,094 for the Developing Organisational Capacity program which runs from April 2011 – March 2012. Under accounting standards grants are recognised as income when they are received and can't be treated as income in advance unless there is a requirement to repay the funds. The majority of the expenditure for the project will be recognised in 2011/12.
- Indirect Long Service Leave contribution of \$42,588 for 2010/11 compared to \$0 in 2009/10.
- Private inpatient fees increased by \$41,132.
- Increase in Barkala rental rates and recoveries from VMO's led to property income increasing by \$28,415
- Increased investments held have meant interest has improved from \$105,165 in 2009/10 to \$204,193 in 2010/11.
- The Grampians Rural Health Alliance is now treated as a jointly controlled asset and EDMH's share of operating income \$122,718.

Employee Entitlements increased in line with the expected pay rises and inflation. There was also additional public holidays gazetted by the government that was funded by the Department \$37,000.

Non Salary Labour Costs increased by \$94,517. \$32,977 of this expenditure is attributed to a small consultancy to review our medical services; increased fee for Service Medical Officers as a result of increased throughput (see increase in patient fees); and contracting the Director of Medical

Comparative Financial Results for the Past Five Financial Years					
	2010/11	2009/10	2008/09	2007/08	2006/07
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Expenses	7,707	7,413	6,385	6,287	5,937
Total Revenue	7,437	6,417	6,544	6,967	6,096
Net Result for the Year (inc. Capital and Specific Items)	(269)*	(996)*	159	680	159
Retained Surplus/ (Accumulated Deficit)	775	1,044	2,040	1,798	1,117
Total Assets	10,646	10,167	10,702	9,309	8,328
Total Liabilities	3,337	2,588	2,127	2,581	2,414
Net Assets	7,310	7,579	8,575	6,728	5,914
Total Equity	7,310	7,579	8,575	6,728	5,914

*Note: Depreciation costs significantly increased in 2009 due to a revaluation of all buildings and a reduction in building lifespan. This has resulted in a significant increase in depreciation incurred annually, and affects the ability to compare financial results over the past five years.

Services on a set fee per month basis from January 2011.

Supplies and Consumables decreased from 2009/10 and Other Expenses only increased by \$12,683 from over \$1M last financial year.

DEPARTMENT OF HEALTH CAPITAL GRANTS

Capital purpose income increased from \$90,220 in 2009/10 to \$298,234 in 2010/11:

- \$109,066 received in State Government Capital Grants for the Electrical Switchboard, Generator, and General Targeted Equipment Program.
- All donations were treated as capital in nature totalling \$100,644 in 2010/11 (\$15,062 in 2009/10).
- The Sale of David Street Land & Buildings along with trade in of the Director of Nursing's Motor Vehicle resulted in a gain of \$29,838.

CASH POSITION

Cash and Investments have increased from \$3M in 2009/10 to \$4.1M in 2010/11. The increase is due to additional Hostel Accommodation Bonds held and the improved revenue performance.

ASSET REPLACEMENT

Capital expenditure for the reporting period was \$289,841. For details of this expenditure please refer to the table on page 5.

THE FUTURE

At the conclusion of this year the hospital strengthens its sound financial position.

Replacement of a number of items of equipment has been undertaken during the year. These will provide future benefit to the Hospital by adding to the efficiency of the services provided, maintain infrastructure for longevity, and improve the patient and resident environment on an ongoing basis.

Building and operating the medical clinic on-site is an exciting venture for the Board and staff, and we look forward to enjoying the benefits that this facility will have on the Hospital and broader community.

The Hospital will continue to provide services to the community in line with our strategic plan. This includes utilising innovation to improve services while maintaining a financially sound footing.

ACKNOWLEDGEMENT

I would like to acknowledge Emma Kealy for her leadership, and all the staff for their support and assistance over the past year. I commend them all for their hard work and commitment to the care and welfare of the community.

I would also like to thank our Donors, Volunteers, Ladies Auxiliary, the Murray to Moyne Cycle Relay Team, and the Community for their continued support and donations, and their time so freely and generously given to the Hospital throughout the past year.

Finally, I would like to thank my fellow Board members for their support over the past year and look forward with them to what promises to be a bright and exciting future for our hospital.

Jim Farran
Treasurer

ACTIVITY, SERVICE PERFORMANCE AND CASH MANAGEMENT REPORTING

Activity

Hospital Activity	2010-11 Activity Achievement	
	Weighted Inlier Equivalent Separations (WIES)	Separations
Public	219.86	210
Private	45.81	55
Total (Public and Private)	265.67	265
Renal	17.79	301
DVA	24.97	27
TAC	0	0
Other	2.1	3
TOTAL	310.53	596

Residential Aged Care	Bed Days	Occupancy
Kowree Nursing Home	6,348	96.6%
The Lakes Hostel	7,223	90.0%

Nursing Home Type	Bed Days	Separations
NHT (non DVA)	688	7
NHT – DVA	0	0

Service Performance

The Hospital provides a variety of services to the community, incorporating an urgent care department which saw 840 patients for the year. Other clinics include dental, social work, physiotherapy, podiatry and dietetics.

The district nurses provided 2,690 home visit consultations to 384 patients, and the day centre provided activities for 3,084 patrons.

Cash Management/Liquidity Indicators

Cash Management/Liquidity	2010-11 Actuals
Creditors (days)	31.68
Debtors (patient fees) (days)	72.17

STATUTORY REPORTING REQUIREMENTS

Building and Maintenance

All building works have been designed in accordance with the Department of Human Service's Guidelines and comply with the *Building Act 1993*.

Consultancies

No consultants were engaged by EDMH during the reporting period.

Disability Access Plan

During 2010-2011 a Disability Access Plan was written which acknowledges the rights of people with disabilities, and outlines the Hospital's role in regard to providing access to services in all areas of the Hospital including emergency care, acute and aged care, and the community.

Ex-Gratia Payments

No ex-gratia payments were made during 2010-11.

Financial Management Act 1994

In accordance with the Minister for Finance directive, information requirements have been prepared and are available to the relevant Minister, Members of Parliament and the public on request to the Chief Executive Officer.

Freedom of Information

There were four requests under the Freedom of Information Act 1982 regulations and access to information was granted in four instances.

Freedom of Information requests should be in writing and addressed to the Freedom of Information Officer, EDMH, PO Box 75, Edenhope, Vic, 3318.

Hospital Fees

Fees charged by EDMH are regulated by the Commonwealth Department of Health and Aged Care and in accordance with the Department of Health Victoria directives.

National Competition Policy

EDMH complies with all government policies regarding competitive neutrality with respect to all tender applications, including the requirements of the Government policy statement,

Competitive Neutrality Policy Victoria, and subsequent reforms.

Occupational Health and Safety

EDMH has a responsibility to ensure the provision of a safe environment for all staff, patients, residents and visitors.

During the 2010-11 financial year there were no serious injuries, diseases or workplace deaths. There were two lost time injuries which totalled 40 days.

Pecuniary Interests/Disclosures

Members of the Board of Management are required under the Hospital By-Laws to declare their pecuniary interest in any matter that may be discussed by the Board or Board Sub-Committees.

Publications

A review is regularly undertaken to update information in publications such as patient information brochures. The Annual and quality of Care Reports are presented each year at Edenhope and District Memorial Hospital's Annual General Meeting, and are available on our website: www.edmh.org.au.

Risk Management

EDMH uses a web based compliance software system to record and manage risk and compliance obligations in line with State and Commonwealth legislation and the Australian/New Zealand Risk Management Standard.

Victorian Industry Participation Policy

EDMH complies with the *Victorian Industry Participation Policy (VIPP) Act 2003*. In 2010-11 no contracts at EDMH were commenced nor completed which required information disclosure under this Act.

Whistleblowers Protection Act

The *Whistleblowers Protection Act 2001* came into effect on January 1, 2002. The Act is designed to protect people who disclose information about serious wrongdoings within the Victorian Public Sector and to provide a framework for the investigation of these matters.

EDMH's policies and procedures are consistent and compliant with the Whistleblowers Protection Act.

Disclosures of improper conduct by EDMH or its employees may be made to:

The Protected Disclosure Officer - Sharon Hinch

Ph 03 5585 9806

Email sharonh@edmh.org.au

or

The Ombudsman Victoria

Level 22, 459 Collins St

Melbourne, 3000

Ph 03 9613 6222, Toll Free 1800 806 314

www.ombudsman.vic.gov.au

Workforce Data Disclosures

A total of 105 people were employed by EDMH: Full time 25; Part time 64; Casual 16.

In February 2011 a restructure of financial management at EDMH resulted in engagement of an external contractor to perform financial management and reporting tasks, and removal of the role of Director of Finance and Administration. The Administration department now reports directly to the CEO via the Human Resources and Administration Manager.

There was no lost time due to industrial disputes.

EDMH has an ongoing commitment to eliminate discrimination and inefficient work practices and to promote Equal Employment Opportunities in its workplace in accordance with the Public Authorities (Equal Employment Opportunity) Act of 1990.

