



WESTERN DISTRICT HEALTH SERVICE
ANNUAL REPORT 2010

LEADERSHIP AND INNOVATION FOR PERSON CENTRED CARE

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.

Vision

Excellence in health care, putting people first.

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, which sets sound directions
- Safe practice – we are committed to the provision of a safe environment





→ WDHS Div1 Nurse, Rae Christie enjoying quality time with HBH patient, Ralph Handreck



→ WDHS Chief Executive Officer, Jim Fletcher visiting HBH patient, Doreen Kipping

WESTERN DISTRICT HEALTH SERVICE ANNUAL REPORT 2010

The Theme of this year's report is 'Leadership and Innovation for Person Centred Care', which is reflective of the Health Service's vision of excellence in health care, putting people first; through the co-ordination and integration of health services to ensure the person is at the centre of their own care.

This report

- Covers the period 1 July 2009 to 30 June 2010
- Is the twelfth annual report for Western District Health Service (WDHS)
- Is prepared for the Minister for 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 FRD 30 guidelines
- Provides an accurate record of our activities and achievements against key performance measures
- Acknowledges the support of our community
- Printed on Evolve Laser - 100% Recycled (TCF)

- Victorian Premier's Regional Health Service Finalist 2009
- Victorian Premier's Primary Health Service 2008
- Victorian Premier's Regional Health Service 2007

Western District Health Service (WDHS) follows the Victorian State Government Department of Treasury and Finance FRD30 guidelines for its Annual Report, as a public entity under Section 3 of the Financial Management Act 1994 (FMA).

Alternative Format

This Annual Report is also available on the Western District Health Service website at www.wdhs.net

Inside front cover:

- WDHS Physiotherapist, Zita Arends, Occupational Therapist, Briana Deutscher with young Mollie Purvis

Back cover:

- Top: L-R WDHS Theatre Nurse, Kavell Lyons, Surgeon, Stephen Cliffforth with Michelle Walkley and Jude Forsythe-Mibus in the HBH Theatre, which performed 3,029 operations for the year
- Bottom: WDHS Midwife, Emily McCallum, Mum, Hayley Niewand and beautiful baby Charlotte Niewand enjoying the benefits of the new Hamilton Midwifery Model of Care

→ WDHS Physio Assistant, Kathy Guan, part of the team assisting patients with rehabilitation



→ State Nursing and Midwifery Excellence Award winner, WDHS Maternity Services Program Coordinator Pauline Kearns with the Minister for Health, Daniel Andrews



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Year in Brief

Highlights

- Announcement of \$25.8 million redevelopment of Coleraine campus
- 2009 Premier's Regional Health Service of the Year runner up
- Re-accreditation of Hamilton and Peshurst Aged Care facilities
- Gold medal awards for VMIA Risk Management and Waste Management
- Opening of Peshurst campus Stage 1 redevelopment
- National, State and local awards
- Symposia held for Farmer Health and Prostate Cancer
- Minister for Health launches National Centre for Farmer Health Agriculture and Medicine Unit with 22 students across Australia undertaking the unit
- Minister for Health launches Virtual Service Partnership for Eye and Ear services between WDHS / SWARH / Royal Eye and Ear Hospital
- Excellent results for food safety, cleaning, patient satisfaction, (VPSM, Press Ganey) and hand hygiene
- Research funding for National Centre for Farmer Health (RIRDC \$189K, Beyond Blue \$99K, Australian Research Council \$378K) and Community Services and Allied Health (Dental Health, \$47K for Indigenous Dental Health)
- New 16 slice CT scan assists the introduction of Thrombolytic medication for stroke patients
- Successful Top of the Town Charity Ball sponsorship launch with fundraising directed toward establishing HBH operating theatres as a Centre for Excellence for Endoscopy and Laparoscopic surgery
- 11th Handbury Lecture presented by Associate Professor Steven Bolsin
- National Centre for Farmer Health continues to roll out Sustainable Farm Families programs and establish an Information HUB and Agri Safe program
- Cancer Link Nurse appointed to improve cancer patients journey
- Go for Your Life and Long Stay Older Patient programs completed with excellent results
- Outstanding fundraising result of \$1.16 million
- Increased GP services for Coleraine & Peshurst and an additional Medical Registrar for HBH
- \$616K State Grant to replace steriliser and patient monitoring equipment at Hamilton Base Hospital and X-Ray processor at Coleraine campus
- State Government allocates \$42,790 to YouthBiz for the FReeZA program for next two years
- Evaluation of Hamilton Midwifery Model of Care completed with outstanding outcomes
- Operating budget and entity surplus

Performance at a glance	2010	2009	2008	2007	2006
Financial (\$000's)					
Total revenue	55,429	54,565	50,950	46,941	44,372
Total expenditure	55,317	53,948	50,611	46,585	44,026
Surplus (before capital and specific items)	112	617	339	356	346
Total assets	72,663	71,534	70,525	68,944	66,131
Total liabilities	18,577	18,029	16,214	15,130	13,054
Equity	54,086	53,505	54,311	53,814	53,077
Fundraising (\$000's)					
Income	1,162	612	767	672	1,729
Expenditure	12	13	17	14	27
Surplus	1,150	599	750	658	1,702
Staff					
Number of staff employed	736	708	676	672	678
Equivalent full time	549.47	541.37	532.99	526.06	520.79
Performance Indicators (Acute)					
Inpatients treated (separations)	6,829	7,415	7,181	6,890	6,542
Complexity adjusted inpatients (WIES16)*	4,976	5,267	5,195	5,240	5,188
Average stay (days)	3.20	3.23	3.37	3.48	3.67
Inpatient bed days	21,861	23,967	24,417	23,968	24,027
Total occasions of non-admitted patient service	60,025	60,342	58,254	56,812	59,965
* WIES - Weighted Inlier Equivalent Separations					

Overview

Reporting against our objectives

Each year Western District Health Service develops an Organisational Plan to provide strategic direction in seven key strategic areas. We have detailed the key objectives and strategies established for 2009/10 with a summary of outcomes and a profile of our future directions. Further details are outlined throughout this report. Please refer to the glossary on the inside back cover for abbreviations.

	OBJECTIVES	STRATEGIES	OUTCOMES	FUTURE		
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	Lead the development of health services and support systems	→ 2009 Premier's Regional Health Service of the Year Award runner's up P 3, 5, 6, 8	→ Continued development of National Centre for Farmer Health		
			→ National Centre for Farmer Health establishes Information Hub and Agri Safe Program P 5, 6, 7, 8, 16			
			→ Minister for Health launches Virtual Service Partnership between WDHS, Royal Eye and Ear and SWARH P 5, 6, 40		→ Enhance use of virtual services	
			→ New financial management system (ORACLE) implemented P 6, 40, 41		→ Ongoing development of Sub Regional Services systems	
Improving Performance and Risk Management	To comply with ACHS, Aged Care and World's Best Practice standards through pursuit of continuous quality improvement (Q.I), research and Risk Management	Maintain structures and systems to ensure clinical and corporate governance accountability	→ Solle on line education system developed and implemented P 6, 38	→ Development of new strategic and service plans → Update three year budget strategy		
			→ Implementation of strategic and service plans P 28, 35, 40, 41, 42			
			→ Operating budget and entity surplus P 5, 6, 10, 11, 40, 53			
			→ Implementation of regional staffing strategy for SWARH P 41, 43			
Clinical Services	To enhance our role as a Sub Regional Referral Centre and provide an integrated range of Specialist services to our Community	Participate in Best Practice Projects and Research	→ Re-accreditation of Hamilton and Penshurst Aged Care facilities for three years P 5, 8, 18	→ PMCV accreditation → ACHS periodic review		
			→ Baby Friendly Accreditation P 18			
			→ Australian College of Surgeons Training Accreditation for five years P 18			
			→ ACHS self assessment P 18, 31, 19			
			→ Participation in Best Practice programs through Sustainable Farm Families, Long Stay Older Patients, Stroke Care, Go for Your Life, Climate Change P 5, 8, 9, 10, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29		→ Ongoing participation in Best Practice Projects and Research	
			→ Obtainment of research funding for National Centre for Farmer Health and Dental Health project P 5, 9, 14, 26			
→ Presentations at National and State Conferences P 19, 25, 26, 42,						
→ Director Community Services & Allied Health study tour of Canada on Chronic Disease P 23, 24						
To provide a comprehensive range of services to the aged, including specialist care and Community Aged Care Packages (CACPs)	Implement the Safe Practice and Risk Management Programs to ensure the wellbeing and safety of consumers, staff and assets	→ VMIA Gold Medal award for Risk Management P 5, 18	→ Ongoing implementation of Safe Environment and Risk Management Strategies			
		→ Excellent results for Food Safety, Cleaning and Hand Hygiene P 5, 9, 19, 43, → Risk Register reviewed and updated P 31 → Roll out of staff and resident vaccination program P 37				
Clinical Services	To enhance our role as a Sub Regional Referral Centre and provide an integrated range of Specialist services to our Community	Participate in statewide and National Consumer Satisfaction Patient Surveys	→ High peer group rating for consumer satisfaction P 18, 43	→ Ongoing participation in Patients, Residents and Clients surveys		
			→ Top rating for Aged Care peer group through Press Ganey P 5, 9, 18			
			Implementation of Sub Regional Stroke Framework		→ Purchase of a new 16 slice CT scan by Bendigo Radiology and thrombolytic medication therapy introduced P 5, 8, 21	→ Continue to enhance Sub Acute Services
			Enhance services for Cancer patients		→ Cancer Link Nurse appointed to improve care and coordination of cancer patients P 5, 8, 23, 24	→ Establish specialist outpatient service for Cancer patients
			Implementation of Sub Regional Wound Management Program		→ Specialist Consulting Services including use of virtual services provided to SW HACC and high care aged residential clients P 8, 10, 20, 22, 42	→ Continued implementation of project
			Enhance medical coverage		→ Additional Junior Medical Registrar and HMO/Intern position created P 5, 21 → Memorandum of Understanding with Deakin University P 14, 26 → Additional GP support provided to Coleraine and Penshurst campuses P 5, 8	→ Commence placements for Deakin Medical School in 2011
			Develop new innovative models of care		→ Evaluation of Hamilton Midwifery Model of Care completed P 5, 21, 35	→ Investigate and develop new models of care
			Increase therapy programs		→ Improved services and assisted daily living skills outcomes for long stay older patients at Hamilton Base Hospital P 5, 8, 9, 10, 20, 21, 22 → Implementation of Diversional Therapy Program for Men P 20, 22	→ Increase the number of Aged Care places → Pursue funding for Transitional Care Program

	OBJECTIVES	STRATEGIES	OUTCOMES	FUTURE
Primary and Preventative Health	To continue to develop contemporary health programs which support access and improve the health and wellbeing of the community	Provide leadership in research, education, health, wellbeing and safety for Farmer Health	→ Implementation of five key objectives of NCFH related to research, education, information Hub, Agri Safe and roll out of Sustainable Farm Families P 5, 8, 9, 14, 26, 27	Secure recurrent funding for National Centre for Farmer Health and Sustainable Farm Families for research and development of Farmer health, safety and wellbeing
		Expansion and roll out of health and wellbeing and chronic disease programs	→ Virtual delivery of chronic disease programs to Balmoral and Casterton P 10, 25 → Implementation of new service models, P 23, 24 → \$42,790 allocation for FReeZA program through YouthBiz P 24 → Bi-annual Mobile Breast Screen service P 25	→ Implementation of Health Independence program and new health and wellbeing service models → Development of virtual super clinic model with Hamilton Medical Group
Human Resources	To recruit, develop and retain high calibre staff committed to consumer focus service	Maintain and promote WDHS partnerships with universities, schools and employment traineeships	→ Undergraduate clinical placements for Nursing, Medical and Allied Health P 35, 39 → Secondary school careers program P 9, 21, 35, 36 → Work experience and traineeship placements P 35	→ Maintain undergraduate clinical placements and provision of traineeships and careers in health
		Maintain Graduate program	→ Graduate programs for Nursing and Medical staff P 38	→ Provision of Graduate placements
		Undertake comprehensive programs to recruit high calibre staff	→ Overseas recruitment P35 → Appointments to Senior Medical Staff P 38	→ Ongoing recruitment strategies
		Promote Employer of Choice through work environment, values and culture	→ Organisational and staff awards including Employee of the Month P 4, 5, 8, 9, 10, 18, 21, 22, 23, 24, 25, 27, 31, 32, 33, 35, 36, 40, 42, 45, 46, 47 → Values and culture training P 35 → Mentoring program P 33	→ Continued promotion of Employer of Choice
		Implementation of HR Strategic Plan	→ HR Action Plan implemented P 35	→ Completion of next five year HR Strategic Plan
		Provide training opportunities that motivate and encourage staff to maximise the use of their skills and enhance service quality	→ Implementation of high calibre and innovative education programs P 26, 27, 38, 39 → Endorsed Div 2 Scope of Practice program P 35, 39 → Establishment and delivery of National Centre for Farmer Health Agriculture and Medicine Post Graduate Unit P 26, 35, 36 → Sustainable Farm Families Train the Trainer Program provided to health and agriculture professionals across Australia P 26, 27 → Implementation of E-learning strategy P 35, 41	→ Continued implementation of education and E-learning strategic plan
Facilities & Equipment	To upgrade and maintain facilities, equipment and infrastructure to meet the requirements of contemporary health care standards	Implement Capital Master Plans and redevelopment of facilities across WDHS	→ Opening of stage 1 redevelopment of Peshurst campus P 5, 8, 9, 20, 22 → Announcement of \$25.8 million redevelopment of Coleraine campus P 5, 8, 9, 10, 11, 12, 20, 22 → Design plan completed for new Community Health Centre for Merino P 9, 10, 11, 43	→ Complete review of Hamilton and Peshurst Master Plan → Complete design and tender documentation to commence construction of Coleraine redevelopment in 2011 → Obtain planning approval to commence construction of new Health Centre for Merino
		Upgrade major clinical equipment	→ \$616K State Government Grant to replace steriliser for HBH Theatre, patient monitoring equipment for HBH ICU/HDU/ED, x-ray processor for Coleraine campus P 8, 9, 11, 20, 22, 40, 43	→ Commence construction of final stage of Grange redevelopment → Transfer of old Ambulance site to WDHS → Update HBH Theatre equipment to digital technology capacity for laparoscopy and endoscopy surgery
		Upgrade infrastructure	→ Completion of stage 2 ducting & piping upgrade at HBH (\$310K) P 43 → Installation of CCTV to priority areas of HBH P 37, 40, 41, 43	→ Ongoing implementation of infrastructure upgrade strategy
		Implementation of fundraising and donor initiatives	→ Excellent fundraising result \$1.16 million P 5, 9, 46, 47 → Grange Appeal launch reaches \$1.9 million P 44 → Hospital Sunday Appeal raises \$39,751 P 9, 32, 44, 46 → Arctic Blast Party raises \$27,640 P 9, 44 → Successful Top of the Town Charity Ball sponsorship launch P 5, 8, 9, 11	→ Ongoing implementation of major fundraising and donor initiatives including 3rd Top of the Town Charity Ball
Community Engagement	To increase community involvement and enhance the profile of the Health Service	Promote WDHS and increase community awareness and consumer participation	→ Annual and Quality Care reports, publications, newsletters, National and State presentations P 3, 44 → Development of Diversity Action plan P 35	→ Inform and involve the community via media, internet, newsletters, Annual and Quality reports → Implementation of Diversity Plan
		Provision of major regional education, health and wellbeing forums	→ 11th Handbury Lecture P 5, 8, 9 → Symposiums held for Farmer Health and Prostate Cancer P 5, 8, 24	→ Provision of Regional and Educational Forums → National Conference for Farmer Health

President and CEO's Report



→ WDHS Board President, Mary-Ann Brown and Chief Executive Officer, Jim Fletcher, driving leadership and innovation in person centred care

Leadership and Innovation for Person-Centred Care

Report from the President and Chief Executive Officer

On behalf of the Board of Directors, Management and Staff, we are pleased to present the 12th Annual Report for Western District Health Service (WDHS).

WDHS strives to fulfill its vision of Excellence in Health Care, Putting People First by taking a leadership role and innovative approach to the provision of high quality health care, which places the person at the centre of their care.

The achievements of WDHS in the pursuit of excellence and best practice were again recognised with the Health Service named as one of the two finalists in the 2009 Premier's Regional Health Service of the Year Award. This follows on from our success in 2007 as Regional Health Service and 2008 as the Primary Health Services of the Year award winners.

Other Major Highlights During the Year Included:

- State Government funding announcement for the \$25.8 million redevelopment of the Coleraine campus
- Re-accreditation of Hamilton and Penshurst Aged Care facilities for a further three years
- Opening of the first stage redevelopment of the Penshurst campus providing improved living, dining and outdoor facilities for Nursing Home residents and new ensuites for long stay acute patients
- Launch of the National Centre for Farmer Health, Agriculture and Medicine Unit by the Minister for Health with 22 students across Australia undertaking the inaugural unit in Hamilton
- The establishment of an Information Hub, Agri-Safe program, commencement of three research projects and continued roll out of the Sustainable Farm Families program by the National Centre for Farmer Health
- Provision of Regional symposiums for Farmer Health, Prostate Cancer and Annual Handbury Lecture
- Further development of Person Centred Care through Long Stay Older Patients, Chronic Disease, Stroke and Midwifery Models of Care
- Appointment of a Cancer Link Nurse to improve the cancer treatment journey for cancer patients
- Introduction of thrombolytic medication for stroke patients in conjunction with the installation of a new 16 slice CT scan by our private X-Ray provider Bendigo Radiology
- Increased medical coverage to Hamilton Base Hospital, Coleraine and Penshurst campuses
- Further advancement in the use of leading edge virtual services technology with the Ministerial launch of the partnership between WDHS, Royal Eye and Ear Hospital and SWARH and the use of virtual technology for the Sub Regional Wound Management consultancy and chronic disease programs
- Successful Top of the Town Charity Ball Sponsorship launch with proceeds from October 2010 ball to be directed to establishing Hamilton Base Hospital Operating Theatres as a Centre for Excellence for Endoscopy and Laparoscopic surgery
- \$616,000 State Government grant replacing a steriliser and ICU and ED patient monitoring equipment at Hamilton Base Hospital and X-ray processor at Coleraine
- National, State and local awards including Business Awards, State Nursing Awards, Regional Achievement and Community Service Awards, Volunteer Awards and Gold Medal for Risk and Waste Management

Quality Performance, Innovation and Research

Our focus on continuous improvement was rewarded with the re-accreditation of our Hamilton and Penshurst Aged Care facilities, top rating in the Press Ganey Aged Care Satisfaction National Benchmarking, and high rating in the Acute Hospital Patient Satisfaction Surveys.

The Health Service received Gold Medal Awards for its Risk and Waste Management programs and achieved excellent results for food safety, cleanliness and hand hygiene.

Our pursuit of best practice through enhancing our capacity as a learning organisation has been boosted with successful research grants to the National Centre for Farmer Health from RIRDC, Beyond Blue and the Australian Research Council. The Community Services and Allied Health Division also attracted a Dental Health Research Grant for Indigenous Dental Health.

New innovative service models in Midwifery, Stroke Management, Care for Long Stay Older Patients, Farmer Health, Chronic Disease, Health Promotion including Go for Your Life, Active Script, Work Health, Men's and Youth Health continued to lead the way in the provision of health care to our community, as well as sharing our learnings and knowledge with other health organisations.

The amalgamation of Community Services and Allied Health to form a new Division has enhanced the coordination and improved the continuum of care for users of these services. This has included developing coordinated care pathways with Hamilton Medical Group as a first step in the establishment of a Virtual Super Clinic to further improve the continuum of care between General Practitioners and WDHS Community Services and Allied Health.

Plans are also well advanced to establish a joint partnership approach to care coordination for HACC clients with the Southern Grampians Shire and to integrate hospital discharge planning into this program, which will further enhance our person centred approach to care.

Our Staff

We were extremely proud to see a number of our staff recognised for their leadership, innovation and commitment to excellence in healthcare through the receipt of a number of statewide awards including:

Associate Professor Sue Brumby – Regional Achievement and Community Service Award for Career Achievements

Pauline Kearns – State Nursing Award for Excellence in Midwifery

Jennie O'Donnell – Commendation for State Nursing Award for Excellence in Nursing Practice

Sheryl Nicolson – Fellowship of Australian Association for Quality Health Care

Alanna Brooker – Best Performing School Based Trainee

There were also numerous awards taken out by departments across the organisation including business awards for Go For Your Life and Frances Hewett Community Centre, West Vic Award for School Based Apprenticeship, Premier's and Minister for Health Awards for Volunteers, Regional Community Award for YouthBiz 10 MMM project and National commendation for our Aged Care Virtual Visiting program

At an internal level, 12 of our unsung heroes received Employee of the Month Awards sponsored by Darriwill Farm and the COAG Long Stay Older Patients project and YouthBiz teams received the prestigious Clinical and Non Clinical awards.

Our Community

The support from our community knows no bounds and continued to grow despite the uncertainty created by the Global Financial crisis.

Our major fundraising campaign for the Grange has reached \$1.9 million of \$2.2 million required.

Other successful fundraising activities held during the year included the Annual Hospital Sunday Appeal, which raised \$39,751 and the Arctic Blast party which raised \$27,640.

The third Top of the Town Charity Ball to be held in October this year is off to a great start with an increased number of sponsors coming on board to support this first class event. The goal this year is to raise funds to assist the implementation of digital technology in our operating theatres, establishing these as a centre for excellence for keyhole and endoscopy surgery.

The Coleraine redevelopment campaign got off to a flying start with a bequest of \$644,000 from the Estate of Thomas Hodgetts.

Thanks to the success of these fundraising activities and those of our regular supporters including the Aged Care Trust, Hamilton and North Hamilton Ladies Auxiliaries, Hospital Opportunity Shop, Murray to Moyne, Collier, Angliss and Langston Estate Trusts, the Estates of Eileen McKellar and May Fraser, regular benefactor Dr. Geoff Handbury AO, Hamilton North Rotary and many other businesses and hundreds of individuals, our fundraising result for the year was an outstanding \$1.16 million.



→ WDHS YouthBiz team members, Melanie Russell, Leanne Watt and Rhys Saunders with their WDHS 2009 Non-Clinical Excellence & Innovation Award for excellence in delivery of recreation programs for young people

Facilities and Equipment

The major highlight for our capital program was the State Government announcement of \$25.8 million funding for the redevelopment of health facilities at Coleraine with the Health Service to contribute \$600,000. This \$25.8 million project will create a one stop health precinct to service the Coleraine community for the next 50 years and beyond. It is expected that construction will start in May 2011 with completion at the end of 2013. This welcome news is reward for our planning and perseverance and we thank the Premier and Minister for Health for their support of this much needed redevelopment.

Other highlights for the year included the opening of the \$600,000 stage 1 redevelopment of the Penshurst campus, \$616,000 State Government allocation for replacement steriliser and patient monitoring equipment for Hamilton Base Hospital and X-ray Processor for Coleraine. The State Government also provided \$310,000 to complete the second stage of the piping and ducting replacement at Hamilton Base Hospital.

After many tortuous months of uncertainty associated with planning processes including VCAT mediation relating to the demolition of two badly dilapidated buildings, the green light has finally been received to clear the new site to build a new Community Health Centre for Merino. It is expected that the new Centre will be completed in mid 2011. With plans to commence the construction of the final stage of the Grange Aged Residential Care in April 2011, it promises to be an extremely fruitful and busy time ahead for development of our health service facilities.



→ WDHS Theatre Manager, Liska Greyling explaining the benefits of a new colonoscope to the HBH Opportunity Shop Volunteers who raised funds towards its purchase

Leadership and Management

WDHS' reputation as a leader in the use of video technology continued to gather momentum with a Ministerial launch of a new partnership agreement with the Royal Eye and Ear Hospital and SWARH and the implementation of virtual services for the provision of wound management consultancy to the South West Region. Virtual services have also been extended to the delivery of Chronic Disease programs to Balmoral and Casterton. In addition, the Health Service received a Commonwealth Minister for Aged Care Excellence Award for our Aged Care Virtual Visiting Program.

The expansion and development of the National Centre for Farmer Health and continued roll out of the Sustainable Farm Families program across the Nation, as well as the development of innovative service models for Midwifery, Chronic Disease, Long Stay Older Patients and Health Promotion, has further enhanced our role and reputation as a leader in health care.

Our financial performance for the year resulted in an operating surplus of \$112,000 and an entity surplus of \$28,000.

On the activity side, our WIES performance was below target for the first time in a decade, which was attributable to a number of factors including bed closures during infrastructure works, long term Specialist Physician and Surgeon vacancies and the success of our Chronic Disease Management program such as Hospital Admission Risk Program (HARP). We acknowledge the

support of the Department of Health during this challenging period.

Acknowledgements

The support we receive from many individuals, businesses, service clubs, support groups, auxiliaries, Aged Care Trust and volunteers is outstanding. Their support is greatly valued and appreciated as it is critical to our ongoing success and development as a Health Service.

We also recognise the outstanding contribution of our Board Members, Staff, Visiting Medical Officers, Development Council, local Parliamentarians, the Victorian Government and Central and Regional Department of Health staff, Local and Commonwealth Governments and local radio and print media outlets.

Future Outlook

The future ahead promises to be one of rapid development with the commencement of key building projects, the Coleraine redevelopment, a new Community Health Centre for Merino and the final stage of the Grange redevelopment. These projects, together with the further development of the National Centre for Farmer Health and implementation of new innovative service models of care, will provide us with many opportunities and challenges to keep WDHS at the forefront of Regional and Rural Health Service delivery.

Mary-Ann Brown
President

Jim Fletcher
Chief Executive Officer

Responsible Bodies Declaration

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for the WDHS for the year ending 30 June 2010.

Mary-Ann Brown
President

17 August 2010

Financial Overview

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

The financial statements have been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards and Australian Accounting Interpretations and other mandatory professional reporting requirements for the year ended 30 June 2010.

Western District Health Service achieved a comprehensive entity surplus of \$581,000 for the 2009/10 financial year, improved overall liquidity and maintained the asset base with an investment in fixed assets of \$2 million, but was unable to achieve all activity targets with acute inpatient activity 5% below target. The failure to achieve acute throughput targets for the first time was attributable to medical workforce issues associated with difficulties in recruiting to fill two key specialist positions and it is expected that activity targets will be achieved next year when these positions are filled.

While the operating performance and liquidity targets continue to be achieved, the continued deterioration of building facilities and the lack of significant investment in building assets was reflected in the failure to achieve the level of investment required to maintain the health service asset base. During the year the State Government announced the provision of \$25.8 million in the 2010/11 Budget for the redevelopment of Coleraine Hospital. This substantial investment together with a \$2.8 million redevelopment of Grange Residential Care facility and the construction of a new community centre at Merino will enable the replacement of the most compromised facilities and deliver a substantial improvement in building assets over the next three years.

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 government capital grants 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 of \$3,553,000 provided for specific capital purposes is excluded as these funds are not available to support operations. Depreciation and asset valuation changes - \$376,000 for non financial assets and \$58,000 for financial assets are also excluded being predominantly funded from capital income sources. In addition, recognition of income as a consequence of changes to membership of joint ventures of \$65,000 should also be excluded.

The accepted indicator of performance is the net result prior to Capital and Specific items. In the current year, this result was a surplus of \$112,000 (\$617,000 in 2009), which represents 0.20% of the operating revenue.

In the 2008/09 financial year, depreciation charges of \$3,575,000 were recorded reflecting the cost associated with the use of buildings and equipment in delivering services. This represents an increase of \$1,221,000 (34%) on the previous year and reflects the impact of the increase in value and reassessment of useful life of buildings as a consequence of the revaluation of land and buildings completed by the Victorian Valuer General in June 2009.

In order to maintain the Health Service asset base, operating surpluses and capital purpose income must exceed depreciation charges and periodic non-current asset valuation changes. In the current year, Capital Income was \$354,000 more than the depreciation and valuation charges, increased equity of \$65,000 was recognized from SWARH and PCP joint ventures. Financial asset fair value gains of \$112,000 and impairment losses \$54,000 were also included in calculating the comprehensive result for the year.

Including all items, the Health Service net assets increased by \$581,000 for the year, which represents an increase of 1.1% (decrease of \$806,000 – 1.5% in 2009).

Liquidity Position

During 2009/10 the health service generated positive cash flows from operations of \$523,000 and \$3,604,000 in Capital Purpose Income, \$1,899,000 of these funds were used to purchase property, plant and equipment during the year. The entity generated a positive cash flow of \$2,228,000 for the year after capital items and elimination of cash flows of \$918,000 from the sale of investments.

At the end of the year, the ratio of current assets to current liabilities (excluding Patient Trust funds) was 1.41:1, a slight increase on the ratio of 1.35:1 at the start of the year. This is in excess of the 0.8 target ratio, but is expected to decline significantly over the next few years as funds are expended on major capital works associated with the Coleraine, Merino and Grange Residential redevelopment projects.

Asset Management

\$2.3 million was invested during the year in equipment upgrades (\$1.6 million) and building works (\$0.7 million) in accordance with the capital works budget adopted in August by the Board of Directors. This investment in equipment was \$629,000 greater than the depreciation on equipment items. Investment in buildings was however \$1.9 million below the depreciation expense for the year.

