



**STAWELL**  
*REGIONAL HEALTH*



*Caring for  
Our Community*



**2002 - 2003**

***Annual / Quality of Care Report***

## ***Our Mission ...***

Stawell Regional Health provides a complete continuum of integrated health and related services, by providing the highest quality facilities and skills delivered in a personalized and caring environment

## ***Our Goals ...***

### **Sustainable Health Service**

- To provide leadership in the provision of a seamless continuum of health services

### **Customer Focus**

- To meet the health needs of the community it serves

### **Services**

- To advance the health and wellbeing of the community it serves by the identification and provision of appropriate health care

### **Staffing**

- To provide an environment supportive of attracting and retaining skilled committed staff to meet the challenging needs of the community

### **Information Technology**

- To continually investigate and invest in Information Technology to enhance care delivery and administrative practice

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### **Front Cover**

Macpherson Smith Nursing Home by night

Mr. Lou Koenig being attended to by Nurse Robyn Kalms

Newborn Scarlett Leeke, being admired by her mother Rebecca, and Betty Meumann, Simpson Wing Nurse Unit Manager



# STAWELL



# Quality of Care-Board of Governance Report.....

On behalf of the Board of Governance, it is our pleasure to present the combined Quality of Care-Annual Report for the year ended June 30, 2003.

The health service has a statutory obligation to publish both reports annually and has this year decided to publish the information in one combined document. The Annual Report has traditionally focused on statistics, strategic planning, personnel, financial results and capital redevelopments. The Quality of Care Report focuses on the issues that are most important to the consumers of our health service. These include areas such as safety, cleanliness, the level of customer satisfaction, our complaints procedure, infection control, staff credentialing and clinical governance.

Stawell Regional Health is an accredited health service with both the Australian Council on Healthcare Standards (ACHS) and the Commonwealth's Aged Care Standards Agency. We have a well developed risk minimization and quality improvement programme that is co-ordinated by a highly skilled and committed leadership group. The pivotal committee overseeing our quality systems is the 'Quality Improvement Committee'. It is multi-disciplinary in membership and is chaired by the Board Chairman. This committee monitors the quality of our services, reviews complaints and is responsible for implementing an organisation wide risk management programme.

In developing the contents of our Quality of Care report, we consulted widely and sought specific input from a number of important community groups including:

- Members of our Community Advisory Committee
- Members of the three Stawell Service Clubs (Rotary, Apex and Lions), and
- Members of the three Stawell Probus Clubs

A broad range of individuals from this health facility, with clinical and non-clinical skills, were also consulted and participated in developing this report

The body of this report will expand on important elements of our quality systems and we encourage you to read it.

However, consistent with our traditional method of reporting we wish to highlight a number of developments that have occurred during the past year:



## **Nursing Home Redevelopment and Upgrade**

In April 2003 the State Minister for Aged Care, Mr. Gavin Jennings, officially opened our upgraded nursing home. The addition of 5 extra beds and modernizing of the existing nursing home has been a significant boost to the aged care service available to the Stawell community.

The Board has resolved to change the name of the nursing home to "Macpherson Smith Nursing Home" in recognition that the Helen M. Schutt Trust is now known as the "Helen Macpherson Smith Trust", a trust which has been a generous benefactor since the opening of our nursing home in 1995.

# Quality of Care-Board of Governance Report.....

## **\$1m Community Appeal**

The \$1m community appeal launched in January 2002 has resulted in \$1.3m being pledged. We sincerely thank all donors particularly Tattersall's and the Helen Macpherson Smith Trust who have significantly contributed to the appeal.

## **Hospital Redevelopment**

The Stawell hospital redevelopment, which commenced in May 2002 costing \$7.8m, continues to remain on schedule and is due for completion in September 2004. The new 29 overnight beds and the day surgery facilities, which have been completed, have received high praise from patients, staff and clinicians. The schedule provides for the theatre to be completed in March 2004, Tattersall's Accident and Emergency Department May 2004 and front office/imaging completed in September 2004.

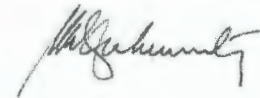
## **Conclusion**

This document will be circulated widely throughout the community and as in the past, we would welcome feedback particularly on issues that you would like included in next years publication.

Finally, on behalf of all involved at Stawell Regional Health, we thank you for your support and interest in our health service.



Howard Cooper  
President



Michael Delahunty  
Chief Executive



↑  
New Day Surgery  
Recovery Unit

Remodelled bedroom in  
Simpson Wing →





# The Board of Governance

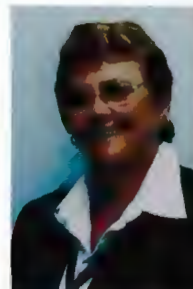


**President**  
**Howard Cooper** is a primary producer in the Glenorchy area and has been a Board Member since 1999. He is chairman of the Quality Improvement Committee and the Community Advisory Committee. Howard is also President of the Stawell Secondary College.

**Vice President**  
**Joan Brilliant** is Office Manager at Kingston Coach Tours Pty. Ltd. Stawell. Joan is a member of the Grampians Health Alliance and Joint Consultative Committee. She has been a member of the Board since 1986.



**Vice President**  
**Peter Martin** is a retired school principal of Stawell Secondary College and is currently part-time executive officer of the "Australian Secondary Principals Association". Peter is a member of the Quality Improvement Committee, Joint Consultative Committee and chairs the Governance Committee. He has been a member of the Board since 1999.



**Marilyn (Meg) Blake** is the part-time fundraising/public relations officer for Stawell Regional Health. Meg is currently a member of the Quality Improvement Committee and has been a Board Member since 1977.



**Dr. Norman Castle OAM** has been a medical practitioner in the Stawell community for the past 48 years. He is a member of the Quality Improvement and Joint Consultative Committees and has been a Board Member since 1980.

**Dr. Andrew Cunningham** has been a medical practitioner in the Stawell community for the past 26 years. He is a member of the Quality Improvement and Joint Consultative Committees and chaired the \$1m community fundraising appeal in 2002. Andrew has been a Board Member since 1990.



**Neville Dunn** is the Branch Real Estate Manager for Wesfarmers Landmark Stawell. He is a member of the Audit Committee and Nursing Home Redevelopment Committee. He has been a Board Member since 1991.



**Kaye Harris** is the General Manager Business and Marketing for the Brambuk Aboriginal Cultural Centre, Halls Gap. She is a member of the Governance Committee and chairs the Nursing Home Redevelopment Committee. Kaye has been a member of the Board since 1999.

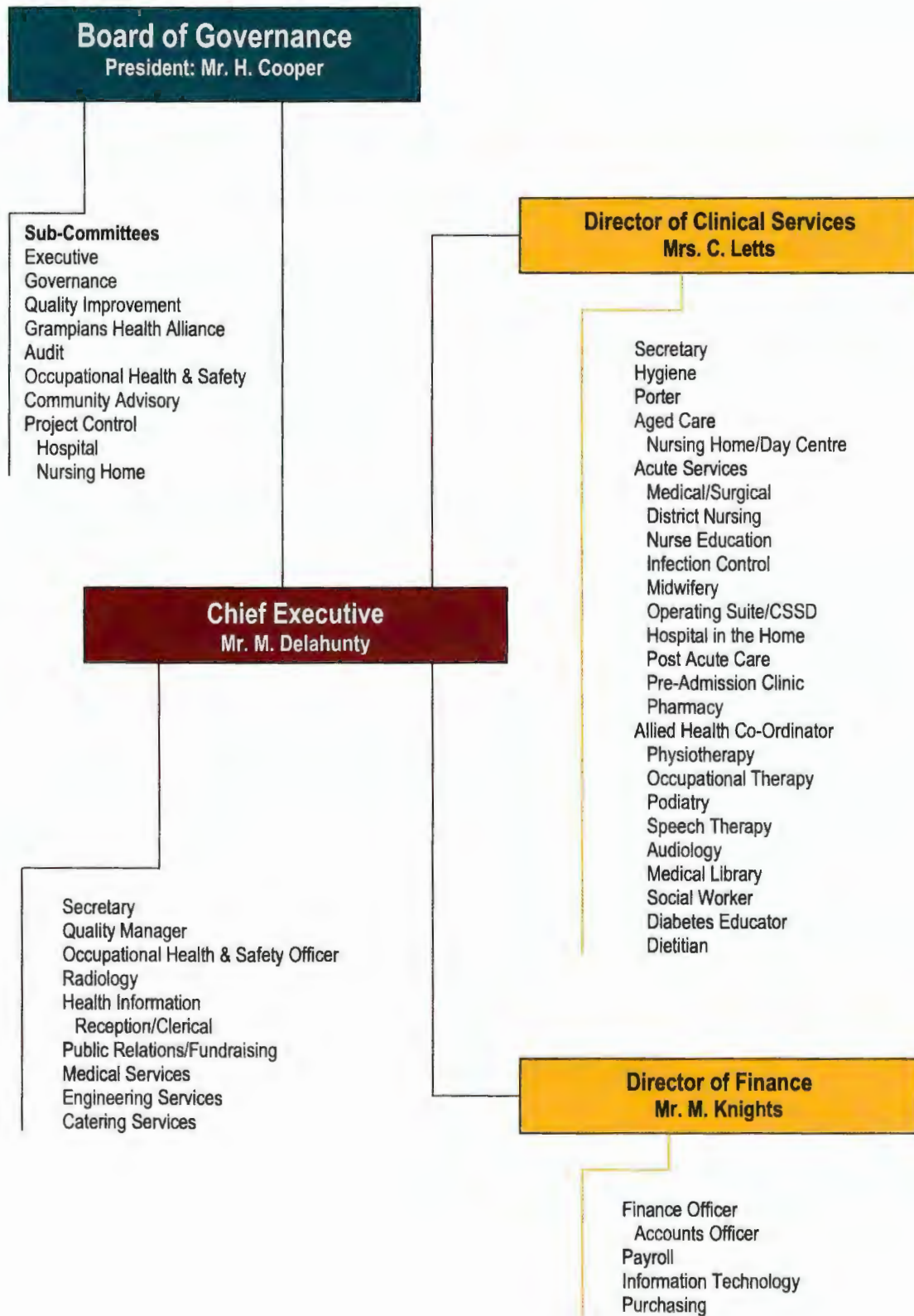


**Graeme McDonough** has retired from his business commitments but has continued to maintain a strong interest in the Stawell community. He is a member of the Quality Improvement, Governance and Occupational Health and Safety Committees. He has been a Board Member since 1999.

**Gary Thomas** is managing principal of the WHK Archer Group (formerly Curtis & Thomas). He is a member of the Grampians Health Alliance and Governance Committees, and chairs the Audit and Hospital Redevelopment Committees. Gary has been a Board Member since 1993.



# Organisational Structure





# History of Your Health Service

The Stawell Hospital is in its 145<sup>th</sup> year of community service, having been first built in 1859 at Doctor's Creek. A new and improved hospital was opened at Pleasant Creek in 1861. In 1934 a new hospital was established on the site of the existing hospital. A number of major developments have occurred since then with the most significant being the opening of a new 30 bed nursing home in 1995. A further 5 beds were added to this nursing home in 2003.

A helipad was established in 1998 and the John and Margaret Bennett Day Centre opened in 2001. The corporate name of the organisation was changed from Stawell District Hospital to Stawell Regional Health in 2001.

In May 2002 a \$7.8m redevelopment of the Stawell hospital commenced and is scheduled to be completed in September 2004. This redevelopment includes:

- 29 bed ward and 6 day surgery beds
- pharmacy department
- operating suite
- accident and emergency department
- front reception
- imaging department

Over recent times the health service has improved access to a number of important clinical services including chemotherapy, post acute care, diabetes educator, speech therapy, dietetics, home based midwifery, and an increased range of visiting specialists.

Whilst we are in the middle of the hospital's redevelopment, bed numbers have been reduced and disruptions have occurred, including increased noise levels.

The Board and Management wish to thank all patients, visitors and staff for their patience and understanding during our redevelopment.



## Staff Long Service Awards

In recognition of long and valued service to the hospital, the Board of Governance is pleased to present long service awards to the following staff members:

### 30 Years

Mavis Graham

Val Kennedy

### 20 Years

Heather Thomas

### 25 Years

Marg McGaffin

### 10 Years

Terry-Anne Howard

Chris Shorten

## Vale

The Board of Governance and staff were saddened with the passing of Mrs. Edith Breier on July 22, 2003. Mrs. Breier was awarded a Life Governorship for her many years of service to this health service through the Ladies Auxilliary.

# 100 Years of Accumulated Service

**The year 2003 is the year in which three (3) practitioners – Dr. Norman Castle OAM, Dr. Andrew Cunningham and Mr. Roger Warne have served the community of Stawell and district for an accumulated total of 100 years. The Board, on behalf of the Stawell community is hosting a function on Saturday October 25, 2003 to formally recognize this unique achievement.**

**Dr. Castle** commenced in solo practice at Stawell in 1955, following completion of his medical degree at the Adelaide University. His commitment to improve local healthcare facilities and improve access to services for his patients has been sustained since he came to Stawell. Examples of this have included guiding the redevelopment of the Hospital and Nursing Home, establishing one of the first rural blood banks (1957), being a pivotal person in attracting visiting specialists to consult and operate in Stawell, and being an inaugural member of the Stawell Hospital Foundation that has established a \$1m trust for the ongoing benefit of Stawell hospital.



Dr. Castle was awarded an Order of Australia Medal for his services to the community in 1999.

**Dr. Cunningham** arrived in Stawell in 1977, having graduated from Monash Medical School in 1972. In 1974-75 he worked at the Chilton Hospital in the UK. He is a GP Obstetrician/Anesthetist and has significantly involved himself in the Stawell community: as chairman of two large community appeals (Stawell Leisure Complex 1985 and \$1m appeal for Stawell Regional Health in 2002), member of Apex, Stawell Secondary College and member of a number of Stawell Music Ensemble performances. He has been a member of the Stawell Regional Health Board since 1990.



**Mr. Warne** also commenced his full time surgical practice in Stawell in 1977, having completed his medical degree (Monash) in 1970 and becoming a Fellow of the Royal Australian College of Surgeons in 1977. Mr. Warne's community involvements have been with Stawell Football Club, Stawell Turf Club, Squash and Racquetball Clubs. He has had a long involvement at Eventide Homes (Stawell) and is currently chairman of the Board.



On behalf of all the community of Stawell and district, we thank and acknowledge Dr. Castle (46 years), Dr. Cunningham (27 years) and Mr. Warne (27 years), for their services to our community for an accumulated period of 100 years.





# Clinical Governance

The Board of Governance of Stawell Regional Health is ultimately responsible for ensuring that "best practice" corporate governance policies and procedures are being complied with. An important element of that responsibility is to ensure the "Quality" component of Corporate Governance, defined as **Clinical Governance**, is being appropriately managed, monitored and resourced.



Claire Letts  
Director of Clinical Services

**Clinical Governance** is a framework through which we seek to continuously improve the quality of our health care by creating an environment in which excellence in clinical care will prevail.

Stawell Regional Health Clinical Governance framework is overseen by the Board, and monitors continuous quality improvement, risk management, quality standards, professional development and consumer involvement. The Board delegates responsibility for clinical governance to the Quality Improvement Committee that meets bi-monthly. This multi-disciplinary committee is chaired by the President of the Board. Its membership includes:

- Board Members (6)
- Medical Officers (2)
- Senior Executive Staff (2)
- Allied Health Staff (2)
- Pharmacist, and
- Quality Manager

The Infection Control Co-ordinator is also 'in attendance' at these meetings.

