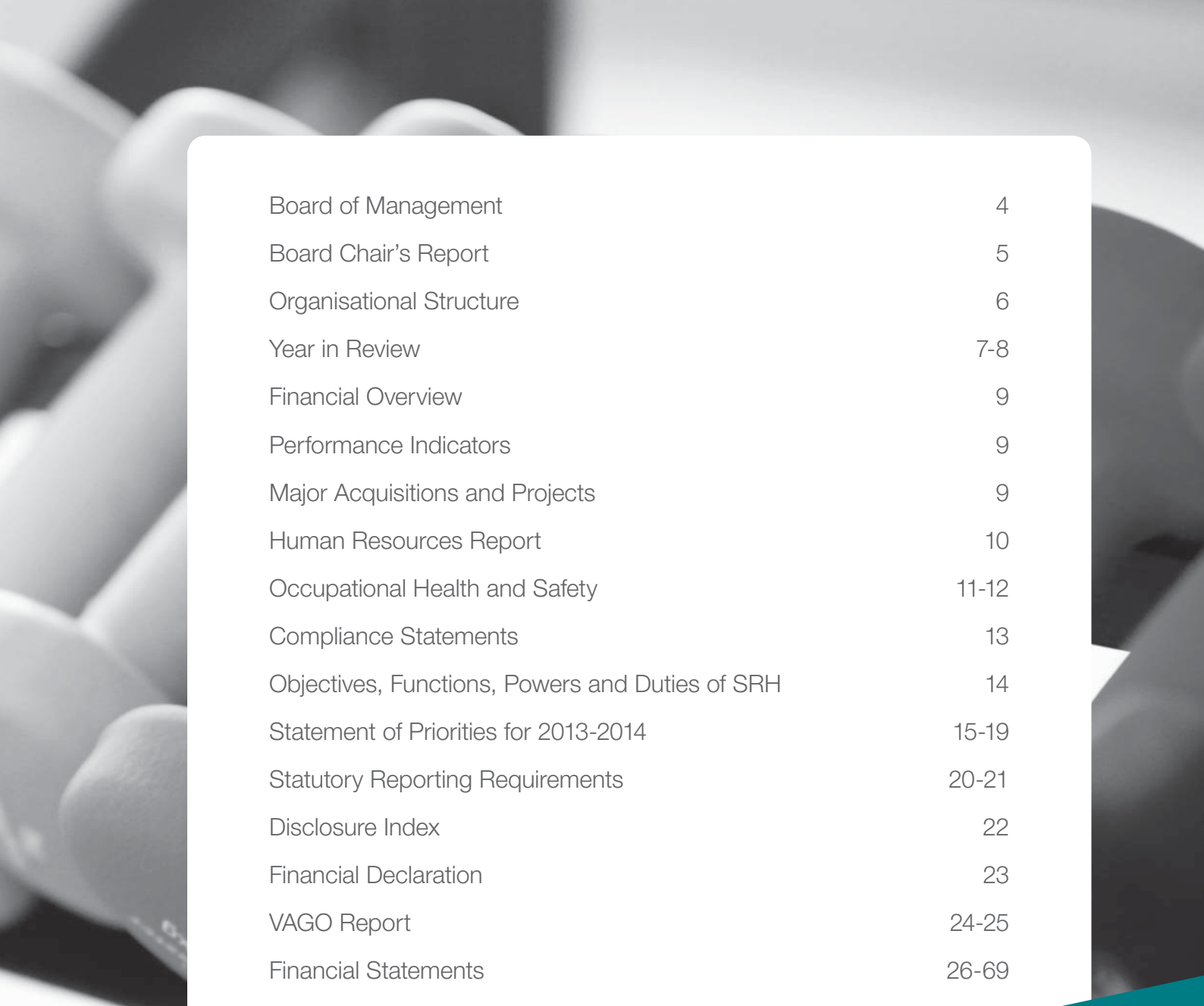
STAWELL
REGIONAL HEALTH

ANNUAL REPORT 2013/14



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Board of Management

HOWARD COOPER

Board President
Board Representative on Quality Improvement and Risk Management and Audit and Risk Committees.

Primary Producer

PETER MARTIN

Board Representative on Governance and Audit and Risk Committees.

Retired School Principal

KAREN DOUGLAS

Board Representative on Board Executive and Governance Committees.

Primary Producer

JOAN BRILLIANT

Board Representative on Quality Improvement and Risk Management Committee.

Postal Manager, Australia Post Stawell

LYNN JENSZ

Board Representative on Board Executive, Audit and Risk and Governance Committees.

Accountant

DAVID STANES

Board Representative on Quality Improvement and Risk Management Committee.

Business Manager

RHIAN JONES

Board Representative on Governance and Medical Appointment Committees.

Mum

ROSS HATTON

Board Representative on Board Executive and Governance Committees.

Retired Chief Executive

BARRY MARROW

Board Representative on Quality Improvement and Risk Management Committee.

Retired Councillor

From the Board

Stawell Regional Health has enjoyed a productive year on many fronts. Through collaboration with several regional centres and universities, we have been able to provide new and expanded services to the people of our community and region, and provide training opportunities to our existing staff and health workers of the future. We are proud of our achievements, and provide you with some highlights below.

The hospital has achieved its' targets, agreed to between the Department of Health and the Board in the Statement of Priorities. Organisationally, we have continued to develop a financially sustainable business model. This year, Stawell Regional Health has posted a consolidated operating surplus of $942k, and at the same time exceeded the access levels of last year, with notable increases in oncology and allied health services.

We have expanded oncology services in partnership with Ballarat Regional Integrated Cancer Service, and welcomed the services of Dr Stephen Brown, medical oncologist. He joins Dr John Sycamnias and Dr George Kannourakis in providing these much-needed services to our local community. We are working with the Ballarat and Austin Radiation Oncology Centres to deliver a greater variety of cancer services in Stawell.

Construction of our new Community Rehabilitation and Oncology Centre was completed this year, with services commencing in the new building in January 2014. The new centre has provided us with the opportunity to deliver a greater range of oncology and rehabilitation services to the community in a well-appointed, state of the art facility. The redevelopment was built with funding from Commonwealth and State grants, and monies raised by the community, including the huge effort by local shearer Aaron Hemley.

Some new initiatives made possible with the development of the Community Rehabilitation and Oncology Centre include the restructure of rehabilitation programs for people with cardiac and pulmonary conditions, and a new rehabilitation program to support people with cancer.

Our student placement program has grown from strength to strength. In the past 12 months we have continued to provide high quality placements for enrolled and registered student nurses, occupational therapy students, radiology students, and medical students at Stawell Regional Health. Our partnership with Deakin University and its 'IMMERSe' Program saw us support another third year medical student in 2014.

In support of the student placement program, the purpose-built student accommodation was completed in December 2013. With the first students staying in the accommodation from February 2014, since then 42 students have used the facility over a total of 260 nights of accommodation.

In partnership with Leading Aged Services Australia and Monash University, we were able to offer an additional aged care specific graduate nurse program increasing our graduate nurses by 25%.

We invested in our staff by offering organisation-wide scholarships to support further education. These scholarships were awarded to a variety of staff working at different levels of the organisation, and include support for post graduate education in Continence for a physiotherapist, a Medical Records Coding course to support our Medical Records Department, and an organisation wide Health and Wellbeing program to support all staff with their emotional health and well-being.

We have continued to develop our strong relationships through the Grampians Health Alliance, with significant work directed at strategic projects that support collaboration and connectivity across the sub region. The alliance was pleased that Hepburn Health Service and Maryborough Health Service joined this year.

We also welcomed Mr Barry Marrow to the Board this year.

Howard Cooper

Responsible Bodies Declaration

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for Stawell Regional Health for the year ending 30 June 2014.

Howard Cooper
Board Chair
Stawell

20th August, 2014

Organisational Chart

Board of Management

Sub-Committees
• Executive • Governance • Quality Improvement and Risk Management • Audit and Risk

Chief Executive

• Medical Library • Radiology • Health Information • Public Relations/Volunteers • Medical Services
• Engineering Services • Environmental Services • Catering Services • Human Resources
• Occupational Health & Safety • Quality

Director of Clinical Services

Aged Care
• Nursing Home/Day Centre

Acute Services
• Medical/Surgical
• District Nursing • Nurse Education
• Operating Suite/CSSD
• Hospital in the Home • Post Acute Care
• Pre-Admission Clinic
• Hospital Admission Risk Program
• Transition Care Program • Oncology

Deputy Director of Clinical Services

• Risk Management • Pharmacy
• Infection Control • Maternity Services

Finance Manager

• Financial Services • Payroll
• Information Technology
• Purchasing/Supply • Reception/Clerical

• Stawell Medical Centre

Primary Care Services

• Physiotherapy • Occupational Therapy
• Podiatry • Speech Pathology
• Social Work - Counselling
• Diabetes Education
• Nutrition and Dietetics
• Health Promotion • Sub-Acute Clinics
• Community Health Nursing • Indigenous Health • Exercise Physiology

The Year in Review

Community Rehabilitation and Oncology Centre

The new Community Rehabilitation and Oncology Centre (CRC) was completed in January. The redevelopment is located in the former allied health wing at the Stawell hospital.

With consulting rooms and a large multidisciplinary gym, the modern facility is the base for inpatient and rehabilitation services such as exercise physiology, physiotherapy, occupational therapy and speech pathology. Several rehabilitation programs are being conducted in the gym, and include the gait and balance rehabilitation program, pulmonary rehabilitation, and cardiac rehabilitation. A new oncology rehabilitation program is now available to our patients with cancer.

The new oncology centre is a state of the art treatment centre for people requiring chemotherapy and reviews with their oncologist. The treatment areas are well-designed with fantastic views of the Grampians from each treatment chair.

The well-appointed consulting rooms are utilized by a number of consulting specialists including orthopaedic surgeons, medical oncologists, general surgeons, paediatricians, rheumatologists, and an ear, nose and throat specialist, to name a few.

The centre was funded by a $3.5 million Federal Government grant and an $180,000 State Government contribution. Local shearer Aaron Hemley raised in excess of $120,000 towards the oncology unit during his huge shearing marathon.

Student Accommodation completed

The $774,000 purpose-built accommodation facility for nursing, allied health and medical students undertaking clinical placement at Stawell Regional Health was completed in December. Located in Sloane Street, the building features 12 bedrooms, separate study areas, a shared living area and kitchen. The building was completed in time for the 2014 student intake. The construction site was previously gifted to the Stawell hospital by the Healy family and this will be recognised in the new building. The project was funded by Health Workforce Australia, the Department of Health's Clinical Placement Network and Stawell Regional Health.

Pool Hoist

A Federal Government grant of over $42k enabled Stawell Regional Health to purchase rehabilitation equipment. As part of this grant, a new pool hoist was purchased for the Northern Grampians Shire Stawell Leisure Centre pool. The hoist is used to enable people with reduced mobility to safely enter and exit the pool, and is a great addition to the hydrotherapy program conducted by our exercise physiologist.

Productive Series

SRH embarked on a new project called the Productive Series. The Productive Series is being implemented in selected health services across Victoria by the Department of Health. Stawell Regional Health was fortunate to be selected to implement the programs, which have also been rolled out in both the United Kingdom and New Zealand public health systems.

1. Productive Leader – Releasing time to lead (8 members of Leadership team). Commenced July 2013.
2. Productive Ward – Releasing time to care (Simpson Wing). Commenced August 2013.
3. Productive Operating Theatre – Building Teams for safer care. Commenced in October 2013.

Productive Leader

Productive Leader is a systematic, evidence-based strategy that applies the principles of Lean Thinking and Six Sigma to analyse and reduce the every day 'waste' in organisational and personal work processes. The time saved is then re-applied to value-adding activities such as strategic planning, coaching and project preparation. The program assisted Leaders to measure their current productivity and effectiveness, and implement changes that were sustainable and could be clearly benchmarked to highlight the improvements made.

The Productive Leaders are the role-models for effective practices that underpin the processes recommended in the Productive Series.

Productive Ward

The Productive Ward program is designed to support the care team to concentrate on delivering safer, more reliable care. The improvement goals are in four dimensions of care:

- Improving patient safety and reliability of care through high quality care delivery that is standardised and supported by evidence based practice.
- Improving the patient experience through informed care, acting on feedback, and well-presented environment.
- Improving the efficiency of care by reducing paperwork, streamlining processes, reducing length of stay and hospital-acquired health issues such as pressure sores or infection.
- Improving staff health and well-being through team work and communication, professional development and personal goals, and use of a multi-disciplinary approach to share knowledge and skills.

This program uses six phases to implement the change process- Prepare, Assess, Diagnose, Plan, Treat, Evaluate.

Productive Operating Theatre

The Productive Operating Theatre program is designed to enable systematic delivery of high quality, safe care and improve the patient experience and outcomes of care by pursuing three main goals:

- Increase the safety and reliability of care by involving all staff at the point of care to drive improvements that are shared by the team.
- Improve team performance and staff wellbeing, empowering staff to resolve day to day issues with a shared vision.
- Add financial value and improve efficiency through workforce measurement that motivate improvement.

The Year in Review

Productive Operating Theatre Continued

The program provides an opportunity to improve the safety and quality of surgical services through the use of lean methodology and effective team-work. It is an approach that supports the entire theatre team to create the "perfect operating list".

Mr John Nelson farewelled

After 29 years of service to the Stawell community, Orthopaedic Surgeon Mr John Nelson retired from consulting in Stawell in June. Patients have come from all over Western Victoria to be treated by Mr Nelson, who has conducted around 250 joint replacements and five hundred minor surgical cases during his time in Stawell. Mr Nelson was highly respected, and he will be missed.

Mr Rohan Fitzgerald farewelled

Chief Executive of three years duration, Mr Rohan Fitzgerald resigned to take the position of Chief Executive of Western District Health Service. During his time at SRH, Rohan has overseen the new $4 million Oncology and Community Rehabilitation redevelopment, and increased service delivery across a range of areas including oncology, orthopaedic surgery and allied health. He leaves SRH in a sound financial position that will provide the hospital with a great deal of resilience into the future.

Youth Sexual Health Clinic

SRH has been working with Grampians Community Health and the Stawell Secondary College to link their new Youth Sexual Health clinic for young people aged between 12-25 years with General Practices and the broader health system. The service is offered at both the Stawell Health and Community Centre and as an outreach program at the Stawell Secondary College. Stawell Medical Centre will assist this program with pathology testing and follow up treatment. The clinic can also be used as a referral pathway for doctors who consider their patients may benefit from more information about sexual health.