The health service participated in a Department of Health pilot program to review classification and effective life of all medical equipment. This review included the identification of medical equipment condition and a risk assessment to determine items requiring replacement before 2012. As a consequence of this comprehensive review, an equipment revaluation was undertaken with an increase in the written down value of equipment assets being recorded against the asset revaluation reserve of \$376,000. The Department of Health provided funding of \$616,000 under the Target Medical Equipment Program to replace monitoring equipment, steriliser and xray digital processor and the health service committed to the upgrade of theatre equipment for high definition digital endoscopy and laparoscopic capability over two years, with the support of the Top of The Town fundraising committee.

The announcement of \$25.8 million capital funding for the Coleraine Redevelopment in the 2010 State Budget represents a substantial investment in building stock and

together with the Merino Community Centre and Grange Redevelopment project will significantly increase the value of buildings and resolve the highest priority infrastructure risks over the next three years.

Included in the capital works investment in the current year was \$169,000 for the completion of the Peshurst Redevelopment, \$252,000 to complete the upgrade of Water Pipe and Ducting at Hamilton Base Hospital, \$169,000 preconstruction costs associated with the Coleraine Redevelopment, \$1,064,000 on medical equipment and \$488,000 on other plant and equipment.

The Future

The continued support of the community, as indicated by the outstanding \$1.16 million received from donations and bequests in 2009/10, provides the opportunity for Western District Health Service 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.

The substantial building program, including the State funded \$25.8 million Coleraine Redevelopment, will provide a significant upgrade to health service building

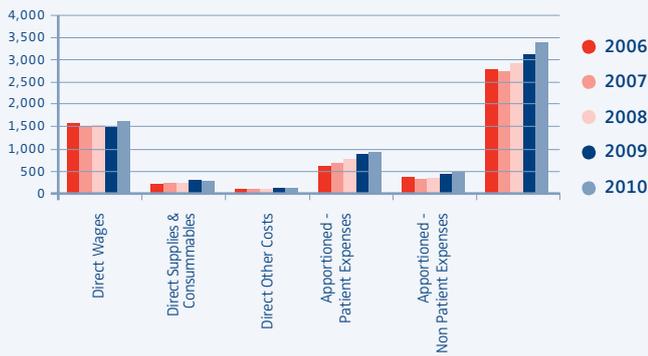
infrastructure and enhance service provision to the communities of Coleraine and Merino for the next 50 years. While there will be a decline in liquidity levels as a consequence of the redevelopments, continuation of strong community support and the delivery of operating surpluses will ensure there is no impact on the Health Service financial position.

The Health Service will continue to face challenges brought about by substantial changes in the economic environment, increased productivity demands, continued implementation of new clinical information systems and new medical technology, increasing demand for high quality services, as it strives to continually improve service provision in a financially sustainable way.

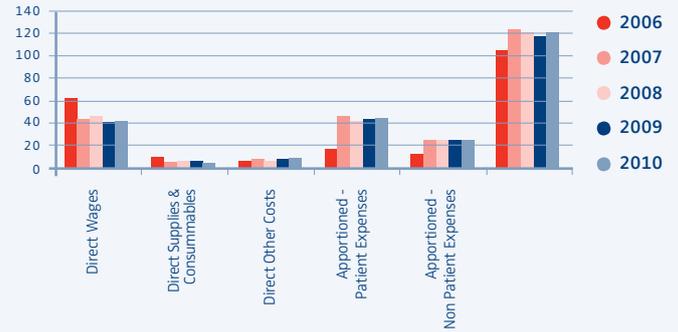
Financial analysis of operating revenues and expenses

Revenue	2010 \$000s	2009 \$000s	2008 \$000s	2007 \$000s	2006 \$000s
Services Supported by Health Service Agreement					
Government grants	37,567	36,955	33,949	31,305	30,044
Indirect contributions by Department of Human Services	1,137	740	963	1,262	1,075
Patient fees	10,906	10,708	10,330	9,815	9,332
Other revenue	683	707	927	687	460
	50,293	49,110	46,169	43,069	40,911
Services supported by Hospital/Community Initiatives					
Business Units	1,193	1,189	1,129	1,235	1,157
Property income	642	623	575	584	554
Other revenue	3,301	3,643	3,077	2,053	1,750
	5,136	5,455	4,781	3,872	3,461
Total revenue	55,429	54,565	50,950	46,941	44,372
Expenditure					
Services Supported by Health Service Agreement					
Employee entitlements	36,752	35,373	33,728	31,168	29,864
Fee for service medical officers	2,981	3,046	2,869	2,605	2,506
Supplies and consumables	5,192	5,588	4,911	4,434	4,126
Other expenses	8,341	8,002	7,169	6,531	5,763
	53,266	52,009	48,677	44,738	42,259
Services supported by Hospital/Community Initiatives					
Employee entitlements	1,487	1,419	1,377	1,374	1,291
Supplies and consumables	163	145	148	149	198
Other expenses	401	375	529	465	342
	2,051	1,939	2,054	1,988	1,831
Total Expenditure	55,317	53,948	50,731	46,726	44,090
Surplus for the year before capital purpose income, Depreciation and Specific Items.	112	617	219	215	282
Capital Purpose Income	1,318	736	831	747	1,008
Donations and bequests	1,162	612	767	642	1,729
Residential Aged Care - Capital Purpose Income	1,124	1,046	1,062	871	844
Surplus/(Loss) on disposal of fixed assets	(59)	(149)	29	61	62
Impairment of Financial Assets	(54)	(142)			
Revaluation Decrement on Non Current Assets		(1,425)			
Depreciation	(3,575)	(2,354)	(2,287)	(2,184)	(1,827)
Operating surplus for the year	28	(1,059)	621	352	2,098
* See page 11 for Financial Overview					

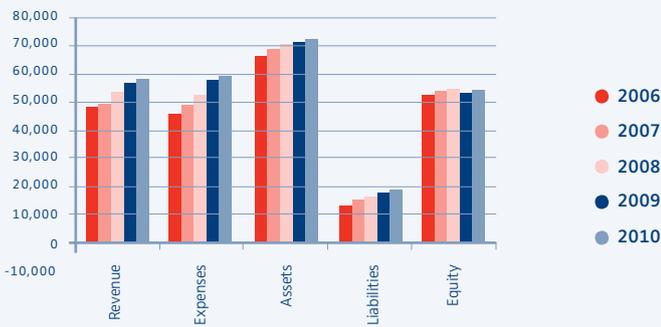
Average Cost of Acute Inpatient



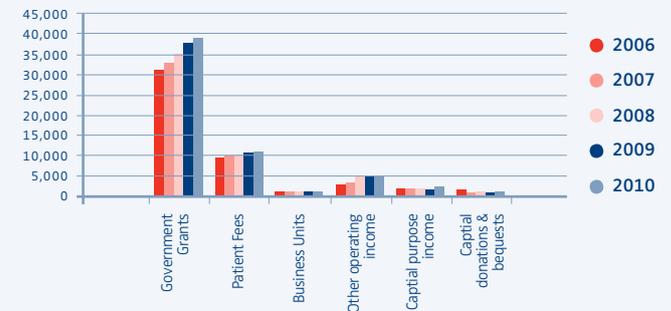
Average Cost Non-admitted Occasion of Service



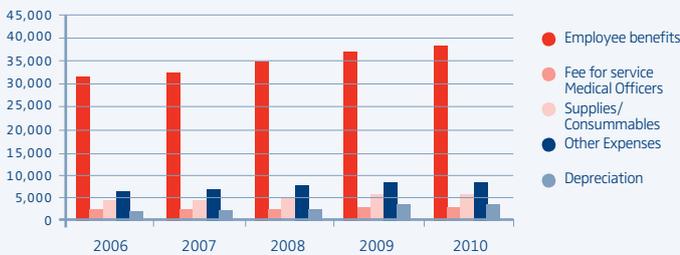
Analysis of Financial Position 30 June 2010 (\$000s)



Income by category (\$000s)



Expenditure by category (\$000s)



Employee Benefits as at 30 June 2010 (\$000s)



Inpatients treated by patient classification (\$000s)

	2010	2009	2008	2007	2006
Public	4,914	5,327	5,081	4,856	4,647
Private	1,560	1,673	1,657	1,647	1,515
Department of Veterans Affairs	298	339	376	309	312
Workcover	26	37	23	47	33
Transport Accident Commission	31	39	44	31	35
	6,829	7,415	7,181	6,890	6,542

About Our Organisation



Western District Health Service (WDHS) has played a central role in its community for the past 148 years, since Hamilton Base Hospital and Benevolent Asylum was first established in 1862 to provide care for people suffering from illness and accidents and for victims of personal tragedy and social distress.

Almost 150 years later, WDHS reflects the community it now serves - a major centre in a prosperous rural environment, looking forward to a positive future.

WDHS is based in Hamilton, Coleraine and Penshurst, in the Southern Grampians Shire (SGS). WDHS incorporates Frances Hewett Community Centre (FHCC), Grange Residential Care Service, Hamilton Base Hospital (HBH), Coleraine District Health Service (CDHS), Penshurst and District Health Service (PDHS), the National Centre for Farmer Health (NCFH) and YouthBiz. The Health Service provides 91 acute beds, 170 high and low level extended care and residential aged care beds, 35 Independent Living Units, community and allied health services, and youth services.

WDHS is a member of the Southern Grampians Glenelg Sub Region of the Department of Health's Barwon South West Region. Other member health services are Casterton Memorial Hospital, Heywood Rural Health, Portland District Health, Balmoral and Dartmoor Bush Nursing Centres.

Southern Grampians Shire is located in the centre of Victoria's Western District. It is home to 17,000 people, with 10,000 residents living in Hamilton. The remainder are serviced by smaller townships and farming communities.

Our Past, Present & Future

WDHS was established in 1998, with the amalgamation of Hamilton Base Hospital, Southern Grampians Community Health Services and Penshurst and District War Memorial Hospital, now PDHS. In 2005 CDHS amalgamated with WDHS.

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

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

The Coleraine District Health Service commenced 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 joined WDHS in 1998, and provides a broad range of community based services.

The Grange was built as a private hospital in 1927 and became an aged care hostel in 1956. A redevelopment occurred in 2002, and it now provides 45 beds of modern, high and low-level aged care accommodation and 30 CACPs. A long term redevelopment plan for The Grange will increase capacity to 50 beds.

YouthBiz was established in 1997 by Southern Grampians Community Health Services Inc, which amalgamated with HBH in 1998. YouthBiz provides a drop in centre and

a wide range of health and recreation services to the young people of our community.

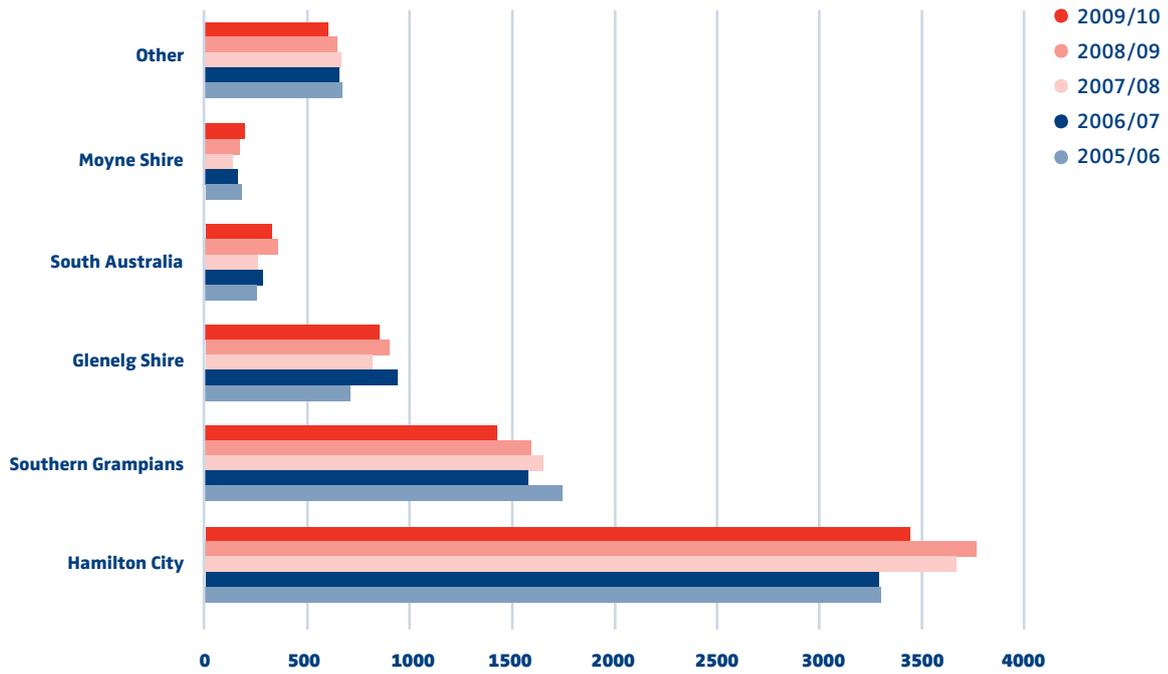
WDHS took over management of Dental Services in July 2008 and a new public dental clinic building on the Francis Hewitt Community Centre site was completed in June 2009. It has three dentists' chairs, with potential for future expansion. There are plans for the establishment of a dental training school in partnership with La Trobe University with a possible commencement date of 2012.

National Centre for Farmer Health

The National Centre for Farmer Health is a partnership between WDHS and Deakin University, which commenced operations in October 2008 with funding from the Victorian Government and the Handbury Trust.

Launched by the Premier of Victoria, it was established to provide national leadership to improve the health, wellbeing and safety of farmers, farm workers and their families across Australia through research, service delivery and education.

Patient Demographics – total number of admissions



→ WDHS Community Services & Allied Health staff, Chief OT, Sue Adamson, OT1, Briana Deutscher and OT2, Heidi Manson, three of our staff providing health services and support to Western District families

Our Services

Hamilton Base Hospital (all services)
Penshurst and Coleraine & District Health
Services (general medical only)

Acute Care Services

- Anaesthetics
- Chemotherapy
- Coronary Care
- Day Procedure
- Discharge Planning
- Ear Nose and Throat
- Emergency
- Endoscopy
- General Medicine
- General Surgery
- Gynaecology
- Haemodialysis
- High Dependency Care
- Hospital in the Home
- Infection Control
- Intensive Care
- Long Stay Older Patients
- Maxillofacial Surgery
- Obstetrics
- Operating Suite
- Ophthalmology
- Oral Surgery
- Orthopaedics
- Paediatrics
- Pre-admission Service
- Pharmacy
- Psychiatry
- Rehabilitation
- Specialist Medicine
- Specialist Nursing
- Urology
- Private Services - pathology, radiology and sleep clinic

Extended Care

(The Grange, The Birches, Kolor Lodge,
Penshurst Nursing Home, Valley View Nursing
Home, Wannan and Mackie Hostels)

- Community Aged Care Packages
- Dementia Specific Residential Aged Care
- Diversional Therapy
- Palliative Care
- Psycho geriatric Care
- Residential Aged Care
- Residential Extended Care
- Respite

National Centre for Farmer Health

- Agri-Safe
- Education
- Information Hub
- Research
- Sustainable Farm Families



→ WDHHS Grange Residential Care Unit Manager, Peter Francis enjoying a light hearted moment with resident, Ian Swaby and friend, Megara Hall

Community and Allied Health Services

(Hamilton House and Coleraine Allied Health
Centres, Frances Hewett Community Centre,
Sheppard Centre and Merino Bush Nursing
Centre)

- Active Script
- Adult Day Activity and Support Service
- Asthma Education
- Audiology
- Blood Services
- Cancer Link Nurse
- Cancer Support Group
- Cancer Support Services
- Cardiac Rehabilitation
- Carer's Support
- Chronic Disease Management
- Coordinated Care
- Community Rehabilitation Centre (CRC)
- Continence Service
- Counselling
- Day Centre
- Dermatology
- Dental Services
- Diabetes Education
- District Nursing Service
- Domiciliary Midwifery
- Family Planning
- FReeZA
- Go for your life
- Hamilton Community Transport
- HARP (Hospital Admission Risk Program)
- Headspace Youth Service
- Hospital in the Home
- Maternity Enhancement
- Meals on Wheels
- Men's Health
- Nutrition and Dietetics
- Occupational Therapy
- Palliative Care

- Physical Activity Programs
- Physiotherapy
- Podiatry
- Post Acute Care
- Pulmonary Rehabilitation
- Quit Fresh Start
- Sexual and Reproductive Health
- Social Work
- South West Community Transport Service
- Speech Pathology
- Stomal Therapy
- Women's Health
- Work Health
- Victorian Aids and Equipment Program
- YouthBiz
- 10MMM

Administrative

- Auxiliaries
- Business Support and Innovation
- Community Liaison
- Facility Management
- Finance
- Health Information
- Hotel Services
- Human Resources
- Learning and Education
- Library
- Linen Services
- Occupational Health and Safety
- Quality Improvement
- Reception
- Security
- Volunteer Program

Service Performance at a glance

	2010	2009	2008	2,007	2006
Inpatient Statistics (Acute Program)					
Inpatients Treated	6,829	7,415	7,181	6,890	6,542
Average Complexity (DRG Weight)	0.73	0.71	0.74	0.76	0.76
Complexity adjusted inpatients (WIES 16)*	4,976	5,267	5,195	5,240	5,187
Inpatient Bed Days	21,861	23,967	24,417	23,968	24,027
Average Length of Stay (days)	3.20	3.23	3.37	3.48	3.67
HITH bed days	678	578	664	690	750
Nursing Home Type Bed Days	2,385	2,659	3,669	3,221	3,125
Operations	3,029	3,088	3,006	2,993	2,950
Births	223	237	221	219	217
Available Bed Days	27,191	30,172	30,907	30,833	29,567
Occupancy Rate	80.4%	79.4%	79.0%	79.8%	83.8%
Average Cost per inpatient	\$3,366	\$3,099	\$2,915	\$2,669	\$2,768
Aged Care Statistics - (Aged Program)					
High Care					
Residents Accommodated	158	166	167	165	152
Resident Bed Days	40,547	40,756	43,448	43,593	41,817
Low Care					
Residents Accommodated	80	88	93	74	98
Resident Bed Days	18,071	18,907	16,504	16,520	17,414
Respite					
Residents Accommodated	133	145	102	119	135
Resident Bed Days	1,755	1,676	1,532	1,469	1,742
Occupancy Rate	97.30%	98.95%	99.19%	99.35%	98.85%
Community Aged Care Package (CAPS) clients	39	38	44	34	25
CAPS occasions of service	10,908	10,854	10,672	8,006	7,249
Accident/Emergency Occasions of Service	5,949	5,792	6,154	5,739	4,512
Outpatient (non-admitted) Occasions of Service					
Physiotherapy	7,567	8,094	8,033	8,927	11,416
Rehabilitation & Day Centre	4,605	5,095	5,256	4,785	2,493
Speech Pathology	851	1,030	887	829	879
Podiatry	2,810	2,012	2,150	2,195	2,611
Social Welfare	2,946	4,025	3,829	3,384	4,415
Occupational Therapy	4,053	4,266	4,749	4,809	4,830
Palliative Care	1,893	1,056	776	830	980
District Nursing Service	35,300	34,764	32,574	31,053	32,341
Total non-admitted occasions of service	60,025	60,342	58,254	56,812	59,965
Cost per non-admitted occasion of service	\$122	\$117	\$121	\$123	\$104
Meals on Wheels	37,770	39,613	34,005	31,243	31,493
Quality Assurance					
Full Accreditation Status	YES	YES	YES	YES	YES

* 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 DRGs by the Vic-DRG version 52.

* Our Target WIES for 2009/10 (excluding those funded under the Small Rural Health Services Program) was 4,990. We failed to achieve this target by 249.43 WIES (5.00%)

Improving Performance

Strategy : To pursue best practice through a culture of continuous quality improvement and increased consumer participation in health care and evaluation.

Achievements

- Re-accreditation of Aged Care Facilities, Baby Friendly Hospital Initiative and Australasian College of Surgeons surgical training
- VMIA Gold medal for risk management
- Achieved Waste Wise Gold Accreditation in August 2009 for two years
- Community Participation Plan reviewed for 2010 -2013
- Development and implementation of a Disability Action Plan
- Victorian Patient Satisfaction Survey results: overall care index rated higher than other Category B hospitals average and higher than the overall state average
- Top National rating for peer group for Press Ganey Residential and Relative Satisfaction survey
- Participation in Health Round Table (2010 WDHS was highlighted as an exemplar hospital for DRG 001 Caesarean delivery)
- Participated in the National Standards Assessment Program (NSAP) for Palliative Care Services
- Implementation of infection control strategies

The future

- Review the organisational Quality Framework
- Complete Indigenous Oral Health Research Project
- Research outcomes of GP collaborative model (MBS Allied Health trial)

- Workplace mental health research partnership with Greater Green Triangle University of Rural Health
- Review of Discharge planning
- Undertake ACHS Periodic Review
- Implementation of Disability action and Community participation plans

Accreditation

The Aged Care Standards and Accreditation Agency completed visits to our Aged Care facilities and completed a full accreditation survey of the Birches, Grange and Penshurst aged care facilities in August 2009. All were successful in achieving re-accreditation for a further three years having met all 44 service standard outcomes.

We were also very pleased to achieve Baby Friendly Hospital Initiative Accreditation for our Maternity Services and re-accreditation by the Royal Australasian College of Surgeons for our surgical training.

Risk Management

The Board, Executive and staff are very aware that effective management of risks is critical to enhanced care of patients/clients and residents. We continue to work closely with our insurer VMIA regarding risk management, achieving a Gold Medal award in the organisation-wide Risk Management survey. There is a strong reporting culture in the organisation, which enables us to recognise risks and be proactive in reducing risks. Over the next 12 months, the current risk management standard AS/NZS 4360-2004 will be replaced with ISO 31000-2009. We have been collaborating with VMIA to ensure a smooth transition to the new standard.

Waste Wise

Since 2002, Hotel Services at WDHS has been involved in waste-minimisation and leading the way as an example to other organisations. Hamilton Base Hospital (HBH) participated in periodic, externally conducted benchmarking audits undertaken by Eco-Recycle Victoria during this time. In all audits, HBH topped the target group, comprised of seventeen businesses. In early 2010 HBH achieved the ultimate, 'Gold' Accreditation as a Waste-Wise Business. This award was bestowed by Sustainability Victoria and runs for two years.

Consumer Participation, Feedback and Satisfaction

The Community Participation Plan 2010 – 2013 has been developed by the organisation's Community Advisory Committee in response to the recognised need to include a specific focus on issues relating to those in our community with a disability and those who are culturally and linguistically diverse. The plan continues to be reviewed and actioned accordingly.

Feedback from the community we serve has been received using both internal and external processes. Internal processes have included continued input from an active Community Advisory Committee, the very successful use of patient/consumer feedback forms and conducting consumer satisfaction surveys in a variety of services including:

- Department of Veterans Affairs (DVA)
- Home and Community Care (HACC)
- Post Acute Care
- Adult Day Activity and Support Service
- Penshurst Community Health

External Processes utilised include:

- Victorian Patient Satisfaction Monitor (Wave 17) for the acute sector- 43.1 % response rate. WDHS overall mean care rating was 80 compared to 78 (Cat B Hospitals) and 78 (all hospitals state-wide)
- Press Ganey Survey (2010) for the Residential services sector – Response rate 67.7%. WDHS National Industry Benchmark overall mean score was 86.7%, 5.1 points higher than the All Systems external benchmark standard. We were pleased to be ranked top of our peer group.



→ WDHS Surgeon, Stephen Clifforth with CNS, Jude Forsythe-Mibus and Theatre Nurse, Michelle Walkley performing one of the 3,029 operations for the year



→ The recently introduced, innovative WDHS Midwifery Model of Care is providing mums and babies with the best possible start together

Health Roundtable

Participation in the Health Roundtable –Victorian Benchmarking group, has provided us with an opportunity to network and share problems and solutions with other organisations. Analysis of Casemix for Emergency and selected KPI data has demonstrated that WDHS is providing exemplar care in relation to length of stay in Emergency and for Caesarean Section births. There was a strong interest from various hospitals in the Hamilton Model of Midwifery Care following a presentation given at a recent Health Roundtable forum.

National Standards Assessment Program (Quality Improvement for Palliative Care Services)

In an endeavour to improve quality in palliative care experiences and outcomes for patients, their families and their carers, a self assessment against the National Standards was undertaken by a multidisciplinary team in early 2010. The overall result confirmed that the service provided by WDHS was of a high standard. Thirteen standards were assessed and prioritised as Low (8) Medium, (3) and High (2). We are now working on improvements in the medium and high priority areas.

Infection Control

Hand hygiene has continued to gain momentum. WDHS staff is consistent in hand washing at the appropriate times. Data indicates WDHS at 76% compliance compared to 72% state wide

Pressure area prediction and prevention is a very important part of our quality and risk management program. We have conducted a review on the tools used to both predict and prevent pressure ulcers to patients while in hospital. A successful trial of a new tool called the Braden Scale for Prediction of Pressure Risk, commenced in July 2009 and has demonstrated that from October 2009 to June 2010, no further pressure areas occurred. This is an outstanding result for the Medical Unit

The Pandemic Influenza Plan was utilized during the Pandemic Influenza of H1N1 (swine Flu) and whilst the actual disease was, in most people, mild, its impact was still felt in the community. The pandemic provided an opportunity to gain valuable insight into the effects, leading to refinement and alteration to our Plan, placing the Health Service in a stronger position to respond to future events

The external cleaning audit (March 2010) resulted in a score of 96.7%

Quality of Care Report

WDHS publishes an annual Quality of Care Report, which provides the community with information on systems and processes used to ensure the highest possible quality of care and service is delivered to the community. The report includes information on consumer feedback, external reviews and clinical practice as well as details of the outcomes of quality improvement initiatives.

The Quality of Care Report is reviewed by the Department of Health each year with a score subsequently awarded based on the degree to which certain criteria are met. This year our Report was once again ranked in the top third of reports reviewed and has been short listed for the overall Quality of Care Report award to be announced at the Public Healthcare Awards later in the year.

Further information about improving our performance is available in our Quality of Care Report in printed or audio formats available at all campuses and at www.wdhs.net

Clinical Services



→ WDHS Div1 Nursing Graduate, Alison Dahlenberg tends to patient, Adelle Brown at HBH

Challenge

→ To enhance our Sub Regional role providing an integrated range of high quality services to our community and to meet the needs of an ageing population.

Achievements

- Increased medical coverage at Hamilton, Coleraine and Peshurst campuses
- Implementation of new service models
 - Midwifery
 - Stroke
 - Long Stay Older Patients
- Roll out of Sub Regional Wound Management Program
- Implementation of Men's Diversional Therapy Program
- Integration of District Nursing Program
- \$616,000 upgrade to Hamilton Base Hospital patient monitoring, theatre sterilisation and Coleraine campus x-ray processor
- Opening of stage 1 of the Peshurst campus redevelopment
- Announcement of \$25.8 million upgrade for Coleraine campus

The Future

- Implementation of digital technology to establish Hamilton Base Hospital operating theatres as a Centre for Excellence for keyhole and endoscopy surgery
- Commence the redevelopment of the Coleraine campus and the final stage redevelopment of the Grange
- Implementation of the Barwon South West Region Cancer Services plan including establishment of specialist outpatient services
- Implementation of service frameworks and models of care
- Increase services for our ageing population
- Implementation of theatre and pre-admission reviews

At WDHS, staff are committed to the care of the people who make up our community. Our staff are mindful of the apprehension faced by some patients during hospital stays and treat each with respect and care. There were 6,829 inpatients treated during the past 12 months, and 60,025 outpatient occasions of service provided.

The Operating Theatres at WDHS served by leading medical and surgical proceduralists supported by quality theatre staff, facilities and equipment operated on 3,029 patients this past year. In our Midwifery Unit we shared the joy of welcoming 223 babies in

2009/10 while our staff provided support and care for 5,949 patients who attended the HBH Emergency Department and those who attended the Primary Care treatment service provided at CDHS and PDHS for minor injuries and illnesses.

We are proud of the facilities which allow us to extend this care across the geographic region we serve. The 75 acute beds at Hamilton Base Hospital provide Emergency, Medical, Surgical, Midwifery, Paediatrics and Intensive Care services, together with a broad range of Allied Health services. Peshurst Campus 6 acute beds and Coleraine Campus 10 acute beds both provide general medical care.

WDHS' six aged care facilities, The Birches and The Grange in Hamilton; Peshurst Nursing Home and Kolor Lodge in Peshurst; Valley View Nursing Home and Wannan Court and Mackie Hostels in Coleraine cater for residential needs of the elderly. Thirty Community Aged Care Packages (CACPS) are administered from the Grange. The staff who support our residents and their carers in these facilities are predominantly Division 1 and Division 2 nurses supported by Personal Care Workers.

We accommodated 158 high care residents, 80 low care residents 133 respite residents, and our occupancy rate in our aged care facilities was 97.3%. We serviced 39 CACPS clients.

Medical and Surgical

Medical Staffing

Hamilton Base Hospital continued to support rotations for Surgical Registrars from the Austin Hospital, Medical Registrars from Barwon Health and Hospital Medical Officers (HMO's) from St. Vincent's and Barwon Health. This year we established one additional HMO rotation from St. Vincent's Hospital and received funding assistance from the State Government to establish a Junior Medical Registrar position. This post was taken up by one of the International HMO's.

The Health Service was fortunate to retain one of our International HMO's for a second year who in turn was able to take on an additional leadership role and support our four new International HMO's employed during the year. All Registrars and HMO's take on important roles providing essential support to medical, surgical and accident and emergency cover, 24 hours per day, seven days per week.