This committee reviews: quality improvement reports undertaken by all departments and medical officers, adverse events, letters of complaint, risk management programmes and strategies, external compliance audits, accreditation programmes and compliance with Department of Human Services clinical risk management programmes.

A report is provided to the full Board, following meetings of the Quality Improvement Committee, including recommendations identifying how clinical care could be further enhanced.

# Our Quality Commitment

*"Quality is consistently meeting the negotiated expectations of our clients and optimizing their health outcomes, in a cost effective manner."*

- Stawell Regional Health has an ongoing commitment to improving the quality of its services.
- We do this through our Quality Improvement Programme and maintaining Accreditation through The Australian Council on Health Care Standards (ACHS), the Commonwealth Aged Care Accreditation Standards and HACC Accreditation.

## **Quality Improvement Programme**

- The Board of Governance is responsible for the quality of care and services but the commitment to this programme infiltrates all levels of the organisation, from the Board and Chief Executive, to all staff members.
- Responsibility for the direction of the Quality Improvement Programme is vested in the Quality Improvement Committee (QIC).
- The committee co-ordinates, reviews and gives direction to the organisation's Quality Improvement Programme. This committee is a multidisciplinary committee comprising Board Members, Allied Health, Nursing, Medical Practitioners and Chief Executive.
- The QIC receives reports on audits, quality studies undertaken, complaints, incidents, clinical indicators, sentinel events, risk management, ethical issues, occupational health and safety, infection control and the effectiveness of the Quality Improvement Programme.
- Recommendations from Accreditation Surveys, consumer feedback, external reviews of the services, benchmarking/ comparing results with other health facilities and information from the Department of Human Services also provides suggestions for improvement.
- Twenty-six departments have submitted a Year 2003 Quality Activities Plan. In addition to this, Acute Hospital and

Nursing Home Infection Control and Occupational Health and Safety Management Plans were submitted.

## **Measuring Satisfaction**

The following results give an indication of what patients, clients and consumers think about their hospital stay:

- Patients gave the following ratings on the meals they had whilst a patient at Stawell Regional Health:
  - \* 91% rated the meal appearance as good to excellent
  - \* 85% rated the taste of the meals as good to excellent
  - \* 88% rated the texture of the meal as good to excellent
  - \* 80% rated the temperature of the meal as good to excellent
- Additional satisfaction ratings included:
  - \* 87% rated the overall quality of the meal as good to excellent
  - \* 81% of inpatients who are referred to the Occupational Therapy Department are seen by the Occupational Therapist on the same day of referral. A further 12% are seen within 1 day of referral
  - \* 100% of clients who participated in the Cardiac Rehabilitation Programme feel the programme met their expectations
  - \* 95% of Meals on Wheels clients felt their meals were tasty
  - \* 90% thought the meals were hot enough and 100% thought the meals were of an adequate size



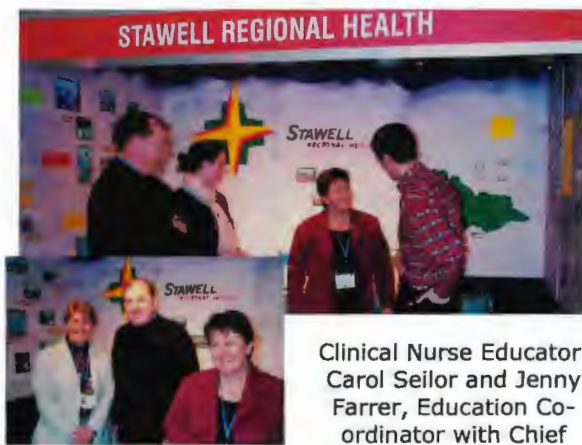


- \* Clients who accessed the Social Work service gave a 4.5 rating out of 5 for overall satisfaction with the service
- Nursing Home residents or their relative representative believed 91% of the time that their visitors could come any time and were made to feel welcome
  - \* 91% knew there was a plan of care developed especially for them
  - \* 82% were aware of the external and internal avenues of complaint

Day Centre clients rated:

- \* Transport arrangements of clients to the Day Centre by the Day Centre staff at 100%
- \* 100% are satisfied with the current complaints process
- \* 100% are satisfied with the meals provided
- \* 94% are satisfied with the heating/cooling in the Day Centre and only 6% felt inconvenienced by the redevelopment occurring at the adjacent Nursing Home whilst they were attending the Day Centre

**Promotion of Stawell Regional Health at the 2003 Nurses Expo : Royal Exhibition Building, Melbourne**



Clinical Nurse Educator, Carol Seilor and Jenny Farrer, Education Co-ordinator with Chief Executive, Michael Delahunty at the 2003 Nurses Expo



Director of Clinical Services, Claire Letts and Betty Meumann, Nurse Unit Manager Simpson Wing, in discussion with Dr. John Osborne-Rigby



Cherry Thomas  
Occupational Therapist

# Quality and Safety

## INFECTION CONTROL

### How do we ensure a high level of Infection Control?

Infection Control is the process of identifying, monitoring and analysis of hospital acquired infections. In conjunction with evidenced based research and the implementation of government standards, this surveillance formulates the basis of policies and procedures to *minimise the risk of acquiring / introducing an infection* related to hospitalisation. Policies, procedures, the broad Infection Control Programme and infections are monitored, investigated and recorded by the Infection Control/Theatre Committee and the Quality Improvement Committee.

An external audit of the Infection Control Theatre Committee was conducted in March 2003. The survey found that the multidisciplinary team had current "Terms of Reference" and a comprehensive surveillance programme.

The committee communicates its findings/recommendations by means of bi monthly newsletter, changes in policies, adverse occurrence reports, surgical site infection reports and reporting to other committees.

Stawell Regional Health has an affiliation with an Infectious Diseases Physician and two qualified Infection Control Practitioners. Four Infection Control Liaison Nurses based in, each ward and in clinical departments, conduct continuous surveillance on hospital acquired:

- Surgical wound infections
- Urinary tract infections
- Respiratory tract infections
- Blood borne infections

Plus additional surveillance on:

- Cleaning standards
- Environmental testing

- Food safety
- Antibiotic usage and resistance
- Waste management
- Legionella
- Staff health and immunisation
- Critical incidents and infectious disease notification, and
- Compliance with Australian Standards and best practice

### Infection control audits and standards

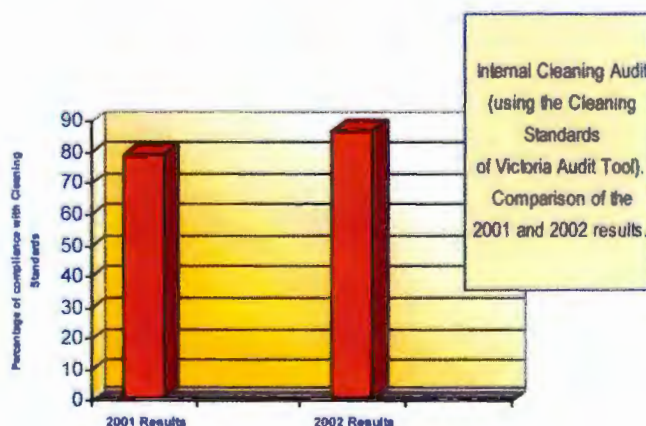
Stawell Regional Health audits include:

- Internal audits
- External audits including
  - DHS cleaning audit
  - DHS Strategic plan report
  - Benchmarking with other rural hospitals in the Grampians region.

### Is the hospital clean?

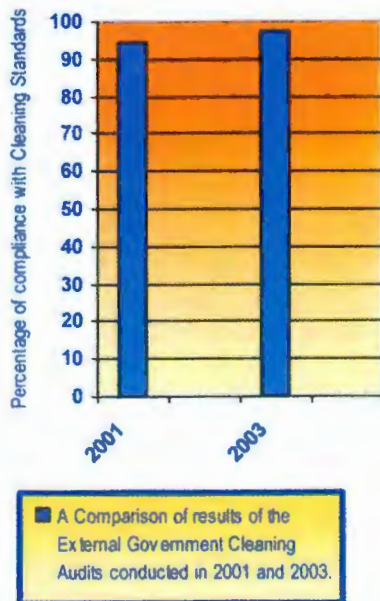
In October 2002 an internal cleaning audit was conducted using the Cleaning Standards of Victoria audit tool:

- This hospital achieved a score of 79.6% in 2001, compared to 87% in 2002.
- A score of 80% or greater has been maintained over the last twelve months. The following graph shows the improvement.





- In the external government cleaning audits Stawell Regional Health scored 94.2% in 2001 compared to 97.5% in 2003. The graph below shows the improvement.



Over the past twelve months, this health service has introduced a low chemical cleaning system, which has been shown to reduce the number of micro-organisms from all types of surfaces tested. The use of the low chemical system will therefore reduce the risk of micro-organisms becoming resistant to chemicals used for cleaning.

## Prevention of spreading micro-organisms

### Education

- Bacteria, viruses, fungi and moulds can be spread via hand contact, in the air and through the incorrect processing of medical and surgical equipment.
  - All nursing staff attend six monthly hand washing audits.
  - Education sessions are to reinforce the importance of simple but effective methods for the prevention of spreading infections. Topics include:
    - Basic Infection Control

- Standards precautions
- Hand washing
- Severe Acute Respiratory Syndrome (SARS)
- Hepatitis
- Infection control challenge exam
- New policies and procedures
- Orientation programme

## Equipment and instruments

- We comply with the Australian Standards 4187 relating to the cleaning, disinfection and sterilising of reusable medical/surgical instruments and equipment and the manner in which this equipment is stored and handled in a hospital.
- Medical/surgical instruments and equipment (including gastroscopes and colonoscopes) are meticulously cleaned and checked by qualified technicians prior to being sterilised. The steriliser's internal sensors monitor the sterilisation process. This provides a printout for staff to ensure that all the parameters (heat, pressure and time) have been reached, as per standards, to ensure that instruments/equipment are sterile.

As a risk management and quality improvement project, swabs are taken randomly of processed reusable equipment, which are stored and used in the wards and by external consumers. To date there have been no micro-organisms identified on sterile equipment/instruments tested.

- In addition to the printout, each sterile item has a chemical indicator that changes colour when it has been through the sterilising process. The printout and chemical indicator are checked prior to instruments and equipment being released for use.
- A sterile stock manual tracking system is in place. This allows us to identify the date, load, the person who processed the equipment and the patient the equipment was used for. The manual tracking system also allows us to recall equipment if a problem with the process is identified.

## Immunisations

- Stawell Regional Health has three qualified immunisers. They monitor staff health records and immunisations in accordance with the government immunisation schedule and the requirements of hospital policies. Two of the immunisers are currently undertaking the Department of Human Services (DHS) Tuberculin Skin Testing course.



Paul Tangey from the Maintenance Department installing new television sets during the redevelopment process



Hygiene Staff : Leonie McLaughlin and Lowell Waller during routine cleaning of hospital



## Redevelopments at Stawell Regional Health

Over the past twelve months, Stawell Regional Health had been undergoing major redevelopments. During any building project there is a risk that dust and dirt that carries bacteria, fungus and mould, may cause patients to acquire infections.

Prior to the redevelopment, this hospital developed a 'Construction/Renovation Risk Management Solutions' document, which included education sessions for all contractors and the environmental surveillance programme. To date no micro-organisms of the *Aspergillus* species have been identified nor has there been any infection or illness due to the redevelopments.



## Medication Safety

Stawell Regional Health collects information from Doctors, Nurses and Pharmacists about drug incidents in the hospital. These incidents not only include actual problems, but also anything which has the potential to create a problem.

These reports are reviewed by the nurse in charge of Simpson Ward and the Pharmacist as soon as possible after the incident occurring. If needed, other people are included in the review.

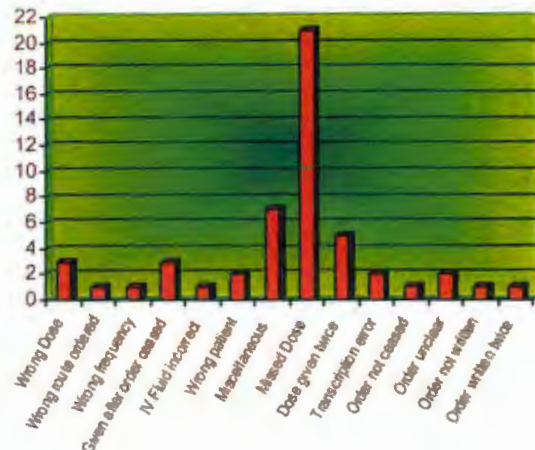
After these reviews, any action required is taken. This has included:

- providing education to individuals or groups
- changing procedures to prevent the same error occurring
- changing our drug chart
- implementing drug chart review by nursing staff at change of shift, to check for any missed doses
- instituting locked patient bedside drawers for medication

We estimate that over 50,000 medications are given to patients each year, and of these, we had a total of 51 (0.1%) incidents in the last financial year. They are as follows:

Wrong Dose	3
Wrong Route Ordered	1
Wrong Frequency	1
Given after order ceased	3
IV Fluid incorrect	1
Wrong Patient	2
Miscellaneous	7
Missed Dose	21
Dose given twice	5
Transcription error	2
Order not ceased	1
Order unclear	2
Order not written	1
Order written twice	1

The following graph shows the medication incidents by type for the 2002/2003 financial year.



Of these incidents 6 (12%) caused an adverse effect to the patient. In all these cases the effect was minor.

Every time a drug is given, there is less than a 0.1% chance of an error being made, and less than a 0.01% chance of this error being harmful.

There were **no drug incidents** causing major harm or death.



Belinda Lock : Pharmacist

## Falls Monitoring and Prevention

Falls are a major cause of injury in our community. Fortunately, many falls are preventable. Stawell Regional Health has recently commenced a comprehensive Falls Prevention Programme in the Hospital and Nursing Home.

The programme includes the following:

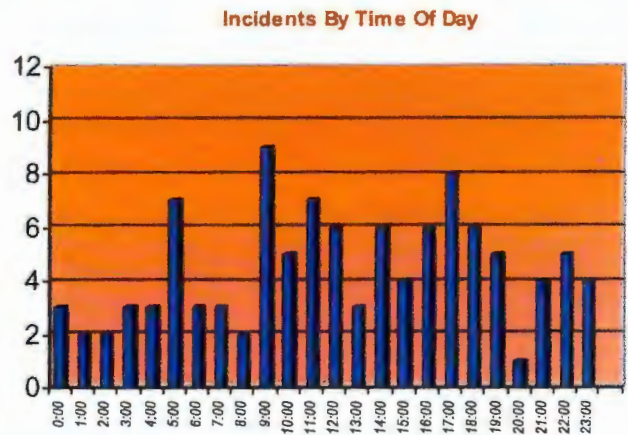
- Systematic monitoring of falls to determine how, when and where most falls in the Hospital and Nursing Home occur.
- Education of hospital staff, that falls are not an inevitable part of ageing, but are preventable.
- Automatic screening of all new inpatients and residents for Falls Risk.
- Automatic referral to the Multi-disciplinary Allied Health Team for assessment – ie Physiotherapist, Podiatrist, Dietitian, Occupational Therapist and Pharmacist.
- Referral on to the specialised Falls Prevention Clinic at Stawell Regional Health
- Development of individual falls management plans for patients and residents.

