

Western District Health Service



CONTEMPORARY HEALTH CARE

Annual Report 2006



Annual report 2006

“contemporary health care”

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This report:

- covers the period 1 July 2005 to 30 June 2006
- is the Eighth annual report for Western District Health Service, and the first financial report of the new entity, following the amalgamation of WDHS and Coleraine District Health Service (CDHS) on 1 July 2005.
- is prepared for the Minister of Health, the Parliament of Victoria and the community
- is a public document freely available on our website and from WDHS on request
- is prepared in accordance with government and legislative requirements and ARA criteria
- provides an accurate record of our activities and achievements against key performance measures
- acknowledges the support of our community
- is printed on TCF (chlorine free) paper stock

Our Mission

To meet the health needs of the residents of the Western District by delivering valued, high quality primary care, health promotion and illness prevention, acute care, extended care and community based services.

Our Vision

Excellence in health, care, putting people first.

Our Values

We value:

- our customers - we recognise their rights, encourage their participation and are committed to their wellbeing
- improving performance - we are committed to a culture of continuous quality improvement
- our staff as our most valuable resource - we are committed to their wellbeing and ongoing professional growth and development
- strong leadership - we are committed to governance and management that sets sound directions
- safe practice - we are committed to the provision of a safe environment

Front cover photos - Main photo, Director of Obstetrics and Gynaecology, Dr Jacobus Cloete, performing one of the 2950 operations which were conducted in the Hamilton Base Hospital Operating Suite during the year.

Bottom (L-R):

Nadine Rhook with baby son Kyle. There were 217 babies born in the HBH Midwifery Ward this year.

Naomi Tolley assists a patient taking part in the Southern Grampians Glenelg rehabilitation program.

HBH Ward Clerk Viv Rowe is checking supplies on the surgical ward.

United Staff Association members thank Grant Munro from the Hamilton Golf Club for assisting with their golf day, which raised funds to purchase bilirubin lights.



Highlights

(L to R) The Murray to Moyne Hamilton Base Hospital Bikers raised funds to purchase a wheelchair for the Day Centre.
 HBH Midwife Helen Van Dooren was awarded Victorian Midwife of the Year.
 Southern Grampians Mayor Mick Leeming welcomes the amalgamation of WDHS and CDHS.

Amalgamation with Coleraine District Health Service on July 1, 2005 - p5

Awards for Business Achievement, Annual Reporting, Pride of Workmanship, Victorian Healthcare Association (VHA) True Professional, Rural Health Week Volunteer, Victorian Travelling Fellowship and Victorian Midwife of the Year - p5, p6, p15, p29, p33

Sustainable Farm Families Project awarded State Primary Healthcare, Public Health and Regional Research awards - p5, p27, p29

Excellent results for food safety, cleaning audits, consumer satisfaction and pressure area care - p5, p17, p24, p33

Aged Care Accreditation for all Coleraine Aged Care facilities and successful support visits to Hamilton and Penshurst facilities - p5, p21, p26

ACHS Self Assessment completed - p21

Successful survey for CACPs Quality Improvement accountability framework - p5, p21, p25

Baby Friendly re-accreditation for a further 3 years - p5, p24

Strategic Plan and Services Master Plan for 2006-2011 completed - p5, p6

Review of Master Plan, Feasibility and Business Plans completed for the redevelopment of Coleraine District Health Service - p5, p6, p31

Completion of Stage 3 Greater Health University co-location - p32

50th Anniversary of Aged Care for The Grange - p35

\$150,000 grant to establish and enhance Chronic Disease Management - p5, p24, p27

Employment and Youth Affairs Grant enables continuation of YouthBiz Program from 1 September 2005 to 30 June 2008 - p27

Implementation of Team Midwifery Shared Care Model - p5, p24

\$400,000 State Government Grant to complete Stage 2 of HVAC project - p31

New x-ray equipment installed at Coleraine using \$89,000 State Government Grant - p6, p31

Fire safety works completed - p5, p38

Upgrades of roofing and generator completed at Penshurst and District Health Service - p6, p38

Excellent fundraising year raises \$1.729 million - p6, p34

Western District Health Service selected as one of 10 agencies for the National Institute of Clinical Studies to participate in National Venous Thromboembolism Project - p5, p21

Recruitment of new GPs for Penshurst, Coleraine and two GP Obstetricians for Hamilton - p5, p22

\$106,000 received from State and Commonwealth for laundry water recycling project - p33

Funding commitment to continue Southern Grampians/Glenelg Rehabilitation Program for 2006/2007 - p23

Year in brief

	2006
Financial (\$000s)	
Total revenue	45,135
Total expenditure	44,853
Surplus (before capital and specific items)	282
Total assets	66,131
Total liabilities	13,054
Equity	53,077
Fundraising (000s)	
Income	1,729
Expenditure	27
Surplus	1,702
Staff	
Number of staff employed	678
Equivalent full time	520.79
Performance Indicators (Acute)	
Inpatients treated (separations)	6,840
Complexity adjusted inpatients (WEIS12)*	5,188
Average stay (days)	2.89
Inpatient bed days	24,027
Total occasions of non-admitted patient service	59,965
*WIES - Weighted Inlier Equivalent Separations	

Overview

objectives

strategies

achievements

the future

Clinical Services Acute and Extended Care

To provide an integrated range of acute health services to our community

To enhance the coordination and interface between acute and primary care to ensure patient needs are met

To enhance our role as a referral centre for specialist services

To provide a comprehensive range of services to the aged, including specialist extended care, residential care and Community Aged Care Packages (CACPs)

Enhance Obstetric Services

Continue to support the provision of medical services at Coleraine and Peshurst campuses

Improve Discharge Planning

Improve Theatre scheduling

Achieve WIES target

Improve Chronic Disease Management

Establishment of Stroke Project

Secure funding to continue Southern Grampians/Glenelg Rehabilitation Program

Implementation of Aged Care Oral Healthcare Research Project

Recruitment of two GP Obstetricians - p5, 22

Establishment of Team Midwifery Shared Care Program - 5, 24

Recruitment of additional and replacement GPs - 5, 22

Integration of Discharge Planning with District Nursing - p24

Theatre overruns reduced from 28% to 16% - p22

WIES target exceeded - p7

Chronic Disease Management Program established for heart and respiratory disease - 5, 24, 27

Stroke Project implemented - p23

\$260,000 provided to continue rehabilitation program for 2006/2007 - p23

Oral Health Care Program developed and implemented - p5, 25

Enhance Neonatal/Paediatric service

Support the establishment of a monthly Neurology Outreach service

Complete the evaluation of the Southern Grampians/Glenelg Rehabilitation Program

Secure recurrent funding for Chronic Disease Management Program

Secure approval to convert unfunded Aged Care bed at Coleraine District Health Service (CDHS) to funded status

Increase number of CACPs

Increase number of high care beds via conversion



GP Obstetricians Dr Jan Slabbert and Dr Robey Joyce have been recruited this year. They are pictured with Dr Jacobus Cloete (centre) Director of Obstetrics and Gynaecology.

Human Resources Management

To recruit, develop and retain high calibre staff committed to customer focussed service

Provide training opportunities that motivate and encourage staff to maximise the use of their skills

Maintain and promote Western District Health Service with Universities

Maintain Graduate Nurse Program and clinical support

Promote staff and organisational achievements and awards

Implement Cert III and IV training across Aged Care programs

Implement Continuing Nurse Education Program

Complete Enhanced Scope of Practice Project

Implement Sub Regional Human Resources pilot program

Improve HR KPI performance

Continue Post Graduate Program for specialist areas

400 Undergraduate Nursing Clinical placements - p20

14 New Graduate Nurses - p20

Additional Clinical Support Nurses - p23

Staff and organisational awards - p20

Cert III & IV training for staff working in Aged Care - p20

Continuing Education Program for Regional Nurses - p20

Enhance Scope of Practice Project completed - p20, 26

Year One of Sub Regional Human Resources program completed - p15

Improved sick leave and return to work programs - p16, 17

5 Staff undertaking Midwifery, ICU, and Operating Rooms Graduate Diplomas - p20

Maintain Clinical placements

Maintain Graduate Nurse Program

Promote staff and organisational achievements and awards

Complete OES Survey

Completion of Human Resources 5 year Strategic Plan

Continued implementation of Sub Regional program

Implementation of IT program for HR KPIs

Continue Post Graduate program



Hamilton Base Hospital's Pharmacy Department was awarded WDHS clinical department of the year.

Community Based Services

objectives

To continue to develop contemporary health programs which support access and improve the health and wellbeing of the community

To enhance partnerships between consumers and Western District Health Service to maximise participation in preventative health



strategies

Continued implementation and expansion of Sustainable Farm Families program

Secure funding for the continuation of YouthBiz program

Expand the range of health and wellbeing programs

WDHS promotes health programs such as the Active Script Program, which Wayne MacDonald, Pam Pollock (Vic Fit qualified Fitness Instructor), Joan Jones and Judy Bowman are feeling the benefits from.

achievements

Expansion of Sustainable Farm Families program and securement of funding to extend nationally - p5, 27, 29

Sustainable Farm Families Train the Trainer Program implemented - p29

Rural training scholarship for Breast Care Nurse - p27

Provision of Mobile Breastscreen service - p27

Integration of Respiratory Program into Chronic Disease Management Program - p5, p24, 27

Active Script Program continued and extended - p30

Funding received from Trust to increase Lymphoedema services - p29

Grant received to continue YouthBiz Program to 20 June 2008 - p27

the future

Implementation and expansion of Sustainable Farm Families program across Rural and Remote Australia.

Expansion of Youth programs

Continue to extend health and wellbeing programs

Pursue incorporation of Lymphoedema Service into Aids and Equipment Program

Community Engagement

To increase community involvement and enhance the profile of the Health Service



The WDHS 2004-05 Annual Report received a Gold Medal at the Australasian Reporting Awards ceremony.

Continue implementation of fundraising and donor initiatives

Promote Western District Health Service and increase community awareness

Inform and involve the community through all forms of media

Excellent fundraising resulting in \$1.729 million - p6, 34

Gold medal for Annual Report - p34.

Publications, National and State presentations - p25, 27, 33

50th Anniversary of Aged Care for The Grange - p26, 35

Regional Forums/Handbury Lecture - p6

Continue fundraising activities

Continue promotion of Health Service and involvement of community

Establish a Community Advisory Committee

Continue Regional Forums

Facilities and Equipment

To upgrade and maintain facilities, equipment and infrastructure to meet the requirements of contemporary health care standards



Penshurst Hospital had an upgrade of roofing and generator during the year.

Upgrade major clinical equipment

Upgrade infrastructure

Progress the redevelopment of Coleraine campus

New x-ray installed at Coleraine - p6, 31

Acquirement of clinical skills equipment - p6, 16

Stage 2 of HBH HVAC completed - p31

Upgrade of roofing and generator completed at Penshurst - p6, 38

Telemetry extended to surgical unit - p6, 23

Stage 3 Greater Health accommodation completed - p32

Review of master plan, feasibility and business plans for Coleraine completed - p6, 31.

Acquirement of new property to accommodate Coleraine PAGS and Shire Maternal and Child Health programs - p6, 24, 31

Continue upgrade of major clinical equipment

Pursue funding for Stage 3 of HVAC at HBH

Upgrade Nurse Call system at HBH

Complete Stage 2 of RMO accommodation

Progress redevelopment of Coleraine campus

Overview

objectives

strategies

achievements

the future

Safe Practice and Environment

To provide policies, processes, systems and facilities that ensure a safe environment and the wellbeing and protection of consumers, staff and Health Service assets



Brian Hearn from Hotel Services, with the linen water recycling plant at Hamilton Base Hospital, funded through Federal and State Government grants.

Continue safe practice programs
Continue to meet environment, food and fire safety standards
Undertake Food Safety, Statewide Cleaning Audits and Pressure Ulcer Point Prevalence (PUPPS) Survey
Implement Sub Regional Infection Control Plan

Successful worksafe audits - p16
Interim and Priority 1 fire safety works completed at Hamilton, Penshurst and Coleraine - p5, 17
Priority 2 & 3 fire safety works completed at Hamilton and Penshurst - p5, 17, 31, 38
Grants received from State and Commonwealth for recycling of laundry water - p33
100% Food Safety compliance at Hamilton, Coleraine & Penshurst - p5, 17, 33
High Peer group PUPPS rating - p24
96.8% for external cleaning audit - p5, 17, 33
Year 1 of Sub Regional Infection Control Plan implemented - p21, 22

Continue Safe Practice Programs
Continue environment and audit programs
Continue implementation of Sub Regional Infection Control Plan

Improving Performance

To comply with ACHS, Aged Care and World's Best Practice standards, through pursuit of continuous quality improvement (QI) and Risk Management programs



WDHS has received Baby Friendly Accreditation for three years, which will enrich the experiences of mothers and babies, like Rahel Bunge and baby Christa.

Participation in Best Practice projects
Maintain compliance with legislative, statutory, ACHS and Aged Care Standards requirements
Continued development of Risk Management Program and Clinical Risk Register
Participate in Statewide consumer satisfaction and patient surveys

Participation in Aged Care, National Venous Thromboembolism and Hand Washing Projects - p21
Aged Care Accreditation for all Coleraine Aged Care services and successful support visits for Hamilton and Penshurst services - p21, 26
Successful QI survey for CACPs - p21, 25
Baby Friendly Accreditation for 3 years - p5, 24
ACHS Self Assessment completed - p21
Root Cause analysis policy and reporting process reviewed and revised - p13
Risk register updated and RiskMan system implemented for management of incidents and adverse events - p21
High Peer Group rating for consumer satisfaction - p21

Continued participation in Best Practice and Research projects
Reaccreditation of Hamilton and Penshurst Aged Care Services
Review and revise Risk Register
Continued participation in surveys

Leadership and Management

To be a leader in the provision of Rural Health Services and provide efficient and effective Governance for patient care and resource use.



WDHS CEO Jim Fletcher, Deakin University's Dean of Health and Behavioural Sciences Prof John Catford and WDHS Director of Medical Services John Dunn celebrate Government approval for a Regional and Rural Medical School.

Lead and develop health services across Southern Grampians/ Glenelg Sub Region
Extend services provided via contract and outreach
Participate in the development and implementation of ICT through SWARH
Continue to set sound directions to maintain financial and service viability
Maintain structure and systems to ensure clinical and corporate governance accountability

Amalgamation with Coleraine District Health Service on 1/7/05 - p5
Commonwealth and State approval of Deakin Rural and Regional Medical School - p6
Payroll system rolled out to Barwon Health and Portland District Health - p15
\$1.9M SWARH Virtual Services Project launched by Premier - p6, 32
Completion of Strategic and Services Master Plans for 2006-2011 - p6, 31
Operating budget surplus achieved - p6, p39
Continued implementation of electronic Legislative Compliance system - p31, 32
External membership of Audit and Compliance Committee - p13

Establish a School of Podiatry in partnership with La Trobe and Greater Health Universities
Extend services provided via contract and outreach
Continued development and implementation of ICT through SWARH
Implementation of Strategic and Service Plans
Update 3 year budget strategy

Year in review

Report from the President and Chief Executive Officer

On behalf of the Board of Directors, Management and Staff we are pleased to present the Eighth Annual Report of Western District Health Service (WDHS).

A New Era Begins

The first day of the 2005/2006 financial year marked the beginning of a new era for health service delivery in the Southern Grampians Shire through our amalgamation with Coleraine District Health Service (CDHS) on 1 July 2005.

The coming together of WDHS and CDHS was one of the most significant developments for health services in the Shire, creating many opportunities to strengthen the delivery and effectiveness of services across our catchment area.

A major feature of our year was the range and variety of organisational and individual awards including Victorian Primary Healthcare, Victorian Public Healthcare, RMIT University Regional Research, VHA True Professional, Victorian Travelling Fellowship, Victorian Midwife of the Year, Rural Health Week Volunteer, National Annual Reporting, local Business Achievement and Rotary Pride of Workmanship.

Continuum of Care

We have continued to grow and expand the range of services provided to the community with further extension of the Sustainable Farm Families program nationally into Queensland and rural and remote parts of the Northern Territory, New South Wales and Western Australia. The outcomes achieved



Western District Health Service Board of Directors President Richard Walter and Western District Health Service Chief Executive Officer Jim Fletcher, welcome a new era for health service in Southern Grampians.

by this program indicate that it will have an influence on National policy regarding the health and wellbeing of rural farming communities.

The management of chronic disease is a major health issue for our community. We were successful in obtaining a \$150,000 grant from the State Government to establish a Chronic Disease Management Program to improve the rehabilitation and self-management of respiratory illness and heart conditions. Our management and provision of services to stroke patients was also enhanced by our Medical, Nursing and Allied Health staff through our participation in the Rural Best Practice Stroke program.

Under the guidance of our Director of Obstetrics and Gynaecology Dr Jacobus Cloete and the Hamilton Medical Group we were able to strengthen our Obstetric services with the recruitment of two additional General Practitioners. The introduction

of the Midwifery Shared Care program to complement existing services provides our community with a sustainable and comprehensive service.

Improving performance

A number of our services were surveyed during the year by a range of accreditation agencies and we were pleased to be awarded the maximum period of 3 years accreditation for all our Aged Care services at the Coleraine campus and as a Baby Friendly Service for our Hamilton Base Hospital campus.

Our Community Aged Care Packages program at the Grange was also assessed as meeting the newly developed quality improvement framework for this program.

We also received excellent results for our food safety compliance, consumer satisfaction and pressure area care surveys. Our cleaning staff continued to maintain their high standard with an external cleaning audit score of 96.8%.

In keeping with our philosophy of continuous improvement, we continued to participate in best practice projects including prevention of deep vein thromboembolism, hand washing, oral healthcare for our aged care residents and piloting a number of new performance improvement indicators for aged care. We look forward to enhancing our care as a result of our participation. We have also established a clinical skills unit with the assistance of a \$56,000 grant from the State Government.

Facilities and Equipment

Our two main priorities for the year were the ongoing upgrade of our ageing infrastructure to improve safety and comfort for our patients, and to progress plans for the future redevelopment of facilities at Coleraine and Merino. We have successfully completed fire safety works at all sites, stage 2 of the heating, ventilation and cooling at HBH

The major highlights and achievements for our combined new entity included:

- Development of Strategic and Service Plans for the next five years
- Progression of Coleraine and Merino facilities redevelopment with the completion of Master, Feasibility and Business Plans
- Establishment of contemporary health service models of care through the expansion of the Sustainable Farm Families project, commencement of Chronic Disease Management, Stroke and Team Midwifery Shared Care programs
- Strengthening of Obstetric services with the recruitment of two General Practitioners practising Obstetrics
- Reaccreditation of all Aged Care Services at Coleraine for a further three years
- Reaccreditation of Hamilton Base Hospital as a Baby Friendly Service for another three years
- Recruitment of new General Medical Practitioners for Penshurst and Coleraine
- Completion of a \$400,000 upgrade of heating, ventilation and cooling at Hamilton Base Hospital
- Achieving an operating surplus and exceeding our WIES target.

Year in review

replaced the roofing and generator at Peshurst, replaced the x-ray unit at Coleraine and installed telemetry to our Hamilton Surgical Unit. We were grateful for the assistance of the State Government which contributed \$489,000 towards these projects.

We have made significant progress with the Coleraine/Merino redevelopment proposal with all master, feasibility and business plans completed for future funding consideration by Government. The project is on the Department of Human Services capital priority list and funds have been provided to acquire the additional land required. The Health Service has purchased a property in Pilleau Street, which will also be part of the redevelopment. In the interim this property is being used to accommodate the Coleraine Adult Day Program and the Shire of Southern Grampians Maternal and Child Health Program.

Community Support and Engagement

We have again enjoyed outstanding community support with another record fundraising year with \$1.729 million raised.

Major bequests were received from the Estates of John Halloran, Hazel Waller and Brian McCutcheon. Outstanding contributions were also made by our regular supporters - the Hospital Opportunity Shop, Hospital Auxiliaries, Aged Care Trust, United Staff Association, Murray to Moyne teams, Geoff Handbury, the late Joe Coltery and many hundreds of other generous individuals and businesses. We continued to receive great support from Trusts and Foundations with the Trust Company of Aust, R.E. Ross, Helen Macpherson Smith and Collier the main contributors this year.

Volunteering is vibrant across Western District Health Service with in excess of 220 volunteers now involved in the Service. We were extremely pleased that one of our long time volunteers and Life Governor Mrs Essie Hickleton received a Rural Health Award in recognition of her contribution.

A further highlight of the year was the Annual Handbury Lecture delivered this year by Professor Robert Jones to a packed house on the 'Modern Miracles of Transplants' maintaining the gold standard of this event.

Leadership and Management

New strategic and service plans for the next five years have been developed to ensure we continue to look ahead to the future to meet the challenges and effect changes required to provide a contemporary health care service that best meets community needs within available resourcing.



WDHS CEO Jim Fletcher at the Handbury Lecture with Geoff Handbury and his daughter Judy Patterson, Board Vice President Mary-Ann Brown and guest speaker Prof. Robert Jones from the Austin Hospital.

In our capacity as a sub regional service provider, we have taken a leadership role in building both sub regional and regional partnerships with other health agencies and Universities. Our payroll system has been rolled out to Barwon Health and Portland District Health with Otway Health Service and Hesse Rural Health to come on board early in the 2006/2007 financial year.

During the year the Premier launched the \$1.9 million Virtual Service Project for SWARH. This project is providing videoconferencing facilities to our Hamilton, Coleraine, Peshurst and Merino campuses, which will enhance access to specialist advice in the care and treatment of patients in the near future.

A major development for the Region is the announcement by both Commonwealth and State Governments to approve the establishment of the Deakin Rural and Regional Medical School to address current and emerging medical workforce shortages in the rural sector. We will continue to build upon our partnership with the new school and look forward to taking clinical placements in 2009.

We are pleased to report that we achieved an operating budget surplus of \$282,000 and exceeded our patient throughput by 3.63%.

Life Governorship

The Board of Directors is pleased to award Life Governorship to Richard Walter AM for his outstanding leadership, guidance and representation of Western District Health Service serving as Administrator and Board President.

Acknowledgement

The strong support we received from many individuals, businesses, service clubs, support groups, auxiliaries, Aged Care Trust and volunteers is outstanding. Their ongoing support is greatly valued and appreciated

as it assists us to provide modern facilities, equipment and programs to our community.

We also recognise and value the contribution of our Board Members, Staff, Visiting Medical Officers, Development Council, Local Parliamentarians, State and Commonwealth Governments and local media.

Future Outlook

2005/2006 marked the beginning of a new era for Western District Health Service following the amalgamation of Coleraine Health Service.

We move ahead into the future as a larger and stronger Health Service. We have developed and set in train our directions for the next five years to ensure we continue to grow and develop our services and partnerships within the health sector.

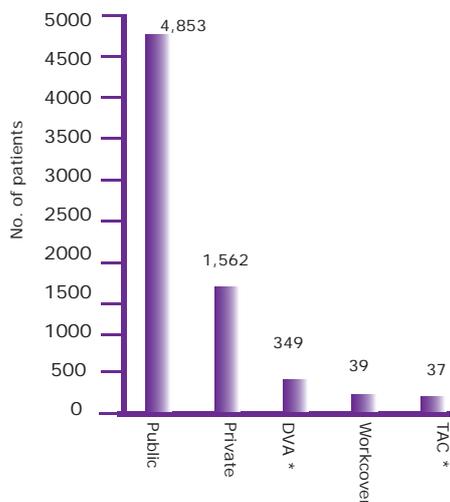
We have built up a strong base over a number of years to position ourselves for the challenges ahead. Thanks to the continued support of our major stakeholders, Staff, Visiting Medical Officers and Community, the Board and Executive is positive and confident about our future.

Richard Walter AM
President

Jim Fletcher
Chief Executive Officer

Service performance

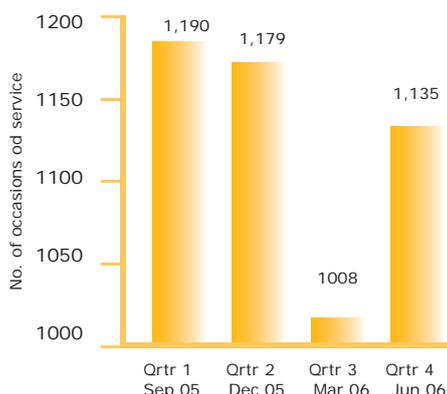
Classification of inpatients treated July 1, 2005 to June 30, 2006



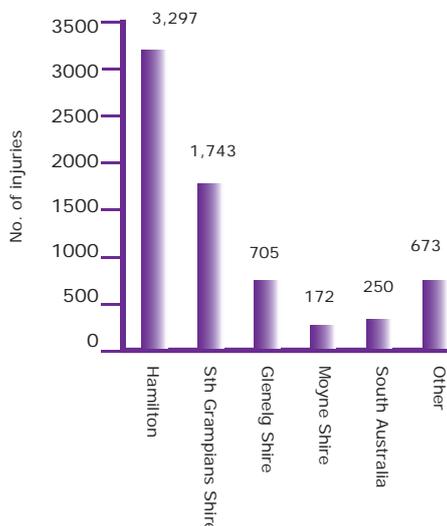
*TAC - Transport Accident Commission

* DVA - Department of Veterans Affairs

Emergency Occasions of Service July 1, 2005 to June 30, 2006



Where our patients come from in 2005-2006



Inpatient Statistics (Acute Program) 2006

Inpatients treated	6,840
Average complexity (DRG weight)	0.79
Complexity adjusted inpatients (WIES 12)*	5,187.85
Average length of stay (days)	2.89
Inpatient bed days	24,027
HITH bed days	750
Nursing home type bed days	3,125
Operations	2,950
Births	217
Available bed days	29,567
Occupancy rate	83.8%
Average cost per inpatient	\$2,768

Aged Care Services (Aged Program)

High Care

Residents accommodated	152
Resident bed days	41,817

Low Care

Residents accommodated	98
Resident bed days	17,414

Respite

Residents accommodated	135
Resident bed days	1,742
Occupancy rate	98.85%

Community Aged Care Package (CACPs)

clients	25
CACPs occasions of service	7,249

Accident/Emergency Occasions of Service 4,512

Outpatient (non-admitted) Occasions of Service

Physiotherapy	11,416
Rehabilitation & Day Centre	2,493
Speech Pathology	879
Podiatry	2,611
Social Welfare	4,415
Occupational Therapy	4,830
Palliative Care	980
District Nursing Service	32,341
Total non-admitted occasions of service	59,965
Cost per non-admitted occasion of service	\$104

Meals on Wheels 31,493

Quality Assurance - Full accreditation Yes

Comparative figures for the previous 4 years are not available as Western District Health Service and Coleraine District Health Service amalgamated on 1 July 2005, and this is the first reporting year of the amalgamated entity.