It bases its employment decisions on merit, treats employees fairly and reasonably; provides employees with an avenue of redress against unfair or unreasonable treatment and does not discriminate, directly or indirectly on the basis of various individual proclivities, personal characteristics, beliefs or social activities.

ATTESTATION ON DATA INTEGRITY

I, Emma Kealy certify that Edenhope and District Memorial Hospital has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. Edenhope and District Memorial Hospital has critically reviewed these controls and processes during the year.



Emma Kealy
Chief Executive Officer

Edenhope
25th August 2011

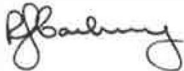
BOARD MEMBER'S, ACCOUNTABLE OFFICER'S, AND CHIEF FINANCE & ACCOUNTING OFFICER'S DECLARATION

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

We further state that, in our opinion, the information set out in the comprehensive Operation Statement, Balance Sheet, Statement of Changes in Equity, Cash flow Statement and notes to and forming part of the financial statements, present fairly the financial transactions during the year ended 30 June 2011 and the financial position of Edenhope and District Memorial Hospital at 30 June 2011.

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

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



Robert Carberry
President and Member of Board

Edenhope
25th August 2011



Emma Kealy
Chief Executive Officer
Chief Finance and Accounting Officer

Edenhope
25th August 2011



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Edenhope and District Memorial Hospital

The Financial Report

The accompanying financial report for the year ended 30 June 2011 of Edenhope and District Memorial Hospital which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a statement of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

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.

Level 24, 35 Collins Street, Melbourne Vic. 3000
Telephone 61 3 8601 7000 Facsimile 6138601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest



Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Edenhope and District Memorial Hospital as at 30 June 2011 and of its financial performance and its 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*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Edenhope and District Memorial Hospital for the year ended 30 June 2011 included both in Edenhope and District Memorial Hospital's annual report and on the website. The Board Members of Edenhope and District Memorial Hospital are responsible for the integrity of Edenhope and District Memorial Hospital's website. I have not been engaged to report on the integrity of Edenhope and District Memorial Hospital's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
26 August 2011



DDR Pearson
Auditor-General

**EDENHOPE & DISTRICT MEMORIAL HOSPITAL
COMPREHENSIVE OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Revenue from Operating Activities	2	6,934,879	6,219,806
Revenue from Non-operating Activities	2	204,193	105,165
Employee Expenses	3	(5,120,767)	(4,879,037)
Non Salary Labour Costs	3	(273,590)	(179,073)
Supplies and Consumables	3	(400,766)	(425,549)
Other Expenses from Continuing Operations	3	(1,047,227)	(1,034,544)
Share of Net Result of Joint Ventures Accounted for using the Equity Model	10	0	1,748
Net Result Before Capital & Specific Items		296,722	(191,484)
Capital Purpose Income	2	298,234	90,220
Depreciation and Amortisation	4	(864,200)	(889,528)
Expenditure using Capital Purpose Income	3	0	(2,708)
NET RESULT FOR THE YEAR		(269,244)	(993,500)
Other Comprehensive Income			
Share of other comprehensive income of joint ventures		0	(2,564)
COMPREHENSIVE RESULT FOR THE YEAR		(269,244)	(996,064)

**EDENHOPE & DISTRICT MEMORIAL HOSPITAL
BALANCE SHEET
AS AT 30 JUNE 2011**

	Note	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	2,577,515	3,057,758
Receivables	6	312,396	191,124
Investments and other Financial Assets	7	1,540,082	0
Inventories	8	27,672	24,938
Other Current Assets	9	52,153	7,134
Total Current Assets		4,509,818	3,280,954
Non-Current Assets			
Receivables	6	42,588	0
Investments Accounted for using the Equity Method	10	0	94,017
Property, Plant & Equipment	11	6,094,026	6,791,625
Total Non-Current Assets		6,136,614	6,885,642
TOTAL ASSETS		10,646,432	10,166,596
LIABILITIES			
Current Liabilities			
Payables	12	295,645	272,825
Provisions	13	1,258,114	1,127,049
Other Liabilities	14	1,631,198	1,042,326
Total Current Liabilities		3,184,957	2,442,200
Non-Current Liabilities			
Provisions	13	151,848	145,525
Total Non-Current Liabilities		151,848	145,525
TOTAL LIABILITIES		3,336,805	2,587,725
NET ASSETS		7,309,627	7,578,871
EQUITY			
Property, Plant & Equipment Revaluation Surplus	15a	2,276,565	2,276,565
Restricted Specific Purpose Reserve	15a	276,268	276,268
Contributed Capital	15b	3,981,684	3,981,684
Accumulated Surpluses/Deficits	15c	775,110	1,044,354
TOTAL EQUITY		7,309,627	7,578,871
Commitments for Expenditure	18		
Contingent Liabilities and Contingent Assets	19		

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

EDENHOPE & DISTRICT MEMORIAL HOSPITAL
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2011

Note	Property, Plant & Equipment Revaluation Surplus \$	Restricted Specific Purpose Reserve \$	Contributed Capital \$	Accumulated Surpluses/ (Deficits) \$	Total \$
Balance at 1 July 2009	2,276,565	276,268	3,981,684	2,040,418	8,574,935
Net result for the year	0	0	0	(993,500)	(993,500)
Other comprehensive income for the year	0	0	0	(2,564)	(2,564)
Balance at 30 June 2010	2,276,565	276,268	3,981,684	1,044,354	7,578,871
Net result for the year	0	0	0	(269,244)	(269,244)
Balance at 30 June 2011	2,276,565	276,268	3,981,684	775,110	7,309,627

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

**EDENHOPE & DISTRICT MEMORIAL HOSPITAL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$ Inflows/ (Outflows)	2010 \$ Inflows/ (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		5,538,682	5,255,421
Patient and Resident Fees Received		913,169	732,373
Donations and Bequests Received		100,644	15,062
GST (Paid to)/received from ATO		1,317	4,052
Interest Received		160,611	105,165
Other Receipts		353,194	305,089
Employee Expenses Paid		(4,983,379)	(4,741,509)
Non-Salary Labour Costs		(273,590)	(179,073)
Payments for Supplies and Consumables		(1,394,060)	(1,657,102)
Cash Generated from Operations		416,588	(160,522)
Capital Grants from Government		109,066	18,000
NET CASH INFLOW FROM OPERATING ACTIVITIES	16	525,654	(142,522)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Non-Financial Assets		(289,842)	(312,687)
Proceeds from sale of Non-Financial Assets		178,955	56,374
Purchase of Investments		(1,525,163)	0
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		(1,636,050)	(256,313)
NET INCREASE/ (DECREASE) IN CASH HELD		(1,110,396)	(398,835)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		2,015,432	2,414,267
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	905,036	2,015,432

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

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements are a general purpose financial report which have been prepared in accordance with the *Financial Management Act 1994*, and applicable Australian Accounting Standards (AASs) and Australian Accounting Interpretations and other mandatory requirements. AASs includes Australian equivalents to International Financial Reporting Standards.

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

The Health Service is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the AAS's.

The annual financial statements were authorised for issue by the Board of Edenhope & District Memorial Hospital on 25th August 2011.

(b) Basis of accounting preparation and measurement

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011, and the comparative information presented in these financial statements for the year ended 30 June 2010.

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

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

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

The financial statements are prepared in accordance with the historical cost convention, except for the revaluation of certain non-financial assets and financial instruments, as noted. Particularly, exceptions to the historical cost convention include:

- Non-current physical assets, which subsequent to acquisition, are measured at valuation and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values.
- The fair value of assets other than land is generally based on their depreciated replacement value.

Historical cost is based on the fair value of the consideration given in exchange for assets.

In the application of AASs 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 circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

(b) **Basis of accounting preparation and measurement (Continued)**

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

(c) **Reporting Entity Report**

The financial statements includes all the controlled activities of Edenhope & District Memorial Hospital.

Its principal address is:
128-132 Elizabeth Street
Edenhope Vic 3318

A description of the nature of Edenhope & District Memorial Hospital operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

(d) **Joint Ventures**

Investments in a joint venture partnership are accounted for using the equity method of accounting. Under the equity method for accounting, Edenhope & District Memorial Hospital's share of the post-acquisition profits or losses of the joint venture partnership is recognised in the net result and its share of post-acquisition changes in revaluation surpluses and any other reserves and any other reserves, are recognised in both the comprehensive operating statement and the statement of changes in equity.

Details of the joint venture are set out in note 10.

Jointly controlled assets

Interests in jointly controlled assets are accounted for by recognising in Edenhope & District Memorial Hospital's financial statements its proportionate share of the assets, liabilities and any income and expenses of such assets.

Details of the jointly controlled assets are set out in note 21.

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

Fund Accounting

Edenhope & District Memorial Hospital operates on a fund accounting basis and maintains one fund: Capital Funds. Edenhope & District Memorial Hospital's Capital Funds include unspent capital donations and receipts from fundraising activities conducted solely in respect of these funds.

Services Supported by Health Services Agreement and Services Supported by Hospital and Community Initiatives.

