Timboon and District Healthcare Service

Annual REPORT

2014/2015

This Report

The Timboon and District Healthcare Service (TDHS) Annual Report aims to present critical performance information in an open, clear and reader-friendly manner. We focus on ensuring that the direction and services provided by TDHS reflect the sub regional health requirements of South Western Victoria.

Vision

Enabling optimum health and wellness for our communities

Mission

To provide leading innovative health and wellness services of the highest quality

Values

Accountability
We show pride, enthusiasm and dedication in everything that we do.

Excellence
We create opportunities for education and are committed to continuous development.

Respect
We consult and collaborate with others and respect the diverse knowledge and skills of patients, families and each other.

Integrity
We engage others in a respectful, fair and ethical manner.

Compassion
We will accept people as they are and display kindness and sensitivity to them.

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Welcome to the 18th Annual Report 2014-15

ENABLING OPTIMUM HEALTH AND WELLNESS FOR OUR COMMUNITIES

TDHS is an integral part of our rural community. It provides employment to many community members as well as necessary health care services. These services enable our community the opportunity to ensure optimal health and optimal overall wellness for individuals so that they can then participate fully and contribute to their community. Located at the picturesque and well visited western end of the Great Ocean Road, TDHS optimises the Multipurpose Health Service model of care by delivering health services that encompass the identified needs of the community.

TDHS is a Multipurpose Health Service established under an agreement between the Commonwealth and Victorian Governments and incorporated under the Health Services Act 1988. The healthcare service is governed by a Board of Directors who have been appointed by the Governor-in-Council upon the recommendation of the Victorian Minister for Health.

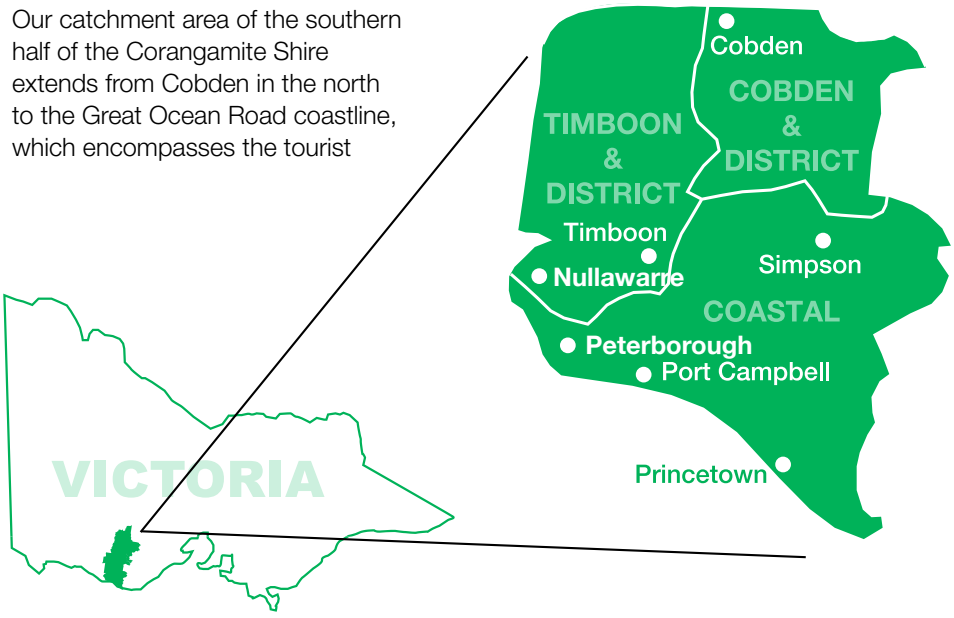
TDHS provides acute, residential and community aged care and a comprehensive suite of primary care services. Acute and residential aged care services are provided within 14 flexible beds and a 6 day-stay bed complex with an operating theatre suite and urgent care centre. Community Health Services are provided both in house and externally through community outreach programs. TDHS jointly manages the Timboon Medical Clinic which is located adjacent to the Health Service; and contracts General Practitioners as Visiting Medical Officers to the Health Service.

TDHS provides services within the southern half of the Corangamite Shire and the south eastern section of Moyne Shire. Key towns within the catchment area include; Timboon, Cobden, Nullawarre, Port Campbell, Princetown, Peterborough and Simpson. This area comprises a catchment population of about 7,700 with 50.1% male and 49.9% female.

TDHS is a partner in the Corangamite Health Collaborative with Terang and Mortlake Health Service, Cobden District Health Services, South West Healthcare Camperdown Campus and the Corangamite Shire. The model aims to coordinate service provision across the Corangamite Shire by improving workforce and service opportunities utilising collaborative methodology.

Our catchment area of the southern half of the Corangamite Shire extends from Cobden in the north to the Great Ocean Road coastline, which encompasses the tourist icon of the Twelve Apostles. The area provides diverse employment through a range of primary industries, with dairying being most predominant along with tourism along the coast. Tourism numbers to the Great Ocean Road exceed 7.2 million with approximately 2.5 million reaching the 12 Apostles and Port Campbell by either bus or private vehicle. These high tourist numbers have a substantial impact on our Urgent Care Services.

Timboon, although a small town of some 1000 provides a service hub for the southern part of the catchment and Cobden serves the northern most section of the catchment area.



Preseident and Chief Executive Officer's **Report**

On behalf of the Board of Governance and all staff we are pleased to present the Annual Report of Timboon and District Healthcare Service (TDHS) for 2014/2015, prepared in accordance with the Financial Management Act 1994. Each year presents a variety of challenges to health service organisations and we are pleased to relate that 2014/2015 has proved to be another busy, productive and successful year for TDHS. The achievements outlined in the Annual Report would not have been possible without the hard work, flexibility and dedication of our staff, medical workforce and volunteers.

On behalf of the Board of Governance and staff at TDHS, we would like to acknowledge Ms Charmane Hill for her contribution to TDHS following her resignation from the position of Director of Clinical and Community Services. An extensive recruitment process to fill this important executive position is now underway and we hope to appoint before the end of 2015.

Our Board remains a stable group of nine members with two Board members, Ms Nancy Johnson and Ms Marg Bull re-appointed by the Minister for Health, the Hon Jill Hennessy MP, for a further three year term concluding on 30 June 2018. Both these members are in daily contact with our community and lend their specialised expertise to the Governance group in addressing the ever increasing complexity and issues associated with rural health services. We congratulate these members on their appointments and thank them and all Board members for their support and dedication to the Health Service and the communities to which TDHS provide services. The Board of Governance provides clear direction for the strategic directions of TDHS and monitors the organisation's performance to ensure that the health service continues both appropriately and sustainably into the future. The Board is led by President John Reynard and members provide sound governance advice and decisive responses to the many challenges that face health services today.

Reflecting back over the last 12 months it is pleasing to see a number of our key projects for the 2014/2015 year achieved. Much of the work has been involved in enhancing our internal systems and ensuring that we are compliant with our regulatory and financial obligations. We now have agreements in place with all our Visiting Medical Officers, a signed Joint Venture Agreement between the medical clinic and TDHS, a structure for formal collaboration with the seven Victorian Multipurpose Health Services and State and Commonwealth Governments, a fully revised and rewritten business continuity plan (to provide protocols to continue our business in case of systems breakdown) and revised health service by-laws, a strategic plan for 2015/2018 (subject to endorsement by the Minister for Health) an operational plan to achieve the strategic directions, external Board evaluation and action plan, revised Quality, Risk and Audit frameworks and plans, a relevant and functional risk register, collaborative approaches to our business, first stage development of a people and culture plan, website development and the finance systems review. All of these projects have been essential for TDHS to develop and implement in order for us to achieve our future goals and comply with our regulatory obligations set out by the governing authorities.

As a group, both TDHS Board of Governance and staff have developed a solid organisational foundation to construct the next phase of the TDHS development. The draft strategic plan now provides the guidance for the next three years and reflects the challenges that lie ahead. Following endorsement by the Minister for Health we will embed the strategic directions in our staff's performance plans and develop local indicators that reflect and monitor successful attainment of the strategic directions. It is our goal to develop a series of relevant high quality health and wellbeing programs that maximize our vision of enabling optimum health and wellness for our communities. The Board is committed to achieve these goals maintaining a sustainable, independent and successful Multipurpose Health Service that provides services within its scope as close to home as possible.

Our participation in a number of accreditation and audit processes, both external and internal, ensures that we continue to improve our service delivery and strive to achieve best practice outcomes. We received excellent results in the Australian Council of Healthcare Standards (ACHS) survey 2013 achieving 17 met with merit standards. TDHS was reviewed again by ACHS in June 2015 as part of a mid-cycle survey and again our

services received positive feedback. Our congratulations go to all the staff who managed this process with the skill and diligence required to achieve these excellent results for TDHS. This, of course, is one aspect of a suite of quality assessments for health services. There are many others that are conducted on an internal basis that enable TDHS to ensure its patients and clients are afforded the highest levels of quality health and community services. It is an area that requires continued attention and commitment.

As a health service organisation our staff are our strength and we must continue to invest in them so that we have a sustainable workforce into the future. We have developed a strong footprint in the training and development of our staff and are committed to investing in developing our culture. Our staff are continually embracing the challenge of new initiatives and striving to provide the best quality of care. TDHS continues to have the support of a well skilled medical, nursing, allied health and environmental workforce and we look forward to this continuing into the future.

We again continued to increase service provision in a financially sustainable manner during 2014/2015. Providing health and wellbeing services to our communities is our main goal. Our aim is to achieve this whilst ensuring we achieve a break even or small surplus operating result. We have achieved this major objective in 2014/2015.

We continue to work with our key stakeholders. It is vital to continue to build on these partnerships so we can provide a Health Service that is meeting the community's expectations. We are supportive of the Corangamite Health Collaborative that has values that nurture a supportive local health service system for the Corangamite Shire bringing together major stakeholders to coordinate services across the Shire. We continue to examine partnerships that assist and support achieving our vision of 'enabling optimum health and wellness for our communities'. Communities' health requirements change over periods of time and services that were suitable and appropriate for local populations 40 years ago may not be in the same demand in 2015 or through to 2025. Strategic planning therefore is a vital process for Boards of Governance to undertake methodically and using a strong evidence base. To ensure our continued commitment to our community's health requirements we will continue to monitor and examine our services to ensure we provide the best options to our communities. This will be based on State and Commonwealth Governments' policy directions as well as community needs and health status analysis. This will provide our pathway to the future services at TDHS.

