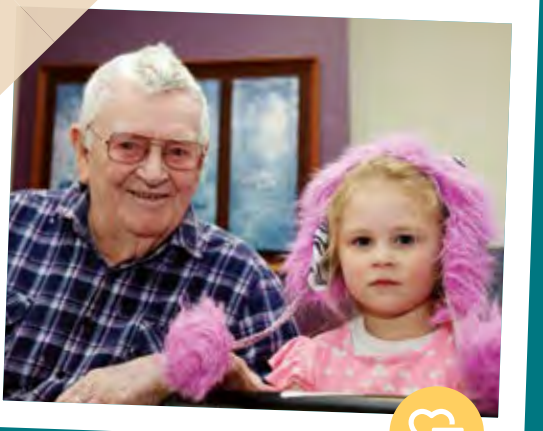


STAWELL REGIONAL HEALTH

2015/2016 ANNUAL REPORT

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.

STAWELL REGIONAL HEALTH

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 an acute medical and surgical ward and six Day Procedure beds, Operating Theatres and an Urgent Care Centre. These areas are supported by Medical Imaging, Pharmacy and Pathology. Our Radiology service includes a new 64 slice CT scanner.

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.

How to contact us

27-29 Sloane Street
Stawell, Vic 3380

PO Box 800
Stawell, Vic 3380

03 5358 8500

info@srh.org.au

www.srh.org.au

Mission Statement

Stawell Regional Health Mission

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

Stawell Regional Health Vision

Caring for our community.

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

President's Report

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 Human Services and the Board in the Statement of Priorities. Organisationally, we have continued to deliver a financially sustainable business model. This year, Stawell Regional Health has posted a pleasing consolidated operating surplus of $277k, and again exceeded the access levels of last year, with notable increases in surgical and oncology services. This increase in services was recognised by the Department of Health and Human Services with an increase in funding.

The purchase of a cutting edge 64 slice CT scanner was made possible with significant funding from the Victorian government and community members. The new CT scanner provides high quality scans in a very short period of time, with much greater patient comfort. Our patients no longer have to travel to Ballarat, Horsham or Melbourne for high quality CT scans.

The expansion of oncology services in partnership with both Ballarat Regional Integrated Cancer Service and Ballarat and Austin Radiation Oncology service has continued.

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.

Our student placement program has grown from strength to strength. In the past 12 months we provided high quality placements for enrolled and registered student nurses, and students of occupational therapy, radiology, podiatry, physiotherapy, exercise physiology. dietetics, allied health assistance and medicine.

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 providing organisation-wide training to improve workplace communication and relationships and ultimately, personal 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 have focussed on increasing the level of consumer participation this year, and have been pleased to have community representatives join our Quality Improvement and Risk Management, Clinical Improvement and Nutrition Committees.

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 2016.

Howard Cooper
Board Chair
Stawell

23rd August, 2016

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
• Transition Care Program

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

Deputy Director of Clinical Services

• Risk Management
• Infection Control
• Projects
• Hospital Admission Risk Program
• Post Acute Care
• District Nursing
• Hospital in the Home
• Memory Support Nurse
• Planned Activity Group

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

Human Resources Manager

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

• Stawell Medical Centre

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

Sam Campbell-Huruglica

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

Business Compliance

The Year in Review

Community Rehabilitation and Oncology Centre

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

Our state of the art oncology centre provides a comfortable location for our patients to visit the three medical oncologists and three radiation oncologists. These highly skilled doctors are supported by the oncology nurses and an experienced regional oncology Nurse Practitioner.

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 eight week oncology rehabilitation program is now a permanent service offered to our community members living with cancer.

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.

Stawell Regional Health continues to attract specialists to support our community to access services that are usually provided at a significant distance from Stawell.

SRH Executive and Management Teams

The Board and Executive welcomed Mr Rhys Duncan in the Acting role of Primary Care Manager, and farewelled Deputy Director of Clinical Services Mrs Julie Scanlon and Director of Primary Care Mr Gary Humphrey.

We also farewelled Mrs Betty Meumann from the Nurse Unit manager role on the acute ward. Betty retired following a wonderful career of over 30 years.

We welcomed Mr Jarrod Hunter, Nurse Unit Manager of the acute ward, and Mrs Sue Campigli, Nurse Unit Manager of Perioperative Services to our senior management team.

Stawell Regional Health Vision Statement

As part of the strategic planning process, the staff of Stawell Regional Health were asked to provide input into a new vision statement. After a highly engaged process, with over 80 vision statements submitted, "Caring For Our Community" was selected as the preferred vision statement. The Vision encapsulates how our team of dedicated staff at Stawell Regional Health view their work.

Cultural Safety

A "Cultural Safety" Project was undertaken in partnership with Budja Budja Aboriginal Co-Operative and the Grampians Pyrenees Primary Care Partnership. The project was designed to assist staff of mainstream health services to be more sensitive to the needs of indigenous people accessing services. Stawell Regional Health staff attended training in "Strengthening Cultural Security" in May and June 2016.

End of Life Care Pathway

Following on from the work in Macpherson Smith Residential Care last year, the End of Life Care Policy has been reviewed and implemented across Stawell Regional Health following consultation with consumers, visiting medical officers and the Central Grampians Palliative Care team. The associated End of Life Plan has now been implemented in the acute hospital setting.

Primary Care Students

Great effort went into planning for 2016 allied health and primary care student clinical placements by the Primary Care Clinical Placement Coordinator which resulted in:

- An increase in the number of clinical placements: there was a 49% increase in student placement days from 2015 (317) to 2016 (616).
- An increase in the number of Placement Provider and Education Provider clinical placement relationships, especially in the Dietetics team, who are supporting four Deakin University Masters students.
- An increase in the number of primary care disciplines providing clinical placements. Podiatry has established a relationship with La Trobe University and hosted their first student in February 2016.

Primary Care is now offering clinical placements for Allied Health Assistants, Dietetics, Exercise Physiology, Occupational Therapy, Physiotherapy and Podiatry. Planning has commenced to include Social Work and Speech Pathology in 2017.

Stawell Regional Health is recognised for our high quality nursing placements, which have in

SRH Executive Team

Liz McCourt
Chief Executive

Rabin Bangaar
Finance Manager

Mary Bruce
Director of Clinical Services

Janet Feeny
Human Resources Manager

Rhys Duncan
Acting Primary Care Manager

turn supported our graduate nurse program and our recruitment of newly graduated nurses. It is hoped the increase in Allied Health students will also lead to longer term workforce gains.

Celebration of the dedication and commitment of Dr Norman Castle

On Friday 4th March, on his eighty-sixth birthday, Dr Norman Castle OAM unveiled a photo portrait in recognition of his years of service to the Stawell hospital and community. With close family, friends, Hospital Board members and colleagues, Dr Castle was formally recognized for his years of passionate delivery of health care, which spanned from 1956 until September 2012.

Dr Castle represents what is now a rare breed – a doctor who could turn his hand safely to a number of specialty areas including obstetrics, trauma, anaesthetics and major and minor surgical procedures.

Instrumental in driving positive change, Dr Castle attracted many medical specialists to Stawell, including the highly popular orthopaedic Surgeon, Mr John Nelson.

Dr Castle's efforts saw the implementation of many firsts for Stawell:

- He remembers the first ambulance
- Introduced the Blood Bank soon after his arrival
- Championed cardiac monitoring for Stawell
- Instrumental in commencing the Stawell branch of the SES

Dr Castle was awarded an Order of Australia Medal for his work with the Stawell Hospital in 1999.

He was pivotal in establishing the Stawell Regional Health Foundation which purchases medical equipment for the Hospital, and was also a founding member of Wimmera Community Care, a widely recognised government-funded organisation.

Dr Castle served on the Hospital Board, and was also sessional Medical Director for many years.

Other accolades include being recognised as General Practitioner of the Year 2000 in the Grampians area, Citizen of the Century, and the Paul Harris Fellowship for services to the public by the Rotary Club.

Dr Castle ceased practising in 2012 after working in the Stawell community for 57 years.

He remains a frequent visitor to the hospital, sharing his insights and memories with staff, and visiting the different departments around the hospital.

Financial Overview

In 2015/2016, Stawell Regional Health continued our commitment to the mission of delivering high quality health services to the community.

The expansion of services has been enhanced with the purchase of advanced medical equipment and increased engagement of specialist clinicians. This has been supported by increased business unit growth resulting in new and extended services, enabling us to exceed the set patient access targets.

Stawell Regional Health continued to deliver an operating surplus in 2016, with an improvement on the previous year. This was attributable to increased activity in the acute and residential aged care areas. We continue to be challenged by shortage of local skilled staff, resulting in a higher operating expenditure with the engagement of locum medical and allied health staff, and agency nursing staff.

Total Consolidated Operating Surplus (Before Capital items) increased by $0.18M on 2015. This was reflective of growth in Business Unit and State and Commonwealth government grant income.

In line with revenue growth of $1.06M, Total Consolidated Operating Expenses increased by $0.89M or 3.62% when compared with 2015 figures.

Labour expenses increased by $0.71M (4.10%) on 2015. These expenses totalling $18.06M increased as a result of employing additional staff, award increases and movements in employee entitlements

Supplies and Consumables expenses increased by $0.12M or 3.06% primarily as a result of increased chemotherapy drug costs.

Capital Purpose Income increased by $0.44M, which related mainly to medical equipment grants.

In 2016, consolidated operating activities for the year resulted in a net cash inflow of $1.91M. Of this, $1.31M was invested into Capital assets. Overall, consolidated cash holdings increased by $0.64M for the year, with the total cash on hand amounting to $8.8M at 30th June 2016.

Major Acquisitions and Projects

2015/16 Major Acquisitions and Projects:

Building Works	$
Fencing	$15,396

Plant and Medical Equipment	$
CT Scanner	$689,091
Cysto Fibrescope	$31,904
Inteleview Patient Monitor	$12,646
Oxylog 300	$19,500
Moffat Convothern Oven	$17,855
Building Management System	$87,607
Macerater	$12,600

Financial Overview

Performance Indicators

Comparative Consolidated Financial Results for the Past Five Financial Years

Key Performance Indicator	2016 $000	2015 $000	2014 $000	2013 $000	2012 $000
Total Revenue	27,072	25,473	27,382	25,097	22,469
Total Expenses	27,542	26,478	25,026	23,768	22,329
Net Results for the Year (incl. Capital and Specific Items)	(470)	(1,005)	2,356	1,329	140
Retained Surplus (Accumulated Deficit)	4,934	5,471	6,517	3,667	2,544
Total Assets	36,197	35,737	37,071	29,521	26,249
Total Liabilities	5,560	4,630	4,958	5,999	5,257
Net Assets	30,637	31,107	32,113	23,821	20,992
Total Equity	30,637	31,107	32,113	23,821	20,992

Valuing Our People

Our Values

The SRH Leadership Team, made up of managers and executive staff, has continued to work on embedding the organisation's values of Trust, Respect, Accountability, Communication and Safety across the organisation. The Values are included in orientation programs, performance reviews and are used at staff meetings to support team discussions on improving workplace wellbeing.