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

Comprehensive operating statement

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

(e) **Scope and presentation of financial statements (Continued)**

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 and plant and equipment. It also includes donations of plant and equipment (refer note 1 (h)). 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:
 - Voluntary departure packages
 - * Write-down of inventories
 - * Non-current asset revaluation increments/decrements
 - * Non-current assets lost or found
 - * Forgiveness of loans
 - * Reversals of provisions
 - * Voluntary changes in accounting policies (which are not required by an accounting standard
 - * or other authoritative pronouncement of the Australian Accounting Standards Board)
- * Impairment of financial and non-financial assets, includes all impairment losses (and reversal of previous impairment losses), which have been recognised in accordance with note 1(i)
- * Depreciation and amortisation, as described in note 1 (h)
- * Assets provided or received free of charge, as described in note 1 (h)
- * Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold, or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the Balance Sheet, where funding for that expenditure is from capital purpose income.

Balance Sheet

Assets and liabilities are categorised either as current or non-current.

Statement of changes in equity

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

Cash flow statement

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

Comparative Information

There have been no changes to comparative information which require additional disclosure

(f) **Change in Accounting Policies**

The Health Service had a 3.19% interest in the joint venture of Grampians Rural Health Alliance (GRHA) as at 30 June 2010 amounting to \$94,017. This investment in the joint venture was previously treated as an investment in a jointly controlled entity. From 1 July 2010, this investment has been accounted for as an interest in a jointly controlled asset. The change in accounting policy is as a result of the accounting treatment under the joint venture agreement.

As at 30 June 2011 this investment is disclosed as a Jointly Controlled Asset, split into the relative class of revenue, expenditure, assets and liabilities per the Health Service's share of GRHA's results and position.

For the year ended 30 June 2010 the impact of this change is nil.

(f) Change in Accounting Policies (Continued)

Previous disclosure in the 2009/10 Published Financial Statements:

- recognition of Health Services share of operating result of GRHA \$1,748 as an individual line item in the Comprehensive Operating Statement; and
- investment accounted for using the equity method as a non current asset in the balance sheet for \$94,017

Under the new accounting policy this investment would have been disclosed in 2009/10 as follows:

- revenue class items and expenditure class items would have been disclosed separately in the net result; and
- Current assets items, non-current asset items, current liabilities and non-current liabilities would have been disclosed separately in the Balance Sheet.

Refer to Note 10 Investment Accounted for Using the Equity Method for disclosure relating to 2009/10 and to Note 21 Interest in Jointly Controlled Assets for the disclosure of this investment in 2010/11.

(g) Income Recognition

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to Edenhope & District Memorial Hospital and the income can be reliably measured. Unearned income at reporting date is reported as income received in advance.

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

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

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

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

Indirect Contributions from the Department of Health

- Insurance is recognised as revenue following advice from the Department of Health.
- Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL Liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 14/2009.

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.

Revenue from commercial activities

Revenue from commercial activities such as provision of meals to external users is recognised at the time the invoices are raised.

Donations and Other Bequests

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

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes in account the effective yield of the financial asset.

(h) **Expense Recognition**

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

Cost of Goods Sold

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

Employee expenses

Employee expenses include:

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

Defined contribution plans

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

Defined benefit plans

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

Employees of the Eden hope & District Memorial Hospital are entitled to receive superannuation benefits and Edenhope & District Memorial Hospital contributes to both the defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

The name and details of the major employee superannuation funds and contributions made by Edenhope & District Memorial Hospital are as follows:

Fund	Contributions Paid or Payable for the year		
	2011		2010
	\$		\$
Defined Benefit Plans:			
Health Super	39,881		28,514
Defined Contribution Plans:			
Health Super	333,434		332,419
HESTA	41,095		35,640

Edenhope & District Memorial Hospital does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the entity 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 administers and discloses the State's defined benefit liabilities in its financial statements.

Depreciation

Assets with a cost in excess of \$1,000 (2009-10 and 2010-11) are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives. Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually. This depreciation charge is not funded by the Department of Health.

(h) Expense Recognition (Continued)

Depreciation is provided on property, plant and equipment, including freehold buildings, but excluding land and investment properties. Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

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

	2011	2010
Buildings		
- Structure Shell Building Fabric	5 to 38 years	5 to 38 years
- Site Engineering Services and Central Plant	5 to 38 years	5 to 38 years
Central Plant		
- Fit Out	5 to 38 years	5 to 38 years
- Trunk Reticulated Building Systems	5 to 38 years	5 to 38 years
Plant & Equipment	5 to 10 years	5 to 10 years
Medical Equipment	5 to 10 years	5 to 10 years
Computers and Communication	3 to 5 years	3 to 5 years
Furniture & Fittings	3 to 5 years	3 to 5 years
Motor Vehicles	2 to 5 years	2 to 5 years

As part of the Buildings valuation, building values were componentised and each component assessed for its useful life which is represented above.

Resources Provided or 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.

(i) Financial assets

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 three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash 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.

Receivables

Receivables consist of:

- Statutory receivables, which includes predominantly amounts owing from the Victorian Government and GST input tax credits recoverable; and
- Contractual receivables, which includes of mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease 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 recognised when there is objective evidence that an impairment loss has occurred.

Bad debts are written off when identified.

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

(l) **Financial assets (Continued)**

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

Investments and Other Financial Assets

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

Investments are classified in the following categories:

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

Edenhope & District Memorial Hospital classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

Edenhope & District Memorial Hospital 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. Term deposits with maturity greater than three months are also measured 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 Health Service has the positive intent and ability to hold investments to maturity, they are measured at amortised cost less impairment losses.

Impairment of Financial Assets

At the end of each reporting period Edenhope & District Memorial Hospital assesses whether there is objective evidence that a financial asset or group of financial asset is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial instruments assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off and allowance for doubtful receivables are recognised as expenses in the net result.

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

In order to determine an appropriate fair value as at 30 June 2011 for its portfolio of financial assets, Edenhope & District Memorial Hospital obtained a valuation based on the best available advice using an estimated market value through a reputable financial institution. This value was compared against valuation methodologies provided by the issuer as at 30 June 2011. These methodologies were critiqued and considered to be consistent with standard market valuation techniques.

(i) **Financial assets (Continued)**

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

Net Gain/(Loss) on Financial Instruments

Net Gain/(Loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading;
- Impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets.

(j) **Non-Financial Assets**

Inventories

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

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

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

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

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

Property, Plant and Equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

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 restriction will no longer apply.

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

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

Revaluations of Non-current Physical Assets

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

(j) **Non-Financial Assets (Continued)**

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

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

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

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

In accordance with FRD 103D Edenhope & District Memorial Hospital's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

Other non-financial assets

Prepayments

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

Disposal of Non-Financial Assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at the time.

Impairment of Non-Financial Assets

Apart from intangible assets with indefinite useful lives, all other assets are assessed annually for indications of impairment, except for:

- inventories and;
- financial assets;

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

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

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

(k) **Liabilities**

Payables

These amounts consist predominantly of liabilities for goods and services.

Payables are initially recognised at fair value, and 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 Net 30 days.

Provisions

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

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

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

Employee Benefits

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

Liabilities for wages and salaries, including non-monetary benefits, annual leave, accumulating sick leave and accrued days off which are 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, and are classified as current liabilities and measured at their nominal values.

Those liabilities that the Health Service are not expected to be settled 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

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

Current Liability- unconditional LSL (representing 10 or more years of continuous service) is disclosed in the notes to the financial statements as a current liability even where Edenhope & District Memorial Hospital 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 Edenhope & District Memorial Hospital does not expect to settle within 12 months; and
- nominal value - component that Edenhope & District Memorial Hospital 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.

(k) Liabilities (Continued)

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these 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, such as payroll tax, workers compensation, superannuation are recognised separately from provisions for employee benefits.

Superannuation Liabilities

The Edenhope & District Memorial Hospital does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the Health Service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance administers and discloses the State's defined benefit liabilities in its financial statements.

(l) Equity

Contributed Capital

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

Property, Plant & Equipment Revaluation Surplus

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

Specific Restricted Purpose Reserve

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

(m) Commitments for expenditure

Commitments for expenditure are not recognised on the balance sheet. Commitments for expenditure are disclosed at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

(n) Contingent assets and contingent liabilities

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

(o) 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 other receivables or payables in the Balance Sheet.

(o) Goods and Services Tax (Continued)

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.

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

(p) Rounding Of Amounts

All amounts shown in the financial statements are expressed to the nearest \$1.

Figures in the financial statements may not equal due to rounding.

(q) New Accounting Standards and Interpretations

Certain new Australian accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting period.