On the Senior Medical staffing front one of our long term Surgeons Mr. David Bird relocated to the Metropolitan area in preparation for an overseas posting. This resignation on top of our vacancy for a Specialist Physician impacted on our acute throughput. On a positive note our job offer to an overseas Physician has been accepted and her application is working its way through the myriad of approval processes. We are also anticipating that we will fill the Surgeon vacancy by late 2010.

WDHS role as a training hospital was expanded during the year with our senior medical staff providing supervision and training to Registrars, HMO's and student placement across General Medicine, General Surgical, Anaesthetics, Obstetrics and General Practice Medicine.

Medical services and coverage to the Penshurst and Coleraine communities was significantly enhanced during the year with the recruitment of three General Practitioners by the Casterton/Coleraine Medical Group and one additional Practitioner appointed by Tri-Star Medical Group to the Penshurst Practice.

Enhanced Recovery after Surgery

The post operative stay after major bowel surgery has traditionally been prolonged, averaging between 10 and 28 days in some hospitals.

The clinical team at Hamilton Base Hospital has implemented an enhanced recovery after surgery program involving a raft of measures relating to changes in practices to anaesthetics, reducing the use of surgical drains, nasogastric tubes and changes to dietary guidelines to facilitate earlier post surgery mobilisation and feeding. When coupled with the increased use of keyhole surgery the average length of stay has decreased to 6.4 days. In cases where conventional surgery is used at Hamilton Base Hospital the average length of stay is 11.2 days.

With the imminent upgrade of Hamilton Base Hospital operating theatres to incorporate state of the art equipment for the performance of keyhole surgery we anticipate further enhancement of the quality of care and an increase in the range and number of surgical procedures performed by keyhole surgery.

Service Frameworks / Models of Care

Midwifery

The Hamilton Midwifery Model of Care continues to lead the way in the development of a service model focused on the needs of mothers and babies providing continuity and coordination of care. The model provides a one to one relationship for mothers with their midwife from antenatal, perinatal and postnatal and works in a collaborative framework with our Director of Obstetrics and G.P. Proceduralists. Evaluation results indicate high levels of satisfaction from mothers, medical staff and midwives.

Improvements in reduction of caesarean rates, rates of induction and length of stay have resulted since the introduction of the new model.

The length of stay for caesarean sections is below the State average with the quality outcomes remaining high making WDHS an exemplar hospital for this indicator. Feedback from both staff and mothers shows an extremely high level of satisfaction with mothers enjoying the extra care they receive from their midwives throughout the continuum of pregnancy, birth and post natal care.

In addition to improvements to maternity clinical indicators, we have seen an improvement in the continuity of care for mothers and babies, enhancement of team work between midwives, medical staff and

general nurses. Enhanced opportunities and support for midwifery students and a reduction in sick leave for midwives are other flow on benefits.

News of the success of the Hamilton Midwifery Model is spreading with a number of other Regional and Rural Health Agencies seeking information and advice on the Model of Care.

Our Midwifery Coordinator Ms. Pauline Kearns was awarded the State Nursing Excellence Award for Midwifery in recognition of her role in establishing the new model. Funding received as part of this award will be used to expand the Hamilton Midwifery Model of Care with a proposal to introduce virtual visiting services to women in remote areas and education initiatives into local schools.

Stroke Care

WDHS continued to take a lead role in the development of the sub-regional stroke framework which included the introduction of thrombolytic medication which is used in instances where stroke is caused by a blood clot. Although research indicates that this applies to only 10% of stroke cases, early diagnosis and identification by CT scan results in much improved outcome for patients. The installation of a 16 slice CT scan by our private radiology provider, Bendigo Radiology greatly assists with this enhanced treatment and management of stroke caused by a blood clot.

We also presented at the 2010 Australian Network to Network Conference on Connection and Collaborative Stroke Care in the South West.

On the national front we have participated in the National Stroke Foundation Acute Stroke Audit with the majority of our results equal to or above the national average. These results provide an excellent baseline to develop further improvement to our Stoke Care Management.

In addition, we are participating in a Stroke Clinical Network TIA Project. A best practice tool has been implemented into our Emergency Department, to assess patient's risk of developing stroke when presenting with TIA symptoms.

Long Stay Older Patients

The care of older people is a growing part of the range of services that we provide to our community in keeping with our ageing population.



→ **WDHS COAG Long Stay Older Patient Program with their Clinical Excellence and Innovation Award for improving the care provided to older patients at HBH**

The COAG Long Stay Older Patients Program has been one of our flagship projects over the last three years with a focus on developing a best practice approach to person centred care. The emphasis for the program is the involvement of patient and carer in their care plans, to improve outcomes in relation to maintenance / retention of independence through daily living skills and to reduce functional decline, enhancing their long term health and wellbeing.

The key drivers for improving outcomes and person centred care have been:

- Staff championing of the person centred care approach
- Extensive staff education on the concept of person centred care
- Support, encouragement and assistance to long stay older patients whilst in hospital care to maintain and improve functionality
- Embedding changes to practice and culture into the normal daily ward routine

The major outcomes and improvements have included:

- Improved assessment and involvement of patients and carers in care plans
- Reduced levels of functional decline for patients
- Improved readiness for discharge and home
- Better identification of support services on return to home
- Screening for dementia and development of management plans
- Reduction in length of hospital stay and waiting lists for residential care

In addition, our Project Team Leader, Jennie O'Donnell, was awarded a State Nursing Commendation Award for Excellence in Nursing Practice in recognition of her work and leadership with the program.

Sub Regional Wound Management

WDHS's reputation for its leadership and innovation in the use of technology through video conferencing, to improve access to specialist services, was further enhanced with the use of virtual technology for delivery of its Sub Regional Wound Management program, to HACC clients and public high care residential facilities. The use of virtual technology has enabled WDHS to conduct meetings, education and clinical consultation to clients and other health service staff in their own home town settings. Extensive education, clinical consultation and development of treatment and management plans for chronic and complex wounds, as well as generic based wound management guidelines have been the main outcomes and developments for the program over the past year.

Men's Diversional Therapy Program

A program focussed on reducing the social isolation experienced by men living in the WDHS residential aged care facilities called Men's Out and About was established during the year. The program developed an extensive schedule of services, which were specific to the interest and activities of male residents prior to their move into residential care. A major objective of the program was to link our male residents into community based programs including Men's Shed, Wood Turning, Museum tours, Vintage displays, counter meals and barbeques.

The high level of participation in the program added to its success and highlighted the ongoing need for this type of program to improve the quality of life and reduce the isolation experienced by men in our aged care residential facilities.

District Nursing Service

On 1st April 2010, the Coleraine Campus District Nursing Service was integrated into the overall WDHS District Nursing Program. This will streamline reporting arrangements, reduce duplication and ensure uniformity in policies, practices and education across the program.

A review of discharge planning is currently in progress to look at ways of improving the co-ordination of services to enhance the transition from hospital to home.

Medical Equipment & Facilities

State of the Art Medical Equipment

The major highlights for equipment upgrade included replacement of:

- Patient monitoring and telemetry system for Hamilton Base Hospital Intensive Care, Emergency Department and Theatre Recovery
- The second steriliser for Hamilton Base Hospital operating theatres
- X-ray processor at the Coleraine campus

We are grateful to the State Government for their \$616,000 contribution towards this equipment.

The purchase of an Oxylog portable ventilator, Bien Air drill for ENT, neo-natal incubator and colonoscope through donations and fundraising activities were some of the other major upgrades to ensure our community, patients and clinicians have access to modern and best standard equipment for the provision of high quality care.

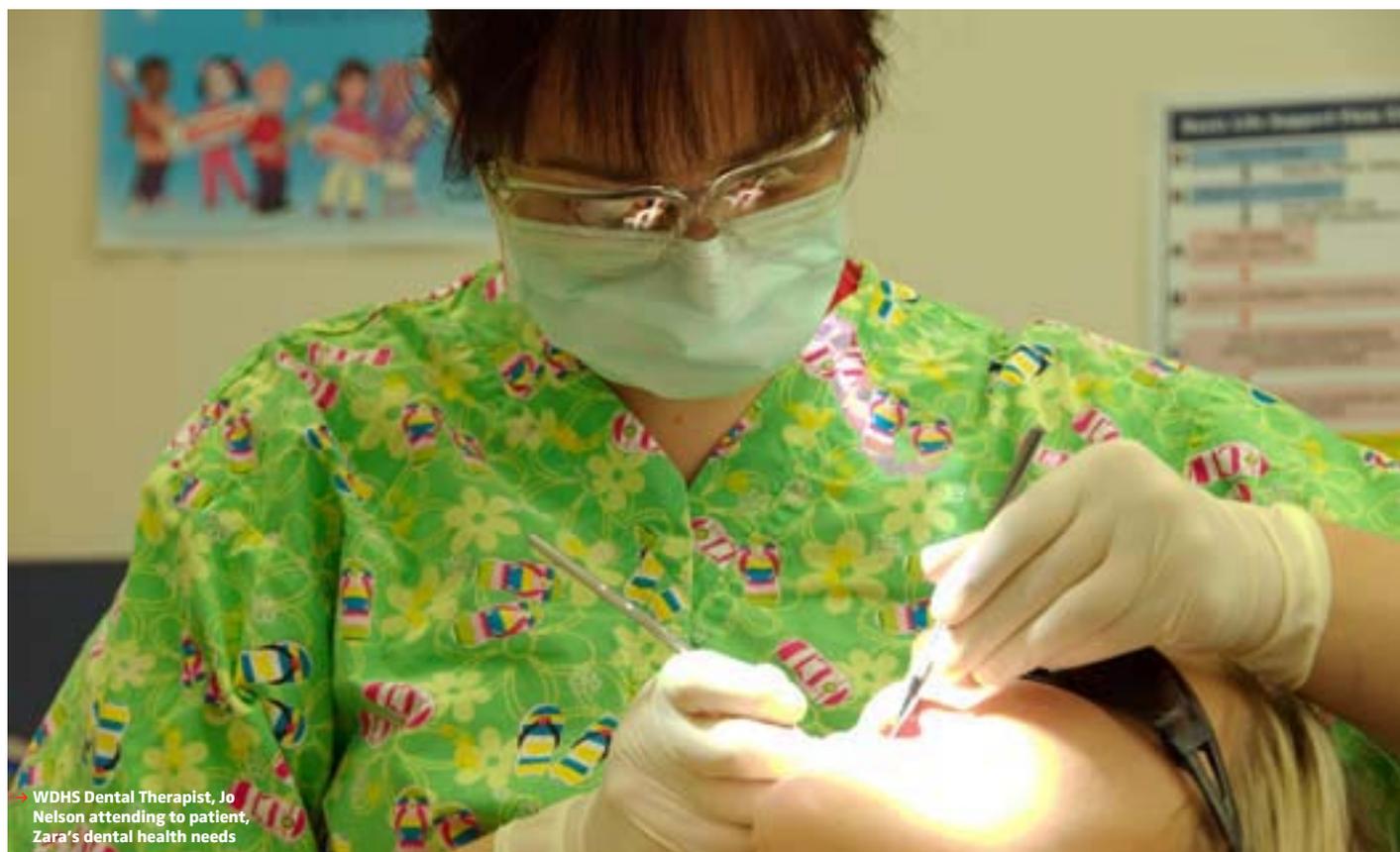
Opening of Stage 1 Redevelopment of Peshurst Campus

The \$600,000 stage1 redevelopment of the Peshurst campus was opened in December 2009. The redevelopment involved the extension of living and dining areas in the Nursing Home wing, development of a new external courtyard for residents and upgrade to two acute bedrooms and ensuites. The redevelopment was funded by fundraising activities, Trust and Foundations \$560,000 and a \$40,000 contribution by the State Government. Stage 1 is the first stage in the overall \$6 million upgrade planned for the facility over the next seven to 10 years.

Coleraine Campus Redevelopment

The State Government \$25.8 million funding announcement for the Coleraine redevelopment was a great boost for WDHS, the Coleraine community and the Shire of Southern Grampians. It is the most significant project in the history of the health service in Coleraine. Plans are in train for the project to go to tender in February 2011, with construction to commence in May 2011 for completion at the end of 2013. The redevelopment will create a "one stop shop" health precinct for Coleraine and serve the community for the next 50 years and beyond.

Community Services and Allied Health



→ WDHS Dental Therapist, Jo Nelson attending to patient, Zara's dental health needs

Achievements

- Development of new service models to enhance person centred care
- New services - including a third dental chair, Headspace and Cancer Link Nurse
- Reduced wait lists in dental, podiatry and occupational therapy
- Successful completion of three year 'Go For Your Life' project
- Director's scholarship to Canada
- 2009 Southern Grampians Shire Powercor Business Achievement Award for Community Enterprise – 'Go for Your Life' project
- 2009 Southern Grampians Shire Iluka Resources Inclusive Business Award for Physical Access – Frances Hewett Community Centre
- 59% reduction in readmissions and 41% reduction in ED presentations for HARP

Future

- Restructure and re-badging of the Division
- Continued implementation of Health Independence Project and Active Service model

- Implementation of Assessment and Care Co-ordination team including discharge planning
- Develop new models of care
- Undertake research projects
- Develop Youth services in partnership with local Government and service providers

New Services and Models of Care

Cancer Link Nurse

Barwon South West Integrated Cancer Service (BSWRICs) has supported a new Cancer Link Nurse role in Hamilton as a two-year trial. This role commenced in April, based at Frances Hewett Community Centre for two days per week and is assisting cancer patients with information and education about services, support available and is facilitating enhanced linkages between specialists and local medical staff.

Headspace

WDHS is the auspice for a new headspace service for Hamilton. This is being implemented in partnership with Brophy Youth Services as part of the National Government's Headspace initiative. This role commenced in May at Frances Hewett Community Centre for three days per

week. It aims to assist young people aged 12-25 to address mental health, drug and alcohol issues by coordinating their access to services. Young people are assisted in coordinated intake, referral and follow-up to help navigate the service system.

Assessment and Care Coordination Team

A new model of care is being introduced to reduce duplication of assessments and better coordinate care for clients. This will provide a single point of contact for clients and coordinated intake and follow-up. The team will refer to specialist Allied Health Departments when needed but will be able to provide a range of care and enhance independence for low risk clients.

A new intake process was trialed in September with positive client feedback. A new Assessment and Referral Coordinator and two Care Coordinators will be established in late 2010.

The team will also include co-location of assessment staff from Southern Grampians Shire's Home and Community Care (HACC) team and staff from Discharge Planning. This will ensure assessment, care planning and follow-up is well coordinated and person centred.

Service Reviews

Allied Health - Aids and Equipment

Significant enhancements have occurred following the review by Occupational Therapy of the Aids and Equipment and domiciliary oxygen service. New processes have increased service responsiveness, significantly increased client satisfaction and reduced waiting times.

Allied Health –Equipment Hire

The hire of crutches and other equipment to outpatients has been reviewed to enhance the tracking, billing and management of hire equipment. Implementation of new processes has commenced with positive outcomes expected, including a reduction in lost equipment.

Youth Services

A review has been completed to identify whether the current youth services, including YouthBiz, is meeting community needs and achieving best practice. This is being conducted in partnership with Brophy Youth Services, Southern Grampians and Glenelg Shires and the Southern Grampians and Glenelg Primary Care Partnership. Our Youth Service has a record of achievement and innovation. The review, including community and stakeholder consultation will ensure the service continues its strong record.

Reduced Waiting Time

Quality improvement initiatives in Occupational Therapy and Podiatry and additional workforce in dental and podiatry have resulted in significant reductions in waiting times. Dental has reduced from 33 months to 25 months, Podiatry from four months to two weeks and aids and equipment from 18 months to four months.

Research

An Indigenous Oral Health research

grant was received from Dental Health Services Victoria for \$47,000 to research the outcomes of an educational intervention on the oral health status of a sample of indigenous children. This will be completed over 12 months in partnership with the Winda Mara Aboriginal Corporation and University of Melbourne Faculty of Medicine, Dentistry and Health Sciences.

The Windermere Foundation is supporting a research project into the consumer outcomes of our collaborative care model with GPs. This aims to develop research skills amongst clinicians and is enabling consumer evaluation tools to be incorporated into our quality improvement. This project will be completed by December 2010.

Study Tour to Canada

Rosie Rowe, Director of Community Services and Allied Health, was funded by an Improving Care for Older People and People with Complex Care Needs Scholarship from the Department of Health to visit Canada in March to learn from innovative models of care for people with complex and chronic conditions. Rosie visited a range of health services, universities and General Practitioners involved in collaborative care using primary healthcare teams.

Information gathered has directly assisted in developing the new model of care being implemented via the Assessment and Care Coordination team.

Preventative Health

“Challenging the Stereotypes - Go For Your Life” completed its third and final year aiming to increase healthy eating, physical activity and water intake amongst working adults. Thirty six workplaces and 700 workers participated with results showing:

- a significant reduction in waist measurement and reduction in Body Mass Index (BMI)
- Increase in fruit and vegetable consumption
- Increase in physical activity
- Increase in individual's health knowledge

In addition to workplaces, over 3000 community members have been involved.

The project was awarded the Local Business Award for Community Enterprise.

An ongoing workplace health initiative is being planned in partnership with Hamilton Regional Business Association (HRBA) and an academic research institution to continue the positive outcomes of 'Go For Your life'.

'Challenging the Stereotypes' is a partnership between WDHS, Southern Grampians & Glenelg Primary Care Partnership (SGGPCP) & Southern Grampians Shire.

WorkHealth

This year was the second year of WDHS' involvement in the Victorian Government's initiative under WorkSafe, delivering free health checks to workplaces. Trained WDHS nurses have conducted over 1500 health checks in the Barwon South West region in the last 12 months. One thousand of these were conducted in 28 workplaces and 500 at community events, including Geelong, Hamilton Sheepvention and Balmoral.

Workplace participation has been diverse, including agriculture, education, finance, local and state government, water authorities, building, retail, sporting clubs and a range of small businesses.

YouthBiz

YouthBiz provided services to over 2000 contacts this year, with girls representing 42% of contacts. Services and programs delivered from YouthBiz included:

- FreeZa – approx 420 young people attended drug and alcohol free music events
- Purple Couch magazine – four editions distributed to readership of over 1,000
- Holiday Programs

The State Government has allocated \$42,790 to continue the FREEZA program for a further two years.

Men's Health introduced a 'Down Tools' program for promoting health awareness in tradesmen; a 'ManVan' screening and education session; Prostate Cancer symposium attended by 120 people with David Parkin and Urologist Mr Richard Grills



→ WDHS Cancer Link Nurse, Jane Sharp has undertaken additional education in cancer care and specialises in the support of people affected by cancer

School health programs were again delivered to over 400 school children, including puberty education to Year 5 and 6 students; Healthy Relationships to Year 9 and Healthy Life programs to Year 12.

Dietetics conducted Food Security Assessments in Southern Grampians and Glenelg Shires to assess the ability to access healthy, affordable and safe food without emergency food relief. The information has been submitted to the Southern Grampians and Glenelg Primary Care Partnership for Health promotion planning.

Women’s Health The bi-annual mobile breast screening service was located in Hamilton from April to June 2010 offering free breast screening for Women, targeting particularly those in 50 – 69 years age group

Other highlights

The Dental service has benefited from equipment funding to open a third surgery and to employ a second fulltime dentist. A new workforce model contracting visiting dentists from Barwon Health commenced in March 2010. This has been positive in overcoming workforce issues of our small rural dental service.

The HARP Program has successfully trialed the use of **Virtual Services** to connect remote clients with complex chronic conditions to education and rehabilitation sessions in Hamilton. Clients from Balmoral and Casterton linked via video conferencing to the cardiac rehab session being held in Hamilton. Clients were appreciative of this option which avoided the need to travel the two-hour round trip.

Physiotherapy coordinated a ‘Making a Move’ program funded by Department of Health combining 15 weeks of exercise and education for community members at risk of falling. In addition to strength and balance sessions, participants are provided with information from continence, dietetics, podiatry and occupational therapy.

Children’s Speech Pathology services have achieved assessments at ten local kindergartens to enable early identification of speech and language difficulties. Linkage with a range of early childhood supports a comprehensive referral and support system.

Our Allied Health teams have serviced a broad area with contract services provided to Edenhope, Casterton, Harrow, Warrnambool, Heywood and Macarthur. Services included physiotherapy, podiatry, continence, dietetics and diabetes education.

Day Centre and Adult Day Activity and Support Service (ADASS) have continued to expand including a Department of Health funded ‘Well for Life’ program. This assisted the 131 clients with information and support to enhance their physical activity, healthy eating and wellbeing. Results indicate increased wellbeing and strong client satisfaction.

Environment

Frances Hewett Community Centre achieved silver certification in the Sustainability Victoria’s Waste Wise Program to reduce waste. Recycled materials are given away and food scraps composted. Energy consumption is the next focus. The Centre also received an award for “Physical Access” through the Southern Grampians Shire Iluka Resources Inclusive Business Awards.

Staff presentations to state and national conferences featuring Go For Your life, Men’s Health, Active Script, Transport, Chronic Disease Management and Climate Change have enhanced the profile of our primary and preventative health programs. Conferences include National Rural Health, Australian Health Promotion, National Men’s Health, State Landcare and State National Parks Conference.

HARP Readmission data – Year Three (2009-10)

HARP works with people and their carers who have a chronic condition to assist them to deal with the challenges their condition presents. This includes working with people in their homes, to help them understand their treatment, manage their symptoms and the impact their condition has on their lifestyle.

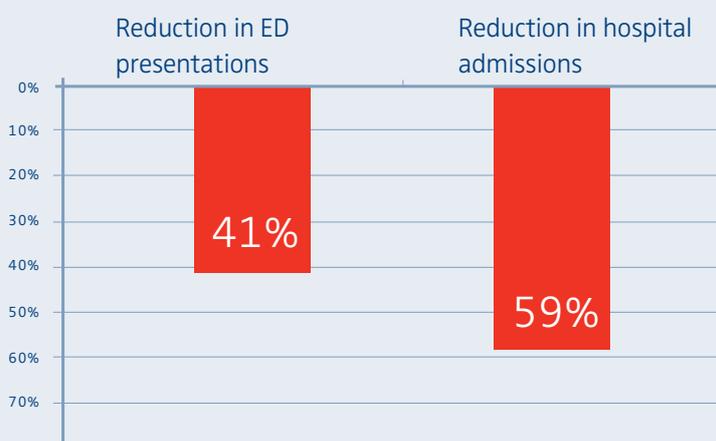
HARP (Hospital Admission Risk Program) has been working with people with chronic and complex conditions since July 2007, initially receiving funding for three years. Over the three years of WDHS HARP, the program continues to indicate positive change in relation to total numbers of Emergency Department presentations and total number of hospital admissions. For the clients admitted to the program from June to Nov 09, our data illustrates an improved:

→ **41% reduction in presentations to the Emergency Department (ED)**

→ **59% reduction in hospital admissions**

This represents a significant reduction in both hospital admissions and Emergency Department (ED) presentations for people in our community who are living with a chronic condition.

Harp Readmissions & ED presentations - 6-months post HARP



This data represents the sum total of presentations to WDHS, which includes admission for any reason, planned or unplanned, related or not related to chronic disease.

National Centre for Farmer Health



Minister for Health, Hon Daniel Andrews with WDHS staff-NCFH Admin Assistant, Pam Trigg, NCFH Lecturer, Dr Scott McCoombe, WDHS Chief Executive Officer, Jim Fletcher, NCFH Director, Associate Professor, Sue Brumby, WDHS Board President, Mary-Ann Brown and NCFH Research Fellow, Dr Ananda Chandrasekara at the launch of the Agriculture & Medicine Unit, "the first of its kind in Australia", later taken up in Hamilton by 22 health & Agricultural professionals from across Australia.

The National Centre for Farmer Health (NCFH) is a Hamilton-based partnership between WDHS and Deakin University encompassing university research, service delivery and education and providing national leadership to improve the health, well-being and safety of farm men and women, farm workers and their families.

The National Centre for Farmer Health is funded by the Victorian Government Future Farming Strategy and the Helen and Geoff Handbury Trust.

The major achievements of the centre over the past year include continued delivery of Sustainable Farm Families (SFF) workshops around the country, a number of new research projects, our inaugural post graduate Agricultural Health and Medicine unit and the launch of the Farmer Health website. Future plans include an inaugural conference 'Opening the gates on farmer health' to be held in Hamilton in October 11-13 2010 and extension of our professional training to develop a graduate certificate of agricultural health and medicine.

Achievements

Professional Training and Education

In February 2010, 22 students from VIC, NSW, SA, QLD and ACT attended the inaugural postgraduate unit offered by NCFH at WDHS (Hamilton). This ground-breaking unit in Agricultural Health and Medicine attracted a diverse group of nurses, veterinarians, social workers, agriculturalists public health students, health promotion students, doctors and rural professionals.

Over the five-day intensive program, 15 expert presenters delivered topics ranging from cancer, diabetes, agricultural chemicals and mental health through to respiratory health, rural emergency medicine and trauma. Presentations highlighted the wide range of health problems encountered by rural and remote Australians and the subsequent poorer health outcomes experienced by the agricultural population. The group also toured the Hamilton Livestock Exchange, a progressive mixed enterprise farm, the local ambulance station and state emergency services facilities. Overall, the 22 participants were full of praise for the unit and are now completing assessments online to gain their postgraduate qualifications. The training will run on an annual basis and further postgraduate level units are currently under development by NCFH. In 2011 the Centre, in conjunction with Deakin School of Medicine, aims to offer a graduate certificate of agricultural health and medicine, the first of its kind in Australia.

Applied Research and Development

Our new 'Farming fit – depression and obesity in farm men and women' project, supported by beyondblue (Victorian Centre of Excellence in Depression and Related Disorders) and Deakin University School of Medicine and Psychology aims to identify the effect of physical activity on health indicators including circulating cortisol levels, anthropometric measures and psychological distress. Participants have been recruited from SFF workshops and in conjunction with physical activity and dietary questionnaires, blood and salivary samples will be analysed for traits including lipid profiles and cortisol levels. A subset of the participants is

undertaking physical activity programs, which will be supported with telephone consultation, while the remainder will act as a control group.

The SFF Future Directions initiative, funded by Rural Industries Research Development Corporation through the Joint Venture for Farm Health and Safety, saw the original SFF team revisit and reassess original participants from 10 of the original workshops. This project will provide longitudinal evidence on the outcomes of participants, who have undertaken SFF workshops with respect to effects on health, lifestyle and farming business decisions. Workshops were held in Victoria (Hamilton, Benalla, Swan Hill and Horsham), NSW (Wee Waa), Queensland (Dalby, Ingham and Ayr) and SA (Clare). Attendance has been pleasing although somewhat affected by flooding in southern Queensland.

The Alcohol Intervention Training program will add an innovative component to the SFF program by training SFF Health Professionals to discuss and respond to alcohol-related problems with farm men and women who undertake SFF workshops. This training is part of a broader research project supported by the Australian Research Council (ARC) in partnership with WDHS, the NCFH and Deakin University School of Psychology. Impact evaluation of this program will be based on the behaviours and mental health of farm men and women as well as assessment of the health professional ability to address these issues. The success of the project will enhance the health and well-being of the farm men and women of Australia, in addition to raising the level of expertise in rural health professionals.



→ Sustainable Farm Families enrolled participants in Georgetown Queensland



→ Director of the National Centre for Farmer Health, Associate Professor, Sue Brumby, Regional Achievement and Community Award winner for 2009

photo provided by the Weekly Times



→ WDHS, National Centre for Farmer Health Lecturer, Dr Scott McCoombe delivers the recently launched Agricultural Health and Medical Course



→ NCFH Agriculture & Medicine HMS701 Course students, Ivan Lister, Rosa Vaughan and Kate Stewart learning about qualitative fit testing of masks

Farmer Health website

The Farmer Health website, which can be found at www.farmerhealth.org.au is an innovative website combining quality farmer focused health information with interactive features and showcasing NCFH activities including research, education and SFF activities.

Today's web users like to interact and contribute when they visit a website hence, visitors to the Farmer Health website can:

- Chat in forums with other farming people
- Share stories, tips and recipes (we'll check to make sure they are healthy!)
- Ask questions on farm health
- Add local events to the community calendar
- Check local weather conditions
- Buy safety equipment
- Check their knowledge with the latest quiz
- Click around the stress tool and see how their body is affected by stress

AgriSafe

Development of the NCFH AgriSafe service has begun with the establishment of an advisory group and exploration of networks including AgriSafe (Iowa, USA) and options for service delivery. Development of an Australian version of the Iowa AgriSafe Manual has also begun.

Sustainable Farm Families™

Over 2,250 farming men and women have participated in the Sustainable Farm Families™ (SFF) program since 2003 across every state. During 2009/10, 21 new programs were delivered in Victoria with support from the Department of Primary Industries and North East Valley Division of GP; four programs were delivered in Queensland with the support of the Department of Justice and Attorney General and one program in Moora, Western Australia with support from the Combined Universities Centre for Rural Health.

The 'train the trainer program', which provides rural professionals with 'best practice guidelines' within the context of

the farm family continues to be a success. In 2010, 21 health professionals from Victoria and Queensland participated in the program, taking the total of rural professionals trained to more than 160.

The success of the SFF program is based on its partnerships and the drive to ensure the program remains relevant in addressing the health, well-being and safety of farming families. The program's links with universities, health agencies, industry partners and funding bodies are essential to ensuring the ongoing success of the program.

During 2009/10 the SFF program was able to provide valuable support to research and development, providing the platform for the Farming Fit and Alcohol Intervention Training projects. Service delivery will continue in the form of second and third year SFF workshops as part of the roll out of previous programs and funding has also been received from Colac Community Enterprise to revisit the original Colac dairy program participants of 2003.