People Matter Survey

The People Matter Survey is undertaken across the Victorian Public Sector each year and measures employee perception of the organisation's performance against the principles of the Victorian Sector Administration Act 2004. Increasing numbers of staff have been completing the survey in recent years, enabling the organisation to gain statistical data that can be applied to particular improvements in the workplace.

This year the Leadership team looked at bullying and harassment results in the survey and across the industry. Training Provider TwoPlusYou was engaged to educate all staff at SRH in how to identify and respond to incidents of bullying and harassment in the workplace. Whilst the program is not yet at completion, anecdotal reports have shown some improvements in team communication.

2016	2015	2014	2013	2012
51%	49%	23%	19%	32%

In addition, Executive staff attended all team meetings across the organisation to ask staff to identify three things that would make their workplace more positive. In some cases, this was simply purchasing a new radio or microwave to assist staff in their day. In other cases, it was supporting communication in the team including identifying more opportunities for all staff to contribute their ideas in their workplace.

Our Work Experience Program

Nine (9) year eleven students from the Stawell Community participated in work experience this financial year. SRH provides a mixed schedule of experience that seeks to show students the variety of work available across a health service, not just in clinical areas such as nursing, allied health, medical imaging and pathology, but in administration, finance, catering, maintenance and management.

Volunteers

On 12th May 2016, SRH joined the Northern Grampians Shire to celebrate our Volunteers in what is hoped to be an annual event. Volunteers across SRH provide great support to our patients and residents, a comfort to those experiencing anxiety or health concerns and a fresh face to those unable to move as freely in the community as they once did.

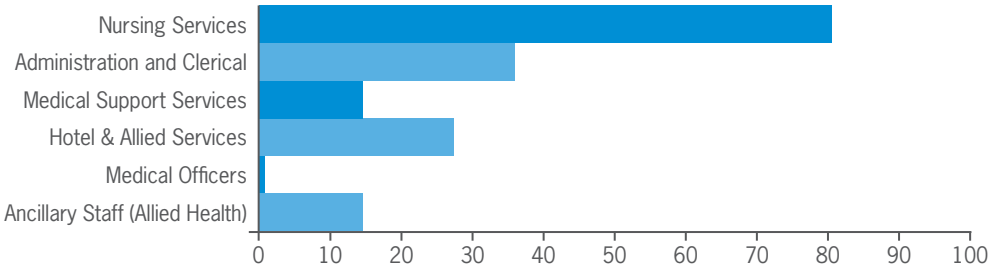
Our new volunteers attend our Orientation Program with our new staff to ensure they understand how the organisation operates and to assist them to gain key safety information and training.

We now have Volunteers working across our Residential Care facility, Transition Care Program, Planned Activity Group, Oncology and specialist services and our day procedure unit.

Volunteering at SRH is as simple and talking to our Coordinator to identify how your skills could contribute to our patients' and residents' care.

To speak with our Volunteer Coordinator, please call 5358 8500.

June 2016 Staffing by Labour Category.



Annual Report 2016

Labour Category	June Current Month FTE		June Year to Date FTE	
	2016	2015	2016	2015
Nursing Services	80.01	83.87	80.83	85.06
Administration and Clerical	37.06	36.71	37.68	36.47
Medical Support Services	12.35	10.64	11.54	8.95
Hotel & Allied Services	28.63	28.66	28.84	28.46
Medical Officers	1.2	1.15	1.17	1.05
Ancillary Staff (Allied Health)	14.4	14.81	14.82	14.65
Total	173.65	175.85	174.88	174.64

Occupational Health & Safety

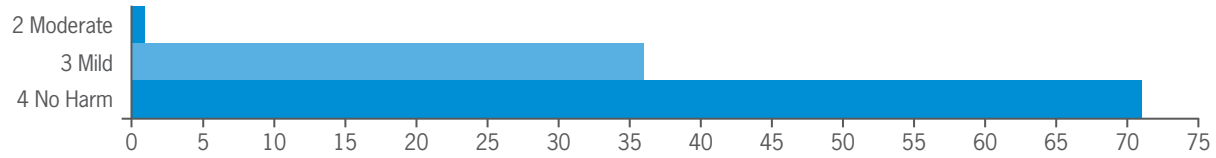
All incidents across the organisation are reported by staff through the Victorian Health Incident Management System (VHIMS).

The information generated by this system is reported to the OH&S Committee bi-monthly and a six month Key Perofrmance Indicator report is provided to the Board of Management. This enables the safety team to identify areas which may require further support and controls to maintain safety and wellbeing in the workplace.

Incidents entered into the VHIMS system for 2015-2016 show an increase in overall reporting of OH&S items when compared to previous years, 66% with no harm, 33% reported with minor harm and 1% resulting an injury and lost time.

Severity 2015-2016	Number of reported incidents
4 No Harm	71
3 Mild	36
2 Moderate	1

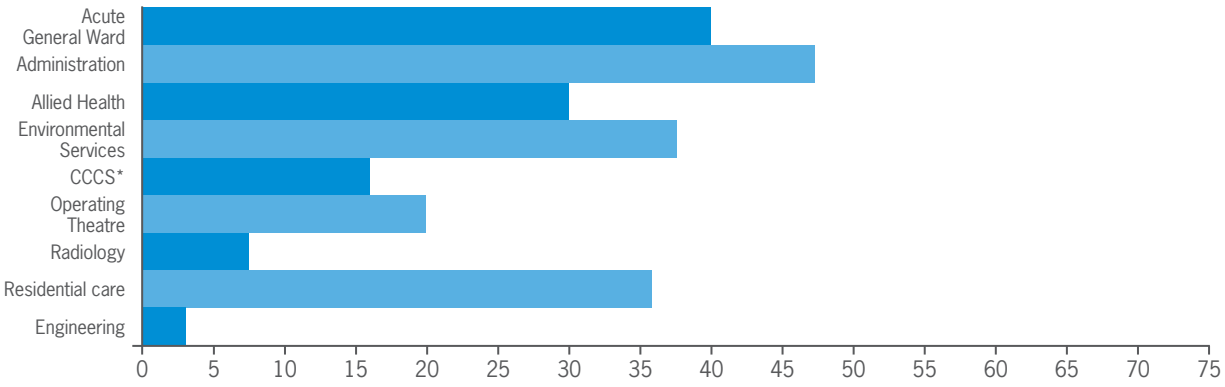
Incidents by Severity 07/2015 to 06/2016



Annual Fire Training

Annual Fire Training utilises the online 'in-house' education package, which is revised and updated annually and when facility changes have occurred. Staff are required to review the online education program and then answer a series of questions toensure their comprehension of the material. New employees are provided face to face training at orientation. 237 employees successfully completed the training for the financial year 2015-2016.

1. Fire & Evacuation training 2015-2016									
Acute General Ward	Administration	Allied Health	Environmental services	CCCS*	Operating Theatre	Radiology	Residential Care	Engineering	Total
40	47	30	38	16	20	7	36	3	237

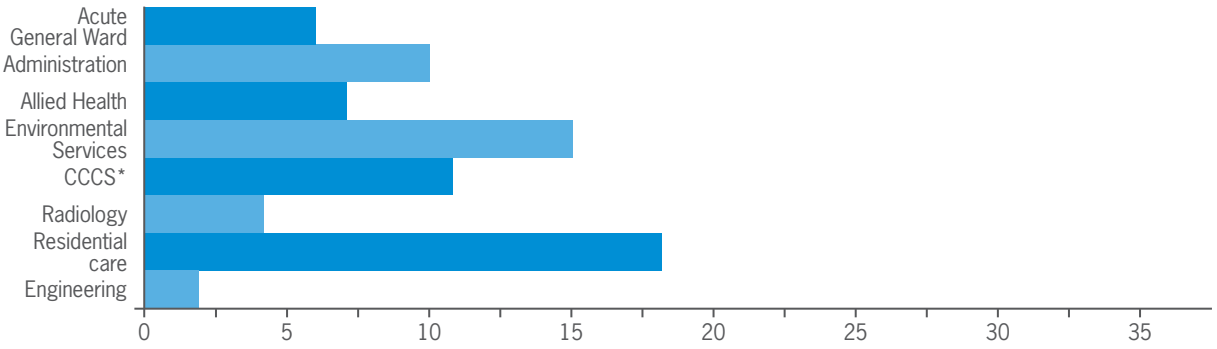


Fire Extinguisher Simulation Training

Fire Extinguisher training was also undertaken through the shared resource "Bulls Eye Fire Extinguisher" purchased through the Grampians Regional Health Emergency Manager Network in 2013. Training sessions conducted resulted in 73 staff experiencing, best practice extinguisher operation procedure in a simulated environment. The scenario for this year's simulation programwas based on each staff member discovering a fire, which tested staff knowledge of the Code Red policy, safe procedures prior to and while in a fire zone and safe extinguisher use. All employees attending successfully completed a related training quiz.

2. Fire Extinguisher training 2015-2016								
Acute General Ward	Administration	Allied Health	Environmental services	CCCS*	Radiology	Residential care	Engineering	Total
6	10	7	15	11	4	18	2	73

*CCCS: Community & Complex Care Services



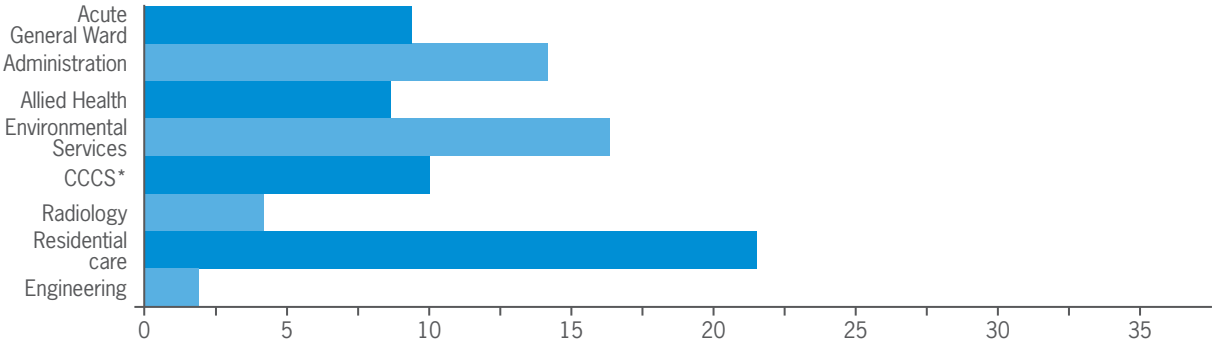
Fire and Evacuation Drills

Drills in Code Red Fire Procedures and Code Orange Evacuation Procedures are undertaken through-out the year. These are conducted in all workplaces, either through 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 and Code Orange Personal Threat. Debriefing employees after the drill identified the need to provide information at the fire panel to prompt employees on the procedures to be followed during the emergency, and further prompt cards have been introduced for the communication officers.