As at 30 June 2011, the following standards and interpretations had been issued but were not mandatory for the reporting period ending 30 June 2011. Edenhope & District Memorial Hospital has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for reporting periods beginning on or ending on	Impact on Health Service's Annual Statements
AASB 9 <i>Financial Instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>).	Beginning 1 January 2013	Detail of impact is still being assessed.
AASB 124 <i>Related Party Disclosures (Dec 2009)</i>	Government related entities have been granted partial exemption with certain disclosure requirements.	Beginning 1 January 2011	Preliminary assessment suggests that impact is insignificant. However, the Health Services is still assessing the detailed impact and whether to early adopt.
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements	Beginning 1 January 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.
AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]</i>	This standard gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 January 2013	Detail of impact is still being assessed.

(g) New Accounting Standards and Interpretations (Continued)

<p>AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and interpretations 2, 4, 16, 1039 and 1052]</p>	<p>This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and Health Services known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures.</p> <p>This standard also makes numerous editorial amendments to other AASs.</p>	<p>Beginning 1 January 2011</p>	<p>The amendments only apply to those entities to whom AASB 8 applies, which are for-profit entities except for-profit government departments. Detail of impact is still being assessed.</p>
<p>AASB 2010-4 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]</p>	<p>This Standard makes numerous improvements designed to enhance the clarity of standards.</p>	<p>Beginning 1 January 2011</p>	<p>No significant impact on the financial statements.</p>
<p>AASB 2010-5 <i>Amendments to Australian Accounting Standards</i> [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]</p>	<p>This amendment contains editorial corrections to a range of Australian Accounting Standards and Interpretations, which includes amendments to reflect changes made to the text of IFRSs by the IASB</p>	<p>Beginning 1 January 2011</p>	<p>No significant impact on the financial statements.</p>
<p>AASB 2010-6 <i>Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets</i> [AASB 1 & AASB7]</p>	<p>This amendment adds and changes disclosure requirements about the transfer of financial assets. This includes the nature and risk of the financial assets.</p>	<p>Beginning 1 July 2011</p>	<p>This may impact on departments and public sector entities as it creates additional disclosure for transfers of financial assets. Detail of impact is still being assessed.</p>
<p>AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]</p>	<p>These amendments are in relation to the introduction of AASB9</p>	<p>Beginning 1 Jan 2013</p>	<p>This amendment may have an impact on departments and public sector bodies as AASB 9 is a new standard and it changes the requirements of numerous standards. Detail of impact is still being assessed.</p>
<p>AASB 2010-8 <i>Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets</i> [AASB 112]</p>	<p>This amendment provides a practical approach for measuring deferred tax assets and deferred tax liabilities when measuring investment property by using the fair value model in AASB 140 <i>Investment Property</i></p>	<p>Beginning 1 Jan 2012</p>	<p>This amendment provides additional clarification through practical guidance.</p>

(q) **New Accounting Standards and Interpretations (Continued)**

AASB 2011-2 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements</i> [AASB 101 & AASB 1054]	The objective of this amendment is to include some additional disclosure from the Trans-Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards - Reduced Disclosure Requirements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented to Victorian Public Sector.
AASB 2011-3 <i>Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments</i> [AASB 1049]	This amends AASB 1049 to clarify the definition of the ABS GFS Manual, and to facilitate the adoption of changes to the ABS GFS Manual and related disclosures.	Beginning 1 July 2012	This amendment provides clarification to users on the version of the GFS Manual to be used and what to disclose if the latest GFS Manual is not used. No impact on performance measurements will occur.

(r) **Category Groups**

Edenhope & District Memorial Hospital 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.

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.

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

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.

Note 2: REVENUE	HSA 2011 \$	HSA 2010 \$	H&CI 2011 \$	H&CI 2010 \$	TOTAL 2011 \$	TOTAL 2010 \$
Revenue from Operating Activities						
Government Grants						
- Department of Health	3,952,064	3,798,157	0	0	3,952,064	3,798,157
- Dental Health Services Victoria	39,205	34,473	0	0	39,205	34,473
- Commonwealth Government - Residential Aged Care Subsidy	1,421,090	1,253,233	0	0	1,421,090	1,253,233
Total Government Grants	5,412,359	5,085,863	0	0	5,412,359	5,085,863
Indirect Contributions by Department of Health						
- Insurance	95,411	66,073	0	0	95,411	66,073
- Long Service Leave	42,588	0	0	0	42,588	0
Total Indirect Contributions by Department of Health	137,999	66,073	0	0	137,999	66,073
Patient and Resident Fees						
- Patient and Resident Fees (refer note 2b)	227,326	194,294	0	0	227,326	194,294
- Residential Aged Care (refer note 2b)	660,595	539,925	0	0	660,595	539,925
Total Patient & Resident Fees	887,921	734,219	0	0	887,921	734,219
Business Units & Specified Purposes Funds						
Catering	0	0	107,342	91,147	107,342	91,147
Property Income	0	0	91,798	63,383	91,798	63,383
Other	0	0	6,499	10,489	6,499	10,489
Total Business Units & Specific Purpose Funds	0	0	205,639	165,019	205,639	165,019
Grampians Rural Health Alliance	122,718	0	0	0	122,718	0
Donations and Bequests	0	0	0	15,062	0	15,062
Other Revenue from Operating Activities	168,243	0	0	153,570	168,243	153,570
Sub-Total Revenue from Operating Activities	6,729,240	5,886,155	205,639	333,651	6,934,879	6,219,806
Revenue from Non-Operating Activities						
Interest	204,193	105,165	0	0	204,193	105,165
Sub-Total Revenue from Non-Operating Activities	204,193	105,165	0	0	204,193	105,165
Revenue from Capital Purpose Income						
State Government Capital Grants						
- Targeted Capital Works and Equipment	109,066	18,000	0	0	109,066	18,000
- Grampians Rural Health Alliance	1,499	0	0	0	1,499	0
Residential Accommodation Payments (refer note 2b)	57,187	0	0	54,274	57,187	54,274
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	0	0	29,838	17,946	29,838	17,946
Donations and Bequests	0	0	100,644	0	100,644	0
Sub-Total Revenue from Capital Purpose Income	167,752	18,000	130,482	72,220	298,234	90,220
Share of Net Result of Associates Accounted for using the Equity Model (refer note 10)	0	1,748	0	0	0	1,748
Total Revenue (refer note 2a)	7,101,185	6,011,068	336,121	405,871	7,437,306	6,416,939

Indirect contributions by Department of Health:

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

Note 2a: ANALYSIS OF REVENUE BY SOURCE

	Admitted Patients 2011 \$	Residential Aged Care 2011 \$	Aged Care 2011 \$	Primary Health 2011 \$	Other 2011 \$	TOTAL 2011 \$
Revenue from Services Supported by Health Service Agreement						
Government Grants	2,999,264	1,958,959	349,933	104,203	0	5,412,359
Indirect Contributions by Department of Health	73,139	56,580	4,140	4,140	0	137,999
Patient and Resident Fees (refer note 2b)	201,545	660,595	0	25,781	0	887,921
Interest and Dividends	107,492	84,532	6,084	6,084	0	204,192
Grampians Rural Health Alliance	122,718	0	0	0	0	122,718
Other Revenue from Operating Activities	31,581	11,324	1,390	123,949	0	168,244
Capital Purpose Income (refer note 2)	110,565	57,187	0	0	0	167,752
Sub-Total Revenue from Services Supported by Health Services Agreement	3,646,304	2,829,177	361,547	264,157	0	7,101,185
Revenue from Services Supported by Hospital and Community Initiatives						
Catering	0	0	0	0	107,342	107,342
Property Income	0	0	0	0	91,798	91,798
Other Activities						
Capital Purpose Income (refer note 2)	0	0	0	0	130,482	130,482
Other	0	0	0	0	6,499	6,499
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	0	0	0	0	336,121	336,121
Total Revenue	3,646,304	2,829,177	361,547	264,157	336,121	7,437,306

Indirect Contributions by Department of Health

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

Note 2a: ANALYSIS OF REVENUE BY SOURCE (Continued)

	Admitted Patients 2010	Aged Care 2010	Residential Aged Care 2010	Primary Health 2010	Other 2010	TOTAL 2010
	\$	\$	\$	\$	\$	\$
Revenue from Services Supported by Health Services Agreement						
Government Grants	2,837,557	1,027,342	769,351	435,140	16,473	5,085,863
Indirect Contributions by Department of Health	0	0	0	0	66,073	66,073
Patient and Resident Fees (refer note 2b)	160,413	288,291	251,634	33,881	0	734,219
Interest and Dividends	0	0	0	0	105,165	105,165
Capital Purpose Income (refer note 2)	0	0	0	0	18,000	18,000
Share of Net Result of Associates Accounted for using the Equity Model (refer note 10)	1,748	0	0	0	0	1,748
Sub-Total Revenue from Services Supported by Health Services Agreement	2,999,718	1,315,633	1,020,985	469,021	205,711	6,011,068
Revenue from Services Supported by Hospital and Community Initiatives						
Donations & Bequests	0	0	0	0	15,062	15,062
Catering	0	0	0	0	91,147	91,147
Property Income	0	0	0	0	63,383	63,383
Other	0	0	0	0	10,489	10,489
Other Revenue from Operating Activities	0	0	0	0	153,570	153,570
Capital Purpose Income (refer note 2)	0	48,194	6,080	0	17,946	72,220
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	0	48,194	6,080	0	351,597	405,871
Total Revenue	2,999,718	1,363,827	1,027,065	469,021	557,308	6,416,939

Indirect Contributions by Department of Health

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

NOTE 2b: PATIENT AND RESIDENT FEES

	2011	2010
Patient and Resident Fees Raised	\$	\$
Recurrent:		
Acute		
- Inpatients (*)	201,545	160,413
- Outpatients	25,781	33,881
Residential Aged Care		
- Nursing Home	338,700	288,291
- Hostel	321,895	251,634
TOTAL RECURRENT	887,921	734,219
Capital Purpose:		
Residential Accommodation Payments (**)	57,187	54,274
TOTAL CAPITAL	57,187	54,274

(*) Compensable payments (such as TAC, WIES and DVA throughput) are excluded.