WIES - (Weighted Inlier Equivalent Separations) are based on the Australian Refined - Diagnostic Groups (AR-DRG) further refined in Victoria by the addition of a few additional DRG by the Vic-DRG version 5.

* Our Target WIES for 2005/06 (excluding those funded under the Small Rural Health Service Program) was 4,759. We exceeded this by 172.52 WIES (3.63%).

Financial statistics

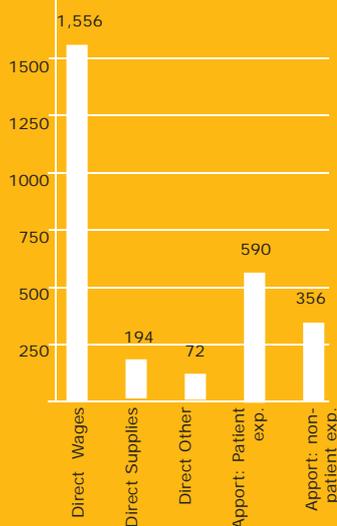
Health Service Agreement

Agreement between Western District Health Service and the Department of Human Services is negotiated annually and contains goals and targets indicating operating arrangements for the financial year. This agreement was entered into in accordance with Section 26 of the Health Services Act 1988.

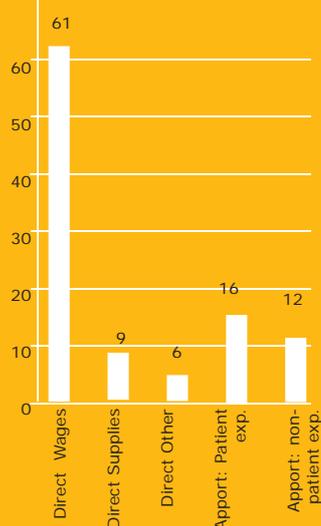
Our Health Service Agreement is the key document that specifies delivery targets, together with the level of resources provided by the Department of Human Services.

In the 2005-2006 financial year all targets specified in the agreement were met or exceeded.

Average Cost Acute Inpatient



Average Cost non-admitted occasion of service



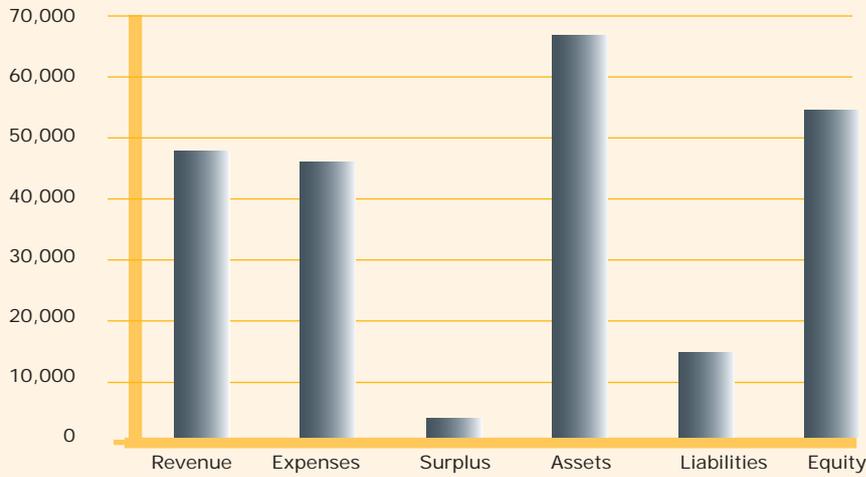
Financial analysis of operating revenues and expenses

Revenue	2006
Services supported by Health Service Agreement	
Government grants	30,044
Indirect contributions by Department of Human Services	1,075
Patient fees	9,332
Other revenue	460
	40,911
Services supported by Hospital/Community initiatives	
Business Units	1,676
Property income	554
Other revenue	1,994
	4,224
Total revenue	45,135
Expenditure	
Services supported by Health Service Agreement	
Employee entitlements	30,108
Fee for service medical officers	2,506
Supplies and consumables	4,216
Other expenses	6,192
	43,022
Services supported by Hospital/Community initiatives	
Employee entitlements	1,291
Supplies and consumables	198
Other expenses	342
	1,831
Total expenses	44,853
<i>Surplus for the year before capital purpose income, depreciation and abnormal items</i>	282
Capital purpose income	1,008
Donations and bequests	1,729
Residential aged care - capital purpose income	844
Surplus on disposal of fixed assets	62
Depreciation	(1,827)
<i>Operating surplus for the year</i>	2,098

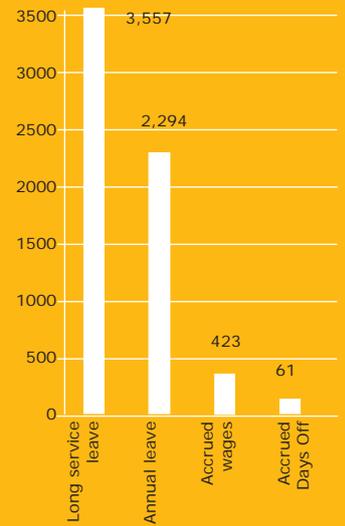
* See page 39 for Financial Overview

Financial analysis of revenues and expenses

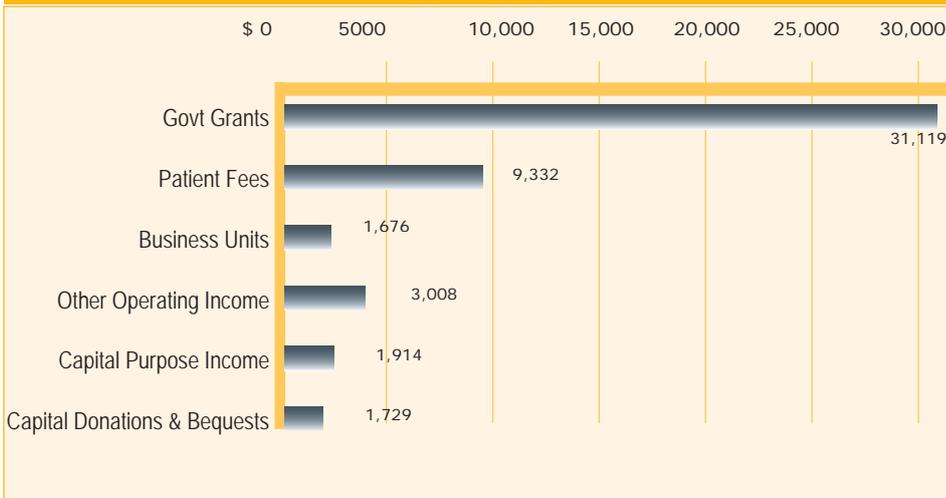
Analysis of Financial Position 30 June 2006



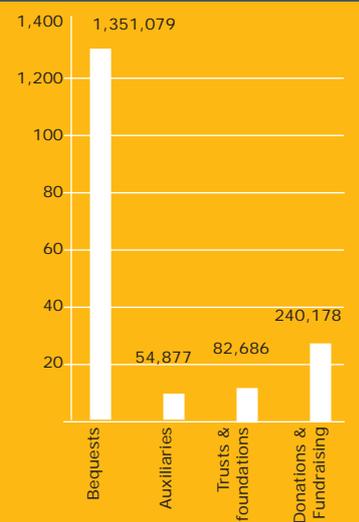
Employee benefits as at 30 June 2006



Income by Category 2005-2006



Donations and Bequests received 2005-06 \$000s



Expenditure by category 2006-2006



About us

Profile

Western District Health Service (WDHS) is based in Hamilton, Coleraine and Peshurst, in the Western District of Victoria. WDHS incorporates Frances Hewett Community Centre, Grange Residential Care Service, Hamilton Base Hospital, Coleraine District Health Service (CDHS), Peshurst & District Health Service (PDHS) and YouthBiz. The entity provides in total 96 acute beds, 170 high and low level extended care and residential aged care beds, 35 Independent Living Units, community health and youth services.

WDHS was established in 1998, with the amalgamation of Hamilton Base Hospital and Peshurst & District War Memorial Hospital, now PDHS. In 2005 CDHS amalgamated with WDHS.

Hamilton Base Hospital and Benevolent Asylum was established in 1862. The most recent changes have seen a major acute hospital refurbishment in 1996 and redevelopment of allied health, extended care and education facilities in 1999/2000.

The Birches extended care facility is on the HBH site and provides 45 beds for mainly high-care use and caters for people with special needs.

The Peshurst Hospital was built in 1957 and provides acute care, residential aged accommodation and community services, and manages Independent Living Units at Peshurst and Dunkeld.

The Coleraine and District Hospital was opened on its present site in 1935. It provides acute care, residential aged accommodation and community services, manages Independent Living Units in Coleraine and has a Bush Nursing Centre at Merino.

Frances Hewett Community Centre (FHCC) was established in 1987. The Centre is now managed by WDHS and provides a broad range of community-based services. FHCC is located in Roberts Street,

next to Hamilton Base Hospital.

Southern Grampians Shire



The Grange was built as a private hospital in 1927 and became an aged care hostel in 1956. Its recent three-stage redevelopment was completed in 2002 and provides 45 beds of modern, high and low-level aged care accommodation and 20 Community Aged Care Packages.

YouthBiz was established in 1997 by Southern Grampians Community Health Services Inc, which amalgamated with Hamilton Base Hospital later that same year. YouthBiz provides a drop in centre and a wide range of health and recreation services to the young people of our community.

Our services

Acute - Hamilton Base Hospital (all services listed) Peshurst & Coleraine District Health Services (general medical only)

Anaesthetics	Endoscopy	Intensive Care	Orthopaedics	Resident Medical Officers
Chemotherapy	General Medicine	Maxillofacial Surgery	Paediatrics	Specialist Medicine
Day Procedure	General Surgery	Obstetrics	Perioperative Service	Specialist Nursing
Discharge Planning	Gynaecology	Operating Suite	Pharmacy	Urology
Ear Nose & Throat	Haemodialysis	Ophthalmology	Psychiatry	
Emergency	Infection Control	Oral Surgery	Private pathology, radiology & sleep clinic	

Extended Care (The Grange, The Birches, Kolor Lodge, Peshurst Nursing Home, Valley View Nursing Home, Wannon and Mackie Hostels)

Community Aged Care Packages	Residential Aged Care	Residential Extended Care	Respite
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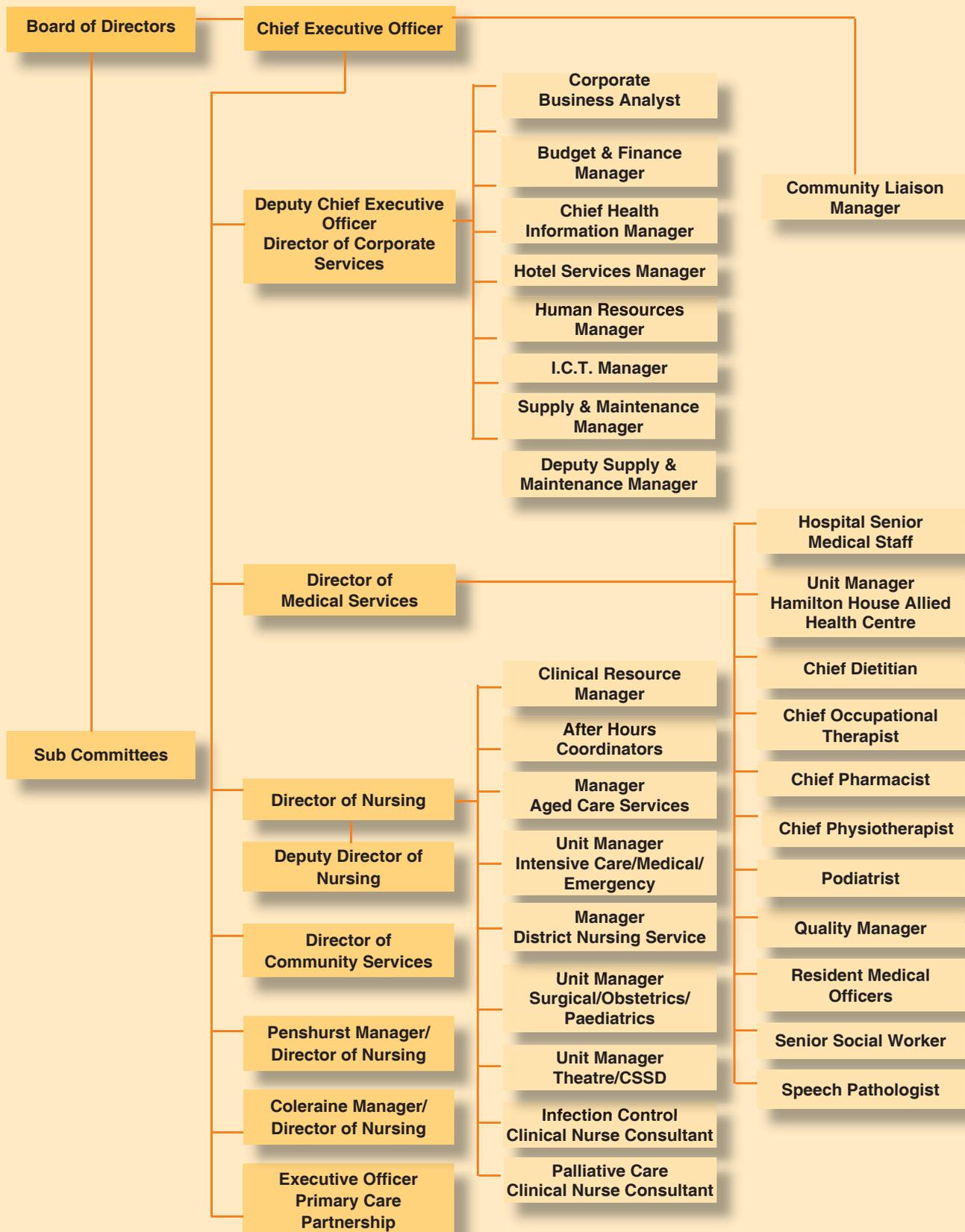
Community Based (Hamilton House & Coleraine Allied Health Centres, Frances Hewett Community Centre, Sheppard Centre & Merino Bush Nursing Centre)

Adult Day Activity & Support Service	Coordinated Care	Family Planning	Nutrition and Dietetics	Health Social Work
Asthma Education	Community Rehabilitation Service & Day Centre	FReeZA	Occupational Therapy	South West Community Transport Service
Blood Services	Continance Service	Hamilton Community Transport	Palliative Care	Speech Pathology
Cancer Support Group	Counselling	Hospital in the Home	Physical Activity Programs	Stomal Therapy
Cancer Support Services	Dermatology	Lymphoedema	Physiotherapy	Sustainable Farm Families
Cardiac Rehabilitation	Diabetes Education	Compression Clinic	Podiatry	Women's Health
Carer's Support	District Nursing Service	Maternity Enhancement	Post Acute Care	Victorian Aids & Equipment Program
Chronic Disease Management	Domiciliary Midwifery	Meals on Wheels	Pulmonary Rehabilitation	YouthBiz
		Medical Imaging	Quit Fresh Start	
		Men's Health	Sexual & Reproductive	

Administrative

Auxiliaries	Education/Promotion	Human Resources, Training & Development	Occupational Health & Safety	Security
Business Support & Development	Finance	Library	Quality Improvement	Supply & Maintenance
Community Liaison	Health Information	Linen Services	Reception	Volunteer Program
	Hotel Services			

Organisational structure



Corporate governance

Board of Directors



Richard Walter AM, BCom, MTRP(Melb), MRP(Penn), MPIA, MVPELA

Richard is a regional planner and a member of the Victorian Civil and Administrative Tribunal. He is a Director of Health Super Pty Ltd and is Independent Chair of the Audit Committees of Moyne Shire Council and the Glenelg Hopkins Catchment Management Authority. First appointed July 1997, current term expires October 2007.



Mary-Ann Brown BEcs(Tas), GradDipLibSc(KCAE), MBA(Newcastle)

Mary-Ann lives on a Merino sheep stud at Dunkeld and is the Office Manager of Financial Planning firm Robert W Brown and Associates. Her community interests have included Hamilton Professional Women, Hamilton Film Group committee member, Frances Hewett Community Centre, Performing Arts Centre advisory committee and Dunkeld Visitor Information Centre volunteer. First appointed November 2002, current term expires October 2006.



Peter Heazlewood DipAg(Lincoln NZ)

Peter is a farmer at Peshurst. He has been a member of Peshurst and District Memorial Hospital Board, serving a period as Treasurer, and is now Chairman of PDHS Advisory Committee. First appointed November 2000, current term expires October 2006.



John Dean DipFarmManagement (Hons), MOFAC

John has been farming at Coojar, north of Coleraine, for 35 years. He has been a Board member of Coleraine District Health Service for 17 years, serving as President and Treasurer. John's community interests have included CFA and Landcare. First appointed July 1997, current term expires October 2006.



Jenny Hutton BEd

Jenny is a past secondary teacher. She is presently Director of Marketing and Development at The Hamilton and Alexandra College. Jenny plays an active role in fundraising, is a member of the Vic/Tas Chapter of ADAPE (Association of Development and Alumni Professionals in Education) and is Chairman of Peshurst Botanic Gardens Friends Group. Appointed November 2002, current term expires October 2006.



Elizabeth Lawrence BHealth&HumanSc(Nursing)

Elizabeth lives with her husband Ben and their two small children on a property in Tarrington, just outside Hamilton. She has a background in health and had been working in the health industry in the Northern Territory prior to moving to Hamilton to become a full-time mother. Appointed November 2004. Current term expires October 2007.



Ron Jones FCDA Dop CD

Ron is a serving Police Officer with Victoria Police in Hamilton and lives in Coleraine. He is also a member of the Coleraine District Health Service Management Committee and member of his local golf club. Appointed November 2005, current term expires October 2007.

Board member	BOD meetings attended	Committee membership as at 30 June 2006
Richard Walter	10 of 11	Audit & Compliance Medical Consultative Medical Appointments Remuneration
Mary-Ann Brown	10 of 11	Medical Appointments Quality Improvement Remuneration
John Dean	11 of 11	Development Council Remuneration Audit & Compliance Coleraine Management
Peter Heazlewood	11 of 11	Medical Appointments Peshurst Advisory Project Control
Jenny Hutton	11 of 11	Development Council Quality Improvement
Elizabeth Lawrence	10 of 11	Development Council Quality Improvement Project Control
Ron Jones	9 of 11	Audit & Compliance Project Control Coleraine Management

Governance Statement:

"The Board is a strong advocate of corporate and clinical governance and seeks to ensure that the Health Service fulfils its governance obligations and responsibilities to all its stakeholders"

The Board is committed to:

- sound, transparent corporate governance and accountable management
- provision of services that meet the needs and objectives of consumers and stakeholders
- conduct that is ethical and consistent with community values and standards
- management of risk and protection of health service staff, clients and assets
- due diligence in complying with statutory requirements, acts, regulations and codes of practice
- continuous quality improvement

Risk management

A comprehensive risk management program based on the Australian/New Zealand Standard for Risk Management, AS/NZS 4360, was implemented in 2001/2002. Risk management is an all-organisational activity and requires appropriate action to be taken to minimise or eliminate risk that could result in personal injury, damage to, or loss of assets. The Risk Management Policy was reviewed and updated in 2002/03 with plans implemented in 2003/04. During 2005/06 our insurers VMIA completed a site visit survey report at Hamilton Base Hospital. A risk treatment action plan was developed and implementation is well advanced. The Clinical Governance framework includes a clinical governance module in the BOD orientation program and regular reporting on clinical indicators. During the year the Clinical Risk Register was reviewed and updated. The Root Cause Analysis Policy and Reporting Process was also reviewed and revised.

Ethics

Board members are required by the Act to act with integrity and objectivity at all times. They are required to declare any pecuniary interest or conflict of interest during Board debate and withdraw from proceedings if necessary. There was one instance requiring declaration this year.

Executive role

The Executive is made up of the Chief Executive Officer, Deputy CEO/Director of Corporate Services, Director of Medical Services, Director of Nursing, Director of Community Services, Coleraine Manager/Director of Nursing and Peshurst Manager/Director of Nursing. The Executive met 25 times during the year and provided regular progress reports to the BOD.

Committees of the Board

Audit and Compliance Committee

Advises the BOD on all aspects of internal and external audit, financial and asset risk, accounting procedures, financial reporting and compliance with statutory requirements. In 2005/06 a Board Accountability Compliance electronic system was introduced to ensure compliance with legislative requirements. In line with Best Practice, the Board appointed two external members to the committee. Five meetings were held during the year.

Development Council

Oversees and guides WDHS' fundraising strategy. The Council operates in compliance with the *Fundraising Appeals Act 1984*. Six meetings were held during the year.

Medical Appointments Advisory Committee

Advises the BOD on the appointment, re-appointment, suspension or termination of visiting medical practitioners. Three meetings were held during the year.

Medical Consultative Committee

Makes recommendations on matters relating to medical staff and clinical services provided, and ensures effective communication between senior management and the Medical Staff Association. Four meetings were held during the year.

Quality Improvement (QI) Committee

Provides support and direction for Continuous Quality Improvement and performance monitoring. Ensures systems are in place for internal/external review. Six meetings were held in 2005/06.

Peshurst (PDHS) Advisory Committee

Reviews operation, performance and strategic planning for the Peshurst campus. Six meetings were held during the year.

Coleraine (CDHS) Management Committee

Reviews operation, performance and strategic planning for the Coleraine campus. Six meetings were held during the year.

Project Control Committee

Makes recommendations on the design, management and construction of major building projects. Nine meetings were held during the year.

Remuneration Committee

Oversees and sets remuneration policy and practice for Executive staff, under the principles of the Government Sector Executive Remuneration Panel. Two meetings were held during the year.

Western District Health Service (WDHS) was incorporated in July 1998 under The Health Services Act 1988 and is governed by a seven-member Board of Directors (BOD), appointed by the Governor in Council upon the recommendation of the Minister for Health.

Board structure, role and responsibilities

BOD terms of appointment are usually three years, with one third of terms expiring in October each year. Members are eligible for re-appointment.

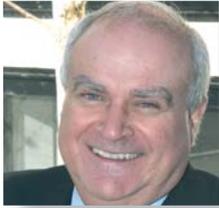
BOD members serve in a voluntary capacity. The balance of skills and experience within the BOD is kept under continual review. The BOD orientation and evaluation process introduced in 2003 was continued in the 2005/06 year and has assisted greatly in evaluating the effectiveness and performance of the BOD and of individual members.

The BOD is responsible for the governance and strategic direction of the service and is committed to ensuring that the services WDHS provides comply with the requirements of the Act and the objectives, mission and vision of the service, within the resources provided.

In the course of their duties, the Board and Executive may seek independent advice from a range of sources. The BOD reviews operating information monthly in order to continually assess the performance of WDHS against its objectives and is also responsible for appointing and evaluating the performance of the Chief Executive Officer.

In order to ensure the effective operation of the BOD, the Board has membership on 9 committees, which meet as required and report back to the BOD.

Executive team



Chief Executive Officer

Jim Fletcher BHA, AFCHSE, CHE, MIPAA

Jim has held a number of senior executive positions within the human services field. His background includes the role of Chief Executive Officer at three of the State's largest regional psychiatric hospitals and community services, leading these agencies through significant reform and change. Jim also held a number of regional management roles over a four year period with the Barwon South Western Region of the Department of Human Services, prior to commencing his role as CEO of Western District Health Service on July 17, 2000. Jim is currently the Chair of the South West Alliance of Rural Hospitals (SWARH) Steering Committee and a Board Director of the Victorian Hospitals Industrial Association (VHIA) and Rural North West Health.



Deputy Chief Executive Officer Director of Corporate Services

Patrick Turnbull BBus, BHA, FCPA

Patrick has been with Hamilton Base Hospital since 1982. He has been the Hospital's principal accounting officer since 1987 and was appointed to his current role in 1993. Financial and business support of patient services is managed through the Corporate Services Division. Among Patrick's commitments with WDHS are his role as Chair of the SWARH Finance Subcommittee and membership of the Department of Human Services - HealthSmart Services Steering Committee, a key group involved in the implementation of the whole of health ICT strategy.



Director of Medical Services

Dr John Dunn MBBS, MRCP

John commenced work as Director of Medical Services at WDHS in September 2005, following the resignation of Dr Bruce Warton. He had previously been working with the Department of Veterans Affairs in Hobart as Senior Medical Adviser. John has had extensive experience in Clinical and Administrative medicine, having worked as a physician in Australia and overseas.