3. Fire Drill 2015-2016

Acute General Ward	Administration	Allied Health	Environmental services	CCCS*	Radiology	Residential Care	Engineering	Total
9	14	7	16	10	4	21	2	83



Total Number of Employee attendance

Fire & Evacuation training 2015-2016	Fire Extinguisher training 2015-2016	Fire Drill 2015-2016
273	73	83

Emergency training 2015-2016

	Acute General Ward	Administration	Allied Health	Environmental services	CCCS*	Operating Theatre	Radiology	Residential care	Engineering
1.	40	47	30	38	16	20	7	36	3
2.	6	10	7	15	11	0	4	18	2
3.	9	14	7	16	10		4	21	2

Occupational Violence

The Department of Health and Human Services introduced a state wide policy for Code Grey response in hospitals to provide more detailed guidance to assist in addressing Occupational Violence. (OV)

SRH is actively involved in reducing the risk to employees from OV. The Code Grey policy has been published to provide procedures for the management of incidents of clinical and nonclinical aggression.

Management of Clinical Aggression (MOCA) training developed by Melbourne Health was delivered to participating organisations within the Grampians Regional in August 2015 and was hosted by SRH. Employees from participating organisations attending five train the trainer sessions delivered by Master Trainers Vikki Dearie and Nigel Toomey.

Training is currently being provided for SRH employees by the MOCA trainer. The sessions are designed for both Nonclinical employees and clinicians, Nonclinical sessions run for four hours. Employees are trained in issue negotiating skills, Harm minimisation and breakaway techniques. 46 employees have currently completed training.

*CCCS: Community & Complex Care Services

Occupational Violence Continued

Occupational Violence Statistics	2015-16
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	31
Number of occupational violence incidents reported per 100 FTE	19/100FTE
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	3%

For the purposes of the above statistics the following definitions apply:

Occupational Violence any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of, their employment.

Occupational Health and Safety	2016-15	2015-14	2014-13
Number of OHS hazards reported per 100 full time equivalent staff members	64.5	31.4	46.2
The number of lost time standard claims for the year per 100 full time equivalent staff members	0.57 1 Lost time claim	1.14 2 Lost time claims	1.17 2 Lost time claims
Average cost per claim each year and standard workcover claims estimate by WorkSafe	$2140 (Standard Claims Estimate $36541)	$35180 (Standard Claims Estimate $21,121)	$7778.50 (Standard Claims Estimate $30748)

Attestation for compliance with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes

I, Howard Cooper certify that Stawell Regional Health has complied with Ministerial Direction 4.5.5 – Risk Management Framework and Processes. The Stawell Regional Health Audit Committee has verified this.

Howard Cooper
Board Chair
Stawell
23rd August 2016

Additional information available on request

Consistent with FRD 22G (Section 6.19) Stawell Regional Health confirms that subject to the provisions of the FOI Act, information has been retained by the Accountable Officer:

a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers;

b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;

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 entity;

e) details of any major external reviews carried out on the entity;

f) details of major research and development activities undertaken by the entity;

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 entity to develop community awareness of the entity and its services;

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

j) a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;

k) a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and

l) details of all consultancies and contractors including:
   (i) consultants/contractors engaged;
   (ii) services provided;
   (iii) expenditure committed to 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. For the period 1 July 2015 to 30 June 2016 Stawell Regional Health was accountable, through its Board of Management, to The Honourable Jill Hennessy MLA, Minister for Health and Minister for Ambulance Services and

The Honourable Martin Foley MLA, Minister for Mental Health and Minister for Housing, Disability and Ageing.

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

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 for Budja 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

Strategic priorities

In 2015–16 Stawell Regional Health contributed to the achievement of the government's commitments by:

Domain	Action	Deliverable	Outcome
Patient experience and outcomes	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.	By January 2016 implement the care coordination model in the Community Services and Complex Care Team across multiple work groups and funding areas. These include Transition Care Program, Hospital Admission Risk Program, Post Acute Care and District Nursing Service.	The care coordination model within Community and Complex Care team has been fully implemented, and provides person centred care across all programs. Community and Complex Care have participated in the CDMnet shared care plan development and review. Care plan analysis and duplication issues have been identified. One General Practice in Stawell is currently sharing CDMnet care plans. Review of care plans identified difficulties for clients accessing specialist appointments. Skype conferencing with medical specialists, general practitioners and the Community Services and Complex Care Co-ordinator is utilised on a case by case basis as required. Evaluation of the care co-ordination model and complex care programs has been undertaken with the use of the Assessment of Quality Of Life measurements pre and post care planning. The audit response from the Hospital Admission Risk Program was 35% of participants. 44% of respondents indicated an improvement in quality of life following
		Work with the Grampians Integrated Cancer Service to further develop Regional Cancer Care Services and improve results against six monthly audits of the state-wide Cancer Key Performance Indicators.	Positive working relationship established with Grampians Integrated Cancer Service to support the development and consolidation of Regional Cancer Care Services. Supportive care screening in place for all chemotherapy patients. Referral system in place for Wimmera Cancer Support Nurse service to provide support to clients in the community. Staff attend regional meetings with GICS team.
	Strengthen the response of health services to family violence. This includes implementing interventions, processes and systems to prevent; identify and respond appropriately to family violence at an individual and community level.	Develop and implement a policy, including a staff education component, aimed at increasing the awareness of and appropriate response to suspected or actual incidents of family violence particularly in community settings.	Meeting with local stakeholders such as Victoria Police Family Violence team, and Grampians Community Health Chief Executive Officer regarding joint collaboration and education initiatives, and strengthening of referral pathways. Information for staff and victims obtained and made available in public waiting areas. Family Violence Policy developed. Family Violence information packs and referral contacts available in the Urgent Care Centre. Joint staff education held in collaboration with Grampians Community Health Family Violence Team.

Strategic priorities

Domain	Action	Deliverable	Outcome
	Use consumer feedback and develop participation processes to improve person and family centred care, health service practice and patient experiences.	By December 2015, review the organisational committee structure to identify opportunities for increased consumer representation on committees.	Review completed, and remains an agenda item for the Leadership Team. **Nutrition Committee:** Consumer representative commenced June 2016 **Clinical Improvement Committee:** Consumer representative in place until their resignation in May 2016. Recruitment underway. **Consumer Feedback:** Consumer engaged to deliver feedback, "their story," to acute nursing leadership group on the acute ward following a negative inpatient experience. **Aged Care Capital Project:** two residents have participated on the Project Control Group since commencement of the project.
	Improve the health outcomes of Aboriginal and Torres Strait Islanders by increasing accessibility and cultural responsiveness of the Victorian health system.	In partnership with the Budja Budja Aboriginal Co-Operative provide a targeted community outreach program to community members of Budja Budja.	Provision of outreach services to the community of Budja Budja Aboriginal Co-Operative: weekly exercise physiology and fortnightly dietetics sessions. Evaluation of the Budja Budja Cooking Program by Deakin University students in April 2016 identified high level of satisfaction with the program by both participants and Budja Budja Aboriginal Co-Operative staff. Memorandum of Understanding between Budja Budja Aboriginal Co-Operative and Stawell Regional Health renewed. A contract to support delivery of services from Budja Budja Aboriginal Co-Operative is also in place.
		Provide further cultural awareness training to clinical staff to support the provision of culturally safe care.	A "Cultural Safety" Project was undertaken in partnership with Budja Budja Aboriginal Co-Operative and the Grampians Pyrenees Primary Care Partnership. The project delivered the training "Strengthening Cultural Security" to Stawell Regional Health staff in May and June 2016.
	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 the Grampians Integrated Cancer Service and other relevant health services progress implementation of optimal care pathways for colorectal and prostate cancer.	Stawell Regional Health has implemented the use of optimal care pathways. These resources have been adopted to support best practice patient care, and have been included as a component of the patient information packs.
Governance, leadership and culture	Demonstrate an organisational commitment to Occupational Health and Safety, including mental health and wellbeing in the workplace. Ensure accessible and affordable support services are available for employees experiencing mental ill health. Work collaboratively with the Department of Health and Human Services and professional bodies to identify and address systemic issues of mental ill health amongst the medical professions.	Evaluate employee satisfaction and access to current Employee Assistance Program to determine effectiveness of the program and implement improvements where required. By December 2015 research and distribute information regarding relevant professional support services available to provide mental health or other services to all staff.	Dissemination of Domestic Violence information has been used as an additional platform to support mental health and well-being in the workplace in the acute area. The Employee Assistance Program has been revised to reflect these additions, and will then be reviewed with an updated policy to raise awareness of the Program. All managers have information to provide staff for referral to Employee Assistance Program Psychologist. Grampians Community Health referral pathways for mental health, drug and alcohol and other counselling services are available at all clinical entry points. Availability has been expanded to include staff.

Strategic priorities

Domain	Action	Deliverable	Outcome
Governance, leadership and culture	Monitor and publically report incidents of occupational violence. Work collaboratively with the Department of Health and Human Services to develop systems to prevent the occurrence of occupational violence.	Participate in the development of regional code grey standards, including participation of staff in Management of Clinical Aggression training and commence in-house education.	Policy and procedure has been developed and published. Management Of Clinical Aggression Train the Trainer education completed. In-house education for clinical and non-clinical staff has commenced. Executive and senior manager representation at the Grampians Region Code Grey forae.
		Review current Occupational Health & Safety and emergency reporting procedures to identify issues of occupational violence and develop specific prevention strategies. Incidents to be reported in the 2015–2016 Annual Report as required.	Occupational Health & Safety and emergency reporting procedures were reviewed to identify issues of occupational violence. Incidents have been aligned with specific organisational risks. Prevention strategies have been developed, and a Risk Assessment tool has been implemented, which includes risk rating for potential and actual incidents.
	Promote a positive workplace culture and implement strategies to prevent bullying and harassment in the workplace. Monitor trends of complaints of bullying and harassment and identify and address organisational units exhibiting poor workplace culture and morale.	Using the People Matter Survey benchmarked results identify areas for improvement by October 2015.	People Matter Survey results evaluated and Bullying & Harassment and Staff Engagement were selected as key areas for improvement. The CEO and Human Resources Manager attended staff group meetings to discuss the 2015 People Matter Survey, obtaining feedback directly from staff that has been used to inform an organisation wide action plan to address bullying and harassment and increase engagement. Orientation includes a revised education component of the Bullying & Harassment training for new staff that incorporates the identified improvements.
		Investigate and implement the use of relevant education and other support for managers and staff to continue to build positive workplace environments and staff engagement.	External consultant “Two+You” were engaged to provide mandatory training to senior management, all staff, and all Visiting Medical Officers working at Stawell Medical Centre. Training delivered to 80% of staff by 30th June 2016.
	Undertake an annual board assessment to identify and develop board capability to ensure all board members are well equipped to effectively discharge their responsibilities.	By April 2016 conduct the annual board assessment to identify and develop board capability to ensure all board members are well equipped to effectively discharge their responsibilities.	Complete.
	Implement strategies to support health service workers to respond to the needs of people affected by ice.	Provide education to staff, including medical staff and locums, to support them to respond to the needs of people affected by ice.	An information package and link to on-line training tools was received from Department of Health and Human Services on 22/01/2016. This was disseminated to education staff and acute hospital staff. An organisation-wide roll-out has been completed.

