STAWELL
REGIONAL HEALTH

2014/15
ANNUAL REPORT

STAWELL
REGIONAL HEALTH

ORGANISATIONAL VALUES

Trust

We act openly and honestly as individuals and as a team.

Respect

We treat each other with respect and courtesy and value the opinions and contributions of others.

Accountability

We each take personal responsibility for our decisions and actions.

Communication

We encourage the sharing of information within our team and with the community.

Safety

We are committed to the safety of our workforce and our customers.

CONTENTS

Our Profile

Stawell Regional Health is located in Stawell, 236 kms North West of Melbourne. We are located approximately 24kms from the Grampians National Park.

Stawell Regional Health has been providing quality health care to families in the Stawell district and beyond for more than 150 years.

Our facilities – including helipad – together with a complete suite of integrated health services, are backed by a committed and caring team of highly respected medical professionals, visiting specialists, nursing, allied health and support staff.

We have a 29-bed ward and six Day Procedure beds, Operating Theatres and an Urgent Care Centre. These areas are supported by Medical Imaging, Pharmacy and Pathology.

Stawell Regional Health also offers a state of the art Community Rehabilitation and Oncology Centre.

Key clinical services include Post-Acute Care, Chemotherapy, Diabetes Education, Dietetics, Exercise Physiology, Speech Pathology, Physiotherapy, Occupational Therapy, Podiatry and Social Work, whilst our outreach programs include District Nursing.

Stawell Regional Health is one of rural Victoria's leading health care providers, a long-standing status made possible with the ongoing, generous support of our vibrant local community.

The responsible Ministers during the reporting period were:

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

Martin Foley MLA,
Minister for Mental Health
4 December 2014 to 30 June 2015

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

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

This Annual Report should be read in conjunction with the 2014–15 Quality of Care Report. Both documents are available on our website and from all our sites.

How to contact us

Address: 27-29 Sloane Street
Stawell, Vic 3380

Telephone: 03 5358 8500

Email: info@srh.org.au

Website: www.srh.org.au

Mission Statement

Stawell Regional Health Mission

To deliver public health services to best meet the changing needs of the Stawell and regional community.

Stawell Regional Health Vision

A customer focused organisation, coordinating delivery of state of the art, whole of life care.

Strategic Priorities to achieve our Vision

1. Develop a customer centred culture emphasising quality and safety
2. Deliver financially sustainable services
3. Engage our community in SRH activities and services
4. To maintain and enhance SRH service delivery and operating capacity
   a. Attract, develop and retain staff
   b. Maintain and renew infrastructure and technology
   c. Build and maintain collaborative relationships and partnerships

From the Board

Stawell Regional Health has enjoyed a productive year on many fronts. Through continued collaboration with 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 worked hard towards achieving the 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 $27k, and at the same time exceeded the access levels of last year, with notable increases in surgical services.

We have expanded oncology services in partnership with both Ballarat Regional Integrated Cancer Service and Ballarat and Austin Radiation Oncology service, and welcomed the services of Doctors Louise Gorman, Simone Reeves and Jonathon Tomaszewski radiation oncologists. They join medical oncologists Dr Stephen Brown, Dr John Sycamnias and Dr George Kannourakis in providing these much-needed services to our local community. Dr Melanie Wuttke, a visiting specialist physician, also supports Dr Stephen Brown.

Orthopaedic surgeon Mr John Dillon increased his number of surgical lists, and we welcomed orthopaedic surgeon Mr John Patrikios. Mr Iruka Kumerage also increased his surgical activity to provide a greater number of opportunities for women to have gynaecological operations in Stawell.

The new Community Rehabilitation and Oncology 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. A new Oncology Rehabilitation Program has been developed. Following two successful pilot programs, the Oncology Rehabilitation Program has now become a standard program that is offered to our community members.

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.

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 from four to five positions.

We invested in our staff by offering a Leadership Program. Eleven staff members from across all areas of the organisation participated in the program in 2015.

An organisation wide Health and Wellbeing program supports 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.

We farewelled Mrs Karen Douglas and Mr David Stanes from the Board this year after many years of valuable service; and welcomed Mr Sam Haamid and Mr Bruce Fowkes.

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 2015.

Howard Cooper
Board Chair
Stawell

31st August, 2015

Organisational Chart

Board of Management

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

Chief Executive

• Medical Library • Radiology • Health Information • Medical Services
• Engineering Services • Environmental Services • Catering Services • Quality
* Executive Team Managers

Director of Clinical Services

• Aged Care
• Residential Care/Day Centre

• Acute Services
• Medical/Surgical
• Education
• Operating Suite/CSSD
• Pre-Admission Clinic
• Pharmacy
• Transition Care Program
• Oncology

Deputy Director of Clinical Services

• Risk Management
• Infection Control
• Projects
• Hospital Admission Risk Program
• Post Acute Care Maternity Services
• District Nursing
• Hospital in the Home

Finance Manager

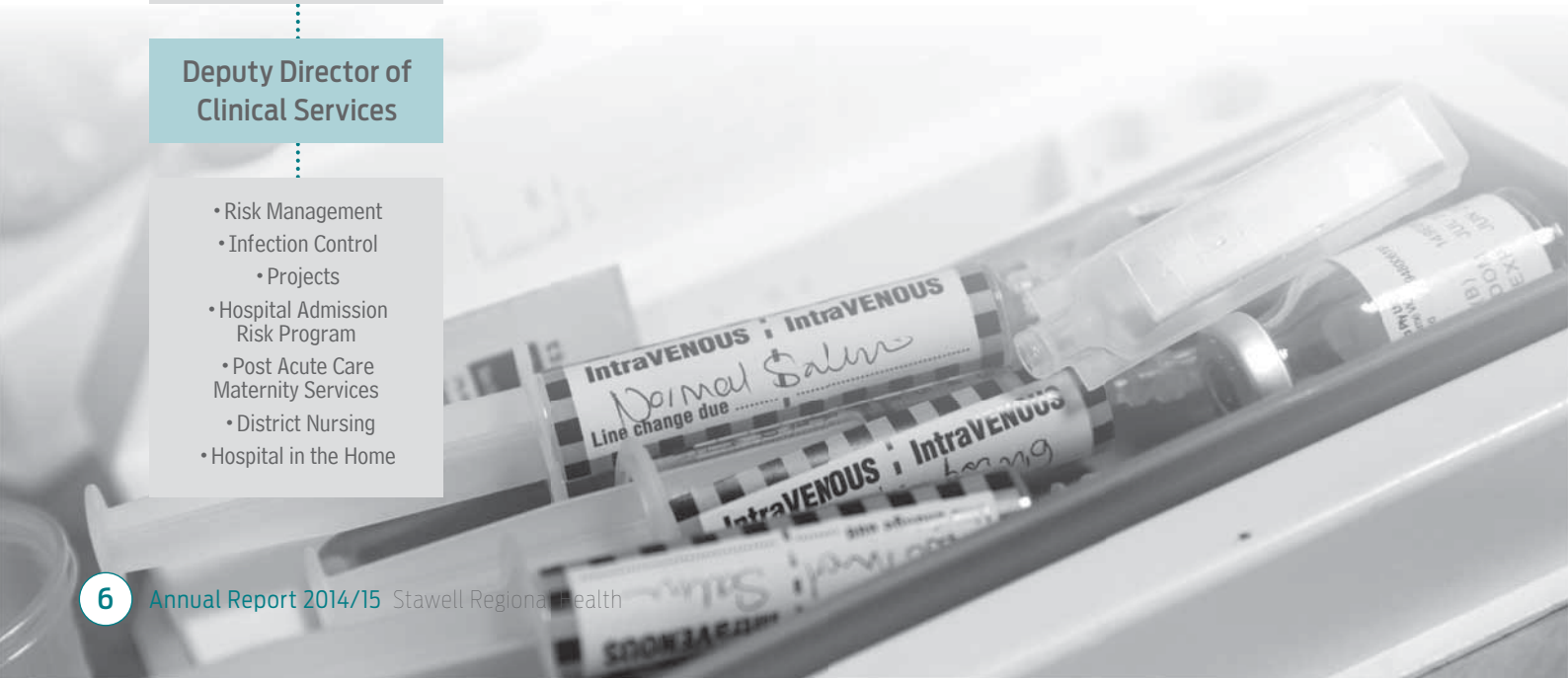
• Chief Finance Officer
• Financial Services
• Payroll
• Information Technology
• Purchasing/Supply
• Reception/Clerical

Director of Primary Care

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

Human Resources Manager

• Occupational Health and Safety
• Volunteer Program
• Emergency Management
• Public Relations/Fundraising



Board of Management

Howard Cooper

Date Appointed: 1st April 1999 Board President, Board Representative on Quality Improvement and Risk Management and Audit and Risk Committees

Primary Producer

Lynn Jensz

Date Appointed: 1st July, 2008, Board Vice President Board Representative on Board Executive.

Accountant

Peter Martin

Date Appointed: 1st April, 1999, Board Representative on Governance and Audit and Risk and Medical Appointments Committees.

Retired School Principal

Rhian Jones

Date Appointed: 20th November 2013, Board Representative on Board Executive, Governance and Medical Appointment Committees.

Mum

Joan Brilliant

Date Appointed: 1st October 1986, Board Representative on Quality Improvement and Risk Management Committee.

Postal Manager Australia Post Stawell

Ross Hatton

Date Appointed: 1st July, 2008, Board Representative on Audit and Risk Committee.

Retired Chief Executive

Barry Marrow

Date Appointed: 1st July, 2013, Board Representative on Quality Improvement and Risk Management and Governance Committees.

Retired Councillor

Sam Haamid

Date Appointed: 1st July, 2014, Board Representative on Audit and Risk Committee.

Business Compliance

Bruce Fowkes

Date Appointed: 1st July, 2014, Board Representative on Audit and Risk, Quality Improvement and Risk Management and Medical Appointments Committees.

Retired Registered Nurse

The Year in Review

Community Rehabilitation and Oncology Centre

The recently completed Community Rehabilitation and Oncology Centre (CRC) has been utilised to almost full capacity during the last 12 months, with a greater number of rehabilitation programs and individual treatment sessions provided to the community.

The purpose-built facility is the base for inpatient and outpatient 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. The new eight week oncology rehabilitation program is now a permanent service offered to our community members living 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.

Oncology services are offered by three medical oncologists and three radiation oncologists, who are supported by the oncology nurses and an experienced regional oncology Nurse Practitioner. Dedicated community volunteers, an integral part of our team, are often present to support our patients waiting for appointments and treatment.

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

Local shearer Aaron Hemley, who raised in excess of $120,000 towards the oncology unit during his huge shearing marathon, is immortalised in an action photo in the oncology unit.

Productive Series

SRH has continued to progress the Productive Series project. The Productive Series was implemented in selected health services across Victoria by the Department of Health and Human Services in 2013. Stawell Regional Health participated in the three areas of:

1. Productive Leader
2. Productive Ward
3. Productive Operating Theatre

Outcomes have seen quality improvements, particularly in Simpson Ward and Perioperative Services, with time management and system changes improving patient care. Key staff in these areas continue to work and engage all staff: nursing, medical, support services and managers in the "Productive Series' approach to improving care and systems. Patients and visitors are able to read and be involved in the improvements by way of display boards and communication boards clearly showing examples of the objectives of "Great Care" and can see the improvements being made.

SRH Executive Team

The Board and Hospital welcomed the new Executive team that comprises two former members, newly appointed Chief Executive Ms Liz McCourt, and Human Resources Manager Mrs Janet Feeny. They are joined by Director of Clinical Services Mrs Mary Bruce, Deputy Director of Clinical Services Mrs Julie Scanlon, Finance Manager Mr Rabin Bangaar, and Director of Primary Care Mr Gary Humphrey. The team farewelled Mr Wayne Marshall (Director of Clinical Services) and Mr Tony Roberts (Finance Manager).

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.

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

SRH Executive Team

Liz McCourt
Chief Executive

Rabin Bangaar
Finance Manager

Mary Bruce
Director of Clinical Services

Janet Feeny
Human Resources Manager

Julie Scanlon
Deputy Director of Clinical Services

Gary Humphrey
Director of Primary Care

New Doctors coming to Stawell

Stawell Regional Health welcomed the following new doctors: Dr Louise Gorman, Dr Simone Reeves, Dr Jonathon Tomaszewski, Dr Melanie Wuttke, and new orthopaedic surgeon, Mr John Patrikios.

There was some movement in the team at the Stawell Medical Centre this year with husband and wife Doctors Venkat Komerelly and Swetha Bandaru returning after studying at Ballarat Health Services during 2014. They have had the full support of the hospital in pursuing their interests in anaesthetics and obstetrics, and we are excited that they have rejoined the team.

End of Life Care Pathway

Working with Grampians Regional Palliative Care Consortium, SRH has introduced an End of Life Palliative Care pathway in Macpherson Smith Residential Care.

This regional initiative has been implemented over six months by a project worker leading our team in developing protocols and ensuring all residents, families and all staff groups (medical, nursing, allied health and support services), have been educated in the principles of End of Life Care and use of the pathway.

Advance Care Planning

A number of clinicians in community, acute and residential care are now trained to complete Advance Care Plans. An electronic referral process has been introduced for staff across acute and community settings to refer consumers to trained staff for completion of Advance Care Plans.

Consumer Engagement

Consumers have been playing a larger role in our health services, with the Consumer Representative role established on the SRH Quality Improvement and Risk Management Committee in January 2015.

The Quality Manager and Chief Executive developed and implemented a program of visits to community service groups. Seven service groups were visited and provided with opportunity for questions and feedback.

In September 2014, the SRH Board successfully conducted an Open Access Board Meeting in a local rural community. In addition to the Board meeting, a presentation was provided to the community members on pelvic floor health.

Financial Overview

In 2014/2015, Stawell Regional Health has continued its' commitment to the mission of delivering high quality health services to the community.

The expansion of services has been possible following 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.

Stawell Regional Health continued to deliver a surplus in 2015, although lower than the previous year. The staffing of the new CRC building for Primary Care has increased our labour costs substantially. With the increase in service delivery and local shortage of skilled staff, we had engaged a higher proportion of locum medical, physiotherapy and agency nursing staff. Whilst this has helped us deliver the needed health care support for the community, it has resulted in higher operating expenditure.

Total Consolidated Operating Revenue (Before Capital items) increased by $0.13M or 0.53% on 2014. 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 $1.05M or 4.47% on 2014 figures.

Labour expenses increased by $0.47M (2.80%) on 2014. These expenses totalling $17.43M increased as a result of employing additional staff, award increases and movements in employee entitlements.

Supplies and Consumables expenses increased by $0.8M or 25.67% primarily as a result of increased chemotherapy drug costs.

Capital Purpose Income increased by $2.04M, as we had no major capital works grants received in 2015.

In 2015, consolidated operating activities for the year resulted in a net cash outflow of $0.64M. Of this, $.57M was invested into Capital assets. Overall, consolidated cash holdings increased by $73k for the year, with the total cash on hand figure amounting to $8.1M at 30th of June 2015.

Major Acquisitions and Projects

2014/15 major acquisitions and projects include:

Building Works	$
Community Rehabilitation Centre	$24,598
Hospital - Wireless Replacement Network	$87,108
Macpherson Smith Residential Care	$12,215

Plant and Medical Equipment	$
Hospital Beds	$87,935
CXE Pumps	$7,200
OPMI surgical microscope	$17,302
Contour Multi X Trolleys	$43,500
Kitchen Convotherm Oven	$18,290

Financial Overview

Performance Indicators

Comparative Consolidated Financial Results for the Past Five Financial Years

Key Performance Indicator	2015 - $000	2014 - $000	2013 - $000	2012 - $000	2011 - $000
Total Revenue	25,473	27,382	25,097	22,469	21,052
Total Expenses	26,478	25,026	23,768	22,329	22,089
Net Results for the Year (incl. Capital and Specific Items)	(1,005)	2,356	1,329	140	(1,037)
Retained Surplus (Accumulated Deficit)	5,471	6,517	3,667	2,544	4,778
Total Assets	35,737	37,071	29,521	26,249	25,613
Total Liabilities	4,630	4,958	5,999	5,257	4,761
Net Assets	31,107	32,113	23,821	20,992	20,852
Total Equity	31,107	32,113	23,821	20,992	20,852

Human Resource Report

Investing in Our People

SRH Values

The leadership team of senior and middle managers across the organisation have continued work to embed the organisations' values into the everyday care of our patients, residents and consumers. The team of managers meet monthly to share information and ideas about services and activities across the departments. This forum, led by the Executive team, has strengthened relationships and understanding between different service areas and aims to improve patient service outcomes. It has also enabled improvements in service planning and introduction of change in the organisation.

People Matter Survey 2014/15

People Matter Survey is undertaken every year through the Victorian Public Sector Commission and measures employee perceptions of how well the organisation is performing in applying the values and principles of the Public Sector Administration Act 2004 in the workplace. Stawell Regional Health has been undertaking the Survey since its inception in 2008. Trended data from our People Matter Survey shows the organisation improving in both rates of response and individual metric trends across all areas of the public sector values and principles.

Numbers of staff responding to the Survey shown in Table 1, indicate a significant increase in comparison to previous years. 49% of staff completed the Survey this year, in comparison to previous years.

Table 1 People Matter Response Rates

2015	2014	2013	2012
49%	23%	19%	32%

In this past year, the Senior leadership team has worked to address recommendations from staff and the issues highlighted in the Survey regarding Change Management within our organisation. A Plan was developed with the Leadership Team that was communicated to staff to seek out ideas for improving change management practices. In particular, employees highlighted through the Survey Results that they sought more information about change and more opportunities to provide input when change is being considered.

The Executive team increased their time in staff departments, in particular attending staff meetings across services to provide information regarding current planning and to receive direct feedback from staff regarding their department and its needs. The Chief Executive's office has provided agendas and minutes for Staff Forums to all staff, with meetings scheduled well ahead to enable staff and managers to participate. Attendance at these forums has increased over the past twelve months.