This can include:

- Exercises for strength, balance and flexibility
- Changes to footwear
- Changes to diet
- Evaluation of the patient's home regarding environmental hazards (e.g. steps, outside toilet)
- A medication review
- Provision of specialized equipment such as hip protectors.
- Environmental audits of the Acute Ward and the Nursing Home by the Occupational Therapist and Safety Officer to identify and improve any hazards, such as appropriate
- seating and enough colour contrast between floors and walls.

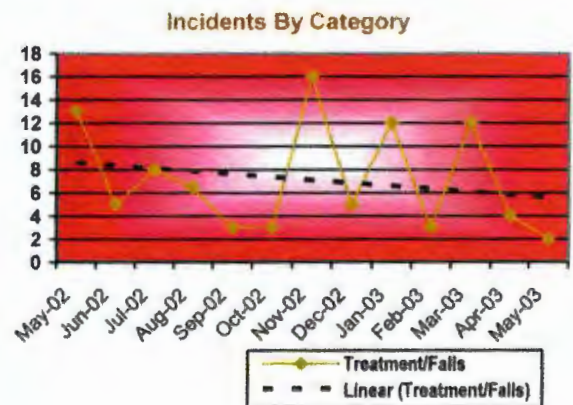
Our monitoring of falls indicated that many falls occurred at 5.00 a.m., 9.00 a.m. and 5.00 p.m. as patients attempted to make their own way to the toilet, before

breakfast and dinner and after their morning medication. This can be demonstrated in the following graph.



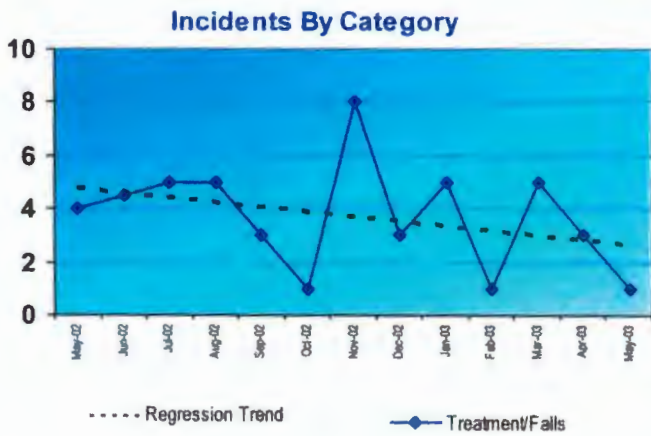
Sensor mats have been placed beside beds in the Nursing Home to notify staff if someone has climbed out of bed without calling for assistance; and hip protectors have been introduced with high risk residents in the Nursing Home. We are currently trialling the use of socks with non-slip soles – some of the falls occur in stockinged feet on the way to the toilet.

Since the commencement of the programme in January 2003, there has been a noticeable decline in the number of falls and falls-related injuries. This is demonstrated in the graph below.





The graph below indicates a steady downward trend of falls in the Nursing Home. The high peaks represent one or two individuals who fall many times.



The entire project will not be completed until December 2003, and we expect that both the initiatives commenced and positive results will be ongoing.



Physiotherapist Claire Chung with patient Barbara Jenkins

Helen Davidson : Podiatrist



## Pressure Wound Monitoring and Prevention

Pressure wounds, commonly called bed sores are a major cause of pain and ongoing health problems for patients who rest in bed for periods of time and who have risk factors such as poor circulation, a general anaesthetic, a major operation or poor nutrition.

Our nursing staff are knowledgeable about the causes of pressure wounds and assess each patient on admission, using a risk screening tool which is a step by step assessment of the patient's skin and other risk factors. Each patient is placed in a Low, Moderate or High risk category, each of which have preventative processes and equipment.

All acute care beds at Stawell Regional Health have high quality pressure distributing foam mattresses suitable for low risk patients.

Patients considered to be at moderate to high risk have a specially designed mattress placed on their bed which removes pressure from one particular area. These devices, when used with good nursing care, nutrition and early mobilization significantly reduce the occurrence of pressure wounds, of which there is a very low percentage at Stawell Regional Health.

Betty Meumann, Nurse Unit Manager  
Simpson Wing, and Claire Letts, Director of  
Clinical Services with inpatient Harold Kerr



We are participating in a statewide audit on the prevalence of Pressure Wounds conducted by the Victorian Quality Council in late 2003. External auditors will visit our organisation and review consenting patient's skin condition.



District Nurse Bronwyn Malligan  
during a visit to John Anyon





# What do we do to ensure staff caring for you are suitably qualified and skilled?

All staff employed by the organisation are assessed to ensure they are the most appropriate person for that job.

Clinical staff include nurses, doctors, physiotherapists, speech pathology, dietitian, occupational therapist and social worker. All these staff have completed specialised education and training in their field. Many are registered with regulatory boards such as:

- Nurses Board of Victoria
- Medical Practitioners Board
- Physiotherapy Registration Board
- Speech Pathology Assoc. of Australia
- Dietetics Association of Australia

We know there is a clear link between appropriately skilled staff and quality patient outcomes. Staff undergo a credentialing process, which formally checks, evaluates and regularly assesses the competence of staff. New employees are carefully screened and are only given responsibilities which match their experience and qualifications.

Staff are provided with a comprehensive education and training programme with a Clinical Nurse Educator dedicated to nursing staff education and competencies. These competencies include:

- Advanced and Basic Life Support
- Epidural management
- Patient Controlled Analgesia
- Peripheral Central Lines
- Medication administration
- Hickmanns Catheters

Stawell Regional Health invests in its staff through providing funding and paid leave for staff to attend external courses, in addition to the inhouse programmes.

Allied Health staff participate in a mentoring programme with Ballarat Health Services to develop their skill base and provide essential professional development.

Our Medical staff are reviewed by a credentialing committee regularly, and must demonstrate ongoing education and skill maintenance.



Nursing students on placement from University of Ballarat with Off Campus Educator Sue Fontana

# Performance Indicators - Clinical

## Victorian Patient Satisfaction Monitor

Patients of Stawell Regional Health have rated highly services provided in a statewide patient satisfaction survey.

The State Government sponsored external survey contacted a large number of patients who were treated at the Stawell hospital between April 2002 and September 2002. The Victorian Patient Satisfaction Monitor calculated a care index for public hospitals and compared that index to similar hospitals based on 16,000 patient's responses statewide on twenty-seven issues.

The Stawell hospital scored 79 for the overall care index compared to the state average of 71. Scores of 50-74 percent were deemed good; ratings of 75-85 percent were very good.

Areas where Stawell hospital achieved results higher than average included:

- Visited hospital to talk to a nurse or have tests before being admitted
- Follow up appointment made to see a Doctor or go to outpatient clinic
- Cleanliness of rooms, toilets and showers
- Courtesy of Doctors
- Staff attitudes before admissions
- The way nurses explained treatment
- The way information about condition was explained
- Confidence in treating Doctor
- Quality of food

The survey identified areas where the hospital could improve its services to patients:

- Inadequate patient lockers for day surgery patients
- Providing written information to medical patients on how to manage condition/recovery on discharge

- Advice on how to make a formal complaint
- The length of time some patients had to wait before being admitted

The survey report stated that patient's remarks were particularly positive towards the staff *"I was pleasantly surprised with the care, courtesy and kindness displayed"*. The vast majority of patients are coming away *"more than satisfied with the nurses, treatment and staff at Stawell hospital"*.

The Board and Staff of Stawell Regional health value this type of reporting which allows the hospital to monitor trends and identify areas for improvement.

## Clinical Indicators

The Visiting Medical Officers (VMO) through the hospital Quality Improvement Programme, continue to assess and report on ACHS Clinical Indicator Data.

### What is a Clinical Indicator?

An indicator is a measure of the management or outcome of care. It is an objective measure of either the process or outcome in quantitative terms.

Indicators are not exact standards, rather they are designed to be flags, which, through the collection and analysis of data, can alert to possible problems and/or opportunities for improvement. These areas can be further investigated within an organisations quality improvement programme. They are therefore, measurement tools to assist in assessing whether or not a standard in patient care is being met. The ACHS indicators provide evidence about various aspects of care.

Stawell Regional Health collects information for the following indicator areas:





### **Anaesthetics**

- Events that happen in the recovery period after an operation or procedure that require intervention. eg. core body temperature of less than 35 degrees Celsius and severe pain

### **Hospital Wide Medical**

- Readmissions of the same patient within a twenty-eight (28) day period.

### **Internal Medicine**

- Acute Myocardial Infarction (heart attack) appropriate thrombolytic therapy (clot smasher) within one hour of presentation to the hospital
- Interventions for Acute Asthma (adult and paediatric)
- Diagnosis of a stroke, investigation with CAT scan

### **Day Procedures**

- Failure of patient to arrive
- Cancellation of procedure after patients arrival
- Unplanned return of the patient to the operating room
- Unplanned overnight admission of the patient

### **Surgery**

- Laparoscopy/Cholecystectomy – review of bile duct injury requiring intervention

### **Hospital in the Home (HITH)**

- Review of unexpected HITH patient telephone calls to hospital in the home service
- Unscheduled staff callouts to HITH patients
- Unplanned readmission to the hospital by patients in the HITH programme

Doctors review a number of the Indicator areas. Recommendations are made to improve patient care and these are reported to the monthly VMO committee meetings.

These recommendations and ACHS Clinical Indicator comparative rates (comparing SRH with a nationwide threshold) are reported to the Quality Improvement Committee on a regular basis.



Carolyn Gellert  
Health Information Manager



Our Theatre Team  
Terry-Anne Howard, Wendy Phillips, Mr. John Nelson,  
Michelle Wickham, Dr. Neil Provis-Vincent

# Meeting the Needs of our Indigenous Population

There are a total of 932 residents in the Northern Grampians Shire who identify themselves as being of Aboriginal or Torres Strait Islander origin in Stawell and its surrounding areas.

Many of these people have difficulty accessing quality health care owing to physical isolation and lack of transportation. Under a Commonwealth funded programme, Stawell Regional Health has been delivering the following services from the Budja Budja Cooperative in Halls Gap since January 2003.

- Physiotherapy
- Speech Pathology
- Dietetics
- Family Counsellor (provided by Grampians Community Health Centre: GCHC)
- Community Health Nurse (provided by GCHC)
- Podiatry
- Occupational Therapy

To enable equitable access, these services are provided at no charge to the community.

East Grampians Health Service has been providing a Diabetes Educator Service under the same Commonwealth programme.

Dr. Natasha Kustura is providing a medical service.

Stawell Regional Health is in frequent communication with the community at Halls Gap who recently identified the following needs:

- Alcohol and Other Drug Counsellor
- Koori Hospital Liaison Worker

Staff at Stawell Regional health will be working closely with the Budja Budja Board and the relevant government departments to meet these needs.

In September 2002, staff prepared the first Cultural Action Plan. This plan provides a framework for our organisation to meet the needs of the Indigenous community to enable easier access to services of Stawell Regional Health.

Part of this approach has been to educate staff via formal Cultural Awareness Training. Currently, eleven staff members have undergone the training. They include Chief Executive, Michael Delahunty, Allied Health Coordinator, Liz McCourt and the therapists, counsellors and nurses who provide the outreach services to Halls Gap. In the 2003/2004 financial year, other key hospital staff will undergo this training.



Michael Delahunty, Chief Executive Stawell Regional Health and Tim Chatfield, Budja Budja Board of Management Chairman acknowledging the health service partnership at Budja Budja Gathering Place in Halls Gap (January 2003)



# Macpherson Smith Nursing Home

The Macpherson Smith Nursing Home at Stawell Regional Health is a 35 bed nursing home facility. These beds comprise 20 frail aged, 9 dementia specific and 6 psycho-geriatric. There are currently 8 shared rooms and 19 single rooms.

Between July 1<sup>st</sup> 2002 and June 30<sup>th</sup> 2003, many activities have been undertaken and implemented to improve our performance against the Commonwealth Aged Care Accreditation Standards; Health and Personal Care and Resident's Lifestyle.

We conduct an Annual Resident/Relative Questionnaire to obtain feedback on how to improve both the environment and our



work practices to ensure resident focus. As a result of this and community demands, we have recently completed and commissioned a 5 bed extension and existing facility upgrade costing approximately 1.8 million dollars. These redevelopments commenced in July 2002 and were completed in March 2003. This work comprised the construction of 5 additional single rooms with own ensembles, installation of air conditioning and carpet throughout the entire facility, expansion of living areas and the refurbishment of the existing commercial kitchen to a more homelike domestic type. New Aged Persons specific furniture was purchased for the new extension and additional living areas to meet resident and visitor demands.

The following list comprises activities undertaken and implemented to improve our overall performance in the areas of health and personal care and resident lifestyle.

- The purchase of 6 new high low beds ensures each resident at the facility is safe from injury and has the ability to select the bed position of their choice.
- Implementation of a clearer and more resident focussed long term Nursing Care Plan.
- Purchase of a new electronic thermometer for improved resident comfort and privacy.
- Purchase of new pressure wound preventing sheepskins and air mattress to improve pressure wound management and resident comfort.
  - Introduction of a chemical free cleaning process to improve facility cleanliness and eliminate hazardous cleaning chemicals.
  - Review and streamline resident admission documentation package to reduce repetitiveness and obtain more comprehensive individualised resident data.
  - Introduce a new 4 week rotating menu in conjunction with Stawell Regional Health Food Services and Dietary Departments. This will ensure all nutritional requirements are met and increase meal choice for all consumers.
  - Implement organisational Falls Risk Programme including individual resident assessment and supply of hip protectors and all associated education and documentation.
  - Management participation in Regional Quality of Care Project to identify and address perceived regional shortfalls such as benchmarking, financial viability and behaviour management strategies.
  - Ongoing internal and external staff education sessions including:

- 5 Day Health and Safety Representative Training
- Enteral Feeding
- No Lift
- Basic Life Support – CPR
- Wound Management
- Falls Prevention including Hip Protectors
- Food Handling
- RN Div. 2 Training
- Fire Training
- Continance Management
- Infection Control



↑ Occupational Therapy



→ Podiatry

Quality Activities undertaken during this period include Pain Management, Continance Management, Resident Security of Tenure and Responsibilities, Leisure Interest and Activities, Culture and Spiritual Life. The results of these audits are documented on a report form and forwarded to the Organisation's Quality Improvement Committee with an Action Plan with improvements required, date for implementation and next evaluation.

Kirsty Shaw, Dietitian discussing a healthy eating pattern with a client



Michael Kelly : Executive Chef



# Day Procedure Unit

The purpose built Day Procedure Unit opened in April 2003 with 99% of elective day of surgery admissions admitted through the unit since that time. Following surgery, overnight stay patients return to the ward area and day only patients return to the Day Procedure Unit.

Patients are prepared for surgery in the Day Procedure Unit with nursing staff dedicated to preparing them for surgery. Any queries patients or family may have can be resolved at this time.

The unit provides for six patients on day stay trolleys and can accommodate an additional six patients in chairs or recliners. The six trolleys will increase to seven with the opening of Stage Two of the Hospital Redevelopment in early 2004. Two of the trolleys allow patients undergoing ophthalmic (eye) surgery to have their surgical procedure on the trolley. This removes the need to transfer patients onto the operating table. This reduces time between operations, thereby allowing more patients to undergo eye surgery.