(**) This includes accommodation charges, interest earned on accommodation bonds and retention amount.

NOTE 2c: NET GAIN/(LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS

	2011	2010
	\$	\$
Proceeds from Disposal of Non Financial Assets		
- Motor Vehicles	15,455	56,374
- Land & Buildings	163,500	0
Total Proceeds from Disposal of Non-Financial Assets	178,955	56,374
Less: Written Down Value of Non Financial Assets Disposed		
- Motor Vehicles	(10,192)	(38,428)
- Land & Buildings	(138,925)	0
Total Written Down Value of Non-Financial Assets Disposed	(149,117)	(38,428)
NET GAINS/(LOSSES) ON DISPOSAL OF NON FINANCIAL ASSETS	29,838	17,946

Note 3: EXPENSES	HSA 2011 \$	HSA 2010 \$	H&CI 2011 \$	H&CI 2010 \$	TOTAL 2011 \$	TOTAL 2010 \$
Employee Expenses						
Salaries & Wages	4,509,757	4,224,399	3,799	111,143	4,513,556	4,335,542
Work Cover Premium	50,923	41,240	45	906	50,968	42,146
Long Service Leave	141,755	101,471	78	3,305	141,833	104,776
Superannuation	413,968	386,511	442	10,062	414,410	396,573
Total Employee Expenses	5,116,403	4,753,621	4,364	125,416	5,120,767	4,879,037
Non Salary Labour Costs						
Fee for Service Visiting Officers	240,613	179,073	0	0	240,613	179,073
Agency Costs - Other	32,977	0	0	0	32,977	0
Total Non Salary Labour Costs	273,590	179,073	0	0	273,590	179,073
Supplies and Consumables						
Drug Supplies	43,232	38,316	0	0	43,232	38,316
Medical, Surgical Supplies and Prosthesis	86,009	90,209	0	0	86,009	90,209
Special Services	50,030	83,010	0	0	50,030	83,010
Food Supplies	221,495	185,108	0	28,906	221,495	214,014
Total Supplies and Consumables	400,766	396,643	0	28,906	400,766	425,549
Expenditure Using Capital Purpose Income						
Other Expenses	0	0	0	2,708	0	2,708
Total Expenditure Using Capital Purpose Income	0	0	0	2,708	0	2,708
Other Expenses from Continuing Operations						
Domestic Services & Supplies	37,372	42,845	0	0	37,372	42,845
Fuel, Light, Power and Water	125,728	112,573	15,817	27,456	141,545	140,029
Insurance costs funded by the Department of Health	95,411	66,073	0	0	95,411	66,073
Motor Vehicle Expenses	26,456	22,318	0	10,465	26,456	32,783
Repairs & Maintenance	143,789	166,101	24,810	2,529	168,599	168,630
Maintenance Contracts	30,072	26,876	921	0	30,993	26,876
Patient Transport	41,064	78,790	0	0	41,064	78,790
Other Administrative Expenses	489,015	455,879	7,272	13,209	496,287	469,088
Audit Fees						
- VAGO - Audit of Financial Statements	9,500	9,430	0	0	9,500	9,430
Total Other Expenses from Continuing Operations	998,407	980,885	48,820	53,659	1,047,227	1,034,544
Depreciation and Amortisation	864,200	889,528	0	0	864,200	889,528
Total	864,200	889,528	0	0	864,200	889,528
Total Expenses	7,653,366	7,199,750	53,184	210,689	7,706,550	7,410,439

Note 3a: ANALYSIS OF EXPENSE BY SOURCE

	Admitted Patients 2011 \$	Residential Aged Care 2011 \$	Aged Care 2011 \$	Primary Health 2011 \$	Other 2011 \$	TOTAL 2011 \$
Services Supported by Health Services Agreement						
Employee Expenses	1,963,153	2,701,424	239,342	212,484	0	5,116,403
Non Salary Labour Costs	212,648	10,729	774	49,439	0	273,590
Supplies and Consumables	172,620	197,896	3,029	27,221	0	400,766
Other Expenses	553,114	362,264	47,152	35,877	0	998,407
Depreciation and Amortisation (refer note 4)	0	0	0	0	864,200	864,200
Sub-Total Expenses from Services Supported by Health Services Agreement	2,901,535	3,272,313	290,297	325,021	864,200	7,653,366
Services Supported by Hospital and Community Initiatives						
Employee Expenses	0	0	0	0	4,364	4,364
Other Expenses	0	0	0	0	48,820	48,820
Sub-Total Expense from Services Supported by Hospital and Community Initiatives	0	0	0	0	53,184	53,184
Total Expenses	2,901,535	3,272,313	290,297	325,021	917,384	7,706,550
	Admitted Patients 2010 \$	Aged Care 2010 \$	Residential Aged Care 2010 \$	Primary Health 2010 \$	Other 2010 \$	TOTAL 2010 \$
Services Supported by Health Service Agreement						
Employee Expenses	1,449,215	1,005,700	597,042	187,579	1,514,085	4,753,621
Non Salary Labour Costs	179,073	0	0	0	0	179,073
Supplies and Consumables	138,864	11,177	133,779	21,428	91,395	396,643
Other Expenses	141,206	4,943	7,150	35,427	792,159	980,885
Depreciation and Amortisation (refer note 4)	0	0	0	0	889,528	889,528
Sub-Total Expenses from Services Supported by Health Services Agreement	1,908,358	1,021,820	737,971	244,434	3,287,167	7,199,750
Expenditure Using Capital Purpose Income						
Other Expenses	0	0	0	0	2,708	2,708
Sub-Total Expenditure Using Capital Purpose Income	0	0	0	0	2,708	2,708
Services Supported by Hospital and Community Initiatives						
Employee Expenses	0	0	0	0	125,416	125,416
Supplies and Consumables	0	0	0	0	28,906	28,906
Other Expenses	0	0	0	0	53,659	53,659
Sub-Total Expense from Services Supported by Hospital and Community Initiatives	0	0	0	0	207,981	207,981
Total Expenses	1,908,358	1,021,820	737,971	244,434	3,497,856	7,410,439

NOTE 4: DEPRECIATION	2011	2010
	\$	\$
Depreciation		
Buildings	636,374	634,425
Plant & Equipment		
- Plant	56,265	77,529
- Major Medical	43,276	66,376
- Computers & Communication	52,430	30,493
- Motor Vehicles	57,794	67,409
- Furniture & Fittings	18,061	13,296
TOTAL DEPRECIATION	864,200	889,528

NOTE 5: CASH AND CASH EQUIVALENTS

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

	2011	2010
	\$	\$
Cash on Hand	600	156
Cash at Bank	1,220,442	771,289
Deposits at Call	1,356,473	2,286,313
TOTAL CASH AND CASH EQUIVALENTS	2,577,515	3,057,758

Represented by:

Cash for Health Service Operations (as per Cash Flow Statement)	905,036	2,015,432
Cash for Grampians Rural Health Alliance	41,281	0
Cash for Monies Held in Trust		
- Cash at Bank	274,725	52,440
- Deposits at Call	1,356,473	989,886
TOTAL CASH AND CASH EQUIVALENTS	2,577,515	3,057,758

NOTE 6: RECEIVABLES

CURRENT	2011	2010
	\$	\$
Contractual		
Trade Debtors - Health Service	73,304	63,523
Patient Debtors	125,877	93,938
Accrued Investment Income	43,582	0
Accrued Revenue - Other	11,046	139
Receivables - Grampians Rural Health Alliance	25,004	0
	<u>278,813</u>	<u>157,600</u>
Statutory		
GST Receivable - Health Service	32,207	33,524
GST Receivable - Grampians Rural Health Alliance	1,376	0
	<u>33,583</u>	<u>33,524</u>
TOTAL CURRENT RECEIVABLES	312,396	191,124
NON CURRENT		
Statutory		
Long Service Leave - Department of Health	42,588	0
TOTAL NON-CURRENT RECEIVABLES	42,588	0
TOTAL RECEIVABLES	354,984	191,124

NOTE 6: RECEIVABLES (Continued)

(a) Ageing analysis of receivables

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

(b) Nature and extent of risk arising from receivables

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

NOTE 7: INVESTMENTS AND OTHER FINANCIAL ASSETS

	Capital Fund		Total	
	2011	2010	2011	2010
	\$	\$	\$	\$
CURRENT				
<i>Term Deposit</i>				
Aust. Dollar Term Deposits > 3 Months	1,540,082	0	1,540,082	0
TOTAL CURRENT OTHER FINANCIAL ASSETS	1,540,082	0	1,540,082	0
Represented by:				
Investments - Health Service	1,525,163	0	1,525,163	0
Investments - Grampians Rural Health Alliance	14,919	0	14,919	0
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	1,540,082	0	1,540,082	0

(a) Ageing analysis of other financial assets

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

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

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

NOTE 8: INVENTORIES

	2011	2010
	\$	\$
CURRENT		
Pharmaceuticals - at cost	9,307	9,064
Catering Supplies- at cost	5,838	5,911
Housekeeping Supplies - at cost	2,437	3,900
Medical and Surgical Lines - at cost	10,090	6,063
TOTAL INVENTORIES	27,672	24,938

Inventories held by the Health Service are held for short periods of time with regular turnover. There is no material loss of service potential in inventories held at the end of the year.