Stawell Regional Health has been working closely with Women's Health Grampians and other health providers mapping sexual health service delivery and professional development requirements across the region.

Health Literacy

Health Literacy is "the ability to read, understand, and use health information to make appropriate healthcare decisions and follow instructions for treatment."

Widespread education of staff to increase their understanding of health literacy has been provided this year. This has included a presentation to a full Staff Forum and follow up information in newsletters about verbal, non-verbal and written communication. With support from the Grampians Pyrenees PCP Small Grants Program, SRH obtained an external facilitator to conduct training in Health Literacy in December.

A full organisational health literacy review is planned utilising the "Ten Attributes of a health literate organisation" as recommended by the Australian Commission on Safety and Quality in Health Care. This audit will provide further understanding of opportunities for improvement to ensure our service environment supports our consumers by being a health literate organisation.

First Impressions Audit

In May, three consumers and an external facilitator participated in a "First Impressions Audit" (also known as a "way finding audit") to determine the elements that assisted or hindered the ability of our consumers to navigate the health service. This included review of signage, telephone contact and internet searching. A full report has been received and the recommendations are being implemented and used in future planning.

New Doctors coming to Stawell

Stawell Regional Health welcomed the following new doctors: Dr Iruka Kumerage, an obstetrician & gynaecologist; Dr Stephen Brown, medical oncologist; and new orthopaedic surgeon, Mr John Dillon.

There was some movement in the team at the Stawell Medical Centre this year with Dr Eleazer Okwor Ojwang joining mid-year, as well as new registrars Drs Luhong Min and Ummu Rauf. Husband and wife Doctors Venkat Komerelly and Swetha Bandaru have been studying at Ballarat Health Services this year. They have had the full support of the hospital in pursuing their interests in anaesthetics and obstetrics, and we look forward to them re-joining the team in the future. This year also saw us farewell Dr Golam Mostafa who moved with his family to Bacchus Marsh.

SRH Executive Team

LIZ McCOURT
Acting Chief Executive (Primary Care Manager)

TONY ROBERTS
Finance Manager

JANET FEENY
Human Resources Manager

WAYNE MARSHALL
Director of Clinical Services

JULIE SCANLON
Acting Deputy Director of Clinical Services

Financial Overview

Stawell Regional Health has continued its' focus on attracting and delivering high quality health services to the community.

The expansion of services has been possible with the completion of several large capital projects. This has been supported by increased business unit growth and, as a result, new and extended services have seen patient access targets exceeded.

The hospital will consolidate these new operations over the coming years to continue to deliver high quality services well into the future.

Stawell Regional Health built on its financial position in 2014, delivering another very solid result. The hospital recorded a consolidated operating surplus of $942k for the year ended 30 June 2014, which exceeded budgeted expectations.

Total Consolidated Operating Revenue (before Capital items) increased by $1.9M or 8.53% on 2013. This was reflective of growth in Business Unit income as well as State and Commonwealth government grant income.

In line with revenue growth, Total Consolidated Operating Expenses increased by $1.65M or 7.56% on 2013 figures.

Labour expenses increased by $1.14M (7.23%) on 2013. These expenses totalling $16.95M increased as a result of employing additional staff, award increases and movements in employee entitlements.

Supplies and Consumables expenses increased by $499k or 18.9% primarily as a result of increased chemotherapy drug costs.

Capital Purpose Income increased by $479k, a 19% increase on prior year following final receipt of the Community Rehabilitation Centre payment and other capital equipment grants.

In 2014, Stawell Regional Health was obliged to have its' buildings and land revalued in line with the Department of Treasury and Finances' Financial Reporting Direction 103E. This revaluation saw a net increase in these assets of $5.9M at 30 June 2014. This increase is reflected in 'Other Comprehensive Income' on the Operating Statement, and in movements in 'Property, Plant & Equipment Revaluation Surplus' in the Statement of Changes in Equity.

Consolidated operating activities for the year generated net cash inflows of $3.49M. Of this, $3,483M was invested into Capital assets. Overall, consolidated cash holdings increased by $3k for the year, with the total cash on hand figure amounting to $8.1M at 30 June 2014.

Performance Indicators

Comparative Consolidated Financial Results for the Past Five Financial Years

	2014 $000	2013 $000	2012 $000	2011 $000	2010 $000
Total Revenue	27,382	25,097	22,469	21,052	20,152
Total Expenses	25,025	23,768	22,329	22,089	21,199
Net Results for the Year (inc. Capital and Specific Items)	2,356	1,329	140	(1,037)	(1,047)
Retained Surplus (Accumulated Deficit)	6,517	3,667	2,544	4,778	5,845
Total Assets	37,071	29,521	26,249	25,613	26,659
Total Liabilities	4,958	5,999	5,257	4,761	4,740
Net Assets	32,113	23,821	20,992	20,852	21,919
Total Equity	32,113	23,821	20,992	20,852	21,919

Major Acquisitions and Projects

2013/14 major acquisitions and projects include:

Building Works	$
Commmunity Rehabilitation Centre (CRC)	$2,209,685
Student Accommodation	$619,091

Medical Equipment	$
Microscope	$75,000
Lifter (Patient)	$11,000
Hoist, Slings and Plinth (Pool)	$41,157
Dialysis Chairs (Chemotherapy)	$66,440
Theatre Equipment	$114,000

Human Resources Report

Medical Credentialing

Stawell Regional Health has implemented an electronic medical credentialing tool. The online credentialing system enables medical practitioners to maintain a personal 'file' electronically that can be shared with hospitals utilising the system. The credentialing file can be viewed electronically via protected password log-ins by Medical Directors and Fellows representing relevant colleges such as Royal Australian College of General Practitioners, Australian College of Rural and Remote Medicine and the Royal Australasian College of Surgeons. It is intended that the credentialing process will be undertaken through a region wide initiative commencing with Stawell and East Grampians Health Services supported by the Department of Health.

SRH Values and Great Care

Interactive education to demonstrate the SRH Values was provided during the past year by executive staff, including the Chief Executive. The education supported staff to identify workplace behaviours that align with the organisation's goals of Trust, Respect, Accountability, Communication and Safety. Departments have used different methods to implement the values, including the identification of "above the line – below the line" behaviours and incorporating values into staff meetings and agendas. Position Descriptions are incorporating the Values and goals of the organisation, along with the SRH Quality Plan goal of "Great Care" The Values are embedded into the organisation, from the time of an employee's orientation at commencement to active utilisation when undertaking their everyday role in the workplace.

Volunteer Program

The appointment of a Customer Service Officer to assist in expanding the Volunteer Program has been a great success. Volunteers have increased by 200% over the past 6 months, with new volunteer roles being undertaken in the Day Procedure Unit and Oncology Service; and a trained Meal Buddy Program to assist residents in the Nursing Home. Other areas of the organisation are currently under review to identify further opportunities to support community participation in the Health Service.

Staff Education

Utilising the Human Resources Information System, accurate and timely reporting of education undertaken by staff has been achieved through collaboration with the Grampians Region Health Alliance (GRHA). GRHA has worked with Human Resources and Education Departments to implement complex reporting tools that provide a comprehensive snapshot of education undertaken within a twelve month period. This type of data is crucial for managers to ensure all staff, in particular clinicians, maintain required levels of mandatory and other education required for their role. With education requirements for clinicians increasing through more complex health requirements, it is important that Stawell Regional Health can manage, report and ensure that each individual has obtained their necessary competencies.

Professional Development Grants

For the first time, SRH offered Professional Development Grants that were open to all staff, in all areas of clinical, administration or support services. The grants were intended to support staff to develop knowledge, skills and experience through external providers or programs that directly support and improve performance in their current role. This new program aligns with the organisation's strategic goals of attracting, developing and retaining staff and developing a customer centred culture emphasising quality and safety. All successful applicants will make a short presentation at a staff forum on how their new knowledge and skills will benefit SRH.

Twelve grant applications were successful, totalling $15,867, and were provided to staff members from all areas of the organisation. The education which has been completed to date using the grant has included Graduate Certificate in Continence by Kate Vance, Physiotherapist. A Continence Clinic now complements the new programs available within the Community Rehabilitation Centre. Other education being progressed by staff include a Diploma in Business Administration, Diploma in Human Resources Management, Suturing and Wound Closure and Certificate 3 in Health and Hospital, Pharmacy Technician.

Labour Category	June Current Month FTE		June YTD FTE	
	2013	2014	2013	2014
Nursing Services	86.37	84.75	84.67	86.65
Administration and Clerical	37.30	36.88	34.67	36.02
Medical Support Services	9.41	9.65	8.95	9.72
Hotel & Allied Services	24.93	26.32	24.05	26.35
Medical Officers	1.29	1.29	1.29	1.29
Ancillary Staff (Allied Health)	12.36	13.79	11.24	13.93
Total	171.66	172.68	164.87	173.97

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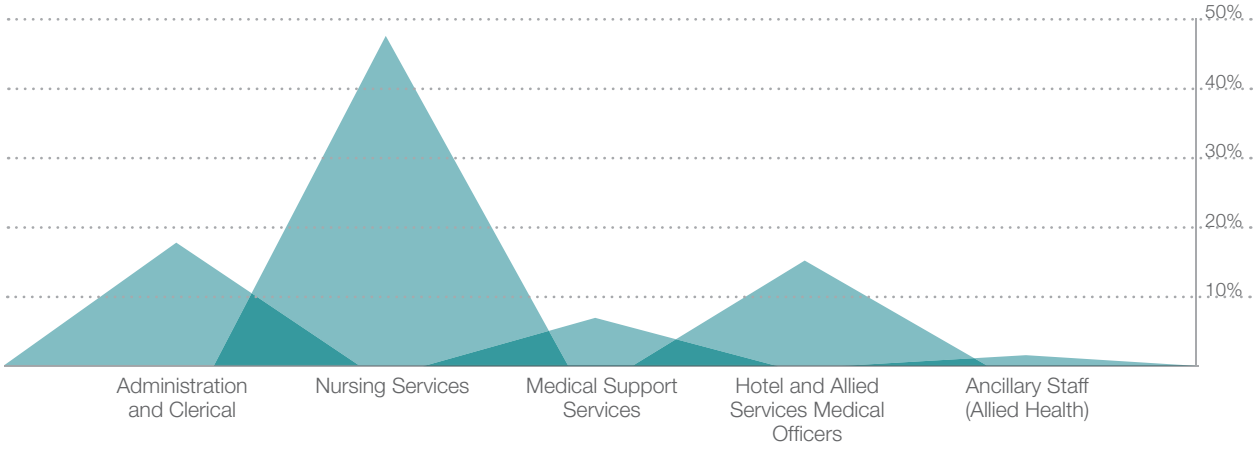
Total Percentage of Staff by Labour Category



Occupational Health and Safety

Annual Fire Training

SRH staff completed their Annual Fire Training utilising our on-line "in-house" education package, which has recently been updated to include the new Community Rehabilitation Centre. All staff are required to review the on-line education program and then respond to a series of questions to ensure their comprehension of the material.

An electronic learning package for senior staff has been trialled to provide Fire Warden and Chief Fire Warden Training. The ability to provide on-line education in these crucial roles enables a greater number of staff to learn the responsibilities they are required to undertake in the event of a fire. This training has supported the two day education provided in 2013 to executive members and senior staff who may be required to take lead roles in an emergency.

Fire Extinguisher Simulation Training

Fire Extinguisher training was complemented with utilisation of the shared resource "Bulls Eye Fire Extinguisher" purchased through the Grampians Region Health Emergency Manager Network. The availability of six training sessions enabled 67 staff to attend. The scenario for this year's simulation program was based on each staff member discovering a fire and then responding, which tested staff knowledge of the Code Red policy, as well as safe extinguisher use.

Emergency Management

Drills are undertaken throughout the year in all workplaces, either through table-top scenarios or active testing. The active drill assesses staff response to sounding alarms and emergency alerts, and managing an evacuation.

Emergency drills conducted

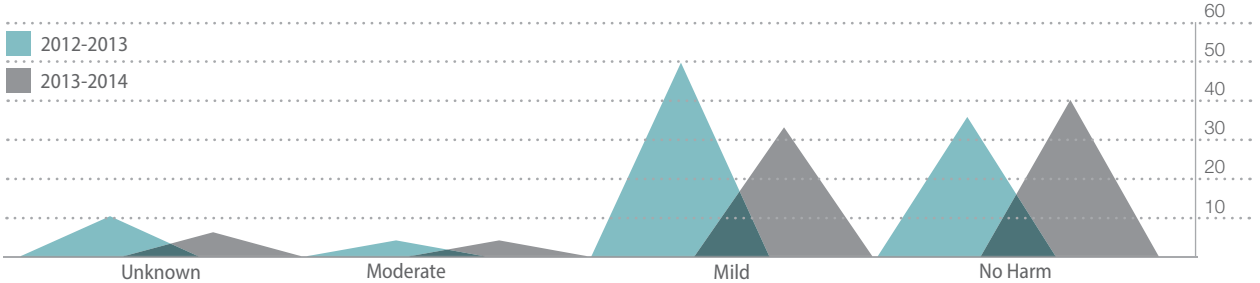
Code Red/Orange: Six drills involving staff from Residential Aged Care, Simpson Ward, Support Services, Perioperative Services, Radiology Department, Administration, Executive, Engineering and District Nursing were conducted.
Code Purple: One Drill involving staff from Residential Aged Care and Support Services
Code Brown Response: Summer bushfires tested the organisation's response to Code Brown, which had been reviewed prior to the arrival of the hot weather. Key to the organisation's response was the ongoing provision of services to the community, whilst taking into account the impact on employees and their families within the affected area. Our employees responded with commitment to the patients, residents and clients, and supported each other throughout the prolonged event.

Incident Management

There has been a reduction in the severity of incidents reported, as well as a reduction in the total number of OH&S incidents reported in the last twelve months. In 2013/14 a total number of 79 OH&S incidents were reported compared to 98 incidents during the 2012/2013 year. Overall, there was a reduction in incidents requiring first aid only, and a slight increase in 'near-miss' or those with 'no-harm' reported. The Nursing Division continues to be the largest area of reporting, but in the past twelve months, the Support Services department and Allied Health division have increased their reporting.