The goal of the organization is to provide telephone follow up to all day surgery patients. This data will be entered into a data base and results will be benchmarked with like organisations in the state. In conjunction with the telephone follow up patients receive a customer satisfaction survey, which will provide us with information relating to care prior to and during admission and after discharge.

This data will enable us to evaluate and continuously upgrade our service to meet our customer's requirements, in both the immediate and long term future.



Phyllis Humphrey with day surgery patient Jessie Hegarty-Thomas

# John Bowen Oncology Unit

With the establishment of the John Bowen Day Oncology Unit in July 2000, residents of Stawell and District can now access treatment for cancer close to home. After consultation with their oncologist, Dr. George Kannourakis, clients are admitted to the unit and their chemotherapy is administered by trained oncology nurses. The nurses in the unit are supported by volunteer Eileen Bowen. Eileen cheerfully donates her time to tend to the patient's and their supporter's needs, while their treatment is in progress.



Since the opening of the unit in August 2000 there has been a significant increase in client numbers, each session now treating up to sixteen clients. Also in August 2003 the service was increased from fortnightly to weekly sessions. This means that many patients never have to travel to Ballarat for treatment. Patients and family members continually inform staff of their appreciation of not having to travel.

With this steady growth comes new challenges in making sure our high standard of care is not compromised during the unit's busy times. To help determine our strengths and weaknesses, our clients are surveyed by the Quality Assurance Programme and any areas of concern acted upon.

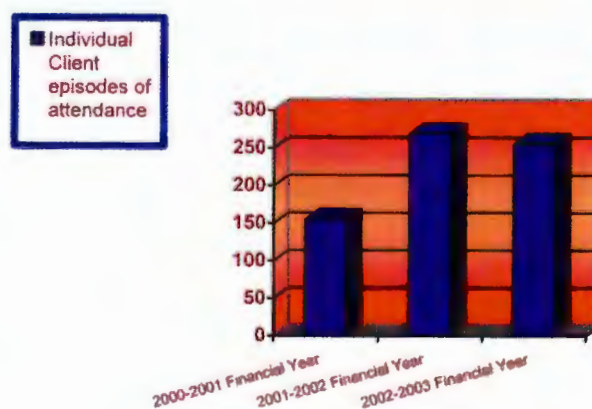
Possible concerns with our increased client numbers are:

- Longer waiting times for treatment to commence.
- Maintaining patient comfort and privacy.
- Finding time to provide comprehensive information and education required by our clients at any stage during their treatment regime.

In order to address these issues the unit has:

- Acquired an extra room where patients with implantable infusion devices can have them accessed in a more private setting.
- Extra nurses with oncology qualifications are soon to join the staff of Stawell Regional Health.
- Nurses already employed by the hospital are currently undertaking the Graduate Certificate in Palliative Care/Oncology at Ballarat University.
- The recognition from the Board of Governance that Day Oncology is a high priority service and extra funds will be allocated from the 2003-4 budget to help this service continue to expand.

The graph below shows the number of client episodes of attendance over the last three years.





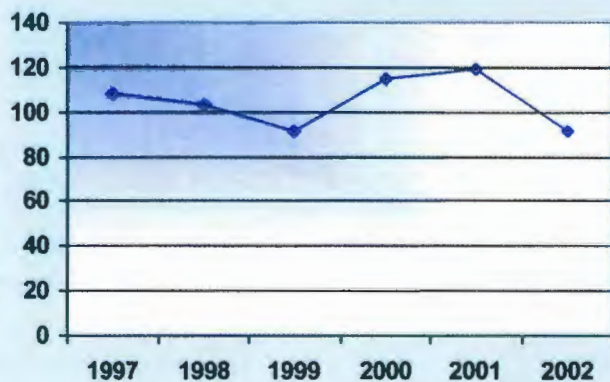
# Maternity Services

At Stawell Regional Health we appreciate the excitement and anxiety experienced when bringing a baby into the world. Our medical staff and midwifery nurses are highly experienced and committed to ensuring mothers deliver their babies safely, and learn how to care for their baby prior to going home.

Below are the answers to the most frequently asked questions about Maternity Services at Stawell Regional Health.

1. How many babies a year are born at Stawell Regional Health?

*91 babies were born at Stawell Regional Health during 2002.*



This graph above illustrates the trend of births at Stawell Regional Health for each calendar year (January-December) from 1997 to 2002. (graph taken from Hospital Profile of Perinatal Data 2002)

2. What is the average length of stay in hospital for a natural birth and caesarean delivery?

*Natural Birth : 3 days  
Caesarean Delivery : 4-6 days*

3. What percentage of Mums who deliver their babies at Stawell Regional health are breastfeeding their baby at discharge?

*87.6% of Mums.*

4. What percentage of Mums, are breastfeeding their baby at six months?

*50.4% of Mums.*

5. Can the father of my baby stay?

*Yes. He can stay with you in labour ward and after the birth of your baby.*

6. Are there private rooms available at the hospital?

*Yes. With the redevelopment we have nine private rooms available in Simpson Wing. Our Private Patient Information Brochure lists the services privately insured patients can expect.*

7. If I am not happy about my stay in hospital, can I make a complaint?

*Yes you can. The Patient Information Brochure and Rights and Responsibilities Brochure explain how you can do this.*

*You can make a verbal complaint or a written one through a letter. We welcome your feedback on any aspect of your stay and look at it as a window of opportunity to improve our services.*

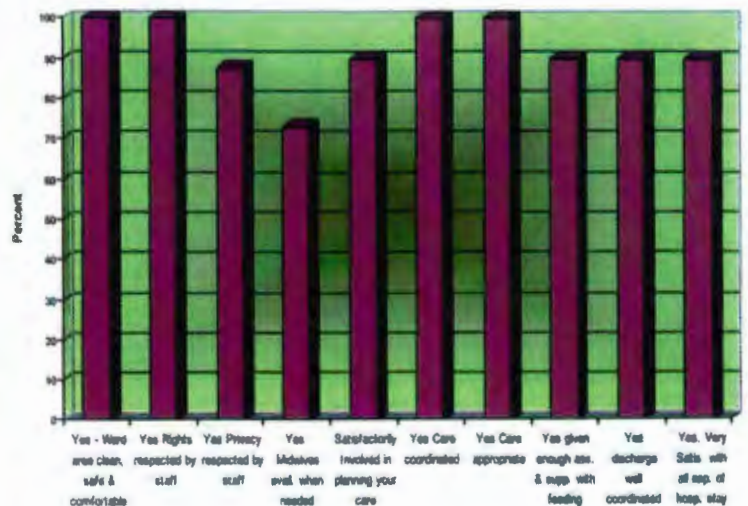
8. Does the hospital offer me special features or services as an expectant Mum?

*Yes. We offer a number of special features or services, they include:*

- Antenatal Booking In and Antenatal Classes offered on site by a hospital midwife.
- Stawell Regional Health offers a Level 1 Nursery – this means we deliver low risk pregnancies.
- A bath is available in the Birthing Suite for use during labour.
- Post-natal domiciliary visits are provided by the hospital midwives in the first five days home. These visits are co-ordinated with the Maternal and Child Health Services which commence at five days.



The graph below gives an indication of how midwifery patients are satisfied with their hospital stay.





# Post Discharge Services available to Inpatients

These services may be accessed whilst being an inpatient and continued once discharged.

The following list highlights the many services that are available from Stawell Regional Health to inpatients - after discharge.

## Allied Health and Support Services

- Audiology
- Cardiac Rehabilitation Programme
- Day Centre
- Diabetes Educator
- Dietetics
- Occupational Therapy
- Physiotherapy
- Podiatry
- Post Acute Care
- Social Work
- Speech Therapy
- Home Care
- Personal Care
- Respite Care
- Meals on Wheels

## Nursing Services

- District Nursing
- Hospital in The Home
- Post-Natal Domiciliary Visits

## Grief Counselling

Should a close family member or friend die in hospital, grief counselling is available from our Social Worker Linda Gathercole. The nursing staff and medical officers will offer this service which families may wish to accept.

If you do not wish to accept this service at the time of the death of your family member or friend, you are most welcome to contact the Social Work Department at your convenience, on 5358 8518 to make an appointment. It is often a few weeks or months after a death, that people need help.

Brochures on the services offered by the Social Work Department are available at the main hospital reception.

You can also request a copy of this brochure from the nursing staff in the ward.

# Grampians After Hours Primary Medical Care Service

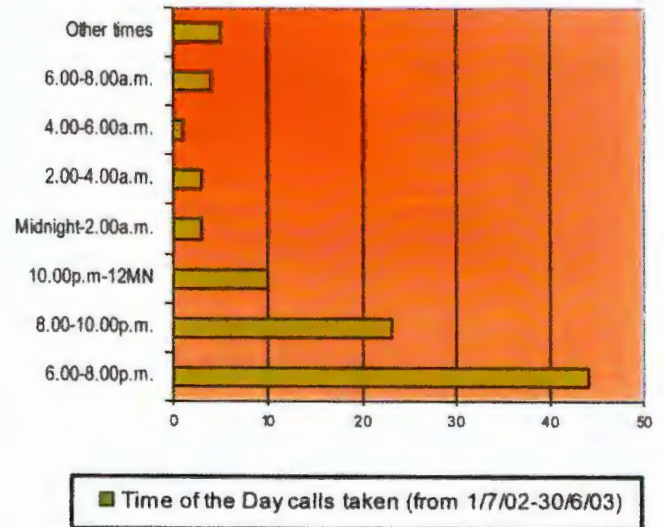
The West Vic Division of General Practice received funding through the Commonwealth After Hours Primary Medical Care Programme to explore better ways of providing after hours primary medical care and thus retain and recruit GPs in a rural area. As a result, the Grampians After Hours Primary Medical Care Service (GAHPMC) was established in October 1999.

The GAHPMC is structured as a "Telephone Triage Model" and operates by medical practices diverting their phones to the 1800 after-hours phone number between 6.00pm and 8:30am. The public can also access the service directly. Calls are automatically diverted to a trained triage nurse, who answers "Grampian's After-hours Medical Service". Patient's details are taken and, via a set of protocols, the triage nurse assesses whether the patient requires nursing advice and reassurance, a local medical appointment the next day or advice/treatment from their local doctor on call. If a patient requires assessment they are referred to their local Emergency Department. Full documentation of how the service operates is available on the West Vic Division of General Practice website [www.westvicdiv.asn.au](http://www.westvicdiv.asn.au).

The following graph indicates the time and percent of contact calls, during Telephone Triage operating hours.



Jan Sherwell  
Phone Triage Nurse



Number of contacts during the period from 01/07/2002 to 30/06/2003 were : 1,441. This equates to an average of 118.76 contact calls per month.

Initially this service involved one hospital site and two medical practices within the town of Stawell. As a result of the positive outcomes the service has extended across the West Vic Division of General Practice region to include the townships of Beaufort, Ararat, Casterton, Coleraine, Minyip, Murtoa, Warracknabeal, Edenhope, Horsham (Lister House Clinic), Nhill and Hopetoun. This service currently covers approximately 58 GPs and a population of approximately 55,000. Dedicated Triage Nurses are now located in Stawell, Horsham, Ararat and Harrow.





This map indicates visually, the area the service extends to.

From the commencement of the service in October 1999 to the end of 2002, over 5000 calls have been received by the service. There has been a demonstrated improvement in the provision and acceptability of after hour's services from a GP, consumer and hospital perspective. GPs indicated that the service was the difference between them leaving and staying. GPs further indicated that the service was a significant recruitment tool. After hours calls to GPs have been reduced by over 50%.

The service also operates under a quality improvement framework that involves general practitioners reviewing randomly selected cases on a regular basis.

Recommendations from this review process are fed back to the Triage Nurse Quality Assurance Meetings held every 10 weeks. This review process enables a non-punitive environment to discuss cases of concern and improve clinical and administrative protocols. These meetings also enable specific health professional (ie. Social workers, Pharmacists) to be present to discuss issues with the triage nurses.

The Grampians After Hours Service continues to develop and progress.

Further details of the service can be found at the website [www.westvicdiv.asn.au](http://www.westvicdiv.asn.au) or by emailing [a.mcgrath@westvicdiv.asn.au](mailto:a.mcgrath@westvicdiv.asn.au)

# Financial Performance

Stawell Regional Health finished the year with an operating deficit of \$223k before depreciation and capital income. The "bottom line" surplus of \$1029k was primarily due to \$2.849m of capital funds received from the Department of Human Services for the redevelopment of the Hospital.

The downturn in the financial performance of the organization prior to depreciation and capital resulted from a combination of factors which highlight the difficult year we experienced.

The reduction in available beds caused by the redevelopment had a major impact on funding as hospital admissions declined by 168 compared to the prior year. This resulted in a funding reduction of \$400k.

Hospital occupied bed days were down 2092 on the previous year which directly impacted private patient revenues which were down \$198k on 2001/02.

Employee entitlements increased as salary and wages increased by an average of 3% across all award classifications and the superannuation guarantee moved from 8% to 9%. The opening of an additional 5 beds in the aged care facility added to nursing payroll costs in this area. Services in Primary Health were expanded with a full time speech pathologist and additional part time podiatrist being appointed.

Fee for Service medical fees increased due to increased specialist activity and increases of approximately 3% to schedule fee charges.

## Financial Position

The Health Service's financial position has deteriorated over the past 12 months with the current asset ratio dropping from 2.45 (\$2.45 of current assets for every \$1 of current liabilities) to 1.60. Cash and Investments were impacted by the withdrawal of funds to finance the Nursing Home redevelopment (\$1.75M) and the

funding of the operating deficit which was partially offset by interest earned on investments (\$175k).

The asset revaluation reserve was reduced by \$645k as part of the write down of assets due to the revaluation of Land & Buildings which was set off against the reserve.

The Health Service has a capital commitment of \$900k over the next 2 years for the completion of the hospital redevelopment which will further impact the Investment levels.

In summary, although the Health Services financial position has declined over the last 12 months due to the investment in Aged and Acute Care facilities, this has positioned the Health Service to deliver improved quality of care, whilst ensuring the organization makes efficiency gains necessary to return to a breakeven operating position.