NOTE 9: OTHER CURRENT ASSETS

	2011	2010
	\$	\$
Prepayments - Health Service	47,775	7,134
Prepayments - Grampians Rural Health Alliance	4,378	0
TOTAL OTHER ASSETS	52,153	7,134

NOTE 10: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2011	2010
	\$	\$
Investments in Associates	0	94,017

Name of Entity	Principal Activity	Ownership 2011 %	Interest 2010 %	Published Fair Value 2011 \$	2010 \$
Grampians Rural Health Alliance	Information and Telecommunications Services	0.00	3.19	0	94,017
				2011	2010
				\$	\$
Summarised Financial Information of Associates					
Current Assets				0	113,533
Non Current Assets				0	18,379
Share of Total Assets				0	131,912
Current Liabilities				0	37,895
Non Current Liabilities				0	0
Share of Total Liabilities				0	37,895
Share of Associates Net Assets				0	94,017
Total Income				0	87,641
Net Result				0	1,748
Share of Associates' Result After Income Tax				0	89,389
Dividends received from Associates				0	89,389

There are no known contingent liabilities or capital commitments arising from associates at the date of this report.

NOTE 11: PROPERTY, PLANT & EQUIPMENT

	2011	2010
	\$	\$
Land		
- Land at Cost	40,000	40,000
- Land at Valuation	965,000	1,015,000
Total Land	1,005,000	1,055,000
Buildings		
- Buildings at Valuation	5,463,000	5,559,000
Less Accumulated Depreciation	1,257,953	634,425
	4,205,047	4,924,575
- Buildings at Cost	198,211	106,113
Less Accumulated Depreciation	5,771	0
	192,440	106,113
Total Buildings	4,397,487	5,030,688
Plant & Equipment		
- Plant and Equipment at Fair Value	1,052,605	932,536
Less Accumulated Depreciation	689,973	633,708
Total Plant and Equipment	362,632	298,828
Medical Equipment		
- Medical Equipment at Fair Value	937,393	912,094
Less Accumulated Depreciation	789,853	746,577
Total Medical Equipment	147,540	165,517
Computers and Communication		
- Grampians Rural Health Alliance at Fair Value	44,269	0
Less Accumulated Depreciation	25,034	0
- Computers and Communication at Fair Value	353,586	353,586
Less Accumulated Depreciation	339,902	294,113
Total Computers and Communications	32,919	59,473

NOTE 11: PROPERTY, PLANT & EQUIPMENT (Continued)

	2011	2010
	\$	\$
Motor Vehicles		
- Motor Vehicles at Fair Value	277,321	276,092
Less Accumulated Depreciation	179,458	142,462
Total Motor Vehicles	97,863	133,630
Furniture and Fittings		
- Furniture and Fittings at Fair Value	232,601	212,444
Less Accumulated Depreciation	182,016	163,955
Total Furniture and Fittings	50,585	48,489
TOTAL PROPERTY, PLANT & EQUIPMENT	6,094,026	6,791,625

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

	Land	Buildings	Plant & Equipment	Medical Equipment	Computers & Communication	Motor Vehicles	Furniture & Fittings	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2009	1,015,000	5,559,000	335,637	230,043	71,521	135,865	59,828	7,406,894
Additions	40,000	106,113	40,720	1,850	18,445	103,602	1,957	312,687
Disposals	0	0	0	0	0	(38,428)	0	(38,428)
Grampians Rural Health Alliance	0	0	0	0	0	0	0	0
Depreciation and Amortisation	0	(634,425)	(77,529)	(66,376)	(30,493)	(67,409)	(13,296)	(889,528)
Balance at 1 July 2010	1,055,000	5,030,688	298,828	165,517	59,473	133,630	48,489	6,791,625
Additions	0	92,098	120,069	25,299	0	32,219	20,157	289,842
Disposals	(50,000)	(88,925)	0	0	0	(10,192)	0	(149,117)
Grampians Rural Health Alliance	0	0	0	0	25,876	0	0	25,876
Depreciation and Amortisation	0	(636,374)	(56,265)	(43,276)	(52,430)	(57,794)	(18,061)	(864,200)
Balance at 30 June 2011	1,005,000	4,397,487	362,632	147,540	32,919	97,863	50,585	6,094,026

Land and Buildings Carried at Valuation

An independent valuation of Edenhope & District Memorial Hospital's property was performed by the *Valuer-General Victoria* to determine the fair value of the land and buildings. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. The effective date of the valuation is 30 June 2009.

NOTE 12: PAYABLES

	2011	2010
	\$	\$
CURRENT		
Contractual		
Trade Creditors - Health Service	118,651	154,078
Payables - Grampians Rural Health Alliance	31,671	0
Other Accrued Expenditure	19,000	111,401
	169,322	265,479
Statutory		
GST Payable	0	7,346
Department of Health	126,323	0
	126,323	7,346
TOTAL PAYABLES	295,645	272,825

(a) Maturity analysis of payables

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

(b) Nature and extent of risk arising from payables

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

	2011	2010
NOTE 13: PROVISIONS		
Current Provisions	\$	\$
Employee Benefits		
- unconditional and expected to be settled within 12 months	658,305	456,756
- unconditional and expected to be settled after 12 months	473,799	545,066
	<u>1,132,104</u>	<u>1,001,822</u>
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (nominal value)	66,785	57,094
- unconditional and expected to be settled after 12 months (present value)	59,225	68,133
	<u>126,010</u>	<u>125,227</u>
Total Current Provisions	<u>1,258,114</u>	<u>1,127,049</u>
Non-Current Provisions		
Employee Benefits	126,010	129,356
Provisions related to employee benefit on-costs	25,838	16,169
	<u>151,848</u>	<u>145,525</u>
Total Non-Current Provisions	<u>151,848</u>	<u>145,525</u>
Current Employee Benefits		
Unconditional Long Service Leave Entitlements	605,338	613,199
Annual Leave Entitlements	382,415	398,726
Accrued Salaries and Wages	124,020	93,375
Accrued Days Off	20,331	21,749
	<u>1,132,104</u>	<u>1,127,049</u>
Total Current Employee Benefits	<u>1,132,104</u>	<u>1,127,049</u>
Non-Current Employee Benefits		
Conditional Long Service Leave Entitlements (present value)	126,010	129,356
	<u>126,010</u>	<u>129,356</u>
Total Employee Benefits	<u>1,258,114</u>	<u>1,256,405</u>
On-Costs		
Current On-Costs	126,010	125,227
Non-Current On-Costs	25,838	16,169
Total On-Costs	<u>151,848</u>	<u>141,396</u>
Total Employee Benefits and Related On-Costs	<u>1,409,962</u>	<u>1,397,801</u>
Movement in Long Service Leave:		
Balance at start of year	758,724	730,479
Provision made during the year	141,833	(59,720)
Settlement made during the year	(169,209)	87,965
	<u>731,348</u>	<u>758,724</u>
Balance at end of year	<u>731,348</u>	<u>758,724</u>
NOTE 14: OTHER LIABILITIES	2011	2010
	\$	\$
CURRENT		
Monies Held in Trust*		
- Patient Monies Held in Trust	61,548	52,440
- Accommodation Bonds (Refundable Entrance Fees)	1,522,452	989,886
- Other	47,198	0
	<u>1,631,198</u>	<u>1,042,326</u>
TOTAL CURRENT	<u>1,631,198</u>	<u>1,042,326</u>
* Total Monies Held in Trust		
Represented by the following assets:		
Cash Assets (refer to Note 5)	274,725	52,440
Deposits at Call (refer to Note 5)	1,356,473	989,886
TOTAL OTHER LIABILITIES	<u>1,631,198</u>	<u>1,042,326</u>