Leadership Program

Our Transforming Leaders program which commenced in November 2014, provided a series of workshops to twelve staff across a six month period that continued to focus on building leadership capacity within the organisation. Staff involved were required

to apply for the program, undertook a comprehensive personality profile and development interview with educators from Lixivium Consulting and attended the workshops in-house. The team at Lixivium had provided this program to twelve previous participants in 2012, who have all gone on to more senior roles across the organisation and health industry. The program continues to develop skills in understanding the difference between management and leadership, building effective workplace teams, managing conflict and building resilience and effective communication. All staff who participated in the program, from a wide variety of disciplines including nursing, finance, hospitality and allied health, reported improvements to their style of management and communication within the organisation. The Executive team continue to identify opportunities for all these staff to test their skills and experiences in leadership to continue to develop an internal workforce skilled to lead in the future.

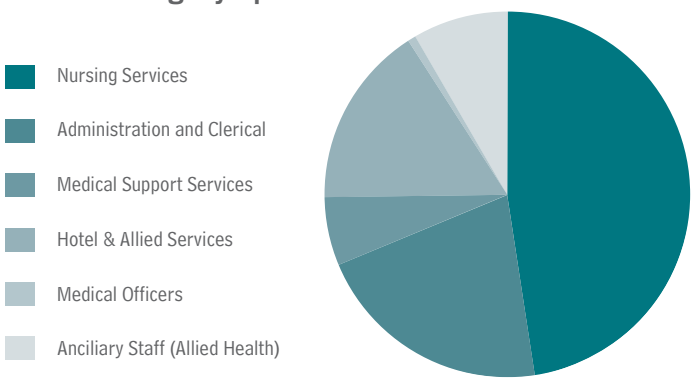
Improvements in our staff survey results include the following areas of focus:

Question from Survey	2014 Positive Response	2013 Positive Response	2012 Positive Response
I would recommend a friend or relative to be treated as a patient here	93%	89%	84%
I feel I make a contribution to achieving the organisations objectives	100%	100%	96 %
Cultural background is not a barrier to success in my organisation	100%	98 %	93%
I am aware of my organisation's values	100%	98%	91%

Labour Categories

Labour Category	June Current Month FTE		June Year to Date FTE	
	2015	2014	2015	2014
Nursing Services	83.87	83.70	85.06	86.65
Administration and Clerical	36.71	36.88	36.47	36.02
Medical Support Services	10.64	9.65	8.95	9.72
Hotel & Allied Services	28.66	26.32	28.46	26.35
Medical Officers	1.15	1.05	1.05	1.29
Anciliary Staff (Allied Health)	14.81	13.79	14.65	13.93
Total	175.85	171.39	174.64	173.96

Labour Category Spilt



Occupational Health & Safety

The organisation supported the OH&S Officer to achieve his Diploma of Occupational Health and Safety during the past twelve months. This commitment has provided additional opportunities to improve safety practices within the organisation.

Emergency Management

Summer bushfire threats continue to be monitored during the fire session. The availability of information through online sources regarding the event of a fire has allowed for increased and timely monitoring. Testing of the Code Brown External Emergency policy, through a multidisciplinary table top drill early in the year involving senior members of the organisation, led to the development of an Emergency Management Resource folder. The folder provides information that assists in identifying the degree of the threat to SRH and its departments, contact details for key staff, maps of the district, as well as information required to manage the response for senior employees whilst off site or in the event that communications are limited.

SRH identifies October as the start of the fire season and the organisation provides Summer Preparedness Education. The education is delivered by the Country Fire Authority (CFA). This education is targeted at employees who, as part of their role, travel outside the township boundaries, however all employees are invited to attend. The education focuses on actions for safety when confronted by a fire when staff are located in a vehicle or offsite location. SRH vehicles used for delivery of services are equipped with Fire Bags containing PPE (Personal Protective Equipment) identified in consultation with the CFA. Fire bags include woollen blanket for protection from radiant heat, torch to assist with visibility , bottled water for hydration, P1 or P2 face mask for protection from inhalation of smoke, sturdy gloves for protection from hot surfaces and eye protection from smoke and debris. All PPE is reviewed annually to ensure it is in good condition,operational and within the use by date.

Annual Fire Training

SRH staff completed their Annual Fire Training utilising the online 'in-house' education package, which has recently been reviewed to include the new Community Rehabilitation Centre. Staff are required to review the online education program and then answer a series of questions to ensure their comprehension of the material. 285 employees (100%) completed the training for the financial year 2014-2015. (Table 1)

Fire Extinguisher

Fire Extinguisher training was undertaken through the shared resource "Bulls Eye Fire Extinguisher" purchased through the Grampians Region Health Emergency Manager Network in 2013. Training sessions resulted in 52 staff experiencing a best practice extinguisher operation procedure. (Table 2) The scenario for this year's simulation was based on each staff member discovering a fire, which tested staff knowledge of the Code Red policy, and safe extinguisher use.

Fire and Evacuation Drills

Drills in Code Red Fire Procedures and Code Orange Evacuation Procedures are undertaken throughout the year. These are conducted in all workplaces, either through

Table 1: Fire/Evacuation

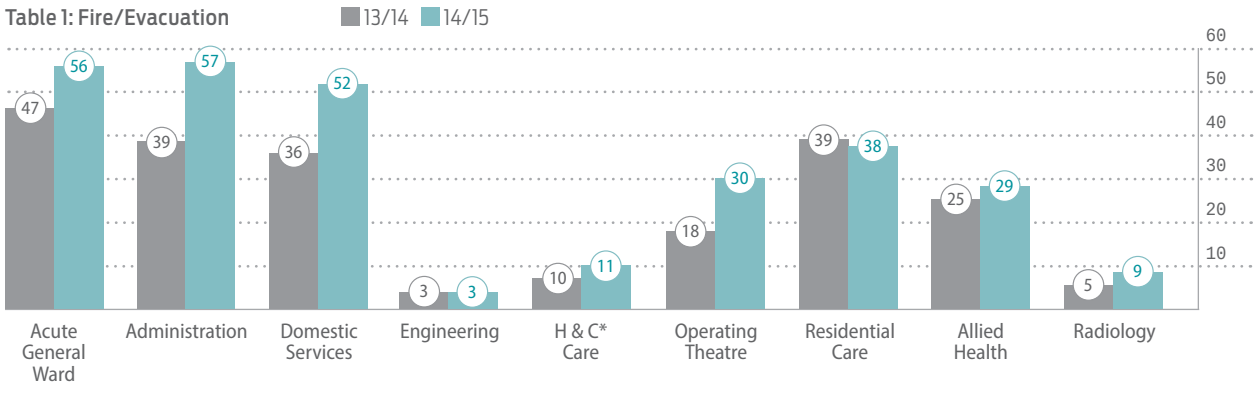
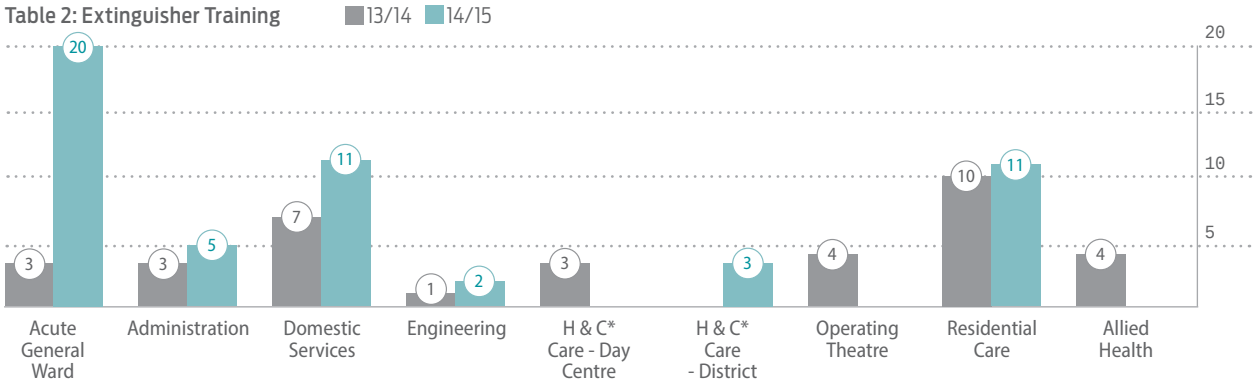


Table 2: Extinguisher Training



** H & C Care: Home and Community Care*

Occupational Health & Safety

Table 1: OH&S Incident by Severity

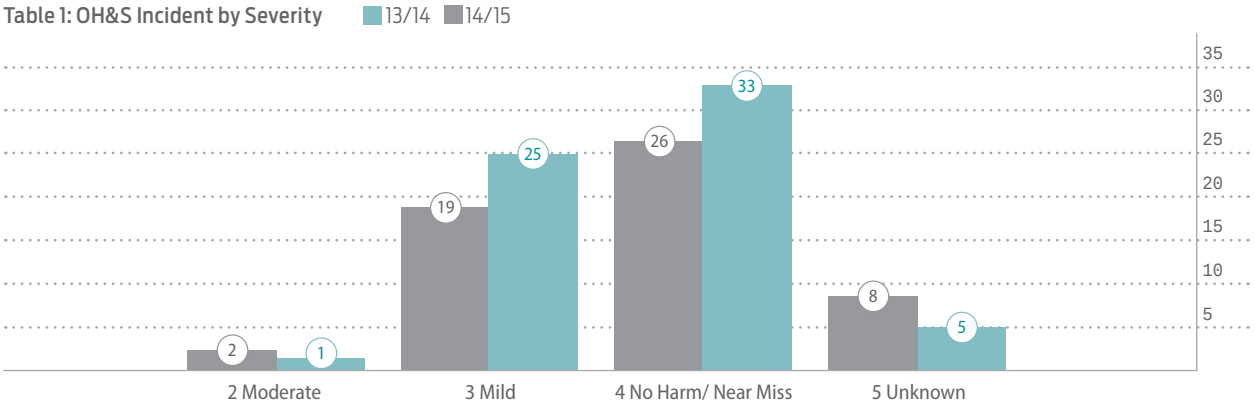


table-top scenarios or active testing. The active drill is intended to test staff response to sounding alarms, emergency alerts and managing an evacuation. Other Codes tested included Code Purple Bomb Threat and Code Black Personal Threat.

Incident Reporting

All incidents across the organisation are reported by staff through the Victorian Health Incident Management System (VHIMS). When an incident is entered, the system generates emails notifying the responsible persons that an incident has occurred. The responsible people across the organisation include the manager of the department, Risk Manager, OH&S Officer and the Executive Team. The notification system assists the management team to provide a quick response to incidents that occur in the workplace, enabling hazard and risk management to prevent or ameliorate staff injuries.

Table 1 shows OH&S incidents by severity. There has been an overall reduction in OH&S incidents reported in 2014/15.

The VHIMS system enables the responsible persons to identify trends, allocate actions and communicate reports to the safety team.

The VHIMS information is reported to the OH&S Committee bi-monthly. The information is also reported to the Board of Management in a six month Key Performance Indicator summary.

Although the reported number of incidents has reduced from the previous financial year, the departments reporting incidents have increased with a wider spread of staff accessing VHIMS and reporting incidents.

Injury Management

To increase the support available to injured workers the OH&S Officer completed the Worksafe Accredited Return to Work training in April 2015.

Employees that have an injury seek assistance through the introduction of an Employee Work Support Proposal. This provides for employees having a planned work review that identifies safe work tasks to provide for their health and wellbeing.

Code Grey

The Department of Health and Human Services introduced a state wide policy for Code Grey response in hospitals to provide detailed guidance to assist in addressing Occupational Violence. The Code Grey policy is designed to manage incidents of clinical aggression. SRH is working with other hospitals in the Grampians Region to develop Policies and Procedures, education and training for clinicians. This will be implemented from August 2015.

OH&S Policies reviewed 2014-2015

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

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
31st August 2015

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
31st August 2015

Other Information

Consistent with FRD 22F (Section 6.18) the items listed below have been retained by Stawell Regional Health Service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements):

(a) Declarations of pecuniary interests have been duly completed by all relevant officers

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

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

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

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

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

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

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

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

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

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

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

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 1 July 2014 to 3 December 2014, we reported to the responsible Minister for Health and Ageing, The Hon David Davis MLC. During the period 4 December 2014 to 30 June 2015, we reported to the responsible Minister for Heath, Minister for Ambulance Services, The Hon Jill Hennessy MLA.

Summary of Services

Allied Health

- Audiology (visiting)
- Community Health Nursing
- 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 (HARP)

Medical

- Day Oncology Unit
- Acute Care

Medical Imaging

- X-ray
- CT
- Ultrasound

Residential Aged Care

- Residential Aged Care Facility
- Aged Care Assessment Service

Rural Primary Care

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

Specialties

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

Surgical and Anaesthetic Services

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

St John of God Pathology

Fundraising

In 2014-2015 we were extremely appreciative of the following fundraising efforts:

The Community Association of Halls Gap donated over $7,200 to purchase two infusion pumps for our Oncology Service. This started our journey of upgrading and replacing all the Oncology pumps.

The Hospital Auxiliary purchased over $20,000 of equipment. This includes three Colleague Single Channel Pumps for the administration of medication; a fridge with an ice maker, and a buffet for Macpherson Smith Residential Care, eleven temporal thermometers and various educational tools for our students.

The Y-Zetts purchased over $10,000 of equipment including an Accuvein, which assists our nurses in "finding a vein" when taking blood tests and administering medication. The Y-Zetts have also purchased needle sets and a needle driver to administer medication.

The Bookworm Gallery have supported the Macpherson Smith Residential Care residents with the purchase of outdoor lifestyle equipment. They have also supported the Oncology Unit with the purchase of an Intravenous Infusion Pump.

The intrepid cyclists of Tour De Cure came through town and donated enough money to Stawell Regional Health to purchase two Vital Sign monitors on stands.

Stawell Quilters, Stawell Line Dancers and Senior Citizens all made donations to the Oncology Service which allowed Stawell Regional Health to replace the final pump required to upgrade all the infusion pumps in the Oncology Service.

The donation from the Navarre Football Club was used to purchase education resources for staff, nursing and medical students including an intravenous pump.

Conundrum Holdings, Stawell Quarry, has been a long term supporter of Stawell Regional Health, assisting us in our work of caring for the community. We have been able to purchase many items of equipment with donations received from Conundrum.

We have had many kind and generous organisations and individuals donate to our health service to maintain and develop our facility as one of the region's leading hospitals. Thank you to each and every one of you.

Statement of Priorities

Strategic Priorities for 2014-15

Priority	Action	Deliverable	Outcome
Developing a system that is responsive to people's needs	Develop an organisational policy for the provision of safe, high quality end of life care in acute and subacute settings with clear guidance about the role of, and access to, specialist palliative care.	In collaboration with Grampians Palliative Care, develop and implement policies and processes to provide high quality end of life care in the acute and subacute settings including referral pathways to access specialist palliative care.	SRH has worked with Grampians Regional Palliative Care Consortium to introduce the End of Life Palliative Care pathway in our residential care facility. Policies and procedures have been developed, and staff have been educated in their use. This pathway will be introduced into the acute setting in the next year with engagement of Visiting Medical Officers and acute care staff. Staff in the sub-acute and community settings refer to the social worker to facilitate Advance Care Planning sessions with consumers. The oncology unit staff are implementing more robust referrals for allied health specialist care and Advance Care Planning.
	Implement an organisation-wide policy for responding to clinical and non-clinical violence and aggression by patients, staff and visitors (including code grey) that aligns with department guidance (2014).	Through the Grampians Region Health Emergency Managers Network and in partnership with Ambulance Victoria, Victoria Police and other key stakeholders, develop an organisation-wide policy for responding to clinical and non-clinical violence and aggression by patients, staff and visitors (which includes Code Grey responses).	Draft Code Grey Policy developed. Training for Code Grey Response using the Management of Clinical Aggression tool is under development as a regional model through Grampians Regional Health Emergency Managers Network.
	Progress partnerships with other services to improve outcomes for regional and rural patients.	Continue to develop partnership arrangements with other agencies such as Ballarat Health Services (BHS) and Ballarat Austin Regional Oncology Centre to enhance service provision including: • the establishment of a Radiation Oncology Outreach service • the provision of support to Maryborough and District Health Service in establishing their Day Stay Oncology Service through sharing of intellectual and clinical knowledge and liaison.	Three Ballarat Austin Radiation Oncology Centre specialists have commenced consulting at SRH. Oncology staff are involved with Grampians Integrated Cancer Service projects. The Oncology Nurse Practitioner provides fortnightly support to SRH staff to enhance service provision. The regional Oncology Nurse Practitioner and Oncology staff have provided support to Maryborough and District Health Service.
	Implement formal advance care planning structures and processes, including putting into place a system for preparing and/or receiving, and documenting advance care plans in partnership with patients, carers and substitute decision makers.	Further to the prior year's completion of an Advanced Care Planning (ACP) Framework: • educate more staff about ACP • consolidate ACP in programs across acute, aged care and community at SRH • complete and audit an increased number of ACPs.	A number of clinicians in community, acute and residential care are now trained to complete Advance Care Plans. Electronic referral process introduced for staff across acute and community settings to refer consumers to trained staff for completion of Advance Care Plans. Completion of an Advance Care Plan is part of the admission to SRH Macpherson Smith Residential Care.