Southern Grampians & Glenelg Primary Care Partnership



→ WDHS staff, Adrian Calvano (Headspace Worker), Melanie Russell (Community Transport project), Oscar Brumby-Rendell (Medical Student) Briana Picken (Project Officer) heading to the "Opening Ceremony of the Olympic Games"

Primary Care Partnership (PCP) Members

- ASPIRE, a Pathway to Mental Health Inc
- Balmoral Bush Nursing Centre Inc
- Brophy Family & Youth Services Inc
- Casterton Memorial Hospital
- Community Connections (Vic) Ltd
- Dartmoor & District Bush Nursing Centre Inc
- Glenelg Shire Council
- Hamilton Community House Inc
- Heywood Rural Health
- Kyeema Centre Inc
- Mulleraterong Centre Inc
- Old Courthouse Community Centre Inc
- Otway Division of General Practice Inc
- Portland District Health
- Portland Neighbourhood House Inc
- Southern Grampians Shire Council
- South West Healthcare (Psychiatric Services)
- Western District Health Service Hamilton, Coleraine and Peshurst campuses

The Southern Grampians and Glenelg Primary Care Partnership (SGGPCP) has

had an exciting 2009/2010 year. The 2009-2012 Strategic Plan for the SGGPCP has been developed and is now in place. The vision of the SGGPCP is through capacity building for collaboration and enhancing the health and wellbeing of our community.

The overarching priorities are:

- Reduce health inequalities
- Reduce impacts of climate change
- Mental health prevention and management
- Diabetes prevention and management

The Strategic Plan was developed employing extensive consultation with all members and stakeholders. Other key planning processes that SGGPCP participated in to assist integration included the Southern Grampians Municipal Public Health and Wellbeing Plan and the Great South Coast Health and Wellbeing Plan.

Our priority themes for keeping people well by undertaking integrated health promotion planning and activities are:

- Physical activity
- Food security – access and affordability

- Social connection
- Oral health
- Transport

This year saw the establishment of three new working groups comprising of a variety of members with a focus on physical activity, social connection and food security. Each group now has the right members with the commitment and capacity to undertake collaborative health promotion planning.

In the area of addressing local needs and innovation, SGGPCP continues to be a leader in understanding and coordinating local action on climate change and the impact on our community's health. We have continued our work in enhancing participation in community arts in Southern Grampians Shire and facilitating cross-sector networks to support rural people adjusting to change.

The PCP welcomed Katrina Carey to our team as Project Officer (ICDM/Service Coordination) and Penny Fraser as Officer Coordinator (12 month contract). We farewelled Victoria Jones, Arts Officer at the end of a six-month contract during the year when Elise Armitage returned from leave.

Achievements

Hamilton Opening Ceremony of the Olympic Games

In September 2009, the Hamilton Opening Ceremony of the Olympic Games was held. The initiative was part of the PCP's Arts project and aimed to increase participation in community arts - with a cast of over 100 and an audience of approximately 300. The event was a huge success with many people stating that they had never been to a community theatre performance and that they loved being part of it.

Climate Change – “Place Based Project”

The “place based project” involved participants passing an ibutton onto a friend in the community. This allowed an opportunity for increasing conversation about energy efficiency. Participants received individualised data and were invited to an energy efficiency evening. Support for energy saving practices were sign posted (facts sheets, web sites, green loans program, light globe changing program, insulation, water and energy taskforce).

Eighty eight percent of participants reported making some changes in energy efficiency ranging from behaviour change like turning off appliances, closing doors and windows, and drawing blinds and curtains to environmental changes such as changing light globes, draught proofing and gap sealing and installing insulation.

Chronic Disease and Mental Health

A Chronic Disease and Mental Health Forum was organised by the SGGPCP, with keynote speaker Kate Schlicht. Kate spoke of her work on a mental health academic project with Professor Prasuna Reddy, True Blue which examines the benefit of mental health screening by practice nurses in GP clinics of patients with chronic conditions. The forum attracted close to 50 people from a range of health disciplines and consumers.

Drug and Alcohol Plan

The Southern Grampians and Glenelg Drug and Alcohol Plan has reached the final endorsement phase, with the Glenelg and Southern Grampians Shires already endorsing the plan. The plan has a focus on alcohol as the priority, with some attention to tobacco use. This focus was decided following an examination of the data and the input from agencies and the community through the consultation process. Whilst illicit drug use is not as significant as alcohol at this stage, it will be monitored and reviewed during the implementation of the Plan.



Hamilton Youth Services Review

A collaboration of WDHS, Brophy Youth & Family Services, Southern Grampians Shire Council and SGGPCP undertook a brief review of the way youth services in Hamilton are delivered. The aim of this project was to enhance the model of dedicated youth service delivery in Hamilton, including use of the current YouthBiz space, to ensure that young people are able to access services that are welcoming, relevant, coordinated and evidence based. The SGGPCP undertook the local consultation component of the project that consultants, Regional Development Company, used in combination with policy and best practice evidence to make recommendations for short and long term improvements.

Fitness Instructor Training

There now are fourteen new qualified fitness instructors working across the Shires of Southern Grampians and Glenelg. SGGPCP coordinated the training which was delivered by TAFE and funded through a collaborative effort including Go For Your Life, Southern Grampians Shire Council and SGGPCP. Many of the participants are Home and Community Care workers who will use their new skills to improve the wellbeing of their older clients in the community.

Community Gardens

SGGPCP, with funding from Go for Your Life, has been working with local communities to support the development of community gardens. The communities of Balmoral and Peshurst are well into the planning phases of their community gardens and SGGPCP is providing advice and examples to these groups. In Hamilton, the focus is on assisting groups with existing gardens to partner with others to broaden the involvement of the community. Community members in Glenthompson are in the early stages of scoping a community garden program.

Keeping Well

SGGPCP initiated a newsletter for everyone supporting the communities of Southern Grampians and Glenelg Shires to stay healthy, strong and well. The partners of SGGPCP have agreed that to build on their existing good health promotion practices there is a need to integrate planning and implementation further. Keeping Well aims to ensure that partners and friends are kept up to date with what is happening and enable them to identify opportunities to contribute to and support the process when it is right for them.

For further information, go to www.sggpcp.com

Corporate Governance



→ WDHS Board members, L-R Peter Duffey, Jenny Hutton, Peter Irvin, Elizabeth Lawrence, Hugh Macdonald, Mary-Ann Brown and Ron Jones

Board of Directors

Mary-Ann Brown BEc(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. She is secretary of the Dunkeld Progress Association, Vice-President of the Hamilton Regional Business Association, President of the Hamilton Film Group, member of the Performing Arts Centre Advisory Committee and Dunkeld Visitor Information Centre volunteer. First appointed November 2002, current term expires 30 June 2012.

Jenny Hutton B.Ed

Jenny is a past secondary teacher and is 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 Executive Committee of ADAPE (Association of Development and Alumni Professionals in Education) and Chairman of Peshurst Botanical Gardens Friends Group. Appointed November 2002, current term expires 30 June 2012.

Ron Jones JP FCDA Dip CD

Ron is now a retired Police Officer, still residing in Coleraine and currently studying. Ron is a Justice of the Peace, is Chair of the Coleraine District Health Service Management Committee and member of his local golf club. Appointed November 2005, term expires 30 June 2011.

Peter Irvin B.Bus (B & F) FinF

Peter is the Project Manager of The Hamilton and Alexandra College Ltd and has a background in corporate and commercial banking. He is a board member of the Rotary Club of Hamilton North. First appointed November 2006, current term expires 30 June 2011.

Elizabeth Lawrence

BHealthandHumanSc(Nursing)

Elizabeth lives with her husband Ben and their two young children on a property in Tarrington, "Carlyle Performance Horses". Elizabeth has a background in health and was working in the health industry in the Northern Territory prior to moving to the Western District. Appointed November 2004, term expires 30 June 2011.

Hugh Macdonald BBacc

Hugh is Regional Manager Hamilton and Director for the Southern Financial Group. He has worked in the finance industry since 1982. Hugh is a director of The Hamilton and Alexandra College Foundation, a trustee for The Hamilton and Alexandra College Old Collegians, and Secretary and member of the committee of the Hamilton Regional Business Association. He has been President of the Hamilton Race Club, President Hamilton Junior Basketball Association and Chairman of the Hamilton Indoor Leisure and Aquatic Centre Fundraising Committee. Appointed November 2006, current term expires 30 June 2012.

Peter Duffey Grad Cert PSM

Peter is the owner operator of the Hamilton Townhouse Motel and a Board Member of Grampians Tourism. He has had vast experience in the Health Sector in WA, as Regional Manager Community Health Services (Pilbara), and SA chairing the Eyre Regional Health Board and the State Ministerial Rural Health Advisory Council. In addition, he has a background in Corporate & Resource Management, local Government and Aboriginal Affairs. Appointed July 2008, current term expires 30 June 2010.

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 June 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 2009/10 year and has assisted greatly in evaluating the effectiveness and performance of the Board Chair, individual Directors and the Board as a team. All current Board Members have undertaken additional governance training.

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 BOD 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 10 committees, which meet as required and report back to the BOD.

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 high quality and innovative care, reflective of its Mission and Vision
- conduct that is ethical and consistent with the Health Service values and 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 and research

Risk management

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. Following a recommendation from our ACHS Organisational Wide Accreditation Survey our Risk Register was restructured into Strategic and Organisation risks. Two extensive reviews and updates of the Risk Register were completed by the Executive during the year.

Our insurers, VMIA, completed a review of our risk management framework and were complimentary of our system and we were awarded a Gold Medal Award.

The Risk Management policy was also updated to reflect the restructure of organisational risks into Strategic and Operational categories of risk.

During the next 12 months, the current Risk Management Standard AS/NZS 4360-2004 will be replaced by ISO 31 000-2007. We have been collaborating with VMIA to ensure a smooth transition to the new standard.

Attestation on Compliance with Australian/New Zealand Risk Management Standard

I, Jim Fletcher, certify that the WDHS has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The audit committee verifies this assurance and that the risk profile of the WDHS has been critically reviewed within the last 12 months.



Jim Fletcher

CHIEF EXECUTIVE OFFICER

Hamilton

17 August 2010

Ethics

Board members are required by the Health Services 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

Executive members are Chief Executive Officer, Deputy CEO/Director of Corporate Services, Director of Medical Services, Director of Nursing, Director of Community Services & Allied Health, Human Resources Manager, Coleraine Manager/Director of Nursing, Penhurst Manager/Director of Nursing, Director National Centre for Farmer Health. The Executive met 25 times during the year, providing regular reports to the BOD.

Board Member	Board Meetings Attended	Committee Membership as at 30 June 2010	Committee Meetings attended
MaryAnn Brown	11 of 11	Medical Appointments Medical Consultative Quality Improvement Remuneration	2 of 2 4 of 4 6 of 6 1 of 1
Peter Duffy	9 of 11	Audit & Compliance Community Advisory Committee	2 of 5 4 of 4
Jenny Hutton	10 of 11	Community Advisory Development Council Medical Appointments Advisory Penhurst Advisory Committee	4 of 4 5 of 6 2 of 2 4 of 6
Peter Irvin	11 of 11	Audit & Compliance Project Control Remuneration	4 of 5 3 of 4 1 of 1
Ron Jones	11 of 11	Audit & Compliance Coleraine Advisory Medical Appointments Advisory Project Control Remuneration	5 of 5 6 of 6 1 of 2 3 of 4 1 of 1
Elizabeth Lawrence	8 of 11	Development Council Project Control Quality Improvement	2 of 4 3 of 4 3 of 6
Hugh Macdonald	10 of 11	Development Council Quality Improvement	5 of 6 5 of 6

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. Five meetings were held during the year. Francis Pekin and Jodie Missen were the external committee representatives. The committee received internal audit reports on the financial management compliance framework and contract management. It also received a presentation on medical indemnity insurance from VMIA and an external audit report on VMO Fees.

Medical Appointments Advisory Committee

Advises the BOD on appointments, re-appointments, suspensions and terminations of visiting medical practitioners. Two 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 the Board, 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. Rev Peter Cook is the community representative. Six 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. Jenny Gubbins, Rachel Malseed, Philip Baulch, Vicki Whyte, Megan Campbell and Renae Porter (from 13/04/10) were the community members on the committee in 2009/10. Six meetings were held during the year.

Penshurst (PDHS) Advisory Committee

Reviews operation, performance and strategic planning for the Penshurst campus. Community representatives are Tom Nieuwveld, Les Paton, Wendy Williams, Margaret Eales, Florence Graetz, Jennifer Kinnealy, George McLean and Mary Johnson. Six meetings were held during the year.

Coleraine (CDHS) Management Committee

Reviews operation, performance and strategic planning for the Coleraine campus. Community representatives are Sandra Adams, John McMeekin, Gabrielle Baudinette, John Northcott, Grant Little, Alan Millard and Anne Pekin. Six meetings were held during the year.



→ WDHS Life Governor Award recipient, Jayne Turner with AGM Guest speaker David Parkin and WDHS Board President, Mary-Ann Brown



→ Hamilton Surgeon, Mr. Peter Tung and his wife Lynette show their door knocking skills for the Hospital Sunday Doorknock Appeal

Community Advisory Committee

Provides consumer views and advice to the Board on planning, implementation and evaluation of health services. Kay Scholfield, Sandra Duncan, Rev. Peter Cook and Chris Phillips were the community representatives. Four meetings were held during the year.

Project Control Committee

Makes recommendations on the design, management and construction of major building projects. Five 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. One meeting was held during the year.



→ WDHS Executive members, L-R Patrick Turnbull, Rosie Rowe, Sue Brumby, Tim Pitt-Lancaster, Jim Fletcher, Damien Malone, John Christie, Janet Kelsh and Hilary King

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 across the Loddon Mallee, Grampians, Northern Metropolitan and Barwon South Western Regions. 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 commenced as CEO of WDHS on July 17, 2000. Jim is Chair of the South West Alliance of Rural Hospitals (SWARH).

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 Sub-committee and Chair of the FMIS Rural Alliance Implementation Committee.

Director of Community Services and Allied Health

Rosie Rowe BNatRes, MBA

Rosie was appointed as Director, Community Services and Allied Health in May 2009. Prior to this appointment, Rosie was the Deputy Director of Community Services from October 2008 and for five years, the Executive Officer of Southern Grampians and Glenelg Primary Care Partnership. She has held senior positions in both the public and private sectors, including in natural resources and telecommunications.

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 across Australia and overseas before moving to Hamilton. 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.

Director of Medical Services (DMS)

John Christie DMS, DTM&H, FAFPHM, FRACMA, MACTM

John commenced at WDHS as a part-time DMS in March 2009. Prior to this John was the Locum Director of Medical Services (DMS) at WDHS. John also works as a part-time medical administrator at Swan Hill District Health in the Loddon Mallee region of Victoria. John commutes between the two regions on a weekly basis. He has a background in public health, tropical medicine and health administration, having worked for a number of years in developing countries as well as other Victorian hospitals including Warrnambool Base Hospital. He has extensive experience in medical management, public health, and is a Paul Harris Fellow.

Director, National Centre for Farmer Health

Associate Professor Susan Brumby RN, RM, DipFMgt, GradDipWomen's Studies, MHMgt, CertIV WorkplaceTrainer, AFCHSE, MRCNA, PhD in progress

Sue commenced her position as Foundation Director of the National Centre for Farmer Health in November 2009 continuing her role as Principal Investigator with Sustainable Farm Families. Prior to commencing with the NCFH she was Director of Community Services at WDHS from 2002. In this position, she oversaw the introduction of new programs and innovative service delivery models resulting in numerous awards for service excellence, consumer involvement and health promotion. Sue is a graduate of the Australian Rural Leadership Program.

Human Resources Manager

Hilary King MBA, Grad Dip HRM, Dip Physio, CAHRI

Hilary commenced work at WDHS in October 2007. She had previously worked at Alcoa in Portland as emergency response coordinator, organisational development consultant, safety manager and Ingot Mill Area Supervisor. Hilary has extensive experience in conflict resolution, diversity management, mentoring, coaching and management development. Hilary has worked as a physiotherapist and rehabilitation consultant for State and Federal governments.

Coleraine Manager/Director of Nursing

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

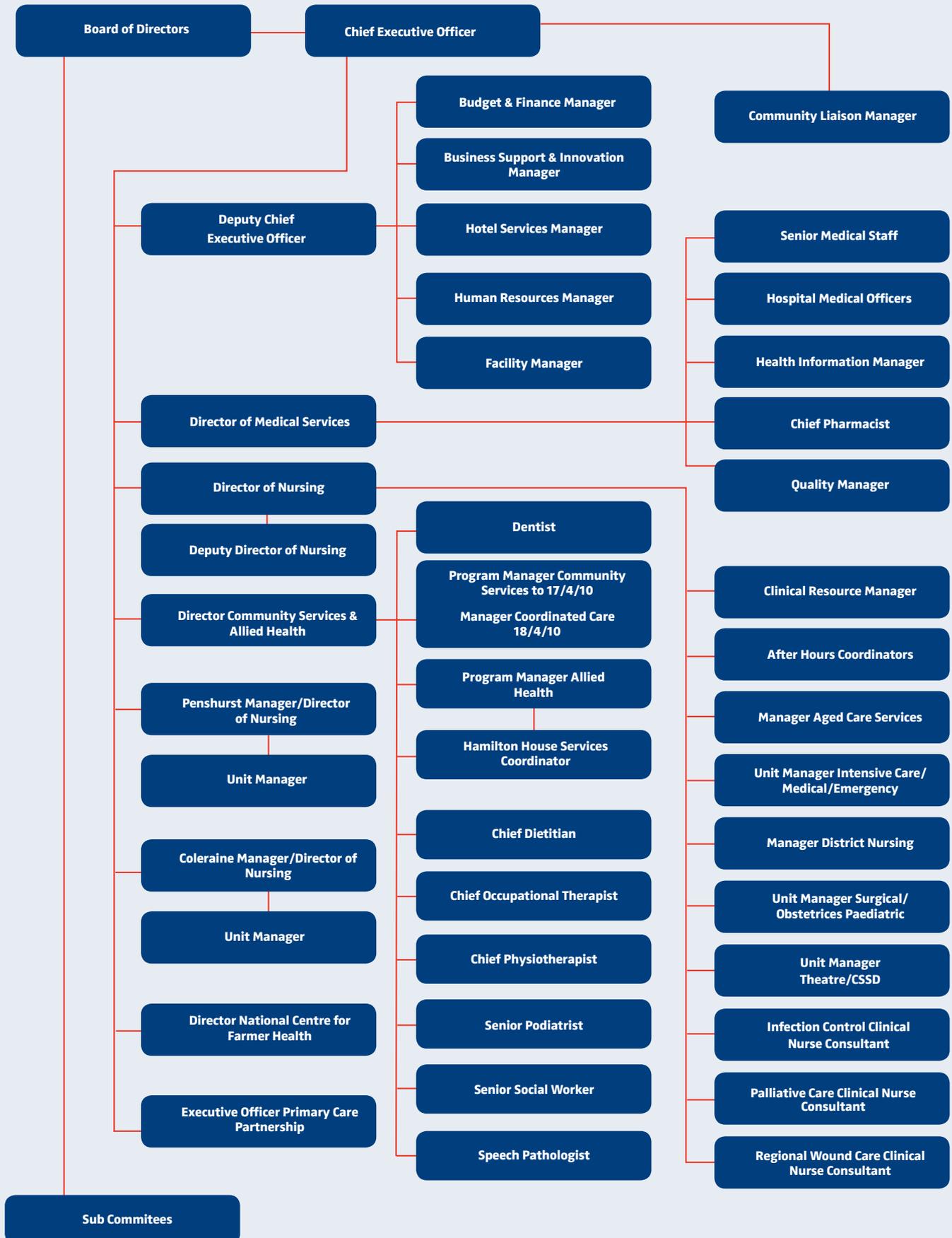
Tim commenced his role in Coleraine in July 2005. Prior to this appointment Tim was the Nurse Unit Manager of the Operating Theatre Suite of the Mount Gambier and District Health Service, a role he filled from 1998 to 2005. During 2005, Tim was also the Acting Director of Nursing and Patient Services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

Penshurst Manager/Director of Nursing

Damien Malone BA BN RN MN Cert IV (Workplace Assessment and Training)

Damien commenced his role at Penshurst in April, 2008. He has worked in a range of acute and aged care healthcare settings in the last 10 years in education and management roles. Damien was the CEO at John Curtin Memorial Hostel 2004-2008, and prior to this he worked as the aged care educator at the Peninsula Health Service in Melbourne.

Organisational Structure





→ Celebrating Cultural Diversity Week at WDHS with an international afternoon tea were Palliative Care Nurse, Erika Fischer, Instrument Technician Granville Fischer, physiotherapist, Tatum Pretorius, all from South Africa, and physiotherapists, John Lalor from Ireland and Ruchi Agrawal from India

Corporate Social Responsibility - Our People in the Workplace

The Challenge

The challenge is to recruit, develop and retain high calibre professionals and specialist staff in a shrinking labor market while meeting the needs of our community and to provide training opportunities that motivate and encourage staff to maximise the use of their skills.

Achievements

- Implementation of HR and learning and education strategic plans
- Enhancement of overseas recruitment project
- Employee of the Month and State awards
- Assistance for overseas staff in obtaining permanent residency
- Development of Parental Leave Support Package
- Relocation guide developed for International staff
- Development of Diversity Access & Participation Plan
- 49 Work Experience and 13 School Based Apprenticeship Traineeship placements
- Implementation of OH & S strategy
- Implementation of e-learning strategies
- Enhanced Scope of Practice for Division Two Nurses
- Introduction of competency based development program for middle level managers
- 326 Undergraduate Clinical placements for Nursing, Allied Health and Medical staff

The Future

- Development of new HR Strategic Plan
- Continuation of Employer of Choice and recruitment strategies

- Implementation of e-recruitment
- Continuation of staff recognition through Employee of the Month Award
- Implementation of healthy workforce and environmental strategies
- Completion of triennial organisation effectiveness survey
- Implementation of mentoring and clinical leadership programs
- Implementation of learning and education strategic plan
- Support of Undergraduate, Post Graduate Apprenticeships/Traineeships and Work Experience placement and programs

HR Strategic Plan 2006-11

The plan was adopted by the Board of Directors in August 2006. During 2009/2010, the focus has been on aligning the new Community Services and Allied Health Division with directions arising from the National Health Reform. The Business Support and Innovation Department formed in 2008, is now fully integrated into our innovative change programs, working with staff on the updating of the theatre, the implementation of e-prescribing and other major change initiatives.

Many of our recent international staff have enjoyed their transition to Hamilton, and now are pursuing permanent residency in order to make a long term commitment to the area.

The Hamilton Midwifery Model of Care commenced in June 2009 and has now had its first evaluation. The results have been extremely positive for mothers and staff. Staff find the ongoing relationship with the mothers very satisfying. The mothers also benefit by building a relationship during their pregnancy with the midwife. Our workforce is stable and unplanned leave has been markedly reduced.

Recruitment

Recruitment is always a very busy activity for the Human Resources Department. Key areas of concern this year have been challenges in attracting replacement Specialist Medical staff as some of our long-serving Specialists have relocated or retired. Fortunately we have been able to source some very experienced locum staff to assist while we continue to search for long term replacements.

Last year, Allied Health was a major area of recruitment activity. We are pleased to report that we now have a stable workforce for that discipline. During 2009/2010 recruitment into the Emergency/ICU has been a priority with a number of overseas trained staff commencing work in late 2009. To assist in making this move more successful, the Human Resources Department have developed a relocation package. This package gives basic information about housing, spouse employment, education opportunities, banking information and general information about other support services. International staff have many barriers to overcome when relocating to Australia and WDHS is committed to making this transition as smooth as possible. One of the biggest issues for overseas staff has been finding suitable employment for spouses and partners.

Traditionally some roles are always more challenging to fill. In particular Senior Nursing Management roles such as the Nurse Unit Management roles have been difficult to recruit to. However, this has allowed us to give other staff a very important opportunity to act up into these senior roles. Unit Manager positions for our Medical Unit and The Birches have been very capably filled by staff acting up into these roles for an extended period of time.

In order to assist staff return to work after childbirth, a comprehensive parental leave support package has been developed and well received by staff. This resource pack gives information to staff and Managers about options and the process for flexible work. It also provides information about parental leave rights and responsibilities.

During the latter stages of 2010, WDHS will be implementing an e-recruitment system which will improve the coordination and efficiency of recruitment activity whilst reducing time involved in recruitment by Managers and Human Resource staff.

Workforce Profile 2010

	Labour Category	% Workforce	Female	Male	Total 2010	Total 2009	EFT 2010	EFT 2009	EFT 2008
01.	Managers	2.31	6	11	17	16	16.17	15.30	15.78
02.	Professionals	38.86	256	30	286	292	215.93	223.91	215.57
03.	Associate Professionals	14.54	98	9	107	98	78.36	73.50	74.58
04.	Tradespersons & Related Workers	3.40	8	17	25	29	20.20	23.81	20.18
05.	Advanced Clerical /Sales/Service	0.68	5	0	5	4	4.20	4.10	3.65
06.	Intermediate Clerical/Sales/Service	23.51	163	10	173	158	118.94	113.89	113.12
07.	Intermediate Production/Transport	1.36	4	6	10	9	8.88	8.70	7.58
08.	Elementary Clerical/Sales/Service	2.58	13	6	19	16	14.95	13.85	17.18
09.	Labourers & Related Workers	12.77	70	24	94	86	71.84	64.31	65.35
	Total	100.0	623	113	736	708	549.47	541.37	532.99

Workplace Placements

Australian College of Health Services Executive (ACHSE) Residency Program

Our support of the ACHSE Rural Management Residency Program to develop future leaders and administrators continued during 2009/10. This program allows for graduate business students to be placed within Rural Health Services and the DOH over a two year period. Graduates are rotated through a range of functions over the two years while they complete their post graduate studies in management.

This year, Ms Stacey Smith was placed with us, with the first six months of her placement in the Business Development and Innovation Unit, while in her second six months she was heavily involved in the financial management aspects of the Health Service.

Work Experience and School Based Apprenticeships

This year, 49 students completed work experience at WDHS, and 13 students were involved in school- based apprenticeships. The feedback from our school- based programs continues to be excellent and was recognised this year with WDHS being awarded the Host Employer of the Year (Hamilton Region) by Westvic.

Staff Recognition and Awards

Employee of the Month Program

This program, sponsored by Darriwill Farm has continued to grow and for every month, we now see about three or four very strong nominations for the coveted Employee of the Month Award. It is pleasing to see the broad range of staff nominated for this award. Over the past 12 months almost every department

has had a staff member nominated. The monthly award recipients this year were:

Jul 2009	Pauline Kearns (Midwifery)
Aug	Julianne Gould (Birches)
Sep	Joanne Nelson (Dental)
Oct	Jenny Reeves (Payroll)
Nov	Margaret Crone (Hotel Services)
Dec	Leanne Deutscher (Medical Unit)
Jan 2010	Lesley Povey (Hotel Services)
Feb	Joy Darroch (Penshurst Campus)
Mar	Louise Milne (Library)
Apr	Jeanette Ryan (Volunteer Coordinator)
May	Eryn Cottier (Birches)
Jun	Kathryn Ross (Medical/ICU/ED)

Statewide Awards

WDHS is extremely proud of its staff and we were pleased to see a number of our staff recognised with Statewide awards in 2009/10 including:

- Associate Professor Susan Brumby – Regional Achievement and Community Services
- Pauline Kearns – State Midwifery Award for Excellence in Midwifery
- Jennie O'Donnell – Commendation State Nursing Award for Excellence in Nursing Practice
- Sheryl Nicolson – Fellowship of the Australian Association of Quality in Health Care



Staff and Volunteer Service Milestones

10 Years

Margaret Bilston
Marcia Cameron
Catherine Campbell
Belinda Hill
Anthony Jackson
Loretta Kearney
Benjamin Kele
Leesa Ladd
Nicole Landwehr
Linda Lyons
Beverley Olle
Lynette Peach
Raewyn Powlton
Hazel Saligari
Rachael Smith
Marion Starkie
Debra Sullivan

15 Years

Rosalie Broadfoot
Marita Buckle
Leigh Deppler
Peter Francis
Julianne Gould
Maree Harrison
Nicholas Starkie
Kathy Sypott

20 Years

Russell Armstrong
Glenise Benson
Nancy Jones
Jan Nicolson

25 Years

Lyn Christie
Leigh Dean
Colleen Dunn
Jennifer Kearney
John Kearney
Lorraine Northcott
Cheryl Pitman
Liza Watt

30 Years

Dianne Hatherall
Jean Killeen
Craig McAlister
Patricia O'Beirne
Madonna Spong
Chris Storer

35 Years

Joy Clark
Kathy Jansen
Betty Joosen
Wayne Mahoney
Max Moore

40 Years

Jennifer Jensz
Rodney McCreddan

Industrial Relations

There were no days lost through industrial action in 2009/10.

Code of Conduct

All staff receive training in the code of conduct and expected standards of behaviour on a regular basis. This training is completed in conjunction with the prevention of bullying and harassment training.

Statutory Compliance

All staff working at WDHS are required to have a current police check every three years. 2010 was a very busy year for police checks as the first police checks were due for renewal. The implementation of an online police checking facility has made this a very convenient option for staff as they are able to get their police checks back immediately in many cases, with a lot less paperwork involved.