NOTE15:RESERVES	2011	2010
(a) Reserves	\$	\$
Property, Plant & Equipment Revaluation Surplus ¹		
Balance at beginning of the reporting period		
- Land	634,567	634,567
- Buildings	1,641,998	1,641,998
Revaluation Increment/(Decrement)		
- Land	0	0
- Buildings	0	0
Balance at the end of the reporting period	<u>2,276,565</u>	<u>2,276,565</u>
Represented by:		
- Land	634,567	634,567
- Buildings	1,641,998	1,641,998
	<u>2,276,565</u>	<u>2,276,565</u>
 (1) The property, plant & equipment asset revaluation surplus arises on the revaluation of property, plant & equipment.		
Restricted Specific Purpose Reserve		
Balance at the beginning of the reporting period	276,268	276,268
Balance at the end of the reporting period	<u>276,268</u>	<u>276,268</u>
Total Reserves	<u>2,552,833</u>	<u>2,552,833</u>
 (b) Contributed Capital		
Balance at the beginning of the reporting period	3,981,684	3,981,684
Capital Contribution received from Victorian Government	0	0
Balance at the end of the reporting period	<u>3,981,684</u>	<u>3,981,684</u>
 (c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	1,044,354	2,040,418
Net Result for the Year	(269,244)	(996,064)
Balance at the end of the reporting period	<u>775,110</u>	<u>1,044,354</u>
 (d) Total Equity at end of financial year		
	<u>7,309,627</u>	<u>7,578,871</u>
 NOTE 16: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES		
	2011	2010
	\$	\$
NET RESULT FOR THE YEAR	(269,244)	(993,500)
Depreciation	857,559	889,528
Change in Inventories	(2,734)	3,337
Net (Gain)/Loss from Disposal of Plant and Equipment	(29,838)	(17,946)
Share of Net Result from Joint Ventures	19,495	(1,748)
Change in Operating Assets & Liabilities		
(increase)/Decrease in Receivables	(137,480)	35,768
(Increase)/Decrease in Prepayments	(40,641)	(7,134)
Increase/(Decrease) in Payables	(8,851)	(188,355)
Increase/(Decrease) in Employee Benefits	137,388	137,528
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	<u>525,654</u>	<u>(142,522)</u>

NOTE 17: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

Edenhope & District Memorial Hospital's principal financial instruments comprise of:

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

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

The main purpose in holding financial instruments is to prudentially manage Edenhope & District Memorial Hospital's financial risk within the government policy parameters.

Categorisation of financial instruments

	Carrying Amount 2011 \$	Carrying Amount 2010 \$
Financial Assets		
Cash and cash equivalents	2,577,515	3,057,758
Loans and Receivables	278,813	157,600
Available for sale	1,540,082	0
Total Financial Assets (i)	4,396,410	3,215,358
Financial Liabilities		
At amortised cost	1,800,520	1,307,805
Total Financial Liabilities(ii)	1,800,520	1,307,805

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

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

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

	Net holding gain/ (loss) 2011 \$	Net holding gain/ (loss) 2010 \$
Financial Assets		
Cash and cash equivalents(i)	204,193	105,165
Total Financial Assets	204,193	105,165

(i) For cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the interest revenue, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result.

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

(b) Credit Risk

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

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

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

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

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Edenhope & District Memorial Hospital maximum exposure to credit risk without taking account of the value of any collateral obtained.

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

	Financial Institutions (AAA credit rating) \$	Government agencies (AAA credit rating) \$	Government agencies (BBB credit rating) \$	Other (min BBB credit rating) \$	Total \$
2011					
Financial Assets					
Cash and Cash Equivalents	2,577,515	0	0	0	2,577,515
Receivables					
- Trade Debtors	0	0	0	199,181	199,181
- Other Receivables	0	11,046	0	68,586	79,632
Available for Sale					
- Term Deposit	1,540,082	0	0	0	1,540,082
Total Financial Assets	4,117,597	11,046	0	267,767	4,396,410
2010					
Financial Assets					
Cash and Cash Equivalents	3,057,758	0	0	0	3,057,758
Receivables					
- Trade Debtors	0	0	0	157,461	157,461
- Other Receivables	0	0	0	139	139
Available for Sale					
- Term Deposit	0	0	0	0	0
Total Financial Assets	3,057,758	0	0	157,600	3,215,358

NOTE 17: FINANCIAL INSTRUMENTS (Continued)
(b) Credit Risk (Continued)

Ageing analysis of financial asset as at 30 June

	Consol'd Carrying Amount \$	Not Past due and not impaired \$	Past Due But Not Impaired				Impaired Financial Assets \$
			Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	1 - 5 Years \$	
2011							
Financial Assets							
Cash and Cash Equivalents	2,577,515	2,577,515	0	0	0	0	0
Receivables							
- Trade Debtors	199,181	117,881	43,764	1,728	35,808	0	0
- Other Receivables	79,632	79,632	0	0	0	0	0
Available for Sale							
- Term Deposit	1,540,082	1,540,082	0	0	0	0	0
Total Financial Assets	4,396,410	4,315,110	43,764	1,728	35,808	0	0
2010							
Financial Assets							
Cash and Cash Equivalents	3,057,758	3,057,758	0	0	0	0	0
Receivables							
- Trade Debtors	157,461	109,014	0	36,740	11,707	0	0
- Other Receivables	139	139	0	0	0	0	0
Available for Sale							
- Term Deposit	0	0	0	0	0	0	0
Total Financial Assets	3,215,358	3,166,911	0	36,740	11,707	0	0

(c) Liquidity Risk

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

The Health Service's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Health Service manages its liquidity risk as follows:

- Term Deposits and cash held at financial institutions are managed with variable maturity dates and take into consideration cashflow requirements of the Hospital from month to month.

The following table discloses the contractual maturity analysis for Edenhope & District Memorial Hospital financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

Maturity analysis of financial liabilities as at 30 June

	Total Carrying Amount \$	Contractual Cash Flows \$	Maturity Dates			
			Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	1 - 5 Years \$
2011						
Financial Liabilities						
Payables	169,322	169,322	169,322	0	0	0
Other Financial Liabilities						
- Monies Held in Trust	1,631,198	1,631,198	61,548	1,569,650	0	0
Total Financial Liabilities	1,800,520	1,800,520	230,870	1,569,650	0	0
2010						
Financial Liabilities						
Payables	265,479	265,479	265,479	0	0	0
Other Financial Liabilities						
- Monies Held in Trust	1,042,326	1,042,326	52,440	988,125	1,761	0
Total Financial Liabilities	1,307,805	1,307,805	317,919	988,125	1,761	0

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

(d) Market Risk

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

Currency Risk

Edenhope & District Memorial Hospital is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

Interest Rate Risk

Exposure to interest rate risks arise primarily through the Edenhope & District Memorial Hospital's other financial assets. Minimisation of risk is achieved by mainly holding fixed rate or non-interest bearing financial instruments. For financial assets the Health Service mainly holds financial assets with relatively even maturity profiles.

Other Price Risk

The Health Service is exposed to normal price fluctuations from time to time through market forces. Where adequate notice is provided by suppliers, additional purchases are made for long term goods. Supplier contracts are also in place for major product lines purchased by the Health Service on a monthly basis. These contracts have set price arrangements and are reviewed on a regular basis.

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

	Weighted Average Effective Interest Rate (%)	Carrying Amount	Interest Rate Exposure		
			Fixed Interest Rate \$	Variable Interest Rate \$	Non - Interest Bearing \$
2011					
Financial Assets					
Cash and Cash Equivalents	4.71	2,577,515	1,356,473	1,220,442	600
Receivables					
- Trade Debtors	0.00	199,181	0	0	199,181
- Other Receivables	0.00	79,632	0	0	79,632
Other Financial Assets					
- Term Deposit	6.05	1,540,082	1,525,163	14,919	0
Total Financial Assets		4,396,410	2,881,636	1,235,361	279,413
Financial Liabilities					
Payables	0.00	169,322	0	0	169,322
Other Financial Liabilities					
- Monies Held in Trust	0.00	1,631,198	0	0	1,631,198
Total Financial Liabilities		1,800,520	0	0	1,800,520
2010					
Financial Assets					
Cash and Cash Equivalents	4.56	3,057,758	1,296,427	3,057,758	0
Receivables					
- Trade Debtors	0.00	157,461	0	0	157,461
- Other Receivables	0.00	139	0	0	139
Other Financial Assets					
- Term Deposit	0.00	0	0	0	0
Total Financial Assets		3,215,358	1,296,427	3,057,758	157,600
Financial Liabilities					
Payables	0.00	265,479	0	0	265,479
Other Financial Liabilities					
- Monies Held in Trust	0.00	1,042,326	153,570	0	888,756
Total Financial Liabilities		1,307,805	153,570	0	1,154,235

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

Sensitivity Disclosure Analysis

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

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 6%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%.