Mark Knights : Director of Finance





# Performance Indicators

## CASEMIX DATA

	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003
Total Weighted Inlier Equivalent Separations	2,152	2,176	2,274	2,063	1,817
Average Inlier Equivalent DRG Weight	0.8118	0.8012	0.7908	0.735	0.725
Cost per DRG Weighted Admitted Patient	\$ 2,623	\$ 2,624	\$ 2,969	2,999	3,296

## REVENUE INDICATORS

	Average Collection Days			
	1999/2000	2000/2001	2001/2002	2002/2003
Private	83	47	28	78
TAC	50	49	125	--
VWA	99	148	--	59
Other Compensable	--	--	--	--
Nursing Home	36	37	32	40

## DEBTORS OUTSTANDING AS AT JUNE 30, 2003

	Under 30 Days	31-60 Days	61-90 Days	Over 90 Days	Total 30/ 6/2003	Total 30/ 6/2002
	Private	11,046	11,016	6,100	10,248	38,410
TAC	--	--	3,713	--	3,713	14,876
VWA	4,369	--	--	2,596	6,965	--
NHT	955	--	912	5,779	7,648	2,503
Nursing Home	37,594	470	--	953	39,017	28,952

## COMPARATIVE FINANCIAL RESULTS FOR THE PAST FIVE FINANCIAL YEARS

	1998/1999 \$000	1999/2000 \$000	2000/2001 \$000	2001/2002 \$000	2002/2003 \$000
Total Expenses	9,930	10,221	12,051	12,926	14,743
Total Revenue	10,300	10,459	12,168	14,405	15,721
Operating Surplus	370	238	117	1,479	1,029
Retained Surplus	9,522	9,760	9,877	2,093	3,109
Total Assets	12,437	12,951	13,805	14,884	15,693
Total Liabilities	1,983	2,259	2,996	3,001	3,439
Net Assets	10,454	10,692	10,809	11,883	12,254
Total Equity	10,454	10,692	10,809	11,883	12,254

## ACTIVITY

Admitted Patient	Acute	Mental Health	Aged	Other	Total 2002/2003
<b>Separations</b>					
Same Day	1,257	--	--	--	1,257
Multi Day	1,355	--	25	--	1,380
Total Separations	2,612	--	25	--	2,637
Public Separations	2,170	--	25	--	2,195
Total WIES	1,817				
Separations per Available Bed	0.30	--	.02	--	
Total Bed Days	7,524	--	1,043	--	

Non Admitted Patient	Acute	Mental Health	Aged	Other	Total 2002/2003
Emergency Medicine-Attendances					
Outpatient Services – occasions of services	3,782	--	--	--	3,782
Other Services – occasions of services	10,539	--	--	--	10,539
Total occasions of service	14,321	--	--	--	14,321

## Stawell Regional Health Financial Analysis of Operating Revenues and Expenses for the Year Ended 30 June 2003

	Total 2002/03 \$'000	Total 2001/02 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/02 \$'000
<b>REVENUES</b>				
<b>Services supported by Health Service Agreement</b>				
Government Grants	9,058	8,873	9,058	8,873
Indirect Contributions by Human Services	125	120	125	120
Non-Cash Revenue from Services Provided	128	95	128	95
Patient Fees	1,727	1,795	1,727	1,795
Other Revenue	141	162	141	162
	<u>11,179</u>	<u>11,045</u>	<u>11,179</u>	<u>11,045</u>
<b>Services Supported by Hospital &amp; Community Initiatives</b>				
Business Units	558	605	558	605
Interest	127	114	177	157
Property Income	71	56	71	56
Other Revenue	228	282	228	282
	<u>984</u>	<u>1,057</u>	<u>1,034</u>	<u>1,100</u>
<b>TOTAL REVENUE</b>	<u>12,163</u>	<u>12,102</u>	<u>12,213</u>	<u>12,145</u>
<b>EXPENSES</b>				
<b>Services supported by Health Service Agreement</b>				
Employee Entitlements	7,469	7,037	7,469	7,037
Fee for Service Medical Officers	914	802	914	802
Supplies and Consumables	1,243	1,129	1,243	1,129
Borrowing Costs	--	1	--	1
Other Expenses	1,771	1,793	1,771	1,793
	<u>11,397</u>	<u>10,762</u>	<u>11,397</u>	<u>10,762</u>
<b>Services Supported by Hospital &amp; Community Initiatives</b>				
Employee Entitlements	687	733	687	733
Supplies and Consumables	242	248	242	248
Other Expenses	110	340	110	340
	<u>1,039</u>	<u>1,321</u>	<u>1,039</u>	<u>1,321</u>
<b>TOTAL EXPENDITURE</b>	<u>12,436</u>	<u>12,083</u>	<u>12,436</u>	<u>12,083</u>
<b>Surplus/(Deficit) for the Year before Capital Purpose Income, Depreciation, Amortisation, and Specific Revenues and Expenses</b>	(273)	19	(223)	62
Capital Purpose Income	2,986	1,301	2,986	1,301
Capital Donations/Bequests	336	431	337	677
Proceeds From Sale of Non Current Assets	236	282	236	282
Written Down Value of Assets Disposed	(1,321)	(238)	(1,321)	(238)
Depreciation & Amortisation	(664)	(605)	(664)	(605)
Specific Revenues & Expenses (1)	(322)	--	(322)	--
<b>Surplus/(Deficit) for the Year Before</b>	978	1,190	1,029	1,479
<b>Extraordinary Items</b>				
Extraordinary Items				
<b>Net Surplus (Deficit)</b>	<u>978</u>	<u>1,190</u>	<u>1,029</u>	<u>1,479</u>





## **Pecuniary Interests**

Members of the Board of Governance 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.

## **Freedom of Information**

There were nine (9) requests under the Freedom of Information Act 1982 regulations and access to information was granted in all instances.

Freedom of Information requests should be in writing and addressed to the Chief Executive, Stawell Regional Health, Sloane Street, Stawell Victoria 3380.

## **Publications**

A review is regularly undertaken to update information in publications such as, the Patient Information Brochure. The Annual/Quality Care Report is presented each year at Stawell Regional Health's annual meeting.

## **Compliments and Complaints**

- Stawell Regional Health (SRH) receives a large number of compliments, and on occasions, complaints.
- Because your care is our prime concern we want to know if you are not satisfied with services or treatment provided. All complaints are handled in the strictest confidence.
- Please contact the Nurse Unit Manager of Simpson Wing, or the Director of Clinical Services to express your concern. We will certainly try to rectify the problem.
- If you believe your complaint is serious, you have the right to make a formal (written) complaint. Please ask for a complaint form. You will need to document your complaint on this form. These forms are available from the hospital reception, Simpson Wing, and the Clinical Coordinators.
- All formal complaints are reported to the bi monthly Quality Improvement Committee (QIC).
- Examples of complaints received by the QIC in the last financial year related to:
  - Delay in treatment
  - Inadequate care; and

- Unacceptable facilities

If you are not satisfied with the way your complaint was handled, you may make a formal complaint to the Victorian Health Services Commissioner 10/55 Swanston Street, Melbourne, 3000.  
Tel. 1800 136 066

## **Legislative Changes**

A number of Acts have been passed during the 2002/2003 financial year. The most significant are:

### **Acts**

- Audit (Amendment) Act 2003
- Business Licensing Legislation (Amendment) Act 2003
- Drugs, Poisons and Controlled Substances (Volatile Substances) Act 2003
- Environment Protection (Resource Efficiency) Act 2002
- Health Legislation (Research Involving Human Embryos and Prohibition of Human Cloning) Act 2003
- Pay-roll Tax (Maternity and Adoption Leave Exemption) Act 2003
- Public Holidays and Shop Trading Reform Acts (Amendment) Act 2003
- Residential Tenancies (Amendment) Act 2002
- Road Safety (Heavy Vehicle Safety) Act 2003
- Wrongs and Limitation of Actions Acts (Insurance Reform) Act 2003
- Wrongs and Other Acts (Public Liability Insurance Reform) Act 2002

### **Regulations**

- Building (Amendment) Regulations 2003
- Building (Legionella Risk Management) (Amendment) Regulations 2002
- Cancer (BreastScreen Victoria Registry) Regulations 2003
- Drugs, Poisons and Controlled Substances (Fees) Regulations 2002
- Drugs, Poisons and Controlled Substances (Fees) Regulations 2003
- Electricity Safety (Bushfire Mitigation) Regulations 2003
- Emergency Management Regulations 2003
- Environment Protection (Vehicle Emissions) Regulations 2003

- Fundraising Appeals (Amendment) Regulations 2002
- Health (Consultative Council on Obstetric and Paediatric Mortality and Morbidity) Regulations 2002
- Health (Infectious Diseases)(SARS) Regulations 2003
- Health (Radiation Safety)(Fees) Regulations 2003
- Health Services (Supported Residential Services)(Fees) Regulations 2003
- Occupational Health and Safety (Asbestos) Regulations 2003
- Pathology Services (Exempted Tests) (Amendment) Regulations 2003
- Subordinate Legislation (Freedom of Information)(Access Charges) Regulations 1993-Extension of Operation) Regulations 2003
- Subordinate Legislation (Occupational Health and Safety (Noise) Regulations 1992-Extension of Operation) Regulations 2003
- Tobacco (Amendment) Regulations 2003
- Transport Accident (Amendment) Regulations 2003
- Whistleblowers Protection (Amendment) Regulations 2002

#### **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.

The Protected Disclosure Co-Ordinator for Stawell Regional Health is Liz McCourt. She has the central clearinghouse role for managing disclosures: Tel: 5358 8506 email: [lmccourt@srh.org.au](mailto:lmccourt@srh.org.au)

Disclosures of improper conduct by Stawell Regional Health or its employees may be made to:

- The Protected Disclosure Officer, Meg Blake, Tel: 5358 8513  
email: [mblake@srh.org.au](mailto:mblake@srh.org.au)  
Stawell Regional Health, Sloane Street,  
Stawell 3380  
or
- The Ombudsman Victoria  
Level 22,  
459 Collins Street, Melbourne 2000  
Tel: 9613 6222 Toll free: 1800 806 314

No disclosures under the Act were received during 2002/2003.

#### **Hospital Fees**

The Hospital charges fees in accordance with the Department of Human Services Victoria directives.

#### **Consultants Engaged and Their Cost**

Six (6) separate Consultants : total cost \$55,011

#### **Public Authorities Equal Employment Opportunity Act 1990**

Stawell Regional Health 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. Responsibility for the Equal Employment Opportunity programmes has been conferred upon the Pay Officer.

#### **Staffing Profile**

A total of 221 persons were employed by Stawell Regional Health : full time 57; part time 116; casual 48



# Public Relations/Fundraising

Ongoing support and dedication to Stawell Regional Health has again been very evident with \$328,000 being donated during the year to June 30, 2003; \$290,000 of this being from pledges and donations specifically to the Capital Building Appeal which now has a pledged total of \$1.3m.

Special fundraising events bring with them additional benefits with proceeds from Fishers IGA Charity Golf Day and Chris & Di's Bakery Charity Race Day, netting \$20,000.

The hospital and nursing home in particular continue to enjoy valuable support from the Ladies Auxiliary, Y-Zetts and KC's Murray to Moyne 'Sprockets' - these teams of dedicated supporters fulfill numerous roles in the life of our "Health Service". The enthusiasm generated by these individual volunteers as they work together in teams, is very inspiring. They are hard working loyal ambassadors for us.

To quantify their merits and value in one short report will not do them justice, however I will attempt a brief summation.

Their fundraising activities include: Christmas in July Dinner, Fashion Parade, Theatre Luncheon, Garden Visits, Wine and Savoury Evening, catering for the RACV 'Fly the Flag Rally' and the Rotary District Convention, and the Murray to Moyne Relay. Several of these functions would not have been possible without assistance from Michael Kelly and the Catering Division, Garrie Martin and Engineering Staff and Lynette Healy in Administration.

Service pursuits of these groups other than fundraising includes : staffing of the "Bookworm Gallery" in Gold Reef Mall, manpower for the hospital lolly trolley, Meals on Wheels, visiting the hospital and

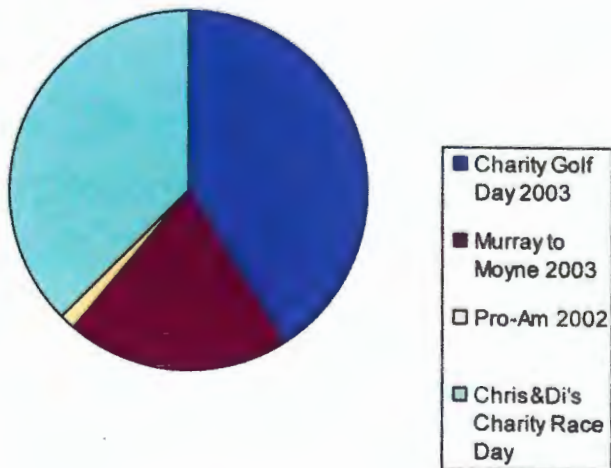
nursing home, and of course, attending monthly meetings.

Financial benefit from the Ladies Auxiliary, Y-Zetts and KC's Sprockets in the financial year was \$33,200, which we acknowledge and appreciate.

The Board of Governance and Management thanks the executive and members of the Ladies Auxiliary, Y-Zetts and "KC Sprockets".

In conclusion, we extend appreciation to all media agencies, in particular Stawell Times News who promotes activities conducted for this health service. We would also like to thank the numerous businesses, individuals and community organisations who assist Stawell Regional Health meet the needs of its community.

## FUNDRAISING BY ACTIVITY EXCLUDING CAPITAL BUILDING APPEAL



The production of a Quality of Care Report is now an annual reporting requirement, initiated by the Department of Human Services. The management and staff of Stawell Regional Health want to make this report interesting and useful for our valued community.

Suggestions of what to include in the next report can be forwarded to:

Quality Manager  
Stawell Regional Health  
Sloane Street  
Stawell Vic 3380

The Quality Improvement Department can also be contacted on 5358 8576 or via email at [info@srh.org.au](mailto:info@srh.org.au)

We value your comments.





## **Acknowledgement**

**Compiled by** Lynette Healy with assistance from numerous staff members

**Designers** Lynette Healy & Doug Harvey

**Photographer** Tania Tanti (03) 9369 0662

**Financial tables** Mark Knights, Finance Manager

**Thank you**  
**to everyone who has been involved in the**  
**production of this report**

### **Back Cover**

Sandy Worsley, Medical Imaging Technologist

Dr. John Nelson, Visiting Orthopaedic Surgeon

Wendy Phillips, Associate Unit Manager Operating Suite

KC's Sprockets

Medical on Wheels Melbourne, Dr. William G. ...



# Stawell Regional Health

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*Stawell Victoria 3380*

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*Email [info@srh.org.au](mailto:info@srh.org.au)*

*[www.srh.org.au](http://www.srh.org.au)*

**Incorporating**

**Stawell Hospital,**

**Macpherson Smith Nursing Home &**

**J & M Bennett Day Centre**







**STAWELL**  
*REGIONAL HEALTH*

# **Financial Statements**

**2002/2003**







AUDITOR GENERAL  
VICTORIA

AUDITOR-GENERAL'S REPORT

**To the Members of the Parliament of Victoria, responsible Ministers and Members of the Board of Management of Stawell Regional Health**

**Audit Scope**

The accompanying financial report of Stawell Regional Health for the financial year ended 30 June 2003, comprising a statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The financial report includes the consolidated financial statements of the economic entity, comprising Stawell Regional Health and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 1(b) to the financial statements. The Members of the Board of Management are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and Members of the Board of Management as required by the *Audit Act 1994*.


The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of Stawell Regional Health's and the economic entity's financial position, and their financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of Stawell Regional Health and the economic entity as at 30 June 2003 and their financial performance and cash flows for the year then ended.

MELBOURNE  
22 September 2003

  
for J.W. CAMERON  
Auditor-General

**Stawell Regional Health  
And Its Controlled Entity Certification**

In our opinion the Report of Operations and the consolidated Financial Statements of Stawell Regional health and its controlled entity comprising a Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements have been prepared in accordance with the provisions of the Financial Management Act 1994 and the Directions of the Minister for Finance – Part 9 Reporting Provisions.

In our opinion the Financial Statements present fairly the financial transactions for the year ended June 30, 2003 and the financial position as at that date of Stawell Regional Health and its controlled entity.

At the date of signing the Financial Statements we are not aware of any circumstances which would render any particulars included in the statements to be misleading or inaccurate.