We are fortunate to have a very generous community and we are extremely grateful to those who support us through philanthropy, volunteering and membership. Our TOPS represents community development and fundraising at its best. It has such positive spin off for so many areas of the community. It generates assistance for younger and older families and redistributes consumer articles and raises some much needed cash for TDHS. Our sincere thanks go to all those magnificent volunteers who give so much to support this Health Service.

Gerry Sheehan (CEO) and John Renyard (President Board of Governance)

President and Chief Executive Officer's **Report**

Fundraising for the Health Service continues to attract significant community support and this year has been no exception. The Timboon Auxiliary, the Timboon Cruisers with their cycle ride in the Murray to Moyne, and TOPS. Generous benefactors have done so much to help develop TDHS over many years it remains an inspiration to us all. Our volunteer base of in excess of 200 people remains one of the highest in rural Victoria and demonstrates the devotion that so many of the community have for their Health Service. This year's appeal was to raise funds for the purchase of telemedicine equipment for our Urgent Care Centre. This vital equipment will allow our medical and nursing staff to consult, audio visually, with specialist staff at other major centres in an emergency situation. It will also enable staff at other hospitals to directly see and speak to staff and patients at TDHS. It is another step in providing best care options for our communities and added support for our staff.

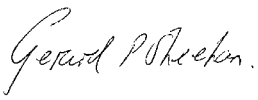
Ritchies' IGA supermarket have supported TDHS over the last eleven years with total funds in excess of $210,000, through identification by community members on the Community Benefit card. The Board acknowledge the complex financial challenges that governments and therefore, State and Commonwealth funded services face and the realization that the health dollar needs to be efficiently managed. All the community donations and fundraisers are so very important in the ability for TDHS to procure vital equipment and infrastructure to enable us to provide effective high quality services. We sincerely thank them all for their tireless efforts to ensure that both patients and staff are given the opportunity to use state-of-the-art equipment and facilities. We thank you all sincerely and look forward to your continued support.

We continue to have strong relationships with our neighbouring school, ambulance service, Men's Shed and Abbeyfield aged care units which all lead to a comprehensive and collaborative service profile for the Timboon and District communities.

We would like to recognise and thank all who have supported us including, our communities, Board members, staff, medical officers, our partner organisations and volunteers in helping to provide quality healthcare. On behalf of the Board of Governance, I would like to extend our thanks to the State Department of Health and Human Services and the Commonwealth Department of Social Services for their continued support, planning and funding.

We are looking forward to the years ahead where TDHS can continue to provide leadership in the field of rural health service and support the improvement in the health status of its communities, recognising the important role local rural health services have in the overall health system.

Mr John Renyard
President Board of Governance



Mr Gerry Sheehan
Chief Executive Officer

Our Health Service Governance

RESPONSIBLE MINISTERS

Australian Government

The Hon Peter Dutton MP - Minister for Health
Senator the Hon Fiona Nash – Assistant Minister for Health

Victorian Government

The Honourable Jill Hennessy MLA, Minister for Health
4 December 2014 to 30 June 2015
Martin Foley MLA, Minister for Mental Health
4 December 2014 to 30 June 2015
Martin Foley, MLA, Minister for Housing, Disability and Ageing
4 December 2014 to 30 June 2015
Jenny Mikakos MLC, Minister for Families and Children
4 December 2014 to 30 June 2015
The Honourable David Davis MLC, Minister for Health, Minister for Ageing
1 July 2014 to 3 Dec 2014
The Honourable Mary Wooldridge MLA, Minister for Mental Health
1 July 2014 to 3 Dec 2014
The Honourable Mary Wooldridge MLA, Minister for Community Services
1 July 2014 to 3 Dec 2014
The Honourable Mary Wooldridge MLA, Minister for Disability Services and Reform
1 July 2014 to 3 Dec 2014

LEGAL AUTHORITY

TDHS was gazetted as a Multipurpose Health Service in March 1998 under the Victorian Health Services Act 1988 and operates under the provisions of the Act. Also, as a Multipurpose Health Service, TDHS is jointly administered under this Act and also under the provisions of the Australian Government's Aged Care Act.

TRIPARTITE AGREEMENT

The activities of the healthcare service are directed through a three year tripartite funding agreement negotiated between the Department of Social Services, the Department of Health and Human Services and the Board of Governance. Included as part of this Agreement is a five year comprehensive Service Plan outlining the services. The Service Plan is developed through analysis of the demography and population health needs of the catchment together with input from the community as to services they require to meet their health and wellbeing needs.

BOARD OF GOVERNANCE

TDHS is governed by a nine person Board of Governance appointed by the Governor-in-Council upon the recommendation of the Victorian Minister for Health. The Board of Governance is responsible for the overall governance of the Healthcare Service, this includes setting the strategic direction and monitoring performance.

Governance refers to the arrangements in place to administer, manage and monitor the services and activities of the organization. Specific areas of responsibility for the Board of Governance include clinical governance, risk management, legislative compliance, continuous quality improvement and corporate and financial management.

TERMS OF APPOINTMENT

Board of Governance members are appointed for periods of up to three years by the Governor in Council upon recommendation of the Minister for Health. Board members serve in a voluntary capacity and are eligible to seek re-appointment upon expiry of their term of office. TDHS currently has 9 board members but has the option to increase this number to up to 12 members.

PECUNIARY / CONFLICT OF INTEREST

Members of the Board of Governance are required by the Act to act with integrity and objectivity at all times. They are required to declare a pecuniary interest or other matters, which may give rise to a conflict of interest and withdraw from proceedings.

There were no instances where Members of the Board of Governance declared a pecuniary interest and withdrew from necessary proceedings.

DELEGATION OF AUTHORITY

To perform its tasks, the Board of Governance has an established organisational Board of Governance committee structure, bylaws, policies and procedures together with an 'Instrument of Delegation'. The 'Instrument of Delegation' is determined by the Board of Governance and is a key document that assigns and sets out the level of delegation within which responsible officers must act.

COMMITTEE STRUCTURE

The Board has established a committee structure to assist in meeting its obligations.

AUDIT COMMITTEE

Audit Committee monitors and oversees the financial performance and reporting processes; compliance with the Financial Management Act; the internal and external audit programs; and oversees the risk management program. This committee meets on a quarterly basis.

CLINICAL GOVERNANCE, QUALITY AND CREDENTIALING COMMITTEE

In meeting its obligations the Board of Governance has ensured that there is a clinical governance, quality and credentialing framework in place as well as external and internal audit processes to monitor compliance. This committee receives advice from a Credentialing and Advisory Committee (Colac Area Health) on

Our Health Service Governance

the medical / dental practitioner qualifications and the delineation of clinical privileges to meet the role and function of the Healthcare Service. All medical / dental appointments are initially credentialed for 12 months and then reapplications can be approved for up to 3 years. This committee meets on a bi-monthly basis.

For effective and comprehensive monitoring of clinical governance, quality and credentialing at TDHS, the Board of Governance receives regular reports from the following committees:

- Patient Safety and Quality Committee
- Medical Consultative Group
- Occupational Health and Safety
- Credentialing and Advisory Committee (Colac Area Health)

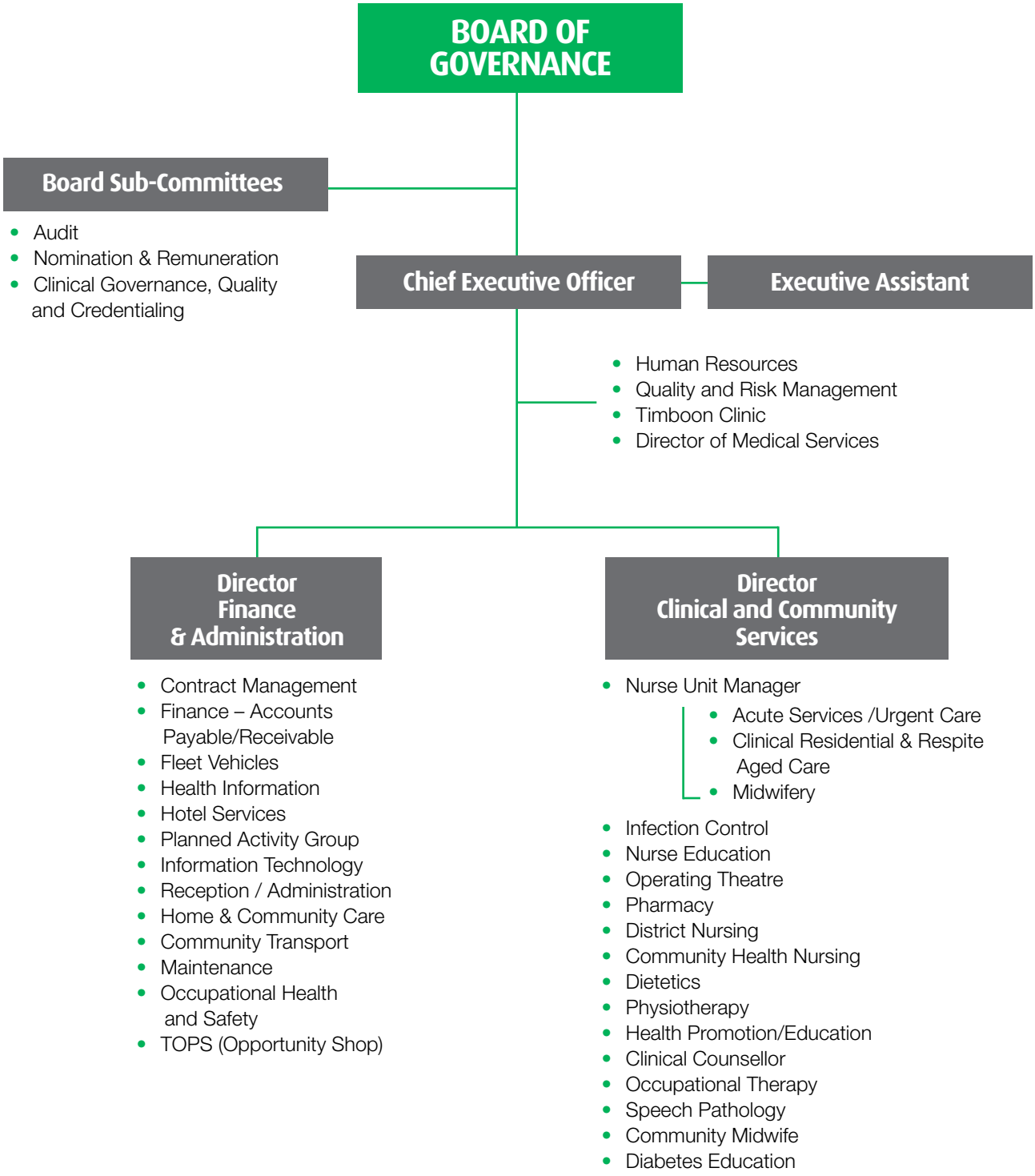
BOARD ORIENTATION AND EDUCATION

The Board of Governance underwent a Governance Evaluation in early 2015, which included an online board evaluation, confidential 1:1 telephone interviews and concluded with a face-to-face Board of Governance planning session that collaboratively determined agreed priorities for the year.