In the current year there were no Complaints under the Whistle Blowers Act or the Equal Opportunity Act.

Occupational Health and Safety

Equipment Procurement Program

The procurement of equipment to enhance safety for our patients, residents and staff continued to be a major platform for our Occupational Health and Safety Committee.

We invested approximately \$80,000 in our bed replacement program across the whole of WDHS and also purchased four bariatric chairs for HBH and a hover mat for HBH operating theatres.

Seven CCTV cameras were also installed to high priority areas within HBH as a final stage of the implementation of our security enhancement plan.

Fire Safety and Emergency Procedures

The two major enhancements to our fire safety and emergency procedures involved the major overhaul and review of all emergency procedures in line with the Incident Command System (ICS) of emergency management principles and State Regional Emergency plans. This included revision of our emergency procedure manual with the ICS Management System to ensure procedures were standardised in line with the State Health Emergency Response Plans.

Specialist training was undertaken by all Executives, Department Heads and other Service staff on their roles and responsibilities under our revised Emergency Management Plan.

The other major emergency response procedure was the development of bushfire preparedness plans to cover all WDHS campuses and sites.



WDHS, Hotel Services Worker, Nicole Gellert serving with a smile in the HBH canteen

CBR Critical Response Plan

The Emergency Department exhaust ventilation system reduces the effects of possible contamination to staff and patients in the event of a CBR incident. The system was activated twice this year with one involving the decontamination of patients involved in a chemical spill following a truck accident.

A new radiation safety plan was developed and implemented during the year.

WorkCover

WDHS continues to review and develop policies and procedures in accordance with relevant legislative requirements and was free from serious injury or death in 2009/10. WDHS recorded three new major claims with a significant reduction in days lost from 403 to 94.

This improvement is expected to reduce our premium in 2010/11 by approximately \$150K.

There were no notifiable incidents to WorkSafe during the 2009/10 financial year.

Occupational Health and Safety Committee Representatives

All health and safety representatives completed the accredited (1) day education training conducted by Occupational Health and Safety Services on the Occupational Health and Safety Act 2004 and responsibilities.

Two new Committee representatives attended the Occupational Health and Safety representative training course.

Staff Vaccination

The take up of the staff vaccination program as part of our healthy workforce strategy continues to show a slight increase with 62.3% of staff vaccinated for influenza which compares favourably with the State average of 53%.

WDHS was also contracted by Hamilton Police and Ambulance to administer influenza vaccines to their staff.



→ WDHS No Lift Coordinator, Leah Swainston instructing student Nurses, Jo Ozani and Donald Irving in safe practice for patients and staff

the system, which is 90.4% of all staff. In addition to being able to view a calendar of face-to-face education opportunities and register for internal activities online, the system also enables staff to undertake online learning courses. Online courses allow staff to undertake education at a time and place convenient to them and at their own pace. During the first 12 months since inception 17 courses have been developed and made available. There have been 1,249 occasions of courses being completed. Further courses are currently being planned and developed.

Medical Education

The interns on rotation to WDHS are provided with a weekly tutorial program. These sessions are coordinated by the Medical Education Officer and presented by the local and visiting senior medical staff. In addition sessions are provided via videoconferences for the registrars and consultants by the Royal Australian College of Physicians. The Otway Division of General Practice coordinates a weekly meeting for the general practitioners and other medical staff.

Continuing Nursing Education

WDHS continued to facilitate continuing nursing education activities on behalf of the South West sub region. Over the last year nurses have been supported financially to attend 13 events locally. Topics included stroke, foetal surveillance, wound care, aged care assessments, and managing sexual and aggressive behaviours.

Graduate Nurse Program

In 2010, 11 newly-registered Division 1 nurses were recruited and are participating in the 12 month graduate nurse program. There are seven Division 2 nurses also participating in a graduate program. These programs provide support during the transition from student into the workplace. The clinical teachers have been attending careers expo's throughout the region to promote the program and recruitment in future years.

Nursing Graduate Diplomas

The health service is currently supporting staff undertaking studies towards Graduate Diplomas through Deakin University. Over the last year four staff members have completed their courses, one each in midwifery and perioperative nursing and two in critical care. The students work at WDHS and attend larger facilities for two to four weeks during the course to gain more experience and develop skills. The majority of the education is delivered by videoconferencing or e-live over the internet. This allows the student to "participate" in the education remotely from Hamilton without the need to travel to the university.

Learning and Education

Orientation

All new staff and volunteers to the health service participate in a one day orientation program. The program covers human resource services, infection control, basic life support and fire safety. In 2010 the quality and occupational health and safety sessions were converted to online learning reducing the amount of time spent in the classroom setting. The nursing orientation program is held monthly over two days in conjunction with the general orientation program.

There were 50 new employees in the corporate services area, 42 nursing staff, 10 in allied health, nine personal care staff, four medical staff, 14 students and trainees and 27 volunteers who participated in the general orientation program in 2009/10.

Programs for new medical staff have continued with specific orientation being provided to three international medical staff and 22 medical and surgical interns on rotation from larger hospitals in Melbourne and Geelong.

Online Learning

The SOLLE (SWARH OnLine Learning and Education) learning management system was introduced in early 2009. Over the first 12 months of operation, 717 staff had accessed



→ One of many overseas students training at WDHS, Saumya Mathew from India.



→ WDHS Diploma of Management graduates, Podiatrist, Phuong Hunyh, Clinical Nurse Educator, Christine McGennissen, Breat Care Case Manager, Sue Watt, Theatre Manager, Liska Greyling, Chief Dietitian, Jodie Nelson, Men's Health Educator, Stuart Willder, and Deputy Facilities Manager, Robbie Cook

Hindson Professional Development Fund

This fund was established in late 2007 to provide professional development opportunities for nurses working in critical care. Over the last year one staff member from the WDHS emergency department attended the 'Improving Evidence Based Care in Emergency Departments Forum' in Melbourne. The program was beneficial in assisting to consolidate knowledge, and to enhance their skills and confidence when dealing with emergency presentations.

Scope of Practice

WDHS received a \$20,000 grant from the Department of Health to explore further the potential roles Division 2 nurses could play in the health care team. Through this project these roles have been defined, details of relevant education and courses sought and policies and procedures updated to enable the nurses to increase their scope of practice.

In the past year, several more of our existing Division 2 nurses have successfully completed the medication endorsement course. This has allowed the nurses to expand their scope of practice to administer medications.

Management Training

Nine staff members from clinical and non-clinical areas have now completed their studies for a Diploma of Management. The course was delivered via flexible delivery and has facilitated skills in a range of management areas. A management in service program has continued to be provided on a monthly basis. This program covers a range of management topics and targets staff members working in management and supervision roles and anyone else who is interested.

General Professional Development

Over the last year staff members from all disciplines have participated in professional development opportunities provided internally and externally. Monthly inservice programs have continued in the clinical areas.

Microsoft office software was updated on all computers during the year and as a result a broad training program was implemented. There were 252 attendances at training sessions by staff from all campuses. Sessions were conducted in various programs including word, excel, powerpoint and outlook.

Formal training has been facilitated with several staff members supported to complete VET sector qualifications. Six staff completed a Certificate IV in Training and Assessment with a further nine staff completing the upgrade to this qualification from the superseded course. One staff member has completed a Certificate IV in Allied Health Assistance, one received a Certificate IV in Service Coordination (Service and Disability) and one received a Certificate III in Home and Community Care.

Clinical Supervision Training

Greater Health, University Department of Rural Health in partnership with WDHS are working together to establish a network to support those who are involved in supervising students in South West Victoria. The purpose of the network is to share knowledge and ideas, discuss issues, provide training and facilitate support around issues regarding preceptoring or supervising students. There were six participants for a communication and conflict resolution workshop.

A grant was received from the Victorian Healthcare Association to provide preceptor training for staff involved in supervising students on clinical placement. Training was provided in early 2010 and attended by 33 staff from nursing and allied health disciplines.

Clinical Student Placements

Undergraduates from local, regional and distant universities and TAFE have undertaken clinical placements at the health service during the year. The placements allow the students to experience learning encounters with all relevant aspects of the health industry, to enable them to reinforce and consolidate the theoretical component of their training.

Over the last financial year, we have facilitated placements in Nursing for 243 Division 1 and Division 2 undergraduates, and 31 students studying towards a Certificate IV in Aged Care. In Allied Health, WDHS has hosted seven students in Occupational Therapy, 13 in Physiotherapy, two in Dietetics and Nutrition, two in Pharmacy, one in Podiatry and one in Speech Pathology. In addition 26 medical students have completed placements with the health service in a range of disciplines including surgery, obstetrics and gynaecology, medicine, anaesthetics and in general practice within the Hamilton Medical Group.

Corporate Social Responsibility



→ WDHS Deputy Director and Director of Corporate Services, Pat Turnbull and SWARH Executive Officer at the signing of the partnership between WDHS, SWARH and the Royal Eye & Ear Hospital for the delivery of Virtual Services to the region

Business and Systems Support

Corporate Services Division comprises departments staffed by people with a wide range of skills and expertise in business analysis, budget and finance, food, environmental and linen, human resources, information communications and technology, library and supply and maintenance services. These departments support direct patient care and ensure WDHS functions effectively and efficiently. The Division employs 141 people (95.7 EFT) and has an annual budget of \$10.1 million.

The Division 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.

Challenges

- Support clinical services development, review and restructure
- Develop, implement and monitor infrastructure and technology strategic initiatives
- 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

- Continued development of Sub Regional Alliances and Partnerships
- Upgrade of WAN/LAN infrastructure at all WDHS sites and extension of wireless coverage across the entire Hamilton Base Hospital site
- Statewide Oracle Financial Management Information System implemented in March 2010
- Sub-Regional Supply function, on-line procurement and business to business e-commerce functionality introduced with Oracle FMIS
- Standard Operating System – Office 2007 implemented across all WDHS sites and users
- Strategy adopted to implement digital theatre for endoscopic and laparoscopic surgery. Stage 1 completed in May 2010 with completion in January 2011

- Virtual Visiting program awarded a high commendation award in the Commonwealth Government's Minister for Aged Care Excellence Awards
- Minister for Health launches Virtual Service Partnership between WDHS, Royal Eye and Ear and SWARH
- 25.8million provided in the 2010 State Budget for the Redevelopment of Coleraine District Health Service
- New recording room adjacent to Emergency Department for Ambulance staff
- Additional \$310,000 provided by Department of Health to enable completion of the second stage of ducting and piping upgrade at Hamilton Base Hospital
- A disabled car park installed adjacent to Allied Health Services building to improve access
- \$616,000 provided in the 2009/10 Target Equipment Program enabled the replacement of X-ray Processor at Coleraine, Monitoring Equipment and Steriliser at Hamilton Base Hospital
- 96.7% - score in top 5% for state wide external cleaning audit
- 95% - top overall result for VPSM statewide 2010 Food Satisfaction survey
- Awarded "Gold" Accreditation as a Waste-Wise Business
- Computer based CCTV Security System installed in high risk locations at HBH site

The Future

- Complete new Community Health Service building at Merino
- Commence construction of the new Coleraine District Health Service and Grange Residential Care facilities
- Relocate Maintenance Department to old Ambulance Service building
- Complete review of WDHS – Hamilton and Peshurst Master plans
- Implement Asset Management components of Oracle Business System
- Complete Digital Theatre project including integration with patient electronic record and the provision of enhanced clinical education utilising streaming of images to the Education Centre

- Continue progress towards an electronic patient record with implementation of electronic alerts and allergies, replacement of PJB for community services and allied health and enhancing system access in clinical service areas
- Extend Sub-Regional corporate services model by establishing a standardised reporting format and consolidating program budget development
- Review Human Resource Strategic Plan to establish strategies for the next five years
- Continue to expand the use of virtual services to include antenatal visits to remote areas and extension of chronic disease management options
- Develop a new ICT strategy aligned with the Victorian Whole of Health ICT Strategy 2009-13
- Implement environment, waste management, food and fire safety programs
- Monitor and implement changes associated with the National Health Reform – “ A National Health and Hospitals Network”

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 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.

For the first time in a decade WDHS was challenged with managing throughput levels below target for acute inpatient services and extended periods with vacant residential aged care beds. This budgetary environment required significant changes to short term strategies to accommodate the reduced activity levels and the reduced revenue as a consequence. This situation is not expected to be a long term trend with the recruitment of a specialist physician and general surgeon expected to return throughput to target levels in future years.

In addition to managing budget pressures the National Health Reform – “ A National Health and Hospitals Network” released by the Commonwealth Government involved a detailed assessment and review of the potential impact on the health service strategies and directions. The policy direction supports the WDHS strategies including the focus on quality local governance,

development of partnerships, consumer involvement, quality services and the implementation of the electronic patient medical record.

Significant progress was made during the year with enabling projects and activities in readiness for the major capital works projects and health system reforms which will be undertaken over the next few years. The key areas of activity related to information management, medical equipment assessment and replacement, and completion of key capital planning and infrastructure upgrades.

Sub Regional Progress, Alliances and Partnerships

The development of Sub-Regional Corporate Services across the Glenelg and Southern Grampians planning area has continued with a representative steering committee meeting on a bi-monthly basis identifying new opportunities for cooperative initiatives. The Sub-Regional Corporate Services initiative has developed an effective resource sharing arrangement among member agencies to provide relief for periods of leave and resources on a fee for service basis in areas of finance, human resources, payroll, supply and engineering.

During the year this group implemented an on-line system for police checks for staff, established a joint contract management process, adopted Powerbudget as the standard executive reporting application and continued to jointly develop e-learning content.

Priorities for the group in the next year include the implementation of an on-line recruitment system, adoption of standardised reporting format to the respective Boards, the review of payroll services delivery model and the implementation of common asset management policies and practices for medical equipment.

WDHS continued the implementation of the SWARH joint venture agreement with the finalisation of the new staffing structure which transferred WDHS ICT staff to the new structure in March 2010. The new structure involves the provision of core services mandated to be provided by alliances and an extended range on non-core services including specialist applications, contingency planning and support for all communication systems including telephony, nursecall and paging systems. SWARH implemented a major upgrade of WAN/LAN systems during the year – this project upgraded all WDHS sites in November 2010 and provided the following:

- Improved speed, security and performance of computer network LAN and WAN
- Extended and enhanced wireless coverage across Hamilton Base Hospital site
- Incorporated capacity for CCTV security points across the network
- Upgrade and enhancement of video conferencing systems
- Enhanced backup, redundancy and reliability for voice, video and data services
- Remote network performance monitoring 24x7

As a member of SWARH, the priorities for the next year will be the continued expansion of virtual services, implementation of an electronic medication system and continued progress towards the implementation of the electronic medical record.

Financial Management Information System - Oracle

On a state wide basis, Corporate Services staff have been actively involved in the implementation of the Oracle Financial Management Information System in conjunction with DOH and the five rural alliances. Rural alliances were implemented progressively with each alliance having a local implementation team – the SWARH Alliance was the fourth alliance to go live and this was achieved as planned on 1st March 2010.

The FMIS project involved not only the implementation of a common IT solution but also the implementation of a common supply catalogue and common business processes for all participating rural health services. The SWARH alliance implementation used the capabilities of the new system to significantly restructure supply and purchasing processes across the region. While it is expected to take a further 12 months to complete the implementation of all functionality, significant progress has been made as a consequence of the extensive planning undertaken prior to implementation. Enhanced functionality and benefits of the new system include:

- Restructure of regional supply and purchasing to establish a centralised system with four warehouses at Colac, Hamilton, Portland and Warrnambool
- A common statewide supply catalogue centrally maintained
- Statewide Standard Chart of Accounts
- Imprest systems with bar-coding functionality
- I-procurement online purchasing and approval system



→ **WDHS Div1 Nurse, Shamim Mahabeer, HMO, Dr Sanjiwika Wasgewatta and Change Management Coordinator, Katherine Cooper demonstrating the benefits of the Virtual Services partnership between WDHS, SWARH and the Royal Eye & Ear Hospital**

- Business to Business exchange of order and invoice data automating processes
- Asset Management integrated into the system
- Wireless scanning of imprest orders
- Regional accounts payable function for health services

The new FMIS system will provide the foundation to initiate regional and statewide procurement initiatives and is expected to provide the scope to automate reporting to the Department of Health and other statutory bodies. It will also provide the mechanism to comply with the Commonwealth Department of Health and Ageing -Australian Hospital Patient Costing Standards, an integral part of the data collection requirements under the National Health Reform agenda.

Business Support and Innovation Projects

The Business Support and Innovation Unit leads change management across the organisation by assisting with process improvements including planning, organising and managing resources to bring about successful completion of projects that impact across the organisation.

During the year this unit has successfully completed a number of projects including the upgrade of all WDHS users to Microsoft Office 2007 which involved installing the program on 340 computers and training 288 staff members with 98% of staff reporting that they were comfortable using MS Office 2007 after training.

A review of patient length of stay in the Emergency Department has also been completed. This review focused on the factors that caused length of stay to be greater than four hours and has resulted in improvement to communications with external service providers.

Business Support and Innovation rolled out the capability to host meetings using the internet through Live Meeting. This enables staff to schedule and host meetings for presentations, education sessions, desktop sharing as well as the ability to record education sessions if staff are unable to attend.

The major review of Theatre commenced in 2009 has continued to be a major focus. This extensive review by Theatre users and staff supported by the Business Support Unit will run over a three year period and involves all areas of theatre operation including equipment and facilities, patient flows, information management processes, staffing and scheduling and the development of strategic targets for the next five years.

A significant outcome of the Theatre review in the current year has been the development of a strategy to implement digital theatre capability for endoscopic and laparoscopic surgery. This strategy requires an investment of \$600,000 over two years and was endorsed by the Board in March. The strategy has been supported by the Top of The Town Committee as the fundraising target for the function to be held in October 2010. When completed, this upgrade will provide high definition digital images able to be

integrated into the patients electronic record, viewed remotely for training and referral and will significantly enhance clinical outcomes for patients. The project will be completed in January 2011.

The highly acclaimed WDHS Virtual Visiting program connecting aged care residents with distant families and friends across Australia and overseas was rewarded with a high commendation award in the Commonwealth Government's Minister for Aged Care Excellence Awards. The project has now extended beyond WDHS to 18 other aged care residential facilities across Australia.

Virtual Services projects continue to be a priority. A showcase and live demonstration of the technology being used to provide Virtual Advice from specialists at the Royal Victorian Eye and Ear Hospital was attended by the Health Minister Daniel Andrews and highlighted the increased interest and potential benefits available in rural and remote areas. In the current year the use of virtual services was extended to include sub-regional wound consulting and the Cardiac Rehab program for clients from Balmoral and Casterton significantly improving access to these services. Current priorities for further expansion include the provision of specialist dental advice from Dental Health Services Victoria, the provision of antenatal services for remote clients and the expansion of chronic disease options.

WDHS has been advised of funding of \$100,000 in 2010/11 to enable participation in the Department of Health Redesigning Hospital Care Program. This initiative will enable the continued redesign of health service processes and workflows to enhance performance and patient outcomes. The next two years will focus on workflows and processes in the Theatre Review Project and the continued progress towards the electronic medical record. A significant challenge will be the identification of mobile technology to access systems which do not compromise patient or clinical workflows.

Facilities Management

Facilities Management requires the ongoing maintenance of physical facilities to ensure they are reliable, safe and comply with relevant standards. The significant investment in infrastructure requires a long term planning approach, which includes major redevelopment and refurbishment and the maintenance of essential plant at all campuses. The Facilities Department also has responsibility for the procurement of capital equipment for the health service, in accordance with constantly changing product standards and government procurement policies.

The highlight of the year was the announcement of \$25.8 million funding for the redevelopment of the Coleraine District Health Service. With fundraising for the Grange Residential Care redevelopment approaching the \$2.2 million target and funding committed for the Merino Community Health building, 2010/11 will see the beginning of a period of significant capital works activity over the next few years.

In addition to the major works planned, it has become apparent that the building fabric and functional layout of key service areas at HBH will require substantial investment in the next five to 10 years. The most urgent areas requiring significant investment include the catering department, theatre, emergency department and the acute ward area. With the planned relocation of the Maintenance Department to the old Ambulance Service Building making available space in the centre of the site a complete review of the Hamilton Base Hospital will be undertaken for completion in mid 2011. This Masterplan will provide the framework for the future development of the Hamilton Base Hospital site.

In 2004, a multi-year investment program addressing risks associated with sub-standard infrastructure at HBH commenced. Projects completed under this program during the year include the stage 2 of the water pipe and ducting in the acute section of HBH funded by a \$310,000 grant from the DOH Infrastructure Fund and the upgrade and extension of the data and communication network as part of the SWARH LAN/Wan upgrade. The only remaining item identified in the 2004 investment strategy is the



→ WDHS Hotel Services Assistant, Leanne Ryan, maintaining the highest levels of cleanliness at HBH

upgrade of the emergency generator and associated infrastructure works. This \$1.2 million project has been submitted to the DOH for consideration in the 2010/11 Infrastructure Program.

Other significant projects during the past twelve months include the completion of Peshurst Health Service Stage 1 Redevelopment, completion of refurbishment to McKellar House to accommodate the National Centre for Farmer Health, relocation of SWARH staff, construction of a new recording room for Ambulance staff adjacent to the Emergency Department, conversion of two existing rooms for medical staff use, the establishment of a disabled car park adjacent to Allied Health Services building and completion of the first stage of carpet replacement in the acute area of Hamilton Base Hospital.

During the year WDHS participated in the Department of Health Medical Equipment Asset Management Framework (MEAMF) Project. This project sought to optimise strategic asset management of medical equipment in Victorian health services. This involved the identification of all significant items of medical equipment requiring replacement from 2010 to 2012. WDHS was one of four health services invited to pilot the use of the Global Medical Device Nomenclature (GMDM) and effective life tool developed by the project which was made available to all Victorian Health Services in November 2009. Independent assessment was provided for all items of equipment with a value greater than \$50,000. Category 1 high risk items of medical equipment identified in this process were subsequently funded in the 2009/10 Target Medical Equipment program with an allocation of \$616,000 received to fund a replacement steriliser, X-ray film processor and patient monitoring equipment including telemetry.

In addition to medical equipment funded under the Target Medical Equipment Program, the Board endorsed a strategy to upgrade Theatre Equipment to enable the provision of digital high-definition laparoscopic and endoscopic surgery. The total investment in medical equipment over the two years will be in excess of \$1.5 million – a level of investment only possible with the continued support of the community through fundraising and donations.

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
- Top 5% result for annual state-wide external cleaning audit (96.7%)
- Top overall result for VPSM state-wide food satisfaction survey for 2010 (95.0%)
- 'Gold' Accreditation as a Waste-Wise Business

In keeping with 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 it provides its services. These services include active participation in sub-regional Corporate Services meetings, reviews of services to maximise efficiencies and quality outcomes, as well as ongoing commitments to its environment. Over the past three 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. It is expected that ongoing benchmark audits will continue to be run by Sustainability Victoria in future years.

The final phase of the security enhancement plan has been completed with the installation of computer based CCTV system to high risk areas of the HBH site.

The department has also been active in developing and promoting its electronic patient menu system and in the coming year will move to introduce on-line training both for food handlers, as well as staff involved in monitoring and preparing allergy-free food for clients.

As the Linen Services requires substantial capital investment in the next two years, a major activity in the coming year will be the investigation of options to deliver a sustainable and efficient sub-regional linen service.

Our Community Partnerships



→ **WDHS Fundraising Volunteer, Meg McLarty and Federal Member for Wannan, Hon David Hawker enjoying the Arctic Blast Party, which raised funds for a neo-natal incubator for HBH**

WDHS values its partnerships with the communities of the Western District. The Health Service's Community Liaison Department is responsible for developing ongoing reciprocal partnerships on behalf of WDHS. Community Liaison promotes new WDHS programs and services, coordinates fundraising events and initiatives, supports the many volunteers who give their valuable time, and represents WDHS at community events. The commendable image of WDHS is promoted through the media, Annual and Quality of Care reports, brochures, biannual newsletters and the website.

The goal of the Community Liaison Department is to fully inform the community, increasing awareness of and promoting their involvement in the Health Service. We have a commitment to community feedback, which identifies needs and facilitates community participation in the future of the Health Service.

We thank everyone in the community who has contributed to WDHS, whether financially or in-kind this 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, an eight-member committee plus Board of Directors' representation.

The Community Liaison Department manages the overall fundraising strategy on behalf

of WDHS. In addition to fundraising events and functions, the department submits applications to philanthropic Trusts and Foundations to support our fundraising efforts. This year we have raised a total of \$1.16 million.

Key fundraising events in 2009/10 were the Grange Redevelopment Appeal, with a total now standing at \$1.9 million, including pledges and funds held in reserve by the Health Service. Our Hospital Sunday Appeal raised \$39,761 the Christmas Appeal \$23,800, the Murray to Moyne Cycle Relay, Hamilton and Peshurst teams raising \$16,597. The Arctic Blast Party raised \$27,640, which will assist the purchase of a neo-natal incubator for our Midwifery Service.

WDHS received bequests totalling \$680,956 and grants from Trusts and Foundations totalling \$70,853 for the 2009/10 year.

Fundraising Activities

The Grange Redevelopment Fundraising Appeal

This appeal was launched in April 2009 by campaign patron Dr Geoff Handbury AO to raise money for the final redevelopment stage at an estimated cost of \$2.8 million. This will provide the facility with a new wing of seven beds and a redesign of Home 3 to care for residents with more complex needs (15 beds to 13 beds), a total increase of five beds (45 to 50). A new kitchen will be constructed along with increased activity space for programs and covered delivery and pick up areas.

This stage is the final building block in the creation of a first class aged care facility, ensuring The Grange will retain its premier status in the Western District and continue to meet the increasing needs of the community.

Construction is due to commence in April 2011. Donations, pledges and funds held in Health Service reserves toward the redevelopment to date total \$1.9 million, a fantastic effort, leaving \$300,000 remaining to reach the fundraising target of \$2.2 million.

Christmas Appeal

In December a Christmas Appeal, conducted via letters of request and newsletters sent into the community raised \$23,800, which was directed towards the purchase of a treadmill Marquette for the Medical and Intensive Care Units.

Hospital Sunday Appeal

This year's Hospital Sunday Appeal was a resounding success with 104 Volunteers door knocking over the first weekend of May in the communities of Hamilton, Glenthompson, Dunkeld, Cavendish, Peshurst and Branxholme and surrounding rural districts. The appeal tally reached \$39,761 with the funds going towards the purchase of a portable ventilator for the Intensive Care Unit and a Bien Air Drill for ear, nose and throat surgery, at a combined cost of \$50,000.

Murray to Moyne

The annual Murray to Moyne Team Cycle Relay was held in April with two enthusiastic WDHS teams participating. Twenty three riders and a support team of nine took up the challenge, had a lot of fun and managed to raise a total \$16,597 with the Hamilton Base Bikers raising \$8,774 for HBH and the Rouse Rare Rumps raising \$7,823 for the Peshurst campus. The funds raised were used to purchase equipment for these facilities.

Support for Appeals

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

- Dr Geoff Handbury AO \$120,00, Collier Charitable Fund \$35,000, Langston Estate \$30,000, Hamilton North Rotary \$10,000 and the Estates of Ted Hodgetts, \$644,006 (for Coleraine), Eileen McKellar, \$25,000 and May Fraser, \$10,000
- Jacinta and John Hedley of Darrivill Farm provided sponsorship of our Employee of the Month Award

→ James Dean Pharmacy provided gift packs for Midwifery private patients

These generous donors and supporters are extremely important to WDHS, making it possible for us to purchase much-needed equipment and to refurbish our facilities to meet the needs of our patients and clients. We sincerely thank all those who contributed, financially or in-kind throughout the 2009/10 year. A list of donors is shown on page 48.

Auxiliaries and Community Groups

WDHS' five auxiliaries, the Opportunity Shop and the Hamilton & District Aged Care Trust have again contributed a great deal to the Health Service.

- The North Hamilton Ladies' Auxiliary donated \$3,500 towards the purchase of a Personal Protection system for Theatre
- The Hamilton Base Hospital Ladies' Auxiliary donated \$5,200 towards the purchase of two Welch Allyn Vital Signs Monitors for Theatre
- The Hamilton & District Aged Care Trust continued to raise funds for the Grange Redevelopment.

→ The Coleraine District Health Service Ladies' Auxiliary donated \$1,000 for a food delivery trolley

→ The Coleraine Homes for the Aged Auxiliary donated \$2,500 for a medication trolley and \$1,000 towards two plasma televisions

→ The Peshurst Hospital Ladies' Auxiliary donated a \$13,524 for the purchase of a hairdressing basin and cabinet, two clinical monitors, two outdoor furniture settings, two Kiplax chairs and a portable microphone

→ The Hospital Opportunity Shop donated \$36,000 towards the purchase of a video colonoscope as part of the digitisation of the Hamilton Base Hospital Theatre

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

Opportunity Shop

The Opportunity Shop is open five days a week from 10:00am to 4:00pm and is staffed by two volunteers each day. For the 2009/10 year, 3,024 hours were contributed

by this fantastic team of 14 volunteers. A total of \$36,000 was raised for the year, which purchased a video-colonoscopy. The Opportunity Shop has raised a total of \$360,500 since its inception in 1938.

Our Volunteers

WDHS has 274 registered, unpaid volunteers, excluding auxiliary members, who give of their valuable time and skills to support our patients, residents and clients across the health service.

Volunteers are recruited through an interview process with the Volunteer Coordinator to determine where their skills, experience and interests will be best used. All undergo a Police Check and comprehensive orientation program before commencement of service.