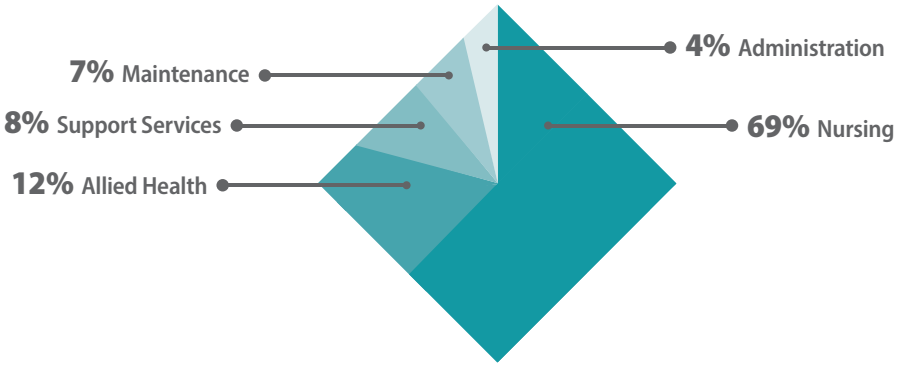
The SRH Workcover premium has reduced again in this past financial year in response to a reduction in workplace injuries.

Incidents by Severity

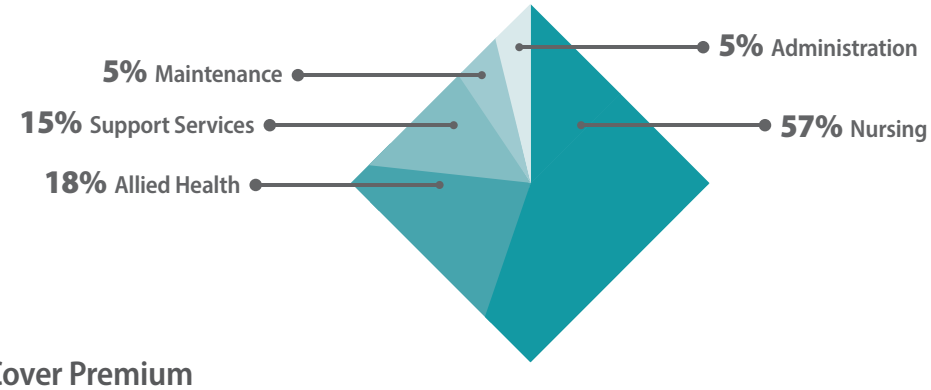


Occupational Health and Safety

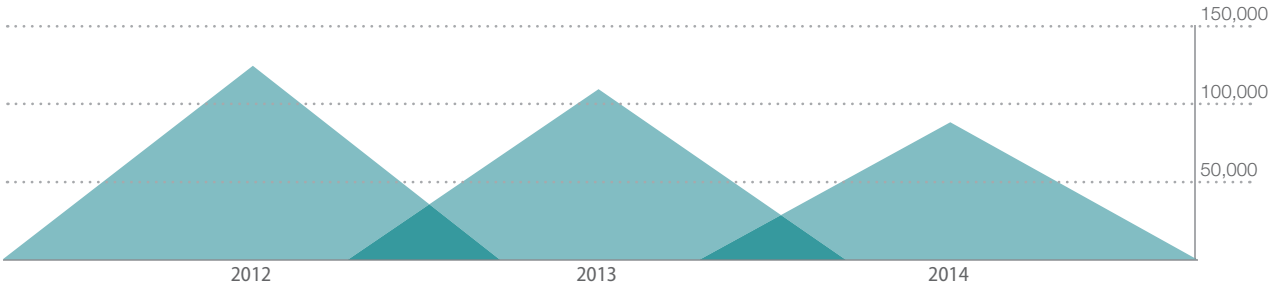
Reported incidents by departments 2012-2013



Reported incidents by departments 2013-2014



Work Cover Premium



Two Return to Work programs were required in the past twelve months to support employees to return to their workplace safely.

No Lift (Patient Handling) Program

All employees across the organisation who are involved in the manual handling of people are required to undertake training and assessment in the Louise O'Shea No Lift Training Program. This program is managed by the OH&S Officer, who is supported by three nursing staff who are also certified to train and assess employees in the No Lift Program. Staff who are new to the organisation attend the training sessions on the day of orientation, ensuring the Stawell Regional Health remains 100% compliant with the Training Program. The competency assessments are undertaken with each new staff member in the following month and conducted annually over a two day period for all staff.

New Policies Introduced

- Hazard Management Policy

Policies reviewed 2013/2014:

- Code Brown
- Code Orange
- Emergency Management
- Code Red
- Code Yellow
- Code Purple
- Code Blue
- Dangerous Goods and Hazardous Substances
- Occupational Violence & Aggression
- Bariatric Management
- Incident Management
- No Lift Patient Handling
- Occupational Health & Safety

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

I, Howard Cooper certify that Stawell Regional Health has risk management processes in place consistent with the AS/NZS ISO 31000:2009 Standard and an internal control system is in place that enables the Executive to understand, manage and satisfactorily control risk exposures. Stawell Regional Health verifies this assurance and that the risk profile of Stawell Regional Health has been critically reviewed within the last 12 months.

Howard Cooper
Board Chair
Stawell
20th August 2014

Attestation for compliance with the Ministerial Standing Direction 4.5.5.1 - Insurance

I, Howard Cooper certify that Stawell Regional Health has complied with Ministerial Direction 4.5.5.1 - Insurance.

Howard Cooper
Board Chair
Stawell
20th August 2014

Additional Information (FRD 22E)

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

(a) A statement of pecuniary interest has been completed;

(b) Details of shares held by senior officers as nominee or held beneficially;

(c) Details of publications produced by the Department about the activities of the Health Service and where they can be obtained;

(d) Details of changes in prices, fees, charges, rates and levies charged by the Health Service;

(e) Details of any major external reviews carried out on the Health Service;

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

(g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;

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

(i) Details of assessments and measures undertaken to improve the occupational health and safety of employees;

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

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

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

Other Information

(a) FRD 11A Disclosure of Ex-Gratia Expenses requires the Health Service to disclose in aggregate, in the notes to the financial statements, the nature and amount of any ex-gratia payments incurred and written off during the reporting period.

(b) FRD 21B Responsible Person and Executive Officer Disclosures in the Financial Report prescribes the disclosure requirements and procedures in respect of Responsible Persons, Relevant Ministers and Executive Officers.

(c) The following information for contracts commenced and/or completed in the financial year must be disclosed under the Victorian Industry Participation Policy (VIPP) Act 2003 (Refer to FRD 25B Victorian Industry Participation Policy Disclosures in the Report of Operations):

(i) the number and total value of contracts commenced and/or completed in the financial year to which the VIPP applied;

(ii) the regional or metropolitan split by number and value of commenced and/or completed contracts;

(iii) for contracts commenced during the financial year, a statement of total VIPP commitments (local content, employment and skill/ technology transfer commitments) made as a result of these contracts; and

(iv) For contracts completed during the financial year, a statement of total VIPP outcomes (local content, employment and skill/ technology transfer outcomes) achieved as a result of these contracts.

(d) A summary of the Health Service's environmental performance.

Objectives, Functions, Powers and Duties of Stawell Regional Health

Stawell Regional Health (SRH) is a public agency established under the Health Services Act 1988. We provide public health and ancillary services as authorised under the Act, and operate residential care services under the Aged Care Act 1997.

Providing strategic direction to SRH is a Board of Management, consisting of individuals appointed by the Minister for Health under the Health Services Act. Our Chief Executive Officer determines how services are delivered. During the period of 2013-2014, we reported to the responsible Minister for Health and Ageing, The Hon David Davis MLC.

Summary of Services

Allied Health

- Audiology (visiting)
- Continence Clinic
- Diabetes Education
- Exercise Physiology
- Nutrition & Dietetics
- Health Promotion
- Occupational Therapy
- Physiotherapy
- Podiatry
- Social Work
- Speech Pathology

Community Services

- Planned Activities Group (Bennett Centre for Community Activities)
- District Nursing Service
- Hospital in the Home
- Post Acute Care
- Transition Care Program
- Hospital Admission Risk Program

Medical

- Day Oncology Unit
- Acute Care
- GP Clinic

Medical Imaging

- X-ray
- CT
- Ultrasound

Residential Aged Care

- Residential Facility
- Aged Care Assessment Service

Rural Primary Care

- Allied Health/Community Services to outlying communities
- Support for the Budja Budja Aboriginal Health Service at Halls Gap

Specialties

- General Surgery
- Endoscopy
- Gynaecology
- Obstetrics
- Ear, Nose and Throat
- Urology
- Orthopaedics
- Ophthalmology
- Medical Oncology
- Paediatrics
- Rheumatology
- Cardiology

St John of God Pathology

Surgical and Anaesthetic Services

- Pre Admission Clinic
- Day Procedure Unit
- Operating Suite / Sterilising Department

Fundraising

Since its inception Stawell Regional Health has relied heavily on fundraising by the community, as well as generous donations to maintain and develop our facility as one of the region's leading hospitals. In 2013-2014 we were extremely appreciative of the following fundraising efforts:

- $8,560 was raised by the Stawell Medical Centre Sprockets in the Murray to Moyne cycling relay for new equipment.
- $6,375 was donated by the Ladies Auxiliary to purchase 24 porcelain white boards and a digital mattress overlay.

Capital Grants

In 2013-2014 the Department of Health allocated the following:

- $1,873,624 Community Rehabilitation Centre and Sub-acute Redevelopment.

Statement of Priorities 2013/2014

PART A

Priority	Action	Deliverable	Outcome
Developing a system that is responsive to people's needs	Implement formal advance care planning structures and processes that provide patients with opportunities to develop, review and have their expressed preferences for future treatment and care enacted.	In collaboration with Austin Health commence the development and implementation of an Advance Care Planning program (ACP) and participate in the state wide ACP special interest group.	SRH has commenced delivery of the Advance Care Planning (ACP) program. A Stawell Regional Health ACP Working Group has been developed. Six staff members have completed the ACP training module. The Director of Clinical Services participates on the state wide ACP special interest group.
	Work and plan with key partners and service providers to respond to issues of distance and travel time experienced by some rural and regional Victorians.	Establish an outreach oncology service at Stawell Regional Health (SRH) with Ballarat Regional Integrated Cancer Services by December 2013.	We have established an Outreach Oncology service in partnership with the Ballarat Regional Integrated Cancer Services.
		Complete construction of the Community Rehabilitation Centre.	Construction of the Community Rehabilitation Centre was completed in January 2014. Service delivery commenced in late January.
Improving every Victorian's health status and experiences	Improve thirty-day unplanned readmission rates.	Implement clinical audit processes for readmissions to identify trends and implement strategies for improvement by June 2014.	Stawell Regional Health collects information on unplanned readmissions within 28 days for the hospital-wide ACHS Clinical Indicator. This process is completed six-monthly with medical review of the records. We have expanded this process to identify patients who can be referred to HARP.
	Improve health literacy and support informed choice by responding to the health information needs of service users.	Deliver introductory health literacy training to clinical staff to increase their effectiveness in providing clinical information to patients which will enhance the management of their condition.	Sub regional Health Literacy training provided to 29 health professionals including staff of the Grampians Pyrenees Primary Care Partnership (GPPCP), Grampians Community Health (GCH), East Grampians Health Service (EGHS), and East Wimmera Health Service (EWHS) on 12th September 2013. Internal staff educated at a Stawell Regional Health Staff Forum. Training was delivered to GCH staff at a GCH forum.
	Use consumer feedback to improve person and family centred care, and patient experience.	With Ballarat Health Services to implement the Patient Experience Tracker to obtain feedback about our patients' experience.	The Patient Experience Trackers have been implemented in the Acute ward, Day Procedure Unit, District Nursing and Oncology.

Statement of Priorities 2013/2014

PART A

Priority	Action	Deliverable	Outcome
Expanding service, workforce and system capacity	Build workforce capability and sustainability by supporting formal and informal clinical education and training for staff and health students, in particular inter-professional learning.	Continue active participation in the Clinical Placement Network (now Clinical Training Network - CTN) to increase the number of training places available at SRH.	We actively participate in the Clinical Training Network with both nursing and allied health student clinical placements. The Primary Care Manager represents rural allied health on the regional Clinical Training Network Committee. SRH has a high level of utilisation of the regional Simulation Van, and actively participates in the Highway Model of education delivery.
		Increase the availability of preceptor training to support a quality student experience in collaboration with Ballarat Health Services' Simulation Van and Highway Model.	We work collaboratively with education providers through viCPlace. Collaborative arrangements in place for the IMMERSe program with Deakin University for medical students. Partnership with Western Health to provide the Merge program to support new graduate nurses.
	Work collaboratively with the department on service and capital planning to develop service and system capacity.	Complete construction of a 12 bedroom student accommodation building to improve system capacity.	The 12 bedroom student accommodation was completed in December 2013
Increasing the system's financial sustainability and productivity	Reduce variation in health service administrative costs.	Improve administrative efficiency and identify cost reductions through participation in the Department of Health's productive series program.	SRH has actively participated in the Productive Leader, Ward and Theatre programs, and has met all timeframes and objectives.
	Identify opportunities for efficiency and better value service delivery.	Implement a sub regional linen service contract between Beaufort & Skipton Health Service, East Grampians Health Service, East Wimmera Health Service, Eventide Homes (private residential aged care facility) and Stawell Regional Health.	A sub-regional linen contract service has been established between Beaufort & Skipton Health Service, East Grampians Health Service, East Wimmera Health Service, Eventide Homes (private residential aged care facility) and Stawell Regional Health. Early indications are cost savings and efficiencies are being delivered.

Statement of Priorities 2013/2014

PART A

Priority	Action	Deliverable	Outcome
Implementing continuous improvements and innovation	Develop and implement improvement strategies that optimise access, patient flow, system coordination and the quality and safety of hospital services.	Participate in the productive leader, ward and theatre programs.	SRH has actively participated in the Productive Leader, Ward and Theatre programs, and has met all timeframes and objectives.
		Continue to develop and enhance the patient flow collaborative processes with Ballarat Health Service, Maryborough District Health Service and East Grampians Health Service.	Stawell Regional Health continues to be an active participant in the Patient Flow Collaborative initiative. Ballan Health Service and Hepburn Health Service have recently joined the collaborative. There is a Regional Patient Flow and Access network, with weekly telehealth "bed meetings".
Increasing accountability & transparency	Prepare for the National Safety and Quality Health Service Standards, as applicable.	Establish organisation wide systems to achieve full accreditation against the National Standards by June 2014.	Organisation-wide accreditation against National Standards is scheduled for October 2014.
Improving utilisation of e-health and communications technology.	Trial, implement and evaluate strategies that use e-health as an enabler of better patient care.	Complete a feasibility study into implementing an electronic medical record at the hospital.	Feasibility study completed.