Statement of Priorities

Strategic Priorities for 2014-15

Priority	Action	Deliverable	Outcome
Improving every Victorian's health status and experiences	Support local implementation of the Victorian Health and Wellbeing Plan 2011–2015 through collaboration with key partners such as Local Government, Medicare Locals, community health services and other agencies (for example Women's Health Victoria and VACCHO).	SRH will be actively involved in the Grampians Pyrenees Primary Care Partnership, and actively collaborate with the Medicare Local and other partners such as Grampians Community Health and Budja Budja Aboriginal Co-Operative in the delivery of health and well-being initiatives. SRH will implement strategies from the Healthy Together Victoria project to improve health in the workplace.	SRH continues to have an active role in the Grampians Pyrenees Primary Care Partnership (shared Chair position with East Wimmera Health Service); and Chair role on the Early Intervention in Chronic Disease Management Steering Committee. Representation on Grampians Pyrenees Primary Care Partnership Integrated Health Promotion and Prevention network. Active participation in the Grampians Food Alliance on both Steering Committee and Working Groups Active participation in the Grampians Pyrenees Aboriginal Health Sub – Committee. Development of formal contract with Budja Budja Aboriginal Co-Operative around service delivery. Support of the Budja Budja Aboriginal Co-Operative community with participation in the Rural Workforce Agency Victoria Outreach program.
Improving every Victorian's health status and experiences	Use consumer feedback to improve person and family centred care, health service practice and patient experience.	Establish consumer representative role on the Stawell Regional Health Quality Improvement and Risk Management Committee. To support health literacy, implement a consumer feedback tool to be utilised by consumer groups to review consumer information and documentation.	Consumer Representative role established on Quality Improvement and Risk Management Committee, effective January 2015. Quality Manager and Chief Executive have developed and are implementing visits to service groups. A minimum of six service groups will be visited and provided with opportunity for questions and feedback by July 2015. The feedback tool collects consumer feedback from at least five consumers on newly developed Allied Health patient information brochures / handouts. Feedback has been used to inform changes to format and content prior to publishing of documents.
Improving every Victorian's health status and experiences	Improve health literacy and support informed choice and shared decision-making by responding to the health information needs of service users.	Audit SRH Health Literacy using the Enliven Organisational Health Literacy Self-assessment Resource to gather base line data against the 10 attributes of a health literate organisation recommended by the Australian Commission on Safety and Quality in Health Care.	Audit measuring levels of Health Literacy against the 10 Attributes of a Health Literate Organisation completed in 2014. Two year Action Plan developed to address identified gaps.
Expanding service, workforce and system capacity	Develop and implement a workforce immunisation plan that includes pre-employment screening and immunisation assessment for existing staff that work in high risk areas in order to align with Australian infection control and immunisation guidelines.	In collaboration with an Infection Control Practitioner, develop a workforce immunisation plan that includes pre-employment screening and immunisation assessment for new staff and review of existing staff, for those that work in identified high risk areas.	Immunisation workforce plan developed, and includes development of infection control liaison nurses with specialist skills. Data base developed recording staff immunisation status including new employees, volunteers and board members.
	Build workforce capability and sustainability by supporting formal and informal clinical education and training for staff and health students, in particular inter-professional learning.	Commence implementation of the action plan derived from the self-assessment that has been conducted using the Best Practice Clinical Learning Environment Framework. Review library space with a view to enhancing online learning access and expanding online tools and resources available for SRH staff, contractors and volunteers.	SRH continues to meet the goals of the Best Practice Clinical Learning Environment quality action plan. Significant progress in developing the orientation process for new staff, including locums, and students to the organisation. Development of resources and skills in delivery of simulated healthcare education.

Statement of Priorities

Strategic Priorities for 2014-15

Priority	Action	Deliverable	Outcome
Expanding service, workforce and system capacity	Support excellence in clinical training through productive engagement in clinical training networks and developing health education partnerships across the continuum of learning.	In partnership with Deakin University complete refurbishment of the Clinical Skills Laboratory in the Community Rehabilitation Centre. Investigate relationships with regional partners such as BHS to optimise education opportunities and infrastructure.	Proposal for library update is a work in progress, and is at the "planning and proposal" to executive stage. Refurbishment completed of a Simulation Room for training purposes. Education Manager is a member of the Grampians Region Clinical Training Network. The Education Department collaborates with the Ballarat Health Services education team on provision of regional education opportunities.
Increasing the system's financial sustainability and productivity.	Identify and Implement practice change to enhance asset management.	Review Asset Management Policy supporting further development of the Asset Replacement Schedule (ARS).	Internal Audit conducted into Asset Management, Action Plan developed.
	Reduce health service administrative costs.	Analyse administrative costs relating to internal procurement practices and identify opportunities for cost reduction in line with best practice procurement strategies. For example Health Purchasing Victoria contracts.	SRH Chief Finance Officer identified. Alignment with Health Purchasing Victoria Policies will be finalised by end 2015-16.
Implementing continuous improvements and innovation	Develop a focus on 'systems thinking' to drive improved integration and networking across health care settings.	Continue implementation of Productive Ward and Productive Operating Theatre programs.	Productive Ward work has continued with focus on the clinical handover module. The Patient Experience Tracker is providing patient feedback to staff. The Productive Operating Theatre Post Observations Final Report was submitted in June 2015. Staff are continuing this work through the department quality plans.
Implementing continuous improvements and innovation	Drive improved health outcomes through a strong focus on patient-centred care in the planning, delivery and evaluation of services, and the development of new models for putting patients first.	Continue development of model of care in Oncology Service and evaluate. Investigate models of care to support Urgent Care Centre and Acute Ward requirements, including the use of Rural and Isolated Practice Endorsed Registered Nurse (RIPERN) trained staff.	The Oncology Rehabilitation Program has become a core component of the suite of services offered to oncology patients. Review of on-call arrangements around Urgent Care Centre support. One nursing staff training in Rural and Isolated Practice Endorsed Registered Nurse (RIPERN) and developing policies around the Model. The full-time "RIPERN" qualified staff member has left SRH, hence the model had not been implemented for medication management at the time of this report.
Increasing accountability & transparency	Undertake an annual board assessment to identify and develop board capability to ensure all board members are well equipped to effectively discharge their responsibilities.	Complete annual board assessment and utilise findings to continue to develop new and existing board member skills supporting governance and accountability. Undertake an Open Access Board Meeting in a local rural community and evaluate the outcome to support on-going implementation.	Annual Board Assessment completed. Action Plan under development. Successful Open Access Board Meeting conducted in September 2014.
	Demonstrate a strategic focus and commitment to aged care by responding to community need as well as the Commonwealth Living Longer Living Better reforms.	Implement Dementia Support Program through appointment of "Memory Support Nurse". Implement activities from the Three Year Active Service Plan Review.	Dementia Support Program established. Memory Support Nurse appointed October 2014. Referrals received from across the sub region including Ararat, St Arnaud, and Beaufort Active Service Model implementation continues with the Allied Health and Community and Complex Care teams, including Home And Community Care programs implementing person centred screening and care planning. Promotion of referrals to exercise physiologist and group programs undertaken.

Statement of Priorities

Strategic Priorities for 2014-15

Priority	Action	Deliverable	Outcome
Improving utilisation of e-health and communications technology.	Trial, implement and evaluate strategies that use e-health as an enabler of better patient care.	Trial and implement of the Precedence product "CDM Net" as a web-based multi-disciplinary and multiple agency shared care planning tool in the Northern Grampians Shire and / or across the Grampians Pyrenees Primary Care Partnership.	SRH has been a significant driver of the "CDM Net" project in the Northern Grampians Shire, collaborating closely with the Grampians Medicare Local, Grampians Pyrenees Primary Care Partnership, Precedence Health and other partner agencies.
	Utilise telehealth to better connect service providers and consumers to appropriate and timely services.	Optimise use of telehealth consultations at the Community Rehabilitation Centre and Stawell Medical Centre to provide greater and more timely access to specialist services.	Telehealth is in place at Stawell Medical Centre with an endocrinologist, and at Macpherson Smith Residential Care with a geriatrician. Preliminary discussions regarding commencement of a Telehealth Pain Management Clinic pilot project with specialists from Ballarat Health Services, have been held.

Part B: Performance Priorities

Safety and Quality Performance

Patient experience and outcomes

Key Performance Indicator	Target	2014–15 actual
Victorian Healthcare Experience Survey	Full compliance	*Not achieved

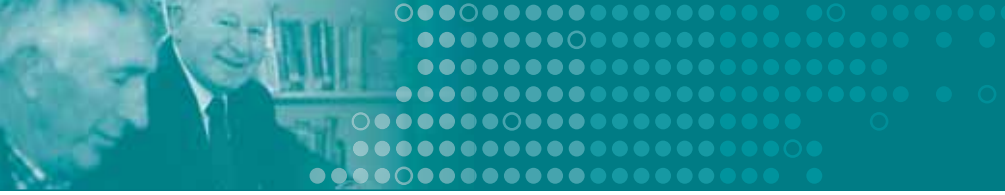
Governance, leadership and culture

Key Performance Indicator	Target	2014–15 actual
Patient safety culture	80	85

Safety and Quality

Key Performance Indicator	Target	2014–15 actual
Health service accreditation	Full compliance	Full compliance
Residential aged care accreditation	Full compliance	Full compliance
Cleaning standards	Full compliance	Full compliance
Cleaning standards (AQL-A)	90	97
Cleaning standards (AQL-B)	85	99
Cleaning standards (AQL-C)	85	99
Submission of data to VICNISS	Full compliance	Full compliance
Hand hygiene (rate) – quarter 2	75	73
Hand hygiene (rate) – quarter 3	77	79
Hand hygiene (rate) – quarter 4	80	75.7
Health care worker immunisation – influenza	75	73.7

**Not achieved owing to late data submission on one occassion. Strategies have been put in place to improve the result in 15-16*



Financial sustainability performance

Finance

Key Performance Indicator	Target	2014–15 actual
Annual Operating result ($m)	0.12	0.03
Creditors	<60 days	31
Debtors	<60 Days	23
Percentage of WIES (public & private) performance to target	100	98.8

Asset Management

Key Performance Indicator	Target	2014–15 actual
Basic asset management plan	Full compliance	Full compliance

Part C: Performance Priorities

Activity and Funding

Funding type	2014–15 Activity Achievement
Governance, leadership and culture	
WIES Public	1555
WIES Private	581
WIES (Public and Private)	**2136**
WIES DVA	63
WIES TAC	2
WIES TOTAL	**2,201**
Subacute & Nonacute Admitted	
Maintenance Public	266
Subacute Non-Admitted	
Health Independence Program	7,911
Aged Care	
Residential Aged Care	9,174
HACC	13,748
Mental Health and Drug Services	
Mental Health Residential	1,820
Primary Health	
Community Health / Primary Care Programs	8,356

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 and Human Services (Vic), Department of Health and Ageing and Home and Community Care (HACC) directives.

Compliance with Data Vic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the information included in this Annual Report will be available at http://www.data.vic.gov.au in machine readable format.

Staffing profile

A total of 279 persons were employed by Stawell Regional Health: During this period Full time 69, Part time 134 and Casual 76.

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 and Human Services to maintain a high degree of fire safety. All bed-based facilities are audited at intervals of a maximum of five years. Stawell Regional Health was last audited on 12th January 2010 by ARUP Fire (Fire Engineers) and Brian Sherwell & Associates (Building Surveyor). The current five year cycle audits have commenced. Stawell Regional Health has contracted Brian Sherwell & Associates to carry out the audits. A 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 Board Assurance on Compliance e-System (BACeS) 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, 2015.

Publications

Stawell Regional Health produces a number of publications for the community to assist them to gain a better understanding of our services and programs. They include the Annual Report, Quality of Care Report and a range of patient information brochures that 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 is committed to the aims and objectives of the Protected Disclosure Act 2012 (the Act). Stawell Regional Health Service addresses this through leadership and management, including raising awareness of the act and educating staff.

Consultancies

Details of all consultancies of $10,000 or greater can be found on our website: www.srh.org.au

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

In 2014–15 there were four consultancies where the total fees payable to the consultants were under $10,000. The total expenditure incurred during 2014-15 in relation to these consultancies was $6,380.46 (GST exclusive).

Statutory Reporting Requirements

Freedom of Information

Stawell Regional Health has received 13 requests for information under the Freedom of Information Act (1982) during the 2014-15 financial year, a decrease of one (1) on the previous financial year.

- Ten cases were granted in full
- No cases where the records were destroyed.
- No requests for access were denied
- Two cases where no documents were available
- In one case the request was not proceeded with
- There were no cases where the requests were not finalised at the time of reporting.

Victorian Industry Participation Policy

Stawell Regional Health complies with the Victorian Industry Participation Policy Act 2003.

Competitive Neutrality

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

Financial Management Act 1994

In accordance with the Direction of the Minister for Finance, the information has been prepared and is 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 has taken measures to ensure awareness and understanding of care relationship principles, in line with Section 11 of the Carer's Recognition Act 2012.

Publication of Annual Reports

Stawell Regional Health complies with the Standard Requirements for the Publication of Annual Reports.

Reporting on Office Based Environmental Data

Stawell Regional Health is committed to reducing our greenhouse footprint, and conducts Environmental Meetings each quarter to achieve a reduction in water consumption and landfill and increase recycling rates and energy efficiency. Environmental data is reported to the Department of Health and Human Services via the Agency Information Management System (AIMS).

Attestation on Data Integrity

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

Liz McCourt
Chief Executive
Stawell
31st August, 2015

Stawell Regional Health incorporates Macpherson Smith Residential Care, 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.

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SD 4.2(c)	Accountable Officer, Chief Financial Officer and Responsible Body declaration and sign off.	24
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SD 4.2(j)	Responsible Bodies Declaration	5
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FRD 22F	Manner of establishment and the relevant Ministers	14
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Legislation	Disclosure Required	Page
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FRD 22F	Application and compliance • summary of the application and operation of the Freedom of Information Act 1982 (FOI Act); • statement on compliance with the building and maintenance provisions of the Building Act 1993; • summary of the application and operation of the Protected Disclosure Act 2012; • statement on the implementation and compliance with National Competition Policy; • statement on the application and operation of the Carers Recognition Act 2012 (Carers Act). • summary of an entity's environmental performance.	 22 21 21 22 22 22
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	Statement of Priorities: Part A Part B Part C	 16-19 19 20

Stawell Regional Health

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

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and accompanying notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2015 and financial position of Stawell Regional Health and the Consolidated Entity at 30 June 2015.

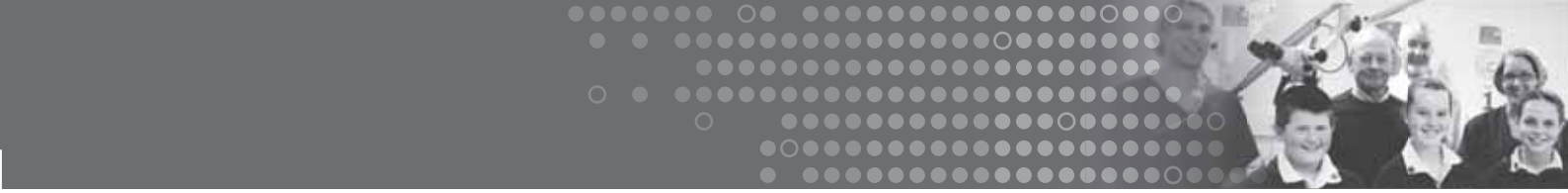
At the time of signing we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

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

Howard Cooper
Board Chair
Stawell
31st August, 2015

Liz McCourt
Accountable Officer
Stawell
31st August, 2015

Rabin Bangaar
Finance Manager
Stawell
31st August, 2015



VAGO
Victorian Auditor-General's Office

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Melbourne VIC 3000
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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Stawell Regional Health

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of Stawell Regional Health which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration has been audited. The financial report is the consolidated financial statements of the consolidated 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 consolidated 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 the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

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

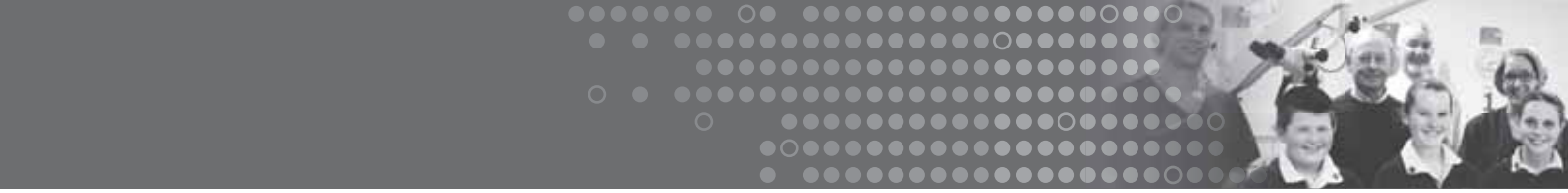
Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Stawell Regional Health and the consolidated entity as at 30 June 2015 and 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 Australian accounting profession.