Chairperson  
(On behalf of the Board of Governance)  
H.L. Cooper



Chief Executive  
(Accountable Officer)  
M.B. Delahunty



Dated the .....<sup>18<sup>th</sup></sup>..... day of September 2003



**Stawell Regional Health**  
**Statement of Financial Performance**  
**for the Year Ended 30 June 2003**

	Note	Parent Entity 2002/03 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/2002 \$'000
<b>REVENUE FROM ORDINARY ACTIVITIES</b>	<b>2,2a</b>	15,721	14,116	15,772	14,405
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>					
Employee Benefits		8,156	7,770	8,156	7,770
Fee for Service Medical Officers		914	802	914	802
Supplies and Consumables		1,485	1,377	1,485	1,377
Depreciation and Amortisation	<b>3</b>	664	605	664	605
Other Expenses from Ordinary Activities	<b>2g</b>	3,524	2,371	3,524	2,371
Borrowing Costs	<b>4</b>	-	1	-	1
<b>TOTAL EXPENSES FROM ORDINARY ACTIVITIES</b>	<b>2b</b>	<u>14,743</u>	<u>12,926</u>	<u>14,743</u>	<u>12,926</u>
<b>NET RESULT FOR THE YEAR</b>		<u>978</u>	<u>1,190</u>	<u>1,029</u>	<u>1,479</u>
Net Increase/(Decrease) in Asset Revaluation Reserve	<b>16(a)</b>	(645)	(249)	(645)	(249)
Increase/(Decrease) in Accumulated Surplus on adoption of a new Accounting Pronouncement	<b>16(c)</b>	(13)	(157)	(13)	(157)
<b>TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY</b>		<u>(658)</u>	<u>(406)</u>	<u>(658)</u>	<u>(406)</u>
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM CHANGES IN CONTRIBUTED CAPITAL</b>		<u>320</u>	<u>784</u>	<u>371</u>	<u>1,073</u>

This Statement should be read in conjunction with the accompanying notes

**Stawell Regional Health**  
**Statement of Financial Position**  
as at 30th June 2003

	Note	Parent Entity 2002/03 \$'000	Parent Entity 2001/02 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/02 \$'000
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash Assets	5,18	495	1,068	496	1,101
Receivables	6,18	378	318	396	357
Other Financial Assets	7,18	2,073	3,030	3,008	3,861
Inventory	9	141	149	141	149
Prepayments		33	9	33	9
Other Assets	8	39	32	39	32
<b>Total Current Assets</b>		<u>3,159</u>	<u>4,606</u>	<u>4,113</u>	<u>5,509</u>
<b>Non-Current Assets</b>					
Other Financial Assets	7	1	1	1	1
Receivables	6	261	155	261	155
Property, Plant & Equipment	10	11,318	9,219	11,318	9,219
<b>Total Non-Current Assets</b>		<u>11,580</u>	<u>9,375</u>	<u>11,580</u>	<u>9,375</u>
<b>TOTAL ASSETS</b>		<u>14,739</u>	<u>13,981</u>	<u>15,693</u>	<u>14,884</u>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Payables	12,18	1,400	1,162	1,400	1,162
Interest Bearing Liabilities	13,18	-	8	-	8
Employee Benefits	14	1,137	1,045	1,137	1,045
Other Liabilities	15,18	39	32	39	32
<b>Total Current Liabilities</b>		<u>2,576</u>	<u>2,247</u>	<u>2,576</u>	<u>2,247</u>
<b>Non-Current Liabilities</b>					
Employee Entitlements	14	863	754	863	754
<b>Total Non-Current Liabilities</b>		<u>863</u>	<u>754</u>	<u>863</u>	<u>754</u>
<b>TOTAL LIABILITIES</b>		<u>3,439</u>	<u>3,001</u>	<u>3,439</u>	<u>3,001</u>
<b>NET ASSETS</b>		<u>11,300</u>	<u>10,980</u>	<u>12,254</u>	<u>11,883</u>
<b>EQUITY</b>					
Asset Revaluation Reserve	16a	37	682	37	682
General Purpose Reserve	16a	1	1	1	1
Contributed Capital	16b	9,107	9,107	9,107	9,107
Accumulated Surpluses	16c	2,155	1,190	3,109	2,093
<b>Total Equity</b>		<u>11,300</u>	<u>10,980</u>	<u>12,254</u>	<u>11,883</u>

This Statement should be read in conjunction with the accompanying notes



**Stawell Regional Health  
Statement of Cash Flows  
for the Year ended 30 June 2003**

	Note	Parent Entity 2002/2003 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/2003 \$'000	Consolidated 2001/2002 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Government Grants		9,624	10,238	9,624	10,238
Capital Grants - Government		3,006	1,431	3,006	1,431
Patient Fees		1,605	1,787	1,605	1,787
Donations & Bequests		336	431	337	677
GST Recovered from ATO		693	406	693	406
Other		1,458	1,232	1,529	1,254
<b>Total Receipts</b>		<u>16,722</u>	<u>15,525</u>	<u>16,794</u>	<u>15,793</u>
<b>Payments</b>					
Employee Benefits		(7,955)	(7,544)	(7,955)	(7,544)
Fee for Service Medical Officers		(1,005)	(882)	(1,005)	(882)
Supplies & Consumables		(1,424)	(1,619)	(1,424)	(1,619)
GST paid to ATO		(1,104)	(857)	(1,104)	(857)
Other		(1,948)	(2,168)	(1,948)	(2,169)
<b>Total Payments</b>		<u>(13,436)</u>	<u>(13,070)</u>	<u>(13,436)</u>	<u>(13,071)</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	17	<u>3,286</u>	<u>2,455</u>	<u>3,358</u>	<u>2,722</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of Properties, Plant & Equipment		(5,051)	(1,131)	(5,051)	(1,131)
Proceeds from Sale of Properties, Plant & Equipment		236	282	236	282
Purchase of Investments		-	(678)	(104)	(938)
Proceeds from the Sale of Investments		957		957	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(3,858)</u>	<u>(1,527)</u>	<u>(3,962)</u>	<u>(1,787)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from Borrowings		7	4	7	4
Repayment of Borrowings		(8)	(414)	(8)	(414)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<u>(1)</u>	<u>(410)</u>	<u>(1)</u>	<u>(410)</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<u>(573)</u>	<u>518</u>	<u>(605)</u>	<u>525</u>
<b>CASH AT 1 JULY 2002</b>		1,068	550	1,101	576
<b>CASH AT 30 JUNE 2003</b>	5	<u>495</u>	<u>1,068</u>	<u>496</u>	<u>1,101</u>

This Statement should be read in conjunction with the accompanying notes

**STAWELL REGIONAL HEALTH**  
**Notes To And Forming Part Of The Financial Statements For The Year Ended 30 June 2003**

**Note 1: Statement of Accounting Policies**

The consolidated general purpose Financial Statements of Stawell Regional Health "(Health Service)" and its controlled entities have been prepared in accordance with the provisions of the Financial Management Act 1994. These requirements incorporate relevant accounting standards issued jointly by The Institute of Chartered Accountants in Australia and the Certified Practising Accountants Australia and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views). They have been prepared on the historical cost basis whereby assets are recorded at purchase price plus costs incidental to their acquisition and do not take into account changing money values nor the current cost of non current assets (unless specifically stated).

- (a) **Rounding Off**  
 All amounts shown in the Financial Statements are expressed to the nearest \$1,000.
- (b) **Principles of Consolidation**  
 The assets, liabilities, revenues and expenses of the controlled entity of the Health Service have been included at the values shown in their audited Annual Financial Reports. Any inter-entity transactions have been eliminated on consolidation. The consolidated Financial Statements include the audited Financial Statements of the following controlled entity.
- Stawell District Hospital Foundation
- (c) **Receivables**  
 Trade debtors are carried at nominal amounts due and are due for settlement within 30 days. Collectability of debts is reviewed on an ongoing basis. A provision for doubtful debts is raised where doubt as to collection exists.
- (d) **Other Financial Assets**  
 Other financial assets are valued at cost and are classified between current and non-current assets based on the Health Service Board of Management's intention at balance date with respect to the timing of disposal of each investment. Interest revenue from other financial assets is brought to account when it is earned.
- (e) **Depreciation**  
 Assets with a cost in excess of \$1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost - or valuation - over their estimated useful lives to the Health Service using the straight-line method. This depreciation charge is not funded by the Department of Human Services.

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

	2002/03	2001/02
Buildings	Up to 40 years	Up to 40 years
Plant & Equipment	Up to 15 years	Up to 15 years
Furniture & Fittings	Up to 10 years	Up to 10 years
Motor Vehicles	Up to 10 years	Up to 10 years
Leased Assets	Up to 10 years	Up to 10 Years

- (f) **Payables**  
 These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The normal credit terms are Nett 30 days.
- (g) **Inventories**  
 Inventories are valued at the lower of cost and net realisable value. Cost is determined principally by the first-in, first-out method.
- (h) **Long Service Leave**  
 The provision for long service leave is determined in accordance with "AASB 1028 Employee Benefits". The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits as a current liability. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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 on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.
- Wages and Salaries, Annual Leave and Accrued Days Off**  
 Liabilities for wages and salaries, annual leave and accrued days off are recognised, and are measured as the amount unpaid at the reporting date in respect of employees' services up to the reporting date and are measured as the amounts expected to be paid when the liabilities are settled
- Sick Leave**  
 Liabilities for sick leave are recognised when the leave is taken and measured at rates paid or payable.
- Superannuation**  
 The amount charged to the statement of financial performance in respect of superannuation represents the contributions made by the Health Service to the superannuation fund
- Termination Benefits**  
 Liabilities for termination benefits are recognised when a detailed plan for the termination has been developed and a valid expectation has been raised in 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 payment is uncertain, in which case they are recognised as a provision



**STAWELL REGIONAL HEALTH**  
**Notes To And Forming Part Of The Financial Statements For The Year Ended 30 June 2003**

**Employee Benefit On – Cost**

Employee benefit on – costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

**(i) Borrowing Costs**

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets.

Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings
- amortisation of discounts or premiums relating to borrowings
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings
- finance charges in respect of finance leases recognised in accordance with Australian Accounting Standard “AASB 1008 Leases”
- exchange differences arising from foreign currency borrowings net of the effects of any hedge of the borrowings.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Health Service’s outstanding borrowing during the year.

**(j) Nursing Home**

The Health Service Board of Management has complete and effective control of the Helen Schutt Nursing Home which is substantially funded from Commonwealth bed-day subsidies

The Nursing Home operations are an integral part of the Health Service and share’s its resources. Land and Buildings are recorded based on actual areas occupied.

**(k) Goods & Services Tax**

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Accounting Standard “AASB 1026 Statement of Cash Flows”.

**(l) Leased Property and Equipment**

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains all such risks and benefits. Where a non-current asset is acquired by means of a finance lease, the minimum lease payments are discounted at the interest rate

implicit in the lease. The discounted amount is established as a non-current asset at the beginning of the lease term and is amortised on a straight line basis over its expected economic life. A corresponding liability is established and each lease payment is allocated between the principal component and the interest expense. Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged against revenue in the periods in which they are incurred.

**(m) Fund Accounting**

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

**(n) Services Supported by Health Services Agreement and Services Supported By Health Service and Community Initiatives**

The Activities classified as *Services Supported by Health Services Agreement (HSA)* are substantially funded by the Department of Human Services while *Services Supported by Hospital and Community Initiatives (Non HSA)* are funded by the Health Service’s own activities or local initiatives.

**(o) Comparative Information**

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

**(p) Revenue Recognition**

Revenue is recognised in accordance with “AASB 1004 Revenue”. Income is recognised as revenue to the extent they are earned, should there be unearned income at reporting date, it is reported as income in advance

**Government Grants**

Grants are recognised as revenue when the Health Service gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non reciprocal depending on the terms of the grant.

**Indirect Contributions**

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

**Patient Fees**

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

**Donations and other Bequests**

Donations and bequests are recognised as revenue when the cash is received.

**STAWELL REGIONAL HEALTH**  
**Notes To And Forming Part Of The Financial Statements For The Year Ended 30 June 2003**

- (q) **Investments**  
Cash, deposit investments, cash equivalents and non - interest bearing financial assets are valued at cost which approximates net market value
- (r) **Change in Accounting Policies:**  
**Changes in Employee Benefits Policy**  
In the reporting periods prior to 30 June 2003, provisions for employee benefits (annual leave) were measured using remuneration rates current at reporting date.  
For the period ending on 30 June 2003, the Health Service is required by AASB 1028 "Employee Benefits" to measure provisions for employee benefits at remuneration rates expected to apply when the obligation is settled, including the expected future increase in remuneration rates.  
The transitional arrangements of AASB 1028 on adoption at 1 July 2002, give rise to an adjustment to opening annual leave liabilities and a corresponding change to accumulated surplus/(loss)  
The impact is of this change is:  
Decrease Accumulated Surplus/(Loss) 13,000  
Increase Annual Leave 13,000
- Change in Contingent Asset and Contingent Liability policy**  
From the annual reporting periods beginning on or after 1 July 2003, the Health Service has elected to disclose both contingent assets and contingent liabilities. All contingencies will be discounted to their present value using the pre-tax rate that reflects current market assessments of the time value of money and risks specific to the contingencies.  
The recognition of contingent assets is to comply with the accounting requirements of the new AASB 1044 Provisions, Contingent Liabilities and Contingent Assets
- (s) **Revaluations of Non-Current Assets**  
Subsequent to the initial recognition as assets, non-current physical assets, other than plant and equipment, are measured at fair value. Plant & equipment are measured at cost. Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date. Revaluations are assessed annually and supplemented by independent assessments, at least every three years. Revaluations are conducted in accordance with the Victorian Government Policy Paper Revaluation of Non-Current Physical Assets.  
Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised at an expense in net result, the increment is recognised immediately as revenue in net result.  
Revaluation decrements are recognised immediately as expenses in the net result, except
- that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.  
Revaluation increments and decrements are offset against one another within a class of non current assets.
- Recoverable Amount of Non-Current Assets**  
Cash flows have not been discounted to present values in determining the recoverable amount of non - current assets
- (t) **Contributed Capital**  
Consistent with UIG Abstract 38 "Contributions by Owners Made to Wholly – Owned Public Sector Entities" and Accounting and Financial Reporting Bulletin 39 "Accounting for Contributed Capital", transfers that are in the nature of contributions or distributions, have been designated as contributed capital.
- (u) **Interest Bearing Liabilities**  
Interest bearing liabilities in the Statement of Financial Position are carried at face value less unamortised discount/premium. Discount/premium is treated as an interest charge and amortised over the term of the debt. Interest is accrued over the period it becomes due and is recorded as part of other creditors
- (v) **Intersegment Transactions**  
Transactions between segments within the Health Service have been eliminated to reflect the extent of the Health Service's operations as a group.
- (w) **Asset Revaluation Reserve**  
The asset revaluation reserve is used to record increments and decrements on the revaluation of non – current assets
- (x) **General reserve**  
The General Reserve is used to record funds held in perpetuity