Statement of Priorities 2013/2014

PART B – FINANCIAL PERFORMANCE

Operating Result	Target	2013 - 14 actuals
Annual Operating result ($m)	$0.06M	$0.94M

WEIS activity performance	Target	2013 - 14 actuals
Percentage of WIES (public and private) performance to target	100	102%

Cash Management	Target	2013 - 14 actuals
Creditors	<60 days	66 days
Debtors	<60 days	12 days

SERVICE PERFORMANCE

Quality and Safety	Target	2013 - 14 actuals
Health service accreditation	Full compliance	Full compliance
Residential aged care accreditation	Full compliance	Full compliance
Cleaning standards	Full compliance	Full compliance
Submission of data to VICNISS	Full compliance	Full compliance
Health care worker immunisation – influenza	60	75%
Hand Hygiene (rate)	70	81%
Victorian Patient Satisfaction Monitor: (OCI) (July to December 2013)	73	Achieved
Consumer Patient Indicator (July to December 2013)	75	Achieved
Victorian Hospital Experience Measurement Instrument (January to June 2014)	Full compliance	N/A
People Matter Survey	Full compliance	<30% Respondents

Maternity	Target	2013 - 14 actuals
Percentage of women with prearranged postnatal home care	100	N/A

Statement of Priorities 2013/2014

PART C – ACTIVITY AND FUNDING

Funding type	2013-14 Activity Achievement
Acute Admitted	
WIES Public	1,490
WIES Private	527
WIES (Public and Private)	**2,017**
WIES DVA	67
WIES TAC	16
WIES Total	**2,100**

Subacute & Non-acute Admitted	**2013-14 Activity Achievement**
Maintenance Public	33

Aged Care	**2013-14 Activity Achievement**
Residential Aged Care	12,158
HACC	10,528

Mental Health and Drug Services	**2013-14 Activity Achievement**
Mental Health Residential	2,118

Primary Health	**2013-14 Activity Achievement**
Community Health / Primary Care Programs	12,933

Statutory Reporting Requirements

Pecuniary interests

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

Equal Opportunity

Stawell Regional Health (SRH) is committed to providing an Equal Employment Opportunity (EEO) work environment for both existing and prospective staff members. It is the responsibility of each and every employee within SRH to observe EEO principles.

The Chief Executive Officer or their appointed delegates have primary responsibility for all aspects of the Equal Employment Opportunity Policy and related programs within SRH.

Hospital fees

The Hospital charges fees in accordance with the Department of Health (Vic), Department of Health and Ageing and Home and Community Care (HACC) directives.

Staffing profile

A total of 274 persons were employed by Stawell Regional Health: Full time 68, Part time 124 and Casual 82.

Compliance with the Building Act 1993

BUILDING STANDARDS AND CONDITION ASSESSMENTS

Fire audits and risk assessments are undertaken by consultant fire engineers in compliance with the Department of Health Fire Risk Management Engineering Guidelines Series 7. Recommendations from the fire audits and risk assessments are actioned in conjunction with the Department of Health to maintain a high degree of fire safety. All bed-based facilities are audited at intervals of at least five years. Stawell Regional Health was last audited on 12th January 2010 by ARUP Fire (Fire Engineers) and Brian Sherwell & Associates (Building Surveyor). An action plan is in place to guide and prioritise actions arising from these reviews.

ESSENTIAL SAFETY MEASURES MAINTENANCE

In accordance with regulatory requirements, service and maintenance records are kept to enable completion of an annual Essential Safety Measures Report for all properties owned by Stawell Regional Health. This is confirmation that all essential services are operational at the required level of performance. Records and reports are retained on the premises for inspection by all relevant authorities.

Legislative Compliance

Stawell Regional Health uses the Riskman Software System to record and manage risk and BACeS (Board Assurance on Compliance e-System) to manage compliance obligations in line with State and Commonwealth legislation and Australian Standards.

Industrial Relations

Stawell Regional Health experienced no days of work lost due to industrial activity during the year ending 30 June, 2014.

Publications

Stawell Regional Health produces a number of publications for the community in order to assist them in gaining a better understanding of our services and programs. They include the Annual Report, Quality of Care Report and a range of patient information brochures which are available throughout Stawell Regional Health.

The Annual Report is presented at the Annual General Meeting each year.

Protected Disclosure Act 2012

Stawell Regional Health, staff and volunteers are aware and comply with the Protected Disclosure Act 2012.

Consultancies Engaged During 2013/2014

In 2013-14 there were 8 consultancies where the total fees payable to the consultants were less than $10,000.

The total expenditure incurred during 2013-14 in relation to these consultancies is $11,274.74 (excl. GST).

Details of individual consultancies

Consultant	Purpose	Start Date	End Date
Egan Australia	Asset and Land Evaluation	June 2014	June 2014

Total Approved Project Fee (excluding GST)	Expenditure 2013-14 (excluding GST)	Future Expenditure (excluding GST)
$10,000	$10,000	0

Statutory Reporting Requirements

Freedom of Information

The Freedom of Information Act 1982 gives applicants the opportunity to request information. Exemptions can apply that relate to privacy of patients and third parties.

In 2013/14 Stawell Regional Health received 14 requests and access to information was granted in 13 instances with one (1) request withdrawn.

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

Victorian Industry Participation Policy

Stawell Regional Health complies with the intent of the *Victorian Industry Participation Policy Act 2003* which requires, wherever possible, local industry participation in supply; taking into consideration the principle of value for money and transparent tendering processes.

National Competition Policy

Stawell Regional Health complies with the Victorian Government's Competitive Neutrality Policy.

Financial Management Act 1994

In accordance with the Direction of the Minister for Finance, information requirements have been prepared and are available to the relevant Minister, and Members of Parliament.

Disability Action Plan (DAP)

Stawell Regional Health has developed a Disability Action Plan, with input from departments across the Service, to combine key details around the current and future needs of service and access for people with a disability.

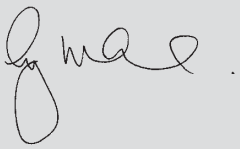
Further implementation, including evaluation and review, will be undertaken in the near future through the Executive, to continue to determine key priorities in current strategic planning processes.

Carers Recognition Act 2012

Stawell Regional Health staff and volunteers recognise and value the role of carers and the importance of care relationships in the Victorian Community.

Attestation on Data Integrity

I, Liz McCourt, certify that the Stawell Regional Health Service has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. The Stawell Regional Health Service has critically reviewed these controls and processes during the year.



Liz McCourt
Acting Chief Executive
Stawell
20th August, 2014

Stawell Regional Health incorporates Macpherson Smith Nursing Home, Stawell Medical Centre and the Bennett Centre for Community Activities, Sloane Street, Stawell Victoria 3380. Phone (03) 5358 8500 Fax (03) 5358 3553 Email: **info@srh.org.au** Web: **www.srh.org.au**

Disclosure Index

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

Legislation	Requirement	Page Reference

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Report of Operations

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MANAGEMENT AND STRUCTURE

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Stawell Regional Health

Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration

The attached financial statements for Stawell Regional Health and the consolidated entity have been prepared in accordance with Standing Directions 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards, including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2014 and the financial position of Stawell Regional Health and the consolidated entity at 30 June 2014.

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

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

Howard Cooper
Board Chair
Stawell
20th August, 2014

Liz McCourt
Accountable Officer
Stawell
20th August, 2014

Tony Roberts
Finance Manager
Stawell
20th August, 2014

VAGO
Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
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Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Stawell Regional Health

The Financial Report

The accompanying financial report for the year ended 30 June 2014 of Stawell Regional Health which comprises comprehensive operating statement, balance sheet, cash flow statement, statement of changes in equity, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's Declaration has been audited. The financial report is 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 25 to the financial statements.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Stawell Regional Health and the consolidated entity as at 30 June 2014 and of their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the Financial Management Act 1994.

Matters Relating to the Electronic Publication of the Audited Financial Report

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

MELBOURNE
20 August 2014

Dr Peter Frost
Acting Auditor-General

Auditing in the Public Interest

Stawell Regional Health
Comprehensive Operating Statement
For the Year Ended 30 June 2014

	Note	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Revenue from Operating Activities	2	24,176	22,275	24,176	22,275
Revenue from Non-operating Activities	2	250	254	250	345
Employee Expenses	3	(14,386)	(13,348)	(14,386)	(13,348)
Non Salary Labour Costs	3	(2,567)	(2,462)	(2,567)	(2,462)
Supplies & Consumables	3	(3,139)	(2,640)	(3,139)	(2,640)
Administration Costs	3	(1,232)	(1,134)	(1,232)	(1,227)
Other Expenses From Continuing Operations	3	(2,157)	(2,154)	(2,161)	(2,157)
Net Result Before Capital & Specific Items		**945**	**791**	**942**	**786**
Capital Purpose Income	2	2,869	2,477	2,956	2,477
Depreciation and Amortisation	4	(1,541)	(1,934)	(1,541)	(1,934)
NET RESULT FOR THE YEAR		**2,273**	**1,334**	**2,356**	**1,329**
Other Comprehensive Income					
Net fair value revaluation on non-financial assets		5,937	1,499	5,937	1,499
COMPREHENSIVE RESULT FOR THE YEAR		**8,210**	**2,833**	**8,293**	**2,828**

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

Stawell Regional Health
Balance Sheet
As at 30 June 2014

	Note	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Current Assets					
Cash and Cash Equivalents	5	6,939	7,105	8,348	8,441
Receivables	6	745	1,069	762	1,075
Inventories	7	108	102	108	102
Other Current Assets	8	86	80	86	80
Total Current Assets		**7,879**	**8,355**	**9,305**	**9,697**
Non-Current Assets					
Receivables	6	29	-	29	-
Property, Plant & Equipment	9	27,402	19,432	27,402	19,432
Intangible Assets	10	335	391	335	391
Total Non-Current Assets		**27,766**	**19,823**	**27,766**	**19,823**
TOTAL ASSETS		**35,645**	**28,179**	**37,071**	**29,521**
Current Liabilities					
Payables	11	1,194	1,944	1,198	1,947
Provisions	12	2,663	2,498	2,663	2,498
Other Liabilities	13	354	541	354	541
Total Current Liabilities		**4,211**	**4,983**	**4,215**	**4,986**
Non-Current Liabilities					
Provisions	12	744	713	744	713
Total Non-Current Liabilities		**744**	**713**	**744**	**713**
TOTAL LIABILITIES		**4,954**	**5,696**	**4,958**	**5,699**
NET ASSETS		**30,691**	**22,482**	**32,113**	**23,821**
EQUITY					
Property & Building Revaluation Surplus	15a	13,886	7,949	13,886	7,949
General Purpose Surplus	15a	461	661	461	661
Restricted Specific Purpose Surplus	15a	1,903	2,199	1,903	2,199
Contributed Capital	15b	9,345	9,345	9,345	9,345
Accumulated Surpluses/(Deficits)	15c	5,095	2,328	6,517	3,667
TOTAL EQUITY	15d	**30,691**	**22,482**	**32,113**	**23,821**

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

Stawell Regional Health
Cash Flow Statement
For the Year Ended 30 June 2014

	Note	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Grants from Government		19,089	17,621	19,089	17,621
Patient and Resident Fees Received		1,638	1,664	1,638	1,664
GST Received from/(paid to) ATO		783	649	783	649
Interest Received		262	252	299	319
Other Receipts		2,891	2,528	2,891	2,554
Employee Expenses Paid		(14,190)	(13,214)	(14,190)	(13,214)
Non Salary Labour Costs		(2,824)	(2,708)	(2,824)	(2,708)
Payments for Supplies & Consumables		(3,919)	(2,346)	(3,918)	(2,346)
Other Payments		(3,311)	(3,223)	(3,423)	(3,319)
Cash Generated from Operations		**419**	**1,223**	**345**	**1,220**
Capital Grants from Government		2,532	2,195	2,532	2,195
Capital Donations and Bequests Received		294	245	441	245
Other Capital Receipts		168	85	168	85
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	16	**3,413**	**3,748**	**3,486**	**3,745**
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for Non-Financial Assets		(3,517)	(1,997)	(3,517)	(1,997)
Proceeds from sale of Non-Financial Assets		34	46	34	46
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		**(3,483)**	**(1,951)**	**(3,483)**	**(1,951)**
NET INCREASE/(DECREASE) IN CASH HELD		**(70)**	**1,797**	**3**	**1,794**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**6,760**	**4,963**	**8,096**	**6,302**
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5	**6,690**	**6,760**	**8,099**	**8,096**

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

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

Consolidated	Note	Property, Plant & Equipment Revaluation Surplus $'000	General Purpose Surplus $'000	Restricted Specific Purpose Surplus $'000	Contributions by Owners $'000	Accumulated Surpluses/ (Deficits) $'000	Total $'000
Balance at 1 July 2012		**6,450**	**-**	**2,653**	**9,345**	**2,544**	**20,992**
Net result for the year		-	-	-	-	1,329	1,329
Transfer to/from Surpluses	15a,15c	-	661	(454)	-	(206)	-
Other comprehensive income for the year	15a	1,499	-	-	-	-	1,499
Balance at 30 June 2013		**7,949**	**661**	**2,199**	**9,345**	**3,667**	**23,821**
Net result for the year		-	-	-	-	2,356	2,356
Transfer to/from Surpluses	15a,15c	-	(199)	(295)	-	494	-
Other comprehensive income for the year	15a	5,937	-	-	-	-	5,937
Balance at 30 June 2014		**13,886**	**461**	**1,903**	**9,345**	**6,517**	**32,113**

Parent	Note	Property, Plant & Equipment Revaluation Surplus $'000	General Purpose Surplus	Restricted Specific Purpose Surplus $'000	Contributions by Owners $'000	Accumulated Surpluses/ (Deficits) $'000	Total $'000
Balance at 1 July 2012		**6,450**	**-**	**2,653**	**9,345**	**1,200**	**19,648**
Net result for the year		-	-	-	-	1,334	1,334
Transfer to/from Surpluses	15a,15c	-	661	(454)	-	(206)	-
Other comprehensive income for the year	15a	1,499	-	-	-	-	1,499
Balance at 30 June 2013		**7,949**	**661**	**2,199**	**9,345**	**2,328**	**22,482**
Net result for the year		-	-	-	-	2,273	2,273
Transfer to/from Surpluses	15a,15c	-	(199)	(295)	-	494	-
Other comprehensive income for the year	15a	5,937	-	-	-	-	5,937
Balance at 30 June 2014		**13,886**	**461**	**1,903**	**9,345**	**5,095**	**30,691**

This Statement should be read in conjunction with the accompanying notes

Note 1: Statement of Significant Accounting Policies

(a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Financial Management Act 1994 and applicable AASs, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 Presentation of Financial Statements.