Director of Nursing

Janet Kelsh RN, ICU Cert, BAppSci(NAdmin), CertMgt(Deakin), GradDipAgedServicesMgt, MRCNA

Janet commenced her role as Director Of Nursing at Hamilton Base Hospital in 1987. With experience in New Guinea and London, Janet worked predominantly in intensive care and neurosurgery in a number of major city hospitals before moving to Hamilton. In her role as DON, Janet is responsible for the day to day operations of the acute services, the overall management of aged care services and district nursing services. Janet represents WDHS on a number of regional committees, including palliative care, infection control, sub acute rehabilitation and nurse education



through collaborative relationships with a number of Universities. Janet has completed management studies and tertiary studies in aged care management.

Director of Community Services

Susan Brumby RN, RM, DipFMgt, GradDipWomen'sStudies, MHMgt, CertIWorkplaceTrainer, AFCHSE, MRCNA

Sue took up her position as Director of Community Services in April 2002, coming to WDHS from Primary Care & Nursing Services Manager at Heywood Rural Health. She is a graduate of the Australian Rural Leadership Program, holds a Diploma in Farm Management, completed a Masters in Health Management in 2004 and has previously been active in the agricultural sector. In May 2005, Sue was awarded the Rural Health Professionals Award (Barwon SW Region) for her outstanding contribution to the health of the community and in 2006 received a Victorian Travelling Fellowship Program to exchange ideas with overseas counterparts that will lead change for the benefit of the Victorian community. She is the Principal Investigator of the Sustainable Farm Families Project.

Penshurst Manager/Director of Nursing

Darren Clarke RN, RM, BN, MN, MAAQHC, MQSA, MRCNA

Darren commenced his role at Penshurst in February, 2004. He has worked in a range of healthcare settings, focusing on health administration since 1993. From 2001 until early 2004 he was Health Service Manager at the Queanbeyan and District Health Service, a 61-bed facility located on the NSW/ACT border. From 1997 to 2001 Darren was Multi Campus Director of Nursing at the 142-bed Riverland Regional Health Service in South Australia, and between 1995 and 1997 was Executive Officer/Director of Nursing at Bordertown Memorial Hospital, a 76-bed facility in the Upper South East of South Australia. Committed to the concept of lifelong learning, Darren is currently completing a Doctor of Health Science degree through the University of Sydney.

Coleraine Manager/Director of Nursing

Tim Pitt-Lancaster RN BN Cert Peri-operative Nursing, GradDip Nursing Science

Tim commenced his role in Coleraine in July 2005. Prior to this appointment Tim was the Nurse Unit Manager of the Operating Theatre Suite of the Mount Gambier and District Health Service, a role he filled from 1998 to 2005. During 2005, Tim was also the Acting Director of Nursing and Patient Services of the Mount Gambier Hospital.



Our people



WDHS is forward thinking in its approach to Human Resources activities and demonstrates a commitment to supporting patient care and being 'an employer of choice' through promotion and utilisation of technology including the Internet, print media advertising and preparation of comprehensive position descriptions and mail-out material.

Recruitment of appropriately qualified people, provision of staff support and educational opportunities assists with the motivation and encouragement of employees.

Human Resources Management

Recruitment

Staff recruiting throughout the year has proven very successful. All vacant positions have been filled within acceptable timeframes. In this 12-month period, 78 positions were advertised and successfully filled. This represents a slight increase in total positions advertised. Of the 78 positions advertised, 20 were for new positions. A total of 326 applications were received for these positions, resulting in 131 people being interviewed. These figures indicate a strong response rate to our advertisements and a continuing interest in applicants wishing to join WDHS.

While current applications are strong, it is a priority that we develop practical measures and strategies that will provide support to new staff to the region and thus encourage retention. An ageing workforce will place pressure on future recruitment, therefore a united approach to recruitment of all employers in the area is needed to maintain service delivery and keep pace with the rate of change into the long term future.

Challenge

- The challenge is to recruit and to retain high calibre, professional and specialist staff in a rural area

Achievements

- Highview Partners contracted to develop a Human Resources Strategic Plan for the next 3 to 5 years
- Human Resources (HR) and Occupational Health and Safety (OH&S) audit tool developed for identification of gaps in HR and OH&S delivery of regional services
- HR consulting undertaken with regional services involving 350 consulting hours
- Twelve employees completed TAFE and Tertiary courses including Certificate III in Aged Care
- PayGlobal payroll system rolled out to Barwon Health and Portland District Health
- Awards to staff including VHA True Professional, Victorian Midwife of the Year, Victorian Travelling Fellowship, and Pride of Workmanship

The future

- Completion and implementation of 5-year Human Resources Strategic Plan
- Ongoing development of recruitment and retention strategies, including participation with regional employers to develop professional and social support systems to attract and retain employees to the region
- Maintain clinical placements and graduate nurse program
- Promote staff and organisation achievements
- Promote skill enhancement and development within the workforce

Industrial Relations

Throughout 2005/2006, a number of Enterprise Agreements have been renegotiated, including the Health and Community Services and Administrative Staff Award. Throughout these negotiations, no days were lost to industrial disputation and services were maintained. WDHS has maintained a sound system of communication with all unions through the process of the Change Committee. These meetings maintain a channel for communication and provide a formal process for the exchange of information between the parties.

PayGlobal HR System

The PayGlobal Human Resource Management Information System (HRIS) continues to play an important role in our people management. Its impressive capabilities enable reports to be generated accurately and efficiently, assisting managers and the organisation with financial and overall strategic planning. Recent internal improvements have seen the centralisation and management of staff qualifications and practising certificates, attendances at both internal and external courses, and the successful completion of mandatory competencies for compliance purposes.

Whistleblowers Act

The Whistleblowers Act 2001 had application to WDHS throughout the year and the service has adopted a policy to ensure that the requirements of the Act are maintained. In the current year, no complaints were made directly to WDHS under the Whistleblowers Act.

Human Resources Strategic Plan

Highview Partners have been appointed to develop a new Human Resources Strategic Plan to cover the next three to five year period, since the recommendations from the previous Plan have been implemented. Development of the new Plan has required extensive consultation with staff at all WDHS campuses, together with regional customers of the HR Department. The areas of review will include workforce planning, human resource systems, attraction, recruitment, retention, recognition, sub regional service provision, training and development. The Plan will support implementation of ACHS EQiP Standards for the management of Human Resources and the delivery of safe, quality driven standards of care and service.



Top left: Sharon McNeil is one of our welcoming reception staff at HBH.

Infection Control Consultant Lesley Stewart (above) was awarded the Southern Grampians Powercor Powercor Employee of the Year.



Below: Norm Saligari won a Rotary Pride of Workmanship award for his work ethos at WDHS.

Our people

Workforce Profile 2006 (ASCO)*

Labour category	Female 2006	Male 2006	% workforce	Total 2006	EFT 2006
Managers / Administrators	5	14	2.8	19	19.52
Professionals	257	25	41.59	282	209.78
Associate Professionals	98	6	15.34	104	77.09
Tradespersons & Related Workers	6	14	2.95	20	18.04
Advanced Clerical/Service Wrkrs	5		0.74	5	4.27
Intermediate Clerical/Sales/Service	126	11	20.21	137	103.4
Intermediate Production/Transport	2	6	1.18	8	7.06
Elementary Clerical/Sales/Service	12	7	2.8	19	17.24
Labourers & Related Wrkrs	61	23	12.39	84	64.39
Total	572	106	100	678	520.79

Sub Regional HR and OH&S

The Sub Regional Human Resources (HR) / Occupational Health and Safety (OH&S) pilot program was completed during the year, with over 350 hours of consulting time being involved in delivering the program to agencies. The pilot program required the development of an HR Management Audit Tool and an OH&S Audit Tool used to identify opportunities for agencies to improve their systems. The agencies involved included Portland District Health Service, Heywood Rural Health, Casterton Memorial Hospital, Harrow Bush Nursing Centre, Balmoral Bush Nursing Centre and Mulleraterong Day Care Incorporated.

The pilot program identified all agencies were able to significantly enhance their systems including policy and procedures. The benefit that was able to be gained by a unified regional approach incorporating generic HR management and OH&S systems was supported by all participating agencies.

Submissions for further sub-regional funding will be made to the Department of Human Services for WDHS to provide specialist services to the region in HR Management and OH&S. The benefits for smaller agencies will be access to specialist support in the areas of HR Management and OH&S at a marginal cost.

Workcover

WDHS continued to review and develop policies and procedures in accordance with the relevant legislative requirements and was free from serious injury or death in 2005/2006. WDHS recorded (1) new major claim and (1) aggravation of an existing claim.

Work safe inspections

In June 2006 Worksafe conducted an initial visit as part of Worksafe Victoria's proactive intervention program, "Health Services – Occupational Violence project". As part of the project recommendations, WDHS has developed a policy in relation to Violence in the Workplace.

Workcover Premiums

The 2005/2006 premium was \$259,000 or 1.35% of total remuneration. For 2006/2007 the WDHS premium illustration as of May 31, 2006 was recorded at \$317,000 or 1.25% of total remuneration. This period incorporates the amalgamation of a new workplace, Coleraine District Health Service as of July 1, 2005.

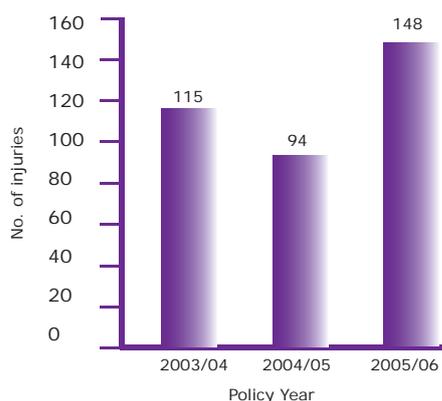
WDHS claims cost rate for 2005/2006 was 1.27%, while the 2006/2007 rate is 0.71%. This is less than the average industry rate for 2006/2007 at 1.29%. The claim rate is lower than the average industry experience by 44.6%. A Performance Rating is given to organisations across the industry. WDHS performance rating for 2005/2006 was 0.94%, and for 2006/2007 the performance rating is 0.69%; this is better than the industry rate (1.0) by 0.31%.

Orientation

100 new staff attended mandatory one-day general orientation programs. The Orientation Program includes Human Resources, Infection Control, Occupational Health & Safety and Fire and Evacuation education.

In addition, 28 Hospital Medical Officers (HMOs) were provided with a comprehensive orientation to the Health Service prior to commencing their short-term placements.

Reported Workplace Incidents July 1, 2005 to June 30, 2006*



Staff and Volunteer Service Milestones

5 Years – No Badge Given

Jeanette Brown	Ainslie Christie
Helen Clare	Kathryn Coote
Marlene Cuttler	Maureen Darling
Fleur Diprose	Jennifer Dunstan
Judith Forsyth	Stuart Graham
Leeanne Greer	Daryl Hedley
Wendy Herring	Maureen Irving
Dougald Johnstone	Amanda Jubb
Joy Lambourn	Fiona Liddle
Sarah Lilburne	Christine Marnell
Lena McCormack	Pauline McLean
Judith McLeod	Lorraine McRae
Glennis Mellington	Coryn Meyers
Gary Meyers	Kathryn Nelligan
Mark Newell	Rosemary Perks
Laurice Picken	Natalie Povey
Valerie Rigby	Caroline Rowe
Lucielle Selman	Karen Sharrock
James Smith	Sally Stratmann
Patricia Walker	Meg Watson
Erin White	Robyn Wilken
Michelle Woolley	Rowena Wylie
Janice Younghusband	

10 Years

Garry Aydon	Angela Brown
Catherine Brown	Bobbie Clapham
Ricky Dennert	Judith Joyce
Margaret Grinham	Catherine Fenton
Helen Holcombe	Cherie Kennett
Elizabeth Howlett	Sarah Roberts
Catherine Jackson	Margery Owens
Heather McKenry	Leanne McLaren
Julianne Thomson	Megan McLeish
Beverley Kniebeiss	Marita Buckle
Julianne Gould	

15 Years

Catherine Blake	Jackie Deppeler
Kerryn Feeley	Julie Picken
John Rhook	Eileen Robertson
Michelle Rook	Jane Sharp
Marilyn Walter	David Young

20 Years

Mark Baker	Ronda Baker
Robyn Beaton	Margaret Crone
Ellen Dix	Deborah Egan
Paula Foley	Patricia Jennings
Dianne Nagorcka	Leonie Nolte
Bronwyn Roberts	Kathryn Ross
Kim Sheehan	Richard Trigger
Helen Van Dooren	Robyn Wood
Patricia Wright	

25 Years

Leanne Deutscher	Bruce Humphries
Sally Kinghorn	Ian Ross
Margaret Mahoney	Carol Scherek
Anne Sparke	

30 Years

Sally Clapham	Shirley Hayward
Margaret Langford	Ron Price

* Note 2006 people includes Coleraine District Health Service

Our people

Safe practice and environment



The Food and Environmental Safety Audit at WDHS during 2005/06 resulted in 100% compliance.

WDHS places a high importance on the safety, health and wellbeing of all patients, residents, clients, employees, volunteers and contractors.

Initiatives to improve safety

The Occupational Health and Safety programs such as no-lift, manual handling assessment, workplace injury reporting system and weekly workplace safety and maintenance inspections are conducted throughout the Health Service as part of the Occupational Health and Safety - Risk Management Plan.

To reduce the current leave liability, WDHS has continued to administer a leave management program. This was implemented in 2003/2004 with the successful return to work of 32 employees and formulation of 29 individual Return to Work management plans in the past 12 months. The individual plans have successfully reduced our sick leave from 5.93% at the end of the June 2004 quarter to 3.7% at the end of the March 2005 quarter. A slight increase has occurred again during 2006 to 4.4%.

As an indication of WDHS commitment to OH&S, Worksafe Victoria conducted a session in July 2005 on the OHS Act 2004. Twenty-five managers and OH&S representatives attended.

Equipment Procurement Program

The ongoing equipment procurement program resulted in the purchase of:

- Electric walkie stacker
- Patient trolley
- Patient mover – hovercraft
- Five lead aprons
- A gate to access/restrict access for small children
- Height safety alterations in the courtyard

- Slide sheets
- Two beds – low height, one bed floor level
- Liko Lifter (sling hoist)
- Zebra Crossing (installed)
- Arjo sand up hoist

Emergency Management

The new telecommunication system and communication failure contingency plan is documented in the Business Continuity Plans. These are now available on the Intranet.

Fire Safety and Basic Life Support

Education in Fire and Safety and Basic Life Support continues to be provided for all staff on an annual basis. This year 480 staff attended Fire and Safety education, while 333 staff attended Basic Life Support. Staff participating in practical Evacuation Emergency Procedure drills trialled the "AlbacMat Rescue mat". Following the successful trial, the OH&S committee subsequently recommended that the mats be purchased and installed at WDHS sites.

During the year, interim and priority one Fire Safety works were completed at all campuses - Hamilton, Penshurst and Coleraine, as well as priority two and three works at Hamilton and Penshurst.

Emergency procedures

The South West Health and Medical Emergency Management Network group completed a draft Regional Health Emergency Plan. WDHS membership includes the Director of Medical Services and the Occupational Health and Safety Manager.

Falls Prevention

The Health Service has developed and conducted a competency based "Falls

Prevention" education program for 17 relevant WDHS staff and bought additional equipment. Required works were completed to meet the Regulations (Prevention of falls) 2004.

Falls prevention education was also conducted for Harrow Bush Nursing Centre with 17 staff in attendance.

Environmental Audits

External Food Safety audits were conducted across all WDHS facilities, achieving 100% compliance. Our Food and Environmental Safety Audit also resulted in 100% compliance, with our external cleaning audit achieving 96.8%. In the most recent waste management benchmarking survey WDHS achieved the highest result.

CBR Incident Response Plan

The Emergency Department exhaust ventilation system - which reduces the effects of possible contamination to staff and patients in the event of a Chemical Biological and Radiation (CBR) incident - has not been activated to exhaust mode during the past year. However, staff properly managed two near-miss incidents that occurred from treating two persons affected by chemical spills.

Incident Reporting

The incident reporting risk-rating system enables accurate analysis of incident categories and trending. This year the number of reported incidents has increased by 64% through active encouragement of all staff to report all incidents.

Challenge

- The challenge is to strive to continually improve our performance to provide a safe environment for the wellbeing of consumers, staff and assets

Achievements

- Individual Return to Work plans have successfully reduced our sick leave from 5.9% to end of the June 2004 quarter to 4.4% for 2006
- Successful Worksafe Audit
- Completion of Fire Safety works
- Successful Food Safety, Cleaning and Pressure Area Care surveys

The future

- Continue falls prevention risk reduction strategies
- Continue environment and audit programs
- Further expand regional OH&S consultancies

Senior staff



Above: (L to R) Director of Anaesthetics, Dr James Muir; Nurse Manager Betty Joosen and Coleraine Unit Manager Denise Beaton.

Chief Executive Officer

Jim Fletcher BHA, AFCHSE, CHE, MIPAA.

Community Liaison Manager

Deborah Howcroft

Penshurst Manager/Director Of Nursing

Darren Clarke RN, RM, BN, MN, MAAQHC, MQSA, MRCNA.

Penshurst Unit Manager

Jenny Paton RN, RM.

Coleraine Manager/Director Of Nursing

Tim Pitt-Lancaster RN BN Cert Peri-operative nursing, GradDip Nursing Science

Coleraine Unit Manager

Denise Beaton RN RM

Deputy Chief Executive Officer/Director of Corporate Services

Patrick Turnbull BBus, BHA, FCPA.

Corporate Business Analyst

Wilma Best BBus(Multidiscipline), DipNEd, RN, FRCNA.

Manager Finance & Budget

Nicholas Starkie, DipTS(Bus), GradCertBusAdmin. (Acting) from Feb 2006. Neil Harvey until Jan 2006

Chief Health Information Manager

Lena McCormack BAppSci(HIM), GradCertBusAdmin, MHIMAA.

Hotel Services Manager

Peter Davies BA.

Human Resources Manager

James Kennett MBus.

I.C.T. Manager

Garry Aydon BAppSc, CCNA

Librarian

Louise Milne ALIA.

Supply & Maintenance Manager

Daryl Hedley AIMM, FMAM, AIHEA.

Deputy Supply & Maintenance Manager

Bruce Humphries AHSP0, AFMA

Nursing Services

Director of Nursing

Janet Kelsh RN, ICU Cert, BAppSci(Nadmin), CertMgt(Deakin), GradDipAgedServicesMgt, MRCNA.

Deputy Director of Nursing

Bronwyn Roberts RN, CriticalCareCert, GradCertBusAdmin, MRCNA.

Clinical Resource Manager

Lorraine Hedley RN, BN, MRCNA

After Hours Coordinators

Linda Donaldson RN, MRCNA

Lesley Stewart RN, Sterilisation&InfectionControlCert.

Peter Francis RN, RM, BN, GradDipMid, GradCertPaed, CertPsych, CertWorkplaceLeadership, CertAdvPhysiology.

Mavis Wilkinson RN, RM.

Kathy Ross RN, GradDipCriticalCare.

Leanne Deutscher RN,

Jennifer O'Donnell RN, RPN, AdvCertMgt, AdvCertWorkplace Practice Skills

Dianne Raymond RN

Nurse Managers

Aged Care Services

Gillian Jenkins RN Master of Education (Research), GradCertBusAdmin, MRCNA.

Unit Manager, The Birches

Jennifer Kearney

Unit Manager, The Grange

Cindy Godfrey

District Nursing /Discharge Planning

Pat O'Beirne RN, RM.

Medical Unit/ICU/ED

Betty Joosen RN, BN, MRCNA.

Surgical/Obstetrics Unit

James Smith RN, DipAppSci(Nursing), BappSci(Hons), Peri-operativeCert, DiplInfec&TropDiseases, GradDiplInfec&Trop Diseases.

Theatre/CSSD

Mark Stevenson RN, Perio-opCert, GradCertBusAdmin.

Clinical Nurse Consultants

Critical Care and Emergency Department

Marilyn Fraser RN, BN, GradDipCritCare.

Infection Control

Lesley Stewart RN, Sterilisation&InfectionControlCert.

Paediatric Home Care Program

Gaye Goggin RN.

Palliative Care Service

Heather Wilkinson OAM RN.

Medical Services

Director Of Medical Services

Bruce Warton RFD, MB, BS, Hons(Monash), BHA (UNSW), GradDipHealth&MedLaw(Melb), DTM&H(JCU), AFCHSE, CHE, FRCSEd, FRCOG, FRANZCOG, FRACMA (to July 05)

John Dunn MB, BS, MACP (from Sept 05)

Quality Manager

Sheryl Nicolson RN, DipN, BN, MHealth, MBA, AFAAQHe

Senior Medical Staff Anaesthetics (Director)

James Muir MB,ChB,DA,FTRCA

Anaesthetists in General Practice

Craig de Kievit MB, BS, DRANZCOG, FACRRM.

Kim Fielke MB, BS, DRANZCOG, DA(UK), FRACGP.

General Practitioners

Victoria Blackwell MB, ChB, MRCGP, DRCOG, DFFP

Brian Coulson MB, BS, FACRRM, DipO&G

Mark Deary MB, ChB (Zim)

Craig de Kievit MB, BS, DRANZCOG, FACRRM.

John Douglas Fleming BSc, MB, ChB, FAMAS (to Jan 06)

Dale Ford MB, BS, FRACGP, FACRRM.

Michael Forster BM, BS, MCPPSych, DRANZCOG, FACRRM,

Jaroslav Hryckow MB, BS.

Allan Mark Johnson MB, BS.

Robey Joyce MB, ChB (Pretoria)

Andrew McAllan MB, BS, MMed(Ophth).

Greta Prozesky MB, ChB, FRACGP

Susan Robertson MB, BS, DipRACOG, FRACGP, DipPallCare.

Robert Scaife MB, BS, FACRRM.

Jan Slabbert MB, ChB(FreeState), FRACGP, RACGP

Kim Tan MB, BS, FRACGP, FCFP (S/pore), GDFP (Dermatology)

Leesa Walker MB, BS, FRACGP.

Anthony Wark MB, BS.

Neville Wulff MB, ChB, FRACGP, BScSportsMed(Hons),

Dental Officers (honorary)

David Baring BDSc.

Jennifer Barke LDS, BDSc.

Peter Tripovich LDS, BDSc.

Timothy Halloran LDS, BDSc.

Dermatologist

Julie Wesley RFD, MB, BS, FACD.

Endocrinologist

Fergus Cameron B Med Sci, MD, BS, DipRACOG, FRACP.

General Surgeons

David Bird MB, MS, FRCS, FRACS.

Stephen Clifforth MB, BS, FRACS.

Peter Tung MB, BS, FRACS, FHKAM.

Neurologists

Peter Gates MB, BS, FRACP.

Ross Carne MB, BS, FRACP

Obstetrician/Gynaecologist (Director)

Jacobus Cloete MB, ChB(Cape Town), MMed, FRCOG, FCOG(South Africa), FRANZCOG.

Obstetricians in General Practice

Craig de Kievit MB, BS, DRANZCOG, FACRRM.

Robey Joyce MB, ChB (Pretoria)

Jan Slabbert MB, ChB, (FreeState), FRACGP, RACGP

Oncologist

Ian Porter MB, BS, FRANZCRT

Ophthalmologist

Vincent Lee FRACS, FRACO, MMed.

Oral and Maxillofacial Surgeons

Martin Ching MB, BS, BDSc, MDS, FRACDS(OMS).

Graeme Fowler LDS, BDSc, MDS, FDSRCPS.

Orthopaedic Surgeon

Rick Cunningham MB, BS, FRACS (ORTH),

Otolaryngologists

Anne Cass MB, BS, FRACS.

Laurence Ryan MB, BS, FRACS, FRCS, DLO

Paediatrician

Greg Pallas B Med, FRACP.

Christian Fiedler MD, (KIEL), FRACP,

Pathologist

Jill Leyton MB, BS, FRCP(C), FRCPA.

Physicians

Nicholas Abbott MB, BS, DCH, MRCP(UK), FRACP.

Geoffrey Coggins MB, BS, FRACP.

Andrew Bowman MB, ChB, MRCP(UK).

Andrew Bradbeer MB, ChB, FRCP(UK), FRACP, CCST(UK)

Psychiatrist

Graeme Ridley MB, ChB, MRCPsych, MRACMA, FRANZCP.

Radiologists

Damien Cleeve MB, BS, FRACR.

Robert Jarvis MB, BS, FRACR.

Trevor Roberts MB, ChB, FRACR.

Daryl Shnier MB, BS, MMed, FRACR, ABNM.



Urologists

Greg Neerhut MB, BS, FRACS, (to April 06) .

Richard Grills MB, BS, FRACS,

Paul Kearns MB, BS FRACS, RACS (from June 06)

Resident Medical Staff

During the year Resident Medical Officers (Medicine) attend Hamilton Base Hospital on Rotation:

- St Vincent's Hospital - three interns
- Barwon Health - one intern, one special surgical, one medical registrar
- Austin Health - one surgical registrar

Resident Medical Officers (employed by WDHS)

Niranjani (Jenny) Harindran MB, BS. (from Mar 06)

Nadia Iftikhah MB, BS(Pakistan) (from June 06)

Naomi Hayman MB, BS (to Jan 06)

Jung Zhang MB, BS (to Jan 06)

Atef Mohareb MB, BS (to April 06)

Diagnostic and Allied Health

Unit Manager Hamilton House Allied Health Centre, Community Rehabilitation Centre, ADASS, Day Centre

Marilyn Campbell RN.

Chief Dietitian

Fran Keeble-Buckle BSc, MND, DipEd, APD.

Chief Occupational Therapist

Ellen Dix BAppSc(OccTher) MOT.