Throughout the year the Board of Governance have also attended conferences and forums which have included:

- The Business of Aged Care Project
- Work Mental Health Day event
- The Task of Aged Care
- Men's Night
- Women's Night
- South West Alliance Rural Health Project Presentation

Our **Organisational Profile**



Our **Board of Governance**

John Renyard
MAgrBus, FAICD, Dip AICD
President
Partner in Dairy Farm
First appointed: 01.07.2009
Current term of appointment:
01.07.2013 - 30.06.2016

Josh McKenzie
BE(Chem), BSc
Vice President
Chemical Engineer
First appointed: 01.11.2004
Current term of appointment:
01.07.2014 – 30.06.2017

Nancy Johnson
BCom, BIntBus, CPA
Treasurer
Accountant
First appointed: 22.02.2011
Current term of appointment:
1.07.2012 – 30.06.2015

Tom Walsh
BVetSc, MACVSc, DipAgEc, GradCertAcc
Partner in Timboon Veterinary Group
First appointed: 01.11.2005
Current term of appointment:
01.7.2014 – 30.06.2017

Margaret Bull
RN
Registered Nurse at South West Healthcare
First appointed 01.11.2006
Current term of appointment:
01.07.2012 - 30.06.2015

Catherine Marr
DipT
Self employed, former Corangamite Shire Councillor
First appointed: 01.11.2001
Current term of appointment:
01.07.2014 - 30.06.2017

Ray Smith
Former dairy farmer and self employed
First appointed: 01.11.2005
Current term of appointment:
01.07.2013 – 30.06.2016

Kim Clough
BAppSc (Physiotherapy)
Physiotherapist, dairy farmer, mother of 2
First appointed: 1.07.2013
Current term of appointment:
1.07.2013 – 30.06.2016

Matt Izzo
BVSc(Hons) CMAVA MVetClinStud FANZCVS
Veterinarian at The Vet Group
First appointed: 1.07.2013
Current term of appointment:
1.07.2013 – 30.06.2016

BOARD MEMBER	BOARD MEETING ATTENDANCE	COMMITTEE MEMBERSHIP	COMMITTEE MEEETINGS ATTENDED
John Renyard	100%	Ex-Officio *2	100%
		Clinical Governance, Quality and Credentialing Committee	66%
		Audit Committee	
Josh McKenzie	72.72%	Audit Committee	100%
Nancy Johnson	72.72%	Audit Committee	100%
Tom Walsh	72.72%	Audit Committee	33%
Margaret Bull	63.63%	Clinical Governance, Quality and Credentialing Committee	0%
Catherine Marr	90.90%	Clinical Governance, Quality and Credentialing Committee	100%
Ray Smith	90.90%	Clinical Governance, Quality and Credentialing Committee	50%
Kim Clough	100%	Clinical Governance, Quality and Credentialing Committee	50%
Matt Izzo	100%	Audit Committee	100%

Our
Executive Management Team

The Board of Governance has delegated the operational activities of TDHS to the Chief Executive Officer, Director of Clinical and Community Services , Director Finance and Administration and staff in accordance with the Instrument of Delegation and the Health Services Act 1988 (Division 4, Section 33)

Chief Executive Officer
Gerry Sheehan
DipNursing, DipHeathAdmin, MBA, MACHSM, MICF.
Responsible to the Board of Governance for the overall management and financial accountability of the health service.

Director of Clinical and Community Services
Charmane Hill
RN, RM From July 2014 – May 2015

Director of Finance and Administration
Kristie Coverdale
BCom
Responsible for finance, administration, health information, environmental and home and community care services.

Acting Director of Clinical and Community Services
Michelle Selten
RN From Jan 2015 – July 2015
Responsible for the management and quality of care of clinical, residential and community services provided by the nursing and allied services workforce.

STAFF

Positions held at Timboon & District Healthcare Service as at 30 June 2015

CORPORATE SERVICES
Chief Executive Officer
Gerry Sheehan, DipNursing, DipHealthAdmin, MBA, MACHSM, MICF

Executive Assistant
Moya Zunker

Human Resources
Donna Hay BBus (HR) GradCertBusAdmin

Quality and Risk Coordinator
Melanie Green BSci (Speech Pathology) MHHSM, GradDIP Risk & Bus Continuity

Occupational Health and Safety
Gaye McVilly

Director Finance and Administration
Kristie Coverdale BComm

Finance and Administration
Glenys Fraser
Kristen Hain
Kirsty Van Ginnekin
Carol Duynhoven
Sabine McKenzie BEc
Sharon Savage

Hotel Services Supervisor
Monica Easterbrook

Chef
Lorraine Wilson

Environmental Assistants
Donna Bellis
Vera Convey
Jodie Couch
Jenna Hanel
Leslie Henriksen
Colleen Nelson
Doreen Poustie
Paula Till

Maintenance Officer
Daryl Spencer
Daniel Spencer
Stephen Zunker

CLINICAL CARE and RESIDENTIAL SERVICES
Acting Director of Clinical and Community Services
Michelle Selten RN

Nurse Practitioner
Kate Sloan RN,RM, MNursingPractice

Acting Nursing Unit Manager
Lynn Marr RN
Toni-Anne McLennan RN, RM

Infection Control Nurse
Heather Power RN, RM

Theatre Coordinator
Lynda McKenzie, RN

Night Supervisors
Karen Kennett RN
Tricia Klemm RN, RM
Margaret Tesselaar RN, RM

Division 1 Registered Nurses
Sarah Askew RN
Natasha Brooks RN
Rebecca Couch RN
Jemma Gale RN
Julia Gale RN
Mary Guy RN
Melissa Hinkley RN
Naomi Lewis RN
Katie McFadden RN
Melissa Mitchall RN
Sue-Ellen Moore RN
Camille Nicholls RN, RM
Ingrid Rial RN
Diane Wellman RN
Linda Williams RN

Enrolled Nurse
Kathy Blake
Sharon Bourke
Kathleen Brown
Mary Duynhoven
Julie Giblett
Marlee Hanel
Julie Harkin
Gail Johnstone
Rhonda Johnstone
Kate Mapleson
Bessie O'Keeffe
Vickie Stevens

Diversional Therapist
Enid O'Connor, EN

Radiologist
Louis Adriaanse BSci (Radiography)
Brendan McKenna BSci (Radiography)

COMMUNITY HEALTH SERVICES
Allied Health Assistant
Tammy Crowe

Community Health Nurses
Cobden/Timboon
Amanda Nash RN RM

Staff

Diabetes Education
Anita Singh RN

Dentist
Dr Peter Nguyen (DDS)

Dietician
Diana D'Auria BaHSc(Nut) PostGradDiet

Exercise Program Coordinator
Tracey Heeps BEd (PhysEd)

Health Promotion Officer
Tania Leishman (BHSc)

Occupational Therapist
Sarah Leyden BHSc (OT)

Physiotherapist
Elliot Watts MPhty

Primary Care Access Advisor
(Acting) Tammy Crowe

Clinical Counsellor
Laura Anderson BSc(Psych) GradDipPsych

Speech Therapist
Holly Rentsch BHSc, MSP

Youth Services
Vacant

Assessment Officer/Case Manager
Fiona Hanel EN

District Nurses
Lynda Avery RN, BAppSci
Joanne Delaney RN
Margaret Edge EN
Corry Kerr EN
Linda McDonald RN
Sherryl Mueller RN

Adult Day Activities Coordinators
Denise Adams EN
Ann-Maree Moloney

Adult Day Activities Assistant
Gaye McVilly
Rae Bellman
Cathy Frusher

Home and Community Care Administration Coordinator
Nikki Beaver

Community Care Worker
Deborah Foster
Janet Goodall
Vivien Hanagraaf
Crescenta Kent
Sue Lyons
Sue Matthews
Tania McKenzie
Bernadette Moloney
Monica Norman
Marianne Preece
Kaye Radford
Karla Renehan
Sharon Shanahan
Andrea Stewart

Home Maintenance Worker
Stephen Hanel
Simon Henriksen

VISITING CLINICAL AND ALLIED HEALTH STAFF

Clinical Coder
Carolyn Crowe

Pharmacists
Danielle D'Onofrio BSc(Hons), B.Pharm, MPS
George D'Onofrio Bsc, B.Pharm, M.Pharm, MPS

Staff contracted from South West Healthcare
Biomedical Engineer

Visiting service from Lyndoch, Warrnambool
Podiatrist

VISITING MEDICAL OFFICERS

General Practitioners
Dr A. Hedgland MB ChB, FRACGP
Dr. R. Maddikunta MBBS
Dr. W Rouse MBBS, FRACGP, DRANZCOG, Grad Dip. Rural GP
Dr. D. Peneva-Arabadjiyska MBBS, FRACGP