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

The Health Service is a not-for profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" entities under the AASs.

The annual financial statements were authorised for issue by the Board of Stawell Regional Health Service on 20th August 2014.

(b) Basis of preparation

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2014, and the comparative information presented in these financial statements for the year ended 30 June 2013.

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

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

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

The financial statements are prepared in accordance with the historical cost convention, except for:

- non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;
- the fair value of assets other than land is generally based on their depreciated replacement value.

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

Consistent with AASB 13 Fair Value Measurement, the Health Service determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, investment properties and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant FRDs.

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

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

For the purpose of fair value disclosures, the Health Service has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Health Service determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(k);

Note 1: Statement of Significant Accounting Policies

(c) Reporting Entity

The financial statements include all the controlled activities of Stawell Regional Health Service.

Its principal address is: Sloan Street, Stawell, Victoria 3380.

A description of the nature of Stawell Regional Health Service's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

(d) Principles of Consolidation

The assets, liabilities, incomes and expenses of all controlled entities of Stawell Regional Health Service have been included at the values shown in their audited 30 June 2014 Annual Financial Statements. Subsidiaries are entities controlled by Stawell Regional Health Service; control exists when Stawell Regional Health Service has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The consolidated financial statements include the audited financial statements of the controlled entities listed in note 25.

In the process of preparing consolidated financial statements for the Health Service, all material transactions and balances between consolidated entities are eliminated.

Intersegment Transactions

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

Jointly Controlled Assets

Interests in jointly controlled assets are accounted for by recognising in Stawell Regional Health's financial statements its proportionate share of the assets, liabilities and any income and expenses of such assets.

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

Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business unit acquired comprises the fair values of the assets transferred and the liabilities incurred. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquire over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business unit acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

(e) Scope and presentation of financial statements

Fund Accounting

Stawell Regional Health Service operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Stawell Regional 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.

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

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

Residential Aged Care Service

Residential Aged Care Service operations are an integral part of Stawell Regional Health Service and shares its resources. An apportionment of land and buildings has been made based on floor space. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation in note 20 to the financial statements.

Residential Aged Care Services are substantially funded from Commonwealth bed-day subsidies.

Comprehensive Operating Statement

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

Note 1: Statement of Significant Accounting Policies

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

- Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. It also includes donations of plant and equipment (refer note 1 (g)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided.
- Depreciation as described in note 1 (h).
- Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

Balance sheet

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

Statement of changes in equity

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

Cash flow statement

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

(f) Change in Accounting Policies

AASB 13 Fair Value Measurement

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

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

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

AASB 119 Employee Benefits

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

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

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

Comparative amounts for the 2012-13 and the related amounts as at 1 July 2013 have been restated in accordance with the relevant transitional provisions set out in AASB 119.

(g) Income Recognition

Income is recognised in accordance with AASB 118 Revenue and is recognised as to the extent that it is probable that the economic benefits will flow to Stawell Regional Health Service and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.

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

Note 1: Statement of Significant Accounting Policies

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

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

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

Indirect Contributions from the Department of Health

- Insurance is recognised as revenue following advice from the Department of Health.
- Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 05/2013.

Patient and Resident Fees

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

Revenue from commercial activities

Revenue from commercial activities is recognised at the time invoices are raised.

Donations and Other Bequests

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

Interest Revenue

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

(h) Expense Recognition

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

Cost of Goods Sold

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

Employee expenses

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

Defined contribution superannuation plans

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

Defined benefit superannuation plans

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

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

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

Fund	Contributions Paid or Payable for the year	
	2014 $'000	2013 $'000
Defined benefit plans:		
First State Superannuation Fund	133	143
Defined contribution plans:		
First State Superannuation Fund	834	786
HESTA Superannuation Fund	233	211
Total	1,200	1,140

Note 1: Statement of Significant Accounting Policies

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

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

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

	2014	2013
Buildings		
- Structure Shell Building Fabric	5 to 50 years	5 to 50 years
- Site Engineering Services and Central Plant	5 to 50 years	5 to 50 years
Central Plant		
- Fit Out	5 to 50 years	5 to 50 years
- Trunk Reticulated Building Systems	5 to 50 years	5 to 50 years
Plant & Equipment	5 to 15 years	5 to 15 years
Medical Equipment	5 to 15 years	5 to 15 years
Computers and Communication	3 to 5 years	3 to 5 years
Furniture and Fitting	5 to 15 years	5 to 15 years
Motor Vehicles	7 years	7 years

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

(i) Amortisation

Amortisation is allocated to intangible non-produced assets with finite useful lives on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The consumption of intangible non-produced assets with finite useful lives is classified as amortisation.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the asset concerned is tested as to whether its carrying value exceeds its recoverable amount.

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

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

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

Intangible assets with finite useful lives are amortised over 3-5 years (2013: 3-5 years).

Note 1: Statement of Significant Accounting Policies

(j) Assets

Cash and Cash Equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

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

Receivables

Receivables consist of:

- Statutory receivables, which includes predominantly amounts owing from the Victorian Government and GST input tax credits recoverable; and
- Contractual receivables, which consists of mainly debtors in relation to goods and services and accrued investment income.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

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

Investments and Other Financial Assets

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

Investments are classified in the following categories:

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

Stawell Regional Health Service assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

All financial assets, except those measured at fair value through profit or loss are subject to annual review for impairment.

Note 1: Statement of Significant Accounting Policies

Loans and receivables

Trade receivables, loans, term deposits with maturity greater than three months and other receivables are recorded at amortised cost, using the effective interest method, less impairment. Term deposits with maturity greater than three months are also measured at amortised cost, using the effective interest method, less impairment.

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

Impairment of Financial Assets

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

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

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

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

(k) Non-Financial Assets

Inventories

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

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

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

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

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

Property, Plant and Equipment

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

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

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

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

Note 1: Statement of Significant Accounting Policies

Revaluations of Non-current Physical Assets

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

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

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

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

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

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

Other non-financial assets

Prepayments

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

Disposal of Non-Financial Assets

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

Impairment of Non-Financial Assets

Assets are assessed annually for indications of impairment.

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

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

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

(I) Liabilities

Payables

These amounts consist predominantly of liabilities for goods and services.

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

The normal credit terms are usually Net 30 days.

Note 1: Statement of Significant Accounting Policies

Provisions

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

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

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

Employee Benefits

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

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

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

Long Service Leave

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

Current Liability – unconditional LSL (representing 10 or more years of continuous service) is disclosed in the notes to the financial statements as a current liability even where the Health Service does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

present value – component that the Health Service does not expect to settle within 12 months; and

nominal value – component that the Health Service expects to settle within 12 months.

Non-Current Liability – conditional LSL (representing less than 10 years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. Conditional LSL is required to be measured at present value.

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

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

The health service recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

On-Costs

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

Superannuation liabilities

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

(m) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

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

Note 1: Statement of Significant Accounting Policies

Finance Leases

Entity as lessor

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

Entity as lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the comprehensive operating statement.

Operating Leases

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

Leasehold Improvements

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

(n) Equity

Contributed Capital

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

Property, Plant & Equipment Revaluation Surplus

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

General Reserves

A general purpose reserve is established where the Health Service has placed a restriction and/or condition on the use of particular funds received.

Specific Restricted Purpose Reserve

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

(o) Commitments for expenditure

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

(p) Contingent assets and contingent liabilities

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

Note 1: Statement of Significant Accounting Policies

(q) Goods and Services Tax

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as an operating cash flow.

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

(r) Rounding Of Amounts

All amounts shown in the financial statements are expressed to the nearest $1,000 unless otherwise stated.

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

(s) New Accounting Standards and Interpretations

Certain new Australian accounting standards and interpretations have been published that are not mandatory for the 30 June 2014 reporting period.

As at 30 June 2014, the following standards and interpretations had been issued but were not mandatory for the reporting period ending 30 June 2014. Stawell Regional Health Service has not and does not intend to adopt these standards early.

Standard/Interpretation	Summary	Applicable for Annual Reporting periods beginning on	Impact on financial statements
AASB 9 Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1-Jan-17	The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 10 Consolidated Financial Statements	This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities. The AASB has issued an Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.	1 Jan 2014 (not-for-profit entities)	For the public sector, AASB 10 builds on the control guidance that existed in AASB 127 and Interpretation 112 and is not expected to change which entities need to be consolidated. Ongoing work is being done to monitor and assess the impact of this standard.
AASB 11 Joint Arrangements	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	1 Jan 2014 (not-for-profit entities)	Based on current assessment, entities already apply the equity method when accounting for joint ventures. It is anticipated that there would be no material impact. Ongoing work is being done to monitor and assess the impact of this standard.

Note 1: Statement of Significant Accounting Policies

AASB 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.	1 Jan 2014 (not-for-profit entities)	The new standard is likely to require additional disclosures and ongoing work is being done to determine the extent of additional disclosure required.
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 Jan 2014 (not-for-profit entities)	Current assessment indicates that there is limited impact on Victorian Public Sector entities. Ongoing work is being done to monitor and assess the impact of this standard.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 Jan 2014 (not-for-profit entities)	Current assessment indicates that there is limited impact on Victorian Public Sector entities. Ongoing work is being done to monitor and assess the impact of this standard.

(s) Category Groups

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

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

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

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

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

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

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

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

Other Services excluded from Australian Health Care Agreement (AHCA) (Other) comprises revenue/expenditure for services not separately classified above, including: Public Health Services including Laboratory testing, Blood Borne Viruses / Sexually Transmitted Infections clinical services, Kooris liaison officers, immunisation and screening services, Drugs services including drug withdrawal, counselling and the needle and syringe program, Dental Health services including general and specialist dental care, school dental services and clinical education, Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including sexual assault support, early parenting services, parenting assessment and skills development, and various support services. Health and Community Initiatives also falls in this category group.

Note 2: Revenue

	Parent						Consolidated					
	HSA	HSA	H&CI	H&CI	Total	Total	HSA	HSA	Non HSA	Non HSA	Total	Total
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Revenue from Operating Activities												
Government Grants												
- Department of Health	15,754	7,016	-	-	15,754	7,016	15,754	7,016	-	-	15,754	7,016
- Victorian Health Funding Pool	-	6,859	-	-	-	6,859	-	6,859	-	-	-	6,859
- Commonwealth Government									-	-		
- Residential Aged Care Subsidy	1,702	1,846	-	-	1,702	1,846	1,702	1,846	-	-	1,702	1,846
- Other	1,347	1,740	206	126	1,553	1,866	1,347	1,740	206	126	1,553	1,866
Total Government Grants	**18,803**	**17,461**	**206**	**126**	**19,009**	**17,587**	**18,803**	**17,461**	**206**	**126**	**19,009**	**17,587**
Indirect Contributions by Department of Health												
- Insurance	26	-	-	-	26	-	26	-	-	-	26	-
- Long Service Leave	29	-	-	-	29	-	29	-	-	-	29	-
Total Indirect Contributions by Department of Health	**55**	**-**	**-**	**-**	**55**	**-**	**55**	**-**	**-**	**-**	**55**	**-**
Patient and Resident Fees												
- Patient and Resident Fees (refer note 2b)	1,654	1,717	-	-	1,654	1,717	1,654	1,717	-	-	1,654	1,717
Total Patient & Resident Fees	**1,654**	**1,717**	**-**	**-**	**1,654**	**1,717**	**1,654**	**1,717**	**-**	**-**	**1,654**	**1,717**
Business Units & Specific Purpose Funds												
- Private Practice and Other Patient Activities Fees	-	-	1,176	768	1,176	768	-	-	1,176	768	1,176	768
- Diagnostic Imaging	-	-	1,045	866	1,045	866	-	-	1,045	866	1,045	866
- Pharmacy Services	-	-	-	2	-	2	-	-	-	2	-	2
- Catering	-	-	194	170	194	170	-	-	194	170	194	170
- Property Income	-	-	139	124	139	124	-	-	139	124	139	124
Total Commercial Activities & Specific Purpose Funds	**-**	**-**	**2,554**	**1,930**	**2,554**	**1,930**	**-**	**-**	**2,554**	**1,930**	**2,554**	**1,930**
Share of Jointly Controlled Revenue	293	277	-	-	293	277	293	277	-	-	293	277
Other Revenue from Operating Activities	611	678		86	611	764	611	678	-	86	611	764
Sub-Total Revenue from Operating Activities	**21,416**	**20,133**	**2,760**	**2,142**	**24,176**	**22,275**	**21,416**	**20,133**	**2,760**	**2,142**	**24,176**	**22,275**
Revenue from Non-Operating Activities												
Interest & Dividends	-	-	250	254	250	254	-	-	250	319	250	319
Other Revenue from Non-Operating Activities	-	-	-	-	-	-	-	-	-	26	-	26
Sub-Total Revenue from Non-Operating Activities	**-**	**-**	**250**	**254**	**250**	**254**	**-**	**-**	**250**	**345**	**250**	**345**
Revenue from Capital Purpose Income												
State Government Capital Grants												
- Targeted Capital Works and Equipment	-	594	-	-	-	594	-	594	-	-	-	594
- Other	2,147	1,144	-	-	2,147	1,144	2,147	1,144	-	-	2,147	1,144
Commonwealth Government Capital Grants	162	242	-	-	162	242	162	242	-	-	162	242
Residential Accommodation Payments (refer note 2b)	223	214	-	-	223	214	223	214	-	-	223	214
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	-	-	28	(21)	28	(21)	-	-	28	(21)	28	(21)
Donations, Bequests and Distributions	-	-	147	219	147	219	-	-	234	219	234	219
Other Capital Purpose Income	162	85	-	-	162	85	162	85	-	-	162	85
Sub-Total Revenue from Capital Purpose Income	**2,694**	**2,279**	**175**	**198**	**2,869**	**2,477**	**2,694**	**2,279**	**262**	**198**	**2,956**	**2,477**
Total Revenue (refer to note 2a)	**24,110**	**22,412**	**3,185**	**2,594**	**27,295**	**25,006**	**24,110**	**22,412**	**3,272**	**2,685**	**27,382**	**25,097**

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

Note 2a: Analysis of Revenue by Source

Based on Consolidated view	Admitted Patients 2014 $'000	Outpatients 2014 $'000	Ambulatory 2014 $'000	RAC incl. Mental Health 2014 $'000	Aged Care 2014 $'000	Primary Health 2014 $'000	Other 2014 $'000	2014 $'000
Revenue from Services Supported by Health Services Agreement								
Government Grants	11,556	621	962	2,799	672	2,194	-	18,803
Indirect contributions by Department of Health	34	2	3	8	2	6	-	55
Patient & Resident Fees (refer note 2b)	873	5	-	599	110	67	-	1,654
Share of Jointly Controlled Revenue	103	17	24	91	14	44	-	293
Other Revenue from Operating Activities	375	20	31	91	22	71	-	611
Capital Purpose Income (refer note 2)	2,309	-	-	223	-	162	-	2,694
Sub-Total Revenue from Services Supported by Health Services Agreement	**15,250**	**665**	**1,020**	**3,811**	**820**	**2,544**	**-**	**24,110**
Revenue from Services Supported by Hospital and Community Initiatives								
Donations & Bequests (non capital)	-	-	-	-	-	-	-	-
Commercial Activites & Specific Purpose Funds	-	-	-	-	-	-	2,760	2,760
Other	-	-	-	-	-	-	250	250
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	262	262
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	**-**	**-**	**-**	**-**	**-**	**-**	**3,272**	**3,272**
Total Revenue	**15,250**	**665**	**1,020**	**3,811**	**820**	**2,544**	**3,272**	**27,382**

Indirect contributions by Department of Health: Department of Health (DH) 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 revenues and expenses.