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

	Carrying Amount	Interest Rate Risk				Other Price Risk			
		-1% Profit	-1% Equity	+1% Profit	+1% Equity	-1% Profit	-1% Equity	+1% Profit	+1% Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2011									
Financial Assets									
Cash and Cash Equivalents	2,577,515	(25,775)	(25,775)	25,775	25,775	0	0	0	0
Receivables									
- Trade Debtors	199,181	0	0	0	0	0	0	0	0
- Other Receivables	79,632	0	0	0	0	0	0	0	0
Other Financial Assets									
- Term Deposit	1,540,082	(15,401)	(15,401)	15,401	15,401	0	0	0	0
Financial Liabilities									
Payables	169,322	0	0	0	0	0	0	0	0
Other Financial Liabilities									
- Monies Held in Trust	1,631,198	0	0	0	0	0	0	0	0
		(41,176)	(41,176)	41,176	41,176	0	0	0	0
2010									
Financial Assets									
Cash and Cash Equivalents	3,057,758	(30,578)	(30,578)	30,578	30,578	0	0	0	0
Receivables									
- Trade Debtors	157,461	0	0	0	0	0	0	0	0
- Other Receivables	139	0	0	0	0	0	0	0	0
Other Financial Assets									
- Term Deposit	0	0	0	0	0	0	0	0	0
Financial Liabilities									
Payables	265,479	0	0	0	0	0	0	0	0
Other Financial Liabilities									
- Other	1,042,326	0	0	0	0	0	0	0	0
		(30,578)	(30,578)	30,578	30,578	0	0	0	0

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

(e) Fair Value

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

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

The Health Service considers that the carrying amount of financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

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

Comparison between carrying amount and fair value

	Total Carrying Amount	Fair Value	Total Carrying Amount	Fair Value
	2011 \$	2011 \$	2010 \$	2010 \$
Financial Assets				
Cash and Cash Equivalents	2,577,515	2,577,515	3,057,758	3,057,758
Receivables				
- Trade Debtors	199,181	199,181	157,461	157,461
- Other Receivables	79,632	79,632	139	139
Other Financial Assets				
-Term Deposits	1,540,082	1,540,082	0	0
Total Financial Assets	4,396,410	4,396,410	3,215,358	3,215,358
Financial Liabilities				
Payables	169,322	169,322	265,479	265,479
Other Financial Liabilities				
- Monies Held in Trust	1,631,198	1,631,198	1,042,326	1,042,326
Total Financial Liabilities	1,800,520	1,800,520	1,307,805	1,307,805

NOTE 18: COMMITMENTS

There are no known capital or leasing commitments as at the date of this report.

NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no known contingent liabilities and contingent assets for Edenhope & District Memorial Hospital as at the date of this report.

NOTE 20: OPERATING SEGMENTS

	HEALTH SERVICES		RACS		OTHER SERVICES		TOTAL	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
External Segment Revenue	4,488,469	3,918,318	2,744,645	2,390,892	0	0	7,233,114	6,309,210
Total Revenue	4,488,469	3,918,318	2,744,645	2,390,892	0	0	7,233,114	6,309,210
EXPENSES								
External Segment Expenses	(3,995,750)	(2,645,725)	(3,585,103)	(2,081,748)	(125,697)	(2,682,966)	(7,706,550)	(7,410,439)
Segment Result	492,719	1,272,593	(840,458)	309,144	(125,697)	(2,682,966)	(473,436)	(1,101,229)
Net Result from ordinary activities	492,719	1,272,593	(840,458)	309,144	(125,697)	(2,682,966)	(473,436)	(1,101,229)
Interest Income	119,660	105,165	84,532	0	0	0	204,192	105,165
Net Result for Year	612,379	1,377,758	(755,926)	309,144	(125,697)	(2,682,966)	(269,244)	(996,064)
OTHER INFORMATION								
Segment Assets	3,593,122	3,884,624	2,334,166	2,527,349	0	0	5,927,288	6,411,973
Unallocated Assets	0	0	0	0	4,719,144	3,754,623	4,719,144	3,754,623
Total Assets	3,593,122	3,884,624	2,334,166	2,527,349	4,719,144	3,754,623	10,646,432	10,166,596
Segment Liabilities	781,332	705,198	510,324	460,598	0	0	1,291,656	1,165,796
Unallocated Liabilities	0	0	0	0	2,045,148	1,421,928	2,045,148	1,421,928
Total Liabilities	781,332	705,198	510,324	460,598	2,045,148	1,421,928	3,336,804	2,587,724
Acquisition of property, plant and equipment	160,616	173,276	104,906	113,174	24,320	26,237	289,842	312,687
Depreciation expense	(478,897)	(492,933)	(312,790)	(321,957)	(72,513)	(74,638)	(864,200)	(889,528)
Non cash expenses other than depreciation	81,419	38,983	56,580	27,090	0	0	137,999	66,073

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

Business Segments

Health Services

Services

Acute Hospital services
Aged Care services
Primary Health services

Residential Aged Care

Nursing Home facilities
Hostel facilities

Geographical Segment

Edenhope & District Memorial Hospital Service operates predominantly in Edenhope, Victoria. More than 90% of revenue, net surplus from ordinary activities and segment assets relate to operations in Edenhope, Victoria.

NOTE 21: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	Principal Activity	Ownership Interest	
		2011 %	2010 %
Grampians Rural Health Alliance	Information Systems	3.69	0.00

Edenhope & District Memorial Hospital interest in assets employed in the above jointly controlled operations and assets is detailed below.
The amounts are included in the financial statements under their respective categories:

	2011 \$	2010 \$
Current Assets		
Cash and Cash Equivalents	41,281	0
Other Financial Assets	14,919	0
Receivables	26,380	0
Prepayments	4,378	0
Total Current Assets	<u>86,958</u>	<u>0</u>
Non Current Assets		
Property Plant & Equipment	19,235	0
Total Non Current Assets	<u>19,235</u>	<u>0</u>
Total Assets	<u>106,193</u>	<u>0</u>
Current Liabilities		
Payables	15,166	0
Accrued Expenses	16,506	0
Total Current Liabilities	<u>31,672</u>	<u>0</u>
Total Liabilities	<u>31,672</u>	<u>0</u>
Net Assets	<u>74,521</u>	<u>0</u>

Edenhope & District Memorial Hospital interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

Revenues		
Grants	124,217	0
Total Revenue	<u>124,217</u>	<u>0</u>
Expenses		
Information Technology and Administrative Expenses	151,803	0
Depreciation	6,641	0
Total Expenses	<u>158,444</u>	<u>0</u>
Profit	<u>(34,227)</u>	<u>0</u>

Contingent Liabilities and Capital Commitments

There are no known contingent liabilities or capital commitments for Grampians Rural Health Alliance as at the date of this report.

NOTE 22: RESPONSIBLE PERSON 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 Ministers:

	Period
The Honourable Daniel Andrews, MP, Minister for Health	01/07/2010- 02/12/2010
The Honourable David Davis, MP, Minister for Health	02/12/2010- 30/06/2011
The Honourable Mary Woodridge, MLA, Minister for Mental Health	02/12/2010 - 30/06/2011

Governing Boards

Mr R Carberry	01/07/2010- 30/06/2011
Mr M Holland	01/07/2010 - 30/06/2011
Mr J Farran	01/07/2010- 30/06/2011
Mr R Hawkins	01/07/2010- 30/06/2011
Mrs J Grigg	01/07/2010 - 30/06/2011
Mr A Kealy	01/07/2010 - 30/06/2011
Mr R Okely	01/07/2010- 30/06/2011
Mrs K Hausler	01/07/2010- 30/06/2011
Mrs A Warner	01/07/2010 - 30/06/2011
Mr M Rentsch	01/07/2010- 30/06/2011
Mr R Tuncks	01/07/2010- 30/06/2011
Mr A Wait	01/07/2010- 30/06/2011

Accountable Officers

Ms E Kealy	01/07/2010- 30/06/2011
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Remuneration of Responsible Persons

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

	2011 No.	2010 No.
Income Band		
\$0-\$9,999	12	10
\$40,000 - \$49,999	0	1
\$50,000- \$59,999	0	1
\$60,000- \$69,999	0	1
\$120,000- \$129,999	1	0
Total Numbers	13	13
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	\$120,100	\$162,034

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

Other Transactions of Responsible Persons and their Related Parties

	2011 \$	2010 \$
Mr JG McKay is the CEO of West Wimmera Shire Council which provides services to and receives services from the Health Service on normal commercial terms and conditions.	0	54,087
Mr R Okely is the proprietor of Okely Farm Supplies which provides goods to the Health Service on normal commercial terms and conditions.	11,793	3,111
Mr R Hawkins is the proprietor of Langley Lodge which provides services to the Health Service on normal commercial terms and conditions.	2,618	1,145

Note 22: Executive Officer Disclosures

Executive Officers' Remuneration

The number 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.

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

	Total Remuneration		Base Remuneration	
	2011 No.	2010 No.	2011 No.	2010 No.
\$100,000 - \$109,000	1	0	1	0
Total	1	0	1	0
Total Remuneration	\$109,870	\$0	\$109,870	\$0

Note 23: Events Occurring after the Balance Sheet Date

There are no known events occurring after the balance sheet date that would materially effect the financial result.