MELBOURNE
31 August 2015

John Doyle
Auditor-General

2
Auditing in the Public Interest



STAWELL REGIONAL HEALTH
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

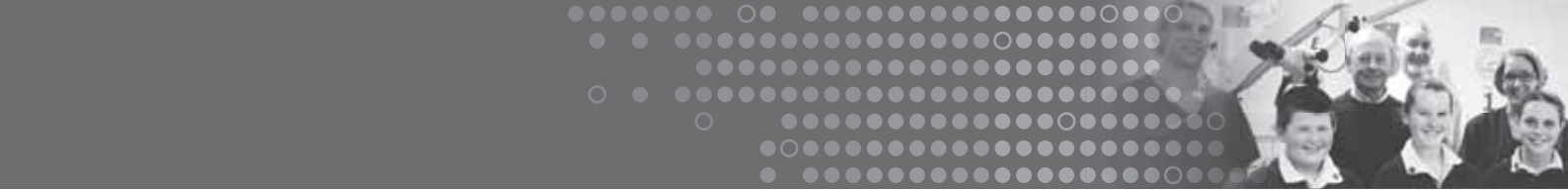
	Note	Parent Entity 2015 $'000	Parent Entity 2014 $'000	Consolidated 2015 $'000	Consolidated 2014 $'000
Revenue from Operating Activities	2	24,261	24,176	24,261	24,176
Revenue from Non-Operating Activities	2	295	250	295	250
Employee Expenses	3	(14,829)	(14,386)	(14,829)	(14,385)
Non Salary Labour Costs	3	(2,597)	(2,567)	(2,597)	(2,567)
Supplies and Consumables	3	(3,946)	(3,139)	(3,946)	(3,140)
Other Expenses	3	(3,157)	(3,389)	(3,161)	(3,392)
Net Result Before Capital and Specific Items		27	945	23	942
Capital Purpose Income	2	726	2,869	917	2,956
Depreciation	4	(1,945)	(1,541)	(1,945)	(1,541)
NET RESULT FOR THE YEAR		(1,192)	2,273	(1,005)	2,356
Other Comprehensive Income					
Net fair value revaluation on Non Financial Assets		-	5,937	-	5,938
COMPREHENSIVE RESULT		(1,192)	8,210	(1,005)	8,294

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

STAWELL REGIONAL HEALTH
BALANCE SHEET
AS AT 30 JUNE 2015

	Note	Parent Entity 2015 $'000	Parent Entity 2014 $'000	Consolidated 2015 $'000	Consolidated 2014 $'000
Current Assets					
Cash and Cash Equivalents	5	6,741	6,939	8,349	8,348
Receivables	6	647	747	652	763
Inventories	7	105	108	105	108
Other Assets	8	143	86	143	86
Total Current Assets		7,636	7,880	9,249	9,305
Non-Current Assets					
Receivables	6	154	29	154	29
Property, Plant and Equipment	10	26,032	27,402	26,032	27,402
Intangible Assets	11	302	335	302	335
Total Non-Current Assets		26,488	27,766	26,488	27,766
TOTAL ASSETS		34,124	35,646	35,737	37,071
Current Liabilities					
Payables	12	1,274	1,194	1,278	1,198
Provisions	13	2,710	2,663	2,710	2,662
Other Liabilities	15	105	354	105	355
Total Current Liabilities		4,089	4,211	4,093	4,215
Non-Current Liabilities					
Provisions	13	537	744	537	744
Total Non-Current Liabilities		537	744	537	744
TOTAL LIABILITIES		4,626	4,955	4,630	4,959
NET ASSETS		29,498	30,691	31,107	32,112
EQUITY					
Property, Plant and Equipment Revaluation Surplus	16a	13,886	13,886	13,886	13,886
General Purpose Surplus	16a	316	461	316	461
Restricted Specific Purpose Surplus	16a	2,089	1,903	2,089	1,903
Contributed Capital	16b	9,345	9,345	9,345	9,345
Accumulated Surpluses/(Deficits)	16c	3,862	5,095	5,471	6,517
TOTAL EQUITY		29,498	30,691	31,107	32,112
Commitments	19				
Contingent Assets and Contingent Liabilities	20				

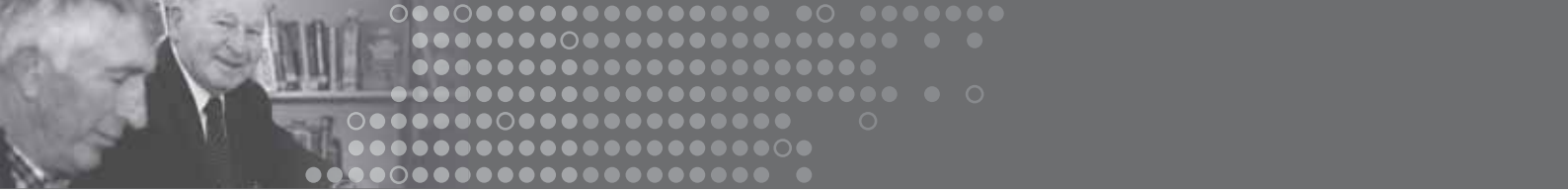
This Statement should be read in conjunction with the accompanying notes.



STAWELL REGIONAL HEALTH
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

Consolidated	Note	Property, Plant and Equipment Revaluation Surplus $'000	General Purpose Surplus $'000	Restricted Specific Purpose Surplus $'000	Contributed Capital $'000	Accumulated Surpluses (Deficits) $'000	Total $'000
Balance at 1 July 2013		7,949	660	2,198	9,345	3,667	23,819
Net result for the year	16(c)	0	0	0	0	2,356	2,356
Transfer to Accumulated Surplus	16(a)	0	(199)	(295)	0	494	0
Other Comprehensive income for the year	16(a)	5,937	0	0	0	0	5,937
Balance at 30 June 2014		**13,886**	**461**	**1,903**	**9,345**	**6,517**	**32,112**
Net result for the year	16(c)	0	0	0	0	(1,005)	(1,005)
Transfer to Accumulated Surplus	16(a)	0	(145)	186	0	(41)	0
Other Comprehensive income for the year	16(a)	0	0	0	0	0	0
Balance at 30 June 2015		**13,886**	**316**	**2,089**	**9,345**	**5,471**	**31,107**

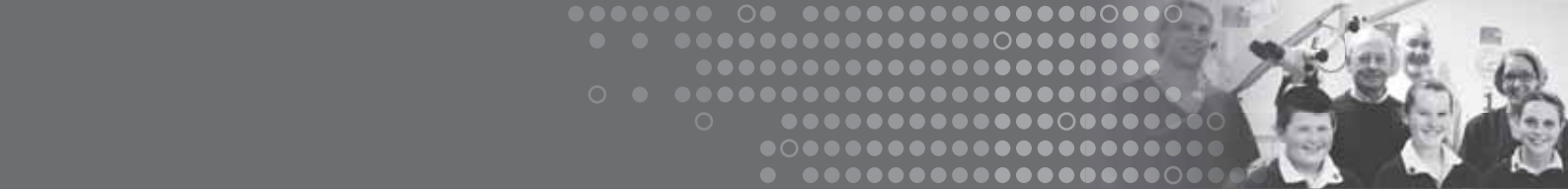
Parent	Note	Property, Plant and Equipment Revaluation Surplus $'000	General Purpose Surplus $'000	Restricted Specific Purpose Surplus $'000	Contributed Capital $'000	Accumulated Surpluses (Deficits) $'000	Total $'000
Balance at 1 July 2013		7,949	660	2,198	9,345	2,328	22,480
Net result for the year	16(c)	0	0	0	0	2,273	2,273
Transfer to Accumulated Surplus	16(a)	0	(199)	(295)	0	494	0
Other Comprehensive income for the year	16(a)	5,937	0	0	0	0	5,937
Balance at 30 June 2014		**13,886**	**461**	**1,903**	**9,345**	**5,095**	**30,691**
Net result for the year	16(c)	0	0	0	0	(1,192)	(1,192)
Transfer to Accumulated Surplus	16(a)	0	(145)	186	0	(41)	0
Other Comprehensive income for the year	16(a)	0	0	0	0	0	0
Balance at 30 June 2015		**13,886**	**316**	**2,089**	**9,345**	**3,862**	**29,498**



STAWELL REGIONAL HEALTH
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	Parent Entity 2015 $'000	Parent Entity 2014 $'000	Consolidated 2015 $'000	Consolidated 2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)
Operating Grants from Government		18,487	19,089	18,487	19,089
Patient and Resident Fees Received		1,793	1,638	1,793	1,638
GST (Paid to)/received from ATO		(36)	783	(36)	783
Interest Received		174	262	234	299
Other Receipts		3,798	2,891	3,798	2,891
Total Receipts		***24,216***	***24,663***	***24,276***	***24,700***
Employee Expenses Paid		(14,988)	(14,190)	(14,988)	(14,190)
Non Salary Labour Costs		(2,597)	(2,824)	(2,597)	(2,824)
Payments for Supplies and Consumables		(3,943)	(3,919)	(3,943)	(3,918)
Other Payments		(2,916)	(3,311)	(2,920)	(3,423)
Total Payments		***(24,444)***	***(24,244)***	***(24,448)***	***(24,355)***
Cash Generated from Operations		(228)	419	(172)	345
Capital Grants from Government		317	2,532	317	2,532
Capital Donations and Bequests Received		156	294	299	441
Other Capital Receipts		194	168	194	168
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	17	439	3,413	638	3,486
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for Non-Financial Assets		(591)	(3,517)	(591)	(3,517)
Proceeds from Sale of Non-Financial Assets		78	34	78	34
Cash Used in Joint Venture		(52)	-	(52)	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(565)	(3,483)	(565)	(3,483)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(126)	(70)	73	3
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		6,690	6,760	8,099	8,096
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	6,564	6,690	8,172	8,099

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



NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for Stawell Regional Health for the period ending 30 June 2015. The purpose of the report is to provide users with information about the Health Services' stewardship of resources entrusted to it.

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act* 1994, and applicable Australian Accounting Standards (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" Health Services under the AAS's.

The annual financial statements were authorised for issue by the Board of Stawell Regional Health on: 27th August, 2015.

(b) Basis of accounting preparation and measurement

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015, and the comparative information presented in these financial statements for the year ended 30 June 2014.

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

These financial statements are presented in Australian Dollars, the functional and presentation currency of the 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:

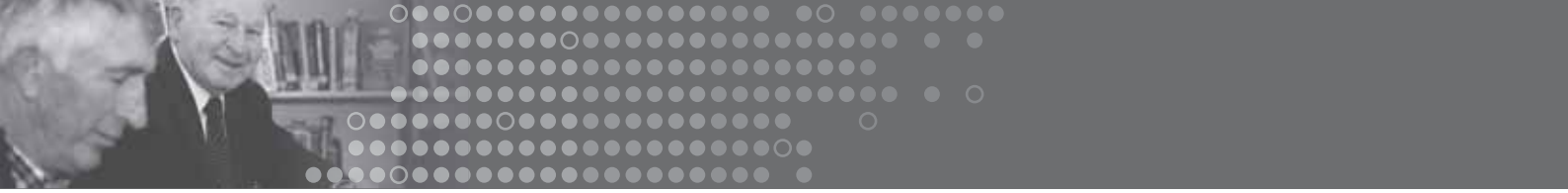
- Non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are reassessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;
- Derivative financial instruments, managed investment schemes, certain debt securities, and investment properties after initial recognition, which are measured at fair value with changes reflected in the comprehensive operating statement (fair value through profit and loss);
- Available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised (i.e. other comprehensive income - items that may be reclassified subsequent to net result); and
- 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, Stawell Regional Health 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.



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

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

The Valuer-General Victoria (VGV) is Stawell Regional Health's independent valuation agency.

Stawell Regional Health, in conjunction with VGV and Cosgraves Property advisers monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

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));
- superannuation expense (refer to Note 1(h)); and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(i)).

(c) Reporting Entity

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

Its principal address is:
Sloane Street
Stawell, Victoria 3380

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

Objectives and funding

Stawell Regional Health's overall objective is to provide quality health care and support services that meets the needs of their community in a safe and friendly environment for all clients and staff, as well as improve the quality of life for all Victorians.

Stawell Regional Health is predominately funded by accrual based grant funding for the provision of outputs.

(d) Principles of Consolidation

In accordance with AASB 10 *Consolidated Financial* Statements:

- The consolidated financial statements of Stawell Regional Health incorporates the assets and liabilities of all entities controlled by Stawell Regional Health as at 30 June 2015, and their income and expenses for that part of the reporting period in which control existed; and
- The consolidated financial statements exclude bodies of Stawell Regional Health that are not controlled by Stawell Regional Health, and therefore are not consolidated.
- Control exists when Stawell Regional Health has the power to govern the financial and operating policies of a Health Service 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.

Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

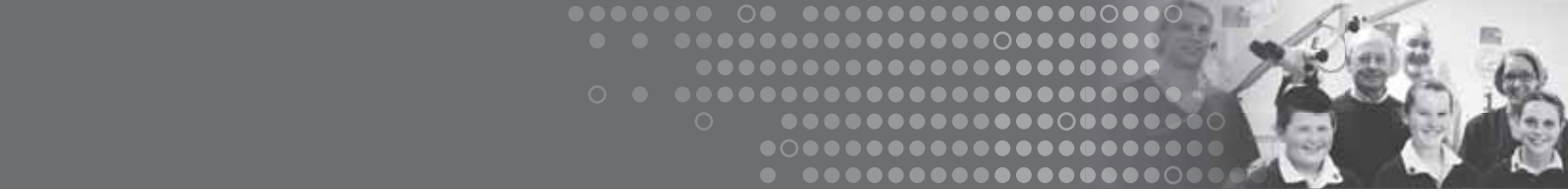
Entities consolidated into Stawell Regional Health reporting entity include:
- Stawell Regional Health Foundation

Intersegment Transactions

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

Jointly controlled assets or operations

Interest in jointly controlled assets or operations are not consolidated by Stawell Regional Health, but are accounted for in accordance with the policy outlined in Note 1(k) Financial Assets.



(e) Scope and presentation of financial statements

Fund Accounting

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

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

Activities classified as *Services Supported by Health Services Agreement* (HSA) are substantially funded by the Department of Health and Human Services and include Residential Aged Care Services (RACS) and are also funded from other sources such as the Commonwealth, patients and residents, while *Services Supported by Hospital and Community Initiatives* (H&CI) are funded by the 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 notes 2 and 3 to the financial statements.

Comprehensive operating statement

The comprehensive operating statement includes the subtotal entitled 'Net Result Before Capital and Specific Items' to enhance the understanding of the financial performance of Stawell Regional Health. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, expenditure using capital purpose income and items of a 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 and Specific Items' is used by the management of Stawell Regional Health, the Department of Health and Human Services and the Victorian Government to measure the ongoing operating performance of Health Services.

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

* Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works and plant and equipment.
  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;

* Specific income/expense, comprises the following items, where material:
  - Voluntary departure packages
  - Write-down of inventories
  - Non-current asset revaluation increments/decrements
  - Non-current assets lost or found
  - Forgiveness of loans
  - Reversals of provisions
  - Voluntary changes in accounting policies (which are not required by an accounting standard
  - or other authoritative pronouncement of the Australian Accounting Standards Board);

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

* Depreciation as described in note 1 (h);

* Assets provided or received free of charge, as described in note 1 (g); and

* 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 (non-current being those assets or liabilities expected to be recovered / settled more than 12 months after reporting period), are disclosed in the notes where relevant.

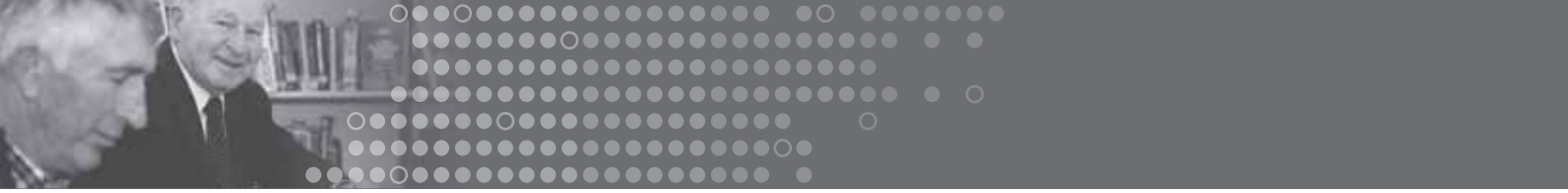
Statement of changes in equity

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

Cash Flow Statement

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

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current



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

Rounding

All amounts shown in the financial statements are expressed to the nearest dollar unless otherwise stated.

Minor discrepancies in tables between totals and sum of components are due to rounding.

Comparative Information

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

(f) Change in accounting policies

AASB 10 Consolidated financial statements

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

(a) The investor has power over the investee;
(b) The investor has exposure, or rights to variable returns from its involvement with the investee; and
(c) The investor has the ability to use its power over the investee to affect the amount of investor's returns.

Based on the new criteria prescribed in AASB 10, Stawell Regional Health has reviewed the existing arrangements to determine if there are any additional entities that need to be consolidated into the group. Based on this review Stawell Regional Health has determined there are no additional entities required to be consolidated in accordance with AASB 10.

AASB 11 Joint Arrangements

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

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

Stawell Regional Health has accounted for the following interests in associates and joint ventures using the joint operation method:
- Grampians Rural Health Alliance

AASB 12 Disclosure of Interests in Other Entities

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

Stawell Regional Health has disclosed information about its interests in associates and joint ventures, including any significants judgement and assumptions used in determining the type of joint arrangement in which it has an interest.

Early adoption of new Standards

Accounting Standard AASB 2015-7 *Fair Value disclosures of Not-for-Profit Public Sector Entities* was issued on 13th July 2015 for application from 1 July 2016. Stawell Regional Health have elected to adopt this standard early and apply the changes to the 2014-15 financial statements.

The amended standard provides relief to not-for-profit public sector entities from making certain specified disclosures about the fair value measurement of assets within the scope of AASB 116 *Property, Plant and Equipment* which are held for their current service potential rather than to generate future cash inflows.

This is a disclosure impact only, with no current or future financial impact expected.

(g) Income from transactions

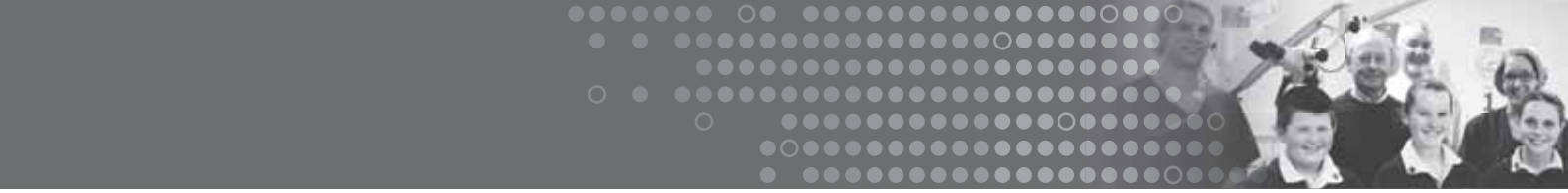
Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to Stawell Regional Health and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in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

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

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

In accordance with AASB 1004 *Contributions,* government grants and other transfers of income (other than contributions by owners are recognised as income when the 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 obligations can be reliably measured.



(g) Income from transactions (Continued)

Indirect Contributions from the Department of Health and Human Services

- Insurance is recognised as revenue following advice from the Department of Health and Human Services.
- Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 05/2013 (update for 2013-14).

Patient and Resident Fees

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

Private Practice Fees

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

Revenue from commercial activities

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

Donations and Other Bequests

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

Interest Revenue

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

Sale of investments

The gain/loss on the sale of investments is recognised when the investment is realised.

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

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

(h) Expense recognition

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

Cost of goods sold

Cost 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

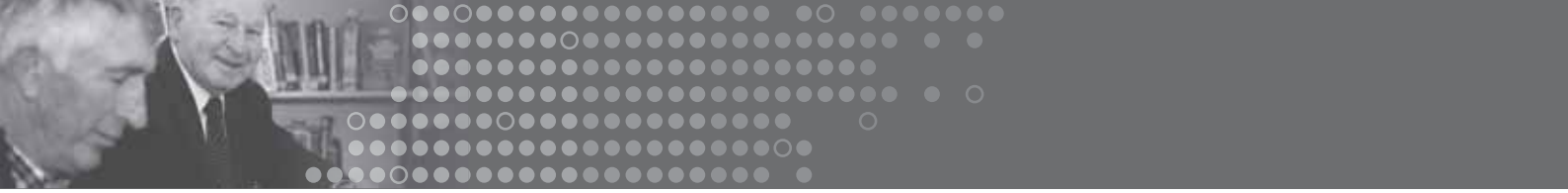
In relation to defined contributions (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation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

Defined benefit 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 reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

Employees of the Stawell Regional Health are entitled to receive superannuation benefits and Stawell Regional Health contributes to both the defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years 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 are disclosed in Note 14: Superannuation.