Strategic priorities

Domain	Action	Deliverable	Outcome
	Adopt the Healthy Choices: Food and Drink Guidelines for Victorian public hospitals, to increase the availability of healthy food and drinks for purchase by staff, visitors and the general public.	Adopt the Healthy Choices: Food and Drink Guidelines and develop an organisation-wide Nutrition Committee.	The Nutrition Committee was established in February 2016. Dietetics and Food Services staff have been provided training to implement the Guidelines. The hospital cafeteria has implemented the Healthy Choices traffic light guide.
Safety and quality	Ensure management plans are in place to prevent, detect and contain Carbapenem Resistant Enterobacteriaceae as outlined in Hospital Circular 02/15 (issued 16 June 2015).	In collaboration with the Grampians Region Infection Control Group facilitate preparedness for the management of Carbapenem Resistant Enterobacteriaceae through the development of a Carbapenem Resistant Enterobacteriaceae resource kit, which will include personal protection training for staff, policy and procedure, flow chart for detection and management and emergency department signage.	The Victorian Guidelines have been disseminated to the Infection Control, Clinical Improvement and Pharmaceutical Advisory Committees. The Victorian Guidelines are easily available for all staff to access. An education program, appropriate policies, and resource kits have been developed and implemented.
	Implement effective antimicrobial stewardship practices and increase awareness of antimicrobial resistance, its implications and actions to combat it, through effective communication, education, and training.	In collaboration with the Grampians Region Infection Control Group, reaffirm existing stewardship policies and practices through a planned education program to support improved antimicrobial awareness.	Antimicrobial prescribing and stewardship policies have been developed and are readily available to all staff. Antimicrobial surveillance programs are conducted in the acute and residential care units and benchmarked through Victorian Nosocomial Infection Surveillance System. Antimicrobial Stewardship education is conducted during orientation. Antimicrobial stewardship is a standing agenda item on the Infection Control and Blood Transfusion Committee. The Pharmacist directly engages with medical staff to prescribe within the guidelines Stawell Regional Health participated in the "Antimicrobial Prescribing and Infection in Australian Residential Aged Care Facilities Audit". The audit results and subsequent recommendations to address areas of concern have been reviewed with Visiting Medical Officers.
	Ensure that emergency response management plans are in place, regularly exercised and updated, including trigger activation and communication arrangements.	Regularly monitor emergency response exercises, including a review of emergency response management plans, the activation triggers and communication arrangements.	Emergency response management plans are in place, regularly exercised and updated. The plans include trigger activation and communication arrangements.
Financial sustainability	Improve cash management processes to ensure that financial obligations are met as they are due.	Review of cash management policies and processes including benchmarking against similar sized organisations with action plans developed for any areas requiring improvement.	SRH cash management policies are continuously being updated when due. A cash flow monitoring process is in place and the bank accounts reconciled daily to ensure our financial commitments can be met.

Strategic priorities

Domain	Action	Deliverable	Outcome
Financial sustainability	Work with Health Purchasing Victoria to implement procurement savings initiatives.	By April 2016 the executive team will collaborate with Health Purchasing Victoria and the Grampians Health Alliance to identify and implement procurement savings initiatives.	Internal Procurement Committee that meets monthly has been established. A Health Purchasing Victoria Representative attends and supports the Committee. Health Purchasing Victoria Policies and Procedures have been adopted by the Board of Management.
	Undertake cost benchmarking and develop partnerships with peers to improve operating efficiency.	By September 2015 engage an external consultant to review clinical costing data to obtain 12 months of patient level product cost data. Utilise the outcome of the review to provide more accurate clinical business management information for submission of data to Department of Health & Human Services, and allow for benchmarking with other Local hospitals.	Syris Consulting engaged to obtain and provide patient level cost data to Victorian Cost Data Collection. Final data was submitted to Victorian Cost Data Collection in December 2015, and was available to allow benchmarking with other Local hospitals.
Access	Implement integrated care approaches across health and community support services to improve access and responses for disadvantaged Victorians.	By November 2015 establish a common care coordination platform in the sub region through continued leadership of "CDM Net" project with partner agencies.	CDMnet has been identified as a common care coordination platform. The Grampians Pyrenees Primary Care Partnership have appointed a project worker to stud shared care planning, including the use of CDMnet as a shared care and care coordination tool.
	Progress partnerships with other health services to ensure patients can access treatments as close to where they live when it is safe and effective to so, making the most efficient use of available resources across the system.	Strengthen relationship with Ballarat Health Services to investigate further services that can be delivered in partnership in Stawell including public cardiology and oncology.	Strengthened delivery of both radiation and medical oncology in response to increased demand. Bed management meetings in acute setting continue with improved communication with Acute Ward Nurse Unit Manager and bed management coordinators at Ballarat Health Services.
	Develop Tele-health service models to facilitate the delivery of high quality and equitable specialist services to patients across regional Victoria.	In partnership with regional hospitals and members of the Grampians Health Alliance, investigate an After-Hours Urgent Care support model.	In partnership with Ballarat Health Services and all other members of the Grampians Health Alliance, an Expression of Interest for funding under the Better Care Victoria initiative was submitted for the establishment of a regional Telehealth model. Whilst the Expression of Interest was unsuccessful, this model will continue to be explored.
		Utilise telehealth to link with emergency departments in the Grampians Region to provide timely assessment and patient care delivery to patients presenting after hours.	Preliminary work has commenced to support a sustainable emergency Telehealth model with the regional emergency department. Telehealth support routinely provided by Adult Retrieval Victoria for complex Urgent Care Centre presentations.

Part B: Performance Priorities

Safety and quality performance

Key performance indicator	Target	2015-16 Result
Compliance with NSQHS Standards accreditation	Full compliance	Achieved
Compliance with the Commonwealth's Aged Care Accreditation Standards	Full compliance	Achieved
Cleaning standards	Full compliance	Achieved
Compliance with the Hand Hygiene Australia program	80%	Achieved
Very high risk (Category A)	90	Achieved
High risk (Category B)	85	Achieved
Moderate risk (Category C)	85	Achieved
Percentage of healthcare workers immunised for influenza	75%	74.1%
Submission of infection surveillance data to VICNISS	Full compliance	Achieved

Patient experience and outcomes performance

Key performance indicator	Target	2015-16 Result
Victorian Healthcare Experience Survey - data submission	Full compliance	Achieved
Victorian Healthcare Experience Survey – patient experience Quarter 1	95% positive experience	99.0%
Victorian Healthcare Experience Survey – patient experience Quarter 2	95% positive experience	96.1%
Victorian Healthcare Experience Survey – patient experience Quarter 3	95% positive experience	97.0%

Governance, leadership and culture performance

Key performance indicator	Target	2015-16 Result
People Matter Survey - percentage of staff with a positive response to safety culture questions	80%	87%

Financial sustainability performance

Key performance indicator	Target	2015-16 Result
Finance		
Operating result ($m)	0.03	0.27
Trade creditors	< 60 days	53
Patient fee debtors	< 60 days	16
Public & private WIES performance to target	100%	99.16%
Asset management		
Asset management plan	Full compliance	Achieved
Adjusted current asset ratio	0.70	1.98
Days of available cash	14 days	135 days

Statement of employment and conduct principles

Stawell Regional Health ensures a fair and transparent process for recruitment, selection, transfer and promotion of staff. It bases its employment selection on merit, and complies with the relevant legislation.

Policies and Procedures are in place to ensure staff are treated fairly, respected and provided with avenues for grievance and complaint processes.

Part C: Activity and Funding

Funding type	2015–16 Activity Achievement
Acute Admitted	
WIES Public	1,663
WIES Private	510
WIES (Public and Private)	2,173
WIES DVA	48
WIES TAC	3
WIES TOTAL	2,225
Subacute & Non-Acute Admitted	
Maintenance Public	208
Subacute Non-Admitted	
Health Independence Program	7,994
Aged Care	
Residential Aged Care	9,242
HACC	18,760
Mental Health and Drug Services	
Mental Health Residential	1,973
Primary Health	
Community Health / Primary Care Programs	8,784

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.

Application of Employment and Conduct Principles and Equal Opportunity

Recruitment, selection and employment within Stawell Regional Health complies with employment conditions as specified in relevant Health Awards and Enterprise Bargaining Agreements. The employment of staff satisfies equal employment opportunity requirements, legislative and moral obligations, and terms and conditions of the *Fair Work Act*, Australia including National Employment Standards.

The Chief Executive or their appointed Delegates have primary responsibility for all aspects of Employment, Conduct Principles and Equal Opportunity.

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 288 persons were employed by Stawell Regional Health: During this period Full time 69, Part time 140 and Casual 79.

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, 2016.

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 2015-16 there was one (1) individual consultancy where the total fees payable to the consultants was over $10,000.

In 2015-16 there were four (4) consultancies where the total fees payable to the consultants were under $10,000. The total expenditure incurred during 2015-16 in relation to these consultancies was $18,875 (GST exclusive).

Disclosure of ICT Expenditure

($)			
Business As Usual (BAU) ICT expenditure (Total) (excluding GST)	Non-Business As Usual (non BAU) ICT expenditure (Total=Operational expenditure and Capital Expenditure) (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
$88,747	**$0**		**$88,747**

Statutory Reporting Requirements

Freedom of Information

Stawell Regional Health has received 24 requests for information under the Freedom of Information Act (1982) during the 2015-16 financial year, a decrease of eleven (11) on the previous financial year.