Revenues and expenses of Support Services are distributed to categories using a number of allocation bases including estimated usage, percentage of total revenue and equivalent full time (EFT) staff.

Note 2a: Analysis of Revenue by Source

Based on Consolidated view	Admitted Patients 2013 $'000	Outpatients 2013 $'000	Ambulatory 2013 $'000	RAC incl. Mental Health 2013 $'000	Aged Care 2013 $'000	Primary Health 2013 $'000	Other 2013 $'000	2013 $'000
Revenue from Services Supported by Health Services Agreement								
Government Grants	4,174	432	947	2,919	539	1,592	-	10,603
Victorian Health Funding Pool	2,700	279	613	1,888	349	1,030	-	6,859
Indirect contributions by Department of Health	-	-	-	-	-	-	-	-
Patient & Resident Fees (refer note 2b)	912	49	-	536	164	56	-	1,717
Share of Jointly Controlled Revenue	97	16	23	86	13	41	-	276
Other Revenue from Operating Activities	267	28	61	187	34	102	-	678
Capital Purpose Income (refer note 2)	1,823	-	-	214	-	242	-	2,279
Sub-Total Revenue from Services Supported by Health Services Agreement	**9,973**	**804**	**1,643**	**5,830**	**1,099**	**3,063**	**-**	**22,412**
Revenue from Services Supported by Hospital and Community Initiatives								
Donations & Bequests (non capital)	-	-	-	-	-	-		-
Business Units & Specific Purpose Funds	-	-	-	-	-	-	2,056	2,056
Other	-	-	-	-	-	-	431	431
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	198	198
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	**-**	**-**	**-**	**-**	**-**	**-**	**2,685**	**2,685**
Total Revenue	**9,973**	**804**	**1,643**	**5,830**	**1,099**	**3,063**	**2,685**	**25,097**

Indirect contributions by Department of Health: Department of Health makes certain payments on behalf of the Health Service. These amounts have
Revenues and expenses of Support Services are distributed to categories using a number of allocation bases including estimated usage, percentage of total revenue and equivalent full time (EFT) staff.

Note 2b: Private and Resident Fees

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Patient and Resident Fees Raised				
Acute				
– Inpatients	873	912	873	912
– Outpatients	5	49	5	49
Residential Aged Care				
– Generic	499	447	499	447
– Mental Health	100	89	100	89
Other	177	220	177	220
Total Patient and Resident	**1,654**	**1,717**	**1,654**	**1,717**
Capital Purpose Income:				
Residential Accommodation Payments	223	214	223	214
Total Capital Purpose Income	**223**	**214**	**223**	**214**

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

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Proceeds from Disposals of Non-Current Assets				
Plant and Equipment	-	4	-	4
Medical Equipment	-	1	-	1
Motor Vehicles	34	40	34	40
Total Proceeds from Disposal of Non-Current Assets	**34**	**45**	**34**	**45**
Less: Written Down Value of Non-Current Assets Sold				
Plant and Equipment	-	2	-	2
Medical Equipment	-	25	-	25
Motor Vehicles	6	39	6	39
Total Written Down Value of Non-Current Assets Sold	**6**	**66**	**6**	**66**
Net gains/(losses) on Disposal of Non-Current Assets	**28**	**(21)**	**28**	**(21)**

Note 3: Expenses

	Parent						Consolidated					
	HSA 2014	HSA 2013	H&CI 2014	H&CI 2013	Total 2014	Total 2013	HSA 2014	HSA 2013	H&CI 2014	H&CI 2013	Total 2014	Total 2013
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Employee Expenses												
Salaries & Wages	11,369	10,778	1,387	978	12,755	11,756	11,369	10,778	1,387	978	12,755	11,756
WorkCover Premium	132	117	6	5	138	122	132	117	6	5	138	122
Long Service Leave	273	305	19	25	292	330	273	305	19	25	292	330
Superannuation	1,089	1,064	112	76	1,201	1,140	1,089	1,064	112	76	1,201	1,140
Total Employee Benefits	**12,863**	**12,264**	**1,523**	**1,084**	**14,386**	**13,348**	**12,863**	**12,264**	**1,523**	**1,084**	**14,386**	**13,348**
Non Salary Labour Costs												
Fees for Visiting Medical Officers	1,476	1,448	2	-	1,478	1,448	1,476	1,448	2	-	1,478	1,448
Agency Costs	1,012	951	77	63	1,090	1,014	1,012	951	77	63	1,090	1,014
Total Non Salary Labour Costs	**2,488**	**2,399**	**79**	**63**	**2,567**	**2,462**	**2,488**	**2,399**	**79**	**63**	**2,567**	**2,462**
Supplies & Consumables												
Drug Supplies	935	563	1	-	936	563	935	563	1	-	936	563
Medical, Surgical Supplies and Prosthesis	1,354	1,416	384	237	1,738	1,653	1,354	1,416	384	237	1,738	1,653
Pathology Supplies	71	64	-	-	71	64	71	64	-	-	71	64
Food Supplies	394	360	-	-	394	360	394	360	-	-	394	360
Total Supplies & Consumables	**2,754**	**2,403**	**385**	**237**	**3,139**	**2,640**	**2,754**	**2,403**	**385**	**237**	**3,139**	**2,640**
Other Expenses from Continuing Operations												
Domestic Services & Supplies	329	335	21	18	350	353	329	335	21	18	350	353
Fuel, Power,Gas and Water	279	283	27	3	307	286	279	283	27	3	307	286
Insurance costs funded by DH	182	232	-	-	182	232	182	232	-	-	182	232
Motor Vehicle Expenses	96	110	-	-	96	110	96	110	-	-	96	110
Repairs & Maintenance	192	170	21	9	213	179	192	170	21	9	213	179
Maintenance Contracts	103	84	102	114	205	198	103	84	102	114	205	198
Patient Transport	159	181	-	-	159	181	159	181	-	-	159	181
Bad & Doubtful Debts	(12)	2	3	7	(9)	9	(12)	2	3	7	(9)	9
Lease Expenses	174	186	163	88	337	274	174	186	163	88	337	274
Other Administrative Expenses	1,169	813	62	321	1,232	1,134	1,169	813	62	414	1,232	1,227
Share of Jointly Controlled Expenses	282	284	-	-	282	284	282	284	-	-	282	284
Audit Fees												
- VAGO - Audit of Financial Statements	13	13	-	-	13	13	17	16	-	-	17	16
- Other	22	35	-	-	22	35	22	35	-	-	22	35
Total Other Expenses from Continuing Operations	**2,990**	**2,728**	**399**	**560**	**3,389**	**3,288**	**2,993**	**2,731**	**399**	**653**	**3,392**	**3,384**
Depreciation & Amortisation	1,541	1,934	-	-	1,541	1,934	1,541	1,934	-	-	1,541	1,934
Specific Expense					-	-	-		-		-	-
Finance Costs					-	-	-		-		-	-
Assets Provided Free-of Charge	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1,541**	**1,934**	**-**	**-**	**1,541**	**1,934**	**1,541**	**1,934**	**-**	**-**	**1,541**	**1,934**
Total Expenses	**22,635**	**21,728**	**2,387**	**1,944**	**25,022**	**23,672**	**22,639**	**21,731**	**2,387**	**2,037**	**25,025**	**23,768**

Note 3a: Analysis of Expenses by Source

(based on the consolidated view)

	Admitted Patients 2014 $'000	Outpatients 2014 $'000	Ambulatory 2014 $'000	RAC incl. Mental Health 2014 $'000	Aged Care 2014 $'000	Primary Health 2014 $'000	Other 2014 $'000	Total 2014 $'000
Services Supported by Health Services Agreement								
Employee Expenses	7,108	224	451	3,286	510	1,283	-	12,863
Non Salary Labour Costs	1,375	43	87	636	99	248	-	2,488
Supplies & Consumables	1,522	48	97	704	109	275	-	2,754
Share of Jointly Controlled Expenses	156	5	10	72	11	28	-	282
Other Expenses from Continuing Operations	1,498	47	95	693	108	270	-	2,711
Sub-Total Expenses from Services Supported by Health Services Agreement	**11,658**	**368**	**740**	**5,391**	**837**	**2,104**	**-**	**21,098**
Services Supported by Hospital and Community Initiatives								
Employee Expenses	-	-	-	-	-	-	1,523	1,523
Non Salary Labour Costs	-	-	-	-	-	-	79	79
Supplies & Consumables	-	-	-	-	-	-	385	385
Other Expenses from Continuing Operations	-	-	-	-	-	-	399	399
Sub-Total Expense from Services Supported by Hospital and Community Initiatives	**-**	**-**	**-**	**-**	**-**	**-**	**2,387**	**2,387**
Expenditure using Capital Purpose Income								
Depreciation & Amortisation (refer note 4)	858	37	57	214	46	143	184	1,541
Sub-total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives	**858**	**37**	**57**	**214**	**46**	**143**	**184**	**1,541**
Total Expenses	**12,516**	**405**	**797**	**5,605**	**883**	**2,247**	**2,571**	**25,025**

Note 3a: Analysis of Expenses by Source

(based on the consolidated view)

	Admitted Patients 2013 $'000	Outpatients 2013 $'000	Ambulatory 2013 $'000	RAC incl. Mental Health 2013 $'000	Aged Care 2013 $'000	Primary Health 2013 $'000	Other 2013 $'000	Total 2013 $'000
Services Supported by Health Services Agreement								
Employee Expenses	6,892	194	389	3,128	477	1,184	-	12,264
Non Salary Labour Costs	1,348	38	76	612	93	232	-	2,399
Supplies & Consumables	1,350	38	76	613	93	232	-	2,403
Share of Jointly Controlled Expenses	158	4	9	72	11	27	-	282
Other Expenses from Continuing Operations	1,375	39	78	624	95	236	-	2,447
Sub-Total Expenses from Services Supported by Health Services Agreement	**11,125**	**313**	**628**	**5,050**	**770**	**1,911**	**-**	**19,797**
Services Supported by Hospital and Community Initiatives								
Employee Expenses	-	-	-	-	-	-	1,084	1,084
Non Salary Labour Costs	-	-	-	-	-	-	63	63
Supplies & Consumables	-	-	-	-	-	-	237	237
Other Expenses from Continuing Operations	-	-	-	-	-	-	653	653
Sub-Total Expense from Services Supported by Hospital and Community Initiatives	**-**	**-**	**-**	**-**	**-**	**-**	**2,037**	**2,037**
Expenditure using Capital Purpose Income								
Depreciation & Amortisation (refer note 4)	768	62	127	449	85	236	207	1,934
Sub-total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives	**768**	**62**	**127**	**449**	**85**	**236**	**207**	**1,934**
								-
Total Expenses	**11,894**	**375**	**755**	**5,499**	**854**	**2,147**	**2,244**	**23,768**

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

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Commercial Activities				
Diagnostic Imaging	954	808	954	808
Catering	41	252	41	252
Private Practice and Other Patient Activities	1,365	862	1,365	862
Other	-	-	-	-
Other Activities				
Fundraising and Community Support	27	19	137	115
TOTAL	**2,387**	**1,941**	**2,496**	**2,037**

Note 4: Depreciation and Amortisation

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Depreciation				
Buildings	1,006	1,419	1,006	1,419
Plant & Equipment	174	189	174	189
Medical Equipment	305	276	305	276
Total Depreciation	**1,485**	**1,884**	**1,485**	**1,884**
Amortisation				
Intangible Assets	56	50	56	50
Total Amortisation	**56**	**50**	**56**	**50**
Total Depreciation & Amortisation	**1,541**	**1,934**	**1,541**	**1,934**

Note 5: Cash and Cash Equivalents

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

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Cash on Hand	2	2	2	2
Cash at Bank	535	240	696	366
Short Term Money Market	6,350	6,780	7,598	7,990
Jointly Controlled Cash & Cash Equivalents (note 20)	52	83	52	83
TOTAL	**6,939**	**7,105**	**8,348**	**8,441**
Represented by:				
Cash for Health Service Operations (as per Cash Flow Statement)	6,690	6,760	8,099	8,096
Cash for Monies Held in Trust				
- Cash at Bank	2	2	2	2
- Short Term Money Market	247	342	247	342
TOTAL	**6,939**	**7,105**	**8,348**	**8,441**

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Note 6: Receivables

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
CURRENT				
Contractual				
Inter Hospital Debtors	126	364	126	364
Trade Debtors	102	39	102	39
Jointly Controlled Receivables (note 20)	36	63	36	63
Patient Fees	255	256	255	256
Accrued Investment Income	38	61	56	67
Accrued Revenue - Other	99	154	99	154
Less Allowance for Doubtful Debts		-	-	-
Trade Debtors	(1)	(2)	(1)	(2)
Patient Fees	(12)	(28)	(12)	(28)
	644	**907**	**662**	**913**
Statutory		-		-
GST Receivable	102	162	101	162
	102	**1,069**	**101**	**1,075**
TOTAL CURRENT RECEIVABLES	**745**	**1,069**	**762**	**1,075**
		-		**-**
NON CURRENT		-		-
Statutory		-		-
Long Service Leave - DH	29	-	29	-
TOTAL NON-CURRENT RECEIVABLES	**29**	**-**	**29**	**-**
TOTAL RECEIVABLES	**774**	**1,069**	**791**	**1,075**

(a) Movement in the Allowance for doubtful debts

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Balance at beginning of year	24	18	24	18
Amounts written off during the year	(2)	(1)	(2)	(1)
Increase/(decrease) in allowance recognised in profit or loss	(14)	7	(14)	7
Balance at end of year	**8**	**24**	**8**	**24**

(b) Ageing analysis of receivables
Please refer to note 16 for the ageing analysis of receivables.