(h) Expense recognition (Continued)

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (i.e. excludes land assets held for sale, and investment properties). Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

Intangible produced assets with finite lives are depreciated as an expense from transactions on a systematic basis over the asset's useful life. Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation charge is not funded by the Department of Health and Human Services. Assets with a cost in excess of $1,000 are capitalised and depreciated has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

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

	2015	2014
Buildings		
- 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 and 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 Fittings	5 to 15 years	5 to 15 years
Motor Vehicles	7 years	7 years

As part of the buildings valuation, building values were separated into components and each component assessed for its useful life which is represented above.

Intangible produced assets with finite lives are depreciated as an expense on a systematic basis over the asset's useful life.

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 (2014: 3-5 years).

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operating and include:

Supplies and Consumables

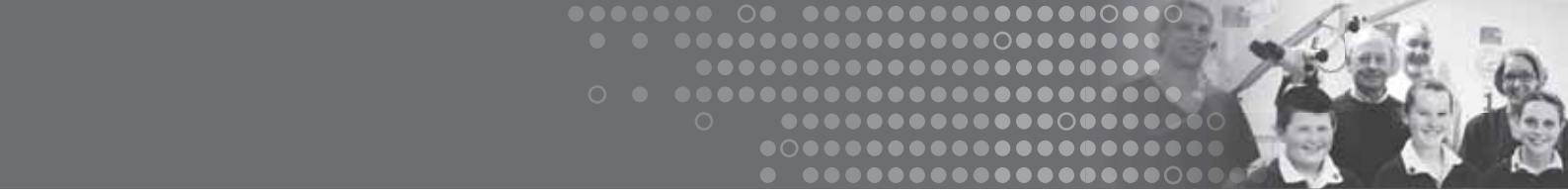
Supplies and service costs which are recognised as an expense in the reporting period in which they are incurred.
The carrying amounts of any inventories held for distribution are expenses when distributed.

Bad and Doubtful Debts

Refer to note 1 (k) *Impairment of financial assets.*

Fair value of assets, services and resources provided free of charge or for nominal consideration

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer will be recognised at it's carrying value. Contributions in the form of services are only



(i) Other comprehensive income

Other comprehensive income measure the change in volume or value of assets or liabilities that do not result from transactions.

Net Gain / (Loss) on Non-Financial Assets

Net gain / (loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Net gain/(loss) on disposal of Non-Financial Assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is the difference between proceeds and the carrying value of the asset at the time.

Impairment of Non-Financial Assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Refer to Note 1 (k) Assets.

(j) Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Stawell Regional Health's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Reclassification of financial instruments at fair value through profit or loss

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(k)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Available-for-sale financial assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, gains and losses arising from changes in fair value are recognised in 'other comprehensive income' until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period. Fair value is determined in the manner described in Note 18.

Reclassification of available-for-sale financial assets

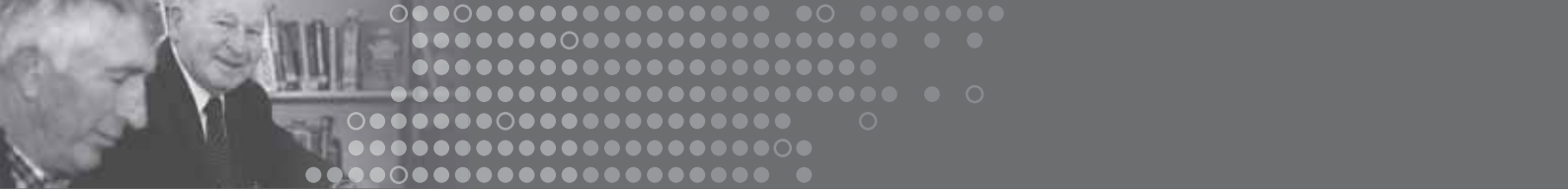
Available-for sale financial instrument assets that meet the definition of loans and receivables may be classified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

(k) Assets

Cash and Cash Equivalents

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

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet.



(k) Assets (Continued)

Receivables

Receivables consist of:

- Contractual receivables, which includes of mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables; and
- Statutory receivables, which includes predominantly amounts owing from the Victorian Government and Goods and Services Tax ("GST") input tax credits recoverable.

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

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

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

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;
- Held-to-maturity;
- Loans and receivables; and
- Available-for-sale financial assets.

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

Stawell Regional Health 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 and loss are subject to annual review for impairment.

Inventories

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

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

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

The basis 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.

Property, Plant and Equipment

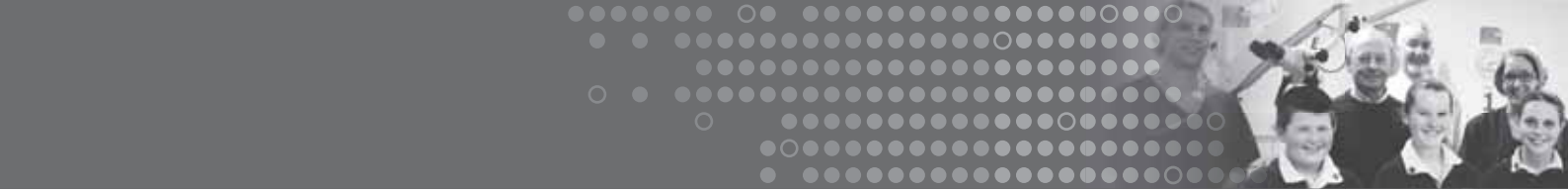
All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger / machinery of government are transferred at their carrying amount.

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 10 *Property, plant and equipment*.

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

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

Plant, Equipment and Vehicles are recognised initially at cost and subsequently measured at fair value less accumulated depreciation



(k) Assets (Continued)

Revaluations of Non-current Physical Assets

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

Revaluation increments are recognised in 'other comprehensive income' and are credited directly 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 the net result, the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

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

In accordance with FRD 103F Stawell Regional Health's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required. This assessment did not identify any significant movements that would require a revaluation.

Prepayments

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

Disposal of Non-Financial Assets

Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement. Refer to note 1(h) - 'other comprehensive income'.

Impairment of Non-Financial Assets

Goodwill and intangible assets with indefinite lives (and intangible assets not yet available for use) are tested annually for impairment (as described below) and whenever there is an indication that the asset may be impaired.

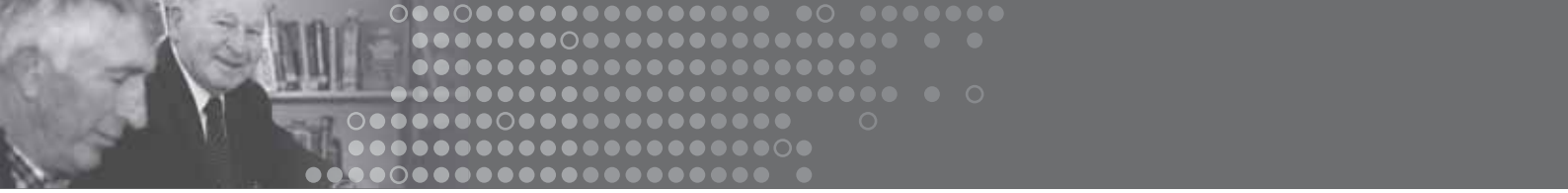
All other non-financial assets are assessed annually for indications of impairment, except for:

- inventories;
- financial assets;
- investment properties that are measured at fair value;
- non-current physical assets held for sale; and
- assets arising from construction contracts.

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 reversal 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 unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.



(k) Assets (Continued)

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

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

Investments in joint operations

In respect of any interest in joint operations, Stawell Regional Health recognises in the financial statements:

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

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- the rights to receive cash flows from the asset have expired; or
- the Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Health Service has transferred its rights to receive cash flows from the asset and either:
  (a) has transferred substantially all the risks and rewards of the asset; or
  (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Health Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Health Service's continuing involvement in the asset.

Impairment of financial assets

At the end of each reporting period Stawell Regional Health assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit and loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Bad debts considered as written off and allowances for doubtful receivables are expensed. Bad debts written off by mutual consent and the allowance for doubtful debts are classified as 'other comprehensive income' in the net result.

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

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months, the financial asset is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2015 for its portfolio of financial assets, Stawell Regional Health obtained a valuation based on the best available advice using an estimated market value through a reputable financial institution.
This value was compared against valuation methodologies provided by the issuer as at 30 June 2015. These methodologies were critiqued and considered to be consistent with standard market valuation techniques.

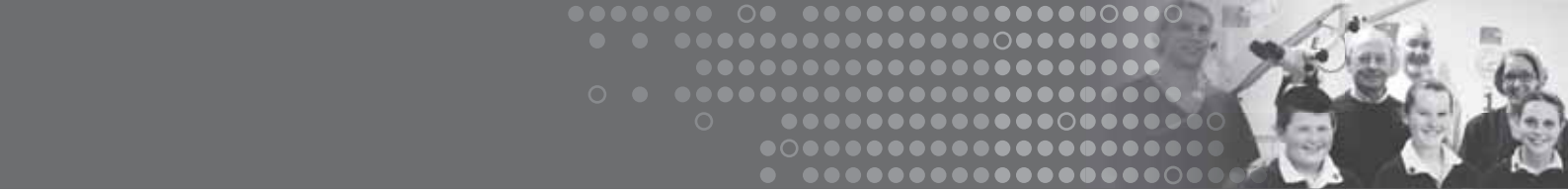
In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

Net Gain/(Loss) on Financial Instruments

Net Gain/(Loss) on financial instruments includes:
- realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or loss or held-for-trading;
- Impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets and derecognition of financial liabilities.

Revaluations of Financial Instruments at Fair Value

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets.



(I) Liabilities

Payables

Payables consist of:

- contractual payables which consist predominantly of accounts payable representing 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 those goods and services. The normal credit terms for accounts payable are usually Nett 30 days.

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

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

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

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

Wages and Salaries, Annual Leave and Accrued Days Off

Liabilities for wages and salaries, including non-monetary benefits and annual leave are all recognised in the provision for employee benefits as 'current liabilities', because the health service does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

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

Long Service Leave (LSL)

Liability for LSL is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the 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:

- Undiscounted value – if the health service expects to wholly settle within 12 months; and
- Present value – if the health service does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss followed revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow.

Termination Benefits

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

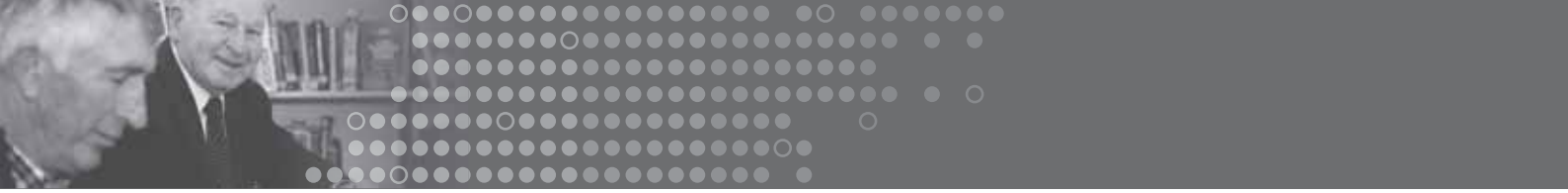
The health service recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.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

On-Costs

Provisions for on-costs, such as payroll tax, workers compensation, superannuation are recognised separately from the provision for employee benefits.

Superannuation Liabilities

Stawell Regional Health does not recognise any unfunded defined benefit liability in respect of the superannuation plans



(m) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risked 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.

Operating leases

Operating lease payment, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

(n) Equity

Contributed Capital

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

Transfers of net assets arising from administrative restructurings are treated as contributions by owners. Transfers of net liabilities arising from administrative restructures are to go through the comprehensive operating statement.

Property, plant and equipment revaluation surplus

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

General Purpose Surplus

The general purpose surplus is used to record transfers to and from general surplus, share of increments in surplus attributable to associates and jointly controlled operations. Stawell Regional Health uses the general purpose surplus for General Donor Funds and other Capital Works, such as the wireless network for building automation.

Specific restricted purpose surplus

A specific restricted purpose surplus 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

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to note 19) at their nominal value and are inclusive of the goods and services tax ("GST") payable.
In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

(p) Contingent assets and contingent liabilities

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

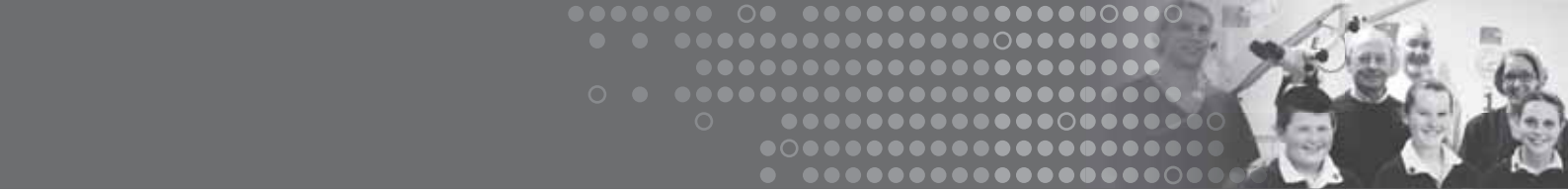
(q) Goods and Services Tax ("GST")

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case 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 operating cash flow.

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

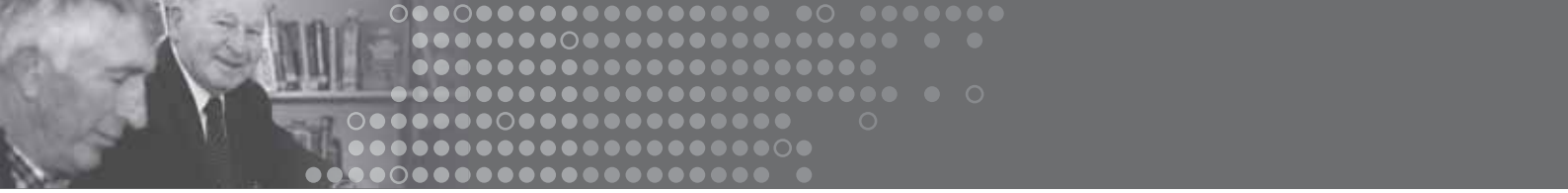


(r) AASs issued that are not yet effective

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

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

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 9 *Financial Instruments*	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 15 *Revenue from Contracts with Customers*	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2017 (Exposure Draft 263 - potential deferral to 1 Jan 2018).	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2014-1 *Amendments to* Australian Accounting Standards *[Part E Financial Instruments]*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-4 *Amendments to* Australian Accounting *Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]*	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: - establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; - prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.	1 Jan 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2014-9 *Amendments to* Australian Accounting *Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]*	Amends AASB 127 Separate Financial Statements to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 Jan 2016	The assessment indicates that there is no expected impact as the entity will continue to account for the investments in subsidiaries, joint ventures and associates using the cost method as mandated if separate financial statements are presented in accordance with FRD 113A.



(r) AASs issued that are not yet effective (Continued)

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]*	AASB 2014-10 amends *AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates* to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that: - a full gain or loss to be recognised by the investor when a transaction involves a business (whether it is housed in a subsidiary or not); and - a partial gain or loss to be recognised by the parent when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	1 Jan 2016	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.
AASB 2015-6 *Amendments to* Australian Accounting *Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]*	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 July 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2014-15 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2014-15 reporting period and is considered to have insignificant impacts on public sector reporting.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.
- 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements.
- 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.
- 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting.
- 2013-5 Amendments to Australian Accounting Standards – Investment Entities
- 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements
- 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policy holders
- 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
- AASB Interpretation 21 Levies.

(s) Category Groups

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

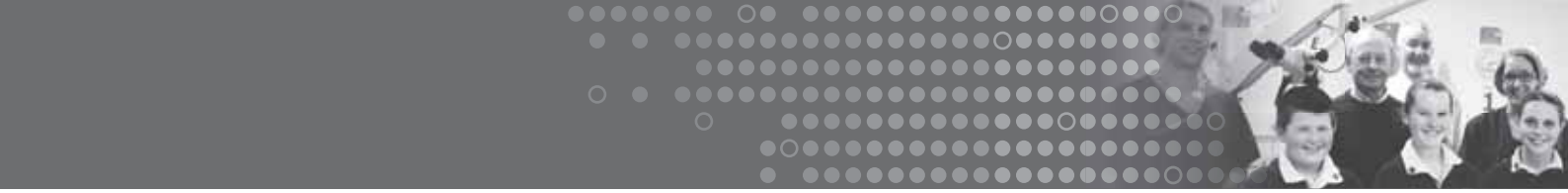
Admitted Patient Services (Admitted Patients) comprises all acute and subacute admitted patient services, where services are delivered in public hospitals.