Chief Pharmacist

Lyn Christie MPharm, GradCertBusAdmin, MPS.

Chief Physiotherapist

Lyn Holden BAppSc(Physio), MPhysio, Member APA.

Podiatrist

Phuong Huynh MSc, BAppSci(Pod), MAPodA, AAPSM.

Senior Social Worker

Kate Leahy Dip.Tech.(SW).

Speech Pathologist

Sue Cameron BAppSc(SpeechPath), MSPAA.

Community Services

Director of Community Services

Susan Brumby RN, RM, DipFMgt, GradDipWomen's Studies, MHMgt, CertIVWorkplaceTrainer, AFCHSE, MRCNA.

Team Leader

Becky Morton DipAppSc(Biology), BAppSci(Biotechnology), DipMan.

Primary Care Partnership Executive Officer

Rosie Rowe BNatRes. (from Feb 06)

Annette Hinchcliffe DipChildren'sServices, CertIVAssessment&WorkplaceTraining. (Relieving from April 05 until Jan 06)

Above: Tim Pitt-Lancaster was appointed Manager/ Director of Nursing at Coleraine District Health Service in July 2005. Plans for CDHS include major building redevelopment works.

Our people Professional Development



Six of the 2006 Nursing Graduates back L-R: Liz Kolden, Rebecca Holmes, Jenny Walsh and Michelle Watt. In the front Erin Wood and Belinda de Villiers

WDHS supports its employees with training and education to provide staff with opportunities to become the best they can be in their chosen professions. In the year under review the professional development of WDHS nursing staff has continued at a great pace. We continue to have a high profile in regional nursing education and WDHS is known as a centre of excellence in this field.

The Education Centre recorded 1,320 occasions of use in 2005/06, and just over 10,000 people attended courses at the Centre.

Education Centre

The Centre continues to maintain its reputation as a first-class educational/conference facility. This year there were 1,320 occasions of use by both internal and external customers. External reservations numbered 249, an increase of 28% on the previous year.

This year just over 10,000 people attended education or conferences held in the Centre, an increase of 35% from the previous period.

Excellent videoconferencing facilities are available throughout HBH, Coleraine and Peshurst eliminating a considerable amount of travelling time for sub-regional educational activities and information. This year there was a 39% increase in videoconferencing utilisation in the Centre.

The Nursing Education Manager, nine Clinical Teachers and trained preceptors provide a nurturing and supportive environment for undergraduates, new graduates and other nursing staff.

Lectora Software

The year WDHS commenced the deployment of Lectora software, which will allow for the development of online education material, including assessments and feedback to the student and the lecturer. The first two projects are to convert the mandatory education programs, Fire and Emergency Procedures and Basic Life support into a format for online education.

Staff Development

Twelve employees completed various tertiary and TAFE courses which included Certificate III in Health Service Assistance, Diploma of Diversional Therapy, Certificate IV in Community Services, Diploma of Community Services, Diploma of Remedial Massage, Certificate III in Home & Community Services, Certificate IV in Assessment and Workplace Training, Diploma of Business, and Certificate III in Aged Care Work.

There is also general education for staff such as a financial retirement planning seminar, which is scheduled for August 2006.

E-learning

The use of electronic learning has increased with 64 staff accessing the SkillPort e-learning system for computer training.

Medical Education

WDHS delivers a program of weekly tutorials to junior interns rotating through the Service from Barwon Health and St Vincent's Hospitals. Weekly education meetings are held for all General Practitioners, Specialists, HMOs, Nurses and Allied Health Professionals. Facilitated by the Victorian Medical Postgraduate Foundation (VMPF), meetings cover a wide range of topical issues as requested, through needs analysis from the region and are presented by internal and external speakers who are leaders in their field in practice, knowledge and presentation.

New Graduate Program

Twelve graduates successfully completed their First Year Graduate Nurse Program with WDHS, and six of them have stayed on to be nurtured and financially supported into various career paths. As a result, two are undertaking a Graduate Certificate in Rehabilitation whilst two others are undertaking a transition program in the Intensive Care Unit/Emergency Department in preparation for the Diploma in Critical Care Nursing in 2007. Fourteen new graduates began the program in Feb/Mar 2006.

Postgraduate nurse education

We continue to "grow our own" for speciality fields with two staff members having commenced the Graduate Diploma in Midwifery and three of our Operating Room staff being half way through the Graduate Diploma in Perioperative Nursing.

Return to practice programs

Five nurses have just regained their registration for practice with the Nurses Board of Victoria (NBV) by completing our newly re-accredited Return to Practice Programs. Funded by the Department of Human Services (DHS), WDHS is one of only a few rural hospitals to provide the full re-entry programs.

Grant for Continuing Education

Funding was again granted by the DHS to allow us to continue to educate regional nurses in both divisions to a very high level so that skills

maintenance is achieved. This funding has allowed us to purchase education from first class facilitators which is delivered in Hamilton. Seminars and workshops this year have covered such subjects as Managing and Motivating the Different Generations at Work, Paediatric and Obstetric Emergencies, Drug and Alcohol Issues, Psychiatric Issues in the Aged, High Dependency Nursing and many more. Distance learning in modular and electronic form has also been possible.

Of particular note is that through a "one off" Commonwealth Government grant, we have been able to upskill nine of our existing aged care workers to Certificate IV in Health (Division 2 nurse) and two others to Certificate III (PCA) level.

Our long established links with tertiary institutions continue through the clinical placements for nursing undergraduates. These universities include RMIT, Ballarat, Deakin, La Trobe, Charles Sturt, South Australia and Northern Territory. WDHS will be working towards more collaborative research projects with these institutions.

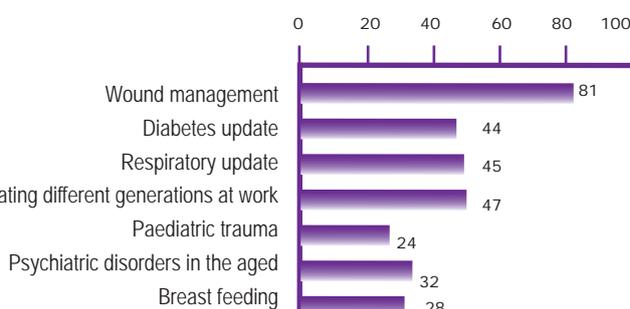
Division 2 Nurses Scope of Practice

The project on the extension of the Division 2 nurses scope of practice is nearing its completion. The next phase will be education and implementation.

Future Directions

- A DHS grant of \$56,000 will fund a fully equipped Clinical Skills Laboratory. This will be used to teach clinical skills to undergraduate and post graduate nurses, medical staff, medical students and allied health staff
- The mandatory annual competencies will soon be able to be conducted electronically
- The e-live modality will be added to the modes of distance communication

Attendance at Education sessions, July 1, 2005 to June 30, 2006



Improving performance



Western District Health Service is committed to the pursuit of continuous quality improvement and the achievement of best practice standards right across the service.

Winnie Pateman, a resident at The Birches, is chatting with her husband John and Associate Charge Nurse Hazel Saligari.

Challenge

- To continually improve performance - within the constraints of available resources

Achievements

- Participation in Aged Care, National Venous Thromboembolism and Hand Washing projects
- Successful QI survey for CACPs
- Baby Friendly Accreditation for 3 years
- ACHS Self Assessment completed
- Reaccreditation of Coleraine Aged Care services

The future

- Review and revise Risk Register
- Continued participation in Best Practice, research projects and surveys
- Reaccreditation of Hamilton and Penshurst Aged Care.

Venous Thromboembolism Prevention

In October 2005, Western District Health Service was one of 10 Victorian hospitals selected to participate in a study aimed to prevent venous thromboembolism (VTE).

Through co-ordination and guidance from the National Institute of Clinical Studies (NICS), WDHS has established a working party, developed and implemented clinical protocols and collected data to measure compliance. This data is then submitted to a national database. Through promotion of the project and education of staff and medical officers, compliance with the new clinical protocols continues to increase.

This project will continue into the coming year, during which time it is expected that compliance will be maximised and the risk to patients minimised.

Aged Care Accreditation

In March 2006, applications for reaccreditation of Coleraine's Wannon Court Hostel and Valley View Nursing Home were accepted. This demonstrates ongoing compliance with each of the aged care standards as set by the Aged Care Standards and Accreditation Agency. Certificates of accreditation have been awarded for the period March 2006 – March 2009.

During the year, the ACSAA conducted support visits of the residential aged care facilities at both Hamilton (September 2005) and Penshurst campuses (December 2005). In each instance The Agency was satisfied the facilities were on track for future reaccreditation.

Excellence awards

Excellence in service is recognised each

year by WDHS in both clinical and non-clinical areas. The 2006 Clinical Excellence Award is awarded to the maternity services team for their innovation and team approach to maternity services, and the non-clinical to PDHS catering team for improvement to patient menus.

Australian Council on Healthcare Standards

Recommendations from the May 2005 external survey of the organisation by ACHS resulted in 12 recommendations for further improvement. Throughout the year each of the recommendations has been implemented, with one requiring further work and finalisation. In April 2006, the organisation's self assessment was submitted to the Australian Council on Healthcare Standards. This involved assessment of compliance with mandatory standards and the Leadership and Management Standards. Feedback from ACHS is expected in the near future.

RiskMan

In January 2006, a software program called RiskMan was introduced for the management and reporting of incidents or adverse events. Although implementation is still in the early stages, RiskMan is being used for incidents relating to patients, residents, staff and equipment failures. Reports are generated to facilitate the identification of areas where further safety measures may need to be implemented.

CACPs Quality Reporting

In April 2005 the organisation's Community Aged Care Packages (CACPs) program was reviewed by the Department of Health and Ageing to ensure compliance with the set of

Community Care Standards. Outcomes from the review were most favourable, demonstrating the organisation's commitment to a culture of continuous quality improvement.

DHS Aged Care Quality Indicators

Throughout the year WDHS assisted the Department of Human Services by trialling quality indicators in our aged care facilities. On completion of the trial, a report was submitted, resulting in the finalisation of five indicators for future implementation across the State.

Victorian Patient Satisfaction Monitor

Throughout the year, WDHS has continued to participate in the Victorian Statewide Patient Satisfaction Survey. Results continue to demonstrate a high level of community satisfaction with the quality of services provided, particularly in relation to data from similar types of hospitals.

Quality of Care Report

Each year WDHS has published a Quality of Care report, detailing the quality and safety systems, and outcomes to the community. Highlights of the 2005/06 report will include the implementation of an electronic incident reporting system, advancements in consumer participation and achievements in relation to the management of stroke patients throughout the continuum of care.

Clinical services **acute care**



Interns at HBH Dr Nathania Young and Dr Jeremy Carr in ICU with Dr Mohamed Kasim, one of our Medical Registrars.

Challenge

- To provide an integrated range of acute health services to our community

Achievements

- Recruitment of two GP Obstetricians
- Establishment of the Team Midwifery Shared Care Program
- Integration of Discharge Planning with District Nursing
- Funding secured to continue Sub Regional Rehabilitation Program in 2006/07
- Participation in Best Practice Stroke Program
- Recruitment of General Practitioners at PDHS and CDHS

The future

- Enhance neonatal/paediatric service
- Support the establishment of a monthly neurology outreach service
- Complete the evaluation of the Southern Grampians/ Glenelg Rehabilitation Program

WDHS has 75 acute beds at Hamilton Base Hospital, providing Emergency, Medical, Surgical, Midwifery, Paediatric and Intensive Care services, together with a broad range of Allied Health services. Penshurst Hospital has six acute beds and Coleraine Hospital has 15 acute beds, both providing general medical care.

WDHS has seven aged/extended care facilities: The Birches and The Grange in Hamilton, Penshurst Nursing Home and Kolor Lodge in Penshurst, Valley View Nursing Home and Wannan and Mackie Hostels in Coleraine. Twenty Community Aged Care Packages (CACPs) are administered from The Grange. The staffing profile in these facilities is predominantly Division 1 and Division 2 Nurses, supported by Personal Care Workers.

In 2005/06 WDHS treated 6,840 inpatients and 59,965 outpatients, 4,512 accident and emergency patients, 217 babies were born in our Midwifery Unit and 2,950 operations were performed. We accommodated 152 high-care residents, 98 low-care residents, 135 respite residents and our occupancy rate in our aged care facilities was 98.85%. We serviced 25 CACPs clients.

Medical Staff Appointments

Urology services

Following the resignation of Mr Greg Neerhut from the Health Service, we have Mr Paul Kearns joining Mr Richard Grills, providing fortnightly visiting consultative and operative services in urology.

Recruitment of GP Obstetricians

Hamilton Base Hospital has been fortunate to gain the services of two new GP Obstetricians. Dr Robey Joyce and Dr Jan Slabbert have joined Dr Craig de Kievit at the Hamilton Medical Group to complement the services provided by our Director of Obstetrics and Gynaecology Dr Jacobus Cloete.

RMOs/Interns

WDHS has a junior doctor complement of 10 members. Seven of the 10 are on rotation from St Vincent's Hospital, Barwon Health and the Austin Health, and three

are International Medical Graduates (IMG). It is hoped to recruit one more IMG for the Accident and Emergency Department in the near future.

Coleraine and Penshurst GPs

Coleraine District Health Service has enlarged its GP workforce with the appointment of Dr Mark Deary. This brings the number of GPs servicing Coleraine and Casterton to five.

Penshurst and District Health Service recently lost its long-time and popular GP Dr Doug Fleming when he retired in January 2006 after 20 years of service. PDHS has been fortunate to gain the services of Dr Michael Forster, who was previously with the Hamilton Medical Group.

Hand Hygiene project

The Victorian Quality Council (VQC) in May 2004 established a Hand Hygiene pilot program. Initially Austin Health was funded to coordinate a trial using six health

care facilities. Since this trial, the VQC has approved funding to support the roll out of a Hand Hygiene project across Victoria. WDHS has been funded 0.4 EFT to provide ongoing training to health care workers and to undertake compliance audits. This program will be conducted over 12 months and all audit results will be forwarded to Austin Health for collation and benchmarking.

The aim of the program is to establish sustained improvement in hand hygiene practices and therefore reduce the incidence of Healthcare acquired infections.

National Medication Trial

WDHS has continued as a pilot site in the National Medication Chart Pilot Study. The new medication chart has been piloted nationally for ultimate implementation throughout all hospitals in Australia in the latter part of 2006.

Theatre scheduling

To assist in scheduling, we have implemented operating session planning 12 months in advance. Progress has been made in scheduling similar hours of operating sessions from week to week. Efforts to schedule new operative services to reduce peaks and troughs has worked well.

Falls Risk Management

The Falls Risk Management Workgroup has organisational representation to ensure an organisational approach to falls risk management. The objective is to improve falls risk management according to best practice.

Naomi Tolley works with a patient in the Rehabilitation Unit at HBH. She is one of three Division One Nurses who has completed a Post Graduate Certificate in Rehabilitation.



Outcomes which have been achieved include :

- Review of falls risk assessment tools in line with best practice
- Development of organisational falls risk management policy
- 65% of senior staff have completed falls risk competency

An audit of current falls risk assessment identified a need for further improvement, resulting in the development of a staff education plan. The documentation will be reviewed and the audit repeated.

This approach has delivered an improvement in the falls clinical indicator by 0.15% in latter 2005, compared with early 2005.

Pain Management

The Pain Management Workgroup has achieved the following outcomes during the year:

- A formalised structured approach to pain management according to best practice across the organisation
- Changes to documentation to promote a culture of pain management as the 5th vital sign
- Improved audit compliance following staff education
- Standardisation of pain management equipment
- Development of pain management policies
- Development of a pain management patient information brochure that will be distributed following consumer evaluation

Telemetry extended to the Surgical Unit

The Telemetry Reception Area has been extended to incorporate the Surgical Unit at Hamilton Base Hospital. This allows patients in the Surgical Unit, following a medical order, to undergo cardiac monitoring via a portable telemetry device. The patient's cardiac rhythm is transmitted to the central telemetry monitoring station in the Intensive Care Unit. This improves access to cardiac monitoring as it was previously only available in the Medical Unit.

Sub-acute Rehabilitation Services Southern Grampians Glenelg Rehabilitation Program (SGGRP)

DHS has demonstrated continued support for the Southern Grampians Glenelg Rehabilitation Program with a grant of \$260,000 to continue the program in 2006/07. The program provides local access to inpatient and community rehabilitation services within the sub-region.

A three-bed rehabilitation unit at Hamilton Base Hospital has decreased acute bed-days and continues to promote a multidisciplinary team approach to sub-acute clients and their carers. Inpatients also benefit from a specialist physician leading the rehabilitation team.

Professional development for service providers to better understand the culture of rehabilitation and deliver best practice is promoted through the program. The successful completion of a Post Graduate Certificate in Rehabilitation by three Division 1 nurses is one of the many positive outcomes.

The availability of a transitional bed at Coleraine supports the continuum of care for patients in the program and enhances working relationships between services. An Occupational Therapist provides services to all health agencies participating in the Southern Grampians Glenelg Rehabilitation Program.

ROAST

WDHS is participating in phase three of the Rural Organisation of Australian Stroke Teams (ROAST) project. The project has been extended from phase one as a Victorian-based program, through to phase three, which involves hospitals in all Australian states. During phase two the WDHS team developed guidelines for shoulder care, family meetings, enteral drug administration and standard referral.

Participating in the project enables WDHS to benchmark with other rural hospitals,

encouraging networking and team education.

Key Performance Indicators (KPIs) ensure early intervention and a multidisciplinary team approach for patients and their carers.

As part of the multidisciplinary approach, WDHS nurses undertook Dysphagia Nurse Training in order to complete oral motor and swallowing assessments and make recommendations about whether patients are safe for oral intake when the Speech Pathologist is not available.

Forming a stroke care team enables WDHS to develop best practice standards for stroke patients in the rural environment, across the continuum of acute, ambulatory and primary care.

The project is supported by the Royal Australasian College of Physicians, The Australasian Stroke Unit Network and The National Stroke Foundation.

Funding for Clinical Support Nurses

WDHS has received funding from the Department of Human Services (DHS) towards Clinical Support Nurse (CSN) positions. The role of the CSN is to support staff and nurture a clinical learning environment.

The objectives of the CSN comprise assisting the Unit Manager to provide effective and efficient management of the clinical services, providing clinical nurse leadership, managing and providing direction for nursing staff, and maintaining effective coordination of care and communication between health care professionals.

Clinical services

The Clinical Support Nurse in collaboration with the Clinical Teachers, act as a preceptor or resource person for new staff, first year graduates, and refresher and re-entry nurses.

Team Midwifery Model of Care

WDHS has embraced the challenge of retaining and expanding its range of midwifery services with the recruitment of new medical staff and the introduction of an extended team approach to birthing services.

WDHS received funding under the Rural Maternity Initiative in July 2005, enabling HBH to implement many advances in maternity care. This initiative has involved the development of a Team Midwifery Model of Care which commenced March 2006.

The Team Midwifery Model of Care offers additional antenatal support, complementing the care provided by our Specialist Obstetrician or GPs trained in Obstetric Care, and is suitable for women who are assessed as requiring low level or low risk care throughout their pregnancy, labour, birth and postnatal experiences.

In order to maintain and enhance midwifery skills, WDHS has also been proactive in sourcing education to support clinicians, most recently demonstrated by the approval of a submission to participate in the Pregnancy and Maternity Emergencies program run by DHS.

Birthing Outcome System

Another recent advance in practice has involved WDHS being chosen as the pilot site for SWARH, to implement the Birthing Outcome System (BOS) software. This system went live in June 2006 following extensive staff education. Midwives now enter data directly onto the software at the bedside, facilitating statutory perinatal reporting requirements and reducing data and documentation duplication in maternity care.

Baby Friendly Hospital Initiative

WDHS is accredited through the Baby Friendly Hospital Initiative (BFHI). BFHI is an international project that aims to give every baby the best start in life by creating a health care environment where breastfeeding is the norm and practices known to promote the health and well-being of all babies and their mothers are followed.

HBH first achieved accreditation in 2002, and was re-accredited in November 2005. The WDHS Midwifery Unit has maintained its BFHI status by undertaking regular audits



Midwife Peter Francis with new mum Kylie Pearce and baby Emily, one of the 217 babies born at HBH in 2005/06

of staff knowledge, patient records, surveys of new mothers and in addition, annual education sessions are provided for all midwifery staff.

The Unit has two current practising International Board Certified Lactation Consultant Midwives who consult on the ward and offer a support service for women breastfeeding in the community.

Pressure Ulcer Point Prevalence Survey (PUPPS)

This year all campuses at WDHS again participated in the Victorian Quality Council (VQC) PUPPS Statewide audit. Interim results indicate a decreased pressure area incidence at both Penshurst and Hamilton campuses in comparison to the PUPPS 2 audit conducted in 2004. The PUPPS 2 data for Coleraine is not available yet. The PUPPS 2 audit was conducted prior to CDHS amalgamation with WDHS. A formal report from VQC remains pending.

Amalgamation of District Nursing and Discharge Planning Unit

The amalgamation of District Nursing and the Discharge Planning Unit provides a coordinated and seamless approach across the continuum of care for discharge planning and access to primary health.

Allied Health

Community Rehabilitation Centre

The Community Rehabilitation Centre helps people who are disabled, frail, chronically ill or recovering from traumatic injury to regain optimal function, maximise their

independence and live in their usual place of residence. The service provides access to a range of allied health services, and encourages both centre and home-based therapy. This year the service provided care to 244 individuals on 2,714 occasions of service. There have been 114 group sessions, providing education and exercise therapy for a number of programs including Chronic Disease Management.

Day Programs

Adult Day Activity and Support Services (ADASS) are provided across WDHS at Hamilton, Penshurst, Coleraine and Merino. A residence was purchased in Pilleau St Coleraine as part of land acquisitions for the future redevelopment at Coleraine.

In the interim, this residence has been refurbished to provide accommodation for the Coleraine ADASS program and the Shire of Southern Grampians Maternal and Child Health program.

The Hamilton Day Centre program, which provides support, socialisation, carer respite and monitoring of minor health conditions for the aged, frail and disabled residents of the district, had 82 active clients during the year, with an average of 17 clients per day, for a total of 3,876 contacts.

Nutrition and Dietetics

Our Nutrition and Dietetics Department continued to extend its role in Chronic Disease Management (CDM) with involvement in cardiac, pulmonary, heart failure and diabetes programs. First Mothers and Food For Thought groups, support for



bariatric surgery and antenatal were other developments during the year.

Occupational Therapy

Occupational Therapy (OT) staff have been involved in several projects including the Day Centre "Well for Life" project, the Chronic Disease Management Program, the ROAST project and the Southern Grampians/Glenelg Rehabilitation Program. Three OT staff are studying Certificate IV Community Services and Certificate III Aged Care, funded through the new apprenticeship scheme.

Physiotherapy

The Physiotherapy Department provides services to the acute, ambulatory, community and aged care areas of WDHS and delivers outreach services. This year outreach services were provided to Edenhope hospital under contract. They have also provided input into the new CDM programs, the Sub-Acute Rehabilitation Unit and the ROAST project. The Department hosts undergraduate physiotherapy students, exposing them to a rural practice setting. Nine physiotherapy students experienced a total of over 50 weeks clinical learning in the 2005/06 financial year.

Podiatry

The provision of Podiatry services to the sub region continues to be a challenge due to a vacancy within our department and the closure of the Hamilton private podiatry clinic. Our senior podiatrist is the only podiatrist in the district, which has resulted in long waiting times and numbers of people waiting for the service. As part of a long term strategy to address this issue, the Health Service in partnership with Greater Health and La Trobe University, received agreement in principle from La Trobe to establish a Podiatry School for the Greater Green Triangle in Hamilton. Funding submissions and representation have been made to Government to further this proposal.

Social Work

The Social Work Department continues to play a major role in supporting the placement of clients in an aged care program, as well as providing counselling services to hospital in-patients, and supporting our Cardiac Rehabilitation and Inpatient Rehabilitation programs.

Speech Pathology

The profile of Speech Pathology has increased following the implementation of the ROAST program. The first KPI requires all stroke patients to have a swallowing assessment within 24 hours of presentation to the hospital. The assessment is conducted by a Speech Pathologist or other health professional considered by the Speech Pathologist as suitably qualified to assess swallowing function. Eight nurses were trained to support this function during the year.

Aged and extended care services

Located in Hamilton, The Birches is a 45-bed Specialist Extended Care facility, which includes dementia, palliative care, psycho geriatric, respite and a discrete capacity for the younger disabled residents. The Grange Residential Care Service, also in Hamilton provides a 45-bed generic aged care facility, enabling ageing in place.

The Community Aged Care Packages Program provides care in the home for those residents who are able to, and wish to stay in their own homes, with the support of personal care services. WDHS manages 20 CACPs, administered from The Grange.

In Penshurst, Kolor Lodge provides 10 predominantly low-care beds, while the Penshurst Nursing Home provides 17 high-care beds. In Coleraine, Valley View provides 12 high-care beds, while Mackie and Wannon Hostels provide 41 low care beds.

Quality Performance and Reporting

WDHS subscribes to a Quality Performance System (QPS) of auditing, which entails the collection of specific, nominated data relating to risk management reporting. Information is collected and submitted every three months. The results of these audits are benchmarked nationally. An intense internal auditing system is also maintained to ensure an ongoing environment of continuous quality improvement.

The Department of Health and Ageing has introduced a Quality Reporting System for the Community Aged Care Packages (CACPs) Program. A review is undertaken of the systems in place against the guidelines and seven principles for the provision of the packages of care. From this review a Continuous Quality Improvement Action Plan will be developed, and a desktop audit and a site visit will be undertaken. Recommendations will then be made for a CACPs Action Plan.