**STAWELL REGIONAL HEALTH**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

**Note 2 : Revenue**

	HSA	HSA	Non HSA	Non HSA	Parent Entity	Parent Entity	Consolidated	Consolidated
	2002/03	2001/2002	2002/03	2001/2002	2002/03	2001/2002	2002/03	2001/2002
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue from Operating Activities</b>								
<i>Recurrent</i>								
Government Contributions								
- Department of Human Services	8,942	8,810	-	-	8,942	8,810	8,942	8,810
- Commonwealth Government	116	63	-	-	116	63	116	63
- Non Cash Revenue from Services Provided	128	95	-	-	128	95	128	95
Indirect Contributions by Human Services	125	120	-	-	125	120	125	120
Patient Fees (refer note 2c)	1,727	1,795	-	-	1,727	1,795	1,727	1,795
Other	141	162	786	887	927	1,049	927	1,049
<i>Capital Purpose Income</i>								
State Government Grants								
- Targeted Capital Works & Equipment	2,733	1,202	-	-	2,733	1,202	2,733	1,202
- Equipment & Infrastructure Maintenance	-	-	-	-	-	-	-	-
- Other	116	99	-	-	116	99	116	99
Assets Received Free of Charge (refer note 2e)	-	-	137	-	137	-	137	-
Donation & Bequests	-	-	336	431	336	431	337	677
Specific Revenues	-	-	-	-	-	-	-	-
<b>Sub-Total Revenue from Operating Activities</b>	<b>14,028</b>	<b>12,346</b>	<b>1,259</b>	<b>1,318</b>	<b>15,287</b>	<b>13,664</b>	<b>15,288</b>	<b>13,910</b>
<b>Revenue from Non-Operating Activities</b>								
Interest	-	-	127	114	127	114	177	157
Property Income	-	-	71	56	71	56	71	56
Proceeds from Sale of Non Current Assets (refer note 2d)	236	168	-	114	236	282	236	282
<b>Sub-Total Revenue from Non-Operating Activities</b>	<b>236</b>	<b>168</b>	<b>198</b>	<b>284</b>	<b>434</b>	<b>452</b>	<b>484</b>	<b>495</b>
<b>Total Revenue from Ordinary Activities</b>	<b>14,264</b>	<b>12,514</b>	<b>1,457</b>	<b>1,602</b>	<b>15,721</b>	<b>14,116</b>	<b>15,772</b>	<b>14,405</b>

(refer note 2a)

\* Indirect Contributions by Human Services

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

**STAWELL REGIONAL HEALTH****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003****Note 3: Depreciation and Amortisation**

	Parent Entity 2002/03 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/2002 \$'000
<b>Depreciation</b>				
Buildings	171	183	171	183
Plant & Equipment			-	-
- Plant	331	235	331	235
- Transport	78	78	78	78
- Computers & Communication	51	77	51	77
- Other Equipment	-	-	-	-
Furniture & Fittings	30	21	30	21
<b>Total Depreciation</b>	<u>661</u>	<u>594</u>	<u>661</u>	<u>594</u>
<b>Amortisation</b>				
Computers & Communication	3	11	3	11
<b>Total Amortisation</b>	<u>3</u>	<u>11</u>	<u>3</u>	<u>11</u>
<b>Total Depreciation &amp; Amortisation</b>	<u>664</u>	<u>605</u>	<u>664</u>	<u>605</u>
Allocation of Depreciation/Amortisation:				
Services supported by Health Service Agreement	559	503	559	503
Services Supported by Hospital & Community Initiatives	105	102	105	102
<b>Total</b>	<u>664</u>	<u>605</u>	<u>664</u>	<u>605</u>

**Note 4: Borrowing Costs**

	Parent Entity 2002/03 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/2002 \$'000
Finance Charges on Finance Leases	-	1	-	1
Interest on Short Term Borrowings	-	-	-	-
<b>Total</b>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>



**STAWELL REGIONAL HEALTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003**

**Note 5: Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, the Health Service considers cash to include cash on hand and in banks.

	<b>Parent Entity 2002/03 S'000</b>	<b>Parent Entity 2001/2002 S'000</b>	<b>Consolidated 2002/03 S'000</b>	<b>Consolidated 2001/2002 S'000</b>
Cash on Hand	2	2	2	2
Cash at Bank	493	1,066	494	1,099
<b>Total</b>	<b>495</b>	<b>1,068</b>	<b>496</b>	<b>1,101</b>

**STAWELL REGIONAL HEALTH**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

**Note 6: Receivables**

Current	Parent Entity	Parent Entity	Consolidated	Consolidated
	2002/03 \$'000	2001/2002 \$'000	2002/03 \$'000	2001/2002 \$'000
Inter Hospital Debtors	27	16	27	16
Trade Debtors	86	116	86	116
Patient Fees	154	138	154	138
Accrued Investment Income	2	15	20	54
Accrued Revenue				
- Department of Human Services	-	-	-	-
- Other	42	36	42	36
GST Receivable	47	-	47	-
DHS - Long Service Leave	22	-	22	-
<b>Total</b>	<b>380</b>	<b>321</b>	<b>398</b>	<b>360</b>
<b>less Provision for Doubtful Debts</b>				
Inter Hospital Debtors	-	-	-	-
Trade Debtors	-	1	-	1
Patient Fees	2	2	2	2
<b>Total Current Receivables</b>	<b>378</b>	<b>318</b>	<b>396</b>	<b>357</b>
<b>Non Current</b>				
DHS - Long Service Leave	261	155	261	155
<b>Total Non Current Receivables</b>	<b>261</b>	<b>155</b>	<b>261</b>	<b>155</b>
<b>Net Debtors and Accrued Revenue</b>	<b>639</b>	<b>473</b>	<b>657</b>	<b>512</b>
<b>Bad and Doubtful Debts - Trade Debtors</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Total</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>

**Note 7 Other Financial Assets**

Current	Operating Fund	Specific Purpose Fund	Capital Fund	Parent Entity	Parent Entity	Consolidated	Consolidated
	\$'000	\$'000	\$'000	2002/03 \$'000	2001/2002 \$'000	2002/03 \$'000	2001/2002 \$'000
Other Financial Assets							
- Investments - Banks	2,073	-	-	2,073	3,030	3,008	3,861
<b>Non Current</b>							
Investments - Government Instrumentalities	1	-	-	1	1	1	1
<b>Total</b>	<b>2,074</b>	<b>-</b>	<b>-</b>	<b>2,074</b>	<b>3,031</b>	<b>3,009</b>	<b>3,862</b>
Analysed as follows:							
<b>Current</b>							
Aust.Dollar Term Deposits				2,073	3,030	3,008	3,861
<b>Non Current</b>							
Inscribed Stock				1	1	1	1
<b>Total</b>				<b>2,074</b>	<b>3,031</b>	<b>3,009</b>	<b>3,862</b>

**STAWELL REGIONAL HEALTH**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

**Note 8 : Monies Held in Trust**

	Parent Entity 2002/03 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/2002 \$'000
<b>Current</b>				
Patient Monies held in Trust	18	16	18	16
Salary Packaging Trust Monies	21	16	21	16
<b>Total</b>	<b>39</b>	<b>32</b>	<b>39</b>	<b>32</b>
<b>Represented by the following assets:</b>				
Cash Assets	39	32	39	32
<b>Total</b>	<b>39</b>	<b>32</b>	<b>39</b>	<b>32</b>

**Note 9: Inventory**

	Parent Entity 2002/03 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/2002 \$'000
Pharmaceuticals	25	16	25	16
Catering Supplies	5	8	5	8
Housekeeping Supplies	5	4	5	4
Medical and Surgical Lines	95	113	95	113
Administration Stores	11	8	11	8
<b>Total</b>	<b>141</b>	<b>149</b>	<b>141</b>	<b>149</b>

**Note 10: Property, Plant & Equipment**

	Parent Entity 2002/03 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/2002 \$'000
<b>At Cost</b>				
Freehold Land	-	22	-	22
<b>Total Land</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>22</b>
Assets under Construction	156	418	156	418
Buildings	-	503	-	503
Less Accumulated Depreciation	-	(20)	-	(20)
<b>Total Buildings</b>	<b>156</b>	<b>901</b>	<b>156</b>	<b>901</b>
<b>Plant &amp; Equipment</b>				
- Plant & Equipment	3,083	2,796	3,083	2,796
Less Accumulated Depreciation	(2,025)	(1,693)	(2,025)	(1,693)
	1,058	1,103	1,058	1,103
- Transport	427	371	427	371
Less Accumulated Depreciation	(131)	(92)	(131)	(92)
	296	279	296	279
- Computers & Communication	586	509	586	509
Less Accumulated Depreciation	(455)	(407)	(455)	(407)
	131	102	131	102
- Leased Assets	-	55	-	55
Less Accumulated Amortisation	-	(44)	-	(44)
	-	11	-	11
<b>Total Plant &amp; Equipment</b>	<b>1,485</b>	<b>1,495</b>	<b>1,485</b>	<b>1,495</b>
Furniture & Fittings	279	245	279	245
Less Accumulated Depreciation	(166)	(138)	(166)	(138)
<b>Total Furniture &amp; Fittings</b>	<b>113</b>	<b>107</b>	<b>113</b>	<b>107</b>
<b>Total at Cost</b>	<b>1,754</b>	<b>2,525</b>	<b>1,754</b>	<b>2,525</b>
<b>At Valuation</b>				
Freehold Land	716	635	716	635
<b>Total Land</b>	<b>716</b>	<b>635</b>	<b>716</b>	<b>635</b>
Buildings	8,848	6,550	8,848	6,550
Less Accumulated Depreciation	-	(491)	-	(491)
<b>Total Buildings</b>	<b>8,848</b>	<b>6,059</b>	<b>8,848</b>	<b>6,059</b>
<b>Total at Valuation</b>	<b>9,564</b>	<b>6,694</b>	<b>9,564</b>	<b>6,694</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>11,318</b>	<b>9,219</b>	<b>11,318</b>	<b>9,219</b>

Land and Buildings were valued at 30th June 2003 by David Miburn Consultancy CAMA and GIS Valuations of Real Property  
Land and residential buildings have been valued at current market value.  
Non residential Buildings have been valued at replacement cost less depreciation.



**STAWELL REGIONAL HEALTH**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

**Note 10: Property, Plant & Equipment (continued)**

Reconciliations of the carrying amounts of each class of land, buildings, plant & equipment, furniture & fittings, leased assets, and motor vehicles at the beginning and end of the current and previous financial year are set out below.

	Buildings WIP \$'000	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Furniture & Fittings \$'000	Leased Assets \$'000	Total \$'000
<b>2003</b>							
Carrying amount at start of year	418	657	6,542	1,382	209	11	9,219
Additions	4,207	22	133	573	116	-	5,051
Disposals	-	-	(1,121)	(200)	-	-	(1,321)
Transfer to Buildings	(4,469)	-	4,469	-	-	-	-
Transfer to Plant & Equipment	-	-	-	8	-	(8)	-
Revaluation decrement expensed	-	-	(322)	-	-	-	(322)
Revaluation increment/(decrement)	-	37	(682)	-	-	-	(645)
Depreciation expense (note 3)	-	-	(171)	(409)	(81)	(3)	(664)
<b>Carrying Amount at end of year</b>	<b>156</b>	<b>716</b>	<b>8,848</b>	<b>1,354</b>	<b>244</b>	<b>-</b>	<b>11,318</b>

**Note 11: Leased Assets**

	Parent Entity 2002/03 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/2002 \$'000
<b>Cost</b>				
Plant & Equipment	11	22	11	22
Less Accumulated Amortisation	3	11	3	11
Transfer to Plant & Equipment	8	-	8	0
<b>Total Written Down Value</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>11</b>

Reconciliation of the carrying amounts of leased assets at the beginning and end of the current financial year

	Leased Assets \$'000
<b>2003</b>	
Carrying amount at the start of year	11
Additions	-
Transfer to Plant & Equipment	(8)
Amortisation (Note 3)	(3)
<b>Carrying amount at end of year</b>	<b>0</b>

**Note 12: Payables**

	Parent Entity 2002/03 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/2002 \$'000
<b>Current</b>				
Trade Creditors	599	453	599	453
Accrued Expenses	183	363	183	363
GST Payable	197	234	197	234
Grants Recalled	421	112	421	112
<b>Total Payables</b>	<b>1,400</b>	<b>1,162</b>	<b>1,400</b>	<b>1,162</b>

**STAWELL REGIONAL HEALTH**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

**Note 13: Interest Bearing Liabilities**

	Parent Entity 2002/03 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/2002 \$'000
<b>Current</b>				
Finance Lease Liability (refer note 18)	-	8	-	8
<b>Non Current</b>				
Finance Lease Liability (refer note 18)	-	-	-	-
<b>Total Interest Bearing Liabilities</b>	<u>-</u>	<u>8</u>	<u>-</u>	<u>8</u>

All finance leases are secured by the equipment for which the finance lease was taken out and are Australian Dollar Borrowings.

**Note 14: Provisions**

	Parent Entity 2002/03 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/2002 \$'000
<b>Current</b>				
Employee Benefits (refer Note 14a)	1,137	1,045	1,137	1,045
<b>Total</b>	<u>1,137</u>	<u>1,045</u>	<u>1,137</u>	<u>1,045</u>
<b>Non Current</b>				
Employee Benefits (refer Note 14a)	863	754	863	754
<b>Total</b>	<u>863</u>	<u>754</u>	<u>863</u>	<u>754</u>

**Note 14a: Employee Benefits**

	Parent Entity 2002/03 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/2002 \$'000
<b>Current</b>				
Long Service Leave	151	132	151	132
Accrued Salaries and Wages	285	270	285	270
Annual Leave	679	619	679	619
Accrued Days Off	22	24	22	24
<b>Total Current</b>	<u>1,137</u>	<u>1,045</u>	<u>1,137</u>	<u>1,045</u>
<b>Non Current</b>				
Long Service Leave *	863	754	863	754
<b>Total</b>	<u>2,000</u>	<u>1,799</u>	<u>2,000</u>	<u>1,799</u>
<b>Movement in Long Service Leave:</b>				
Balance July 1, 2002	886	791	886	791
Provision made during the year	277	200	277	200
Settlement made during the year	(149)	(105)	(149)	(105)
Balance June 30, 2003	<u>1,014</u>	<u>886</u>	<u>1,014</u>	<u>886</u>

\* The following assumptions were adopted in measuring present value. Inflation rate of 4%, Oncost rate of 11% and Discount Rates as follows: Yr 1 4.58%, Yr 2 4.39%, Yr 3 4.38%, Yr 4 4.47%, Yr 5 4.58%, Yr 6 4.71%, Yr 7 4.80%, Yr 8 4.87%, Yr 9 4.94%, Yr 10 4.97%, Yr 11 5.01%, Yr 12 5.10%

**Note 15: Other Liabilities**

	Parent Entity 2002/03 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/2002 \$'000
<b>Current</b>				
- Monies held in Trust (refer note 8)	39	32	39	32
<b>Total</b>	<u>39</u>	<u>32</u>	<u>39</u>	<u>32</u>

**STAWELL REGIONAL HEALTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003**

**Note 16: Equity & Reserves**

	<b>Parent Entity 2002/03 \$'000</b>	<b>Parent Entity 2001/2002 \$'000</b>	<b>Consolidated 2002/03 \$'000</b>	<b>Consolidated 2001/2002 \$'000</b>
<b>(a) Reserves</b>				
<b>Asset Revaluation Reserve</b>				
Balance at the beginning of the reporting period	682	931	682	931
Increase/(Decrease) during the year	(645)		(645)	
Adjustment to Asset revaluation reserve*	-	(406)	-	(406)
Change due to revaluation of land in 1999	-	157	-	157
Balance at the end of the reporting period	<u>37</u>	<u>682</u>	<u>37</u>	<u>682</u>
<b>General Purpose Reserve</b>				
Balance at the beginning of the reporting period	1	1	1	1
Increase/(Decrease) of during the year				
Balance at the end of the reporting period	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<b>Total Reserves</b>	<u>38</u>	<u>683</u>	<u>38</u>	<u>683</u>
<b>(b) Contributed Capital</b>				
Balance at the beginning of the reporting period	9,107	-	9,107	-
Recognition of opening balance on adoption of UIG 38/AFR No 39	-	9,107	-	9,107
Capital contribution received from Victorian Government				
Capital Repayments				
Balance at the end of the reporting period	<u>9,107</u>	<u>9,107</u>	<u>9,107</u>	<u>9,107</u>
<b>(c) Accumulated Surpluses/(Deficits)</b>				
Balance at the beginning of the reporting period	1,190	9,264	2,093	9,877
Net Result for the Year	978	1,190	1,029	1,480
Change due to revaluation of land in 1999	-	(157)	-	(157)
Recognition of opening balance on adoption of UIG 38/AFR No. 39	-	(9,107)	-	(9,107)
Adjustments Resulting from Change in Accounting Policy	(13)		(13)	-
Balance at the end of the reporting period	<u>2,155</u>	<u>1,190</u>	<u>3,109</u>	<u>2,093</u>
Total Equity at the Beginning of the Reporting Period	10,980	10,196	11,883	10,810
Total Changes in Equity Recognised in the Statement of Financial Perfor	320	784	371	1,073
<b>Total Equity at the Reporting Date</b>	<u>11,300</u>	<u>10,980</u>	<u>12,254</u>	<u>11,883</u>

**Note:**

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

\* Adjustment made to accurately reflect the value of Plant & Equipment held.