- Twenty (20) cases were granted in full
- No cases where the records were destroyed.
- No requests for access were denied
- Three (3) cases where no documents were available
- In one case the request was not proceeded with due to being withdrawn
- 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

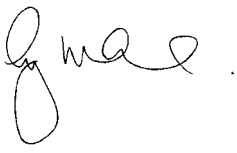
Stawell Regional Health complies with the Standard Requirements for the Publication of Annual Reports.

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
23rd August, 2016

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 legislations and pronouncements. This index has been prepared to facilitate identification of Stawell Regional Health's compliance with statutory disclosure requirements.

Legislation	Requirement	Page
Ministerial Directions		
Report of operations – FRD guidance		
Charter and purpose		
FRD 22G	Manner of establishment and the relevant Ministers	Page 14
FRD 22G	Purpose, functions, powers and duties	Page 15
FRD 22G	Key initiatives and projects	Pages 8-9
FRD 22G	Nature and range of services provided	Page 15
Management and structure		
FRD 22G	Organisational structure	Page 6
Financial and other information		
FRD 10A	Disclosure index	Page 25
FRD 22G	Workforce Data Disclosures including a statement on the application of employment and conduct principles	Page 11& 21
FRD 22G	Occupational health and safety policy	Page 12-13
FRD 22G	Summary of the financial results for the year	Page 9-10
FRD 22G	Significant changes in financial position during the year	Page 9-10
FRD 22G	Major changes or factors affecting performance	Page 9-10
FRD 22G	Operational and budgetary objectives and performance against objectives	Page 16-22
FRD 22G	Subsequent events	N/A
FRD 22G	Application and operation of Freedom of Information Act 1982	Page 24
FRD 22G	Compliance with building and maintenance provisions of Building Act 1993	Page 23
FRD 22G	Statement on National Competition Policy	Page 24
FRD 22G	Application and operation of the Protected Disclosure 2012	Page 23
FRD 22G	Application and operation of the Carers Recognition Act 2012	Page 24
FRD 22G	Details of consultancies over $10 000	Page 23
FRD 22G	Details of consultancies under $10 000	Page 23
FRD 22G	Disclosure of ICT expenditure	Page 23
FRD 22G	Statement of availability of other information	Page 14
FRD 22G	Summary of entity's environmental performance	Page 22
FRD 25B	Victorian Industry Participation Policy disclosures	Page 22

Legislation	Disclosure Required	Page
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SD 3.4.13	Attestation of Data Integrity	Page 24
SD 4.5.5	Attestation for compliance with Ministerial Standing Direction 4.5.5	Page 14
	Occupational Violence Reporting	Page 13-14
	Compliance with car parking fees reporting	N/A
	Compliance with DataVic Access Policy	Page 23
Financial Report		
SD 4.2(j)	Responsible bodies declaration	Page 5
Financial statements required under Part 7 of the FMA		
SD 4.2(b)	Statement of changes in equity	Page 31
SD 4.2(b)	Operating statement	Page 29
SD 4.2(b)	Balance sheet	Page 30
SD 4.2(b)	Cash flow statement	Page 32
Other requirements under Standing Directions 4.2		
SD 4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 33
SD 4.2(c)	Accountable officer's declaration	Page 26
SD 4.2(c)	Compliance with Ministerial Directions	Page 14
SD 4.2(d)	Rounding of amounts	Page 36
Other disclosures as required by FRDs in notes to the financial statements		
FRD 11A	Disclosure of ex gratia expenses	N/A
FRD 21B	Responsible person and executive officer disclosures	Page 73
Legislation		
Freedom of Information Act 1982		Page 24
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Carers Recognition Act 2012		Page 24
Victorian Industry Participation Policy Act 2003		Page 24
Financial Management Act 1994		Page 24

STAWELL REGIONAL HEALTH

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

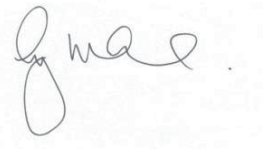
We certify that the attached financial statements for Stawell Regional Health and the Consolidated Entity have been prepared in accordance with Standing Direction 4.2 of the Financial Management *Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards, including* Interpretations 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 2016 and financial position of Stawell Regional Health and the Consolidated Entity at 30 June 2016.

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
23rd August, 2016



Liz McCourt
Accountable Officer
Stawell
23rd August, 2016

Rabin Bangaar
Finance Manager
Stawell
23rd August, 2016

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

I have audited the accompanying financial report for the year ended 30 June 2016 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 of Stawell Regional Health and the consolidated entity. The consolidated entity comprises 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 24 to the financial statements

The Board Members' Responsibility for the Financial Report

The Board Members of Stawell Regional Health are responsible for the preparation and 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, I and my staff and delegates have complied with all applicable independence pronouncements.

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 2016 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 *Financial Management Act 1994*.

Dr Peter Frost
Acting Auditor-General

MELBOURNE
26 August 2016

STAWELL REGIONAL HEALTH
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	Parent Entity 2016 $'000	Parent Entity 2015 $'000	Consolidated 2016 $'000	Consolidated 2015 $'000
Revenue from Operating Activities	2	25,340	24,261	25,340	24,261
Revenue from Non-Operating Activities	2	280	295	280	295
Employee Expenses	3	(15,273)	(14,829)	(15,273)	(14,757)
Non Salary Labour Costs	3	(2,790)	(2,597)	(2,790)	(2,597)
Supplies and Consumables	3	(4,067)	(3,946)	(4,067)	(3,946)
Other Expenses	3	(3,213)	(3,157)	(3,217)	(3,161)
Net Result Before Capital and Specific Items		277	27	273	95
Capital Purpose Income	2	1,206	726	1,325	888
Expenditure for Capital Purposes	3	(7)	-	(7)	-
Depreciation	4	(1,993)	(1,945)	(1,993)	(1,945)
Net Result After Capital and Specific Items		(517)	(1,192)	(402)	(962)
Other Economic Flows Included in Net Result					
Net gain/(loss) on non-financial assets	2a	20	29	20	29
Revaluation of Long Service Leave	3,12	(88)	(72)	(88)	(72)
Total Other Economic Flows Included in Net Result		(68)	(43)	(68)	(43)
NET RESULT FOR THE YEAR		(585)	(1,235)	(470)	(1,005)
Other Comprehensive Income					
Net fair value revaluation on Non Financial Assets		-	-	-	-
Total Other Comprehensive Income		-	-	-	-
COMPREHENSIVE RESULT		**(585)**	**(1,235)**	**(470)**	**(1,005)**

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

STAWELL REGIONAL HEALTH
BALANCE SHEET
AS AT 30 JUNE 2016

	Note	Parent Entity 2016 $'000	Parent Entity 2015 $'000	Consolidated 2016 $'000	Consolidated 2015 $'000
Current Assets					
Cash and Cash Equivalents	5	7,554	6,741	9,263	8,349
Receivables	6	706	647	725	652
Inventories	7	135	105	135	105
Prepayments and Other Assets	8	355	143	355	143
Total Current Assets		8,750	7,636	10,478	9,249
Non-Current Assets					
Receivables	6	24	154	24	154
Property, Plant and Equipment	9	25,388	26,032	25,388	26,032
Intangible Assets	10	307	302	307	302
Total Non-Current Assets		25,719	26,488	25,719	26,488
TOTAL ASSETS		34,469	34,124	36,197	35,737
Current Liabilities					
Payables	11	1,718	1,274	1,722	1,278
Provisions	12	2,811	2,710	2,811	2,710
Other Liabilities	14	448	105	448	105
Total Current Liabilities		4,977	4,089	4,981	4,093
Non-Current Liabilities					
Provisions	12	579	537	579	537
Total Non-Current Liabilities		579	537	579	537
TOTAL LIABILITIES		5,556	4,626	5,560	4,630
NET ASSETS		28,913	29,498	30,637	31,107
EQUITY					
Property, Plant and Equipment Revaluation Surplus	15a	13,886	13,886	13,886	13,886
General Purpose Surplus	15a	494	316	494	316
Restricted Specific Purpose Surplus	15a	1,978	2,089	1,978	2,089
Contributed Capital	15b	9,345	9,345	9,345	9,345
Accumulated Surpluses/(Deficits)	15c	3,210	3,862	4,934	5,471
TOTAL EQUITY		28,913	29,498	30,637	31,107
Commitments	18				
Contingent Assets and Contingent Liabilities	19				

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 2016

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 2014		13,886	461	1,903	9,345	6,517	32,112
Net result for the year	15(c)	0	0	0	0	(1,005)	(1,005)
Transfer to Accumulated Surplus	15(a)	0	(145)	186	0	(41)	0
Other Comprehensive income for the year	15(a)	0	0	0	0	0	0
Balance at 30 June 2015		**13,886**	**316**	**2,089**	**9,345**	**5,471**	**31,107**
Net result for the year	15(c)	0	0	0	0	(470)	(470)
Transfer to Accumulated Surplus	15(a)	0	178	(111)	0	(67)	0
Other Comprehensive income for the year	15(a)	0	0	0	0	0	0
Balance at 30 June 2016		**13,886**	**494**	**1,978**	**9,345**	**4,934**	**30,637**

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 2014		13,886	461	1,903	9,345	5,095	30,690
Net result for the year	15(c)	0	0	0	0	(1,192)	(1,192)
Transfer to Accumulated Surplus	15(a)	0	(145)	186	0	(41)	0
Other Comprehensive income for the year	15(a)	0	0	0	0	0	0
Balance at 30 June 2015		**13,886**	**316**	**2,089**	**9,345**	**3,862**	**29,498**
Net result for the year	15(c)	0	0	0	0	(585)	(585)
Transfer to Accumulated Surplus	15(a)	0	178	(111)	0	(67)	0
Other Comprehensive income for the year	15(a)	0	0	0	0	0	0
Balance at 30 June 2016		**13,886**	**494**	**1,978**	**9,345**	**3,210**	**28,913**

STAWELL REGIONAL HEALTH
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	Parent Entity 2016 $'000	Parent Entity 2015 $'000	Consolidated 2016 $'000	Consolidated 2015 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)
Operating Grants from Government		19,576	18,487	19,576	18,487
Capital Grants from Government		1,153	317	1,153	317
Patient and Resident Fees Received		1,888	1,793	1,888	1,793
Capital Donations and Bequests Received		53	156	124	299
GST (Paid to)/received from ATO		45	(36)	45	(36)
Interest Received		228	174	262	234
Other Receipts		3,473	3,992	3,473	3,992
Total Receipts		***26,416***	***24,883***	***26,521***	***25,086***
Employee Expenses Paid		(15,104)	(14,988)	(15,104)	(14,988)
Non Salary Labour Costs		(2,790)	(2,597)	(2,790)	(2,597)
Payments for Supplies and Consumables		(3,612)	(3,943)	(3,612)	(3,943)
Other Payments		(3,106)	(2,916)	(3,110)	(2,920)
Total Payments		***(24,612)***	***(24,444)***	***(24,616)***	***(24,448)***
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	16	1,804	439	1,905	638
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for Non-Financial Assets		(1,307)	(569)	(1,307)	(569)
Payment for Intangible Assets		(54)	(22)	(54)	(22)
Proceeds from Sale of Non-Financial Assets		27	78	27	78
Proceeds from Monies Held in Trust		2	-	2	-
Cash From/(Used) in Joint Venture		70	(52)	70	(52)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(1,262)	(565)	(1,262)	(565)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		542	(126)	643	73
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		6,564	6,690	8,172	8,099
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	7,106	6,564	8,815	8,172

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 2016. 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: 23rd August, 2016.