WDHS residential aged care facilities are participating in the Victorian Department of Human Services Performance Indicator Trial for aged care, by trialling two of eight

Achievements

- Reaccreditation of Coleraine Aged Care Program
- Participation in Department of Human Services (DHS) Key Performance Indicators (KPI) Trial
- Implementation of Oral Health Care Program
- Completion of enhanced Scope of Practice

The future

- Reaccreditation of Hamilton and Penshurst
- Funding approval for unfunded bed at Coleraine
- Increase number of high care beds via conversion
- Implementation of DHS KPIs

nominated indicators. The aim of the trial is to identify the value and relevance of the indicators, and whether monitoring these will improve the care of residents in the facilities.

As a result of the trials across pilot agencies including The Grange and Penshurst, five Quality Performance Indicators have been adopted. They will measure the prevalence of pressure sores, falls and falls-related fractures, the use of physical restraint, use of nine or more different medications and unplanned weight loss.

The outcomes from our research project with Deakin University in the Oral Health Care of patients in aged residential care were also implemented and monitored over the year.

Diversional Therapy presentation

WDHS Diversional Therapist Julianne Gould delivered a presentation at this year's Diversional Therapy Association of Australia National Conference in Geelong. Following positive feedback, Julianne will deliver the presentation at the NSW Conference in September. WDHS employs diversional therapists in one-on-one support, and activities coordinators to implement group activities across all our aged care facilities.



Clinical services

Aged Care Accreditation

The Aged Care Standards Agency conducted support visits of the residential aged care facilities at Hamilton in September and Peshurst campus in December 2005. The Agency was satisfied the facilities were on track for the full Residential Aged Care Accreditation Audit, which is in August 2006. The accreditation applications were submitted in May 2006 with nominations for best practice awards.

The best practice nominations are:

- Clinical Resource Management
- Oral Health of the Elderly
- Pain Management
- Enhanced Scope of Practice Project
- Diversional Therapy

In November 2005, Aged Care Standards Agency conducted a full site audit of the Coleraine District Health Service aged care facilities with both Wannan Court Hostel (including Mackie House) and Valley View Nursing Home achieving compliance with the 44 expected outcomes, thereby gaining reaccreditation to 2009.

Enhanced Scope of Practice

WDHS received funding from DHS in 2005 to develop a sustainable plan to implement an Enhanced Scope of Practice for Division 2 Nurses. The purpose of the WDHS submission was to develop a service plan to enable Division 2 Nurses to administer medication in Aged Care in the first phase.

The project is to be finalised in August 2006. WDHS has achieved its aim of producing a framework to support the implementation of Enhanced Scope of Practice for Division 2 Nurses to administer medication in aged care. Further funding will be pursued to achieve phase 2 (education and workforce planning) and phase 3 (the commencement of Division 2 Nurses administering medication in aged care and evaluation).

Advance Care Planning

Advance Care Planning was introduced into WDHS Residential Aged Care Services in 2004 and it is now sustainable practice. Discussion for future treatment choices commences at pre-admission interview before entering residential care.

An Advance Care Plan gives clients the opportunity to record ahead of time their treatment choices, and only comes into effect if the individual loses capacity to make decisions about their medical treatment. The Plan includes the opportunity for the client to nominate a family member or friend to act on their behalf. This person is known as an 'Enduring Power of Attorney' (for Medical Treatment) or 'Agent'. An Advance Care Plan can be revoked or altered at any time by completing a new care plan.

There are 16 trained Consultants within WDHS offering Advance Care Planning to palliative care and frail aged clients. Implementation of the program has been well accepted.

Palliative Approach in Aged Care

The Guidelines for a Palliative Approach in Residential Aged Care have been introduced following a train-the-trainer approach for all staff.

As health professionals we continually strive to improve delivery of palliative care, as there is a widespread recognition that the benefits of palliative care are not limited to the final days and weeks before dying.

In response to this, there has been an increasing focus and move towards providing a palliative approach. A palliative approach can help reduce suffering and encompasses a positive and open attitude towards death and dying (Currow May 2004). This approach aims to improve the quality of life for people with a life-limiting illness, and their families.

The palliative approach through early identification, assessment and treatment of pain, physical, cultural, psychological, social, and spiritual needs reduces suffering. The process of the palliative approach in aged care facilities reduces the need to move residents to another location such as a hospice or hospital.

This approach supports the resident's choice to die with dignity in familiar surroundings, cared for by staff with whom caring relationships have been formed.

There are three stages of the palliative care program in residential aged care:

- **A Palliative Approach**

The primary goal of a palliative approach is

to improve the residents' level of comfort and function, and to address their psychological, spiritual and social requirements.

- **Specialised Palliative Service Provision**

Aged care facilities often involve specialists from Specialist Palliative Care Services (community or hospital based) to support and complement their work.

Involvement of a specialised palliative service can help with assessment and treatment of complex symptoms experienced by the resident.

- **End-of-Life (Terminal) Care**

This form of palliative care is appropriate when the resident is in the final stages of life when care decisions may need to be changed often. This program will focus more sharply on the resident's physical, emotional and spiritual comfort and support for the family.

A palliative approach should be offered according to the needs of the individual and in collaboration with the resident, family and aged care team to ensure the best palliative approach is provided to the resident (Navigational Tool, Guidelines for a Palliative Approach in Residential Aged Care 2004).

Top (L to R) The Aged Care Trust organised another successful annual Bridge Day to raise funds for Aged Care services.

Allied Health Assistant Maryanne Campbell reads to residents at The Grange.

WDHS Board President, Richard Walter, addresses the crowd at The Grange 50th celebrations.

Community services



Sustainable Farm Families took out the Statewide Primary and Community Health Network Award for innovation and excellence in Primary Health Care for Health Promotion.

Chronic Disease Management Program

A Chronic Disease Management pilot program, funded for 12 months through the Department of Human Services (DHS) Rural Patient Initiative funding has built on the success of the Chronic Obstructive Pulmonary Disease (COPD) pilot, and the Cardiac Rehabilitation Program (CRD).

The Chronic Disease Management Program at WDHS assists people in the community living with COPD, Chronic Heart Failure (CHF), and Cardiovascular Disease (CVD).

The initiative has a five-pronged approach:

- Multidisciplinary steering group
- Rehabilitation program, consisting of an exercise and education program in a group setting for both participants and their carers
- WDHS staff education. Fifteen staff from across the organisation attended a two-day course in The Flinders Model of Chronic Disease Self-management
- Community support group for sufferers of COPD and CVD
- Pilot case management in conjunction with the Hamilton Medical Group

The initiative has enabled a strategic approach to chronic disease management throughout WDHS, and supports a strong self-management focus.

The Health Service will strive to secure ongoing funding following the completion of this 12-month pilot in November 2006.

Community Health Women's Health

Central Highlands and Wimmera BreastScreen Rural Mobile Screening Service in association with WDHS, visited Hamilton for eight weeks in 2006.

There were 1720 women screened from this region, which is an increase of 10% from

the last visit in 2004. BreastScreen aims to screen 70% of women between the ages of 50 to 70 in order to make a difference to survival rates. This year saw 66% of eligible women having mammograms with BreastScreen. This figure is increasing with each return visit of the rural mobile screening service. Its next scheduled return is in 2008.

Breast Cancer case management

Following the visit of the Rural Mobile Screening Service, demand for information, support and comfort for those diagnosed with breast cancer, and their families, has increased. Breast Cancer support groups run throughout the year with a variety of activities.

The Breast Cancer Case Manager presented a paper at the 8th National Breast Care Nurse conference in Sydney in March 2006 on the challenges of being a rural Breast Care Nurse (BCN). She was assisted to attend the conference through a Ralph Lauren Pink Pony Rural Training Scholarship.

Women's Health

The Well Women's Clinic weekly meetings at the Frances Hewett Community Centre has seen an increase in attendance of 64%, and an increase of the target population of young people and health care card holders by over 50% to the previous year. Ongoing promotion of this service continues within the target population.

A grant was also obtained from Wholewoman in conjunction with the rural access worker from Southern Grampians Shire to provide information sessions on health and well being for women with disabilities in our community.

These were held at the FHCC during April

and
May 2006.

Youth Services

In August 2005, our YouthBiz Program was successful in receiving a three-year grant from the Office for Youth to join its Youth Participation and Access Program. The funding will fund in part the YouthBiz Drop-In Centre, action committees and programs to continue for another three years.

With two full-time staff members (one youth worker, one trainee youth worker) located at YouthBiz, and well over 3,000 young people drop-ins annually, holiday programs, 10MMM Multi Media Mayhem, and FReeZA activities, WDHS youth services plays a vital and important link for young people in the Southern Grampians Shire.

FReeZA

The FReeZA committee of 14 young people aged 14 to 17, has again provided a range of high quality, drug, alcohol, and smoke-free events for young people at minimal cost in the Southern Grampians.

The average attendance at events is 300, with events varied in their content and location. Some of these events were:

- Hosting a Southern Grampians Shire heat of a Victorian Battle of the Bands competition
- A DJ Night in Coleraine to allow better access to programs for young people living outside Hamilton
- Collaborating with other agencies to host a Skate/BMX Competition at the Hamilton Skate Park

Challenge

- To develop contemporary health programs which support access and improve the health and wellbeing of the community

Achievements

- Sustainable Farm Families funded to implement National program
- Secured grant to continue YouthBiz to 2008
- Integrated Respiratory Program into Chronic Disease Management Program
- Mobile BreastScreen service screens 66% of eligible women

The future

- Expand Sustainable Farm Families throughout rural and remote Australia
- Expansion of Youth Programs
- Incorporate Lymphoedema service into DHS Aids and Equipment program

Community services

(L to R) Gladys Polack, Marg Lyon and Wes Dewar at the inaugural meeting of the Cardiac Support Group. Carers from Warrnambool and Hamilton enjoy a Laughier Workshop at FHCC. The Health Service supported a Skate/ BMX competition for district youth.



Transport

Transport plays a vital role in people's ability to maintain independence, participate in their community and access health and other services. Two Rivers Transport, coordinated by South West Community Transport Program, is one of nine projects in the Transport Connections Program.

Each project aims to improve transport in their target communities through better use of existing resources. External evaluation of the program by KPMG has been positive and an extension of funding to cover 30 projects in Victoria was announced in May.

New services for the region have been announced. They include a transit bus for Hamilton, improvements to services in Portland and Warrnambool and a Mortlake to Warrnambool service.

Hamilton Skate and BMX Competition

In May 2005, to help celebrate Rural Health Week, YouthBiz-WDHS with the support of Wholewoman, FReeZA, Rural Health Week Grants, and Southern Grampians Shire organised a Skate and BMX competition at the Hamilton Skate Park.

The YMCA accredited competition attracted 30 young people to compete against each other in front of a crowd of about 200. With demonstrations from professional BMX riders, and female skater Ester Godoy, the competition was aimed at promoting healthy and active lifestyle choices among young people, and to encourage girls to try out the male-dominated sports of skating/BMX.

10MMM Gala Night

In October 2005 the 10MMM program (Multi Media Mayhem) held its final event. It was a gala night featuring young people who showcased their digital design stories, and entertained about 70 people.

The night was well received and supported by RMIT University, Lab 3000, Southern Grampians Adult Education and Mixx FM. 10MMM has been externally evaluated by the University of Melbourne Youth Research

Centre. Copies can be obtained from the Director of Community Services. 10MMM was funded through the Foundation for Young Australians.

Puberty Education Program

WDHS (Community Services) together with the Hamilton and District Primary School Network have gained one-off funding from Brophy Family Services this year to provide the Puberty Education Program to 13 State primary schools (364 students) in Southern Grampians Shire.

The program in schools is delivered to students in grades 5 and 6 over three sessions. During the final two sessions the year 6 students will be split up into gender specific groups. The program will run during 2006.

Lymphoedema Service

Due to a non-recurrent grant received by WDHS, the Lymphoedema service was increased to two days per week until June 30. A review was also undertaken by DHS into the requirements to recognise WDHS custom-made Lymphoedema garments. This review was released in May, identifying specific requirements for recognition of Lymphoedema services, which WDHS will be pursuing.

Counselling Service

In December 2005, the Health Service was awarded \$15,000 to run a Consumer Participation Project. The Project commenced in January 2006 and WDHS is collaborating with RMIT Hamilton to undertake the research.

Focus groups and individual consultations were conducted with current and past users of the service. These consumers assisted with compiling a consumer survey, which was sent to every person who had contact with the service over the previous two years.

The responses to the survey have now been collated, recommendations extracted and Phase One of the Project has been completed.

Phase Two of the Project will commence during July 2006, aiming to implement the recommendations over the next quarter (July to September 2006) followed by an assessment of suitability and of any issues arising.

A full report will be tendered to the Department of Human Services at the end of the year, which will be incorporated into a Counselling in Community Health Services Guidelines document, to be used as the guideline for future development of counselling services.

Active Script

Just like a prescription for medicine, an 'Active Script' is given to an individual, after their doctor assesses their level of physical activity, and they are referred to a 'support person' (Enabler) in Community Services. The individual receives sound advice and assistance on how to improve their health by simply increasing and sustaining their level of daily physical activity.

Three GPs from HMG were involved in the program, which has been evaluated externally after 12 months by VicFit, with recommendations to continue and expand the program. Additional funding has been sourced through the Otway Division of General Practice and additional GPs are commencing 2006-2007.

To date, 49 referrals have been received, with 48 people agreeing to participate, including eight recently commencing. The other 40 have reported increased physical activity levels.

Evaluation has demonstrated that participants have experienced health and fitness improvements. Partner organisations are Community Services Division of Western District Health Service, Southern Grampians Glenelg Primary Care Partnership, Otway Division of General Practice, Kinect Australia, Shire of Southern Grampians and Southwest Sports Assembly.

800 Ninth Street

Cooperative State Research, Education, and Extension Service

U.S. Department of Agriculture



Sustainable Farm Families Projects

The Sustainable Farm Families (SFF) project has become one of Western District Health Service's showcase initiatives, with significant growth and development during the year and the recognition of the possibilities of SFF being realised.

Sustainable Farm Families is being identified as a leading-edge research and service delivery model for our farming families – a vital component of Victoria's economic, social and environmental health.

Achievements over the last 12 months include:

- 2005 Primary and Community Healthcare Award for Innovation and Excellence in Primary Healthcare
- 2005 Victorian Public Health Award for involving consumers (farmers) in their own care
- RMIT University Regional Partnership Research Award 2005 (onshore)
- DHS and Victorian Quality Council Travel Fellowship awarded to Principal Investigator Susan Brumby to investigate farm family health overseas
- Launch of website February 24 with 20,765 requests to June 14

Developed in the Community Services Division, the SFF project has extended from a pilot in the broad acre agricultural industry to encompass pilots in dairy, cotton, sugar and remote farming families in Australia. More than 20 collaborative partners (including industry, farmer groups, RMIT and La Trobe universities and health services) and 400 farmers now participate and have been represented at various State, National and International conferences with results providing the impetus for ongoing research. The challenge is that ongoing delivery to other farming families is dependent on project funding. Another challenge is to ensure the research shapes meaningful service delivery models for our farming communities.

- **Broad Acre Project – 2004-2006**

Funded by the Joint Research Venture Farm Health and Safety (managed by Rural Industries Research and Development Corporation, RIRDC) this pilot project has completed three years of data collection with

128 farming families in three states. Data analysis is being finalised and includes both qualitative and quantitative data.

Preliminary analysis shows significant improvement in the health and knowledge of farming families and potential cost savings following the early detection and management of health indicators.

- **Sustainable Dairy Farming Families Project 2005-2008**

The SDFF project is completing its second year of research involving more than 200 dairy farmers across 11 dairy regions of Victoria. Initial results are showing significant health and social benefits relating to the program. The Gardiner Foundation and West Vic Dairy, the major funders for this project, have been impressed with the extent of research analysis and preliminary results that is being provided in relation to the health and wellbeing of its farming members.

- **Cotton and Sugar 2006-2008**

RIRDC funding has been extended to pilot SFF in a small number of sugar and cotton farmers at Wee Waa, NSW, Dalby, Ingham and Ayr in Queensland. Funding this extension was to enable a comparative approach between differing agricultural industries. Do we need a different approach for different industries? Preliminary results reveal significant farming and health related issues that affect differing agricultural industries.

- **Reaching the Remote 2006-2008**

The Commonwealth Department of Health and Ageing has funded an SFF pilot to three remote industries in Australia. The aims of this research are to assess the potential replication of the project in remote areas within Australia. Recruitment has begun with health services and local facilitators being recruited for each region.

- **DHS Training program 2006-2007**

Eleven rural registered nurses throughout Victoria have been trained in the running, delivery and principles of the SFF program over the last 14 months. The Department of Human Services Victoria has funded the development of these nurses as future program coordinators of the SFF projects.

They have begun the process of running their own farm families research programs. For more information on the farm families' research visit the web page at www.sustainablefarmfamilies.org.au

Victorian Travelling Fellowship Program

Director of Community Services Susan Brumby was one of eight State health care professionals awarded a Victorian Travelling Fellowship through the Victorian Quality Council and DHS. The Fellowship aims to extend recipients' knowledge and experience and for them to apply and share their new knowledge to the benefit of both consumers and other health care professionals.

Susan's fellowship was to investigate particular health care practices; tools and strategies used in successful farmer engagement projects in the USA, United Kingdom, Italy and Belgium. Her fellowship also included the International Congress of Agricultural Medicine and Rural Health Conference held in Lodi, Italy where she presented a plenary session. She returned 29 June, 2006, and a full report must be submitted to the DHS and include three specific outcomes for the Victorian health system.

Top: (L to R) Ms Karen Hunter, Program Specialist, USDA; Natalie Roy, Development Director, AgriSafe Program, USA; and Susan Brumby, Victorian Travelling Fellow in Washington DC.

Participants at a Sustainable Farm Families workshop. SFF is reaching farming families across much of Australia.

Primary Care Partnerships



Creative Health Promotion planning! – each colour represents a priority for health promotion. The weaving represents an integrated approach according to Bruce De Vergier, Rosie Rowe, Karen Healy and Cathy Armstrong.

The Southern Grampians and Glenelg Primary Care Partnership (PCP) goal is to work together to improve the health and wellbeing of the communities in the Southern Grampians and Glenelg Shires. The PCP's primary role is to increase the capacity of primary care providers, develop and enhance partnerships and assist with integrated planning.

The PCP has two key priorities:

- To enhance the integration of health promotion activities
- To enhance the coordination of service within and between agencies

The Primary Care Partnership's primary role is to increase the capacity of primary care providers, develop and enhance partnerships and assist with integrated planning. In 2005, the PCP completed its two year Integrated Catchment Plan. This has involved action partnerships between professionals across sectors including with health, sports, arts, education and business.

Falls Prevention

Following the provision of fitness instructor training in 2005, strength and balance programs are now available in the eight small communities across the Southern Grampians and Glenelg Shires for elderly people. Over 200 older people participate in local programs each week.

Mental wellbeing

Reading Discovery is a program to increase parental reading to children under five years. In its first year, this project has worked with young indigenous mothers in Portland, leading to publication of a local "Koori faces book" for young readers. Volunteers have been recruited to help with 20 individual families in Hamilton and Portland.

Support for local youth

The PCP staff has continued to support local youth networks in Glenelg and Southern Grampians. The Southern Grampians Network has consolidated an excellent start with 45 agencies involved.

Objectives

- To enhance the integration of health promotion activities
- To enhance the coordination of service within and between agencies

Achievements

- Continued strong partnership between health and non-health sector
- Falls prevention - affordable strength and balance programs in 8 small rural communities
- Physical Activity – Hamilton Active Script program to be implemented in Portland
- Mental Health – foundation year for Reading Discovery program for 0-5 year olds
- Oral health and nutrition – new partnerships commence
- E-referral – support has assisted additional agencies to electronically refer clients

The future

- New partnerships with environmental sustainability sector
- Area based planning networks involving local government and health

Family Violence

The PCP facilitated the process to recruit and support a regional Indigenous Family Violence Worker, and participated in the launch of an Assessment and Referral Package for Portland.

Capacity Building

The PCP continues to bring high value presenters to the region. Highlights include Wendy Bunston from the Royal Children's Hospital, who presented a workshop speaking on the impact of Family Violence on children.

Service Coordination

The PCP's Service Coordination Strategy aims to implement consistent approaches to the gathering of information and referral of consumers between service providers. A focus on electronic referral has supported enhanced referral processes, particularly between post acute services to local government and others.

PCP MEMBER AGENCIES

ASPIRE – a Pathway to Mental Health	Kyeema Centre
Balmoral Bush Nursing Centre	Mulleraterong Centre
Barwon South West Women's Health	Old Courthouse Community Centre
Baptist Community Care	Otway Division of General Practice
Brophy Family and Youth Services	Portland District Health
Casterton Memorial Hospital	Portland Neighbourhood House
Community Connections (Vic) Ltd	Southern Grampians Shire Council
Dartmoor and District Bush Nursing Centre	South West Sports Assembly
Glenelg Outreach Health	SW Victoria Primary Mental Health Team
Glenelg Shire Council	Western District Health Service (lead agency)
Gunditjmara Aboriginal Corporation	Winda Mara Aboriginal Corporation
Hamilton Community House	
Heywood Rural Health	

Support services

Corporate Services Division is a group of departments staffed by people with a wide range of skills and expertise in business analysis, budget and finance, patient healthcare records, food, environmental and linen, human resources, information communication and technology, library and supply and maintenance services. These departments provide for services that support direct patient care and also ensure that WDHS functions as an effective and efficient business. The division employs 142 people (103.8 EFT) and has an annual budget of \$8.7 million.

The Division is represented, and participates in management decision-making for the entire organisation, in particular the interpretation of government policy, the implementation of changes required for compliance with statutory obligations and the management of resources necessary for the delivery of clinical services.

Corporate Services Support

Providing effective support services involves working across divisions with Divisional Directors, Departmental Managers and Clinicians to achieve organisational goals, explore opportunities to further develop existing services and to increase the range of services required to serve the current and future needs of our community. A major responsibility of the Division is the development of strategic alliances and participation in industry workgroups.

In the current year, Corporate Services departments have been involved in the integration of systems and services as a result of the amalgamation of Western District Health Service and Coleraine District Health Service. The integration of financial systems was considerably complicated by activities required to comply with the DHS Standard Chart of Accounts and the Australian equivalents to International Financial Reporting Standards (A-IFRS).

The continued progress of the CDHS redevelopment since amalgamation has been a major achievement. Following the appointment of consultants for the project by DHS in July 2005, the feasibility phase was completed in February 2006 and DHS funding was provided in June to purchase land required for the redevelopment in Coleraine and Merino. Approval was also received in June for the progression to the schematic design phase of the project. It is anticipated the final documentation

Objectives

- Provide support for clinical services development, review and restructure
- Implement infrastructure and technology strategy
- Take a leadership role in alliances and peer groups to promote innovative practice within the sub-region
- Implement, monitor and review risk management strategies
- Ensure effective governance and management of resources
- Maintain timely, accurate, efficient and effective reporting on finance, service activity and compliance
- Ensure efficient and contemporary workforce management strategies to maximise organisational effectiveness

Achievements

- Completed Stage 2 Heating Ventilation and Cooling System upgrade at HBH
- Implemented the Department of Human Services Standard Chart of Accounts
- CDHS Redevelopment Feasibility Study completed and DHS approval to commence schematic design phase
- Linen Service water recycling funding approved and project commenced
- Completed Stage 3 Greater Health co-location project
- WDHS Intranet Site redesigned and secure shared electronic storage established
- Diagnostic Imaging contract with Bendigo Radiology renegotiated to 2011
- Pathology results available electronically in all clinical areas
- Virtual Service Project (VISP) commenced with Merino, Coleraine and Penshurst campuses linked via Videoconference to HBH Emergency Department
- New x-ray equipment installed at Coleraine
- HACC funding enabled replacement of Coleraine and Penshurst buses
- Medical Record Storage increased with installation of 1st Stage of compactus project

The future

- Complete design and contract documentation for Coleraine District Health Service redevelopment
- Extend TrackCare clinical information system to include digital radiology
- Replace Nursecall system at HBH
- Complete Resident Medical Officer Accommodation Project Stage 2
- Replace second chiller and complete the Heating, Ventilation and Cooling Upgrade
- Complete Medical Record Storage project achieving a 52% increase in storage capacity
- Completion of Linen Service water recycling project – saving 3.24ML of water annually
- Redesign and relaunch of Health Service website www.wdhs.net

phases required to proceed to tender will be completed in the coming year and the project will be ready for Government to consider funding in the context of State priorities.

In addition to activities associated with the Coleraine and Merino redevelopment projects, the Division has been involved in the delivery of substantial works projects including completion of HVAC Stage 2, Stage 3 Greater Health accommodation project, completion of priority works identified in the Fire Safety re-audit, medical records storage compactus project and the renovation of McKellar House to accommodate a computer training room and enable a clinical skills centre to be located

adjacent to the Education Centre. Significant equipment acquisitions included new x-ray equipment in Coleraine and replacement of the linen truck and buses at Coleraine and Penshurst.

The commitment to strategic support and change management has continued with considerable efforts dedicated to the introduction of clinical information systems as a member of the SWARH Alliance. The introduction of electronic pathology results, electronic discharge capability and the Birthing Outcome System have been significant milestones in the move towards the achievement of an electronic medical record.

Support services

*Below: (L to R) A crane installs new chillers in the HBH kitchen.
Dot Milton is a member of the catering staff at Coleraine Hospital.
The Education Centre at HBH ensures WDHS provides quality training to its staff.*



Premier launches VSP project

The use of technology to improve access to clinical services has commenced with the funding of the South West Alliance of Rural Health Virtual Services Project. Launched by Premier Steve Bracks in July, this innovative project links 29 towns in south-western Victoria and includes the WDHS sites of Merino, Coleraine and Peshurst with videoconferencing facilities within the Emergency Department of Hamilton Base Hospital.