(c) Nature and extent of risk arising from receivables
Please refer to note 16 for the nature and extent of credit risk arising from receivables.

Note 7: Inventories

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Pharmaceuticals				
At cost	52	36	52	36
Medical and Surgical Lines				
At cost	56	66	56	66
TOTAL INVENTORIES	**108**	**102**	**108**	**102**

Note 8: Other Assets

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Prepayments	79	73	79	73
Rental Property Bonds	7	7	7	7
CURRENT	**86**	**80**	**86**	**80**
TOTAL	**86**	**80**	**86**	**80**

Note 9: Property, Plant & Equipment

(a)	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Land				
Land at Fair Value	1,400	1,419	1,400	1,419
Total Land	**1,400**	**1,419**	**1,400**	**1,419**
Buildings				
Buildings Under Construction at cost	79	1,428	79	1,428
Buildings at Fair Value	23,815	14,628	23,815	14,628
Less Acc'd Depreciation	-	-	-	-
Total Buildings	**23,894**	**16,056**	**23,894**	**16,056**
Plant and Equipment				
Plant and Equipment at Fair Value	1,941	1,768	1,941	1,768
Less Acc'd Depreciation	1,370	1,221	1,370	1,221
Total Plant and Equipment	**571**	**547**	**571**	**547**
Medical Equipment				
Medical Equipment at Fair Value	4,280	3,859	4,280	3,859
Less Acc'd Depreciation	2,812	2,507	2,812	2,507
Total Medical Equipment	**1,468**	**1,352**	**1,468**	**1,352**
Jointly Controlled Property, Plant & Equipment				
Jointly Controlled PP&E at Fair Value	136	118	136	118
Less Acc'd Depreciation	67	59	67	59
Total Jointly Controlled Property, Plant & Equipment	**69**	**59**	**69**	**59**
TOTAL	**27,402**	**19,432**	**27,402**	**19,432**

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

(b)	Land $'000	Buildings $'000	Plant & Equipment $'000	Medical Equipment $'000	Jointly Controlled PP&E $'000	Total $'000
Balance at 1 July 2012	**1,419**	**14,608**	**525**	**1,535**	**44**	**18,131**
Additions	-	1,368	253	118	-	1,739
Nett WDV of Disposals	-	-	(42)	(25)	-	(67)
Movement in Jointly Controlled PP&E	-	-	-	-	15	15
Depreciation and Amortisation (note 4)	-	(1,419)	(189)	(276)	-	(1,884)
Balance at 1 July 2013	**1,419**	**16,056**	**547**	**1,352**	**59**	**19,432**
Additions	-	2,888	192	421	-	3,501
Nett WDV of Disposals	-	-	6	-	-	6
Movement in Jointly Controlled PP&E	-	-	-	-	10	10
Revaluation Increments/(Decrements)	(19)	5,956	-	-	-	5,937
Depreciation and Amortisation (note 4)	-	(1,006)	(174)	(305)	-	(1,485)
Balance at 30 June 2014	**1,400**	**23,894**	**571**	**1,468**	**69**	**27,402**

Land and buildings carried at valuation

An independent valuation of the Health Service's land and buildings was performed by the Valuer-General Victoria to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments.

The effective date of the valuation is 30 June 2014

Note 9: Property, plant & equipment (continued)

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

	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period using: Level 1 [(i)]	Level 2 [(i)]	Level 3 [(i)]
Land at fair value				
Non-specialised land	350	-	350	
Specialised land	1,050	-		1,050
Total of land at fair value	**1,400**	**-**	**350**	**1,050**
Buildings at fair value				
Non-specialised buildings	105	-	105	-
Specialised buildings	23,710	-	-	23,710
Buildings Under Construction	79	-	-	79
Total of building at fair value	**23,894**	**-**	**105**	**23,789**
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles (ii)	225	-	-	225
- Plant and equipment	346	-	-	346
- GRHA Plant and equipment	69	-	-	69
Total of plant, equipment and vehicles at fair value	**640**	**-**	**-**	**640**
Medical equipment at fair value				
Total medical equipment at fair value	**1,468**	**-**	**-**	**1,468**
	27,402	**-**	**455**	**26,947**

Note

[(i)] Classified in accordance with the fair value hierarchy, see Note 1

[(ii)] Vehicles are categorised to Level 3 assets if the depreciated replacement cost is used in estimating the fair value. However, entities should consult with independent valuers in determining whether a market approach is appropriate for vehicles with an active resale market available. If yes, a Level 2 categorisation for such vehicles would be appropriate.

There have been no transfers between levels during the period.

Note 9: Property, plant & equipment (continued)

(d) Reconciliation of Level 3 fair value

2014	Land	Buildings	Plant and equipment	Medical equipment
Opening Balance	1,049	16,022	606	1,352
Purchases (sales)	-	2,814	196	421
Transfers in (out) of Level 3	-			
Gains or losses recognised in net result				
- Depreciation		(1,003)	174	305
- Impairment loss				
Subtotal	**1,049**	**17,833**	**976**	**2,078**
Items recognised in other comprehensive income				
- Revaluation	1	5,956	-	
Subtotal	**1**	**5,956**	**-**	**-**
Closing Balance	**1,050**	**23,789**	**976**	**2,078**

Note

There have been no transfers between levels during the period.

Note 9: Property, plant & equipment (continued)

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

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised land				
Hospital site/s	Market approach	Community Service Obligation (CSO) adjustment	0 - 20% (20%)	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value
Specialised buildings				
Hospital Buildings	Depreciated replacement cost	Direct cost per square metre	$455 - $2,808/m2 ($1,500)	A significant increase or decrease in direct cost per square meter adjustment would result in a significantly higher or lower fair value
		Useful life of specialised buildings	25 - 55 years (45 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Plant and equipment at fair value				
Misc Hospital Administrative Equipment	Depreciated replacement cost	Cost per unit	$9,000 - $10,000 ($9,500)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of PPE	5-10 years (7 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Vehicles				
Hospital-owned fleet vehicles	Depreciated replacement cost	Cost per unit	$7,000-$58,000 per unit ($35,000 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of vehicles	3-10 years (4 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Medical equipment at fair value				
Misc Hospital Medical Equipment & Machines	Depreciated replacement cost	Cost per unit	$1,000 - $400,000 ($7,000)	Increase (decrease) in gross replacement cost would result in a significantly higher (lower) fair value
		Useful life of medical equipment	5-15 years (12 years)	Increase (decrease) in useful life would result in a significantly higher (lower) fair value

Note 10: Intangible Assets

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Computer Software	453	453	453	453
Less Acc'd Amortisation	361	305	361	305
	92	**148**	**92**	**148**
Business Goodwill	243	243	243	243
Total Written Down Value	**335**	**391**	**335**	**391**

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the previous and current financial year:

	Computer Software $'000	Business Goodwill $'000	Total $'000
Balance at 1 July 2012	**198**	**-**	**198**
Additions	-	243	243
Amortisation (note 4)	50	-	50
Balance at 1 July 2013	**148**	**243**	**391**
Additions	-	-	-
Amortisation (note 4)	56	-	56
Balance at 30 June 2014	**92**	**243**	**335**

Note 11: Payables

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
CURRENT				
Contractual				
Trade Creditors	584	624	584	624
Accrued Expenses	445	939	449	942
Jointly Controlled Payables (note 20)	36	95	36	95
	1,065	**1,658**	**1,069**	**1,661**
Statutory				
Department of Health	129	286	129	286
	129	**286**	**129**	**286**
TOTAL CURRENT	**1,194**	**1,944**	**1,198**	**1,947**
TOTAL	**1,194**	**1,944**	**1,198**	**1,947**

(a) Maturity analysis of payables
Please refer to Note 16 for the ageing analysis of payables.

(b) Nature and extent of risk arising from payables
Please refer to Note 16 for the nature and extent of risks arising from payables.

Note 12: Provisions

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Current Provisions				
Employee Benefits (i)				
Annual leave (Note 12a)				
- Unconditional and expected to be settled wholly within 12 months (ii)	582	563	582	563
- Unconditional and expected to be settled wholly after 12 months (iii)	65	63	65	63
Long service leave (Note 12a)				
- Unconditional and expected to be settled wholly within 12 months (ii)	119	110	119	110
- Unconditional and expected to be settled wholly after 12 months (iii)	1,071	991	1,071	991
Accrued Wages and Accrued Days Off (Note 12a)				
- Unconditional and expected to be settled wholly within 12 months (ii)	604	564	604	564
	2,441	2,291	2,441	2,291
Provisions related to Employee Benefit On-Costs				
- Unconditional and expected to be settled within 12 months (nominal value)	84	81	84	81
- Unconditional and expected to be settled after 12 months (present value)	136	126	136	126
	220	207	220	207
Total Current Provisions	**2,662**	**2,498**	**2,662**	**2,498**
Non-Current Provisions				
Employee Benefits	664	637	664	637
Provisions related to Employee Benefit On-Costs	80	77	80	77
Total Non-Current Provisions	**744**	**714**	**744**	**714**
Current Employee Benefits				
Unconditional LSL Entitlement	1,190	1,102	1,190	1,102
Annual Leave Entitlements	648	626	648	626
Accrued Wages and Salaries	490	458	490	458
Accrued Days Off	49	46	49	46
Non-Current Employee Benefits				
Conditional Long Service Leave Entitlements (present value)	332	316	332	316
Conditional Annual Leave Entitlements (present value)	372	360	372	360
Total Employee Benefits	**3,081**	**2,908**	**3,081**	**2,908**
On-Costs				
Current On-Costs	220	207	220	207
Non-Current On-Costs	40	38	40	38
Total On-Costs	**260**	**245**	**260**	**245**
Total Employee Benefits and Related On-Costs	**3,341**	**3,212**	**3,341**	**3,212**
Movement in Long Service Leave:				
Balance at start of year	**1,587**	**1,481**	**1,587**	**1,481**
Provision made during the year				
- Revaluations	(72)	17	(72)	17
- Expense recognising Employee Service	404	340	404	340
Settlement made during the year	(215)	(251)	(215)	(251)
Balance at end of year	**1,704**	**1,587**	**1,704**	**1,587**

(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.
(ii) The amounts disclosed are nominal amounts
(iii) The amounts disclosed are discounted to present values

Note 12a: Provisions (continued)

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
CURRENT (refer note 1 (l))				
Unconditional long service leave entitlements	1,332	1,234	1,332	1,234
Annual leave entitlements	725	700	725	700
Accrued Wages and Salaries	549	513	549	513
Accrued Days Off	55	51	55	51
TOTAL	**2,661**	**2,498**	**2,661**	**2,498**
Current Employee benefits that:				
Expected to be utilised within 12 months (nominal value)	1,390	1,641	1,390	1,641
Expected to be utilised after 12 months (present value)	1,271	857	1,271	857
	2,661	**2,498**	**2,661**	**2,498**
NON-CURRENT (refer note 1 (l))				
Conditional long service leave entitlements (present value)	372	354	372	354
Conditional annual leave entitlements (present value)	372	360	372	360
TOTAL	**744**	**714**	**744**	**714**
Movement in Long Service Leave:				
Balance at start of year	1,588	1,481	1,588	1,481
Provision made during the year	331	358	331	358
Settlement made during the year	(215)	(251)	(215)	(251)
Balance at end of year	**1,704**	**1,588**	**1,704**	**1,588**

Note 13: Other Liabilities

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
CURRENT				
Monies Held in Trust				
- Patient Monies Held in Trust	54	50	54	50
- Other Monies Held in Trust	195	294	195	294
Revenue in Advance	106	197	106	197
Total Current	**354**	**541**	**354**	**541**
Total Other Liabilities	**354**	**541**	**354**	**541**
Total Monies Held in Trust Represented by the following assets:				
Cash Assets (refer to Note 5)	248	345	248	345
TOTAL	**248**	**345**	**248**	**345**

Note 14: Superannuation

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

The Health Service does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Health Service.
The name, details and amounts expense in relation to the major employee superannuation funds and contributions made by the Health Services are as follows:

	Paid Contribution for the Year				Contribution Outstanding at Year End			
	Parent Entity 2014 $'000	**Consol'd 2014 $'000**	**Parent Entity 2013 $'000**	**Consol'd 2013 $'000**	**Parent Entity 2014 $'000**	**Consol'd 2014 $'000**	**Parent Entity 2013 $'000**	**Consol'd 2013 $'000**
(i) Defined benefit plans:								
First State Superannuation Fund	133	133	143	143	5	5	-	-
Defined contribution plans:								
First State Superannuation Fund	834	834	786	786	31	31	-	-
HESTA Superannuation Fund	233	233	211	211	9	9	-	-
Total	1,200	1,200	1,140	1,140	45	45	-	-

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

Note 15: Equity

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
(a) Surpluses				
Property, Plant & Equipment Revaluation Surplus				
Balance at the beginning of the reporting period	7,949	6,450	7,949	6,450
Revaluation Increment/(Decrements)				
- Buildings	5,937	1,499	5,937	1,499
Balance at the end of the reporting period	**13,886**	**7,949**	**13,886**	**7,949**
Represented by:				
- Land	806	825	806	825
- Buildings	13,079	7,123	13,079	7,123
	13,886	**7,949**	**13,886**	**7,949**
General Purpose Surplus				
Balance at the beginning of the reporting period	661	-	661	-
Transfer to and from General Reserve	(199)	661	(199)	661
Balance at the end of the reporting period	**461**	**661**	**461**	**661**
Restricted Specific Purpose Surplus				
Balance at the beginning of the reporting period	2,199	2,653	2,199	2,653
Transfer to and from Restricted Specific Purpose Reserve	(295)	(454)	(295)	(454)
Balance at the end of the reporting period	**1,903**	**2,199**	**1,903**	**2,199**
Total Surpluses	**16,250**	**10,808**	**16,250**	**10,808**
(b) Contributed Capital				
Balance at the beginning of the reporting period	9,345	9,345	9,345	9,345
Balance at the end of the reporting period	**9,345**	**9,345**	**9,345**	**9,345**
(c) Accumulated Surpluses/(Deficits)				
Balance at the beginning of the reporting period	2,328	1,200	3,667	2,544
Net Result for the Year	2,273	1,334	2,356	1,329
Transfers to and from Reserve	494	(206)	494	(206)
Balance at the end of the reporting period	**5,095**	**2,328**	**6,517**	**3,667**
(d) Total Equity at end of financial year	**30,691**	**22,482**	**32,113**	**23,821**