**STAWELL REGIONAL HEALTH**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

**Note 17: Reconciliation of Net Cash Used in Operating Activities to Operating Result**

	Parent Entity 2002/03 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/2002 \$'000
Net Result for the Year	978	1,190	1,029	1,479
Depreciation	661	594	653	594
Amortisation	3	11	11	11
Provision for Doubtful Debt	-	(2)	-	(2)
Increase/(Decrease) in Payables	238	284	238	284
Increase/(Decrease) in Employee Benefits	188	129	188	129
Net Gain from Sale of Plant and Equipment	1,085	(44)	1,085	(44)
(Increase)/Decrease in Other Current Assets	(16)	(8)	(16)	(8)
(Increase)/Decrease in Receivables	(60)	301	(39)	279
Assets Written down	(322)	-	(322)	-
Assets received FOC	137	-	137	-
Non cash Grants received - recurrent	253	-	253	-
Non Cash Grant Capital	137	-	137	-
Bad Debts Expense	4	-	4	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>3,286</b>	<b>2,455</b>	<b>3,358</b>	<b>2,722</b>

**Note 18: Financial Instruments**

**(a) Interest Rate Risk Exposure**

The Health Service's exposure to interest rate risk and effective weighted average interest rate by maturity periods is set out in the following timetable. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements. Exposure arise predominantly from assets and liabilities bearing variable interest rates.

**Interest Rate Exposure as at 30/06/2003**

	Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed interest rate maturing			Non Interest Bearing \$'000	Parent Entity 2002/03 \$'000	Consolidated 2002/03 \$'000
			1 Year or Less \$'000	1 to 5 Years \$'000	Over 5 Years \$'000			
<b>Financial Assets</b>								
Cash at Bank	1.64%	495	-	-	-	495	496	
Trade debtors	0.00%	-	-	-	378	378	378	
Other Financial Assets	0.00%	-	2,073	-	-	2,073	2,073	
<b>Total Financial Assets</b>		<b>495</b>	<b>2,073</b>	<b>-</b>	<b>378</b>	<b>2,946</b>	<b>2,947</b>	
<b>Financial Liabilities</b>								
Trade creditors and accruals	0.00%	-	-	-	1,400	1,400	1,400	
Monies held in Trust	0.00%	-	-	-	39	39	39	
Borrowings	8.78%	-	-	-	-	-	-	
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,439</b>	<b>1,439</b>	<b>1,439</b>	
<b>Net Financial Assets/(Liabilities)</b>		<b>495</b>	<b>2,073</b>	<b>-</b>	<b>(1,061)</b>	<b>1,507</b>	<b>1,508</b>	

**Interest Rate Exposure as at 30/06/2002**

	*Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed interest rate maturing			Non Interest Bearing \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2001/2002 \$'000
			1 Year or Less \$'000	1 to 5 Years \$'000	Over 5 Years \$'000			
<b>Financial Assets</b>								
Cash at Bank	1.64%	1,068	-	-	-	1,068	1,101	
Trade debtors	0.00%	-	-	-	318	318	357	
Other receivables	0.00%	-	-	-	-	-	-	
Deposits	5.07%	-	-	-	-	-	-	
Other Financial Assets	0.00%	-	3,030	-	-	3,030	3,861	
<b>Total Financial Assets</b>		<b>1,068</b>	<b>3,030</b>	<b>-</b>	<b>318</b>	<b>4,416</b>	<b>5,319</b>	
<b>Financial Liabilities</b>								
Trade creditors and accruals	0.00%	-	-	-	1,162	1,162	1,162	
Monies held in Trust	0.00%	-	-	-	32	32	32	
Borrowings - Finance lease	8.78%	-	8	-	-	8	8	
<b>Total Financial Liabilities</b>		<b>-</b>	<b>8</b>	<b>-</b>	<b>1,194</b>	<b>1,202</b>	<b>1,202</b>	
<b>Net Financial Assets/(Liabilities)</b>		<b>1,068</b>	<b>3,022</b>	<b>-</b>	<b>(876)</b>	<b>3,214</b>	<b>4,117</b>	

\* Weighted average or effective interest rates for each class of assets

**(b) Credit Risk Exposure**

Credit risk represents the loss that would be recognised if counterparties fail to meet their obligations under the respective contracts at maturity. The credit risk on financial assets of the entity have been recognised on the statement of financial position, as the carrying amount, net any provisions for doubtful debts.

**(c) Net Fair Value of Financial Assets and Liabilities**

The net fair value of on - balance sheet financial assets and liabilities are not materially different to the carrying value of the financial assets and liabilities.

**Note 18: Financial Instruments**

**Net Fair Value**

	Parent Entity 2002/03		Parent Entity 2001/2002		Consolidated 2002/03		Consolidated 2001/2002	
	Book Value \$'000	Net Fair Value \$'000	Book Value \$'000	Net Fair Value \$'000	Book Value \$'000	Net Fair Value \$'000	Book Value \$'000	Net Fair Value \$'000
<b>Financial Assets</b>								
Cash	495	495	1,068	1,068	496	496	1,101	1,101
Receivables	378	378	318	318	396	396	357	357
Other Financial Assets	2,073	2,073	3,030	3,030	3,008	3,008	3,861	3,861
<b>Total Financial Assets</b>	<b>2,946</b>	<b>2,946</b>	<b>4,416</b>	<b>4,416</b>	<b>3,900</b>	<b>3,900</b>	<b>5,319</b>	<b>5,319</b>
<b>Financial Liabilities</b>								
Payables	1,400	1,400	1,162	1,162	1,400	1,400	1,162	1,162
Monies held in Trust	39	39	32	32	39	39	32	32
Borrowings - Finance Lease	-	-	8	8	-	-	8	8
<b>Total Financial Liabilities</b>	<b>1,439</b>	<b>1,439</b>	<b>1,202</b>	<b>1,202</b>	<b>1,439</b>	<b>1,439</b>	<b>1,202</b>	<b>1,202</b>

\* Net fair values are capital amounts

Net fair values of financial instruments are determined on the following bases:

- Cash, deposit investments, cash equivalents, and non-interest bearing financial assets and liabilities (trade debtors, other receivables, trade creditors, and advances) are valued at cost which approximates net market value.
- Interest bearing liabilities amounts are based on the present value of expected future cash flows discounted at current market interest rates quoted for trade Treasury Corporation of Victoria.

**STAWELL REGIONAL HEALTH**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

**Note 19: Commitments**

	Parent Entity 2002/03 \$'000	Parent Entity 2001/2002 \$'000	Consolidated 2002/03 \$'000	Consolidated 2001/2002 \$'000
<b>Capital Commitments</b>				
Land & Buildings	3,479	5,022	3,479	5,022
Plant and Equipment	408	404	408	404
<b>Total Capital</b>	<b>3,887</b>	<b>5,426</b>	<b>3,887</b>	<b>5,426</b>
<b>Land &amp; Buildings</b>				
Not Later than one year	2,729	4,019	2,729	4,019
Later than one year and not later than 5 years	750	1,003	750	1,003
Later than 5 years	-	-	-	-
<b>Sub Total</b>	<b>3,479</b>	<b>5,022</b>	<b>3,479</b>	<b>5,022</b>
<b>Plant &amp; Equipment</b>				
Not Later than one year	408	210	408	210
Later than one year and not later than 5 years	-	194	-	194
Later than 5 years	-	-	-	-
<b>Sub Total</b>	<b>408</b>	<b>404</b>	<b>408</b>	<b>404</b>
<b>Total</b>	<b>3,887</b>	<b>5,426</b>	<b>3,887</b>	<b>5,426</b>
<b>Lease Commitments</b>				
Operating Leases	37	35	37	35
Finance Leases	-	8	-	8
<b>Total Lease Commitments</b>	<b>37</b>	<b>43</b>	<b>37</b>	<b>43</b>
<b>Operating Leases - cancellable</b>				
Not Later than one year	14	12	14	12
Later than one year and not later than 5 years	23	23	23	23
Later than 5 years	-	-	-	-
<b>Total</b>	<b>37</b>	<b>35</b>	<b>37</b>	<b>35</b>
<b>Finance Leases</b>				
Commitments in relation to finance leases are payable as follows:				
Not Later than one year	0	8	-	8
Later than one year and not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
Minimum Lease payments	-	-	-	-
Less future Finance Charges	0	0	-	-
<b>Total</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>8</b>
<b>Representing Lease Liabilities</b>				
Current (Note 18)	0	8	0	8
Non - current (note 18)	0	0	0	0
<b>TOTAL</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>8</b>

The weighted average interest rate implicit in the leases is 6.92% (2002 - 6.92%)

**Note 20: Contingent Liabilities & Contingent Assets**

As at June 30 2003 Stawell Regional Health has no knowledge of any contingent assets or liabilities (Nil for June 30 2002)

**Note 21: Superannuation**

Superannuation contributions for the reporting period are included as part of salaries and associated costs in the statement of financial performance of the Health Service

The names and details of the major employee superannuation funds and contributions made by the Health Service are as follows:

FUND	Contribution for the Year	Contribution for the Year	Contribution Outstanding at Year End	Contribution Outstanding at Year End
	2002/03 \$'000	2001/2002 \$'000	2002/03 \$'000	2000/01 \$'000
Health Super	736	578	30	23
Hesta	2	2	-	-
<b>TOTAL</b>	<b>738</b>	<b>580</b>	<b>30</b>	<b>23</b>

Contributions are paid in accordance with the Hospital Superannuation Act 1988 and the State Superannuation Act 1988

The unfunded superannuation liability in respect to members of State superannuation schemes and Health Super Fund defined benefit schemes are shown as a liability separately by the Department of Treasury and Finance. The share of this liability for the Health Super Fund defined benefit schemes related to Stawell Regional Health's employee's is \$384,540, whilst the share of the liability for State superannuation schemes is not readily available.

The above amounts were measured as at 30 June of each year, or in the case of employer contributions they relate to the year ended 30 June 2003

**STAWELL REGIONAL HEALTH**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

**Note 22: Responsible Person Related Disclosures**

**(a) Responsible Persons**

<b>Responsible Minister</b>	The Hon. J. Thwaites		
	The Hon. B. Pike MP from the 5/12/02		
<b>Governing Board</b>	Mrs. M.I. Blake	Mr. N.S. Dunn	Mr G.E. McDonough
	Mrs. J.M. Brilliant	Mr P.J. Martin	Mr. G.J. Thomas
	Dr. R.N. Castle	Mrs K. Harris	Mr H.L. Cooper
	Dr. A.H. Cunningham		
<b>Accountable Officer</b>	Mr. M.B. Delahunty C.E.O		

**(b) Retirement Benefits of Responsible Persons**

No benefits were paid in connection with the retirement of Responsible Persons

**(c) Other Transactions of Responsible Persons and their Related Parties**

	2002/03 \$'000	2001/02 \$'000
Dr R.N. Castle and Dr A.H. Cunningham provide Visiting Medical Officer services.	152	118
Mr G Thomas is a Partner of Curtis & Thomas, Chartered Accountants which provides Computer Hardware	-	1
Ms M Blake employed by the Agency as the Public Relations Officer	33	41

**(d) Other Receivables from and Payables to Responsible Persons and their Related Parties.**

	2002/03 \$'000	2001/02 \$'000
Aggregate amounts payable at Balance Date	0	0

**(e) Amounts attributable to other Transactions with Responsible Persons and their Related Parties**

There are no amounts attributable to other Transactions with Responsible Persons and their Related Parties.

**(f) Executive Officer Remuneration**

The number of Executive Officers whose total remuneration for the year falls within each successive \$10,000 band, commencing at \$100,000.

	2002/03 No.	2001/02 No.
\$150,000 - \$159,999	1	1

**Note 23: Remuneration of Auditors**

	2002/03 \$'000	2001/02 \$'000
Audit fees paid or payable to the Victorian Auditor - General's Office for the audit of the Hospitals financial report		
Paid as at 30 June 2003	4	-
Payable as at June 2003	5	9



**STAWELL REGIONAL HEALTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003**

**Note 24: Residential Aged Care Services**

	Parent Entity (H.S.A.) 2002-03 \$'000	Residential Aged Care Services (RACS) 2002-03 \$'000	Parent Entity excluding RACS 2002-03 \$'000
<b>Expenses on services supported by Health Services Agreement</b>			
Employee Entitlements			-
- Salaries and Wages	6,427	1,445	4,982
- Workcover	101	20	81
- Long Service Leave	259	56	203
- Superannuation	682	137	545
Fee for Service Medical Officers	914		914
Supplies and Consumables	-		-
- Drug Supplies	215	2	213
- Medical And Surgical Supplies	853	43	810
Food Supplies	176	110	66
Other Expenses	-		-
- Domestic Services and Supplies	176	56	120
- Electricity, Gas & Water	149	24	125
- Indirect contribution by DHS - Insurance	125		125
- Motor Vehicle Expenses	51	6	45
- Postal & Telephone	73	1	72
- Repairs and Maintenance	295	69	226
- Patient Transport	24		24
- Bad & Doubtful Debts	1		1
- Lease Expenses	14		14
- Other Administrative Expenses	345	18	327
- Other (as identified in note 2b)	502	19	483
	<b>11,382</b>	<b>2,006</b>	<b>9,376</b>
<b>Expenses on services supported by Health Services Agreement</b>			
	Parent Entity (H.S.A.) 2002-03 \$'000	Residential Aged Care Services (RACS) 2002-03 \$'000	Parent Entity excluding RACS 2002-03 \$'000
Revenue from services supported by Health Services Agreement			
<i>Recurrent</i>			
Government Contributions			
- Department of Human Services	8,942	505	8,437
- Commonwealth Government	116		116
- Non Cash Revenue from Services Provided	125		125
Indirect Contributions by Human Services	128		128
Patient Fees	1,727	1,355	372
Other revenue	141		141
	<b>11,179</b>	<b>1,860</b>	<b>9,319</b>
<b>Revenue from services supported by Health Services Agreement</b>			