WDHS relies heavily upon the support of all its volunteers and we acknowledge and appreciate their considerable contribution to improving the lives of people we provide services to.

Hours of Service in 2009/10

→ Seventeen volunteers provided 959.66 hours of support to the Grange Residential Care Service



→ WDHS Hamilton Community Transport Service team members receiving their program's award for Outstanding Team Achievement from the Minister for Health, Daniel Andrews at the 2010 Minister for Health Volunteer Awards



→ WDHS Diversional Therapist, Julianne Gould and Volunteer Coordinator, Jeanette Ryan discussing the development of the successful new volunteer visitor program at the Birches Residential Care facility



→ WDHS Benefactor, Dr Geoff Handbury, tests some new equipment at HBH



→ Peshurst Campus Ladies Auxiliary members with the new outdoor furniture setting purchased with the funds they raised



→ The Murray to Moyno Cycle Challenge Team ready to take on the ride that raised \$16,597 for WDHS' Hamilton and Penshurst campuses

- Eighteen volunteers and external work placement / work experience volunteers provided 301 hours of support at The Birches Specialist Extended Care Centre
- Seven Volunteers provided 1,432 hours of support to Penshurst campus residents through individual and group visits, activities, excursions and gardening
- Six volunteers provided 395 hours of support at Wannan Court and Mackie House in Coleraine
- Four volunteers provided 76 hours of support to the Men's Out and About program
- The Merino Bush Nursing Centre is supported by 27 volunteers
- Fourteen volunteers worked to provide a comforts trolley service to Hamilton Base Hospital patients, raising \$446 after costs



→ Coleraine HFA Auxiliary Members Hilary Hutchins and Liz Gunningham pictured with one of the new large screen televisions

- 104 volunteers donated in excess of 260 hours to doorknock for the Hospital Sunday Appeal, which raised \$39,761 for the purchase of a portable ventilator and ENT surgery drill
- Five volunteers provided 205 hours of office administration and support to the Community Liaison Department
- Eight volunteers visited patients in hospital for a total of 81 hours
- The Adult Day Activity and Support Service in Hamilton and Penshurst received 624 hours of volunteer support to assist with transport, meals, activities and a three-day trip
- Monivae College students provided 94 hours of support to the Grange, ADASS and Day Centre spending time with residents and clients



→ Premier, John Brumby, WDHS Volunteer Coordinator, Jeannette Ryan and Minister for Community Development, Lily D'Ambrosio at the 2010 Premiers Community Volunteering Awards where the WDHS Volunteer Program was a Regional Finalist

- Four Baimbridge College students volunteered as Hospital Door Knock Appeal collectors over the first weekend in May

Community Transport Program

The Hamilton Community Transport Program had 43 volunteer drivers and eight escorts assisting the Health Service in 2009/10. The volunteers donated 2,275 hours and provided 1,697 trips covering a total of 104,161 kilometres. The majority of clients are from the Hamilton and District area however the program will provide transport for clients living further afield if they are unable to access transport in their region. The program takes clients to medical appointments locally and to services in Ballarat, Warrnambool, Geelong, Horsham and Mt. Gambier. As many as four trips a week are provided to Melbourne hospitals, The Alfred, the Austin, St. Vincent's, the

Royal Melbourne, The Royal Children's, Peter McCallum, the Eye and Ear Hospitals and orthopaedic surgeon, Mr Cunningham in Heidelberg for appointments and admissions.

The Coleraine Community Transport program was supported by 30 volunteers making 464 trips totaling 17,709 kilometers over 1,507 hours. The service in Coleraine enables clients to attend local activities and medical appointments.

The Community Transport Program attracted nominations for two awards this year, winning the 2010 Minister for Health Volunteer Award and being a finalist in the Community Volunteering Achievement Awards, Regional Section of the Premier's Volunteering Awards 2010.

Palliative Care Program

Eight WDHS registered volunteers are available to participate in the Palliative Care Service. Two volunteers gave 91 hours of support to visit and care for four palliative care clients and their carers.

The Palliative Care Service assists clients and their carers via visits that can provide moral support and friendly reliable companionship on a regular basis. They may give general assistance by helping with feeding, accompanying clients on a walk, special outing, or help them with a hobby they enjoy. Volunteers can also, if required, accompany clients to their medical appointments.

This level of support gives carers free time to run errands, attend a favourite respite activity or take some well-earned time out with peace of mind, knowing their loved one has company and is being cared for.

Aged Care Program

Volunteers visit residents at our Aged Care facilities to provide companionship, escort them to appointments, help with shopping and recreational activities such as cooking, gardening, playing cards, music, having manicures, hair sets, wheelchair walks and outings. They also assist diversional therapists and occupational therapists in

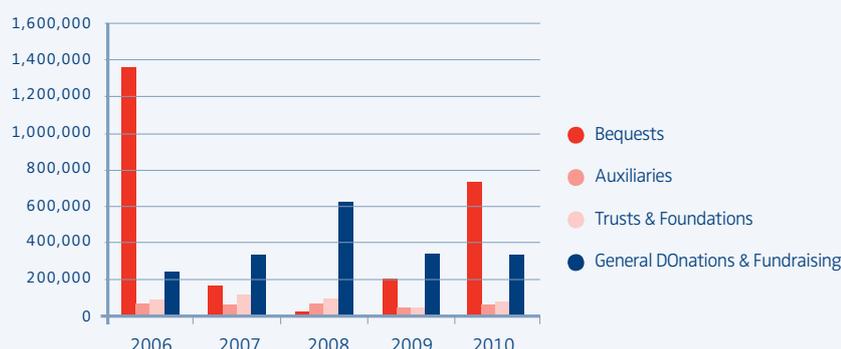
regular activities. A total of 2,971 volunteer hours were provided to residents in our combined aged care facilities and programs.

Appreciation

The Community Liaison Department extends its sincere appreciation to WDHS' auxiliaries, the Op Shop, Aged Care Trust, Murray to Moyne teams, community groups, businesses, Trusts and Foundations, WDHS staff, volunteers and many local individual donors for their outstanding support during 2009/10. Clearly, we are able to continue to provide high calibre service to our community because of your generosity and commitment and we thank you all.

Donations and Bequests

The five year report - \$4.942 million raised



Life Governors

Aarons B	Clayton D	Handbury G AO	McDonald J	Newns BJ	Templeton MA
Aarons F	Cook C	Harrip EL	McIntyre J	Nolte EW	Thomas D
Aldridge MLV	Cottrill A	Hay T	McIntyre SM	Northcott J	Thornton A
Apex Club of Coleraine	Cross C	Heazlewood P	McKinnon M	Parkes Mrs	Tippett L
Bailey M	Donehue L	Henty Anderson G	McMahon Mrs	Peden M	Tonkin N
Ball R	Douglas WH	Hickleton E	Mason Mrs	Pitcher WH	Turner J
Baudinette LE	Drew WS	Holmes ES	Meadows L	Runciman P	Walker O
Baudinette NR	Duff S	Hope MMH	Mibus HA	Ryan D	Wallis V
Baxter CJ	Duncan W	Hutchins H	Mibus L	Ryan J	Walter R AM
Baxter J	Forbes F	Hutton T	Mibus LG	Scaife S	Wettenhall HM
Beggs HN	Francis E	James DP	Mibus PA	Scaife CAG	Wettenhall M
Boyle J	Fraser M	Jenkins L	Milton S	Schramm F	Wiebusch EW
Brabham R	Frazer T	Kanoniuk M	Mirtschin H	Schultz CA	Williams J
Brebner K	Fyfe BJ	Kaufman ML	Moon A	Scullion E	Wright J
Broers M	Gaussen D	Kenny J	Morrison HM	Simkin D	
Brumby A	Gardiner PD	Kenny L	Muir R	Soulsby JJV	
Bunge B	Golding AL	Kruger N	Munn EB	Spence JR	
Burger GG	Gubbins J	Langley C	Murray EM	Stapleton JN	
Burgin E	Gumley F PSM	McCutcheon JT	Mutch L	Steele DA	
Celewych K	Gurry AJ	McDonald E	Nagorcka L	Templeton H	

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

Our Donors

Aarons, B & F	Estate May Fraser	Huf, R & K	Millard, L	RSL Bowling Club	Wilson, T & P
Addinsall, J & J	Estate Hodgetts, T	Hurley, S	Millard, R	Rundell, R	Wilson-Smith, C
Aitken, J	Estate Kele, D	Hutton, T & J	Miller Whan & John Pty Ltd	Russell, D	Young, JS
Alexander, J	Estate Mckellar, E	Huxhagen, R & E	Mirtschin, C	Russell, K	Young, M
Alexandra House	F Greed & Sons	Hyslop, B & J	Mirtschin, G	Safeway Hamilton	Young, P & L
ANZ Trustees – Langston Estate	Fenton, E	Hyslop, N	Morleys Funerals	Savin, L	
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Arkcoll, T & D	Fitzpatrick, I	Irvine, R & L	Morton, R	Scholfield, J & K	Arctic Blast donors and sponsors
Atcheson, M	Fitzpatrick, M & M	James Dean Pharmacy	Muir, J	Schultz, A & L	Ardgartan Pastoral
Aydon, G	Fleming, D & A	James, G & J	Murray, E	Schultz, L	C & J Engineering
Bailey, D	Fletcher, J & B	Jenkin, D & J	Nagorcka, D & J	Schultz, M & R	Church Hill Limousines
Barrett Funerals	Foley, P	JM Ellis & Co	Nagorcka, L	Scott, R & P	Cowland Electrical
Baulch, D & M	Francis, P & A	Johnson, M	Nicholson	Sharp, W & J	David Rowe Sign Design
Bennett, P	Free, B	Jones, P & P	Noonan, L	Sharrad, J	Elders Insurance
Birrell, S	Frogley, R	Jones, V	North Hamilton Base	Silcock, R	Fiona Wall Fine Food
Blye, A	Gash, J	Kelly, B & L	Hospital Ladies Auxiliary	Simpson, S & S	Fisher's IGA
Bond, R & G	Gee, A	Kelly, L	Noske, I & Z	Skripal, K & C	Fitzgerald Concrete
Boyd, A & I	Gibbs, L & L	Kelsall, J & H	O'Brien, L	Slorach, L	George Hotel
Brand, J	Gledhill, A & R	King, H	Oliver, C & J	Smith, E	Hamilton Doors & Glass
Brennan, K & E	Gordon, R	King, K	Onderwater, C & A	Smith, J	Hamilton Furnishing Company
Brinkmann, T & A	Gough, H	Kinnealy, W & J	O'Sullivan's Transport	Smooker, N	Hamilton Medical Group
Broers, T	Gould, T	Krowicky, M	Page, G & J	Soulsby, F & D	Harvey Norman
Brooks, T & C	Graham, J & R	Lanyon, D	Page, R & J	South East Funeral Services	Hip Pocket Workwear
Brown, R & J	Grampians Wool	Lanyons Real Estate and Stock Agents	Palmer, E	Southern Grampians	Hamilton
Brownrigg, J	Gray St Primary School	Lawrence, E	Panyyabyr/Mirranatwa	Livestock & Real Estate	Homeflair
Brumby, S	Gregory, S & S	Leahy, K	Uniting Church F/ship	Sparke, A	
Burlsem, R	Groves, B & P	Leeming, P	Parkin, D	Spence, S & M	
Burne, A	Groves, N & M	Lester and Son	Parklands Golf Club	Spencer, T	In-kind supporters
Burrowes, A & B	Gunning, P & N	Lewis, J	Patterson, S	Staude, E	Ivory Print
Burstows TS Funerals	Habel, S	Lewis, P	Pearson, J	Steer, R	Karla Northcott
Byaduk Spring Show	Hamilton & District	Leyonhjelm, G	Penshurst Licensed Grocery	Stevens, L	Kerr & Co Livestock
Byrd, D & S	Pensioners Association Inc.	Linke, A	Penshurst Opportunity Shop	Stirling, J	LA Walkers
Cameron, H & J	Hamilton & District TPI	Linke, A & S	Peter Tobin Funerals	Straltie, I & K	Lanyons Real Estate
Cameron, S	Hamilton Base Hospital	Linke, B & V	Pettingal, O	Tabor Ladies Guild	Max Murray Builders
Christie, A	Ladies Auxiliary	Linke, Y	Pink, B	Tarrington Lutheran	McDonald 's Family Restaurant
Christie, H	Hamilton Duplicate Bridge Club	Lions Club of Hamilton Inc.	Pitman, C	Women's Guild	Mojo Bar
Clarke, Susan	Hamilton North Primary School	LMB Linke Livestock P/L	Pitt-Lancaster, R	Taylor, A	New You
Clarke, Sandra	School	Lowenstern, S	Pratt, N	Taylor, R	North Skene
Clements, S	Hamilton Uniting Church	Luhrs, I	Price, D & C	Templeton, C	Parmalat
Cloete, C & J	Handbury, G, AO	Lyons, A	Prust, J	Terry, C	Pearsons Nursery
Clutterbuck, H & R	Harindran, N	Lyons, L	Rabone, R & M	The William Angliss (Vic) Charitable Fund	Phil Holmes and Jason Mulley
Collier Charitable Fund	Harman, R & V	Macdonald, H & J	Rendell, D	Thomas, C	Prime Pet Food
Collins, C & C	Harvey, R	Macgugan, I & H	Rentsch, A	Thomas, J	R & E Scott
Collins, D & L	Hatherall, N	MacLean, N & H	Rentsch, A & E	Tonkin George P/L	Robinsons Sportscene
Cook, A	Hawker, D & P	Maconochie, A	Rentsch, D & J	Tonkin, B	Ros Rentsch
Cook, K	Healy, F	Macquarie Investment Management Limited	Rentsch, G	Tonkin, J	Roxburgh House
Cook, P	Healy, P	Madigan's Tea Room & Antiques	Rentsch, J & M	Trotten, J	Sinclair Wilson
Cook, R & M	Hedley, D	Malseed, R	Rentsch, P & A	Turnbull, P & N	Southern Grampians Shire Council
Coote, D	Heine, R & N	Mann, S	Rentsch, S & N	Uebergang, I & E	Terry Sellars
Coote, D & K	Henderson, B	Martin, K	Rich, V	Uebergang, P & B	The Hamilton & Alexandra College
Creek, K & A	Henderson, B & W	Matthews, A	Richards, G	Van Rooy, T	The Hamilton Club
Crow, A & L	Henry, P & S	McCorkell, L	Richardson, G	Wake, G & M	The Regent Florist
Cummings, G	Henry, S & M	McCulloch, D & W	Rigby, M	Walkenhorst Family	Unicraft Joinery
Cummins, L	Herrmann, L	McDonald, J & G	Rivett, T & A	Walkom, A & R	Walter, A
Dahlenburg, J & L	Hill, I	McFarlane, D & S	Roads, J & C	Walter, W	Warfe, C
Davies, P	Hill, M & P	McGowan, D	Robertson, D & M	Warne, J	Watson, J
DeKievit, C & J	Hindson, A	McIntyre, J	Robertson, J & M	Watt, E	Watt, J
Delahunty, H. MP	Hines, B & R	McKenzie, F	Robertson, J & S	West, P & M	Willder, S
Dempster, J	Hines, C & S	McLean, M	Robinson, R & A	Wilson, K	
Dickeson, I	Hocking, L	McLeod, A	Rogerson, A & C		
Donaldson, W	Hohl, I	McVicker, O	Ross, N & I		
Doyle, K & M	Holcombe, M & R	Meadows, L	Ross, S & K		
Dunn, R	Holmes Mcleod Consulting Engineers Pty Ltd	Medicare	Rotary Club of Hamilton		
Eastwood, E & M	Holmes, S	Menzel, P	North		
Elliott, M	Hospital Opportunity Shop		Rowe, B & J		
Equity Trustees Ltd			Rowe, R		

Senior Staff

Chief Executive Officer

Jim Fletcher BHA, AFCHSE, CHE, MIPAA, MAICD

Community Liaison Manager

Kerry Martin AssDipBusAdmin, Cert1V WplaceL&M

Penshurst Manager/Director of Nursing

Damien Malone BA, BN, RN, MN, Cert 1V A&WT

Penshurst Unit Manager

Jenny Paton RN, RM

Coleraine Manager/Director of Nursing

Tim Pitt-Lancaster RN BN Cert Peri-operative nursing, GradDipNursingSci

Coleraine Unit Manager

Denise Beaton RN RM

Deputy Chief Executive Officer/Director of Corporate Services

Patrick Turnbull BBus, BHA, FCPA

Manager Finance & Budget

Nicholas Starkie BBus DipTS(Bus), GradCertBusAdmin, ASA

Business Development & Innovation Manager

Emma Kealey BBiomedSci to December 2009

Veena Mishra BSc, MBA, registered Project Manager from January 2010

Hotel Services Manager

Peter Davies BA

Human Resources Manager

Hilary King MBA, Grad Dip HR, Dip Physio, CAHRI

Facility Manager

Daryl Hedley AImm, FMAM, AIHEAM

Learning and Education Manager

Deborah Smith PGradCert Ed, PGradDipEval, BAAdmin Hons), Cert IV A&WT

I.C.T. Manager

Garry Aydon BAppSc

Librarian

Louise Milne ALIA

Nursing Services

Director of Nursing

Janet Kesh RN, ICU Cert, BAppSci(Nadmin), CertMgt(Deakin), GradDipAgedServMgt, 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

Marilyn Fraser RN, BN, GradDipCritCare

Mavis Wilkinson RN, RM

Kathy Ross RN GradDipCriticalCare

Leanne Deutscher RN

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

Dianne Raymond RN

Dianne Nagorcka RN, RM, Peri-opCert, BN

Nurse Managers

Aged Care Services

Gillian Jenkins RN Master of Education (Rsch), GradCertBusAdmin, MRCNA

Unit Manager, The Birches

Cindy Godfrey RN, BN to December 2009

Eryn Cottier RN (Acting from December 2009)

Unit Manager, The Grange

Peter Francis, BN, CertPsych, CertAdvPhysiology, Grad Cert Paeds, GradDipMidwifery, GradDipHealthServicesAdmin, MRCNA

District Nursing /Discharge Planning

Pat O'Beirne RN, RM

Unit Manager, Medical/ICU/ED

Leanne Deutscher RN (Acting)

Unit Manager Surgical/Obstetrics/Paediatrics

James Smith RN, DipAppSci(Nursing), BappSci(Hons), PeriopCert, GradDiplInfec&TropDis, Dip VenerealDis, CertCoronaryCare/HighDependency, Cert Psych, CertAdvPhysiology, DipBusMan, CertHIV/HEPCounselling

Unit Manager Theatre/CSSD

Liska Greyling RN, BCUR-NursingDegree, DipSurgNursing(OpRm)

Regional Programs

Infection Control

Mark Stevenson RN, PeriopCert, GradCertBusAdmin, Sterilisation&InfectionControlCert, Accredited Nurse Immuniser

Carolyn Templeton RN, Sterilisation&InfectionControlCert, CertHIV/HEPCounselling, Accredited Nurse Immuniser

Paediatric Home Care Program

Gaye Goggin RN

Palliative Care Service

Loiuse Emsley RN, BN (Acting to July 2009)

Erika Fischer RN from July 2009

Regional Wound Management

Leslie Stewart RN, Sterilisation&InfectionControlCert

COAG LSOP

Jennie O'Donnell RN, AdvCertMgt, AdvCertWorkplaceSkills

Medical Services

Director of Medical Services

John Christie DMS, DTM&H, FAFPHM, FRACMA, MACTM

Quality Manager

Sheryl Nicolson RN, DipN, BN, MHealth, MBA, AFAAQHC to December 2009

Wendy James RN, RM, Bsn, MBA from Feb 2010

Chief Pharmacist

Lynette Christie BPharm, MPS, GradCertBusAdmin

Chief Health Information Manager

Lena McCormack BAppSci (HIM), GradCertBusAdmin, MHIMAA to August 2009

Carolyn Gellert GradDip HSci, BAppSci from September 2009

Senior Medical Staff

Anaesthetics (Director)

James Muir MBChB, FRCA

Anaesthetists in General Practice

Craig de Kievit MBBS, DRANZCOG, FACRRM

Kim Fielke MBBS, DRANZCOG, DA (UK), FRACGP

Stuart Perry MBBS

General Practitioners

Mohammed Abdullah MBBS

Victoria Blackwell MB, ChB, MRCGP, DRCOG, DFFP

Brian Coulson MBBS, FACRRM, DipO&G

Craig de Kievit MBBS, DRANZCOG, FACRRM

Dale Ford MBBS, FRACGP, FACRRM

Michael Forster MBBS, MCPPSych, DRANZCOG, FACRRM

Niranjani Harindran MBBS (Sri Lanka)

Allan Mark Johnson MBBS

Robey Joyce MB, ChB (Pretoria)

Eng Chor Lee MBBS

Andrew McAllan MBBS, MMed(Ophth)

Stuart Perry MBBS

Greta Prozesky MB, ChB, FRACGP

Catherine Pye MBBS

Shaun Renfrey MBBS

Susan Robertson MBBS, DipRACOG, FRACGP, DipPallCare

Robert Scaife MBBS, FACRRM

Senior Staff

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

Ramin Taheri MBBS

Kim Tan MBBS, FRACGP, FCFP (S/pore), GDFF (Dermatology)

Linda Thompson MBBS, FRACGP

Leesa Walker MBBS, FRACGP

Anthony Wark MBBS

Christine Wilson MBBS to February 2010

Dental Officers (honorary)

David Baring BDS

Timothy Halloran LDS, BDS

(Steven) Jiwen Sun BDS

Peter Tripovich LDS, BDS

Dermatologist

Julie Wesley RFD, MBBS, FACD

Endocrinologist

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

General Surgeons

David Bird MBMS, FRCS, FRACS

Stephen Clifforth MBBS, FRACS

Peter Tung MBBS, FRACS, FHKAM

Neurologists

Associate Professor Peter Gates MB, BS, FRACP, Neurology RACP

Obstetrician/Gynaecologist (Director)

Jacobus Cloete MBChB, MMed (O&G), MFamMed (Cape Town), FCOG (South Africa), FRCOG (UK), FRANZCOG

Obstetricians in General Practice

Craig de Kievit MBBS, DRANZCOG, FACRRM

Robey Joyce MB, ChB (Pretoria)

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

Ophthalmologist

Vincent Lee MBBS, MMed, FRACS, FRANZCO

Oral and Maxillofacial Surgeons

Graeme Fowler LDS, BDS, MDSc, FDSRCP

Orthopaedic Surgeon

Rick Cunningham MBBS, FRACS (ORTH)

Otolaryngologists

Anne Cass MBBS, FRACS

Paediatrician

Christian Fiedler MD, (KIEL), FRACP

Pathologist

David Clift MBBS, FRCPA

Physicians

Geoffrey Coggins MBBS, FRACP

Andrew Bowman MBChB (Zimb), LRCP (Edin), LRCS (Edin), LRCP&S (Glas), FRCP (UK), CCST (UK), FRACP

Andrew Bradbeer MBBS, FRACP

Radiologists

Dan Arhangelschi MBBS, FRANZCR

Margaret Bennett MBBS, FRANZCR

Damien Cleeve MBBS, FRACR

John Eng MBBS, FRANZCR

Robert Jarvis MBBS, FRACR

Sarah Skinner MBBS, Flinders University SA

Urologists

Richard Grills MBBS, FRACS

Hospital Medical Officers (visiting on rotation)

St Vincent's Hospital – two general surgical interns, two general medicine interns

Barwon Health – one general medicine intern, one special surgical registrar, one medical registrar

Austin Hospital – one surgical registrar

Hospital Medical Officers (employed by WDHS)

Sangeetha Ambati MBBS

Roya Arabi MBBS

Miriam Athayde MBBS

Mohamed Elmolla MBBS

Nilar Lwin MBBS

Sanjiwika Wasgewatta MBBS

Chinthaka Wijeratne MBBS

Community Services & Allied Health

Director Community Services & Allied Health

Rosie Rowe BNatRes, MBA, Honorary Fellow, University of Melbourne

Program Manager, Allied Health

Fran Keeble-Buckle BSc, MND, DipEd, APD to April 2010

Fran Patterson (Acting from April 2010)

Program Manager, Community Services

Stuart Wilder BN, GradDipCritCare, GradDipCoronaryCare, MNurseSci, MRCNA (acting to September 2009)

Manager, Coordinated Care

Megan McLeish RN, GradDip Acute Care Nursing, BA Nursing from April 2010

Dentist

Priya Malani BA DentalSci to February 2010

Rita Bruozis BA DentalSci Hon from March 2010

Hamilton House Services Coordinator

Marilyn Campbell RN to April 2010

Chief Dietitian

Jodie Nelson BHSc(Nutrition&Dietetics)

Chief Occupational Therapist

Sue Adamson BAppSc(OT), DipBusMgt

Chief Physiotherapist

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

Speech Pathologist

Sue Cameron BAppSc(SpeechPath), MSPAA

Senior Social Worker

Kate Leahy DipTech(SW)

Senior Podiatrist

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

Primary Care Partnership

Executive Officer

Jeanette Lowe MBA, BEng

National Centre for Farmer Health

Director

Associate Clinical Professor Susan Brumby RN, RM, DipFMgt, GradDipWomen's Studies, MHMgt, CertIVWorkplaceTrainer, AFCHSE, MRCNA

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

WDHS charges fees in accordance with the Commonwealth Department of Health and Aged Care, the Commonwealth Department of Family Services and the Department of Health (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 8 contracts with consultants undertaken during the year paid by WDHS. These consultancies were all less than \$100,000 and totaled \$161,738

In addition, contracts in connection with the Coleraine Health Service Redevelopment were partially completed during the year. Payments totaling \$21,824 were made under these consultancy contracts on behalf of WDHS by the Department of Health.

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 31 FOI requests were received. No request was denied. There were no documents for two requests and for all others access was granted in full.

Declarations of Pecuniary Interest

All necessary declarations have been completed. Refer to Note 24 of the Financial Statements.

Building and Maintenance

All building works have been designed in accordance with DOH Capital Development Guidelines and comply with the Building Act 1993, Building Regulations 2006 and Building Code of Australia relevant at the time of the works.

Buildings Certified for Approval

A Certificate of Final Inspection was issued on 3 September 2009 on completion of the Dental Clinic at 2 Roberts Street Hamilton.

A Certificate of Final Inspection was issued on 3 September 2009 on completion of security and safety measures for the Psychogeriatric wing at The Birches.

A Certificate of Final Inspection was issued on 3 September 2009 upon completion of extensions to the Penshurst Nursing Home.

Building works 2009/2010

Penshurst Hospital – Stage 1 redevelopment was completed in September 2009 increasing living, dining room and outdoor areas and renovating two bedrooms in the acute wing.

A recording room was established at Hamilton Base Hospital for Ambulance staff adjacent to the Emergency Department.

Lecture, training and recording rooms were established for Doctors in Training in two locations in the Hamilton Base Hospital.

A disabled car park has been established adjacent to the Allied Health Services building.

Infrastructure projects

Water pipe replacement and HVAC ducting replacement continues throughout the HBH ward areas in order to improve environmental control and conditions.

A new steriliser was installed in CSSD.

Carpet has been replaced throughout the 1st floor of the Hamilton Base Hospital.

Operating theatre lights were upgraded to include video facilities.

Water conservation measures continue – with improvements to boiler water treatment at HBH.

Energy efficient corridor lighting is currently being installed.

WWF Earth Hour Australia

All WDHS facilities participated in Earth Hour Australia.

Attestation on Data Integrity

I, Jim Fletcher, certify that WDHS has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance.

The Health Service has critically reviewed these controls and processes during the year.



Jim Fletcher

CHIEF EXECUTIVE OFFICER

Hamilton

17 August 2010

Board member's, accountable officer's and chief finance & accounting officer's declaration

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 30 June 2010 and the financial position at that date of Western District Health Service as at 30 June 2010.

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

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

Mary Ann Brown

President



Hamilton
17 August 2010

Jim Fletcher

Chief Executive Officer



Hamilton
17 August 2010

Pat Turnbull

Chief Finance and
Accounting Officer



Hamilton
17 August 2010

The Annual Report of Western District Health Service is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
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Report of Operations – FRD Guidance

Charter and Purpose

FRD 22B	Manner of establishment and the relevant Ministers	3, 76
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FRD 22B	Nature and range of services provided	16

Management and structure

FRD 22B	Organisational structure	34
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Financial and other information

FRD 10	Disclosure Index	53
FRD 11	Disclosure of ex-gratia payments	N/A
FRD 21A	Responsible person and executive officer disclosures	76
FRD 22B	Application & operation of Freedom of Information Act 1982	51
FRD 22B	Application & operation of Whistleblowers Protection Act 2001	37
FRD 22B	Compliance with building and maintenance provisions of Building Act 1993	51
FRD 22B	Details of consultancies over \$100,000	51
FRD 22B	Details of consultancies under \$100,000	51
FRD 22B	Major changes or factors affecting performance	3-7
FRD 22B	Occupational health and safety	37
FRD 22B	Operational and budgetary objectives and performance against objectives	3-13
FRD 22B	Significant changes in financial position during the year	11-13
FRD 22B	Statement of availability of other information	51
FRD 22B	Statement of merit and equity	37
FRD 22B	Statement on National Competition Policy	51
FRD 22B	Subsequent events	N/A
FRD 22B	Summary of the financial results for the year	5, 12
FRD 22B	Workforce Data Disclosures	5,12,13,36
FRD 25	Victorian Industry Participation Policy disclosures	N/A
SD 4.2(j)	Report of Operations, Responsible Body Declaration	10
SD 4.5.5	Attestation on Compliance with Australian/New Zealand Risk Management Standard	31
SD 3.4.13	Attestation on Data Integrity	51

Financial Statements – FRD Guidance

Financial statements required under Part 7 of the FMA

SD 4.2(a)	Compliance with Australian Accounting Standards And other authoritative pronouncements	58
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SD 4.2(b)	Statement of Changes in Equity	57
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Legislation

Freedom of Information Act 1982	51
Whistleblowers Protection Act 2001	37
Victorian Industry Participation Policy Act 2003	N/A
Building Act 1993	51
Financial Management Act 1994	51



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Western District Health Service

The Financial Report

The accompanying financial report for the year ended 30 June 2010 of Western District Health Service which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the board member's, accountable officer's and chief finance & accounting officer's declaration, has been audited.