In addition to strong participation in the SWARH Alliance, WDHS is also represented on the Healthsmart Shared Services Steering Committee, which is responsible for the delivery of business and clinical systems across the State. This ongoing commitment to statewide and regional planning groups enables the Health Service to ensure local initiatives are consistent with the strategic directions of the health system.

Information Management

Information management includes the Business Support and Development Unit, Finance Department and Health Information.

Information management departments have continued to progress strategic initiatives as a member of the South West Alliance of Rural Health (SWARH). Active participation in all of the SWARH subcommittees and workgroups, and the delivery of ICT projects in a cooperative approach, has been recognised as best practice by DHS in a series of reviews. The Finance Department in the current year has been proactive in the alliance, taking a lead role in the implementation of a project to ensure that all health services comply with the DHS standard chart of accounts and the extension of the PayGlobal Human Resource Management System to other alliance members.

PayGlobal implemented

Payroll and Finance staff provided assistance during the year to Barwon Health to enable

the successful implementation of PayGlobal payroll system which went live during May. Also with the assistance of PayGlobal and staff from Casterton Memorial Hospital, WDHS successfully managed a major project to implement PayGlobal for Otway Health and Community Services, Hesse Rural Health Service and Portland District Health, with all sites going live in June. This cooperative approach to the implementation of new systems and management of the associated organisational changes ensures that specialist skills are accessed from alliance members and efficiencies are achieved by sharing implementation tasks.

TrackCare in emergency department

The TrackCare clinical information system was extended from the Emergency Department (ED) and implemented to the entire acute service for pathology on-line as well as electronic discharge summaries. The RMOs discharge summary completion is now 100% compliant.

The technology also enables ED staff to collect patients' general and neurological observations electronically. Health Information staff have been active in assessing the impact of the introduction of electronic components of the medical record. The challenge to maintain timely and accurate access to the complete patient medical history in an environment where there is a mixture of electronic and paper-based information cannot be understated. Health Information staff have dedicated considerable resources to mapping processes, redesigning workflows and educating clinical staff.

Epiance

To assist in the change management process, a project to capture business processes was initiated using a software package – Epiance. The Business Support and Development Unit now has the capability to develop “epilearns” (a visual demonstration of an electronic business process) to support training of staff for any new system and

produce system documentation quickly on demand. Currently there are 50 processes from a variety of applications available for staff to access on the WDHS intranet site. The success of the project has led to WDHS becoming a reference site for the product, and SWARH has adopted the approach to support the implementation of new applications. DHS is evaluating the product with a view to developing epilearns to support the rollout of the Oracle Financial Management Information System across the State.

Medical record storage

Although there is an increasing amount of patient information available electronically, medical record storage continues to be a major problem. During the year a compactus was installed in the medical record secondary storage, involving one third of the medical records stored.

Access to records during the three week period when the works were undertaken involved substantial planning, and the project was completed without incident. The second stage involving a compactus for the balance of the records is anticipated to be completed in the next year. When completed the capacity of the medical record secondary storage will be increased by 52% within the same floor space.

Computer upgrades

A key responsibility of the Business Support and Development unit is to ensure that the technology required to support the rollout of clinical systems is maintained and access to systems is achieved using the most suitable hardware for the varied work environments which exist across the Health Service. In the current year the computer fleet was increased from 234 units with an average age of 2.6 years to a fleet of 280 units with an average age of 2.5 years. The continued implementation of the hardcopy device strategy involved the installation of 17 new multi function hard copy devices in clinical and support areas.



Health Information Officer Natalie Povey extracting records from the Medical Records compactus for review.

- Top overall result for Statewide food satisfaction survey
- Top overall result for waste management benchmarking survey

As well as its ongoing involvement in external audits and benchmarking surveys, Hotel Services is committed to participating in other activities that add value to the manner in which we provide our services.

Over the past two years, Hotel Services has been involved in developing a waste management benchmarking program, and obtained the services of Eco-Recycle Victoria to assist, as well as conduct the survey. The survey was conducted last year and saw Hotel Services top the survey with a 98.4% compliance outcome.

Waste management

Similarly, the WDHS commitment to waste management, saw Hotel Services reaccruited as a Waste-Wise organisation by Eco-Recycle Victoria, for a further two years to August, 2007.

Water Recycling Project

Perhaps the most exciting enterprise Hotel Services has undertaken this year, has been its initiative to recycle 3.24 million litres of water from its linen service business.

An application for funding to both the Australian (Commonwealth Water Grants) and State (Department of Sustainability and Environment) Governments have been successful and work commenced on the project in May 2006.

When the project is completed by the end of 2006, it is hoped the project will be seen by the community and others as an exemplar for other like-minded organisations.

Hotel Services continually achieves best-practice outcomes in each area of its diverse structure. This is in no small way due to the dedication of its staff and, in particular, to the manner in which it provides high quality linen services throughout the region, as well as its Meals on Wheels program on contract to the Shire of Southern Grampians.

In the 2005/06 year, these two services generated revenue in excess of \$1.1 million for the Health Service.

Linking to the Wireless Network

The acute care areas at HBH, Coleraine and Peshurst campuses were issued 15 additional Laptops to improve access to Pathology on-line results. Eleven of these laptop units are attached to mobile trolleys and integrated with the Wireless Network System.

Information Management priorities

Future priorities for information management continue to revolve around the management of change required with the rollout of new clinical systems, and ensuring that the system is reliable, accurate, accessible and complete; and compliance with Privacy Principles is maintained. Connection of all medical staff to the Health Service system and the provision of digital imaging in conjunction with Bendigo Radiology are the key activities planned for next year.

WDHS staff upgrade facilities

In addition to the works funded under the capital works program, WDHS maintenance staff completed works to upgrade the final stage of the Greater Health co-location project and renovations to part of McKellar House to allow the relocation of the computer training room. The Greater Health co-location project was carried out over a three year period and involved the conversion of the old RMO quarters to provide office accommodation for the Greater Green Triangle University Department of Rural Health. The upgrade was undertaken in three stages and provides high quality accommodation in a building that was in a poor state of repair and unusable for Health Service purposes. The refurbished facility is a credit to the skills and abilities of the maintenance team.

Future priorities

In the coming year priorities will include:

- Completion of the HVAC upgrade
- Nursecall replacement
- Linen Service Water Recycling project
- Construction of the second stage of the HMO accommodation project
- Completion of documentation and purchase of land required for the Coleraine and Merino Redevelopment
- Construction of three independent living units at Coleraine to replace the units required to be removed from the proposed redevelopment site

Hotel Services

Hotel Services includes Food Services, Environmental Services, Linen Services, Garden and Grounds, as well as contracted services for Security, Pest Control and General/Prescribed Waste. The Hotel Services team regards itself as an integral part of WDHS and in particular, has forged a desire to continually seek excellence in the delivery of quality services to its community.

In keeping with this desire, Hotel Services participates in rigorous, on-going external audit examinations, as well as benchmarking exercises to see how it rates against other peer-group services.

Achievements in the current year include:

- 100% external food safety audit result
- 96.8% external cleaning audit result (benchmark result = 85%)

Our community



The Community Liaison Department forms a link between the Health Service and our community.

The Department is responsible for promoting new programs and the services at WDHS, organising fundraising events and initiatives, coordinating the many volunteers who give their valuable time to support the Health Service and representing the Health Service at community events. The excellent image of WDHS is promoted through the media, Annual Report, brochures and newsletters.

Our goal is to promote WDHS throughout our region and to increase community involvement in the Health Service. We thank all of those who contributed, whether financially or in kind, in the past year.

Fundraising strategy

WDHS' fundraising is conducted in accordance with the Fundraising Appeals Act 1994, and the Fundraising Institute of Australia Ethical Codes of Fundraising. The total fundraising strategy of the Health Service is guided by the WDHS Development Council, a 10-member committee with Board of Directors representation.

The Community Liaison Department convenes the Development Council and manages the overall fundraising strategy. The Department organises fundraising events and functions throughout the year, and makes applications to Trusts and Foundations to support our fundraising efforts. This year has been a record year for fundraising, raising a total of \$1.729 million.

All fundraising events throughout the year, were extremely well-supported. The stand out was this year's Hospital Sunday, where we had a record 90 volunteer collectors, and record donations of \$29,221.50. Other fundraising activities included our Race Day (WDHS and the Aged Care Trust raised a total of \$7,270), Lamb Appeal (\$3,900 through donations of stock sales) and the Christmas Appeal which raised \$10,625.

There were a number of significant bequests, most notably \$1,265,809 from the Estate of Brian Alexander McCutcheon for Aged Care Services to Hamilton district. The Health Service also received bequests from the Estate of John F. Halloran (\$42,402) and the Hazel Heather Waller Estate (\$42,867) to be used for the Penshurst Nursing Home upgrade.



Auxiliaries and Community Groups

WDHS' five auxiliaries, the Opportunity Shop, The Hamilton and District Aged Care Trust and the United Staff Association, have yet again contributed significantly to the Health Service. The North Hamilton Ladies Auxiliary (\$2,000) and the Hamilton Base Hospital Ladies Auxiliary (\$6,000) contributed towards equipment and furniture for both The Grange, The Birches and the HBH wards. The Opportunity Shop donated \$15,000 to the Health Service, which purchased an instrument washer for Theatre at Hamilton Base Hospital.

The Hamilton & District Aged Care Trust donated the outstanding amount of \$25,000 towards upgrading Aged Care facilities. The United Staff Association purchased bilirubin lights for Midwifery. The Tarrington Hospital Auxiliary donated funds to purchase a wheelchair for the Day Centre and a Larangeal Mask for Theatre before sadly winding up the auxiliary, primarily due to an ageing membership. In Coleraine, The Homes for the Aged Ladies Auxiliary has donated shower chairs and replacement curtains for Mackie House. The Hospital Ladies Auxiliary has donated three televisions, a mobile hair dryer, and two resuscitation manikins.

WDHS is extremely appreciative of the excellent contribution put forward by these hard working auxiliaries and community groups.

Fundraising

Many community groups and individuals have provided WDHS with considerable financial and in kind support to our services throughout the year, including:



- Geoff Handbury donated \$35,000 to YouthBiz to increase the range of recreational and other programs for our young people
- Joe Coltery generously donated \$25,000, enabling the purchase of two Autoclavable Units and Lithology Leg Poles, which are used in Theatre
- Fisher's IGA Hamilton, has donated boxes of nappies to mothers with newborns at WDHS. Every mother who gives birth at WDHS is given a voucher for a box of nappies. IGA has also donated over \$2,150 to the hospital from its "Community Benefits Scheme". These funds have been directed to the Integrated Anaesthetic Machine and Monitor Appeal and the purchase of an examination table for the Women's Wellness Clinic
- The Show Us Your Toys organising committee has disbanded and after finalising accounts contributed \$4,300 to WDHS to purchase a Continuous Glucose Monitoring System
- Joy Hedley kindly organised an Open Day in her magnificent garden, donating \$1,100 to The Birches

All of these generous donors are extremely important to our Health Service. They allow us to purchase much-needed equipment and to refurbish our facilities as required, in order to continue to provide our community with the very best of health care. We thank all of those who contributed, whether financially or in-kind, in the 2005/2006 financial year. A full list of donors is shown on pages 36-37.

WDHS Race Day

Race Day was once again an enjoyable occasion, well supported by local businesses and our community. The Hamilton and District Aged Care Trust catered for the function and together with race day sponsorships organised by WDHS, raised over \$7,000 for the Health Service.

Murray to Moyne Cycle Relay

2006 was another successful year for our riders in the Murray to Moyne Cycle relay. WDHS had two teams riding in the event, who must be commended for battling the

Achievements

- Record fundraising year secures \$1,729,000 for the Health Service
- Gold medal for 2004/05 Annual Report
- 50th Anniversary of Aged Care at The Grange

The future

- Establish Community Advisory Committee
- Continue fundraising strategies
- Continue promotion of Health Service
- Continue regional forums

elements and seeing the relay through to the end. The Hamilton Base Bikers raised a healthy total of \$6,157 which purchased items for the palliative care, ADASS, Sub-acute Rehabilitation and Day Centre programs, as well as contributing funds to purchase a neurological couch for the Physiotherapy Department. The Rouse Rare Rumps also achieved a fantastic fundraising result, raising more than \$10,000 towards the Penshurst and District Health Service.

A huge thank you to both teams for their excellent fundraising efforts. The Health Service greatly appreciates their hard work.

Hospital Sunday Doorknock Appeal

The Hospital Sunday doorknock was held in May 2006, with 90 volunteers contributing approximately 200 hours to the doorknock. The doorknock appeal raised more than \$29,000, which was a record amount and an outstanding effort. The money raised was directed towards the installation of two new anaesthetic machines and monitors. The new equipment will cost over \$250,000 and will replace the existing anaesthetic machines and monitors which are approaching obsolescence. Fundraising for this appeal reached \$45,000 by the end of 2005/06.

Hamilton Relay for Life.

Hamilton Relay for Life is held under the auspices of the Cancer Council Victoria, (CCV). This year we contributed five of the eight members on the organising committee. 900 people participated in the relay and \$55,000 was raised, which took the total raised over five years to \$400,000. All funds raised will go towards cancer research.

Our Volunteers

WDHS has 220 registered, unpaid, volunteers, excluding auxiliaries, who undertake tasks that greatly benefit our patients, residents and clients right across

the Health Service. The Health Service is extremely grateful for the invaluable work that is undertaken by all our volunteers.

Comforts Trolley

Approximately 19 registered volunteers provide the comforts trolley service to inpatients on the HBH wards, selling confectionary, toiletries and other various items at a small mark-up. Approximately 250 hours were contributed by volunteers servicing the Comforts Trolley in 2005/06, with \$775 raised from profits and donations, which is used to purchase items for the Hamilton Base Hospital.

50th anniversary of the Grange

The Grange Residential Care Service celebrated 50 years of serving the community in March 2006. About 70 people attended the ceremony to mark the occasion.

Opportunity Shop

Around 16 volunteers operate the running of the HBH Opportunity Shop. The Op Shop relocation last year to new spacious premises, has resulted in a 75% increase in donations to HBH this year. The shop has raised an astonishing \$245,000 for the hospital over the past 67 years. Approximately 1500 hours were contributed by Op Shop volunteers in 2005/06, raising over \$15,000 for the hospital. Op Shop coordinator Essie Hickleton was awarded the Rural Health Week Volunteer of the Year for the Barwon South West Region.

Ward Volunteer Program

This program commenced in May 2006, to alleviate the boredom and loneliness people face when spending extended periods in hospital. Two volunteers commenced in May, and we are endeavouring to coordinate visits to the wards four days per week.

Aged Care Services

Volunteers provide support to our aged care residents by visiting, assisting with shopping, escorting them to appointments and helping with recreational activities such as cooking, music, card playing and organised outings. 24 volunteers provided 883 hours at The Grange; 10 WDHS volunteers and 5 external work placement /experience volunteers provided 400 hours at The Birches; 11 volunteers gave approximately 12-15 hours per week to Penshurst residents and ADASS clients, assisting with driving, client outings, activities and gardening. At CDHS seven volunteers assist at Wannan Court and Mackie House for 10 hours per week,



Above: John Dean, chair of The Development Council and Melonie Annett hope small change will make a big difference. Previous page (L TO R) The Rouse Rare Rumps raised \$10,000 for PDHS, The Hospital Op Shop raised \$15,000 to purchase an instrument washer and Hamilton North Ladies auxiliary celebrated 60 years of service.

while 10 volunteers give their time to the Coleraine Planned Activity Groups (PAG) which operates 10 hours each week.

Community Transport

The Hamilton Community Transport Service has 30 registered volunteer drivers and escorts, with 24 out of the 30 assisting the Health Service this year. In 2005/06 the volunteers donated 1,201 hours, provided 1,621 trips and covered a total of 46,342 kms. The volunteers drive and escort eligible clients to medical appointments locally, and to regional centres like Ballarat, Warrnambool, Geelong and Melbourne. There are 39 registered transport drivers and administration staff providing a volunteer service in Coleraine five days each week, enabling clients to access local activities, and medical appointments.

Palliative Care Service

Ten volunteers participate in the Palliative Care Volunteer Service. Two of the 10 volunteers provided a total of 128 visiting hours this year, caring for two clients and their carers. Volunteers provide clients and their families with moral support, companionship, respite and general assistance.

Appreciation

The Community Liaison Department extends its sincere appreciation to WDHS' auxiliaries, the Op Shop, Aged Care Trust, United Staff Association, our Murray to Moyne teams, community groups, businesses, Trusts and Foundations, WDHS staff, volunteers and many local individual donors for their outstanding support and assistance during 2005/06. We look forward

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 Zwar J, Greenleaf Crop & Pasture

Donors in Kind

Accurate Clothing Adams V Alexandra House ANZ Arcadia Records Aron P & S Auden T Australia Post Australian Open Baimbridge Lavender Baker's Delight Barrows R Beardsell D Brumby S Buckle Mens Wear	Buena Vista Home Entertainment Burn R Cannon J Chat & Share Anti Cancer Group Christie L Clover L & L Dahl B Darrivill Farm Dunbar J Dunkeld Red Cross Finlay B Ford D & R Ford Motor Co of Australia George Taylor's Stores	Grand Central Hotel Grant B Greenwood R Hamilton Trophies and Gifts Hamilton Anglican Mothers Union Hamilton Apex Club Hamilton Base Bikers Team & Support Crew Hamilton Quilters Harvey B Harvey Norman Hedley J Hetherington M & J Hodgson M	Holmes T Howlett J Huf R & N James Dean Pharmacy James S Jansen C Jones B Karesh Kelly L KFC Kipreou M Klobe D Klobe J & M LA Walker Mitre 10 Lane V Leanne's Natural Solutions Bowen Therapy	Lynch H Lynch M Mackinnon P Macklin M Marshall Macklin Masterfoods McIntyre P McPhee B Menzel D Mirtschin B Moritz S Morrissey S Morse D Nichols D Page Win Park V Passlow Ford Penshurst Hospital Ladies Auxiliary	Penshurst Pirates and Support Crew Pickett L Pinney V Platt J Presence Gift Shop Radley J Read L Red Cross Penshurst Regent Florist Rentsch G Robsons Pharmacy Rondeau S Rowe B & J Royal Mail Hotel Schmal Y	Schultz P & M Smith E Sony Pictures Home Entertainment Sturgess R & P Sunbeam Corporation Ltd. Telstra Country Wide Terry's Garden Centre Thomas J. Timbercorp Ltd. Tops 'N' Tails Tung P Universal Pictures (Australasia) P/L Vanilla Sash	Vankalken J Victoria's Sights and Delights Walker's Mitre 10 Walkley D & M Wallacedale CWA Walsh F Walter A Warton B & M
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Current life governors

Aarons B
Aarons F
Aldridge MLV
Apex Club of
Coleraine
Bailey M
Ball R
Barker M
Baudinette LE
Baudinette NR
Baxter CJ
Baxter J
Beggs HN
Boyle J
Brabham R
Brebner K
Broers M
Brumby A
Bunge B
Bunge R
Bunge R
Burger GG
Burgin E
Celewych K
Clayton D
Cook C
Cottrill A
Cross C
Cross D
Donehue L
Douglas WH
Drew WS
Duff S
Duncan W
Duvall W
Edmonds Dr J
Fidler E
Finch GM
Fitzgerald B
Fleming JD
Flynn JE
Forbes F
Francis E
Fraser M
Frazer T
Fyfe BJ
Gausson D
Gardiner PD
Golding AL
Gubbins J
Gumley F
Gurry AJ
Harrip EL
Hay T
Hazeldine E
Heazlewood P
Henty Anderson G
Hickleton E
Holmes ES
Hope MMH
Hutchins H



Hutton T
James DP
Jenkins L
Kanoniuk M
Kaufman ML
Kenny J
Kenny L
Kruger N
Langley C
Lawson V
Linke N
Little J
Logan U
Lyon E
MacLean M
McCalman J
McCorkell FH
McCrae DG
McCutcheon JT
McDonald E
McDonald J
McIntyre J
McIntyre SM
McKinnon M
McLean M
McMahon Mrs
Mason Mrs
Meadows L
Metherall EA
Mibus HA
Mibus L
Mibus LG
Mibus PA
Mirtschin H

Moon A
Morrison HM
Muir R
Munn EB
Murray EM
Mutch L
Nagorcka L
News BJ
Nolte EW
Northcott J
Parkes Mrs
Peden M
Pedrina M
Pitcher WH
Price GM
Quast H
Rabach G
Rabach S
Rabone M
Rentsch TA
Robertson M
Ross C
Ross J
Rowland T
Runciman P
Rundell M
Ryan D
Ryan J
Scaife S
Scaife CAG
Schramm F
Schultz CA
Schurmann VM
Scullion E

Simkin D
Smith D
Soulby JJV
Spence JR
Stapleton JN
Steele DA
Templeton H
Templeton MA
Thomas D
Thornton A
Tippett L
Tonkin N
Vorwerk B
Walkenhorst EM
Walker O
Wallis V
Walter R AM
Wettenhall HM
Wettenhall M
Wiebusch EW
Williams J
Williamson J
Woodburn JLF
Wright J
Young JLC
Young M

Faye Gumley was awarded a Life Governorship at last year's Annual General Meeting. Pictured are (L-R) CEO Jim Fletcher, Faye Gumley, Guest Speaker Brigitte Muir, and WDHS President Richard Walter.

NOTE: A full list of Life Governors, including those who are deceased, is available from the Community Liaison Department at the Hamilton Base Hospital.

Legislative compliance

Financial Management Act 1994

In accordance with the Direction of the Minister for Finance part 9.1.3 (iv), information requirements have been prepared and are available to the relevant Minister, Members of Parliament and the public on request.

Fees

Western District Health Service charges fees in accordance with the Commonwealth Department of Health and Aged Care, the Commonwealth Department of Family Services and the Department of Human Services (Vic) directives, issued under Regulation 8 of the Hospital and Charities (Fees) Regulations 1986, as amended.

Competitive neutrality

All competitive neutrality requirements were met in accordance with Government costing policies for public hospitals.

Consultancies

There were 11 contracts with consultants undertaken during the year paid by WDHS. These consultancies were all less than \$100,000 and totalled \$125,435.

In addition 4 consultancy contracts in connection with the Coleraine Health Service Redevelopment were entered into. Payments totalling \$72,919 were made under these consultancy contracts on behalf of WDHS by the Department of Human Services. It is likely that three of these consultancies will exceed \$100,000 over the course of the project in the next 2-3 years.

Freedom of Information (FOI)

Access to documents and records held by WDHS may be requested under the Freedom of Information Act 1982. Consumers wishing to access documents should apply in writing to the FOI Officer at WDHS. This year 18 FOI requests were received. One was not proceeded with and for all others access was granted in full.

Declarations of pecuniary interest

All necessary declarations have been completed. Refer to Note 18 of the Financial Statements.

Building and maintenance

All building works have been designed in accordance with DHS Capital Development Guidelines and comply with the Building Act 1993, Building (Interim) Regulations 2005 and Building Code of Australia 2004.

Buildings certified for approval

A Certificate of Final Inspection was issued on 1 August 2005 on completion of the Sleep Clinic at Hamilton. A Certificate of Final Inspection was issued on 21 June 2006 on completion of Fire Upgrade works in the patient care area of the Hamilton Base Hospital.

Building works 2005/2006

Sleep Clinic

WDHS Maintenance staff renovated consulting rooms at 3 Kitchener St, Hamilton suitable for conversion to a sleep clinic.

Fire Safety Upgrade

Fire protection services were upgraded on all WDHS facilities in accordance with the recommendations of the Fire Safety re-audit report.

Greater Health

Further renovations were conducted by maintenance staff for office accommodation by Greater Health.



WDHS maintenance staff completed works at the Greater Health offices.

Infrastructure projects

Hamilton Base Hospital:

Loading Ramp

A loading ramp was constructed at the store receive bay to assist ease of unloading.

Roof Safety system

In conjunction with the Working at Heights guidelines, roof access and protection systems were installed at the Hamilton Base Hospital.

Heating, Ventilation & Air Conditioning Stage 2

The first of the air cooled chiller units were installed by Collins & Graham Mechanical.

Medical Air Plant

The medical air plant was replaced and upgraded with two new units and associated equipment being installed. Replacement works were conducted by CompAir Ltd.

Boiler Plant

The main steam valves were replaced on the boiler plant by WDHS Maintenance staff.

Penshurst Hospital:

Emergency Power Supply

The emergency generator at Penshurst Hospital was upgraded to extend coverage to the communication systems. Works were carried out by Page Electrical.

Publications

WDHS publishes a range of publications for consumers that are available upon request. The Annual Report and the Quality of Care Report are available at each of our sites and on the WDHS website, or may be obtained by contacting the Chief Executive Officer.

Brochures on our services may be obtained from each of the relevant departments, or upon request from the Community Liaison Department. Our biannual newsletter, Western Wellbeing, is distributed to most households in our region and is also available on the website.

Financial overview

WDHS relies on support from the community, and its own staff members to maintain a proactive equipment replacement program. The United Staff Association members thank Grant Munro from the Hamilton Golf Club (right) for his assistance with the USA Golf Day. Money raised purchased bilirubin lights for the Midwifery Ward.

Western District Health Service aims to increase service provision in a financially sustainable way and utilises several key result areas to monitor performance.