(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 2016, and the comparative information presented in these financial statements for the year ended 30 June 2015.

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

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

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

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

- Non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are re-assessed when new indices are published by the Valuer General 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.

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

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

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

For the purpose of fair value disclosures, 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(j));
- superannuation expense (refer to Note 1(k)); 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 2016, 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 24.

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.

(d) Principles of Consolidation (Continued)

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);

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

Comprehensive operating statement

* 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.

Other economic flows; are changes arising from market remeasurements. They include:
* gains and losses from disposals of non-financial assets;
* revaluations and impairments of non-financial physical and intangible assets;
* remeasurement arising from defined benefit superannuation plans; and
* fair value changes of financial instruments.

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 borrowings in the balance sheet.

Rounding

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

(f) 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.

(g) 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 13: Superannuation.

(g) 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.

	2016	2015
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 (2015: 3-5 years).

(g) Expense recognition (Continued)

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 recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(h) Other Economic Flows Included in Net Result

Other economic flows are changes in the 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.

Other gains/(losses) from Other Economic Flows

Other gains/(losses) include:

a. The revaluation of the present value of the long service leave liability due to changes in the bond interest rates, this will include the impact of changes related to the impact of moving from the 2004 long service leave model; and

b. Transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

(i) 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 17.

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.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of the Health Service's contractual payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

(j) Assets

Cash and Cash Equivalents

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

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

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.

(j) Assets (Continued)

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 9 *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 depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Revaluations of Non-current Physical Assets

Non-Current physical assets are measured at fair value and are revalued in accordance with FRD 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'.

(j) Assets (Continued)

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.

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.

(j) Assets (Continued)

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 2016 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 2016. 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.

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.

(k) Liabilities

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 because the Health Service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation obligations as they fall due.

(l) 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.

(m) 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.

(n) 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 18) 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.

(o) 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.

(p) 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.

(q) AASs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2016 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 2016, 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 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: - The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and - Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 January 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.
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 January 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.

(q) 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 2014-1 *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 requirements.	1 January 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 January 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018	The assessment has indicated there will be no significant impact for the public sector.
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 January 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.
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 January 2016	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.

(q) 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 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 January 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.
AASB 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15	This standards defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 January 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 16 *Leases*	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 January 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2015-16 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.

- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]
- AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]
- AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128
- AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative - Amendments to AASB107

(r) 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.

Non Admitted Services comprises acute and subacute non admitted services, where services are delivered in public hospital clinics and provide models of integrated community care, which significantly reduces the demand for hospital beds and supports the transition from hospital to home in a safe and timely manner.

Emergency Department Services (Eds) comprises all emergency department services.

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 support, early parenting services, parenting assessment and skills development, and various support services. Health and Community Initiatives also falls in this category group.

Note 2: ANALYSIS OF REVENUE BY SOURCE	Admitted Patients 2016 $'000	Outpatients 2016 $'000	Ambulatory 2016 $'000	RAC incl. Mental Health 2016 $'000	Aged Care 2016 $'000	Primary Health 2016 $'000	Other 2016 $'000	TOTAL 2016 $'000
Government Grants	13,794	0	0	2,954	691	2,070	0	19,509
Indirect Contributions by Department of Health and Human Services	24	0	0	0	0	0	0	24
Patient and Resident Fees	785	113	0	736	114	105	0	1,853
Grampians Rural Health Alliance	0	0	0	0	0	0	524	524
Commercial Activities & Specific Purpose Funds	0	0	0	0	0	0	2,593	2,593
Other Revenue from Operating Activities	765	0	0	0	25	47	0	837
Total Revenue from Operating Activities	**15,368**	**113**	**0**	**3,690**	**830**	**2,222**	**3,117**	**25,340**
Interest and Dividends	0	0	0	0	0	0	176	176
Other Revenue from Non Operating Activities	104	0	0	0	0	0	0	104
Total Revenue from Non-Operating Activities	**104**	**0**	**0**	**0**	**0**	**0**	**176**	**280**
Capital Purpose Income	0	0	0	0	0	0	1,277	1,277
Capital Interest	0	0	0	0	0	0	48	48
Total Capital Purpose Income	**0**	**0**	**0**	**0**	**0**	**0**	**1,325**	**1,325**
Gain/(Loss) on Non Financial Assets	0	0	0	0	0	0	20	20
TOTAL REVENUE	**15,472**	**113**	**0**	**3,690**	**830**	**2,222**	**4,638**	**26,965**

Note 2: ANALYSIS OF REVENUE BY SOURCE (Continued)

	Admitted Patients	Outpatients	Ambulatory	RAC incl. Mental Health	Aged Care	Primary Health	Other	TOTAL
	2015 $'000	2015 $'000	2015 $'000	2015 $'000	2015 $'000	2015 $'000	2015 $'000	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
Share of Jointly Controlled Revenue	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	840	840
Capital Interest	0	0	0	0	0	0	48	48
Total Capital Purpose Income	**0**	**0**	**0**	**0**	**0**	**0**	**888**	**888**
Gain/(Loss) on Non Financial Assets	0	0	0	0	0	0	29	29
TOTAL REVENUE	**13,808**	**606**	**562**	**3,358**	**818**	**2,303**	**4,018**	**25,473**

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 2016 $'000	Consol'd 2015 $'000
Proceeds from Disposal of Non Current Assets		
- Medical Equipment	9	0
- Motor Vehicles	18	78
Total Proceeds from Disposal of Non-Current Assets	27	78
Less: Written Down Value of Non-Current Assets Disposed		
- Medical Equipment	(7)	-
- Motor Vehicles	-	(49)
Total Written Down Value of Non-Current Assets Disposed	(7)	(49)
NET GAINS/(LOSSES) ON DISPOSAL OF NON-FINANCIAL ASSETS	20	29

Note 3: ANALYSIS OF EXPENSE BY SOURCE	**Admitted Patients 2016 $'000**	**Outpatients 2016 $'000**	**Ambulatory 2016 $'000**	**RAC incl. Mental Health 2016 $'000**	**Aged Care 2016 $'000**	**Primary Health 2016 $'000**	**Other 2016 $'000**	**TOTAL 2016 $'000**
Employee Expenses	6,816	378	0	3,704	825	2,128	1,510	15,361
Non Salary Labour Costs	2,219	189	0	45	-	180	157	2,790
Supplies and Consumables	3,510	22	0	49	12	40	434	4,067
Share of Jointly Controlled Expenses	0	0	0	-	-	-	404	404
Other Expenses	2,094	26	0	160	13	125	395	2,813
Total Expenditure from Operating Activities	**14,639**	**615**	**-**	**3,958**	**850**	**2,473**	**2,900**	**25,435**
Expenditure for Capital Purposes	0	0	0	0	0	0	7	7
Depreciation & Amortisation (refer note 4)	0	0	0	0	0	0	1,993	1,993
Total Other Expenses	**-**	**-**	**-**	**-**	**-**	**-**	**2,000**	**2,000**
TOTAL EXPENSES	**14,639**	**615**	**-**	**3,958**	**850**	**2,473**	**4,900**	**27,435**

Note 3: ANALYSIS OF EXPENSE BY SOURCE (Continued)

	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 (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 3a: ANALYSIS OF EXPENSES AND REVENUE BY INTERNALLY MANAGED AND RESTRICTED SPECIFIC PURPOSE FUNDS	Expense		Revenue	
	Consol'd 2016 $'000	Consol'd 2015 $'000	Consol'd 2016 $'000	Consol'd 2015 $'000
Commercial Activities				
Diagnostic Imaging	1,058	912	1,149	1,078
Catering	155	106	181	151
Private Practice and Other Patient Activities	1,128	1,407	927	1,276
Other Activities				
Fundraising and Community Support	150	30	860	387
TOTAL	2,491	2,455	3,117	2,892

NOTE 4: DEPRECIATION AND AMORTISATION	Consol'd 2016 $'000	Consol'd 2015 $'000
Depreciation		
Buildings	1,297	1,387
Plant and Equipment	266	184
Medical Equipment	381	319
Total Depreciation	1,944	1,890
Amortisation		
Intangible Assets	49	55
Total Amortisation	49	55
TOTAL DEPRECIATION AND AMORTISATION	1,993	1,945

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 2016 $'000	Consol'd 2015 $'000
Cash on Hand	2	2
Cash at Bank	595	311
Short Term Money Market	8,534	7,966
Jointly Controlled Cash & Cash Equivalents (note 21)	132	70
TOTAL CASH AND CASH EQUIVALENTS	9,263	8,349
Represented by:		
Cash for Health Service Operations (as per cash flow statement)	8,815	8,172
Cash Held For Jointly Controlled Entities	-	70
Cash for Monies Held in Trust		
- Cash at Bank	448	107
- Short Term Money Market	-	-
TOTAL CASH AND CASH EQUIVALENTS	9,263	8,349

NOTE 6: RECEIVABLES	Consol'd 2016 $'000	Consol'd 2015 $'000
CURRENT		
Contractual		
Trade Debtors	174	146
Jointly Controlled Receivables (note 21)	80	-
Patient Fees	243	278
Accrued Investment Income	41	79
Accrued Revenue - Other	117	44
Less Allowance for Doubtful Debts		
Trade Debtors	-	(1)
Patient Fees	(44)	(31)
	611	515
Statutory		
GST Receivable - Health Service	92	137
Department of Health and Human Services	22	-
	114	137
TOTAL CURRENT RECEIVABLES	725	652
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	24	154
TOTAL NON-CURRENT RECEIVABLES	24	154
TOTAL RECEIVABLES	749	806
(a) Movement in the allowance for doubtful debts		
Balance at beginning of year	31	8
Amounts written off during the year	(1)	(1)
Increase/(Decrease) in allowance recognised in net result	14	24
Balance at end of year	44	31

(a) Ageing analysis of receivables
Please refer to Note 17(b) for the ageing analysis of contractual receivables.