Locums
Dr. M.D.Brownstein, MBBS, FRACGP, DRANZCOG, FACRRM
Dr.P.H.Kaye, MBBS, FRACGP, DRANZCOG, DCH, MRCGP
Dr. K.H.Loo, MBBS
Dr. M.N.Qadir MBBS
Dr. S. J. Menzies MBBS, M.MeD, RANZCOG RACGP, FACRRM
Dr. A.B. Watts BMed, FRACGP, DipChildHealth

Anaesthetists
Relieving General Practitioners-Anaesthetists
Dr. T. Fitzpatrick MBBS, FRACGP, DRANZCOG, GradDip Family Medicine

Obstetricians & Gynaecologists
Dr. E. M. Uren, MBBS, FRANZCOG

Physicians
Dr. C. Charnley, MBBS, FRACP

Surgeons
Mr. B. Mooney, MB ChB, BAO (Hons), BSc (Anat.) (Hons), MCh, FRCSI, FACRRM, FRACS
Dr. B.M. Clancy, MBBS, FRACS

VISITING PRIVATE SERVICES

Dental
Dr Donna Mercado DDM (Univ of Phillipines), MDSc (Univ of Melb)

Podiatrist
Emma Smith BPod
Gabrielle Hickman BPod

Dr. Diana Peneva-Arabadjiyska

Our Year in Brief

(a) Financial Performance

Operating Result	Target	Actual
Annual Operating Result ($m)	Health Service specific	0.04

Cash Management	Target	Actual
Creditors	<60 days	38
Debtors	<60 days	36

Asset Management	Target	Actual
Asset Management Plan	Full compliance	Full Compliance

(b) Safety and Quality Performance

Safety & Quality	Target	Actual
Health service accreditation	Full compliance	Full Compliance
Cleaning standards (Overall)	Full compliance	Full Compliance
Cleaning Standards (AQL-A)	90	Achieved
Cleaning Standards (AQL-B)	85	Achieved
Cleaning Standards (AQL-C)	85	Achieved
Submission of data to VICNISS*	Full compliance	Full Compliance
Hand Hygiene program Quarter 2	75	80
Hand Hygiene program Quarter 3	77	84
Hand Hygiene program Quarter 4	80	96
HCW Influenza Immunisation	75	Achieved 84.5%

*Victorian Healthcare Associated Infection Surveillance
*Health care worker influenza immunisation

Patient Experience and Outcomes	Target	Actual
Victorian Health Experience Survey	Full compliance	Full Compliance 97%

Governance, Leadership and Culture	Target	Actual
People Matter Survey Patient Safety Culture	Full compliance	Full Compliance 91%

c) Funded Flexible Aged Care Places

Campus	Number
Flexible High Care	4

Our Year in Brief

d) Utilisation of Flexible Aged Care Places

Campus	Number	Occupancy level %
Flexible High Care	4	100%
Respite	2	104%
Total	6	204%

e) Acute Care

Service	Type of activity	Actual Activity 2014-15
Medical inpatients	Bed days	1934
Urgent care	Presentations	2139

f) Primary Health Care

Service	Actual Activity 2014-15 (occasions of service)
Speech Pathology*	765
Physiotherapy*	1109
Occupational Therapy*	104
District Nursing	3885
Dietetics*	218
Primary Health Access Advisor*	264
Clinical Counselling*	86
Diabetes Education*	131
Community Midwife*	396
Women's Health Clinic*	56

*Services which are not funded or only part funded through the MPS Tripartite Agreement

Vivien Hanagraaf and HACC client June Hunt

Our **Overview of the Year**

Priority – SERVICE EXCELLENCE

Action	Deliverable	Outcome
• Implement the full Health and Wellbeing Program across the community – also leverage promotional and funding opportunities eg conferences, evaluation, publications • Drive the quality system across the organisation • Explore new approaches to service delivery: 'satellite' location /outreach / telehealth • Explore and expand community 'events' that positively promote health	• LifeMAP health and wellbeing program moved from a workplace program to community program • Quality governance framework • Risk Management framework • Compliance with Accreditation • Successful community events • Telehealth in Urgent Care Centre	• Presentation Planned for VHA state conference • Partnership with VicHealth and UK Behavioural Insights team in a health and wellbeing research project • Completed Clinical Governance, Quality and Credentialing Framework • Completed Risk Management Framework • Compliance with ACHS EQuIP National Periodic Review • Successful Women's and Men's Nights, Health Expo and Mental Health Day. • Partnership with Men's Night Out • Telehealth system purchased through South West Alliance Rural Health (SWARH)

Priority – PEOPLE AND CULTURE

Action	Deliverable	Outcome
• Implement the tasks and systems identified in the • People and Culture Plan	• People and Culture Plan	• Leadership training for the Strategy Implementation Group • Draft People and Culture Plan in process

Priority – PARTNERING

Action	Deliverable	Outcome
• Follow up initiatives relating to the Corangamite Health Collaborative • Participate in the regional project to more effectively define clinical pathways • Finalise and implement agreements with medical services • Review all community partnerships to explore new approaches to share and lead • Review the marketing and branding of our organisation and develop new approaches to telling our story to the community /funders / partners etc.	• Allied Health Project • Safe Work Practices • Aged Care /Care in the community • VMO Contracts • Director of Medical Service (DMS) • Partnerships with key stakeholders • Website • Social media	• Completed Allied Health Project • Completed and copyrighted safe work practices for member organisations • Aged Care review in process • VMO contracts completed • DMS arrangement with Barwon Health • Membership with South West Primary Care Partnership, Corangamite Health Collaborative, Timboon P12 School, Beyond the Bell regional project and Heart of Corangamite – health and wellbeing collaborative • New website in development • Social media in development

Our **Overview of the Year**

Priority – GOVERNANCE

Action	Deliverable	Outcome
• Enhance Board's understanding of governance, strategic planning • Review and embed a new subcommittee structure	• Action plan for board development • Board subcommittees meet contemporary practices	• Fi Mercer consultant review and education for Board of Governance • Action Plan developed • 3 new Board Subcommittees formed focusing on audit, quality and remuneration • Calendar of Board agreed priorities

Administration Assistant Sharon Savage and Consumer Wayne Hulands

Financial **Overview**

Timboon and District Healthcare Service (TDHS) aims to maintain and where possible increase service provision in a financially sustainable way and uses the following areas to measure its financial performance:

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 0.7.

Asset management – ensuring that sufficient levels of investment are undertaken to maintain the asset base.

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 including interpretations, and other mandatory professional reporting requirements.

TDHS achieved a net result for the year (including capital and specific items) of ($406,905) p52.

OPERATING PERFORMANCE

The accepted indicator of performance is the result from continuing operations prior to depreciation and capital purpose income. In the current year the result was a surplus of $125,403 ($14,894 in 2014).

LIQUIDITY

Timboon and District Healthcare Service currently has a working capital of $2,253,146. (2014: $2,291,910) This means that the entity has $2,253,146 current assets in excess of current liabilities.

The current asset ratio 2.65 is a decrease of 0.32 from 2.97 in 2014. Over the past 5 years there has been an overall decline of 2.78 in the current asset ratio. Despite this decline liquidity levels remain substantially above target.

INVESTMENTS

The value of TDHS investments at year end was $2,000,000 (2014: $2,871,954). This represents a 4.4% decrease on the previous year. p80

Key Performance Indicator	Target	2014-2015 Actuals
Annual Operating Result ($m)	0.05	0.12
Cash Management		
Creditors	< 60 days	43
Debtors	< 60 days	28

Balance Sheet

ASSETS & LIABILITIES

Total assets are $17,687,518 (2014: $17,670,417) an increase of $17,101 in comparison to the previous year. Total liabilities increased from $1,289,912 (2014) to $1,713,918, an increase of 32.81%, attributable to the increase in staff provision and the recognition of SWARH leases as borrowings. (Note 14 p87)

STATE GOVERNMENT CAPITAL GRANTS

Specified State Government Grants of $49,018 were provided for the following projects. Refer to Financial Note 2 p75.

DONATIONS AND BEQUESTS

This year the Annual Appeal donations contributed to the purchase of air-conditioning throughout the acute rooms of the hospital as well as the replacement of the air conditioning in theatre.

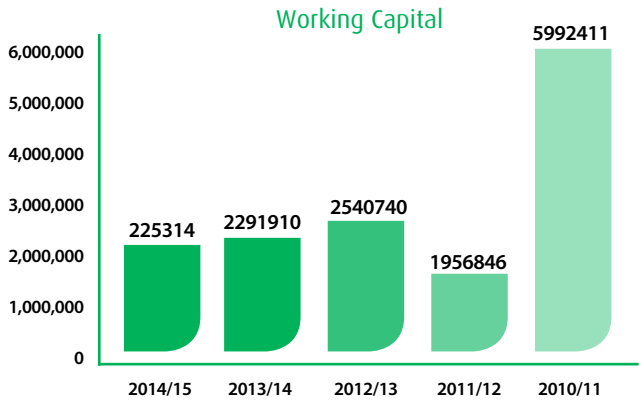
Financial Summary

Financials ($000)	2014/15	2013/14	2012/13	2011/12	2010/11
Total Revenue	7,289	7,198	8,875	6,895	6,470
Total Expenses	7,198	7,786	7,960	7,560	6,235
Net Result for the Year (inc Capital and Specific Items)	(407)	(588)	915	(665)	235
Retained Surplus / (Accumulated Deficit)	5,863	6,270	6,858	5,943	6,608
Total Assets	17,687	17,670	17,526	16,816	17,306
Total Liabilities	1,713	1,289	1,450	1,655	1,481
Net Assets	15,974	16,380	16,076	5,161	15,826
Total Equity	15,974	16,380	16,076	5,161	15,826

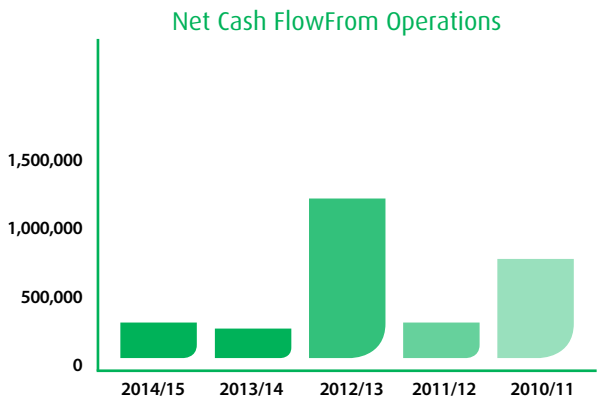
	$
Engineering Infrastructure Replacement	$10,100
Medical Equipment Replacement	$17,800
HACC Minor Capital Replacement	$21,118

	2015	2014	+/- % change
General Donations	$33,453	$24,281	$35,542
Annual Appeal	$12,809	$11,787	$8,050
Total	**$46,262**	**$36,068**	**$43,592**

Financial **Overview**



The working capital has progressively declined over the last five years due to the construction of the new Community Health Building and the purchase of additional properties.