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

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

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

Other Services not reported elsewhere - (Other) comprises services not separately classified above, including: Public Health Services including laboratory testing, blood borne viruses / sexually transmitted infections clinical services, Kooris liaison officers, immunisation and screening services, drugs services including drug withdrawal, counselling and the needle and syringe program, Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including sexual assault



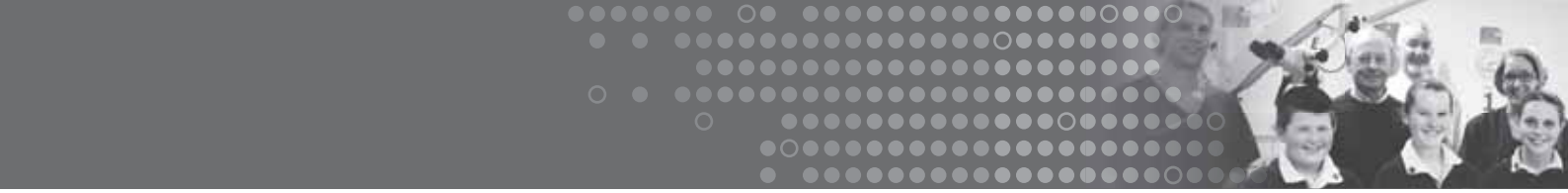
Note 2: ANALYSIS OF REVENUE BY SOURCE	**Admitted Patients 2015 $'000**	**Outpatients 2015 $'000**	**Ambulatory 2015 $'000**	**RAC incl. Mental Health 2015 $'000**	**Aged Care 2015 $'000**	**Primary Health 2015 $'000**	**Other 2015 $'000**	**TOTAL 2015 $'000**
Government Grants	11,832	553	516	2,710	664	2,175	0	18,450
Indirect Contributions by Department of Health and Human Services	148	0	0	0	0	0	0	148
Patient and Resident Fees	900	26	0	645	131	85	0	1,787
Grampians Rural Health Alliance	0	0	0	0	0	0	301	301
Commercial Activities & Specific Purpose Funds	0	0	0	0	0	0	2,553	2,553
Other Revenue from Operating Activities	846	27	46	0	23	42	38	1,022
Total Revenue from Operating Activities	**13,726**	**606**	**562**	**3,355**	**818**	**2,302**	**2,892**	**24,261**
Interest and Dividends	0	0	0	0	0	0	209	209
Other Revenue from Non Operating Activities	82	0	0	3	0	1	0	86
Total Revenue from Non-Operating Activities	**82**	**0**	**0**	**3**	**0**	**1**	**209**	**295**
Capital Purpose Income	0	0	0	0	0	0	869	869
Capital Interest	0	0	0	0	0	0	48	48
Total Capital Purpose Income	**0**	**0**	**0**	**0**	**0**	**0**	**917**	**917**
TOTAL REVENUE	**13,808**	**606**	**562**	**3,358**	**818**	**2,303**	**4,018**	**25,473**

Note 2: ANALYSIS OF REVENUE BY SOURCE (Continued)

	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
Government Grants	11,556	621	962	2,799	672	2,194	0	18,804
Indirect Contributions by Department of Health and Human Services	34	2	3	8	2	6	0	55
Patient and Resident Fees	873	5	0	599	110	67	0	1,654
Share of Jointly Controlled Revenue	103	17	24	91	14	44	0	293
Commercial Activities & Specific Purpose Funds	0	0	0	0	0	0	2,760	2,760
Other Revenue from Operating Activities	375	20	31	91	22	71	0	610
Total Revenue from Operating Activities	**12,941**	**665**	**1,020**	**3,588**	**820**	**2,382**	**2,760**	**24,176**
Interest and Dividends	0	0	0	0	0	0	250	250
Total Revenue from Non-Operating Activities	**0**	**0**	**0**	**0**	**0**	**0**	**250**	**250**
Capital Purpose Income	2,309	0	0	223	0	162	262	2,956
Total Capital Purpose Income	**2,309**	**0**	**0**	**223**	**0**	**162**	**262**	**2,956**
TOTAL REVENUE	**15,250**	**665**	**1,020**	**3,811**	**820**	**2,544**	**3,272**	**27,382**

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

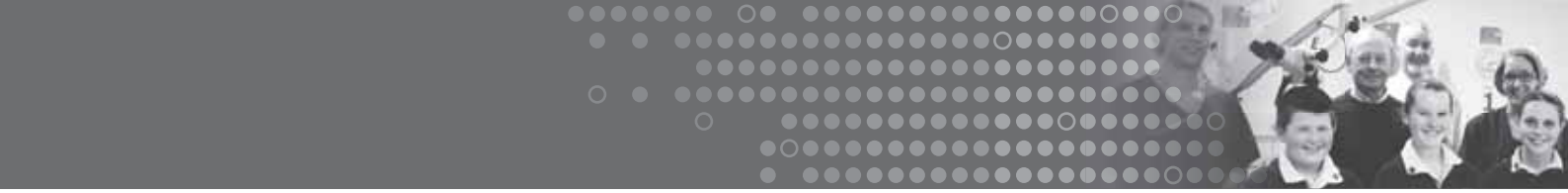
Department of Health/Department of Health and Human Services makes certain payments on behalf of the Health Service. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.



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

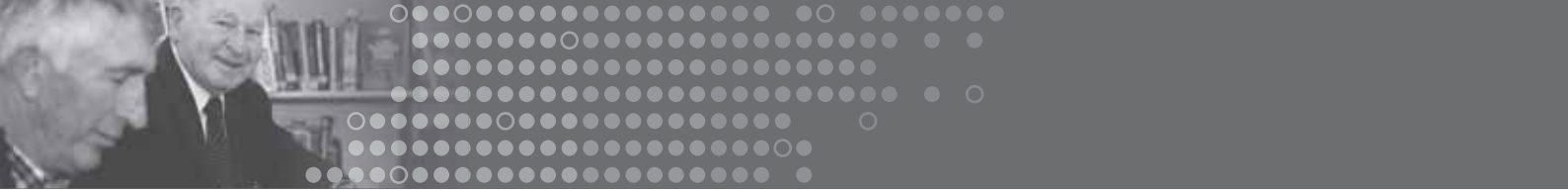
	Consol'd 2015 $'000	Consol'd 2014 $'000
Proceeds from Disposal of Non Current Assets		
- Motor Vehicles	78	34
Total Proceeds from Disposal of Non-Current Assets	78	34
Less: Written Down Value of Non-Current Assets Disposed		
- Motor Vehicles	(49)	(6)
Total Written Down Value of Non-Current Assets Disposed	(49)	(6)
NET GAINS/(LOSSES) ON DISPOSAL OF NON-FINANCIAL ASSETS	29	28

Note 3: ANALYSIS OF EXPENSE BY SOURCE	**Admitted Patients 2015 $'000**	**Outpatients 2015 $'000**	**Ambulatory 2015 $'000**	**RAC incl. Mental Health 2015 $'000**	**Aged Care 2015 $'000**	**Primary Health 2015 $'000**	**Other 2015 $'000**	**TOTAL 2015 $'000**
Employee Expenses	8,361	98	169	2,577	521	1,475	1,628	14,829
Non Salary Labour Costs	2,218	0	0	45	-	247	87	2,597
Supplies and Consumables	3,286	13	170	51	13	52	361	3,946
Share of Jointly Controlled Expenses	0	0	0	-	-	-	299	299
Other Expenses	2,108	2	22	148	19	178	385	2,862
Total Expenditure from Operating Activities	**15,973**	**113**	**361**	**2,821**	**553**	**1,952**	**2,760**	**24,533**
Depreciation & Amortisation (refer note 4)							1,945	1,945
Total Other Expenses	**-**	**-**	**-**	**-**	**-**	**-**	**1,945**	**1,945**
TOTAL EXPENSES	**15,973**	**113**	**361**	**2,821**	**553**	**1,952**	**4,705**	**26,478**



Note 3: ANALYSIS OF EXPENSE BY SOURCE (Continued)

	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
Employee Expenses	7,108	224	451	3,286	510	1,283	1,523	14,385
Non Salary Labour Costs	1,375	43	87	636	99	248	79	2,567
Supplies and Consumables	1,522	48	97	704	109	275	385	3,140
Share of Jointly Controlled Expenses	156	5	10	72	11	28	-	282
Other Expenses	1,498	47	95	693	108	270	399	3,110
Total Expenditure from Operating Activities	**11,659**	**367**	**740**	**5,391**	**837**	**2,104**	**2,386**	**23,484**
Depreciation (refer note 4)	858	37	57	214	46	143	184	1,541
Total Other Expenses	**858**	**37**	**57**	**214**	**46**	**143**	**184**	**1,541**
TOTAL EXPENSES	**12,517**	**404**	**797**	**5,605**	**883**	**2,247**	**2,570**	**25,025**



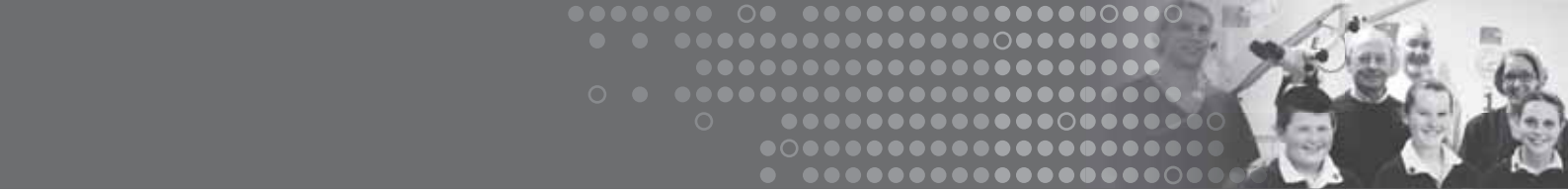
NOTE 3a: ANALYSIS OF EXPENSES AND REVENUE BY INTERNALLY MANAGED AND RESTRICTED SPECIFIC PURPOSE FUNDS	Expense		Revenue	
	Consol'd 2015 $'000	Consol'd 2014 $'000	Consol'd 2015 $'000	Consol'd 2014 $'000
Commercial Activities				
Diagnostic Imaging	912	954	1078	1045
Catering	106	41	151	194
Private Practice and Other Patient Activities	1407	1365	1276	1176
Other Activities				
Fundraising and Community Support	30	137	387	345
TOTAL	2,455	2,496	2,892	2,760

NOTE 4: DEPRECIATION AND AMORTISATION	Consol'd 2015 $'000	Consol'd 2014 $'000
Depreciation		
Buildings	1,387	1,006
Plant and Equipment	184	174
Medical Equipment	319	305
Total Depreciation	1,890	1,485
Amortisation		
Intangible Assets	55	56
Total Amortisation	55	56
TOTAL DEPRECIATION AND AMORTISATION	1,945	1,541

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.

	Consol'd 2015 $'000	Consol'd 2014 $'000
Cash on Hand	2	2
Cash at Bank	311	696
Short Term Money Market	7,966	7,598
Jointly Controlled Cash & Cash Equivalents (note 10)	70	52
TOTAL CASH AND CASH EQUIVALENTS	8,349	8,348
Represented by:		
Cash for Health Service Operations (as per cash flow statement)	8,172	8,099
Cash Held For Jointly Controlled Entities	70	-
Cash for Monies Held in Trust		
- Cash at Bank	107	2
- Short Term Money Market	-	247
TOTAL CASH AND CASH EQUIVALENTS	8,349	8,348



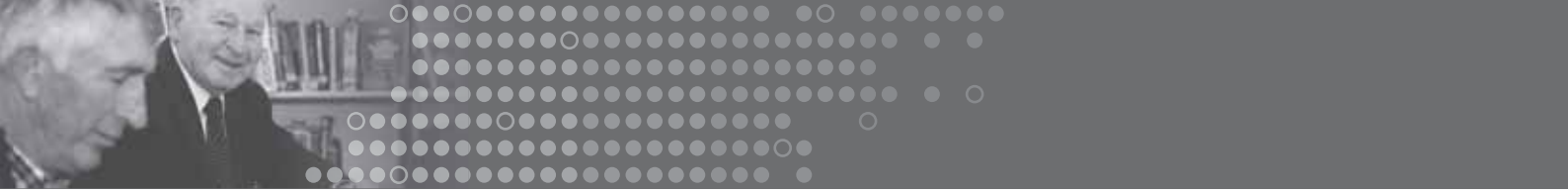
NOTE 6: RECEIVABLES	Consol'd 2015 $'000	Consol'd 2014 $'000
CURRENT		
Contractual		
Inter Hospital Debtors	-	126
Trade Debtors	146	102
Jointly Controlled Receivables (note 22)	-	36
Patient Fees	278	256
Accrued Investment Income	79	56
Accrued Revenue - Other	44	99
Less Allowance for Doubtful Debts		
Trade Debtors	(1)	(1)
Patient Fees	(31)	(12)
	515	662
Statutory		
GST Receivable - Health Service	137	101
	137	101
TOTAL CURRENT RECEIVABLES	652	763
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	154	29
TOTAL NON-CURRENT RECEIVABLES	154	29
TOTAL RECEIVABLES	806	792
(a) Movement in the allowance for doubtful debts		
Balance at beginning of year	8	24
Amounts written off during the year	(1)	(2)
Increase/(Decrease) in allowance recognised in net result	24	(14)
Balance at end of year	31	8

(a) Ageing analysis of receivables
Please refer to Note 18(b) for the ageing analysis of contractual receivables.

(b) Nature and extent of risk arising from receivables
Please refer to Note 18(b) for the nature and extent of credit risk arising from contractual receivables.

NOTE 7: INVENTORIES	Consol'd 2015 $'000	Consol'd 2014 $'000
Pharmaceuticals - at cost	35	52
Medical and Surgical Lines - at cost	70	56
TOTAL INVENTORIES	105	108

NOTE 8: PREPAYMENTS AND OTHER ASSETS	Consol'd 2015 $'000	Consol'd 2014 $'000
Health Service Prepayments	140	79
Rental Property Bonds	3	7
TOTAL OTHER ASSETS	143	86



NOTE 10: PROPERTY, PLANT AND EQUIPMENT

(a) Gross carrying amount and accumulated depreciation

	Consol'd 2015 $'000	Consol'd 2014 $'000
Land		
- Land at Fair Value	1,400	1,400
Total Land	1,400	1,400
Buildings		
- Buildings Under Construction at Cost	140	79
- Buildings at Fair Value	23,815	23,815
Less Accumulated Depreciation	1,387	-
Total Buildings	22,568	23,894
Plant and Equipment		
- Plant and Equipment at Fair Value	2,045	1,941
Less Accumulated Depreciation	1,374	1,370
Total Plant and Equipment	671	571
Medical Equipment		
- Medical Equipment at Fair Value	4,455	4,280
Less Accumulated Depreciation	3,131	2,812
Total Medical Equipment	1,324	1,468
Jointly Controlled Property, Plant & Equipment		
- Jointly Controlled PP&E at Fair Value	136	136
Less Acc'd Depreciation	67	67
	69	69
TOTAL PROPERTY, PLANT AND EQUIPMENT	26,032	27,402

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

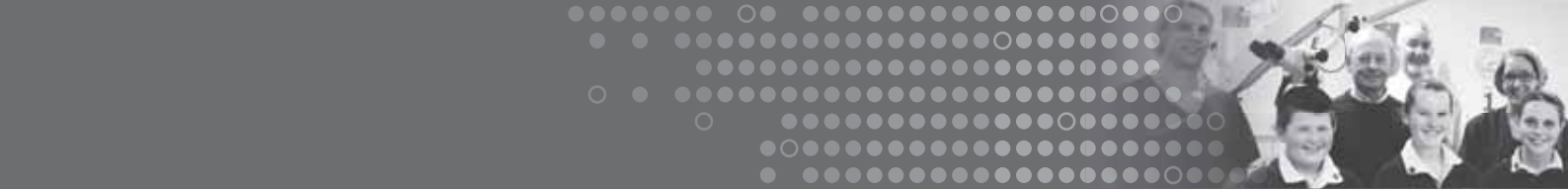
	Land $'000	Buildings $'000	Plant and Equipment $'000	Medical Equipment $'000	Jointly Cont' PP&E $'000	Consol'd $'000
Balance at 1 July 2013	1,419	16,056	547	1,352	59	19,433
Additions	-	2,888	192	421	-	3,501
Nett WDV of Disposals	-	-	6	-	-	6
Movement in Jointly Controlled PP&E	-	-	-	-	10	10
Revaluation Increments/(Decrements)	(19)	5,956	-		-	5,937
Depreciation and Amortisation (note 4)	-	(1,006)	(174)	(305)	-	(1,485)
Balance at 1 July 2014	1,400	23,894	571	1,468	69	27,402
Additions	-	61	333	175	-	569
Nett WDV of Disposals	-	-	(49)	-	-	(49)
Movement in Jointly Controlled PP&E	-	-	-	-	-	-
Revaluation Increments/(Decrements)	-	-	-	-	-	-
Depreciation and Amortisation (note 4)	-	(1,387)	(184)	(319)	-	(1,890)
Balance at 30 June 2015	1,400	22,568	671	1,324	69	26,032

Land and buildings carried at valuation

An independent valuation of the Hospital's property was performed by the Valuer-General Victoria to determine the fair value of the land and buildings. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of the valuation. The effective date of the valuation was 30 June 2014.

Plant and Equipment carried at fair value

A valuation of the Hospital's plant and equipment was undertaken by management to determine the fair value of the plant and equipment. The effective date of the valuation is 30 June 2014.



NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)
(c) Fair value measurement hierarchy for assets as at 30 June 2015

	Carrying amount as at 30 June 2015	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	0	350	0
Specialised land	1,050	0	0	1,050
Total of land at fair value	1,400	0	350	1,050
Buildings at fair value				
Non-Specialised buildings	105	0	105	0
Specialised buildings	22,323	0	0	22,323
Buildings Under Construction	140	0	0	140
Total of building at fair value	22,568	0	105	22,463
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	381	0	0	381
- GRHA Plant and equipment	69	0	0	69
- Motor Vehicles	290	0	0	290
- Medical Equipment	1,324	0	0	1,324
Total of plant, equipment and vehicles at fair value	2,064	0	0	2,064

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

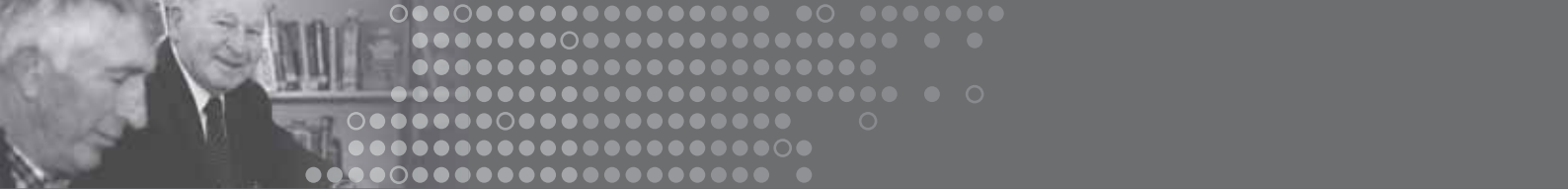
There have been no transfers between levels during the period.