The Board Members Responsibility for the Financial Report

The board members of Western District Health Service are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published in both the annual report and on the website of Western District Health Service for the year ended 30 June 2010. The board members of the Health Service are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Health Service's web site.

Independence

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Western District Health Service as at 30 June 2010 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
18 August 2010



D D R Pearson
Auditor-General

Financial Statements

Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2010

Comprehensive Operating Statement For the Year Ended 30 June 2010

	Note	Total 2010 \$'000	Total 2009 \$'000
Revenue from Operating Activities	2	54,104	52,954
Revenue from Non-operating Activities	2	1,325	1,330
Employee Benefits	3	(38,239)	(36,792)
Non Salary Labour Costs	3	(2,981)	(3,046)
Supplies & Consumables	3	(5,355)	(5,733)
Other Expenses From Continuing Operations	3	(8,635)	(8,377)
Share of Net Result of Associates & Joint Ventures Accounted for using the Equity Method	10	(107)	281
Net Result Before Capital & Specific Items		112	617
Capital Purpose Income	2	3,545	2,245
Impairment of Financial Assets	3	(54)	(142)
Depreciation and Amortisation	4	(3,575)	(2,354)
Specific Expense	3c	-	(1,425)
NET RESULT FOR THE YEAR		28	(1,059)
Other Comprehensive Income			
Net fair value gains/(losses) on Available for Sale Financial Investments		112	30
Net fair value revaluation on Non Financial Assets		376	223
Share of other comprehensive income of associate and joint ventures		65	-
COMPREHENSIVE RESULT FOR THE YEAR		581	(806)

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

Balance Sheet As at 30 June 2010

	Note	Total 2010 \$'000	Total 2009 \$'000
Current Assets			
Cash and Cash Equivalents	5	19,023	17,544
Receivables	6	2,301	2,144
Inventories	8	294	439
Other Current Assets	9	37	-
Total Current Assets		21,655	20,127
Non-Current Assets			
Receivables	6	656	679
Other Financial Assets	7	1,693	887
Investments Accounted for using the Equity Method	10	336	378
Property, Plant & Equipment	11	48,316	49,455
Intangible Assets	12	7	8
Total Non-Current Assets		51,008	51,407
TOTAL ASSETS		72,663	71,534
Current Liabilities			
Payables	13	4,222	3,786
Employee Benefits and Related On-Costs Provisions	14	6,961	6,832
Other Liabilities	15	1,705	1,921
Total Current Liabilities		12,888	12,539
Non-Current Liabilities			
Employee Benefits and Related On-Costs Provisions	14	1,492	1,533
Other Liabilities	15	4,197	3,957
Total Non-Current Liabilities		5,689	5,490
TOTAL LIABILITIES		18,577	18,029
NET ASSETS		54,086	53,505
EQUITY			
Property, Plant & Equipment Revaluation Surplus	16a	2,437	2,061
Financial Asset Available for Sale Revaluation Surplus	16a	9	(103)
Restricted Specific Purpose Reserve	16a	6,738	4,831
Contributed Capital	16b	49,535	49,535
Accumulated Surpluses/(Deficits)	16c	(4,633)	(2,819)
TOTAL EQUITY	16d	54,086	53,505
Contingent Liabilities and Contingent Assets	20		
Commitments for Expenditure	19		

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

Statement of Changes in Equity For the Year Ended 30 June 2010

2010	Note	Changes due to		
		Equity at 1 July 2009 \$'000	Comprehensive Result \$'000	Equity at 30 June 2010 \$'000
Accumulated Surplus/(Deficit)		(2,819)	28	(2,791)
Comprehensive Income from Associates and Joint Ventures			65	65
Transfer (To)/From Restricted Specific Purpose Reserve			(1,907)	(1,907)
		(2,819)	(1,814)	(4,633)
Contribution by Owners	16b	49,535	-	49,535
Capital Appropriations			-	-
		49,535	-	49,535
Reserves				
Property Plant and Equipment Revaluation Surplus	16a	2,061	376	2,437
Available for Sale Investments Revaluation Surplus	16a	(103)	112	9
Restricted Specific Purpose Reserve	16a	4,831	1,907	6,738
		6,789	2,395	9,184
Total Equity at the end of the financial year		53,505	581	54,086
2009	Note	Changes due to		
		Equity at 1 July 2008 \$'000	Comprehensive Result '000	Equity at 30 June 2009 \$'000
Accumulated Surplus/(Deficit)		(1,512)	(1,059)	(2,571)
Transfer (To)/From Restricted Specific Purpose Reserve			(248)	(248)
		(1,512)	(1,307)	(2,819)
Contribution by Owners	16b	49,535	-	49,535
Capital Appropriations			-	-
		49,535	-	49,535
Reserves				
Property Plant and Equipment Revaluation Surplus	16a	1,838	223	2,061
Available for Sale Investments Revaluation Surplus	16a	(133)	30	(103)
Restricted Specific Purpose Reserve	16a	4,583	248	4,831
		6,288	501	6,789
Total Equity at the end of the financial year		54,311	(806)	53,505

This Statement should be read in conjunction with the accompanying notes

Cash Flow Statement For the Year Ended 30 June 2010

	Note	Total 2010 \$'000	Total 2009 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		38,728	37,893
Patient and Resident Fees Received		10,692	10,616
Private Practice Fees Received		325	336
GST Received from/(paid to) ATO		1,039	1,011
Interest Received		524	727
Dividend Received		45	-
Other Receipts		4,721	4,533
Employee Benefits Paid		(38,400)	(36,486)
Fee for Service Medical Officers		(2,982)	(2,891)
Payments for Supplies & Consumables		(8,111)	(8,139)
Other Payments		(6,058)	(5,765)
Cash Generated from Operations		523	1,835
Capital Grants from Government		1,318	736
Capital Donations and Bequests Received		1,162	612
Other Capital Receipts		1,124	1,327
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	17	4,127	4,510
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments		(918)	-
Payments for Non-Financial Assets		(2,025)	(3,465)
Proceeds from sale of Non-Financial Assets		126	326
Proceeds from Sale of Investments		-	299
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(2,817)	(2,840)
NET INCREASE/(DECREASE) IN CASH HELD			
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		12,300	10,630
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	13,610	12,300

This Statement should be read in conjunction with the accompanying notes

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Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2010

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Note 1: Statement of Significant Accounting Policies

(a) Statement of Compliance

These financial statements are a general purpose financial report which has been prepared on an accrual basis in accordance with the Financial Management Act 1994, applicable Australian Accounting Standards (AAS), and Australian Accounting Interpretations and other mandatory requirements. AASs include Australian equivalents to International Financial Reporting Standards.

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

The Health Service is a not-for profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" Health Services under the AAS's.

(b) Basis of accounting preparation and measurement

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2010, and the comparative information presented in these financial statements for the year ended 30 June 2009.

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 going concern basis was used to prepare the financial statements.

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

The Financial Statements are prepared in accordance with the historical cost convention, except for the revaluation of certain non-financial assets and financial instruments, as noted. Particularly, exceptions to the historical cost convention include:

- Non-current physical assets, which subsequent to acquisition, are measured at valuation and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;
- Derivative financial instruments, managed investment schemes, certain debt securities, and investment properties after initial recognition, which are measured at fair value through profit and loss; and
- Available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised.

Historical cost is based on fair values of the consideration given in exchange for assets.

Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AAS's 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.

(c) Reporting Entity

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

Its principle address is:

20 Foster Street,
Hamilton 3300

(d) Rounding of Amounts

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

(e) 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.

(f) Comparative Information

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

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

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

(h) 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 recognised where there is objective evidence that impairment loss has occurred. Bad debts are written off when identified.

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

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

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

Cost is assigned to land for sale (undeveloped, under development and developed) and to other 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.

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

Cost of Goods Sold

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

(j) Investments and 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.

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

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

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

Loans and receivables

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

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

Held to maturity investments

Where the Health Service has the positive intent

and ability to hold investments to maturity, they are measured at amortised cost less impairment losses.

Available-for-sale financial assets

Other financial assets 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 the cumulative gain or loss previously recognised in equity is included in profit or loss for the period. Fair value is determined in the manner described in Note 18.

(k) Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as patents, trademarks, computer software and development costs.

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Health Service.

Amortisation is allocated to intangible assets with finite useful lives on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The 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, but are tested for impairment annually or whenever there is an indication that the asset may be impaired. The useful lives of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. In addition, the entity tests all intangible assets with indefinite useful lives for impairment by comparing the recoverable amount for each asset with its carrying amount:

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

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

Intangible assets with finite useful lives are amortised over a 10-15 year period. (2009 10-15 years)

(l) Property, Plant and Equipment

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

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

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

(m) Revaluations of Non-current Physical Assets

Non-current physical assets measured at fair value are revalued in accordance with FRD 103D Non-current physical assets. This revaluation process normally occurs at least every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to

conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRD's. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

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

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

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

(n) Depreciation

Assets with a cost in excess of \$1,000 (2008-09 and 2009-10) are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives. Depreciation is generally calculated on a straight-line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually. This depreciation charge is not funded by the Department of Health.

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

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

	2010	2009
Buildings	2 to 40 Years	10 to 40 Years
Plant & Equipment	8 to 10 Years	8 to 10 Years
Medical Equipment	7 to 9 Years	7 to 9 Years
Computers and Communication	1 to 5 Years	1 to 5 Years
Furniture and Fittings	8 to 10 Years	8 to 10 Years
Motor Vehicles	1 to 5 Years	1 to 5 Years
Intangible Assets	1 to 5 Years	1 to 5 Years

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

(o) Net Gain/ (Loss) on Non-Financial Assets

Net gain/ (loss) on non-financial assets includes realised and unrealised gains and losses from revaluations, impairments and disposals of all physical assets and intangible assets.

Disposal of Non-Financial Assets

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

Impairment of Non-Financial Assets

Apart from intangible assets with indefinite useful lives, all other assets are assessed annually for indications of impairment

- inventories;
 - financial assets;
 - investment properties that are measured at fair value;
 - non-current physical assets held for sale; and
 - assets arising from construction costs.
- If there is an indication of impairment, the assets

Financial Statements

Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2010

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 as an expense to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that same class of asset.

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. 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 flows is measured at the higher of the present value of the future cash flows expected to be obtained from the asset and fair value less costs to sell.

(p) Net Gain/(Loss) on Financial Instruments

Net gain/loss on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets.

Revaluation of Financial Instruments at Fair Value

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

Impairment of Financial Assets

Financial Assets have been assessed for impairment in accordance with Australian Accounting Standards. Where a financial asset's fair value at balance date has reduced by 20 per cent or more than its cost price; or where its fair value has been less than its cost price for a period of 12 or more months, the financial instrument is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2010 for its portfolio of financial assets, the Health Service obtained a valuation based on the best available advice using the market value provided by a reputable financial institution. This value was compared against the valuation methodologies provided by the issuer as at 30 June 2010. These methodologies were critiqued and considered to be consistent with standard market valuation techniques.

Prices obtained from both sources were compared and were generally consistent with the full portfolio. The above valuation process was used to quantify the level of impairment on the portfolio assets as at year end.

(q) Payables

These amounts consist predominantly of liabilities for goods and services.

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

The normal credit terms are usually Nett 30 days.

(r) Provisions

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

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

(s) Goods and Services Tax

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

Receivables and payables are stated inclusive of the

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

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

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

(t) Employee Benefits

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

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

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

Long Service Leave

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

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

The components of this current LSL liability are measured at:

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

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

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

Superannuation

Defined contribution plans

Contributions to defined contribution superannuation plans are expenses when incurred.

Defined benefit plans

The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect to the current services of current Health Service staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

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

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

Fund	Contributions Paid or Payable for the Year	
	2010 \$'000	2009 \$'000
Defined Benefit plans:		
Health Super	2,556	2,504
HESTA	244	208
Other	89	50
Defined Contribution plans		
Health Super	286	313
TOTAL	3,175	3,075

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

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits.

Liabilities for termination benefits are recognised when a detailed plan for 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.

(u) 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 W J Lewis Nursing Home (located in Penshurst)
- Valley View Nursing Home and Wannon 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 floor space. The results of all operations have been segregated based on actual revenue earned and expenditure incurred by each operation.

(v) 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.

(w) 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 10.

(x) 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.

(y) Leases

Leases are classified at their inception as either

operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

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

Finance Leases

Entity as lessee

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

Operating Leases

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

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

Lease Incentives

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received by the lessee to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished.

Leasehold Improvements

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

(z) Income Recognition

Income is recognised in accordance with AASB 118 Revenue and is recognised as 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 and other transfers of income (other than contributions by owners)

Grants are recognised as income when the Health Service gains control of the underlying assets in accordance with AASB 1004 Contributions. For reciprocal grants the Health Service is deemed to have assumed control when the performance has occurred under the grant. For non-reciprocal grants the Health Service is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Indirect Contributions from the Department of Health

- Insurance is recognised as revenue following advice from the Department of Health.
- Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 14/2009.

Patient and Resident Fees

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

Private Practice Fees

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

Donations and Other Bequests

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

Dividend Revenue

Dividend revenue is recognised on a receivable basis

Interest Revenue

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

Sale of Investments

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

(aa) 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.

(ab) Services Supported By Health Services Agreement and Services Supported By Hospital and Community Initiatives

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

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

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(ad) Property, Plant & Equipment Revaluation Surplus

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

(ae) Financial Assets Available-for-Sale Revaluation Surplus

The available-for-sale revaluation surplus arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, that portion of the reserve which relates to that financial asset is effectively realised, and is recognised in the Comprehensive Operating Statement. Where a revalued financial asset is impaired that portion of the reserve which relates to that financial asset is recognized in the Comprehensive Operating Statement.

(af) 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.

(ag) Contributed Capital

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

(ah) Commitments

Commitments are not recognised on the Balance Sheet. Commitments are disclosed at their nominal value and are inclusive of the GST payable.

(ai) Contingent assets and contingent liabilities

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

(aj) Net Result before Capital & Specific Items

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

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

- Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. It also includes donations of plant and equipment (refer Note 1 (ac)). 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:
 - Non-current asset revaluation increments/ decrements
 - Diminution in investments
- Impairment of financial and non-financial 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 (o) and (p)
- Depreciation and amortisation, as described in Note 1 (k) and (n)
- Assets provided free of charge, as described in Note 1 (ac)
- Expenditure using capital purpose income, which comprises expenditure which either falls below the asset capitalization threshold (Note 1 (k) and (n)) or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

(ak) Category Groups

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

Acute Health (Admitted Patients) comprises all recurrent health revenue/expenditure on admitted patient services, where services are delivered in public hospitals, or free standing day hospital facilities, or

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Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2010

palliative care facilities, or rehabilitation facilities, or alcohol and drug treatment units or hospitals specialising in dental services, hearing and ophthalmic aids.

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

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

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

as mental health-funded community care units (CCUs) and secure extended care units (SECs).

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

(a) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting period. As at 30 June 2010, the following standards and interpretations had been issued but were not mandatory for financial years ending 30 June 2010.

The Health Service has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for reporting periods beginning on or ending on	Impact on Health Service's Annual Statements
AASB 2009-5 Further amendments to Australian Accounting Standards arising from the annual improvements project [AASB 5, 8, 101, 107, 117, 118, 136 and 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes.	Beginning 1 January 2010	Terminology and editorial changes. Impact minor.
AASB 2009-9 Amendments to Australian Accounting Standards – additional exemptions for first-time adopters [AASB 1]	Applies to Health Services adopting Australian Accounting Standards for the first time, to ensure Health Services will not face undue cost of effort in the transition process in particular situations.	Beginning 1 January 2010	No impact. Relates only to first time adopters of Australian Accounting Standards.
AASB 124 Related Party Disclosures (Dec 2009)	Government related Health Services have been granted partial exemption with certain disclosure requirements.	Beginning 1 January 2011	Preliminary assessment suggests that impact is insignificant. However, the Health Service is still assessing the detailed impact and whether to adopt early.
AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052]	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and Health Services known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other AASB's.	Beginning 1 January 2011	AASB 8 does not apply to Health Services therefore no impact expected. Otherwise, only editorial changes arising from amendments to other standards, no major impact. Impacts of editorial amendments are not expected to be insignificant.
AASB 200-14 Amendments to Australian Interpretation –Prepayments of a minimum funding requirement. [AASB Interpretation 14]	Amendment to Interpretation 14 arising from the issuance of Prepayments of a minimum funding requirement.	Beginning 1 January 2011	Expected to have no significant impact.
AASB 9 Financial instruments.	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: recognition and measurement (AASB 139 financial Instruments: recognition and measurement)	Beginning 1 January 2013	Detail of impact still being assessed.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 January 2013	Detail of impact still being assessed.

Note 2: Revenue

	HSA 2010 \$'000	HSA 2009 \$'000	Non HSA 2010 \$'000	Non HSA 2009 \$'000	Total 2010 \$'000	Total 2009 \$'000
Revenue from Operating Activities						
Government Grants						
- Department of Health	37,205	36,247	-	-	37,205	36,247
- Commonwealth Government						
- Other	362	491	-	-	362	491
Total Government Grants	37,567	36,738	-	-	37,567	36,738
Indirect Contributions by Department of Health						
- Insurance	1,137	957	-	-	1,137	957
Total Indirect Contributions by Department of Health	1,137	957	-	-	1,137	957
Patient and Resident Fees						
- Patient and Resident Fees (refer note 2b)	2,676	2,714	-	-	2,676	2,714
- Residential Aged Care (refer note 2b)	8,230	7,994	-	-	8,230	7,994
Total Patient & Resident Fees	10,906	10,708	-	-	10,906	10,708
Business Units & Specific Purpose Funds						
- Private Practice and Other Patient Activities Fees	-	-	326	336	326	336
- Catering	-	-	338	329	338	329
- Laundry	-	-	278	296	278	296
- Cafeteria	-	-	251	228	251	228
- Other (include any unit or fund not stated above)	-	-	3,301	3,362	3,301	3,362
Total Business Units & Specific Purpose Funds	-	-	4,494	4,551	4,494	4,551
Sub-Total Revenue from Operating Activities	49,610	48,403	4,494	4,551	54,104	52,954
Revenue from Non-Operating Activities						
Interest & Dividends	-	-	683	707	683	707
Other Revenue from Non-Operating Activities	-	-	642	623	642	623
Sub-Total Revenue from Non-Operating Activities	-	-	1,325	1,330	1,325	1,330
Revenue from Capital Purpose Income						
State Government Capital Grants						
- Targeted Capital Works and Equipment	1,318	736	-	-	1,318	736
Residential Accommodation Payments (refer note 2b)	1,124	1,046	-	-	1,124	1,046
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	-	-	(59)	38	(59)	38
Net Gain/(Loss) on Disposal of Financial Assets	-	-	-	(187)	-	(187)
Donations & Bequests	-	-	1,162	612	1,162	612
Sub-Total Revenue from Capital Purpose Income	2,442	1,782	1,103	463	3,545	2,245
Share of Net Result of Associates & Joint Ventures Accounted for using the Equity Model (refer note 10)	(107)	281	-	-	(107)	281
Total Revenue (refer to note 2a)	51,945	50,466	6,922	6,344	58,867	56,810

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

This note relates to revenues above the net result line only, and does not reconcile to comprehensive income

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Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2010

Note 2a: Analysis of Revenue by Source

	Acute Health 2010 \$'000	RAC 2010 \$'000	Aged Care 2010 \$'000	Primary Health 2010 \$'000	Other 2010 \$'000	Total 2010 \$'000
Revenue from Services Supported by Health Services Agreement						
Government Grants	28,539	2,670	4,775	1,583	-	37,567
Indirect contributions by Department of Health	926	79	97	35	-	1,137
Patient & Resident Fees (refer note 2b)	1,872	8,230	804	-	-	10,906
Capital Purpose Income (refer note 2)	1,318	1,077	-	-	47	2,442
Share of Net Result of Associates & Joint Ventures Accounted for using the Equity Model (refer note 10)	(107)	-	-	-	-	(107)
Sub-Total Revenue from Services Supported by Health Services Agreement	32,548	12,056	5,676	1,618	47	51,945
Revenue from Services Supported by Hospital and Community Initiatives						
Donations & Bequests (non capital)	-	-	-	-	-	-
Business Units & Specific Purpose Funds	-	-	-	-	4,494	4,494
Other	-	-	-	-	1,325	1,325
Capital Purpose Income (refer note 2)	-	-	-	-	1,103	1,103
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	-	-	-	-	6,922	6,922
Total Revenue	32,548	12,056	5,676	1,618	6,969	58,867

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

Note 2a: Analysis of Revenue by Source

	Acute Health 2009 \$'000	RAC 2009 \$'000	Aged Care 2009 \$'000	Primary Health 2009 \$'000	Other 2009 \$'000	Total 2009 \$'000
Revenue from Services Supported by Health Services Agreement						
Government Grants	27,767	2,622	4,850	1,499	-	36,738
Indirect contributions by Department of Health	778	60	87	32	-	957
Patient & Resident Fees (refer note 2b)	1,948	7,994	766	-	-	10,708
Donations & Bequests (non capital)	-	1,046	-	-	-	1,046
Capital Purpose Income (refer note 2)	736	-	-	-	-	736
Share of Net Result of Associates & Joint Ventures Accounted for using the Equity Model (refer note 10)	281	-	-	-	-	281
Sub-Total Revenue from Services Supported by Health Services Agreement	31,510	11,722	5,703	1,531	-	50,466
Revenue from Services Supported by Hospital and Community Initiatives*						
Private Practice and other Patient activities	-	-	-	-	4,551	4,551
Other	-	-	-	-	1,330	1,330
Capital Purpose Income (refer note 2)	-	-	-	-	463	463
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	-	-	-	-	6,344	6,344
Total Revenue	31,510	11,722	5,703	1,531	6,344	56,810

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

Note 2b: Patient and Resident Fees

	Total 2010 \$'000	Total 2009 \$'000
Patient and Resident Fees Raised		
Recurrent:		
Acute		
– Inpatients	1,872	1,948
– Outpatients	394	410
Residential Aged Care		
– Generic	8,230	7,994
Other	410	356
Total Recurrent	10,906	10,708
Capital Purpose:		
Residential Accommodation Payments	1,124	1,046
Total Capital	1,124	1,046

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

	Total 2010 \$'000	Total 2009 \$'000
Proceeds from Disposals of Non-Current Assets		
Plant and Equipment	1	-
Medical Equipment	2	13
Motor Vehicles	123	313
Total Proceeds from Disposal of Non-Current Assets	126	326
Less: Written Down Value of Non-Current Assets Sold		
Plant and Equipment	-	6
Medical Equipment	49	32
Motor Vehicles	134	246
Computers	2	-
Furniture & Fittings	-	4
Total Written Down Value of Non-Current Assets Sold	185	288
Net gains/(losses) on Disposal of Non-Current Assets	(59)	38

Note 3: Expenses

	HSA 2010 \$'000	HSA 2009 \$'000	Non HSA 2010 \$'000	Non HSA 2009 \$'000	Total 2010 \$'000	Total 2009 \$'000
Employee Benefits						
Salaries & Wages	32,242	30,844	1,296	1,237	33,538	32,081
WorkCover Premium	722	533	23	22	745	555
Departure Packages	2	17	-	-	2	17
Long Service Leave	753	1,027	26	37	779	1,064
Superannuation	3,033	2,952	142	123	3,175	3,075
Total Employee Benefits	36,752	35,373	1,487	1,419	38,239	36,792
Non Salary Labour Costs						
Fees for Visiting Medical Officers	2,981	2,891	-	-	2,981	2,891
Agency Costs - Nursing	-	155	-	-	-	155
Total Non Salary Labour Costs	2,981	3,046	-	-	2,981	3,046
Supplies & Consumables						
Drug Supplies	1,133	1,280	-	-	1,133	1,280
S100 Drugs	171	250	-	-	171	250
Medical, Surgical Supplies and Prosthesis	2,556	2,695	14	15	2,570	2,710
Pathology Supplies	200	227	-	-	200	227
Food Supplies	1,132	1,136	149	130	1,281	1,266
Total Supplies & Consumables	5,192	5,588	163	145	5,355	5,733
Other Expenses from Continuing Operations						
Domestic Services & Supplies	315	385	63	132	378	517
Fuel, Light, Power and Water	914	898	43	28	957	926
Insurance costs funded by DH	1,137	972	-	-	1,137	972
Motor Vehicle Expenses	256	223	-	-	256	223
Repairs & Maintenance	879	811	60	67	939	878
Maintenance Contracts	352	238	-	-	352	238
Patient Transport	399	308	-	-	399	308
Bad & Doubtful Debts	90	64	-	-	90	64
Lease Expenses	370	188	-	-	370	188
Other Administrative Expenses	3,594	3,881	128	148	3,722	4,029
Audit Fees						
- VAGO - Audit of Financial Statements	30	27	-	-	30	27
- Other	5	7	-	-	5	7
Total Other Expenses from Continuing Operations	8,341	8,002	294	375	8,635	8,377
Impairment of Financial Assets						
- Revaluation Decrement on Non Current Assets	-	1,425	-	-	-	1,425
- Available-for-Sale Financial Assets	54	142	-	-	54	142
Total Impairment of Assets	54	1,567	-	-	54	1,567
Depreciation & Amortisation	3,575	2,354	-	-	3,575	2,354
Total	3,629	3,921	-	-	3,629	3,921
Total Expenses	56,895	55,930	1,944	1,939	58,839	57,869

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Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2010

Note 3a: Analysis of Expenses by Source

	Acute Health 2010 \$'000	RAC 2010 \$'000	Aged Care 2010 \$'000	Primary Health 2010 \$'000	Other 2010 \$'000	Total 2010 \$'000
Services Supported by Health Services Agreement						
Employee Benefits	20,840	9,177	3,442	2,294	999	36,752
Non Salary Labour Costs	2,981	-	-	-	-	2,981
Supplies & Consumables	3,503	883	406	271	129	5,192
Other Expenses from Continuing Operations	5,191	1,782	736	462	170	8,341
Sub-Total Expenses from Services Supported by Health Services Agreement	32,515	11,842	4,584	3,027	1,298	53,266
Services Supported by Hospital and Community Initiatives						
Employee Benefits	-	-	-	-	1,487	1,487
Supplies & Consumables	-	-	-	-	163	163
Other Expenses from Continuing Operations	-	-	-	-	294	294
Sub-Total Expense from Services Supported by Hospital and Community Initiatives	-	-	-	-	1,944	1,944
Impairment of Financial Assets (refer note 3)	54	-	-	-	-	54
Depreciation & Amortisation (refer note 4)	2,573	571	126	214	91	3,575
Sub-total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives	2,627	571	126	214	91	3,629
Total Expenses	35,142	12,413	4,710	3,241	3,333	58,839

Note 3a: Analysis of Expenses by Source

	Acute Health 2009 \$'000	RAC 2009 \$'000	Aged Care 2009 \$'000	Primary Health 2009 \$'000	Other 2009 \$'000	Total 2009 \$'000
Services Supported by Health Services Agreement						
Employee Benefits	19,669	8,830	3,675	2,217	982	35,373
Non Salary Labour Costs	2,976	37	14	9	10	3,046
Supplies & Consumables	3,710	972	440	293	173	5,588
Other Expenses from Continuing Operations	5,196	1,643	681	428	54	8,002
Sub-Total Expenses from Services Supported by Health Services Agreement	31,551	11,482	4,810	2,947	1,219	52,009
Services Supported by Hospital and Community Initiatives						
Employee Benefits	-	-	-	-	1,419	1,419
Non Salary Labour Costs	-	-	-	-	145	145
Other Expenses from Continuing Operations	-	-	-	-	375	375
Sub-Total Expense from Services Supported by Hospital and Community Initiatives	-	-	-	-	1,939	1,939
Impairment of Financial Assets (refer note 3)	142	-	-	-	-	142
Depreciation & Amortisation (refer note 4)	1,761	376	92	48	77	2,354
Revaluation Decrement on Non Financial Assets	1,425	-	-	-	-	1,425
Sub-total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives	3,328	376	92	48	77	3,921
Total Expenses	34,879	11,858	4,902	2,995	3,235	57,869

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

	Total 2010 \$'000	Total 2009 \$'000
Private Practice and Other Patient Activities	667	590
Catering	347	333
Laundry	729	821
Cafeteria	79	71
Property Expenses	122	124
TOTAL	1,944	1,939

Note 3c: Specific Expenses

	Total 2010 \$'000	Total 2009 \$'000
Specific Expenses		
Revaluation Decrement on Non Current Assets - Buildings	-	1,425
TOTAL	-	1,425