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

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Net Result for the Year	2,273	1,334	2,356	1,329
Depreciation & Amortisation	1,541	1,934	1,541	1,934
Impairment of Non Current Assets			-	
Provision for Doubtful Debts	(17)	6	(17)	6
Change in Inventories	(6)	10	(6)	10
Resources/Assets Received Free of Charge			-	
Net (Gain)/Loss from Sale of Plant and Equipment	(28)	21	(28)	21
Change in Operating Assets & Liabilities			-	
(Increase)/Decrease in Receivables	311	(208)	300	(208)
(Increase)/Decrease in Other Assets	86		86	
(Increase)/Decrease in Prepayments	(6)	(38)	(6)	(38)
Increase/(Decrease) in Payables	(750)	515	(748)	515
Increase/(Decrease) in Employee Benefits	196	136	196	136
Increase/(Decrease) in Other Liabilities	(188)	37	(188)	40
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**3,413**	**3,748**	**3,486**	**3,745**

Note 17: Financial Instruments

(a) Financial Risk Management Objectives and Policies

The Health Service's principal financial instruments comprise of:
- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory payables)

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

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

Categorisation of financial instruments

	Carrying Amount 2014 $'000	Carrying Amount 2013 $'000
Financial Assets		
Cash and cash equivalents	8,348	8,441
Loans and Receivables	662	913
Total Financial Assets	**9,010**	**9,354**
Financial Liabilities		
Payables	1,069	1,661
Other Financial Liabilities	354	541
Total Financial Liabilities	**1,423**	**2,202**

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

	Net holding gain/loss 2014 $'000	Net holding gain/loss 2013 $'000
Financial Assets		
Cash and Cash Equivalents	250	319
Total Financial Assets	**250**	**319**

Note 17: Financial Instruments (continued)

(b) Credit Risk

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

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

Receivables are regularly monitored by management and should collection be doubted, a specific provision is created. It is the Health Service's policy that provisions over a certain threshold are approved by management and the Board. Receivables in both the monthly management reports and annual financial statements are shown as net of provisions.

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

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

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Stawell Regional Health's maximum exposure to credit risk without taking account of the value of any collateral obtained.

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

2014	Financial institutions $'000	Government agencies $'000	Government agencies (BBB credit rating) $'000	Other (non-rated) $'000	Total $'000
Financial Assets					
Cash and Cash Equivalents	750	-	-	-	750
Receivables					
- Trade Debtors	-	162	-	102	264
- Other Receivables (i)	-	-	-	398	398
Other Financial Assets					
- Term Deposit	7,598	-	-	-	7,598
Total Financial Assets	**8,348**	**162**	**-**	**500**	**9,010**
2013					
Financial Assets					
Cash and Cash Equivalents	451	-	-	-	451
Receivables					
- Trade Debtors	-	427	-	39	466
- Other Receivables	-	-	-	447	447
Other Financial Assets					
- Term Deposit	7,990	-	-	-	7,990
Total Financial Assets	**8,441**	**427**	**-**	**486**	**9,354**

Ageing analysis of Financial Asset as at 30 June

	Consol'd Carrying Amount $'000	Not Past Due and Not Impaired $'000	Past Due But Not Impaired				Impaired Financial Assets $'000
			Less than 1 Month $'000	1-3 Months $'000	3 months - 1 Year $'000	1-5 Years $'000	
2014							
Financial Assets							
Cash and Cash Equivalents	8,348	8,348	-	-	-	-	-
Receivables							
- Trade Debtors	264	162	65	5	31	-	1
- Other Receivables	398	295	21	29	41	-	12
Total Financial Assets	**9,010**	**8,805**	**86**	**34**	**72**	**-**	**13**
2013							
Financial Assets							
Cash and Cash Equivalents	8,441	8,441	-	-	-	-	-
Receivables							
- Trade Debtors	466	253	103	55	53	-	2
- Other Receivables	447	366	10	18	25	-	28
Total Financial Assets	**9,354**	**9,060**	**113**	**73**	**78**	**-**	**29**

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Note 17: Financial Instruments (continued)

(c) Liquidity Risk

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

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

Trade Creditors and Accruals are generally paid within trading terms. It is the Health Service's policy to monitor and review the capabilities and credit worthiness of counter parties on a regular basis. The Health Service maintains a list of approved suppliers and overlays a delegation of authority for supplies over certain monetary thresholds.

The Board also recognises that, where obligated by specific legislation to quarantine financial assets to meet future financial liabilities that it does so without using these financial assets to meet day to day liquidity needs.

The following table discloses the contractual maturity analysis for the Health Service's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

Maturity analysis of Financial Liabilities as at 30 June

	Carrying Amount $'000	Nominal Amount $'000	Maturity Dates			
			Less than 1 Month $'000	1-3 Months $'000	3 months - 1 Year $'000	1-5 Years $'000
2014						
Financial Liabilities						
Payables	1,069	1,069	1,069	-	-	-
Other Financial Liabilities (i)	354	354	354	-	-	-
Total Financial Liabilities	**1,423**	**1,423**	**1,423**	**-**	**-**	**-**
2013						
Financial Liabilities						
Payables	1,661	1,661	1,661	-	-	-
Other Financial Liabilities (i)	541	541	541	-	-	-
Total Financial Liabilities	**2,202**	**2,202**	**2,202**	**-**	**-**	**-**

(i) Ageing analysis of financial liabilities excludes the types of statutory financial liabilities (i.e GST payable)

Note 17: Financial Instruments (continued)

(e) Fair Value

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

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

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

Comparison between carrying amount and fair value

	Consol'd Carrying Amount 2014 $'000	Fair value 2014 $'000	Consol'd Carrying Amount 2013 $'000	Fair value 2013 $'000
Financial Assets				
Cash and Cash Equivalents	8,348	8,348	8,441	8,441
Receivables				
- Trade Debtors	264	264	466	466
- Other Receivables	398	398	447	447
Total Financial Assets	**9,010**	**9,010**	**9,354**	**9,354**
Financial Liabilities				
Payables	1,069	1,069	1,661	1,661
Other Financial Liabilities	354	354	541	541
Total Financial Liabilities	**1,423**	**1,423**	**2,202**	**2,202**

Note 18: Commitments

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Capital Expenditure Commitments				
Lease Commitments				
Commitments in relation to leases contracted for at the reporting date:				
Operating Leases	457	119	457	119
Total Lease Commitments	**457**	**119**	**457**	**119**
Operating Leases				
Cancellable				
Not later than one year	157	55	157	55
Later than 1 year and not later than 5 years	299	64	299	64
Sub Total	**457**	**119**	**457**	**119**
TOTAL	**457**	**119**	**457**	**119**
Total Commitments for Expenditure (inclusive of GST)	**457**	**119**	**457**	**119**
less GST recoverable from the Australian Tax Office	(42)	(11)	(42)	(11)
Total Commitments for Expenditure (exclusive of GST)	**415**	**108**	**415**	**108**

Note 19: Contingent Assets and Contingent Liabilities

As at 30 June 2014 Stawell Regional Health has no knowledge of any contingent assets or liabilities. (Nil for 30 June 2013.)

Note 20: Segment Reporting

	RAC		Acute		Other		Consol'd	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
REVENUE								
External Segment Revenue	3,811	5,830	16,936	12,421	6,386	6,528	27,131	24,779
Total Revenue	**3,811**	**5,830**	**16,936**	**12,421**	**6,386**	**6,528**	**27,131**	**24,779**
EXPENSES								
External Segment Expenses	(5,605)	(5,499)	(13,720)	(13,025)	(5,701)	(5,245)	(25,026)	(23,768)
Total Expenses	**(5,605)**	**(5,499)**	**(13,720)**	**(13,025)**	**(5,701)**	**(5,245)**	**(25,026)**	**(23,768)**
Net Result from ordinary activities	**(1,794)**	**331**	**3,216**	**(604)**	**685**	**1,284**	**2,105**	**1,011**
Interest Income	-	-	-	-	250	319	250	319
Net Result for Year	**(1,794)**	**331**	**3,216**	**(604)**	**935**	**1,603**	**2,356**	**1,330**
OTHER INFORMATION								
Segment Assets	7,414	5,904	27,062	21,550	2,595	2,066	37,071	29,521
Total Assets	**7,414**	**5,904**	**27,062**	**21,550**	**2,595**	**2,066**	**37,071**	**29,521**
Segment Liabilities	992	1,140	3,620	4,161	347	399	4,958	5,700
Total Liabilities	**992**	**1,140**	**3,620**	**4,161**	**347**	**399**	**4,958**	**5,700**
Investments in Associates and Joint Venture Partnership	24	22	88	80	8	8	121	110
Acquisition of Property, Plant and Equipment and Intangible Assets	700	348	2,556	1,270	245	122	3,501	1,739
Depreciation & Amortisation Expense	308	387	1,125	1,412	108	135	1,541	1,934

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

Business Segments	**Services**
Residential Aged Care Services (RAC)	High Level and Pyschogeriatric Aged Care
Acute Health	Acute Medical & Surgical Services
Others	
-Primary Health	
-District Nursing	
-Radiology Services	
-Catering Services	
-Day Centre	
-Phone Triage	
-Consulting Rooms	
-Fundraising	

Geographical Segment

Stawell Regional Health operates predominantly in the Grampians region in Victoria. 100% of revenue, net surplus from ordinary activities and segment assets relate to operations in the Grampians region, Victoria.

Note 21: Jointly Controlled Operations and Assets

Name of Entity	Principal Activity	Ownership Interest 2014 %	Ownership Interest 2013 %
Grampians Region Health IT Alliance	IT Systems	6.09	6.09

Stawell Regional Health's interest in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the financial statements under their respective asset categories:

	2014 $'000	2013 $'000
Current Assets		
Cash and Cash Equivalents	52	83
Receivables	36	63
Total Current Assets	**88**	**146**
Non Current Assets		
Property, Plant and Equipment	69	59
Total Non Current Assets	**69**	**59**
Total Assets	**157**	**205**
Current Liabilities		
Payables	36	95
Total Current Liabilities	**36**	**95**
Total Liabilities	**36**	**95**
Total Net Assets	**121**	**110**

Stawell Regional Health's interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

	2014 $'000	2013 $'000
Revenues		
Other	293	277
Total Revenue	**293**	277
Expenses		
Information Technology and Administrative Expenses	281	281
Investment Revaluation	1	3
Total Expenses	**282**	**284**
Profit/(Loss)	**11**	**(7)**

Contingent Liabilities and Capital Commitments

As at 30 June 2014 the Grampians Region Health IT Alliance has not reported any contingent assets or liabilities.

Note 22a: Responsible Persons Disclosures

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

	Period
Responsible Ministers:	
The Honourable David Davis, MLC, Minister for Health and Ageing	01/07/2013 - 30/06/2014
The Honourable Mary Wooldridge, MLA, Minister for Mental Health	01/07/2013 - 30/06/2014
Governing Boards	
Mr R Hatton	01/07/2013 - 30/06/2014
Mrs K Douglas	01/07/2013 - 30/06/2014
Mrs L Jensz	01/07/2013 - 30/06/2014
Mrs J M Brilliant	01/07/2013 - 30/06/2014
Mr P J Martin	01/07/2013 - 30/06/2014
Mrs R Jones	01/07/2013 - 30/06/2014
Mr H L Cooper	01/07/2013 - 30/06/2014
Mr D G Stanes	01/07/2013 - 30/06/2014
Mr B Marrow	01/07/2013 - 30/06/2014
Accountable Officers	
Mr R Fitzgerald	01/07/2013 - 13/06/2014
Ms E McCourt	14/06/2014 - 30/06/2014

Remuneration of Responsible Persons

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

	Parent		Consol'd	
	2014 No.	2013 No.	2014 No.	2013 No.
Income Band				
$0 - $9,999	10	8	10	8
$230,000 - $239,999	1	1	1	1
Total Numbers	**11**	**10**	**11**	**10**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$ 242,037**	**$179,823**	**$ 242,037**	**$179,823**
Amounts relating to Responsible Ministers are reported in the financial statements of the Department of Premier and Cabinet	**$'000**	**$'000**	**$'000**	**$'000**
Other Transactions of Responsible Persons and their Related Parties. There have been no other transactions with responsible persons or their related parties during the reporting period.	-	-	-	-

Note 22b: Executive Officer Disclosures

Executive Officers' Remuneration
The numbers of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

	Parent				CONSOLIDATED			
	Total Remuneration		Base Remuneration		Total Remuneration		Base Remuneration	
	2014 No.	2013 No.	2014 No.	2013 No.	2014	2013	2014	2013
$90,000 - $99,999	-	-	1	-	-	-	1	-
$100,000 - $109,999	2	-	1	-	2	-	1	-
$110,000 - $119,999	-	1	1	1	-	1	1	1
$120,000 - $129,999	-	1	-	1	-	1	-	1
$130,000 - $139,999	1	0	0	0	1	0	0	0
Total Number of Executives	3	2	3	2	3	2	3	2
Total Annualised Employee Equivalent (AEE) (i)	3	2	3	2	3	2	3	2
Total Remuneration	**$ 339,977**	**$ 251,967**	**$ 320,627**	**$ 171,242**	**$ 339,977**	**$ 251,967**	**$ 320,627**	**$ 171,242**

(i) Annualised Employee Equivalent (AAE) is based on working 38 ordinary hours per week over the reporting period.

Note 23: Events Occurring after the Balance Sheet Date

No significant events occurred after the reporting date.

Note 24: Remuneration of Auditors

	Parent Entity 2014 $'000	Parent Entity 2013 $'000	Consol'd 2014 $'000	Consol'd 2013 $'000
Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the health services's current financial report	13	13	17	16
Total Paid and Payable	**13**	**13**	**17**	**16**

Note 25: Controlled Entities

Name of entity	Country of incorporation	Equity Holding
Stawell Regional Health Foundation	Australia	100%

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STAWELL
REGIONAL HEALTH

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