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	0	350	0
Specialised land	1,050	0	0	1,050
Total of land at fair value	1,400	0	350	1,050
Buildings at fair value				
Non-Specialised buildings	105	0	105	0
Specialised buildings	23,710	0	0	23,710
Buildings Under Construction	79	0	0	79
Total of building at fair value	23,894	0	105	23,789
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	346	0	0	346
- GRHA Plant and equipment	69	0	0	69
- Motor Vehicles	225	0	0	225
- Medical Equipment	1,468	0	0	1,468
Total of plant, equipment and vehicles at fair value	2,108	0	0	2,108

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

There have been no transfers between levels during the period.



NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)
(c) Fair value measurement hierarchy for assets as at 30 June 2015 (Continued)
Specialised land and specialised buildings
The market approach is also used for specialised land and specialised buildings although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 under the market based direct comparison approach.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the health services, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of the Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2014.

Vehicles
The Health Service acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the Health Service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying value (depreciated cost).

Plant and equipment
Plant and equipment is held at carrying value (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying value.

There were no changes in valuation techniques throughout the period to 30 June 2015.

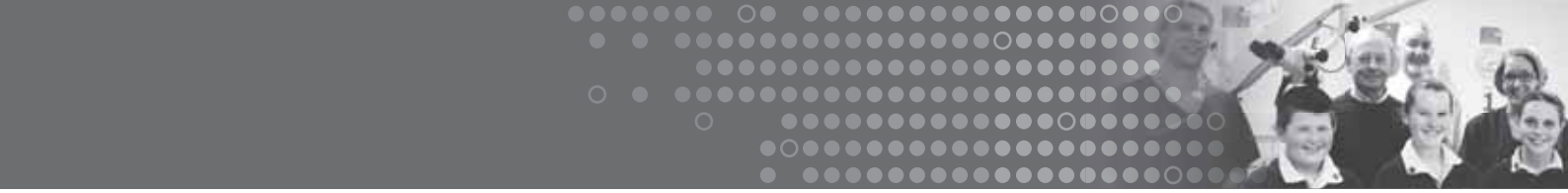
For all assets measured at fair value, the current use is considered the highest and best use.

(d) Reconciliation of Level 3 fair value as at 30 June 2015	Land	Buildings	Plant and equipment	Medical equipment
Opening Balance	1,050	23,789	640	1,468
Purchases (sales)	-	61	284	175
Gains or losses recognised in net result				
- Depreciation	-	(1,387)	(184)	(319)
Subtotal	1,050	22,463	740	1,324
Items recognised in other comprehensive income				
- Revaluation	-	-	-	-
Subtotal	-	-	-	-
Closing Balance	1,050	22,463	740	1,324
Unrealised gains/(losses) on non-financial assets	-	-	-	-
	1,050	22,463	740	1,324

There have been no transfers between levels during the period.

Reconciliation of Level 3 fair value as at 30 June 2014	Land	Buildings	Plant and equipment	Medical equipment
Opening Balance	1,049	16,022	606	1,352
Purchases (sales)	-	2,814	196	421
Gains or losses recognised in net result				
- Depreciation	-	(1,003)	(174)	(305)
Subtotal	1,049	17,833	628	1,468
Items recognised in other comprehensive income				
- Revaluation	1	5,956		
Subtotal	1	5,956	-	-
Closing Balance	1,050	23,789	628	1,468
Unrealised gains/(losses) on non-financial assets	-	-	-	-
	1,050	23,789	628	1,468

There have been no transfers between levels during the period.



NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)
(e) Description of significant unobservable inputs to Level 3 valuations:

	Valuation technique [(i)]	Significant unobservable inputs
Specialised land Hospital Site's	Market Approach	Community Service Obligation (CSO) adjustment
Specialised buildings Hospital Buildings	Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings
Plant and equipment at fair value Misc Hospital Administrative Equipment	Depreciated replacement cost	Cost per unit Useful life of PPE
Medical equipment at fair value Misc Hospital Medical Equipment & Machines	Depreciated replacement cost	Cost per unit Useful life of PPE
Motor Vehicles Hospital-owned fleet vehicles	Depreciated replacement cost	Cost per unit Useful life of PPE

NOTE 11: INTANGIBLE ASSETS

	Consol'd 2015 $'000	Consol'd 2014 $'000
Computer Software	475	453
Less Accumulated Amortisation	416	361
	59	92
Business Goodwill	243	243
TOTAL INTANGIBLE ASSETS	**302**	**335**

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 2013	148	243	391
Additions	0	0	0
Amortisation (note 4)	56	0	56
Balance at 1 July 2014	**92**	**243**	**335**
Additions	22	0	22
Amortisation (note 4)	55	0	55
Balance at 30 June 2015	59	243	302

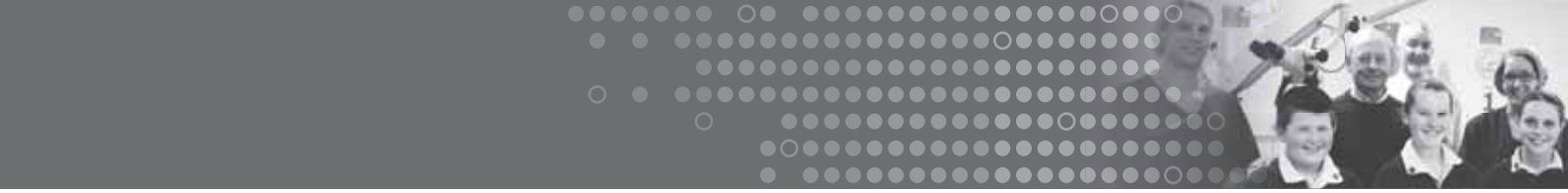
NOTE 12: PAYABLES	Consol'd 2015 $'000	Consol'd 2014 $'000
CURRENT		
Contractual		
Trade Creditors	852	584
Jointly Controlled Payables	16	36
Accrued Expenses - Other	138	449
	1,006	1,069
Statutory		
Department of Health and Human Services	272	129
	272	129
TOTAL PAYABLES	1,278	1,198

(a) Maturity analysis of payables
Please refer to Note 18(c) for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from payables
Please refer to Note 18(c) for the nature and extent of risks arising from contractual payables.

NOTE 13: PROVISIONS	Consol'd 2015 $'000	Consol'd 2014 $'000
Current Provisions		
Employee Benefits (i)		
Annual Leave (Note 13(a))		
- unconditional and expected to be settled within 12 months (ii)	888	581
- unconditional and expected to be settled after 12 months (iii)	70	65
Long Service Leave (Note 13(a))		
- unconditional and expected to be settled within 12 months (ii)	145	119
- unconditional and expected to be settled after 12 months (iii)	1,200	1,072
Accrued Days Off (Note 13(a))		
- unconditional and expected to be settled within 12 months (ii)	55	55
- unconditional and expected to be settled after 12 months (iii)	-	-
Accrued Wages & Salaries (Note 13(a))		
- unconditional and expected to be settled within 12 months (ii)	71	549
- unconditional and expected to be settled after 12 months (iii)	-	-
	2,429	2,441
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (ii)	147	84
- unconditional and expected to be settled after 12 months (iii)	134	136
	281	220
Total Current Provisions	**2,710**	**2,662**
Non-Current Provisions		
Employee Benefits (i) (Note 13(a))	486	664
Provisions related to employee benefit on-costs (Note 13(a) and Note 13(b))	51	80
Total Non-Current Provisions	**537**	**744**
Total Provisions	**3,247**	**3,406**
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and Related On-Costs		
Annual Leave Entitlements	1,083	726
Accrued Salaries and Wages	79	549
Accrued Days Off	61	55
Unconditional Long Service Leave Entitlements	1,487	1,332
Non-Current Employee Benefits and Related On-Costs		
Conditional Annual Leave Entitlements (present value)	92	372
Conditional Long Service Leave Entitlements (ii)	445	372
Total Employee Benefits and Related On-Costs	**3,247**	**3,406**
(b) Movements in provisions		
Movement in Long Service Leave:		
Balance at start of year	1,704	1,587
Provision made during the year		
- Revaluations	72	(72)
- Expense Recognising Employee Service	313	404
Settlement made during the year	(190)	(215)
Balance at end of year	1,899	1,704

Notes:
(i) Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and worker's compensation insurance are not employee benefits and are reflected as a separate provision.
(ii) The amounts disclosed are at nominal values
(iii) The amounts disclosed are at present values



NOTE 14: SUPERANNUATION

Employees of the Health Service are entitled to receive superannuation benefits and the Health Service 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.

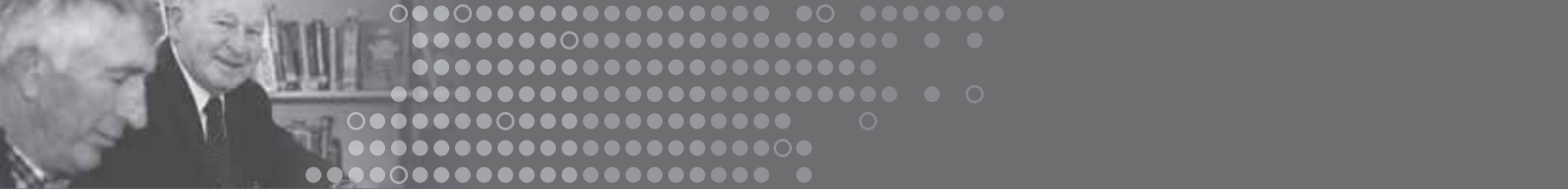
The Health service does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury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

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 expensed in relation to the major employee superannuation funds and contributions made by the Health Service are as follows:

Fund		Paid Contributions for the year		Outstanding Contributions at Year End	
		2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Defined Benefit Plans:	First State	110	133	-	5
Defined Contribution Plans:	First State / HESTA / Other	1,131	1,067	-	40
Total		1,241	1,200	-	45

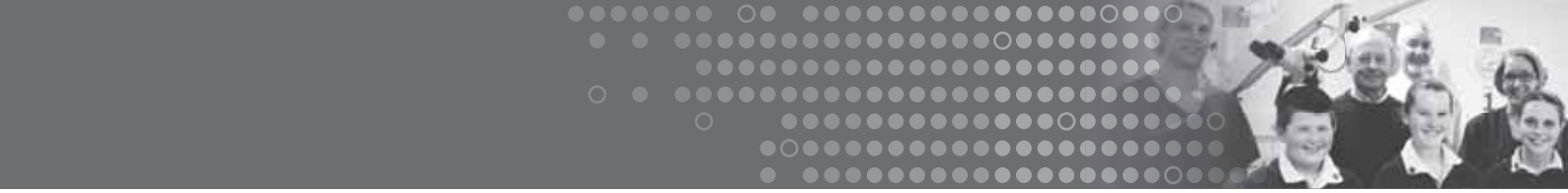
NOTE 15: OTHER LIABILITIES

	Consol'd 2015 $'000	Consol'd 2014 $'000
CURRENT		
Monies Held in Trust*		
- Patient Monies Held in Trust	56	54
- Other Monies Held in Trust	49	195
Revenue in Advance	-	106
TOTAL CURRENT	105	355
*** Total Monies Held in Trust**		
Represented by the following assets:		
Cash Assets (refer to Note 5)	105	248
TOTAL OTHER LIABILITIES	105	248



NOTE 16: EQUITY	Consol'd 2015 $'000	Consol'd 2014 $'000
(a) Reserves		
Property, Plant and Equipment Revaluation Surplus (1)		
Balance at beginning of the reporting period		
- Land	807	825
- Buildings	13,079	7,123
Revaluation Increment/Decrement		
- Land	-	(18)
- Buildings	-	5,956
Balance at the end of the reporting period	13,886	13,886
Represented by:		
- Land	807	807
- Buildings	13,079	13,079
(1) The property, plant and equipment asset revaluation reserve arises on the revaluation of property, plant and equipment.		
Total Reserves	13,886	13,886
General Purpose Surplus		
Balance at the beginning of the reporting period	461	660
Transfer to and from General Reserve	(145)	(199)
Balance at the end of the reporting period	316	461
Restricted Specific Purpose Surplus		
Balance at the beginning of the reporting period	1,903	2,198
Transfer to and from Restricted Specific Purpose Reserve	186	(295)
Balance at the end of the reporting period	2,089	1,903
TOTAL SURPLUSES	16,291	16,250
(b) Contributed Capital		
Balance at the beginning of the reporting period	9,345	9,345
Balance at the end of the reporting period	9,345	9,345
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	6,517	3,667
Net Result for the Year	(1,005)	2,356
Transfers to and from Reserve	(41)	494
Balance at the end of the reporting period	5,471	6,517
(d) Total Equity at end of financial year	31,107	32,112

NOTE 17: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES	Consol'd 2015 $'000	Consol'd 2014 $'000
NET RESULT FOR THE YEAR	(1,005)	2,356
Depreciation & Amortisation	1,945	1,541
Change in Inventories	3	(6)
Movement in Doubtful Debts	19	(17)
Net (Gain)/Loss from Sale of Plant and Equipment	(29)	(28)
Share of Net Result from Joint Ventures	(2)	-
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	(69)	300
(Increase)/Decrease in Other Assets	-	86
(Increase)/Decrease in Prepayments	(57)	(6)
Increase/(Decrease) in Payables	100	(748)
Increase/(Decrease) in Employee Benefits	(159)	196
Increase/(Decrease) in Other Liabilities	(108)	(188)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	638	3,486



NOTE 18: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

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

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 Health Service's main financial risks include credit risk, liquidity risk and interest rate risk. The Health Service manages these financial risks in accordance with its financial risk management policy.

The Health Service uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the audit and risk committee of the Health Service.

The main purpose in holding financial instruments is to prudentially manage Stawell Regional Health financial risks within the government policy parameters.

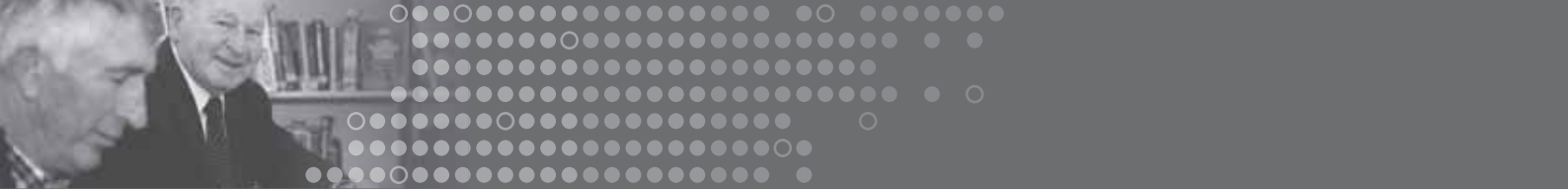
Categorisation of financial instruments

2015	Contractual financial assets/liabilities designated at fair value through profit/loss $'000	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss $'000	Contractual financial assets - loans and receivables $'000	Contractual financial assets - available for sale $'000	Contractual financial liabilities at amortised cost $'000	Total $'000
Contractual Financial Assets						
Cash and cash equivalents	-	-	8,349	-	-	8,349
Receivables	-	-	515	-	-	515
Total Financial Assets (i)	-	-	8,864	-	-	8,864
Financial Liabilities						
Payables	-	-	1,006	-	-	1,006
Other Financial Liabilities	-	-	105	-	-	105
Total Financial Liabilities(ii)	-	-	1,111	-	-	1,111

2014	Contractual financial assets/liabilities designated at fair value through profit/loss $'000	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss $'000	Contractual financial assets - loans and receivables $'000	Contractual financial assets - available for sale $'000	Contractual financial liabilities at amortised cost $'000	Total $'000
Contractual Financial Assets						
Cash and cash equivalents	-	-	8,348	-	-	8,348
Receivables	-	-	662	-	-	662
Total Financial Assets (i)	-	-	9,010	-	-	9,010
Financial Liabilities						
Payables	-	-	1,069	-	-	1,069
Other Financial Liabilities	-	-	355	-	-	355
Total Financial Liabilities(ii)	-	-	1,424	-	-	1,424

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

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



NOTE 18: FINANCIAL INSTRUMENTS (Continued)
(a) Financial Risk Management Objectives and Policies (Continued)
Net holding gain/(loss) on financial instruments by category

	Net holding gain/(loss) $'000	Total interest income/ (expense) $'000	Fee income / (expense) $'000	Impairment loss $'000	Total $'000
2015					
Financial Assets					
Cash and Cash Equivalents	-	257	-	-	257
Total Financial Assets	-	257	-	-	257
Financial Liabilities					
At amortised cost (ii)	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-
2014					
Financial Assets					
Cash and Cash Equivalents	250		-	-	250
Total Financial Assets	250	-	-	-	250
Financial Liabilities					
At amortised cost (ii)	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-

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

(ii) For financial liabilities measure at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost.