This year Timboon and District Healthcare Service achieved a net operating cash flow of $366,326 Note 18 p89.

Summary of Significant Changes in Financial Position during 2013/14	2014/15	2013/14	+/- % Change
Cash and Cash Equivalents	$1,295,632	$182,786	608.82%
Investments & Other Financial Assets	$2,000,000	$2,871,594	30.35%
Provisions	$1,000,837	$871,177	14.88%
Capital Purpose Income	$212,386	$238,422	10.92%

Cash and Cash Equivalents and Investments and Other Financial Assets combined have increased by $251,252 with the additional $900,000 in cash and cash equivalents awaiting transfer to an investment with Treasury Corporation of Victoria.

Events Subsequent to Balance Date, which may have a Significant Effect on the Operations of the Entity in Subsequent Years.

There were no such events.

Budgetary Objectives for 2014/15 & Performance against those Objectives	2014/15 Actual	2014/15 Budget	Variance
Total Revenue	$7,289,843	$6,091,659	$1,198,184
Total Expenditure	$7,786,214	$6,733,031	$1,053,183
Surplus Before Capital & Specific Items	$125,403	$49,447	$75,956
Depreciation	$733,765	$839,546	$105,781
Net Result for the Year	($406,905)	($641,372)	($234,467)

Future Directions

It is important to maintain a level of investment which enables TDHS to provide a strong base on which to improve service delivery and efficiency and comply with increasingly rigorous service standards. The challenging economic environment with ever increasing productivity demands will continue to challenge TDHS as it strives to continue to deliver services in a financially sustainable way.

Our **Services**

Meeting the needs in our Communities

ACUTE HOSPITAL CARE
- 24 hour Urgent Care Centre
- Day Surgical Procedures
- Diagnostic Procedures
- General Medicine
- Midwifery Services
- Obstetrics/Gynaecology
- Palliative Care

DIAGNOSTIC SERVICES
- Pathology
- Radiology

AGED CARE – RESIDENTIAL AND HOME BASED SERVICES
- Aged Residential and Respite Care
- Community Aged Care
- Services to older persons in their own home

COMMUNITY NURSING
- Continence Resource
- Chronic Disease Management
- District Nursing
- Diabetes Education
- Maternity Outreach/Domiciliary Visits
- Palliative Care Nursing
- Post Acute Care
- Women's Health

HOME AND COMMUNITY CARE - AGED & DISABILITY SUPPORT
- Assessment and Case Management
- Delivered Meals
- Domestic Assistance
- Home Maintenance
- Personal Care
- Respite Care
- Community Transport
- Planned Activity Groups
- Visually impaired group

EXERCISE AND REHABILITATION PROGRAMS
- Body Balance
- Bounce Back with Babes
- Strength Training & Circuit
- Men Only Strength Training
- Tai Chi

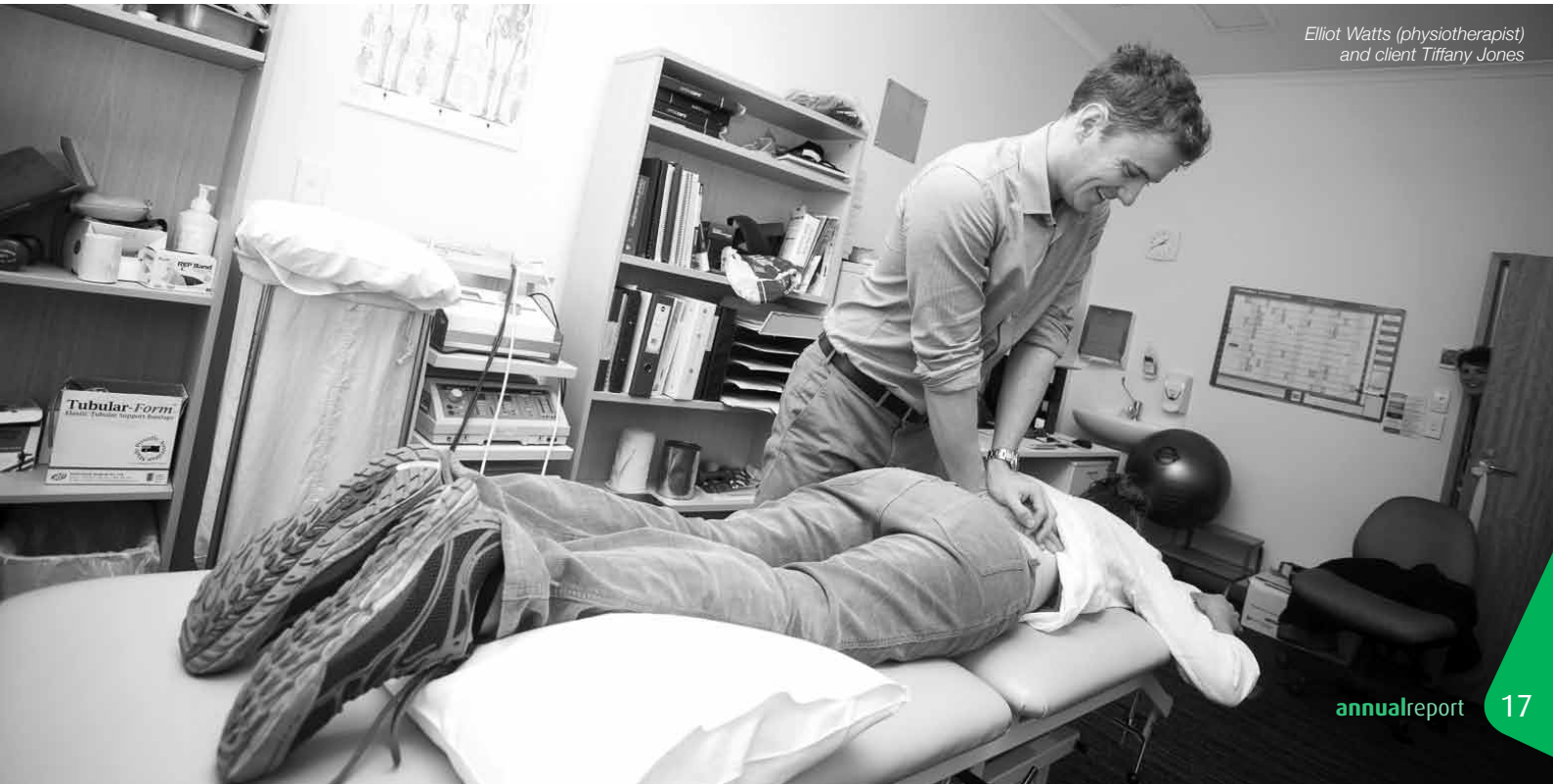
HEALTH EDUCATION
- Childbirth Classes
- Early Childhood Reading Group
-

HEALTH PROMOTION
- Community and School based education programs
- Health Screenings

PRIMARY CARE SERVICES
- Audiology (private)
- Counselling
- Chiropractic (private)
- Nutrition
- Occupational Therapy
- Osteopathy (private)
- Physiotherapy
- Podiatry (public & private)
- Primary Health Access
- Clinical Counselling
- Speech Pathology

SUPPORT GROUPS
- Arthritis
- Diabetes Support
- Visually Impaired

We work closely with regional and specialised health services to extend and coordinate the scope of services available to our local communities



Elliot Watts (physiotherapist) and client Tiffany Jones

Clinical **Services**

Our organisational wide focus has been geared towards embracing patient centred care and consumer participation. Our clinical and community services team comprises 51 employees equating to 35.42 EFT. All staff within our organisation willingly embraced the opportunity to participate in patient centred care education. We continue to actively encourage consumer participation within the organisation and strive to implement timely and responsive consumer feedback processes. Our organisational training on SOLLE has been upgraded ensuring all staff have the opportunity for up to date best practice education. We have made improvements to our clinical governance processes reviewing and improving the organisations commitment to thorough checks covering credentialing and scope of practice for all of our clinical staff.

Medical

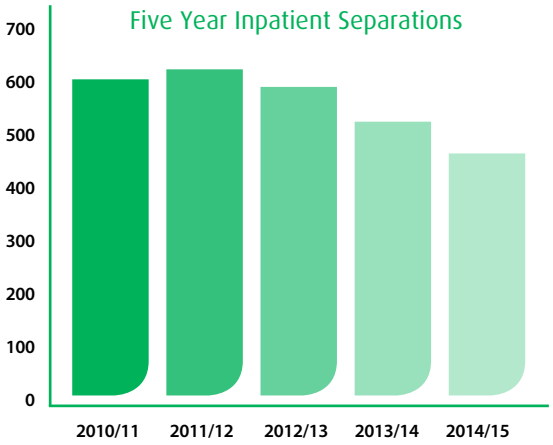
The arrival of a new medical officer at Timboon Medical Clinic in March 2015 increased the number of medical staff supporting our facility to 4. We also have a regular group of locum medical officers and a nurse practitioner that provide ongoing support by visiting inpatients, residents and fulfilling out of hours on call duties. Our medical team has been actively involved in education and participation in accreditation which we aim to continue and improve on into the future.