These key result areas include:

- **Operating performance – achieving activity targets and a surplus from operations**
- **Liquidity – maintenance of sufficient assets to meet commitments as they fall due – a ratio in excess of 0.8**
- **Asset Management – ensuring that sufficient levels of investment are undertaken to maintain the asset base**

Financial overview

On 1 July 2005, Coleraine District Health Service and Western District Health Service amalgamated to form a new entity.

The financial statements prepared in accordance with the Australian equivalents to International Financial Reporting Standards (A-IFRS) for the year ended 30 June 2006 represent the first year of operation of the new reporting entity, and as such no comparative data is available.

Western District Health Service achieved an entity surplus of \$2,098,000 for the 2005/06 financial year, improved overall liquidity, maintained the asset base with an investment in fixed assets of \$2,340,000, and provided services in excess of targets in all areas. To continue to expand service delivery in a financially sustainable way is a constant challenge for the Health Service, and the result in the current year has maintained this fine balance, as indicated by the performance in all key result areas.

Operating Performance

With the exception of residential aged care, funding provided in funding formulae excludes any contribution towards the cost of depreciation. Funds are traditionally allocated by capital grant to fund significant asset replacement and the Health Service continues to rely on community fundraising to provide for equipment replacement.

In reviewing operating performance, capital purpose income comprising Capital Grants (\$1,008,000), Residential Aged Care Capital Contributions (\$844,000), Specific Purpose Donations and Bequests (\$1,729,000) and Gain on Disposal of Non-Current Assets (\$62,000) is excluded. These funds are provided for specific capital purposes and are not available to support operations.

The accepted indicator of performance is



the result from continuing operations prior to Depreciation and Capital Purpose Income. In the current year this result was a surplus of \$282,000, which represents 0.6% of operating revenue.

In the 2005/06 financial year, depreciation charges of \$1,827,000 were recorded reflecting the cost associated with the use of buildings and equipment in delivering services. In order to maintain the Health Service asset base, operating surpluses and capital purpose income must exceed depreciation charges. In the current year, Capital Income exceeded depreciation by \$1,916,000 largely due to the receipt of a substantial bequest of \$1,265,000 and capital grants associated with the Coleraine and Merino Redevelopment Project.

Liquidity Position

During 2005/06 the Health Service generated positive cash flows from operations of \$278,000 and \$2,315,000 in Capital Purpose Income; \$1,752,000 of these funds were used to purchase property, plant and equipment during the year. The entity generated a positive cash flow of \$841,000 for the year after capital items.

At the end of the year the ratio of current assets to current liabilities (excluding Patient Trust funds) was 1.52:1, which is a marginal improvement from the ratio of 1.45:1 at the start of the year. This is in excess of the 0.8 target ratio, and is expected to deteriorate over the next few years as funds are expended on major capital works associated with the Coleraine and Merino Redevelopment project.

Asset Management

\$2,340,000, was invested during the year in equipment upgrades and building works

in accordance with the capital works budget adopted in August by the Board of Directors. This investment was \$520,000 more than depreciation charged during the year, and represented a continuation of the investment strategy required to maintain the Health Service asset base, in order to ensure ongoing service capacity.

In May 2006, an independent valuation of all Health Service land and buildings was undertaken. This assessment resulted in a revaluation increment of \$1,838,000 which has been recorded as an increment to the asset revaluation reserve. This valuation increment should not be viewed as part of the operating performance of the Health Service for the year.

The Future

The continued support of the community, as indicated by the \$1,729,000 received from donations and bequests in 2005/06, provides the opportunity for WDHS to continue to invest in buildings and medical equipment and technology, which would not otherwise be possible. It is important to maintain the level of investment to provide a strong base for the Health Service to improve service delivery and efficiency and comply with increasingly rigorous service standards.

Substantial changes anticipated with the implementation of new clinical information systems, the next round on enterprise bargaining agreements under the new Workchoices system, and the increasing demand for high quality services, will provide further challenges in 2006/07 as we strive to continue the delivery of improvements in service provision in a financially sustainable way.

Certification

Accountable Officer's, Chief Finance and Accounting Officer's and Member of Responsible Body's Declaration

We certify that the attached financial statements for Western District Health Service have been prepared in accordance with Part 4.2 of the Standing Directions of the Minister for Finance under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the operating statement, balance sheet, statement of recognised income and expenses, cash flows statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2006 and the financial position of the Health Service as at 30 June 2006.

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

Richard Walter
President



Hamilton
16 August 2006

Jim Fletcher
Chief Executive Officer



Hamilton
16 August 2006

Pat Turnbull
Chief Finance and
Accounting Officer



Hamilton
16 August 2006

auditor general's report



AUDITOR GENERAL
VICTORIA

INDEPENDENT AUDIT REPORT

Western District Health Service

To the Members of the Parliament of Victoria and Members of the Board of the Western District Health Service

Scope

The Financial Report

The accompanying financial report for the year ended 30 June 2006 of Western District Health Service consists of operating statement, balance sheet, statement of recognised income and expense, notes to and forming part of the financial report, and the supporting declaration.

Members' Responsibility

The Members of the Board of Western District Health Service are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act 1994*, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

These procedures have been undertaken to form an opinion as to whether the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the Health Service's financial position, and its financial performance and cash flows.

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

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. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of Western District Health Service as at 30 June 2006 and its financial performance and cash flows for the year then ended.

MELBOURNE
16 August 2006


for JW CAMERON
Auditor-General

Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000
Telephone (03) 8601 7000 Facsimile (03) 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Financial statements

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

Operating Statement For the Year Ended June 30 2006

	Note	Total 2006 \$'000
Revenue from Operating Activities	2	44,121
Revenue from Non-operating Activities	2	1,014
Employee Benefits	2b	(31,399)
Non Salary Labour Costs	2b	(2,506)
Supplies & Consumables	2b	(4,414)
Other Expenses From Continuing Operations	2b	(6,470)
Share of Net Result of Associates & Joint Ventures Accounted for using the Equity Model		(64)
Net Result From Continuing Operations Before Capital & Specific Items		282
Capital Purpose Income	2	3,643
Depreciation and Amortisation	3	(1,827)
NET RESULT FROM CONTINUING OPERATIONS		2,098
NET RESULT FOR THE YEAR		2,098

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

No comparative information is presented in the financial statements due to the amalgamation of Western District Health Service and Coleraine District Health Service effective from 1 July, 2005 (refer note 23)

Balance Sheet as at June 30 2006

	Note	Total 2006 \$'000
ASSETS		
Current Assets		
Cash and Cash Equivalents	4	7,651
Receivables	5	1,800
Other Financial Assets	6	3,700
Inventories	7	426
Non-Current Assets Classified as Held For Sale	8	40
Total Current Assets		13,617
Non-Current Assets		
Receivables	5	505
Other Financial Assets	6	1,274
Investments Accounted for using the Equity Method	21	421
Property, Plant & Equipment	9	50,277
Intangible Assets	11	37
Total Non-Current Assets		52,514
TOTAL ASSETS		66,131
LIABILITIES		
Current Liabilities		
Payables	10	2,196
Provisions	12	3,771
Other Liabilities	13	4,523
Total Current Liabilities		10,490
Non-Current Liabilities		
Provisions	12	2,564
Total Non-Current Liabilities		2,564
TOTAL LIABILITIES		13,054
NET ASSETS		53,077
EQUITY		
Asset Revaluation Reserve	14a	1,838
Restricted Specific Purpose Reserve	14a	3,888
Contributed Capital	14b	49,141
Accumulated Surpluses/(Deficits)	14c	(1,790)
TOTAL EQUITY	14d	53,077

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

Statement of Recognised Income and Expense For the Year Ended 30 June 2006

	Note	Total 2006 \$'000
Gain/(loss) on Asset Revaluation	14a	1,838
NET INCOME RECOGNISED DIRECTLY IN EQUITY		1,838
Net result for the year		2,098
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR		3,936

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

Cash Flow Statement for Year Ended 30 June 2006

	Note	Total 2006 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Grants from Government		31,257
Patient and Resident Fees Received		9,038
Private Practice Fees Received		250
GST Received from/(paid to) ATO		(36)
Interest Received		556
Dividend Received		1
Other Receipts		4,157
Employee Benefits Paid		(30,844)
Fee for Service Medical Officers		(2,506)
Payments for Supplies & Consumables		(5,067)
Other Payments		(6,528)
Cash Generated from Operations		278
Capital Grants from Government		1,008
Capital Donations and Bequests Received		463
Other Capital Receipts		844
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	15	2,593
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment		(2,084)
Proceeds from Sale of Property, Plant & Equipment		332
Purchase of Investments		(1,500)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(3,252)
NET INCREASE / (DECREASE) IN CASH HELD		(659)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		4,236
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4	3,577

This Statement should be read in conjunction with the accompanying notes

Financial statements

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

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Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

1: Statement of Significant Accounting Policies

This general-purpose financial report has been prepared on an accrual basis in accordance with the Financial Management Act 1994, Accounting Standards issued by the Australian Accounting Standards Board and Urgent Issues Group Interpretations. Accounting standards include Australian equivalents to International Financial Reporting Standards (A-IFRS).

The financial statements were authorised for issue by the Board of Directors on recommendation from the Audit and Compliance Committee of Western District Health Service on 9 August 2006.

Basis of preparation

The financial report is prepared in accordance with the historical cost convention, except for the revaluation of certain non-current assets and financial instruments, as noted. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. 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.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed throughout the notes in the financial statements.

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 Health Service has elected to apply Accounting Standard AASB 2005-04 Amendments to Accounting Standards (June 2005), even though the Standard is not required to be adopted until annual reporting periods beginning on or after 1 January 2006.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2006, no comparative information is presented in these financial statements as the entity was not formed until the amalgamation which occurred on 1 July 2005.

(a) Reporting Entity

The financial statements include all the controlled activities of the Health Service. The Health Service is a not-for profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" entities under the Australian equivalents to IFRS.

(b) Rounding Off

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

(c) Principles of Consolidation

The assets, liabilities, revenues and expenses of all controlled entities of the Health Service have been included at the values shown in their audited Annual Financial Reports. Any inter-entity transactions have been eliminated on consolidation. The consolidated financial statements do not include any controlled entity.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

(e) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where doubt as to collection exists.

(f) Inventories

Inventories include goods and other property held either for sale or for distribution at no or nominal cost in the ordinary course of business operations. It includes land held for sale and excludes depreciable assets. Inventories held for distribution are measured at the lower of cost and current replacement cost. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value.

Cost is assigned to land for sale (undeveloped, under development and developed) and high value, low volume inventory items on a specific identification of cost basis. Cost for all other inventory is measured on the basis of weighted average cost.

(g) Other Financial Assets

Other financial assets 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. Other financial assets are classified between current and non current assets based on the Health Service Board of Management's intention at balance date with respect to the timing of disposal of each asset.

The Health Service classifies its other investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Investments held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss. Where the Health Service has the positive intent and ability to hold investments to maturity, they are stated at amortised cost less impairment losses.

Other investments held by the Health Service are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity, until the investment is disposed of or is determined to be impaired, at which time to the extent appropriate, the cumulative gain or loss previously recognised in equity is included in profit or loss for the period.

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(h) Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as patents, trademarks, goodwill, computer software and development costs (where applicable). Intangible assets are recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Health Service.

Financial statements

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

Amortisation is allocated to intangible assets with finite useful lives on a systematic 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 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 assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Intangible assets with indefinite useful lives are not amortised. The useful life 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 its recoverable amount 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.

(i) **Non Current Physical Assets**

Land and buildings are measured at the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. Plant, equipment and vehicles are measured at cost.

(j) **Revaluations of Non-Current Assets**

Assets other than those that are carried at cost are revalued with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value. This revaluation process normally occurs every three to four years for assets with useful lives of less than 30 years or six to eight years for assets with useful lives of 30 or greater years.

Revaluation increments or decrements arise from differences between an asset's depreciated cost or deemed cost and fair value. Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised at an expense in net result, the increment is recognised as revenue in the net result.

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

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes. Revaluation reserves are not transferred to accumulated funds or derecognition of the relevant asset.

(k) **Non Current Assets Held for Sale**

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

(l) **Depreciation**

Assets with a cost in excess of \$1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost—or valuation—over their estimated useful lives using the straight-line method. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually. This depreciation charge is not funded by the Department of Human Services.

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

	2005 - 2006
Buildings	40 to 50 Years
Building Components	8 to 20 Years
Plant & Equipment	6 to 20 Years
Medical Equipment	5 to 20 Years
Computers & Communications	4 to 10 Years
Furniture & Fittings	5 to 20 Years
Motor Vehicles	5 to 7 Years
Intangible Assets	4 to 10 Years

(m) **Impairment of Assets**

Intangible assets with indefinite useful lives are tested annually as to whether their carrying value exceeds their recoverable amount. All other assets are assessed annually for indications of impairment.

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

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. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

(n) **Payables**

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The normal credit terms are usually Nett 30 days.

(o) **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 cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

(p) **Resources Provided and Received Free of Charge or for Nominal Consideration**

Resources provided or received free of charge or for nominal consideration are recognised at their fair value. 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.

(q) **Interest Bearing Liabilities**

Interest bearing liabilities in the Balance Sheet are recognised at fair value upon initial recognition. Subsequent to initial recognition, all financial liabilities are recognised at amortised cost using the effective interest method.

(r) **Functional and Presentation Currency**

The presentation currency of the Health Service is the Australian dollar, which has also been identified as the functional currency of the Health Service.

(s) **Goods and Services Tax**

Revenues, expenses and assets are recognised net of GST, except for receivables and payables which are stated with the amount of GST included and except, where the amount of GST incurred is not recoverable, in which case GST is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the Balance Sheet. The GST component of a receipt or payment is recognised on a gross basis in the Cash Flow Statement in accordance with AASB 107 Cash flow statements.

(t) **Employee Benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Measurement of short-term and long-term employee benefits

Short-term employee benefits are those benefits that are expected to be settled within 12 months, and are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. They include wages and salaries, sick leave, annual leave, long service leave and accrued days off that are expected to be settled within 12 months.

Long-term employee benefits are those benefits that are not expected to be settled within 12 months, and are measured at the present value of the estimated future cash outflows to be made by the Health Service in respect of services provided by employees up to reporting date. They include long service leave and annual leave not expected to be settled within 12 months.

The present value of long-term employee benefits is calculated in accordance with AASB 119 Employee Benefits. Long-term employee benefits are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Classification of employee benefits as current and non-current liabilities

Employee benefit provisions are reported as current liabilities where the Health Service does not have an unconditional right to defer settlement for at least 12 months. Consequently, the current portion of the employee benefit provision can include both short-term benefits, that are measured at nominal values, and long-term benefits, that are measured at present values.

Employee benefit provisions that are reported as non-current liabilities also include

Long-term benefits such as non vested long service leave (ie where the employee does not have a present entitlement to the benefit) that do not qualify for recognition as a current liability, and are measured at present values.

Superannuation

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

Defined benefit plans

The amount charged to the Operating Statement in respect of defined benefit plan superannuation represents the contributions made by the Health Service to the superannuation plan in respect to the current services of current Health Service staff. Superannuation contributions are made to the plans based on the relevant rules of each plan. The Health Service does not recognise any defined benefit liability in respect of the superannuation plan because the Health Service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance has assumed responsibility for the defined benefit liability of the Health Service, and administers and discloses the State's defined benefit liabilities in its financial report.

Termination Benefits

Liabilities for termination benefits are recognised when a detailed plan for the termination has been developed and a valid expectation has been raised with those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in other creditors unless the amount or timing of the payments is uncertain, in which case they are recognised as a provision.

On-Costs

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

Financial statements

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

(u) **Finance Costs**

Finance costs are recognised as expenses in the period in which they are incurred. Finance costs include:

- Interest on bank overdrafts and short-term and long-term borrowings;
- Amortisation of discounts or premiums relating to borrowings;
- Amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- Finance charges in respect of finance leases recognised in accordance with AASB 117 Leases;

(v) **Residential Aged Care Service**

The following Residential Aged Care Services operations are an integral part of the Health Service and share its resources.

- The Birches and Grange Residential Care Service (located in Hamilton)
- Kolor Lodge and WJ Lewis Nursing Home (located in Penshurst)
- Valley View Nursing Home and Wannan Hostel (located in Coleraine)

These Residential Aged Care Services are substantially funded by Commonwealth bed day subsidies. Where services are co-located with other health service operations an apportionment of land and buildings has been made based on floorspace. The results of all operations have been segregated based on actual revenue earned and expenditure incurred by each operation.

(w) **Western District Linen Service**

The Western District Linen Service is a self-funding operation controlled by the Health Service Board. As the Linen Service operations are an integral part of the agency, with shared resources, its operations have been included with the Health Service for accountability.

(x) **Joint Ventures**

Interests in jointly controlled operations and jointly controlled assets are accounted for by recognising in the Health Service's financial statements, its share of assets, liabilities and any revenue and expenses of such joint ventures. Details of the joint venture are set out in note 21

(y) **Intersegment Transactions**

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

(z) **Leased Property and Equipment**

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains all such risks and benefits. Assets held under a finance lease are recognised as non current assets at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The minimum lease payments are discounted at the interest rate implicit in the lease. A corresponding liability is established and each lease payment is allocated between the principal component and the interest expense. Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset. Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are expensed in the periods in which they are incurred.

(aa) **Revenue Recognition**

Revenue is recognised in accordance with AASB 118 Revenue. Income is recognised as revenue to the extent it is earned. 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

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

Indirect Contributions

- Insurance is recognised as revenue following advice from the Department of Human Services.
- Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Acute Health Division Hospital Circular 16/2004.

Patient Fees

Patient fees are recognised as revenue at balance date.

Private Practice Fees

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

Donations and Other Bequests

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

(ab) **Fund Accounting**

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

(ac) **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 Human Services and includes RACS, while *Services Supported by Hospital and Community Initiatives* (Non HSA) are funded by the Health Service's own activities or local initiatives and/or the Commonwealth.

(ad) **Comparative Information**

No comparative figures have been provided as the Health Service entity was established on 1 July 2005.

(ae) **Amalgamations and Mergers**

Assets and liabilities of the amalgamated entities are taken up at book value at date of amalgamation. Crown assets acquired remain the property of the Crown, however they are reported as assets of the Health Service, because effective control passes to the Health Service along with a substantial benefit.

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

- (af) **Asset Revaluation Reserve**
The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.
- (ag) **Funds Held in Perpetuity**
A specific restricted purpose reserve is established where the Health Service has possession or title to the funds but must retain the corpus of a donation for perpetuity. Although the corpus must be retained intact income from the investments are recorded as revenue and is available for use for Health Service purposes.
- (ah) **Specific Restricted Purpose Reserve**
A specific restricted purpose reserve is established where the Health Service has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.
- (ai) **Contributed Capital**
Consistent with UIG Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities and FRD 2 Contributed Capital, 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, have also been designated as contributed capital.
- (aj) **Net result From Continuing Operations Before Capital & Specific Items**
A-IFRS allows the inclusion of additional subtotals on the face of the operating statement when such presentation is relevant to an understanding of an entity's financial performance. This financial report includes an additional subtotal entitled "*Net result From Continuing Operations Before Capital & Specific Items*".

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

- Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment. It also includes donations of plant and equipment (refer note 1). 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
 - ◆ Non-current asset revaluation increments/decrements
 - ◆ Restructuring of operations (disaggregation/aggregation of health services)
 - ◆ Non-current assets lost or found
 - ◆ Write-down of inventories
 - ◆ Diminution in investments
 - ◆ Litigation settlements
 - ◆ Forgiveness of loans
 - ◆ Reversals of provisions
 - ◆ Voluntary changes in accounting policies (which are not required by an accounting standard or other authoritative pronouncement of the Australian Accounting Standards Board)
- Impairment of non current assets, includes all impairment losses (and reversal of previous impairment losses), related to non current assets only which have been recognised in accordance with note 1 (m)
- Depreciation and amortisation, as described in note 1 (l) and (z)
- Assets provided free of charge, as described in note 1 (p)
- Expenditure using capital purpose income, which comprises expenditure using capital purpose income which falls below the asset capitalisation threshold and therefore does not result in the recognition of an asset in the balance sheet. The asset capitalization threshold is set at \$1,000.

Financial statements

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

Note 2: Revenue

	HSA 2006 \$'000	Non HSA 2006 \$'000	Total 2006 \$'000
Revenue from Operating Activities			
Government Grants			
- Department of Human Services	29,685	-	29,685
- State Government - Other	89	-	89
- Commonwealth Government - Other	266	4	270
Indirect Contributions by Department of Human Services	1,075	-	1,075
Patient and Resident Fees (refer note 2c)	9,332	-	9,332
Private Practice Fees	-	250	250
Other Revenue from Operating Activities	-	3,420	3,420
Sub-Total Revenue from Operating Activities	40,447	3,674	44,121
Revenue from Non-Operating Activities			
Interest	-	459	459
Dividends	-	1	1
Property Income	-	554	554
Sub-Total Revenue from Non-Operating Activities		1,014	1,014
Revenue from Capital Purpose Income			
State Government Capital Grants			
- Targeted Capital Works and Equipment	958	-	958
Commonwealth Government Capital Grants	50	-	50
Residential Accommodation Payments (refer note 2c)	844	-	844
Net Gain/(Loss) on Disposal of Non-Current Assets (refer note 2d)	-	62	62
Donations and Bequests	-	1,729	1,729
Sub-Total Revenue from Capital Purpose Income	1,852	1,791	3,643
Total Revenue from Continuing Operations (refer to note 2a)	42,299	6,479	48,778

Indirect contributions by Department of Human Services.

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

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

Note 2a: Analysis of Revenue by Source

	Acute Health 2006 \$'000	RAC 2006 \$'000	Aged Care 2006 \$'000	Primary Health 2006 \$'000	Other 2006 \$'000	Total 2006 \$'000
Revenue from Services Supported by Health Services Agreement						
Government Grants						
- Department of Human Services	24,626	2,386	1,857	816	-	29,685
- State Government - Other	-	-	-	89	-	89
- Commonwealth Government - Other	266	-	-	-	4	270
Indirect contributions by Department of Human Services						
- Insurance	874	67	98	36	-	1,075
Capital Purpose Income	1,008	-	-	-	-	1,008
Patient and Resident Fees (refer note 2c)	1,591	7,459	282	-	-	9,332
Interest and Dividends	-	-	-	-	460	460
Residential Accommodation Payments (refer note 2c)	-	844	-	-	-	844
Sub-Total Revenue from Services Supported by Health Services Agreement	28,365	10,756	2,237	941	464	42,763
Revenue from Services Supported by Hospital and Community Initiatives						
Internal and Restricted Specific Purpose Fund						
- Private Practice and Other Patient Activities	-	-	-	-	250	250
- Catering	-	-	-	-	332	332
- Laundry	-	-	-	-	922	922
- Cafeteria	-	-	-	-	172	172
- Property Income	-	-	-	-	554	554
- Other	-	-	-	-	1,994	1,994
Other Activities						
Net Gain / (Loss) from Disposal of Non Current Assets (refer note 2d)	-	-	-	-	62	62
Donations & Bequests	-	-	-	-	1,729	1,729
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	-	-	-	-	6,015	6,015
Total Revenue from Operations	28,365	10,756	2,237	941	6,479	48,778

Indirect contributions by Department of Human Services:

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

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Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

Note 2b: Analysis of Expenses by Source

	Acute Health 2006	RAC 2006	Aged Care 2006	Primary Health 2006	Other 2006	Total 2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Services Supported by Health Services Agreement						
Employee Benefits						
Salaries & Wages	14,592	8,249	1,959	1,657	364	26,821
WorkCover	188	159	28	18	2	395
Departure Packages	-	9	-	-	-	9
Long Service Leave	160	67	12	9	-	248
Superannuation (refer note 19)	1,422	848	233	124	8	2,635
Non Salary Labour Costs						
Fees for Visiting Medical Officers	2,506	-	-	-	-	2,506
Supplies & Consumables						
Drug Supplies	760	128	-	-	-	888
S100 Drugs	238	-	-	-	-	238
Medical, Surgical Supplies and Prosthesis	1,628	219	15	33	22	1,917
Pathology Supplies	182	-	-	-	-	182
Food Supplies	379	561	28	22	1	991
Other Expenses						
Domestic Services & Supplies	451	248	5	7	-	711
Fuel, Light, Power and Water	577	141	28	19	-	765
Insurance costs funded by DHS	874	67	98	36	-	1,075
Motor Vehicle Expenses	183	12	27	5	-	227
Repairs & Maintenance	420	100	9	20	-	549
Maintenance Contracts	153	26	9	12	-	200
Patient Transport	238	-	-	-	-	238
Bad & Doubtful Debts	8	79	-	-	-	87
Lease Expenses	196	24	6	6	-	232
Other Administrative Expenses	1,382	198	48	194	-	1,822
Other	180	-	-	-	83	263
Sub-Total Expenses from Services Supported by Health Services Agreement	26,717	11,135	2,505	2,162	480	42,999
Services Supported by Hospital and Community Initiatives						
Employee Benefits						
Salaries & Wages	-	-	-	-	1,143	1,143
Workcover	-	-	-	-	14	14
Long Service Leave	-	-	-	-	25	25
Superannuation (refer note 19)	-	-	-	-	109	109
Supplies & Consumables						
Medical, Surgical Supplies and Prosthesis	-	-	-	-	15	15
Food Supplies	-	-	-	-	183	183
Other Expenses						
Domestic Services & Supplies	-	-	-	-	127	127
Fuel, Light, Power and Water	-	-	-	-	12	12
Repairs & Maintenance	-	-	-	-	47	47
Maintenance Contracts	-	-	-	-	4	4
Bad & Doubtful Debts	-	-	-	-	25	25
Other Administrative Expenses	-	-	-	-	63	63
Other	-	-	-	-	64	64
Sub-Total Expense from Services Supported by Hospital and Community Initiatives	-	-	-	-	1,831	1,831
Depreciation and Amortisation (refer note 3)	-	-	-	-	1,827	1,827
Audit Fees						
Auditor-General's (refer note 24)	-	-	-	-	23	23
Total Expenses from Continuing Operations	26,717	11,135	2,505	2,162	4,161	46,680

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

Note 2c: Patient and Resident Fees

	Total 2006 \$'000
Patient and Resident Fees Raised	
Recurrent:	
Acute	
– Inpatients	1,591
– Outpatients	100
Residential Aged Care	
– Generic	7,459
Other	182
Total Recurrent	9,332
Capital Purpose:	
Residential Accommodation Payments(*)	844
Total Capital	844

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

Note 2d: Net Gain/(Loss) on Disposal of Non-Current Assets

	Total 2006 \$'000
Proceeds from Disposal of Non-Current Assets	
Motor Vehicles	332
Total Proceeds from Disposal of Non-Current Assets	332
Less: Written Down Value of Non-Current Assets Sold	
Plant & Equipment	33
Medical Equipment	19
Computers and Communication	6
Motor Vehicles	212
Total Written Down Value of Non-Current Assets Sold	270
Net gains/(losses) on Disposal of Non-Current Assets	62

Note 2e: Analysis of Expenses by Internal and Restricted Specific Purpose Funds for Services Supported by Hospital and Community Initiatives

	Total 2006 \$'000
Private Practice and Other Patient Activities	443
Catering	249
Laundry	851
Cafeteria	129
Property Expenses	95
Joint Venture	64
TOTAL	1,831

Note 3: Depreciation and Amortisation

	Total 2006 \$'000
Depreciation	
Landscaping	68
Buildings	866
Plant & Equipment	132
Medical Equipment	367
Computers and Communication	83
Furniture and Fittings	78
Motor Vehicles	222
Total Depreciation	1,816
Amortisation	
Intangible Assets	11
Total Amortisation	11
Total Depreciation & Amortisation	1,827

Note 4: 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.