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

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

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

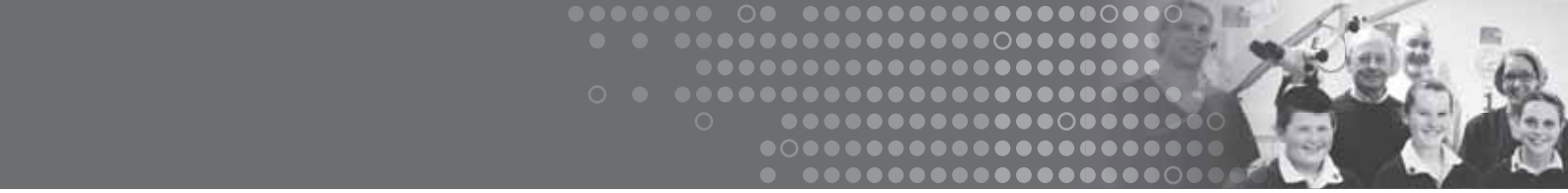
Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Health Service will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and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

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

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

2015	Financial Institutions (AA2 credit rating) $'000	Government agencies (AAA credit rating) $'000	Government agencies (BBB credit rating) $'000	Other $'000	Total $'000
Financial Assets					
Cash and Cash Equivalents	8,349	-	-	-	8,349
Loans and Receivables (i)	-	-	-	515	515
Total Financial Assets	8,349	-	-	515	8,864
2014					
Financial Assets					
Cash and Cash Equivalents	8,348	-	-	-	8,348
Loans and Receivables (i)	-	162	-	500	662
Total Financial Assets	8,348	162	-	500	9,010

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



NOTE 18: FINANCIAL INSTRUMENTS (Continued)
(b) Credit Risk (Continued)
Ageing analysis of financial assets as at 30 June

			Past Due But Not Impaired				
2015	Consol'd Carrying Amount $'000	Not Past due and not impaired $'000	Less than 1 Month $'000	1 - 3 Months $'000	3 Months - 1 Year $'000	1 - 5 Years $'000	Impaired Financial Assets $'000
Financial Assets							
Cash and Cash Equivalents	8,349	8,349	-	-	-	-	-
Loans and Receivables (i)	515	370	111	29	5	-	-
Total Financial Assets	8,864	8,719	111	29	5	-	-
2014							
Financial Assets							
Cash and Cash Equivalents	8,348	8,348	-	-	-	-	-
Loans and Receivables (i)	662	457	86	34	72	-	13
Total Financial Assets	9,010	8,805	86	34	72	-	13

(i) Ageing analysis of financial assets excludes statutory financial assets (i.e. GST input tax credit)

Contractual financial assets that are neither past due or impaired

There are no material financial assets which a re individually determined to be impaired. Currently Stawell Regional Health does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

(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 setting financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

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

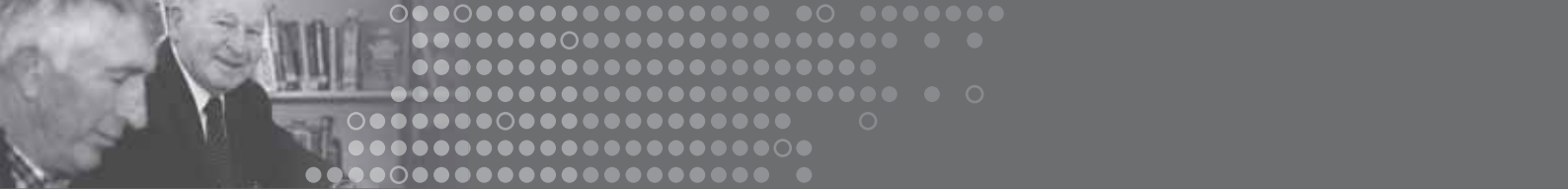
- Term Deposits and cash held at financial institutions are managed with variable maturity dates and take into consideration cash flow requirements of the Health Service from month to month.

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

Maturity analysis of financial liabilities as at 30 June

			Maturity Dates			
2015	Consol'd Carrying Amount $'000	Nominal Amount $'000	Less than 1 Month $'000	1 - 3 Months $'000	3 Months - 1 Year $'000	1 - 5 Years $'000
Financial Liabilities						
At amortised cost						
Payables	1,006	1,006	1,006	-	-	-
Other Financial Liabilities (i)	105	105	105	-	-	-
Total Financial Liabilities	1,111	1,111	1,111	-	-	-
2014						
Financial Liabilities						
At amortised cost						
Payables	1,069	1,069	1,069	-	-	-
Other Financial Liabilities (i)	355	355	355	-	-	-
Total Financial Liabilities	1,424	1,424	1,424	-	-	-

(i) Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST input tax credit)



NOTE 18: FINANCIAL INSTRUMENTS (Continued)

(d) Market Risk

Stawell Regional Health's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

Currency Risk

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

Interest Rate Risk

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

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Health Service has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

The Health Service manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate without necessarily exposing the Health Service to significant bad risk, management monitors movements in interest rates on a daily basis.

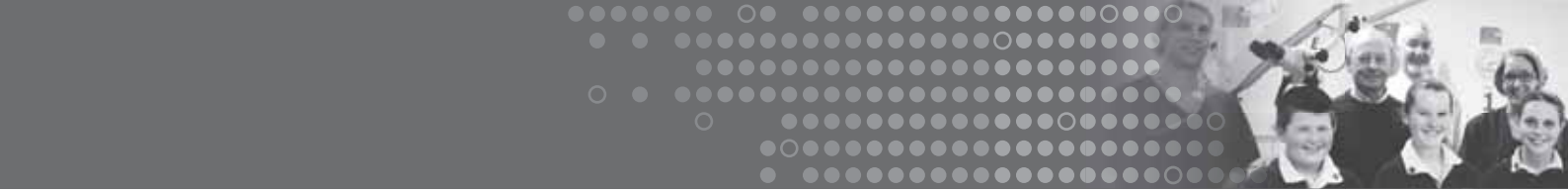
Other Price Risk

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

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

	Weighted Average Effective Interest Rate (%)	Carrying Amount	Interest Rate Exposure		
2015			Fixed Interest Rate $'000	Variable Interest Rate $'000	Non - Interest Bearing $'000
Financial Assets					
Cash and Cash Equivalents	2.80	8,349	-	8,347	2
Loans and Receivables (i)	-	515	-	-	515
Total Financial Assets		8,864	-	8,347	517
Financial Liabilities					
At amortised cost					
Payables (i)	-	1,006	-	-	1,006
Other Financial Liabilities	-	105	-	-	105
Total Financial Liabilities		1,111	-	-	1,111
2014					
Financial Assets					
Cash and Cash Equivalents	3.38	8,348	5,881	2,465	2
Loans and Receivables (i)	-	662	-	-	662
Total Financial Assets		9,010	5,881	2,465	664
Financial Liabilities					
At amortised cost					
Payables (i)	-	1,069	-	-	1,069
Other Financial Liabilities	-	355	-	-	355
Total Financial Liabilities		1,424	-	-	1,424

(i) The carrying amount must exclude types of statutory financial assets and liabilities (i.e GST input tax credit and GST payable)



NOTE 18: FINANCIAL INSTRUMENTS (Continued)
(d) Market Risk (Continued)
Sensitivity Disclosure Analysis
Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Stawell Regional Health believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Australia and New Zealand Banking Group Ltd).
- A shift of 100 basis points up and down in market interest rates (AUD) from year-end rates of 3.38%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%

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

	Carrying Amount	Interest Rate Risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
2015	$'000	$'000	$'000	$'000	$'000
Financial Assets					
Cash and Cash Equivalents	8,349	(83)	(83)	83	83
Loans and Receivables	515	-	-	-	-
Financial Liabilities					
At amortised cost					
Payables	1,006	-	-	-	-
Other Financial Liabilities (i)	105	-	-	-	-
		(83)	(83)	83	83
2014					
Financial Assets					
Cash and Cash Equivalents	8,348	(83)	(83)	83	83
Loans and Receivables	662	-	-	-	-
Financial Liabilities					
At amortised cost					
Payables	1,069	-	-	-	-
Other Financial Liabilities (i)	355	-	-	-	-

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

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

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

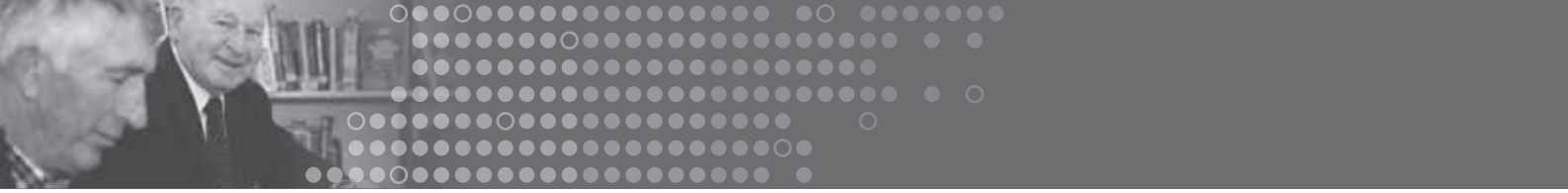
The following table shows that the fair values of most of the contractual financial assets and liabilities are the same as the carrying amounts.

Comparison between carrying amount and fair value

	Total Carrying Amount	Fair Value	Total Carrying Amount	Fair Value
	2015 $'000	2015 $'000	2014 $'000	2014 $'000
Financial Assets				
Cash and Cash Equivalents	8,349	8,349	8,348	8,348
Loans and Receivables (i)				
- Trade Debtors	515	515	662	662
Total Financial Assets	**8,864**	**8,864**	**9,010**	**9,010**
Financial Liabilities				
At amortised cost				
Payables	1,006	1,006	1,069	1,069
Other Financial Liabilities (i)	105	105	355	355
Total Financial Liabilities	**1,111**	**1,111**	**1,424**	**1,424**

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

All financial assets held by Stawell Regional Health are classified as Level 1.



NOTE 19: COMMITMENTS FOR EXPENDITURE

	Consol'd 2015 $'000	Consol'd 2014 $'000
Lease commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	264	457
Total lease commitments	**264**	**457**
Operating lease - plant and equipment		
Cancellable operating lease for a colour multi-function printer/copier/fax/scanner payable as follows:		
Not later than one year	158	158
Later than 1 year and not later than 5 years	106	299
	264	**457**
less GST recoverable from the Australian Tax Office	**(24)**	**(42)**
Total Commitments for Expenditure (exclusive of GST)	**240**	**415**

All amounts shown in the commitments note are nominal amounts inclusive of GST.

NOTE 20: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2015 Stawell Regional Health has no knowledge of any contingent assets or liabilities. (Nil for 30 June 2014).

NOTE 21: OPERATING SEGMENTS

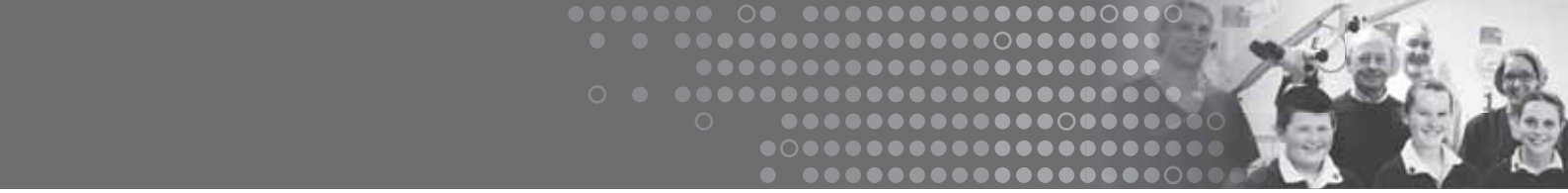
	RACS		ACUTE		OTHER SERVICES		CONSOLIDATED	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
REVENUE								
External Segment Revenue	3,358	3,811	13,808	16,936	8,050	6,386	25,216	27,133
Total Revenue	3,358	3,811	13,808	16,936	8,050	6,386	25,216	27,133
EXPENSES								
External Segment Expenses	2,821	5,605	15,973	13,720	7,684	5,701	26,478	25,026
Total Expenses	2,821	5,605	15,973	13,720	7,684	5,701	26,478	25,026
Net Result from ordinary activities	537	(1,794)	(2,165)	3,216	366	685	(1,262)	2,107
Interest Income	-	-	-	-	257	250	257	250
Net Result for Year	537	(1,794)	(2,165)	3,216	623	935	(1,005)	2,357
OTHER INFORMATION								
Segment Assets	7,147	7,414	26,088	27,062	2,502	2,595	35,737	37,071
Total Assets	7,147	7,414	26,088	27,062	2,502	2,595	35,737	37,071
Segment Liabilities	926	992	3,380	3,620	324	347	4,630	4,959
Total Liabilities	926	992	3,380	3,620	324	347	4,630	4,959
Investments in Associates and Joint Venture Partnership	-	24	123	88	-	8	123	120
Acquisition of property, plant and equipment	569	700	-	2,556	-	245	569	3,501
Depreciation & Amortisation expense	389	308	1,420	1,125	136	108	1,945	1,541
Non cash expenses other than depreciation	-	-	-	-	-	-	0	0

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

Business Segments
Residential Aged Care Services (RAC)
Acute Health
Others
- -Primary Health
- -District Nursing
- -Radiology Services
- -Catering Services
- -Day Centre
- -Phone Triage
- -Consulting Rooms
- -Fundraising

Services
High Level and Psychogeriatric Aged Care
Acute Medical & Surgical Services

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 22: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	Principal Activity	Ownership Interest 2015 %	Ownership Interest 2014 %
Grampians Rural Health Alliance	Information 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 and consolidated financial statements under their respective asset categories:

	2015 $'000	2014 $'000
Current Assets		
Cash and Cash Equivalents	70	52
Receivables	0	36
Total Current Assets	70	88
Non Current Assets		
Property, Plant and Equipment	68	69
Total Non Current Assets	68	69
Total Assets	138	157
Current Liabilities		
Payables	16	36
Total Current Liabilities	16	36
Total Liabilities	16	36
Total Net Assets	122	121

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

Revenues		
Operating Activities	301	293
Total Revenue	301	293
Expenses		
Information Technology and Administrative Expenses	299	281
Investment Revaluation	0	1
Total Expenses	299	282
Net Result	2	11

Contingent Liabilities and Capital Commitments
There are no known contingent assets or liabilities for Grampians Rural Health Alliance as at the date of this report.

NOTE 23a: RESPONSIBLE PERSON DISCLOSURES

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

	Period
Responsible Ministers:	
The Honourable David Davis, MLC, Minister for Health and Minister for Ageing	01/07/2014 - 03/12/2014
The Honourable Mary Wooldridge, MLA, Minister for Mental Health and Community Services	01/07/2014 - 03/12/2014
The Honourable Mary Wooldridge, MP, Minister for Disability Services and Reform	01/07/2014 - 03/12/2014
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	04/12/2014 - 30/06/2015
The Honourable Jenny Mikakos, MLC, Minister for Families and Children	04/12/2014 - 30/06/2015
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health	04/12/2014 - 30/06/2015
Governing Boards	
Mr H L Cooper	01/07/2014 - 30/06/2015
Mr R Hatton	01/07/2014 - 30/06/2015
Mrs L Jensz	01/07/2014 - 30/06/2015
Mr B Marrow	01/07/2014 - 30/06/2015
Mrs J M Brilliant	01/07/2014 - 30/06/2015
Mr P J Martin	01/07/2014 - 30/06/2015
Mrs R Jones	01/07/2014 - 30/06/2015
Mr K Fowkes	01/07/2014 - 30/06/2015
Mr S Haamid	01/07/2014 - 30/06/2015
Accountable Officers	
Ms E McCourt	01/07/2014 - 30/06/2015

Remuneration of Responsible Persons

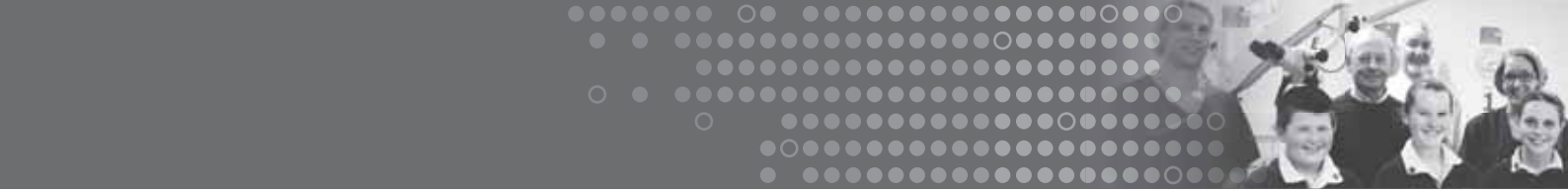
The number of Responsible Persons are shown in their relevant income bands;

	Consol'd	
Income Band	2015	2014
	No.	No.
$0 - $9,999	9	9
$150,000 - $159,999	1	0
$230,000 - $239,999	0	1
Total Numbers	10	10
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	$152,000	$242,037

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

Other Transactions of Responsible Persons and their Related Parties

During the year, there were no other transactions with responsible persons or their related parties.



NOTE 23b: EXECUTIVE OFFICER DISCLOSURES

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

	Consolidated			
	Total Remuneration		Base Remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
$90,000 - $99,999	-	-	1	1
$100,000 - $109,999	1	2	1	1
$110,000 - $119,999	-	-	-	1
$120,000 - $129,999	1	-	-	-
$130,000 - $139,999	-	1	-	0
Total	2	3	2	3
Total Remuneration	$227,345	$339,977	$198,489	$320,627
Total annualised employee equivalents (AEE) (i)	2	3	2	3

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

NOTE 24: REMUNERATION OF AUDITORS

	Consol'd 2015 $'000	Consol'd 2014 $'000
Victorian Auditor-General's Office		
Audit or review of financial statement	13	17
	13	17

NOTE 25: CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Equity Holding
Stawell Regional Health Foundation	Australia	100%

NOTE 26: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No significant events occurred after the reporting date.

APPENDIX A - ALTERNATIVE PRESENTATION OF COMPREHENSIVE OPERATING STATEMENT

	2015 $'000	2014 $'000
Interest	209	250
Sales of goods and services	4,340	4,414
Grants	18,598	18,859
Other	2,297	3,831
Total Revenue	**25,444**	**27,354**
Employee expenses	14,829	14,385
Depreciation	1,945	1,541
Other operating expenses	9,704	9,099
Total Expenses	**26,478**	**25,025**
Net result from transactions - Net Operating Balance	**(1,034)**	**2,329**
Net gain/ (loss) on sale of non-financial assets	29	28
Other gains/ (losses) from other economic flows included in net result	0	5,937
Total Other Economic flows included in Net Result	29	5,965
Net Result	**(1,005)**	**8,294**

This appendix does not form part of the financial statements and is unaudited.

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Front Cover

Mrs Sue Terbos - Allied Health Assistance
Mrs Irene Young with Ozzie

Inside Front Cover

Mrs Mary Bruce – Director of Clinical Services Stawell Regional Health
Mr Howard Cooper – Board Chairman Stawell Regional Health
Ms Emma Kealy MP – Member for Lowan
Ms Nicole Nicholson – Allied Health Assistant

Back Cover

Ms Ella Mannix – Allied Health Assistant
Mr Gordon Williams - Stawell Mens Shed
Mr Andrew Reeves - Stawell Mens Shed

Inside Back Cover

Stawell Primary School children visiting Stawell Regional Health Theatre and
Great Western Primary School children visiting Macpherson Smith Residential Care

Photography

Mrs Kerri Kingston

Caring for our Community

STAWELL REGIONAL HEALTH

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