Note 4: Depreciation and Amortisation

	Total 2010 \$'000	Total 2009 \$'000
Depreciation		
Buildings	2,451	1,214
Landscaping	200	57
Plant & Equipment	240	192
Medical Equipment	395	434
Computers and Communication	40	48
Furniture and Fittings	1	95
Motor Vehicles	247	307
Total Depreciation	3,574	2,347
Amortisation		
Intangible Assets	1	7
Total Amortisation	1	7
Total Depreciation & Amortisation	3,575	2,354

Note 5: Cash and Cash Equivalents

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

	Total 2010 \$'000	Total 2009 \$'000
Cash on Hand	4	4
Cash at Bank	14,819	13,340
Deposits at Call	4,200	4,200
TOTAL	19,023	17,544
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	13,610	12,300
Cash for Monies Held in Trust		
- Cash at Bank	5,413	5,244
TOTAL	19,023	17,544

Note 6: Receivables

	Total 2010 \$'000	Total 2009 \$'000
CURRENT		
Contractual		
Trade Debtors	844	645
Patient Fees	726	608
Accrued Investment Income	52	37
Accrued Revenue - Other	97	46
Accommodation Bonds Owing	489	634
Less Allowance for Doubtful Debts		
Trade Debtors	(46)	-
Patient Fees	(41)	(72)
	2,121	1,898
Statutory		
GST Receivable	180	246
	180	246
TOTAL CURRENT RECEIVABLES	2,301	2,144
NON CURRENT		
Statutory		
Long Service Leave - DH	656	679
Less Allowance for Doubtful Debts	-	-
	656	679
TOTAL NON-CURRENT RECEIVABLES	656	679
TOTAL RECEIVABLES	2,957	2,823
(a) Movement in the Allowance for doubtful debts		
	Total 2010 \$'000	Total 2009 \$'000
Balance at beginning of year	72	73
Amounts written off during the year	(69)	(23)
Amounts recovered during the year	(6)	(42)
Increase/(decrease) in allowance recognised in profit or loss	90	64
Balance at end of year	87	72
(b) Ageing analysis of receivables		

Please refer to note 18(b) for the ageing analysis of receivables

(c) Nature and extent of risk arising from receivables

Please refer to note 18(b) for the nature and extent of credit risk arising from receivables

Note 7: Other Financial Assets

	Specific Purpose Fund 2010 \$'000	Specific Purpose Fund 2009 \$'000	Capital Fund 2010 \$'000	Capital Fund 2009 \$'000	Total 2010 \$'000	Total 2009 \$'000
NON CURRENT						
Term Deposit						
Aust. Dollar Term Deposits	-	-	8	8	8	8
Shares	1,685	879	-	-	1,685	879
Total Non Current	1,685	879	8	8	1,693	887
TOTAL	1,685	879	8	8	1,693	887
Represented by:						
Health Service Investments	1,685	879	8	8	1,693	887
TOTAL	1,685	879	8	8	1,693	887

(b) Ageing analysis of other financial assets

Please refer to note 18(b) for the ageing analysis of other financial assets

(c) Nature and extent of risk arising from other financial assets

Please refer to note 18(b) for the nature and extent of credit risk arising from other financial assets

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Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2010

Note 8: Inventories

	Total 2010 \$'000	Total 2009 \$'000
Pharmaceuticals		
At cost	146	144
Catering Supplies		
At cost	-	14
Housekeeping Supplies		
At cost	-	28
Medical and Surgical Lines		
At cost	-	64
Engineering Stores		
At Cost	-	1
Administration Stores		
At Cost	-	31
Other		
Circulating Linen-At Net Relisable Value	148	157
TOTAL INVENTORIES	294	439

Note 9: Other Assets

	Total 2010 \$'000	Total 2009 \$'000
Prepayments	37	-
CURRENT	37	-
TOTAL	37	-

Note 10: Investments Accounted for Using the Equity Method

	Total 2010 \$'000	Total 2009 \$'000
Interest in Jointly Controlled Entities	336	378
TOTAL	336	378

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest		Published Fair Value	
			2010 %	2009 %	2010 \$'000	2009 \$'000
Jointly Controlled Entities						
South West Alliance of Rural Health	Information Technology	Australia	12.99	12.26	177	274
Southern Grampians/GlenelgShire PCP	Primary Health	Australia	45	30.73	159	104

Note 10: Investments Accounted for Using the Equity Method (Continued)

	2010 \$'000	2009 \$'000
South West Alliance of Rural Health		
Summarised Financial Information of Jointly Controlled Entities' Balance Sheet:		
Current Assets	1,620	611
Non-Current Assets	26	32
Share of Total Assets	1,646	643
Current Liabilities	1,453	368
Non-Current Liabilities	16	1
Share of Total Liabilities	1,469	369
Net Assets	177	274
Share of Jointly Controlled Entities Net Assets		
Total Income	734	199
Net Result	(114)	199
Share of Jointly Controlled Entities' Net Result After Income Tax	(114)	199
Dividends received from jointly controlled entities	(114)	199
Capital Commitments	1,035	64
Southern Grampians/GlenelgShire PCP		
Summarised Financial Information of Jointly Controlled Entities' Balance Sheet:		
Current Assets	237	163
Non-Current Assets	-	-
Share of Total Assets	237	163
Current Liabilities	78	59
Non-Current Liabilities	-	-
Share of Total Liabilities	78	59
Net Assets	159	104
Share of Jointly Controlled Entities Net Assets		
Total Income	262	223
Net Result	7	82
Share of Jointly Controlled Entities' Net Result After Income Tax	7	82
Dividends received from jointly controlled entities	7	82

Note 11: Property, Plant & Equipment

	Total 2010 \$'000	Total 2009 \$'000
Land		
Land at Fair Value	3,650	3,650
Less Impairment	-	-
Total Land	3,650	3,650
Buildings		
Buildings Under Construction at cost	1,134	1,423
Buildings at Fair Value	39,105	39,105
Less Acc'd Depreciation	2,651	-
Buildings at cost	997	-
Less Acc'd Depreciation	-	-
Total Buildings	38,585	40,528
Plant and Equipment		
Plant and Equipment at Fair Value	3,142	3,550
Less Acc'd Depreciation	1,988	2,013
Total Plant and Equipment	1,154	1,537
Medical Equipment		
Medical Equipment at Fair Value	6,141	4,603
Less Acc'd Depreciation	2,772	2,686
Total Medical Equipment	3,369	1,917
Computers and Communication		
Computers and Communication at Fair Value	631	611
Less Acc'd Depreciation	367	421
Total Computers and Communication	264	190
Furniture and Fittings		
Furniture and Fittings at Fair Value	660	1,341
Less Acc'd Depreciation	380	850
Total Furniture and Fittings	280	491
Motor Vehicles		
Motor Vehicles at Fair Value	1,815	1,826
Less Acc'd Depreciation	801	684
Total Motor Vehicles	1,014	1,142
TOTAL	48,316	49,455

Note 11: Property, Plant & Equipment (Continued)

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

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Medical Equipment \$'000	Computers & Communi- cations \$'000	Furniture & Fittings \$'000	Motor Vehicles \$'000	Total \$'000
Balance at 1 July 2008	1,899	43,727	1,311	1,760	223	440	963	50,323
Additions	-	1,024	424	623	18	150	732	2,971
Disposals	-	-	(6)	(32)	(3)	(4)	(246)	(291)
Revaluation Increments/(Decrements)	1,751	(2,952)	-	-	-	-	-	(1,201)
Depreciation and Amortisation (note 4)	-	(1,271)	(192)	(434)	(48)	(95)	(307)	(2,347)
Balance at 1 July 2009	3,650	40,528	1,537	1,917	190	491	1,142	49,455
Additions	-	708	93	1,065	40	119	220	2,245
Disposals	-	-	(1)	(50)	(2)	-	(132)	(185)
Revaluation Increments/(Decrements)	-	-	67	215	36	42	15	375
Net Transfers between Classes	-	-	(302)	617	40	(371)	16	-
Depreciation and Amortisation (note 4)	-	(2,651)	(240)	(395)	(40)	(1)	(247)	(3,574)
Balance at 30 June 2010	3,650	38,585	1,154	3,369	264	280	1,014	48,316

Land and buildings carried at valuation

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

The effective date of the valuation is 30 June 2009

Plant & Equipment

A valuation was undertaken by the Health Service as at 30 June 2010 to determine the fair value of the Health Service's plant and equipment, medical equipment, computers and communications, furniture and fittings, and motor vehicles.

Note 12: Intangible Assets

	Total 2010 \$'000	Total 2009 \$'000
Computer Software	36	153
Less Acc'd Amortisation	29	145
Total Written Down Value	7	8

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

	Computer Software \$'000	Total \$'000
Balance at 1 July 2008	15	15
Amortisation (note 4)	(7)	(7)
Balance at 1 July 2009	8	8
Amortisation (note 4)	(1)	(1)
Balance at 30 June 2010	7	7

Note 13: Payables

	Total 2010 \$'000	Total 2009 \$'000
CURRENT		
Contractual		
Trade Creditors	1,717	1,473
Accrued Expenses	278	929
Other	1,466	907
	3,461	3,309
Statutory		
GST Payable	-	30
DH	761	447
	761	477
TOTAL CURRENT	4,222	3,786

(a) Maturity analysis of payables

Please refer to Note 18c for the ageing analysis of payables

(b) Nature and extent of risk arising from payables

Please refer to note 18c for the nature and extent of risks arising from payables

Financial Statements

Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2010

Note 14: Employee Benefits and Related On-Costs Provisions

	Total 2010 \$'000	Total 2009 \$'000
Current Provisions		
Employee Benefits		
- Unconditional and expected to be settled within 12 months	3,511	3,301
- Unconditional and expected to be settled after 12 months	3,450	3,531
Total Current Provisions	6,961	6,832
Non-Current Provisions		
Employee Benefits	1,492	1,533
Total Non-Current Provisions	1,492	1,533
Current Employee Benefits		
Unconditional LSL Entitlement	3,191	3,096
Annual Leave Entitlements	2,708	2,638
Accrued Wages and Salaries	1,005	1,034
Accrued Days Off	57	64
Non-Current Employee Benefits		
Conditional Long Service Leave Entitlements (present value)	1,492	1,533
Total Employee Benefits and Related On-Costs	8,453	8,365
Movement in Long Service Leave:		
Balance at start of year	4,629	4,115
Provision made during the year		
- Revaluations	-	-
- Expense recognising Employee Service	742	1,066
Settlement made during the year	(688)	(552)
Balance at end of year	4,683	4,629

Note 16: Equity

	Total 2010 \$'000	Total 2009 \$'000
(a) Reserves		
Property, Plant & Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	2,061	1,838
Revaluation Increment/(Decrements)		
- Land	-	1,750
- Buildings	-	(1,527)
- Plant and Equipment	376	-
Balance at the end of the reporting period	2,437	2,061
* Represented by:		
- Land	2,061	2,061
- Plant and Equipment	376	-
	2,437	2,061
Financial Assets Available-for-Sale Revaluation Surplus		
Balance at the beginning of the reporting period	(103)	(133)
Valuation gain/(loss) recognised	38	(112)
Cumulative (gain)/loss transferred to Operating Statement on Sale of Financial Assets	20	-
Cumulative (gain)/loss transferred to Operating Statement on Impairment of Financial Assets	54	142
Balance at end of the reporting period	9	(103)

Note 15: Other Liabilities

	Total 2010 \$'000	Total 2009 \$'000
CURRENT		
Monies Held in Trust*		
- Patient Monies Held in Trust*	342	387
- Accommodation Bonds (Refundable Entrance Fees)*	1,363	1,534
Total Current	1,705	1,921
NON CURRENT		
Monies Held in Trust*		
- Accommodation Bonds (Refundable Entrance Fees)*	4,197	3,957
Total Non-Current	4,197	3,957
Total Other Liabilities	5,902	5,878
* Total Monies Held in Trust		
Represented by the following assets:		
Cash Assets (refer to Note 5)	5,413	5,244
Receivables (refer to Note 6)	489	634
Land and Buildings	-	-
TOTAL	5,902	5,878

Note 16: Equity (Continued)

	Total 2010 \$'000	Total 2009 \$'000
Restricted Specific Purpose Reserve		
Balance at the beginning of the reporting period	4,831	4,583
Transfer to Asset Replacement Reserve for Aged Care Capital Income	1,115	1,046
Transfer from Asset Replacement Reserve	(462)	(942)
Transfer Specific Donations/Bequests from Accumulated Surpluses	1,254	144
Balance at the end of the reporting period	6,738	4,831
Total Reserves	9,184	6,789
(b) Contributed Capital		
Balance at the beginning of the reporting period	49,535	49,535
Balance at the end of the reporting period	49,535	49,535
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	(2,819)	(1,512)
Net Result for the Year	28	(1,059)
Comprehensive Income from Associates and Joint Ventures	65	-
Transfer to Asset Replacement Reserve for Aged Care Capital Income	(1,115)	(1,046)
Transfer Specific Donations/Bequests from Accumulated Surpluses	(1,254)	(144)
Transfer from Asset Replacement Reserve	462	942
Balance at the end of the reporting period	(4,633)	(2,819)
(d) Total Equity at end of financial year	54,086	53,505

Note 17: Reconciliation of Net Result for the Year to Net Cash Inflow/ (Outflow) from Operating Activities

	Total 2010 \$'000	Total 2009 \$'000
Net Result for the Year	28	(1,059)
Depreciation & Amortisation	3,575	2,354
Decrement on Non Current Assets	-	1,425
Impairment of Non Current Assets	54	142
Net (Gain)/Loss from Sale of Plant and Equipment	59	149
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	(134)	(198)
(Increase)/Decrease in Other Assets	-	(79)
(Increase)/Decrease in Prepayments	(37)	-
Increase/(Decrease) in Payables	470	1,196
Increase/(Decrease) in Employee Benefits	88	709
Increase/(Decrease) in Other Liabilities	24	(129)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	4,127	4,510

Note 18: Financial Instruments

(a) Financial Risk Management Objectives and Policies

The Health Service's principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Investment in Equities and Managed Investment Schemes
- Payables (excluding statutory payables)
- Accommodation Bonds

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements. The main purpose in holding financial instruments is to prudentially manage the Health Service's financial risks within the government policy parameters.

Categorisation of financial instruments

	Carrying Amount 2010 \$'000	Carrying Amount 2009 \$'000
Financial Assets		
Cash and cash equivalents	19,023	17,544
Loans and Receivables	2,864	2,777
Available for Sale	1,693	-
Total Financial Assets (i)	23,580	20,321
Financial Liabilities		
At Amortised Cost	10,124	9,187
Total Financial Liabilities	10,124	9,187

(i) The total amount of financial assets disclosed here excludes GST receivables

Note 18: Financial Instruments (Continued)

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

	Carrying Amount 2010 \$'000	Carrying Amount 2009 \$'000
Financial Assets		
Available for Sale (i)	683	707
Total Financial Assets	683	707

Note 18: Financial Instruments (continued)

(b) Credit Risk

The Health Service's exposure to credit risk and effective weighted average interest rate by ageing periods is set out in the following table. For interest rates applicable to each class of asset refer to individual notes to the financial statements.

Ageing analysis of Financial Asset as at 30 June

2010	Consolid'd Carrying Amount \$'000	Not Past Due and Not Impaired \$'000	Past Due But Not Impaired				Impaired Financial Assets \$'000
			Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000	
Financial Assets							
Cash and Cash Equivalents	19,023	19,023	-	-	-	-	-
Receivables							
- Trade Debtors	844	-	844	-	-	-	-
- Other Receivables	1,364	-	859	232	273	-	-
Other Financial Assets							
- Term Deposit	8	8	-	-	-	-	-
- Shares in Other Entities	1,685	1,685	-	-	-	-	-
Total Financial Assets	22,924	20,716	1,703	232	273	-	-
2009							
Financial Assets							
Cash and Cash Equivalents	17,544	17,544	-	-	-	-	-
Receivables							
- Trade Debtors	645	-	645	-	-	-	-
- Other Receivables	1,325	-	565	369	391	-	-
Other Financial Assets							
- Term Deposit	8	8	-	-	-	-	-
- Shares in Other Entities	879	879	-	-	-	-	-
Total Financial Assets	20,401	18,431	1,210	369	391	-	-

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Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2010

Note 18: Financial Instruments (continued)

(c) Liquidity Risk

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

Maturity analysis of Financial Liabilities as at 30 June

2010	Carrying Amount \$'000	Contractual Cash Flows \$'000	Maturity Dates			
			Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000
Financial Liabilities						
Payables	3,461	3,461	1,475	1,215	771	-
Other Financial Liabilities						
- Accommodation Bonds	5,560	-	-	-	1,363	4,197
- Other	342	-	342	-	-	-
Total Financial Liabilities	9,363	3,461	1,817	1,215	2,134	4,197
2009						
Financial Liabilities						
Payables	3,309	3,309	3,200	109	-	-
Other Financial Liabilities						
- Accommodation Bonds	5,491	5,491	-	-	1,534	3,957
- Other	387	387	387	-	-	-
Total Financial Liabilities	9,187	9,187	3,587	109	1,534	3,957

Note 18: Financial Instruments (continued)

(d) Market Risk

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

Currency Risk

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

Interest Rate Risk

Exposure to interest rate risk might arise primarily through the Health Service's interest bearing liabilities. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments. For financial liabilities, the health service mainly undertake financial liabilities with relatively even maturity profiles.

(d) Market Risk (cont)

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

2010	Weighted Average Effective Interest Rate (%)	Carrying Amount	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- Interest Bearing \$'000
Financial Assets					
Cash and Cash Equivalents	5.10	19,023	-	19,018	5
Receivables					
- Trade Debtors		844	-	-	844
- Other Receivables		1,364	-	-	1,364
Other Financial Assets					
- Term Deposit	4.1	8	-	8	-
- Shares in Other Entities		1,685	-	-	1,685
		22,924	-	19,026	3,898
Financial Liabilities					
Payables		3,461	-	-	3,461
Other Financial Liabilities					
- Accommodation Bonds	0.50	5,560	-	5,560	-
- Other		342	-	-	342
		9,363	-	5,560	3,803
2009					
Financial Assets					
Cash and Cash Equivalents	4.05	17,544	-	17,540	4
Receivables		-	-	-	-
- Trade Debtors		645	-	-	645
- Other Receivables		1,325	-	-	1,325
Other Financial Assets					
- Term Deposit	3.95	8	-	8	-
- Shares in Other Entities		879	-	-	879
		20,401	-	17,548	2,853
Financial Liabilities					
Payables		3,309	-	-	3,309
Other Financial Liabilities					
- Accommodation Bonds	0.45	5,491	-	5,491	-
- Other	-	387	-	-	387
		9,187	-	5,491	3,696

Note 18: Financial Instruments (continued)

(d) Market Risk (cont)

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Health Service believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Reserve Bank of Australia)

- A shift of +1% and -1% in market interest rates (AUD) from year-end rates of 6%;

- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%

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

2010	Carrying	Interest Rate Risk				Other Price Risk			
	Amount	-1%		+1%		-1%		+1%	
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets									
Cash and Cash Equivalents	19,023	(190)	(190)	190	190	-	-	-	-
Receivables									
- Trade Debtors	844	-	-	-	-	-	-	-	-
- Other Receivables	1,364	-	-	-	-	-	-	-	-
Other Financial Assets									
- Term Deposit	8	(0)	(0)	0	0	-	-	-	-
- Shares in Other Entities	1,685	-	-	-	-	-	-	-	-
Financial Liabilities									
Payables	3,461	-	-	-	-	-	-	-	-
Interest Bearing Liabilities	-	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-	-	-	-	-
- Accommodation Bonds	5,560	-	-	-	-	-	-	-	-
- Other	342	-	-	-	-	-	-	-	-
		(190)	(190)	190	190	-	-	-	-
2009									
Financial Assets									
Cash and Cash Equivalents	17,544	(175)	(175)	175	175	-	-	-	-
Receivables									
- Trade Debtors	645	-	-	-	-	-	-	-	-
- Other Receivables	1,325	-	-	-	-	-	-	-	-
Other Financial Assets									
- Term Deposit	8	(0)	(0)	0	0	-	-	-	-
- Shares in Other Entities	879	-	-	-	-	-	-	-	-
Financial Liabilities									
Payables	3,309	-	-	-	-	-	-	-	-
Interest Bearing Liabilities	-	-	-	-	-	-	-	-	-
Other Financial Liabilities									
- Accommodation Bonds	5,491	-	-	-	-	-	-	-	-
- Other	387	-	-	-	-	-	-	-	-
		(176)	(176)	176	176	-	-	-	-

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Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2010

Note 19: Commitments for Expenditure

	Total 2010 \$'000	Total 2009 \$'000
Capital Expenditure Commitments		
Payable:		
Land and Buildings	-	794
Plant and Equipment	634	-
Total Capital Commitments	634	794
Land and Buildings*		
Not later than one year	634	794
Total	634	794
Other Expenditure Commitments		
Payable:		
Computer Equipment	1,035	-
Total Other Commitments	1,035	-
Not later than one year	-	-
Later than 1 year and not later than 5 years	1,035	-
TOTAL	1,035	-
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	1,643	817
Total Lease Commitments	1,643	817
Operating Leases		
IT infrastructure and computer equipment payable as follows:		
Non-cancellable		
Not later than one year	6	3
Later than 1 year and not later than 5 years	1,637	814
Later than 5 years	-	-
Sub Total	1,643	817
TOTAL	1,643	817
Total Commitments for Expenditure (inclusive of GST)	3,312	1,611
less GST recoverable from the Australian Tax Office	-	-
Total Commitments for Expenditure (exclusive of GST)	3,312	1,611

Note 20: Contingent Assets and 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. (2009 Nil)

Note 21: Segment Reporting

	Hospital		RAC		Linen Service		Primary Care		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE												
External Segment Revenue	44,333	42,269	12,056	11,722	284	300	1,618	1,531	-	-	58,291	55,822
Intersegment Revenue	341	357	-	-	494	500	-	-	(835)	(857)	-	-
Unallocated Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	44,674	42,626	12,056	11,722	778	800	1,618	1,531	(835)	(857)	58,291	55,822
EXPENSES												
External Segment Expenses	(43,062)	(42,626)	(12,413)	(11,858)	(337)	(390)	(3,027)	(2,995)	-	-	(58,839)	(57,869)
Intersegment Expenses	(341)	(358)	-	-	(494)	(500)	-	-	835	858	-	-
Unallocated Expense	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	(43,403)	(42,984)	(12,413)	(11,858)	(831)	(890)	(3,027)	(2,995)	835	858	(58,839)	(57,869)
Net Result from ordinary activities	1,271	(358)	(357)	(136)	(53)	(90)	(1,409)	(1,464)	-	1	(548)	(2,047)
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	683	707	-	-	-	-	-	-	-	-	683	707
Share of Net Result of Associates & Joint Ventures using Equity Method	(107)	281	-	-	-	-	-	-	-	-	(107)	281
Net Result for Year	1,847	630	(357)	(136)	(53)	(90)	(1,409)	(1,464)	-	1	28	(1,059)
OTHER INFORMATION												
Segment Assets	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets	52,341	50,754	16,519	16,922	652	657	3,151	3,201	-	-	72,663	71,534
Total Assets	52,341	50,754	16,519	16,922	652	657	3,151	3,201	-	-	72,663	71,534
Segment Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Liabilities	10,841	10,488	7,340	7,128	141	165	255	248	-	-	18,577	18,029
Total Liabilities	10,841	10,488	7,340	7,128	141	165	255	248	-	-	18,577	18,029
Investments in Associates and Joint Venture Partnership	336	378	-	-	-	-	-	-	-	-	336	378
Acquisition of Property, Plant and Equipment and Intangible Assets	2,261	2,971	-	-	-	-	-	-	-	-	2,261	2,971
Depreciation & Amortisation Expense	2,688	1,796	571	349	102	68	214	141	-	-	3,575	2,354
Non Cash Expenses other than Depreciation	1,023	865	79	60	-	-	35	32	-	-	1,137	957
Impairment of Inventories	-	-	-	-	-	-	-	-	-	-	-	-

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Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2010

Note 21: Segment Reporting (continued)

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

Business Segments	Services
Hospitals	Acute bed based services, accident and emergency, diagnostic, outpatient services.
Residential Aged Care Services (RACS)	Aged Residential Care Services.
Linen Service	Linen Services.
Primary Care Service	Primary Care and Community-based services.

The basis of inter-segment 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.

Note 22a: Responsible Persons Disclosures

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

	Period
Responsible Ministers:	
The Honourable Daniel Andrews, MLA, Minister for Health	1/07/2009 - 30/06/2010
Governing Boards	
Ms M Brown	1/07/2009 - 30/06/2010
Mr P Duffy	1/07/2009 - 30/06/2010
Ms J Hutton	1/07/2009 - 30/06/2010
Mr P Irvin	1/07/2009 - 30/06/2010
Mr R Jones	1/07/2009 - 30/06/2010
Ms E Lawrence	1/07/2009 - 30/06/2010
Mr H Macdonald	1/07/2009 - 30/06/2010
Accountable Officers	
Mr J Fletcher	1/7/2009 - 30/06/2010

Remuneration of Responsible Persons

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

	Parent	
	2010	2009
Income Band	No.	No.
\$0 - \$9,999	7	7
\$250,000 - \$259,999	-	1
\$270,000 - \$279,999	1	-
Total Numbers	8	8
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	\$272,607	\$258,362
Amounts relating to Responsible Ministers are reported in the financial statements of the Department of Premier and Cabinet		
Other Transactions of Responsible Persons and their Related Parties	-	-

Note 22b: Executive Officer Disclosures

Executive Officers' Remuneration

The numbers of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands.

The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

	Total Remuneration		Base Remuneration	
	2010	2009	2010	2009
	No.	No.	No.	No.
\$100,000 - \$109,999	1	-	1	-
\$110,000 - \$119,999	-	-	-	-
\$120,000 - \$129,999	1	1	1	1
\$130,000 - \$139,999	-	-	-	-
\$140,000 - \$149,999	1	1	2	1
\$150,000 - \$159,999	1	1	1	1
\$160,000 - \$169,999	1	-	-	-
Total	5	3	5	3
Total Remuneration	\$692,702	\$424,344	\$682,702	\$406,334

Note 23: Events Occurring after the Balance Sheet Date

There were no events occurring after reporting date, which require additional information to be disclosed.

Note 24: Remuneration of Auditors

	Total 2010 \$'000	Total 2009 \$'000
Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the current financial report	30	27
Internal Audit	5	7
Total Paid and Payable*	35	34

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Glossary of terms

10MMM Multi Media mayhem project in 10 towns of Southern Grampians shire	ENT Ear, Nose and Throat	PCP Primary Care Partnerships
ACHS Australian Council on Healthcare Standards	EQuIP Evaluation and Quality Improvement Program	PDHS Penshurst & District Health Service
ACHSE Australian College of Health Service Executives	ERV EcRecycle Victoria	QI Quality Improvement
ACSAA Aged Care Standards and Accreditation Agency	FHCC Frances Hewett Community Centre	QOC Quality of Care Report
ADASS Adult Day Activity and Support Service	FIA Fundraising Institute - Australia	RIRDC Rural Industry Research & Development Corporation
Best practice The way leading edge organisations deliver world class performance	FOI Freedom of Information	RMIT Royal Melbourne Institute of Technology (university with a site in Hamilton)
BMI Body Mass Index	FRD Financial Reporting Directions	RMO Resident Medical Officer
BOD Board of Directors	FReeZA Drug & alcohol free entertainment for young people	RN Registered Nurse
BSWRICS Barwon South West Regional Integrated Cancer Services	GP General Practitioner	Separation Process by which a patient is discharged from care
BNC Bush Nursing Centre	HACC Home and Community Care	SFF Sustainable Farm Families
CACPS Community Aged Care Packages	HARP Hospital Admission Risk Program	SGGPCP Southern Grampians and Glenelg Primary Care Partnership
CBR Chemical Biological and Radiation	HBH Hamilton Base Hospital	SHERP State Hospitals Emergency Response Program
CDHS Coleraine & District Health Service	HITH Hospital in the Home	SOLLE SWARH On Line Learning
CEO Chief Executive Officer	HMG Hamilton Medical Group	SSG Shire of Southern Grampians
CNC Clinical Nurse Consultant	HMCC Hamilton Midwifery Model of Care	Standard A statement of a level of performance to be achieved
Continuum of Care The cycle of care, comprising access, entry, assessment, care planning, implementation of care, evaluation, separation and community management	HMO Hospital Medical Officer	SWARH South West Alliance of Rural Hospitals
COAG LSOP Council of Australian Government's Long Stay Older Patients	HRBA Hamilton Regional Business Association	TIA Transient Ischaemic Attack
CSSD Central Sterile Supply Department	HR Human Resources	VMIA Victorian Managed Insurance Authority
DOH Department of Health	ICT Information, Communication and Technology	VMO Visiting Medical Officer
DON Director of Nursing	ICU Intensive Care Unit	VPSM Victorian Patient Survey Monitor
DRG Diagnostic Related Group; a means by which hospitals define and measure casemix	ILU Independent Living Unit	WDHS Western District Health Service
DVA Department of Veterans Affairs	IMG International Medical Graduates	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.
EBA Enterprise Bargaining Agreement	IT Information Technology	
ED Emergency Department	NCFH National Centre for Farmer Health	
EFT Equivalent Full Time	O&G Obstetrics & Gynaecology	
	OH&S Occupational Health and Safety	
	OT Occupational Therapy	



Local experts on Prostate Cancer, Urological Surgeon, Mr Richard Grills and WDHS Men's Health and Prostate Case Manager Mr Stu Willder, joined David Parkin in addressing the WDHS Prostate Cancer Symposium



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