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

NOTE 7: INVENTORIES	Consol'd 2016 $'000	Consol'd 2015 $'000
Pharmaceuticals - at cost	82	35
Medical and Surgical Lines - at cost	53	70
TOTAL INVENTORIES	135	105

NOTE 8: PREPAYMENTS AND OTHER ASSETS	Consol'd 2016 $'000	Consol'd 2015 $'000
Health Service Prepayments	344	140
Jointly Controlled Prepayments	11	-
Rental Property Bonds	-	3
TOTAL OTHER ASSETS	355	143

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

(a) Gross carrying amount and accumulated depreciation

	Consol'd 2016 $'000	Consol'd 2015 $'000
Land		
- Land at Fair Value	1,400	1,400
Total Land	1,400	1,400
Buildings		
- Buildings Under Construction at Cost	177	140
- Buildings at Fair Value	23,815	23,815
Less Accumulated Depreciation	2,684	1,387
Total Buildings	21,308	22,568
Plant and Equipment		
- Plant and Equipment at Fair Value	2,259	2,045
Less Accumulated Depreciation	1,553	1,374
Total Plant and Equipment	706	671
Medical Equipment		
- Medical Equipment at Fair Value	4,877	4,455
Less Accumulated Depreciation	3,052	3,131
Total Medical Equipment	1,825	1,324
Jointly Controlled Property, Plant & Equipment		
- Jointly Controlled PP&E at Fair Value	187	136
Less Acc'd Depreciation	38	67
	149	69
TOTAL PROPERTY, PLANT AND EQUIPMENT	25,388	26,032

(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 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 1 July 2015	1,400	22,568	671	1,324	69	26,032
Additions	-	37	301	889	-	1,227
Nett WDV of Disposals	-	-	-	(7)	-	(7)
Movement in Jointly Controlled PP&E	-	-	-	-	80	80
Revaluation Increments/(Decrements)	-	-	-	-	-	-
Depreciation and Amortisation (note 4)	-	(1,297)	(266)	(381)	-	(1,944)
Balance at 30 June 2016	1,400	21,308	706	1,825	149	25,388

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 2016.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (Continued)
(c) Fair value measurement hierarchy for assets as at 30 June 2016

	Carrying amount as at 30 June 2016	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	21,026	0	0	21,026
Buildings Under Construction	177	0	0	177
Total of building at fair value	21,308	0	105	21,203
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	416	0	0	416
- GRHA Plant and equipment	149	0	0	149
- Motor Vehicles	290	0	0	290
- Medical Equipment	1,825	0	0	1,825
Total of plant, equipment and vehicles at fair value	2,680	0	0	2,680

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 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.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (Continued)
(c) Fair value measurement hierarchy for assets as at 30 June 2016 (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 2016.

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 2016	Land	Buildings	Plant and equipment	Medical equipment
Opening Balance	1,050	22,463	740	1,324
Purchases (sales)	-	37	381	882
Gains or losses recognised in net result				
- Depreciation	-	(1,297)	(266)	(381)
Subtotal	1,050	21,203	855	1,825
Items recognised in other comprehensive income				
- Revaluation	-	-	-	-
Subtotal	-	-	-	-
Closing Balance	1,050	21,203	855	1,825
Unrealised gains/(losses) on non-financial assets	-	-	-	-
	1,050	21,203	855	1,825

There have been no transfers between levels during the period.

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.

NOTE 9: 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 10: INTANGIBLE ASSETS

	Consol'd 2016 $'000	Consol'd 2015 $'000
Computer Software	530	475
Less Accumulated Amortisation	466	416
	64	59
Business Goodwill	243	243
TOTAL INTANGIBLE ASSETS	**307**	**302**

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 2014	92	243	335
Additions	22	0	22
Amortisation (note 4)	55	0	55
Balance at 1 July 2015	**59**	**243**	**302**
Additions	54	0	54
Amortisation (note 4)	49	0	49
Balance at 30 June 2016	64	243	307

NOTE 11: PAYABLES	Consol'd 2016 $'000	Consol'd 2015 $'000
CURRENT		
Contractual		
Trade Creditors	1,212	852
Jointly Controlled Payables	49	16
Income Received in Advance	171	-
Accrued Expenses - Other	230	138
	1,662	1,006
Statutory		
Department of Health and Human Services	-	272
Department of Health and Ageing	60	-
	60	272
TOTAL PAYABLES	1,722	1,278

(a) Maturity analysis of payables
Please refer to Note 17(c) for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from payables
Please refer to Note 17(c) for the nature and extent of risks arising from contractual payables.

NOTE 12: PROVISIONS	Consol'd 2016 $'000	Consol'd 2015 $'000
Current Provisions		
Employee Benefits (i)		
Annual Leave (Note 12(a))		
- unconditional and expected to be settled within 12 months (ii)	837	888
- unconditional and expected to be settled after 12 months (iii)	70	70
Long Service Leave (Note 12(a))		
- unconditional and expected to be settled within 12 months (ii)	104	145
- unconditional and expected to be settled after 12 months (iii)	1,200	1,200
Accrued Days Off (Note 12(a))		
- unconditional and expected to be settled within 12 months (ii)	59	55
- unconditional and expected to be settled after 12 months (iii)	-	-
Accrued Wages & Salaries (Note 12(a))		
- unconditional and expected to be settled within 12 months (ii)	252	71
- unconditional and expected to be settled after 12 months (iii)	-	-
	2,522	2,429
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (ii)	155	147
- unconditional and expected to be settled after 12 months (iii)	134	134
	289	281
Total Current Provisions	**2,811**	**2,710**
Non-Current Provisions		
Employee Benefits (i) (Note 12(a))	523	486
Provisions related to employee benefit on-costs (Note 12(a) and Note 12(b))	56	51
Total Non-Current Provisions	**579**	**537**
Total Provisions	**3,390**	**3,247**
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and Related On-Costs		
Annual Leave Entitlements	1,025	1,083
Accrued Salaries and Wages	279	79
Accrued Days Off	65	61
Unconditional Long Service Leave Entitlements	1,442	1,487
Non-Current Employee Benefits and Related On-Costs		
Conditional Annual Leave Entitlements (present value)	91	92
Conditional Long Service Leave Entitlements (ii)	488	445
Total Employee Benefits and Related On-Costs	**3,390**	**3,247**

NOTE 12: PROVISIONS (Continued)	Consol'd 2016 $'000	Consol'd 2015 $'000
(b) Movements in provisions		
Movement in Long Service Leave:		
Balance at start of year	1,899	1,704
Provision made during the year		
- Revaluations	88	72
- Expense Recognising Employee Service	236	313
Settlement made during the year	(293)	(190)
Balance at end of year	1,930	1,899

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 13: 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	
		2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Defined Benefit Plans:	First State	72	110	-	-
Defined Contribution Plans:	First State / HESTA / Other	1,204	1,131	-	-
Total		1,276	1,241	-	-

NOTE 14: OTHER LIABILITIES	Consol'd 2016 $'000	Consol'd 2015 $'000
CURRENT		
Monies Held in Trust*		
- Patient Monies Held in Trust	42	56
- Other Monies Held in Trust	4	49
- Accommodation Bonds	402	-
TOTAL CURRENT	448	105
*** Total Monies Held in Trust**		
Represented by the following assets:		
Cash Assets (refer to Note 5)	448	105
TOTAL OTHER LIABILITIES	448	105

NOTE 15: EQUITY	Consol'd 2016	Consol'd 2015
(a) Reserves	$'000	$'000
Property, Plant and Equipment Revaluation Surplus [1]		
Balance at beginning of the reporting period		
- Land	807	807
- Buildings	13,079	13,079
Revaluation Increment/Decrement		
- Land	-	-
- Buildings	-	-
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	316	461
Transfer to and from General Reserve	178	(145)
Balance at the end of the reporting period	494	316
Restricted Specific Purpose Surplus		
Balance at the beginning of the reporting period	2,089	1,903
Transfer to and from Restricted Specific Purpose Reserve	(111)	186
Balance at the end of the reporting period	1,978	2,089
TOTAL SURPLUSES	16,358	16,291
(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	5,471	6,517
Net Result for the Year	(470)	(1,005)
Transfers to and from Reserve	(67)	(41)
Balance at the end of the reporting period	4,934	5,471
(d) Total Equity at end of financial year	30,637	31,107

NOTE 16: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES	Consol'd 2016 $'000	Consol'd 2015 $'000
NET RESULT FOR THE YEAR	(470)	(1,005)
Depreciation & Amortisation	1,993	1,945
Change in Inventories	(30)	3
Movement in Doubtful Debts	12	19
Net (Gain)/Loss from Sale of Plant and Equipment	(20)	(29)
Share of Net Result from Joint Ventures	-	(2)
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	45	(69)
(Increase)/Decrease in Prepayments	(212)	(57)
Increase/(Decrease) in Payables	444	100
Increase/(Decrease) in Employee Benefits	143	(159)
Increase/(Decrease) in Other Liabilities	-	(108)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1,905	638

NOTE 17: 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

2016	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	-	-	9,263	-	-	9,263
Receivables	-	-	611	-	-	611
Total Financial Assets (i)	-	-	9,874	-	-	9,874
Financial Liabilities						
Payables	-	-	-	-	1,662	1,662
Other Financial Liabilities	-	-	-	-	448	448
Total Financial Liabilities(ii)	-	-	-	-	-	2,110

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

(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 17: 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
2016					
Financial Assets					
Cash and Cash Equivalents	-	224	-	-	224
Total Financial Assets	-	224	-	-	224
Financial Liabilities					
At amortised cost (ii)	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-
2015					
Financial Assets					
Cash and Cash Equivalents	-	257	-	-	257
Total Financial Assets	-	257	-	-	257
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

2016	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	4,763	4,500	-	-	9,263
Loans and Receivables (i)	-	80	-	531	611
Total Financial Assets	4,763	4,580	-	531	9,874
2015					
Financial Assets					
Cash and Cash Equivalents	8,349	-	-	-	8,349
Loans and Receivables (i)	-	-	-	515	515
Total Financial Assets	8,349	-	-	515	8,864

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

NOTE 17: FINANCIAL INSTRUMENTS (Continued)
(b) Credit Risk (Continued)
Ageing analysis of financial assets as at 30 June

			Past Due But Not Impaired				
2016	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	9,263	9,263	-	-	-	-	-
Loans and Receivables (i)	611	437	157	15	2	-	-
Total Financial Assets	9,874	9,700	157	15	2	-	-
2015							
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	-	-