Five Year Comparison for Acute Admitted and Non Admitted Patients

Acute Admitted Patients	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Same Day Separations	277	219	250	211	175
Multi Day Separations	346	415	361	313	291
TOTAL SEPARATIONS	**623**	**634**	**611**	**524**	**466**
Total WEIS	421.76	417.10	340.19	362.90	414.6
Total bed days	2078	2103	1694	1565	1934
Urgent Care Centre Presentations	2400	2279	2279	2599	2139

Acute Care

Our acute services continue to focus on providing best practice clinical care. We have a continual audit process that aims to identify gaps within our processes and an active group of nurses that strive to continually improve these areas and are represented on the 'Patient Safety and Quality Committee.' One of the areas we have actively improved is Bedside Handover which now involves patient participation. To do this the organisation adopted the ISBAR clinical handover process to ensure our handovers are completed consistently and meet best practice guidelines. The education of our clinical staff has been an important focus this year. Within the facility we have had one registered nurse who has completed her RIPERN (Rural Isolated Practice Endorsed Registered Nurse) course and hope that others will follow. The organisation also began competency assessments of our nursing staff in the areas of Aseptic technique, IV cannulation, No Lift, Basic Life Support and Effective Clinical Handover using the ISBAR tool. Recently 18 registered nurses completed their Advanced Life Support competencies. TDHS continue to have a graduate position and clinical students and staff work closely with VicPlace to maintain currency in the provision of best practice student placements.



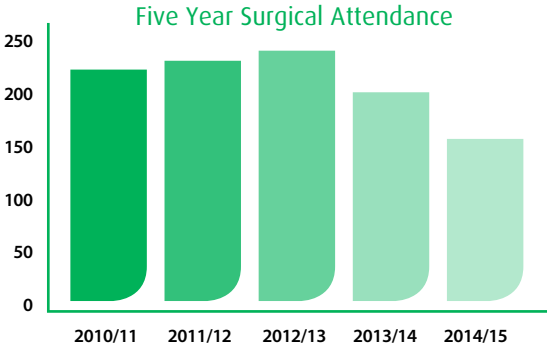
Decrease in separations can be contributed to the decrease in output from TDHS theatre

Acute care services at TDHS have remained active over the past twelve months with nursing/medical staff caring for 466 admissions in 1565 bed days. Of the 466 admissions the four permanent general practitioners and nursing staff cared for 98% of patient presentations at the healthcare service, with 2% of patient presentations requiring transfer to a higher level of care (intensive, coronary or specialist referral) at a regional or metropolitan hospital.

General Surgery and Diagnostic Procedures

Visiting Medical and Surgical Specialists provide specialist care for our community catchment and surrounding areas. Our communities receive significant physical, mental, social and financial benefits by having access to expert specialist services close to home. The efficient management of waiting lists relates to reduced waiting times for surgery less than 90 days.

This area continues to be supported by our visiting surgeon Mr Brendan Mooney and physician Mr Chris Charnley. This area is externally monitored by IPA and continually achieves very high scores in all audited areas. Staff continually participate in educational opportunities. Specialists are supported by the anaesthetists at Warrnambool Anaesthetists Group and by our GP anaesthetist Dr. Warwick Rouse.

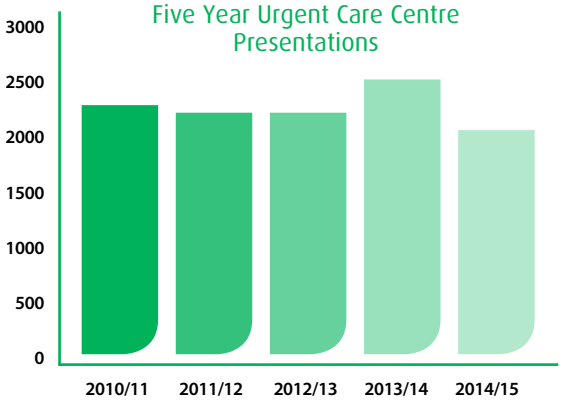


Decrease in theatre cases due to increased leave by our physician and surgeon as well as the Christmas shutdown allowing for the reorientation of health service budget towards community and allied health care.

Clinical **Services**

Urgent Care Services

Our UCC continues to run a 24 hour service, seven days a week. Education for our clinical staff in this area has been provided by our nurse practitioner focusing on triage and primary assessment. TDHS led a successful South West Victoria Emergency Care Planning Forum which looked at different models of emergency care. The forum resulted in the establishment of a working group to continue collaborative work in the area of rural emergency care. We are also fostering and strengthening the partnership we have with our local ambulance service. We have participated in one mock scenario together and aim to continue regular mock emergency education into the future.



Decrease in separations can be attributed to bypass by Ambulance Victoria for Triage Categories one, two and some threes dependent upon clinical investigations required

The purchase of Telehealth for the UCC will assist in providing links to regional centres regarding complex clients. This technology can be used for consults and education purposes.

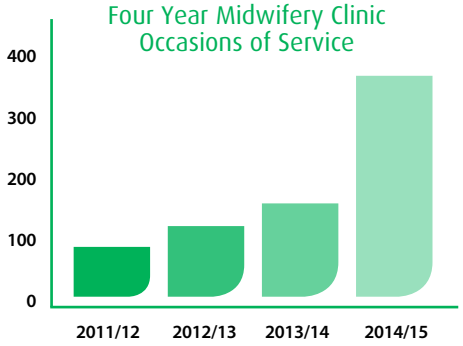
Palliative Care

TDHS has an active group of nurses that are very interested in this area of care. We continue to use the clinical care pathway for palliative care. Palliative care has been effectively provided for inpatients and on a number of occasions district nursing has provided palliative care support for clients that wish to die in their own homes. Nurses actively identify and assist any clients that wish to develop an advanced care plan enabling clients to express their own decisions as they approach death.

Nurses attended the 'sex, drugs and dying well' conference to support the organisation in determining end of life care that meets all of our clients' needs.

Midwifery Services

TDHS formally ceased birthing services in 2015 after an 18 month moratorium to investigate and determine appropriate and safe maternity services for our community. It was decided to maintain the focus on ante-natal and post-natal care continuing with our trial model of care in Community Midwifery. The community midwife provides a comprehensive service for ante and post-natal clients under a shared care arrangement with Dr Liz Uren and the Medical support outreach program maternity services for pre-natal clients. This support is also enhanced by ante-natal classes provided by our community health nurse who works closely with the community midwife. Post-natal care is well supported by our domiciliary service and the Corangamite Shire maternal and child health nurse who work together to provide the best care to these clients.



As can be demonstrated by the increase in occasions of service the community midwifery program is continuing to grow and develop.

Aged **Care**

Residential and Respite Care

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Number of Permanent Aged Care Residents	4	4	4	8	4
Number of Respite Clients	33	41	55	47	63
Residential Bed Days	1070	998	1228	1432	1460
Respite Bed Days	455	563	802	669	759
Total Bed Days	**1535**	**1561**	**2030**	**2101**	**2219**

TDHS has 4 beds dedicated to aged care and 2 beds towards respite. Our 4 aged care beds are occupied at all times with a very slow turnover rate. So the clients that occupy these beds become part of our 'family'. All these clients have access to the exercise program, diversional therapy, planned activity group, church and the visually impaired group. It is the choice of each of the clients to attend what they want to participate in. Clients are also encouraged to go out on day trips with family. A person centred approach is always followed in this area.

Prior to admission all residential and respite clients are assessed by the Aged Care Assessment Service, who identify the client's level of care needs and then determine a care plan to be followed whilst in care.

A total of 4 residents and 63 respite clients have been accommodated during the past 12 months. This equated to 100% occupancy of available bed days of permanent aged care and 104% occupancy of respite care bed days. Respite client placement is coordinated through the Warrnambool Carer Respite Centre and we work in association with the Regional Aged Care Assessment team to make sure clients are appropriately assessed prior to accessing aged care services.

Quarterly mandatory reporting of quality indicators for pressure ulcers, falls, physical restraint, medications and loss of weight are occurring and are recorded on the Victorian Health Incident Management System.

As TDHS is a multipurpose health service, when the demand for respite beds is increased and beds are available we have taken on a number of private respite patients.

Patient Story

Before becoming an aged care resident at TDHS, Mr Geoff Drayton lived at home in Timboon. Geoff had frequently visited TDHS with his wife for treatment for a health condition prior to her death. Unfortunately Geoff suffered a stroke in early 2013 which initially had him hospitalised, followed by extensive rehabilitation before being discharged home.

On discharge, Geoff was provided with Home and Community Care Services Package to support him at home including personal care, meals on wheels and home maintenance. The support required to keep Geoff safely at home was immense and after a family meeting which included Geoff, it was decided that when a bed was available he would move to permanent aged care. In August 2013, a permanent aged care place became available at TDHS where Geoff took up the opportunity to move in.

Geoff stated "It has been the best outcome for me, everything is spot on, the nurses are terrific and the food is good – really."

Geoff really likes that there is something for him to join into each day and that his family can visit regularly and feel a part of his care. He said "I have my exercises on Monday, Tuesday and Wednesdays where I attend the exercise program as well as some time one on one with the allied health assistant. Then on Thursdays and Fridays it is the planned activity group which is almost like a holiday".

TDHS offers a planned activity group to both its residents and local community members. The group travels to local performances, areas of interest and the group regularly participates in a croquet competition. They also spend days within the healthcare facility and enjoy the aromas of home cooking whilst participating in a variety of centre based activities.

Geoff also participates in the Diversional Therapy program offered to residents on Mondays and Wednesdays.

Aged **Care**

Home and Community Care Services

TDHS is funded a certain amount of Home and Community Care (HACC) hours each year, to provide services for our frail aged and disabled clients. The HACC program is designed to support people to stay living independently in their own homes, and to help them avoid premature or inappropriate admission to long-term residential care.

Eligibility does not depend on age or income. Eligibility is determined by the Assessment Officer using a 'priority of access' tool. At a minimum, clients need to be 65 or have a disability pension, however this does not automatically mean clients are eligible for HACC services.