	Total 2006 \$'000
Cash on Hand	3
Cash at Bank	7,648
TOTAL	7,651
Represented by:	
Cash for Health Service Operations (as per Cash Flow Statement)	3,577
Cash for Monies Held in Trust	4,074
TOTAL	7,651

Financial statements

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

Note 5: Receivables

	Total 2006 \$'000
CURRENT	
Trade Debtors	695
Patient Fees	635
Accrued Investment Income	29
Accommodation Bonds Owing	449
GST Receivable	121
TOTAL	1,929
LESS Provision for Doubtful Debts	
Trade Debtors	(28)
Patient Fees	(101)
TOTAL CURRENT RECEIVABLES	1,800
NON CURRENT	
DHS – Long Service Leave	505
TOTAL NON-CURRENT RECEIVABLES	505
TOTAL RECEIVABLES	2,305

Note 6: Other Financial Assets

	Specific Purpose Fund \$'000	Capital Fund \$'000	Total 2006 \$'000
CURRENT			
Aust. Dollar Term Deposits (at call)	-	3,700	3,700
NON CURRENT			
Shares	1,266	-	1,266
Aust. Dollar Term Deposits	-	8	8
TOTAL	1,266	3,708	4,974
Represented by:			
Health Service Investments	1,266	3,708	4,974
TOTAL	1,266	3,708	4,974

Note 7: Inventories

	Total 2006 \$'000
CURRENT	
Pharmaceuticals - at cost	103
Catering Supplies - at cost	18
Housekeeping Supplies - at cost	20
Medical and Surgical Lines - at cost	73
Engineering Stores - at cost	2
Administration Stores - at cost	43
Circulating Linen	167
TOTAL INVENTORIES	426

Note 8: Non-Current Assets Classified as Held For Sale

	Total 2006 \$'000
Freehold Land	40
TOTAL	40

Note 9: Property, Plant & Equipment

	Total 2006 \$'000
Land	
- Land at Valuation	1,625
Less Impairment	
- Landscaping	1,132
Less Impairment	
Total Land	2,757
Buildings	
- Preconstruction Costs	93
- Buildings at Valuation	43,079
Less Accumulated Depreciation and Impairment	
Total Buildings	43,172
Plant and Equipment at Cost	
- Plant and Equipment	3,092
Less Accumulated Depreciation and Impairment	(1,902)
Total Plant and Equipment	1,190
Medical Equipment at Cost	
- Medical Equipment	3,976
Less Accumulated Depreciation and Impairment	(2,389)
Total Medical Equipment	1,587
Computers and Communication at Cost	
- Computers and Communication	776
Less Accumulated Depreciation and Impairment	(486)
Total Computers and Communications	290
Furniture and Fittings at Cost	
- Furniture and Fittings	1,054
Less Accumulated Depreciation and Impairment	(722)
Total Furniture and Fittings	332
Motor Vehicles at Cost	
- Motor Vehicles	1,437
Less Accumulated Depreciation and Impairment	(488)
Total Motor Vehicles	949
TOTAL	50,277

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

Note 9: Property, Plant & Equipment (continued)

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

	Land	Buildings	Plant & Equipment	Medical Equipment	Computers & Comcnctns	Furniture & Fittings	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2005	2,177	41,795	1,224	1,593	364	362	723	48,238
Additions	10	1,083	133	381	16	55	660	2,338
Disposals	-	-	(33)	(19)	(6)	-	(212)	(270)
Classified as held for sale	(40)	-	-	-	-	-	-	(40)
Assets below \$1,000 expensed	-	-	(2)	(1)	(1)	(7)	-	(11)
Revaluation increments/(decrements)	678	1,160	-	-	-	-	-	1,838
Depreciation and Amortisation (note 3)	(68)	(866)	(132)	(367)	(83)	(78)	(222)	(1,816)
Balance at 30 June 2006	2,757	43,172	1,190	1,587	290	332	949	50,277

Land and buildings carried at valuation

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

The effective date of the valuation is June 2006.

Note 10: Payables

	Total 2006 \$'000
CURRENT	
Trade Creditors	654
Accrued Expenses	203
GST Payable	347
DHS	162
Other	830
TOTAL	2,196

Note 11: Intangible Assets

	Total 2006 \$'000
Computer Software	167
Less Accumulated Amortisation and Impairment	(130)
Total Written Down Value	37

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

	Computer Software	Total
	\$'000	\$'000
Balance at 1 July 2005	48	48
Amortisation (note 3)	(11)	(11)
Balance at 30 June 2006	37	37

Note 12: Provisions

	Total 2006 \$'000
CURRENT	
Employee Benefits (refer Note 12a)	3,771
TOTAL	3,771
NON-CURRENT	
Employee Benefits (Refer Note 12a)	2,564
TOTAL	2,564
Movements in Provisions	Other \$'000
Carrying amount at start of year	5,752
Additional provisions recognised	3,305
Amounts incurred during the year (including estimates)	2,722
Carrying amount at end of year	6,335

Financial statements

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

Note 12a: Employee Benefits

	Total 2006 \$'000
CURRENT	
Long Service Leave	
- short-term benefits at nominal value	584
- long-term benefits at present value	409
Annual Leave	
- short-term benefits at nominal value	1,853
- long-term benefits at present value	441
Accrued Wages and Salaries	423
Accrued Days Off	61
TOTAL	3,771
NON-CURRENT	
Long Service Leave*	2,564
TOTAL	6,335
Movement in Long Service Leave:	
Balance at start of year	3,283
Provision made during the year	723
Settlement made during the year	449
Balance at end of year	3,557

* The assumption was made that the rate of remuneration payable when current benefits are paid would be, on average, 2% higher than the rate payable at reporting date.

Note 13: Other Liabilities

	Total 2006 \$'000
CURRENT	
Monies Held in Trust*	
- Short Term Refundable Accommodation Bonds	784
- Long Term Refundable Accommodation Bonds	3,739
Total Other Liabilities	4,523
* Total Monies Held in Trust	
Represented by the following assets:	
Cash Assets (refer to Note 5)	4,074
Receivables (refer to Note 6)	449
TOTAL	4,523

Note 14: Equity & Reserves

	Total 2006 \$'000
(a) Reserves	
Asset Revaluation Reserve	
Balance at the beginning of the reporting period	-
Revaluation Increment/(Decrements)	
- Land	311
- Landscaping	367
- Buildings	1,160
* Balance at the end of the reporting period	1,838
* Represented by:	
- Land	678
- Buildings	1,160
Restricted Specific Purpose Reserve	
Balance at the beginning of the reporting period	-
Transfer to Restricted Specific Purpose Reserve (note 23)	2,370
Transfer to Asset Replacement Reserve for Aged Care Capital Income	844
Transfer from Asset Replacement Reserve	(726)
Transfer Specific Donations/Bequests from Accumulated Surpluses	1,400
Balance at the end of the reporting period	3,888
Total Reserves	5,726
(b) Contributed Capital	
Balance at the beginning of the reporting period	49,141
Balance at the end of the reporting period	49,141
(c) Accumulated Surpluses/(Deficits)	
Balance at the beginning of the reporting period	-
Net Result for the Year	2,098
Transfer to Restricted Specific Purpose Reserve (note 23)	(2,370)
Transfer to Asset Replacement Reserve for Aged Care Capital Income	(844)
Transfer from Asset Replacement Reserve	726
Transfer Specific Donations and Bequests to Restricted Specific Purpose Reserves	(1,400)
Balance at the end of the reporting period	(1,790)
(d) Equity	
Total Equity at the beginning of the reporting period	49,141
Total Changes in Equity Recognised in the Operating Statement	3,936
Total Equity at the reporting date	53,077

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

Note 15: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	Total 2006 \$'000
Net Result for the Year	2,098
Depreciation & Amortisation	(1,827)
Provision for Doubtful Debts	(129)
Net (Gain)/Loss from Sale of Plant and Equipment	(62)
Change in Operating Assets & Liabilities, Net of Effect from Restructuring	
Increase/(Decrease) in Payables	306
Increase/(Decrease) in Employee Benefits	555
(Increase)/Decrease in Other Current Assets	1,618
(Increase)/Decrease in Inventory	21
(Increase)/Decrease in Receivables	13
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	2,593

Note 16: Financial Instruments

(a) Interest Rate Risk Exposure

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

Interest rate exposure as at 30/06/2006

	Fixed interest rate maturing							Total 2006 \$'000	*Weighted Average Interest Rates (%)	
	Floating Interest Rate \$'000	1 year or less \$'000	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years \$'000			Non Interest Bearing \$'000
Financial Assets										
Cash at Bank	3,577	-	-	-	-	-	-	3,577	5.25%	
Trade debtors	-	-	-	-	-	-	695	695	0.00%	
Other receivables	-	-	-	-	-	505	785	1,290	0.00%	
Accommodation Bonds	784	-	3,739	-	-	-	-	4,523	0.00%	
Other financial assets	-	3,708	-	-	-	-	-	3,708	5.50%	
Total Financial Assets	4,361	3,708	3,739	-	-	-	505	1,480	13,793	2.15%
Financial Liabilities										
Trade creditors and accruals	-	-	-	-	-	-	1,204	1,204		
Accommodation Bonds	784	-	3,739	-	-	-	-	4,523		
Advances	-	-	-	-	-	-	830	830		
Total Financial Liabilities	784	-	3,739	-	-	-	2,034	6,557		
Net Financial Asset/Liabilities	3,577	3,708	-	-	-	-	505	(554)	7,236	

(b) Credit Risk Exposure

Credit risk represents the loss that would be recognised if counterparties fail to meet their obligations under the respective contracts at maturity. The credit risk on financial assets of the entity have been recognised on the Balance Sheet, as the carrying amount, net any provisions for doubtful debts. (Indicate whether the Health Service is materially exposed to any individual debtor).

(c) Fair Value of Financial Assets and Liabilities

The carrying amount of financial assets and liabilities contained within these financial statements is representative of the fair value of each financial asset or liability.

Financial statements

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

Note 16: Financial Instruments (continued)

The following table details the fair value of financial assets and financial liabilities.

	Total 2006 Book Value \$'000	Total 2006 Net Fair Value* \$'000
Financial Assets		
Cash at Bank	3,577	3,577
Trade debtors	695	695
Other receivables	1,290	1,290
Accommodation Bonds	4,523	4,523
Other financial assets	3,708	3,708
Total Financial Assets	13,793	13,793
Financial Liabilities		
Trade creditors & accruals	1,204	1,204
Accommodation Bonds	4,523	4,523
Advances	830	830
Total Financial Liabilities	6,557	6,557

- * Fair values are capital amounts (Fair values of financial instruments are determined on the following basis:
- Cash, deposit investments, cash equivalents and non-interest bearing financial assets and liabilities (trade debtors, other receivables, trade creditors and advances) are valued at cost which approximates to fair value
 - Interest bearing liability amounts are based on the present value of expected future cash flows, discounted at current market interest rates, quoted for trade (Treasury Corporation of Victoria).

Note 17: Commitments

	Total 2006 \$'000
Capital Commitments	
Land & Buildings - Preconstruction Costs	250
Total Capital Commitments	250
Land & Buildings - Preconstruction Costs	
Not later than one year	250
TOTAL	250
Lease Commitments	
Commitments in relation to leases contracted for at the reporting date:	
Operating Leases - Computers and Office Equipment	355
Total Lease Commitments	355
Operating Leases	
Non-cancellable	
Not later than one year	157
Later than one year and not later than 5 years	198
Later than 5 years	-
TOTAL	355

Preconstruction costs commitment relates to a contractual obligation for Schematic Design of the Coleraine and Merino Campus Redevelopment project.

The weighted average interest rate implicit in operating leases is 7.52%

Under the terms of a particular lease, the Health Service has an option to acquire the leased asset at fair market value on expiry of the lease.

Note 18: Contingent Assets & Contingent Liabilities

As at balance date, the Board of Directors is unaware of the existence of any financial obligation that may have a material effect on the balance sheet as a result of any future event which may or may not happen.

Note 19: Superannuation

Superannuation contributions for the reporting period are included as part of employee benefits and on-costs in the Operating Statement of the Health Service.

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

Contribution for the Year

	Total 2006 \$'000
FUND	
Health Super	2,621
HESTA Super Fund	84
Other	39
TOTAL	2,744

The bases for contributions are determined by the various schemes.

The unfunded superannuation liability in respect to members of State Superannuation Schemes and Health Super Scheme is not recognised in the Balance Sheet. Western District Health Service total unfunded superannuation liability in relation to these funds has been assumed by and is reflected in the financial statements of the Department of Treasury and Finance.

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

All employees of the Health Service are entitled to benefits on retirement, disability or death from the Government Employees Super Fund. The defined benefit fund provides defined lump sum benefits based on years of service and annual average salary.

Note 20: Segment Reporting

	Hospital 2006 \$'000	RACS 2006 \$'000	Linen Service 2006 \$'000	Primary Care 2006 \$'000	Eliminations 2006 \$'000	Total 2006 \$'000
REVENUE						
External Segment Revenue	36,060	10,756	562	941	-	48,319
Intersegment Revenue	334	-	429	-	(763)	
Total Revenue	36,394	10,756	991	941	(763)	48,319
RESULT						
Segment Result	3,252	(379)	51	(1,221)	-	1,703
Unallocated Expense						
Net Result from ordinary activities	3,252	(379)	51	(1,221)	-	1,703
Interest Income	459	-	-	-	-	459
Share of Net Result of Associates & Joint Ventures using Equity Model	(64)	-	-	-	-	(64)
Net Result for Year	3,647	(379)	51	(1,221)	-	2,098
OTHER INFORMATION						
Segment Assets	-	-	-	-	-	-
Unallocated Assets	46,749	15,188	680	3,514	-	66,131
Total Assets	46,749	15,188	680	3,514	-	66,131
Segment Liabilities	-	-	-	-	-	-
Unallocated Liabilities	7,699	5,034	131	190	-	13,054
Total Liabilities	7,699	5,034	131	190	-	13,054
Investments in associates and joint venture partnership	421	-	-	-	-	421
Depreciation & amortisation expense	1,424	233	58	112	-	1,827
Non cash expenses other than depreciation	972	67	-	36	-	1,075

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

Business Segments

Hospital
Residential Aged Care Services (RACS)
Linen Services
Primary Care Services

Services

Acute bed based services, accident & emergency, diagnostic, outpatient services
Aged Residential Care Services
Linen Services
Primary Care and Community based services

The basis of inter-segment transfer pricing is at cost

Geographical Segment

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

Financial statements

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

Note 21: Jointly Controlled Operations and Assets

Name of Entity	Principal Activity	Output Interest 2006 %
South West Alliance of Rural Health	Information Technology	15.00% of Operating Result

Western District Health Service has a joint venture interest in the South Western Alliance of Rural Health (SWARH) whose principal activity is the implementing and processing of an information technology system and an associated telecommunication service suitable for use by each member hospital.

Western District Health Service interest in the above jointly controlled operations and assets is detailed below.

	2006 \$'000
Current Assets	125
Non Current Assets	409
Share of Total Assets	534
Current Liabilities	-
Non Current Liabilities	114
Share of Total Liabilities	114
Net Share of Joint Venture	421
Share of Current Year Profit / (Loss)	(64)
Capital Commitment	84

Note 22: Responsible Persons and Executive Officer Disclosures

(a) Responsible Persons

	Period	Time
Responsible Minister		
Hon. Bronwyn Pike	2005 / 06	12 Months
Governing Board		
Mr R. Walter	2005 / 06	12 Months
Ms M. Brown	2005 / 06	12 Months
Mr J. Dean	2005 / 06	12 Months
Mr P. Heazlewood	2005 / 06	12 Months
Ms J. Hutton	2005 / 06	12 Months
Ms E. Lawrence	2005 / 06	12 Months
Mr R. Jones	2005 / 06	12 Months
Accountable Officer		
Mr J. Fletcher	2005 / 06	12 Months

(b) Remuneration of Responsible Persons

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

Income Band	2006 No.
\$200,000 - \$209,999	1
	1

(c) Retirement Benefits of Responsible Persons

No responsible person received retirement benefits from the Health Service in connection with their retirement as a responsible person.

(d) Other Transactions of Responsible Persons and their Related Parties.

There were no other transactions with responsible persons and their related entities.

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

No amounts were payable to or receivable from responsible persons and their related parties at balance date.

(f) Executive Officers' Remuneration

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

	Total Remuneration 2006 No.	Base Remuneration 2006 No.
\$120,000 - \$129,999	1	1
\$130,000 - \$139,999	1	1
\$140,000 - \$149,999	-	-
\$150,000 - \$159,999	-	-
\$160,000 - \$169,999	1	1
	3	3

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

Note 23: Amalgamations and Mergers

By Order-in-Council dated 28th June 2005, the Acting Minister for Health approved an order, effective from 1 July 2005 to :

- amalgamate Western District Health Service and Coleraine District Health Service,
- remove the name of Coleraine District Health Service; and
- rename the new registered funded agency as Western District Health Service.

Assets and Liabilities of the amalgamated entities have been taken up at book value on 1st July 2005 - the date of amalgamation. The net asset value on amalgamation has been recorded in the accounts as Contributed Capital.

The new entity - Western District Health Service, was formed on 1st July 2005 and has complied with A-IFRS since that date. As the new entity has not reported in previous years there are no comparative figures included in the financial statements and no requirement to disclose the impact of A-IFRS on previous years statements.

	Western District Health Service	Coleraine District Health Service	Total
	\$'000	\$'000	\$'000
ASSETS			
Cash Assets	2,065	1,916	3,981
Other Financial Assets	1,508	700	2,208
Receivables	1,903	144	2,047
Inventory and Prepayments	387	19	406
Joint Venture	420	64	484
Property, Plant and Equipment	43,247	5,042	48,289
	49,530	7,885	57,415
LIABILITIES			
Payables	(2,091)	(431)	(2,522)
Employee Entitlements	(5,021)	(731)	(5,752)
	(7,112)	(1,162)	(8,274)
TOTAL CONTRIBUTED EQUITY ON AMALGAMATION	42,418	6,723	49,141

The Board of Directors of the new Amalgamated entity resolved to establish appropriate Specific Restricted Purpose Reserves where the health service acquired title to funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received by the entities prior to amalgamation.

Details of the allocation from Accumulated Surpluses are listed below :

	Western District Health Service	Coleraine District Health Service	Total
	\$'000	\$'000	\$'000
ASSETS			
Allocation to Funds held in perpetuity	28	-	28
Allocation to Specific Restricted Purpose (Aged Care)	959	1,193	2,152
Allocation to Specific Restricted Purpose (Specific Purpose Donations & Bequests)	190	-	190
TOTAL ALLOCATED TO SPECIFIC RESERVES	1,177	1,193	2,370

Financial statements

Notes To and Forming part of the Financial Statements for the Year Ended 30 June 2006

Note 24: Remuneration of Auditors

	Total 2006 \$'000
Audit fees paid or payable to the Victorian Auditor - General's Office for audit of Western District Health Service current financial report	
Paid as at 30 June	3
Payable as at 30 June	20
	23

Note 25: Significant Donations and Bequests

During the year the following substantial donations and bequests were received
by the Health Service for specific or restricted purposes :

Donor	Restricted Purpose	Total \$'000
Estate of Brian Alexander McCutcheon	Residential Aged Care - Hamilton	1,265
The late Joe Collery	Medical Equipment - Hamilton Base Hospital	50
Estate of Hazel H. Waller	Penshurst Health Service Redevelopment	43
Estate of Wilhelmina Cochrane	Penshurst Health Service Redevelopment	42
Mr Geoff Handbury	Youthbiz Program	35
Hamilton & District Aged Care Trust	Residential Aged Care - Hamilton	25
Collier Charitable Trust	Penshurst Health Service Redevelopment	23
		1,483

Compliance index

This Annual Report of the entity is prepared in accordance with the *Financial Management Act 1994* and the Directions of the Minister for Finance. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

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Glossary of terms

10MMM	Multi Media Mayhem project in 10 towns of Southern Grampians Shire	ILU	Independent Living Unit
ACHS	Australian Council on Healthcare Standards	IMG	International Medical Graduates
ACSAA	Aged Care Standards and Agency	IP	Internet Protocol (related to telephone)
ADASS	Adult Day Activity and Support Service	IT	Information Technology
ARA	Australian Reporting Awards	KPI	Key Performance Indicator
BCN	Breast Care Nurse	KRA	Key Result Area
Best practice	The way leading edge organisations deliver world class performance	NBV	Nurses Board of Victoria
BFHI	Baby Friendly Hospital Initiative	NICS	National Institute of Clinical Studies
BOD	Board of Directors	O&G	Obstetrician & Gynaecologist
BS&D	Business Support and Development	OES	Organisational Effectiveness Survey
CACPs	Community Aged Care Packages	OH&S	Occupational Health and Safety
CBR	Chemical Biological and Radiation	OT	Occupational Therapy
CCV	Cancer Council of Victoria	PAGs	Planned Activity Groups
CDHS	Coleraine and District Health Service	PCP	Primary Care Partnerships
CDM	Chronic Disease Management	PDHS	Penshurst & District Health Service
CEO	Chief Executive Officer	PUPPS	Pressure Ulcer Point of Prevalence Survey
CFA	Country Fire Authority	QI	Quality Improvement
Continuum of care	The cycle of care, comprising access, entry, assessment, care planning, implementation of care, evaluation, separation and community management	QOC Report	Quality of Care Report
COPD	Chronic Obstructive Pulmonary Disease	QPI	Quality Performance Indicator
CSN	Clinical Support Nurse	QPS	Quality Performance System
CSSD	Central Sterile Supply Department	RIRDC	Rural Industry Research & Development Corporation
DHS	Department of Human Services	RMIT	Royal Melbourne Institute of Technology (university with a site in Hamilton)
DON	Director of Nursing	RMO	Resident Medical Officer
DRG	Diagnostic Related Grouper; the means by which hospitals define and measure their casemix	RN	Registered Nurse
DVA	Department of Veterans Affairs	ROAST	Rural Organisation of Acute Stroke Teams
ED	Emergency Department	SDFF	Sustainable Dairy Farm Families
EEO	Equal Employment Opportunity	Separation	Process by which a patient is discharged from care
EFT	Equivalent Full Time	SFF	Sustainable Farm Families
EQuiP	Evaluation and Quality Improvement Program	SGGRP	Southern Grampians Glenelg Rehabilitation Program
FHCC	Frances Hewett Community Centre	Standard	a statement of a level of performance to be achieved
FIA	Fundraising Institute - Australia	SWARH	South West Alliance of Rural Hospitals
FOI	Freedom of Information	VHA	Victorian Healthcare Association
FReeZA	Drug & alcohol free entertainment for young people	VMIA	Victorian Managed Insurance Authority
GP	General Practitioner	VMO	Visiting Medical Officer
HACC	Home and Community Care	VMPF	Victorian Medical Postgraduate Foundation
HBH	Hamilton Base Hospital	VQC	Victorian Quality Council
HITH	Hospital in the Home	VTE	Venous Thromboembolism
HMG	Hamilton Medical Group	WDHS	Western District Health Service
HMO	Hospital Medical Officer	WIES	Weighted Inlier Equivalent Separations; allocated resource weight for a patient's episode of care. A formula is applied to the resource weight to determine the WIES for recovery of funding.
HR	Human Resources	YMCA	Young Men's Christian Association
HRIS	Human Resources Information System		
HVAC	Heating, Ventilation and Cooling		
IC	Infection Control		
ICT	Information, Communication and Technology		
ICU	Intensive Care Unit		

Back cover: The fountain in the HBH courtyard greets visitors to the hospital.

Western District Health Service

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Penshurst & District Health Service

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Frances Hewett Community Centre

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YouthBiz

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Grange Residential Care Service

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