(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			
2016	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	1,662	1,662	1,662	-	-	-
Other Financial Liabilities (i)	448	448	448	-	-	-
Total Financial Liabilities	2,110	2,110	2,110	-	-	-
2015						
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	-	-	-

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

NOTE 17: 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		
2016			Fixed Interest Rate $'000	Variable Interest Rate $'000	Non - Interest Bearing $'000
Financial Assets					
Cash and Cash Equivalents	2.79	9,263	-	9,261	2
Loans and Receivables (i)	-	611	-	-	611
Total Financial Assets		9,874	-	9,261	613
Financial Liabilities					
At amortised cost					
Payables (i)	-	1,662	-	-	1,662
Other Financial Liabilities	-	448	-	-	448
Total Financial Liabilities		2,110	-	-	2,110
2015					
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

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

NOTE 17: 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 2.79%;
- 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
2016	$'000	$'000	$'000	$'000	$'000
Financial Assets					
Cash and Cash Equivalents	9,263	(93)	(93)	93	93
Loans and Receivables	611	-	-	-	-
Financial Liabilities					
At amortised cost					
Payables	1,662	-	-	-	-
Other Financial Liabilities (i)	448	-	-	-	-
		(93)	(93)	93	93
2015					
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

(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
	2016 $'000	2016 $'000	2015 $'000	2015 $'000
Financial Assets				
Cash and Cash Equivalents	9,263	9,263	8,349	8,349
Loans and Receivables (i)				
- Trade Debtors	611	611	515	515
Total Financial Assets	**9,874**	**9,874**	**8,864**	**8,864**
Financial Liabilities				
At amortised cost				
Payables	1,662	1,662	1,006	1,006
Other Financial Liabilities (i)	448	448	105	105
Total Financial Liabilities	**2,110**	**2,110**	**1,111**	**1,111**

(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 18: COMMITMENTS FOR EXPENDITURE

	Consol'd 2016 $'000	Consol'd 2015 $'000
Lease commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	144	264
Total lease commitments	**144**	**264**
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	32	158
Later than 1 year and not later than 5 years	126	106
	158	**264**
less GST recoverable from the Australian Tax Office	**(14)**	**(24)**
Total Commitments for Expenditure (exclusive of GST)	**144**	**240**

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

NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2016 Stawell Regional Health has no knowledge of any contingent assets or liabilities. (Nil for 30 June 2015).

NOTE 20: OPERATING SEGMENTS

	RACS		ACUTE		OTHER SERVICES		CONSOLIDATED	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
REVENUE								
External Segment Revenue	3,690	3,358	15,472	13,808	7,579	8,050	26,741	25,216
Total Revenue	3,690	3,358	15,472	13,808	7,579	8,050	26,741	25,216
EXPENSES								
External Segment Expenses	3,958	2,821	14,639	15,973	8,838	7,684	27,435	26,478
Total Expenses	3,958	2,821	14,639	15,973	8,838	7,684	27,435	26,478
Net Result from ordinary activities	(268)	537	833	(2,165)	(1,259)	366	(694)	(1,262)
Interest Income	-	-	-	-	224	257	224	257
Net Result for Year	(268)	537	833	(2,165)	(1,035)	623	(470)	(1,005)
OTHER INFORMATION								
Segment Assets	7,239	7,147	26,424	26,088	2,534	2,502	36,197	35,737
Total Assets	7,239	7,147	26,424	26,088	2,534	2,502	36,197	35,737
Segment Liabilities	1,112	926	4,059	3,380	389	324	5,560	4,630
Total Liabilities	1,112	926	4,059	3,380	389	324	5,560	4,630
Investments in Associates and Joint Venture Partnership	-	-	123	123	-	-	123	123
Acquisition of property, plant and equipment	331	569	896	-	-	-	1,227	569
Depreciation & Amortisation expense	399	389	1,455	1,420	140	136	1,993	1,945
Non cash expenses other than depreciation	-	-	-	-	-	-	-	-

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 21: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	Principal Activity	Ownership Interest 2016 %	Ownership Interest 2015 %
Grampians Rural Health Alliance	Information Systems	6.21	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:

	2016 $'000	2015 $'000
Current Assets		
Cash and Cash Equivalents	132	70
Receivables	80	0
Prepayments	11	0
Total Current Assets	223	70
Non Current Assets		
Property, Plant and Equipment	149	68
Total Non Current Assets	149	68
Total Assets	372	138
Current Liabilities		
Payables	49	16
Total Current Liabilities	49	16
Total Liabilities	49	16
Total Net Assets	323	122

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

Revenues		
Operating Activities	524	301
Total Revenue	524	301
Expenses		
Information Technology and Administrative Expenses	404	299
Investment Revaluation	0	0
Total Expenses	404	299
Net Result	120	2

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 22a: 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 Jill Hennessy, Minister for Health, Minister for Ambulance Services	01/07/2015 - 30/06/2016
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health	01/07/2015 - 30/06/2016
Governing Boards	
Mr H L Cooper	01/07/2015 - 30/06/2016
Mr R Hatton	01/07/2015 - 30/06/2016
Mrs L Jensz	01/07/2015 - 30/06/2016
Mrs J M Brilliant	01/07/2015 - 30/06/2016
Mr P J Martin	01/07/2015 - 30/06/2016
Mrs R Jones	01/07/2015 - 30/06/2016
Mr S Campbell-Huruglica	01/07/2015 - 19/03/2015
Accountable Officers	
Ms E McCourt	01/07/2015 - 30/06/2016

Remuneration of Responsible Persons

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

	Consol'd	
Income Band	2016	2015
	No.	No.
$0 - $9,999	7	9
$150,000 - $159,999	1	1
Total Numbers	8	10
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	$155,800	$152,000

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 22b: 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	
	2016	2015	2016	2015
	No.	No.	No.	No.
$80,000 - $89,999	-	-	1	1
$90,000 - $99,999	-	2	1	1
$100,000 - $109,999	1	-	-	-
$110,000 - $119,999	1	-	1	-
$130,000 - $139,999	1	-	-	-
Total	3	2	3	2
Total Remuneration	$358,995	$227,345	$300,453	$198,489
Total annualised employee equivalents (AEE) (i)	3	2	3	2

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

NOTE 23: REMUNERATION OF AUDITORS

	Consol'd 2016 $'000	Consol'd 2015 $'000
Victorian Auditor-General's Office		
Audit or review of financial statement	13	13
	13	13

NOTE 24: CONTROLLED ENTITIES

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

NOTE 25: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No significant events occurred after the reporting date.

NOTE 26: ALTERNATIVE PRESENTATION OF COMPREHENSIVE OPERATING STATEMENT

	2016 $'000	2015 $'000
Interest	224	257
Sales of goods and services	4,446	4,340
Grants	19,533	18,598
Other	2,742	2,249
Total Revenue	**26,945**	**25,444**
Employee expenses	15,273	14,757
Depreciation	1,993	1,945
Other operating expenses	10,081	9,704
Total Expenses	**27,347**	**26,406**
Net result from transactions - Net Operating Balance	**(402)**	**(962)**
Net gain/ (loss) on sale of non-financial assets	20	29
Other gains/ (losses) from other economic flows included in net result	(88)	(72)
Total Other Economic flows included in Net Result	(68)	(43)
Net Result	**(470)**	**(1,005)**

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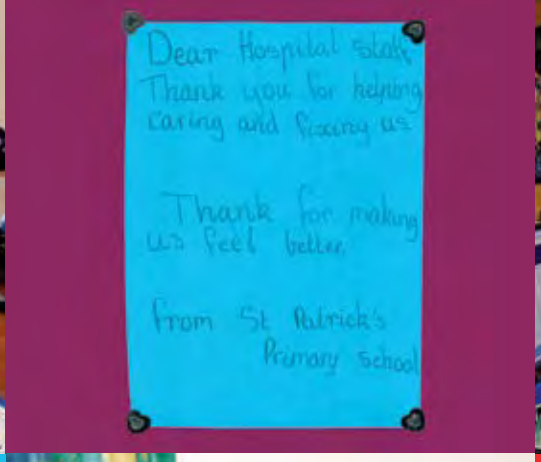
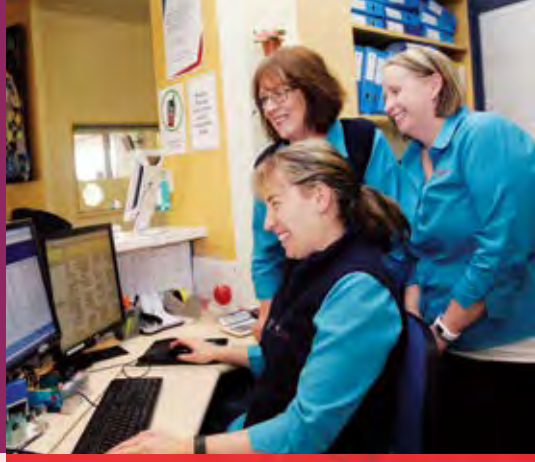
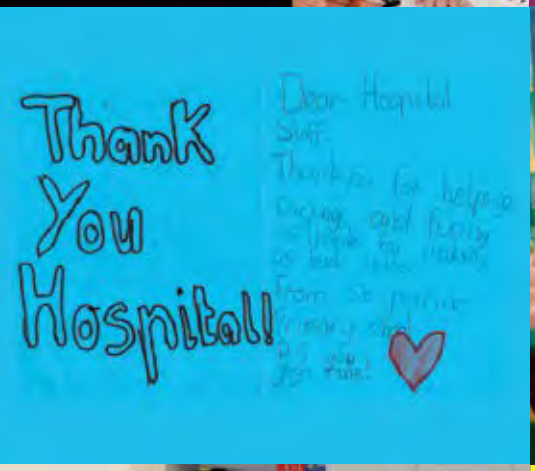
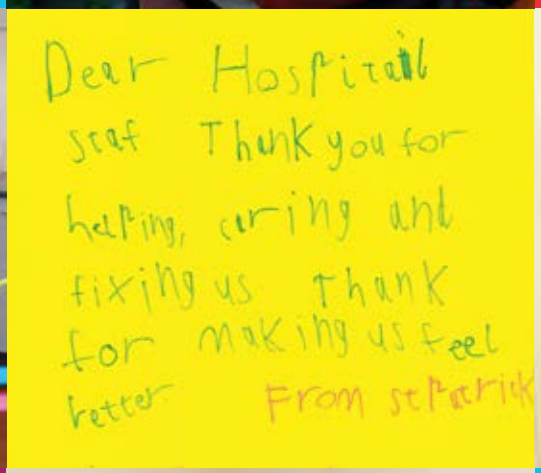
Photography

Mrs Kerri Kingston









STAWELL REGIONAL HEALTH

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