The main types of HACC services available through TDHS are:

- Domestic assistance – general housekeeping duties
- Personal care (showering, shopping, meal prep)
- District Nursing (community nursing, home nursing)
- Allied health services (physiotherapy, podiatry and exercise classes)
- Food services (meals on wheels and centre-based meals)
- Planned activity groups, in both Cobden and Timboon
- Property maintenance (lawns, minimal trimming of shrubs, garden maintenance and home modifications)
- Respite services
- Transport services

Active Service Model – Patient Centred Care

As professionals, our team is trained to work within the guidelines of the Active Service Model. This is a person centred approach to care. Staff are trained to look at what clients can do and what clients would like to do, and work within that gap. It is a holistic approach, viewing the whole person within their environment and their personal situation: not doing for clients what clients can do for themselves, but helping clients to achieve what they can't do but would like to, and in this way helping them to continue living independently in their own environment.

So who is our team?

Our Assessment Officer is the person who visits clients in the home to help clients with a goal directed care plan and assessing our clients' needs for support in the home.

Our team of 15 Community Care Workers are all qualified in Cert 3 or higher in Home and Community Care and are qualified in First Aid.

During the past 12 months they have also participated in training including:

- Mental Health First Aid
- Suicide prevention
- Professional Boundary Setting
- Patient Centred Care
- Basic Health Assessment for HACC workers

We also have 2 maintenance officers who provide all our home maintenance and assistance.

Throughout the past year the HACC team has continued to provide an extensive range of services to the community. However the team has also been researching and keeping abreast of the upcoming changes as Victoria transitions to the Commonwealth Home Support Program.

The Timboon based staff have been designated an office and meeting space which allows them to continue their team based meetings and also individual staff meetings with their supervisor.

District Nursing

The nurses who deliver home nursing throughout the district provided an invaluable service to 179 clients this year. This accounted for a total of 1881 hours of nursing care. Some clients receive visits on a regular basis, and are encouraged and motivated to be independent, thus assisting them to remain in their own home as long as possible.

TDHS district nursing continues to provide a wide range of services including post-acute care services and hospital in the home. Under the active service model, the nurses continue to maintain and develop their high level of skills in wound care and palliative care just to name a few. An advanced care plan clinic has been commenced by this group of nurses under a trial phase and shall continue to be developed and improved to meet consumer needs. Also on a number of occasions clients have made the choice to die within their own homes and this has been well supported by this service.

Community Aged Care Hours of Services Over Past Five Years

Aged Care Services	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Assessment	504	716	592	496.5	671
District Nursing	2264	2450.27	2257.8	1992	1881
Personal Care	749	958.4	801	934	1611
Domestic Assistance	3600	3347	3225	3416	3734
Respite (in home)	933	376.54	501	345	560
Property Maintenance	2147	1367.88	1578	1384	1425
Planned Activity Groups (Timboon and Cobden)	7890	6700.05	5765.1	4861	9060
National Respite for Carers	1875	1775	1440	1440	2851
Community Transport	1023	1081	1173	1403	3912
Number of Delivered Meals	8297	6903	5637	7866	8461
Volunteer Coordination	NA	NA	892	1056	1398

Planned Activity Groups and National Respite Carers Program

The Planned Activity Groups operate twice weekly at Timboon and Cobden and provide an opportunity for older members of the community to socialise and participate in a range of activities and outings while encouraging participants to remain active and involved. After a significant recruitment program the Planned Activity Group now caters for twice the number of participants compared with this time last year. The group remains very active and has been involved in Croquet, 10 pin bowling, Bocce and the South West Active Games. The group also enjoys the Arts, with visits from local musicians and trips to the theatre. They have had guest presenters from CFA, Ambulance, consumer affairs, financial planning as well as local historians. The five hour program also offers carer respite, funded by the National Respite Carers Program on Fridays in Timboon.

Meals on Wheels

This service is dependent upon the many volunteers in Timboon and Cobden who regularly deliver meals to our older members of the community, providing valuable daily contact. This year 110 clients were provided with a total of 8461 meals from the Timboon and Cobden health services' kitchens.

Community Transport

Volunteer drivers make possible our Community Transport program, which continues to be well utilised and important to our community. This service is an integral part of our community aged care service, assisting clients without access to transport to remain in their own homes. Transport is provided, for example, to medical and allied health appointments, exercise classes, Planned Activity Groups (day centres), local shopping and related trips. During the year 110 clients received 3912 hours of community transport which equated to 65,307 kms.

Red Cross Transport

This service assists many when they are unwell to attend hospital and medical appointments. This valuable service complements the Community Transport program assisting many to attend appointments in Warrnambool and further afield.

Volunteers

Once again the number of volunteers continues to grow with a staggering 207 volunteers now part of providing services to the TDHS community. Volunteers provide assistance in a number of areas and in order to better meet the needs of one group of volunteers we have formed the TOPS Working Party. The group aims to ensure the working environment at TOPS is optimum for the volunteers as well as continuing to meet the needs of our community. The working party is also entrusted with the decisions on where the money raised from TOPS is spent.

We express our sincere appreciation to the valuable group of dedicated volunteers who give their time to assist our communities via the following programs:

- Meals on Wheels
- Planned Activity Group
- Community Transport
- Friendlies
- TOPS Opportunity Shop
- Consumer Representatives

Community transport volunteer Peter Till and client Tim Couch

Community **Health Services**

Allied Health Services

TDHS has maintained a large team of allied health clinicians who provide a wide range of services for inpatient, outpatient and community clients. They work very pro-actively within our community and have successfully run individual patient care and group care as well as assisted in community events including the Timboon Fun Run / Health Expo, and our successful Men's and Women's Health Nights.

All the allied health team have actively participated in accreditation to ensure best practice evidence based health care.

Allied Health Occasions Services Over Past Five Years

Allied Health Occasions of Service	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Dietetics	86	112	112	171	218
Occupational Therapy	77	74	72	65	104
Physiotherapy	658	441	443	651	1109
Primary Health Access Advisor	NA	NA	NA	390	264
Speech Pathology	290	231	181	370	765
Clinical Counselling	115	379	172	210	86
Youth Work	1950	2707	2312	10	7

Allied Health Assistant

TDHS has an Allied Health Assistant (AHA) who provides regular exercise programs to our inpatients under the physiotherapist's directive and assists with exercise programs within the gym when required. The AHA oversees the equipment loan program and this year has put a great deal of time and effort into ensuring the process is fair and equitable.

Primary Health Access Advisor

This role is the gateway for community members to gain information about a service or to access an appointment to one of our services or programs. All appointments for the HACC, community and allied health services are triaged and booked by this position. The Primary Health Access Advisor also provides assistance to our clinicians with their data entry and the use of the Trak Community electronic health record system.

Dietician

Our current Dietician calls herself a 'food enthusiast' providing a contemporary approach to healthy eating. The program advocates the moderation movement with a focus on 'Mindful Eating' and 'Intuitive Eating' creating longer term sustainable food and nutrition options for our community clients. The Dietician has provided individual and group work throughout the year working collaboratively with other clinicians to provide holistic care. The Dietician is also interested in general wellbeing and has been involved in education sessions within our community focusing on healthy eating, nutrition and resilience. The program has also run very successful cooking classes. Our Dietician also works one day a week as an active member of a private medical clinic in Warrnambool.

Speech Pathology

Currently our Speech Pathologist provides inpatient, outpatient and community client services utilising a holistic and collaborative model of care. The majority of this workload is to pre-school age intervention. The Speech Pathologist provides a comprehensive kinder screening program for our community which has involved Cobden, Simpson and Timboon and enables early detection of speech and language problems prior to children attending school. The Speech Pathologist has also been involved in education activities within the community and to our staff groups.

Physiotherapist

Our Physiotherapist provides individualised and best practice interventions and care to inpatient, outpatient and community clients. The programs can involve gym work or trips to hydrotherapy. To provide the most appropriate treatment options a comprehensive assessment is undertaken. The Physiotherapist has participated in further education around spinal care, swollen joints, tendinopathy and has completed further studies to advance

Community **Health Services**

his scope of practice to include dry needling acupuncture. Further education is planned with North Melbourne football club in sports physiotherapy. The Physiotherapist works closely with TDHS Exercise Co-ordinator and the AHA to provide the best care to our clients.

Occupational Therapy

TDHS contracts a one day a week occupational therapist service from Colac Area Health. This service provides a comprehensive assessment of clients' needs and is attended to with follow up visits. This service provides assistance for inpatients returning home after hospital admission and is an integral part of our multi-disciplinary team for case reviews.

Clinical Counselling

TDHS provides clinical counselling for all age groups and situations via a range of counselling techniques dependent upon the person's needs and preferences. The service is provided for inpatients, outpatients and community clients and is highly private and confidential focusing on the best outcome for the individual client. This position works collaboratively with the school and other services and will be an integral part of our Strategies for Child and Youth Wellness Working Group. Over the past year our clinical counsellor has participated in the Farmers Night Out, Mental Health Open Day at the Distillery and community education at the local football club regarding the signs and symptoms of bullying.

Clinical Nurse Education

Community Clinical Nurse Occasions of Service

Community Clinical Nurse Occasions of Service	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Diabetes Education	260	296	192	156	131
Community Midwife	NA	NA	NA	63	396
Well Women's Clinic	178	204	117	116	56

Diabetes Educator

The diabetes educator provides comprehensive best practice diabetic advice for clients across our catchment area. Clinics for this service are provided in both Cobden and Timboon on an outpatient basis. Inpatients within Timboon also have access to this service. The program provides assistance to consumers using current best practice and is well supported by other diabetes educators within the South West Region. During Diabetes Week a regional diabetes educator presented at a community forum and a session was also held at the local chemist to improve client awareness and access to our diabetes education service.

Women's Health

The Well Women's Clinic provides pap tests, contraception advice, women's health information, education and referrals as appropriate. This year 56 women attended the service.

Community Nursing

Our community nurse has a wealth of knowledge and continues to be involved in programs which have been provided to our community, some of which have run for over 10 years. These programs are often run collaboratively with the local schools or Corangamite Shire. The health and wellness awareness programs with our school age students such a 'Secret Girls' Business' help to improve communication with parents and peers around the challenging time of puberty. The community nurse is also the provider of ante-natal classes.

Health Promotion **Program**

Health Promotion is the process of enabling people to increase control over and improve their health. At TDHS, Health Promotion continues to be a key component of health prevention. To provide evidence based integrated health promotion programs it is essential to use evidence to determine which health promotion programs to deliver and then ensure consistent evaluation of programs that are being delivered.

The TDHS integrated health promotion programs focus on achieving equity in health and providing opportunities and resources that enable the community to increase control over and improve their health and wellbeing. This includes helping people to improve their health knowledge and skills through programs and presentations. Working in partnerships with other organisations such as the Heart of Corangamite Network continued to be an important part of TDHS health promotion plan in 2015. These partnerships work collaboratively to reduce cardio-vascular disease, improve healthy lifestyle choices and encourage sustainable positive behavioural change.

It has been a busy year in health promotion at TDHS with programs delivered within the schools, early childhood centres and the wider community. We also launched our own workplace Health and Wellbeing program 'LifeMAP' which was embraced by our staff.

During the past year there have been many school and early childhood presentations around healthy eating and physical activity. Some of these have included the 'Food Revolution Day', 'Cooking for One', 'Mindful Eating Workshops' and 'Portion Size Workshops'. The BRICKs program (Building Resilience in Corangamite Kids), continues to be a valued program in which TDHS is involved. BRICKs is an early intervention and prevention program to recognise and strengthen the personal assets of young people in the Corangamite Shire. TDHS staff again played an integral part in the Kids Matter Health and Wellbeing Day held at Timboon P12 School, this program provides activities and education to support and encourage students' wellbeing.

LifeMAP

The TDHS Workplace Health and Wellbeing Program 'LifeMAP' has seen very positive results since its inception in August 2014 and continues to provide support to TDHS staff and their families in making sustainable healthy lifestyle improvements.

'LifeMAP' (Mental and Physical Health) significantly reduces the rate of chronic disease risk factors within the workplace. 'LifeMAP' is integrated and team based, focusing on improving physical activity, nutrition and mental wellbeing. 'LifeMAP' encourages friends, families and workmates to support each other to achieve an improved state of health and wellbeing.

Participants wear an activity tracker daily; continuously recording activity including number of steps and active minutes. Nutritional information can also be recorded and analysed. Data is compiled and accessed through a Dashboard and fed back to participants via a leadership board and weekly challenges. Education and improvements in participants' health literacy are an integral part of 'LifeMAP'; achieved by mentoring and one on one wellness coaching where participants identify personal challenges and set short and long-term personal and team goals.

With 74.5% of participants averaging >9,000 steps per day and 85.71% of participants averaging >30 moderately active minutes per day, LifeMAP has considerably improved individuals' health and wellbeing. Blood pressure, waist circumference and physical activity levels have significantly improved, whilst enhancing overall confidence, stress management and workplace morale.

Through the 'LifeMAP' program TDHS have partnered with VicHealth and Behavioural Insights Team (based in the UK) to run a trial incentives scheme within the workplace throughout the last half of 2015 and into 2016, with the intent of possible publication of an academic paper.

The 'LifeMAP' program is also being showcased at the 2015 VHA Rural and Regional Forum in Creswick in August.

Oral Health **Program**

Public Dental

Public Dental is offered on a weekly basis to all Health Care Card holders and provides preventative and general dental treatment as well as a referral service. This service is provided by South West Healthcare Dental Program.

Private Dental

Private Dental services are provided by Dr Donna Mercado on a weekly basis and is valued by local communities.

Oral Health Prevention

The 'Smiles 4 Miles' program continues to be provided to all Kindergartens and Childcare Services within the Timboon district. This program includes parent and child education on oral health and information about access to available dental programs.

Public dentist Peter Nguyen with client Caius Cuthell

Fitness & Rehabilitation **Program**

Exercise Program Occasions of Service	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Active Expectations	34	11	16	0	62
Body Balance	269	240	500	471	368
Bounce Back with Babes	174	104	107	71	184
Gentle Exercises	537	742	841	505	633
Heartmoves	NA	NA	484	230	156
Stepping Stone	NA	NA	378	310	71
Strength Training	1,275	1,416	1413	1625	1324
Strong Women	NA	NA	403	438	602
Tai Chi	536	483	743	510	578
TOTAL	**2825**	**2996**	**4912**	**4160**	**3978**

Over the past 12 months we have continued to see consistent numbers through the physiogym.

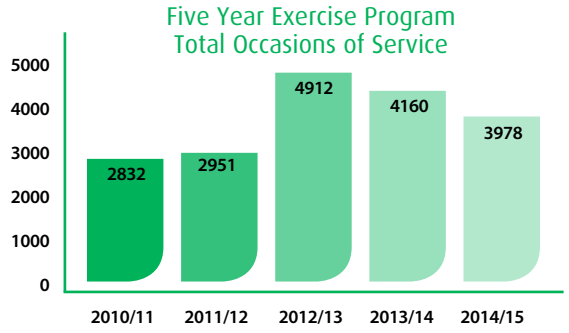
Our Physiotherapist has seen many people accessing the Open Rehab classes which run twice weekly. Clients attend this class either in preparation for surgery or rehabilitation after surgery. We also offer slow stream rehabilitation for chronic conditions or supervised intensive rehabilitation following changed musculo-skeletal health for our clients with conditions such as Parkinson's disease.

Tai Chi was invigorated earlier in the year as we hosted a 'Come n Try' afternoon on the Port Campbell beach. Conditions were perfect! This was part of Corangamite Shire's 'give it a go' month.

Our experienced Tai Chi group have taken up arms learning a more elegant and challenging form of Tai Chi -Tai Chi with Swords - which has been enjoyed by all participants.

The TDHS Walking Group celebrated 14 years of weekly walking and graced the pages of the Heartmoves walking national calendar. The group were pictured walking beneath the trestle bridge. Congratulations ladies for maintaining such a commitment to your health and wellbeing.

The physiotherapist and exercise program coordinator have been active members of the falls group and completed a successful 'Preventative Falls Program – Better Balance' for the second year running. Better Balance participants all saw improvements in their balance after attending the 10 week short course. Guest speakers were informative and entertaining and spoke to participants regarding vision, foot care and fall proofing their homes.



There has been an increase in the number of Mums and babies joining the 'Bounce Back with Babes' classes this year. Some of these babes were merely bumps in their Mums' bellies when they first attended the ante-natal classes, they have then grown into crawlers whilst the post-natal 'Bounce Back with Babes' program was in progress. Congratulations goes to one of our Mum's who has now attended the program 4 times after the birth of her 4th baby.

The physiogym has had some equipment improvements during the past 12 months; it is the proud owner of a contemporary new music management system which includes streaming music from the internet and being able to tap into any genre at the touch of a screen. All thanks to the Timboon and District Dance Group who very generously donated $400 to update our antiquated system.

We have purchased a lovely set of stairs for our Open Rehab program. The railed 3 up - 4 down stairs provide opportunities for rehabilitation, falls prevention and general conditioning alike. Much better and safer than heading outside!

There have been some administrative improvements which have included the review of the accessibility of the exercise program and ensuring person-centred, goal-directed care plans are in use for all our participants.

Support **Services**

Support services include areas such as administration, finance, catering, environmental, human resources, ICT, quality, Occupational Health and Safety, volunteer co-ordination and maintenance. With 27 employees totalling 16.64 FTE these support services are essential to the provision of direct patient / client care, in an efficient and effective manner.

Staff employed in support services are involved in all aspects of decision making across the organisation and the management of those resources (physical and intellectual) required for service delivery.

2014/2015 saw many achievements in support services including:

Administration

The Administration staff have continued to make ongoing changes to their work practices to ensure best practice. Implementation of the Trak Community software package has brought about efficiencies in medical records retrieval and filing allowing the staff more time to focus on their support role to the service delivery staff.

Finance

The finance team have focused on keeping the balance of our debtors to a minimum and have been successful in meeting their Key Performance Indicators of not having more than 5% of our debtors exceed 60 days. The department has also been continuing to increase the number of creditors paid via EFT.

The budget development and review process has also been an area of focus for the finance department with the ongoing process ensuring that staff in relevant departments are fully involved and responsible for the setting of and adhering to the annual budget as approved by the Board of Governance.

Catering

Under the guidance of our Dietician a full menu review was conducted with a particular focus on portion sizes and meeting the recommended daily serves of each of the 5 food groups. The review concluded with a full staff workshop conducted by the Dietician in which the results of the review were outlined and a 6 step action plan developed.

In order to ensure that we have a full audit trail of food served to patients and residents a template was developed and instigated which now allows us to have complete traceability of each meal from the time it is cooked until the time it is served to the patient / resident. These records are kept for future reference should an issue be identified or a complaint received.

The catering department has been supporting students from Timboon P12 in commencing their school based apprenticeship. Students work with kitchen staff one day per week whilst completing the necessary requirements of the apprenticeship at school and at home.

To enable the catering staff to have a comprehensive knowledge of patients' dietary requirements on an ongoing basis a system has been developed whereby the nursing staff on admission, identify the patients dietary requirements, likes and dislikes and complete a form which is kept in the kitchen for the duration of their stay. This removes the need for patients to complete this on their menu on a daily basis and ensures that all catering staff are aware of their needs.

Due to the rostered nature of the catering staff a communication book has been instigated in which staff record information necessary for those staff that may be working in the coming days whom they will not get to speak to face to face. This has assisted greatly with communication and ensures that one consistent message is being received by all staff.

Environmental

In order to streamline the internal audit process TDHS purchased an application known as CheckUp. CheckUp is a Web and App based auditing tool designed specifically to make the task of auditing simpler, faster and produce more powerful and actionable reports. We have 3 staff fully trained as Internal Auditors and the purchase of this tool has assisted in ensuring that we continue to achieve high internal audit results in an efficient and timely manner.

To assist with the streamlining of the cleaning process an electronic room booking system was implemented. The system allows the environmental staff to see at a glance which rooms have been used each day and which are required the following day. This allows staff to prioritise the cleaning of those areas which are required for use that day and ensures that rooms are ready in a timely manner for use by patients, residents and staff.

To aid in the ongoing communication necessary between the environmental staff and the nursing staff a process has been implemented by which the nursing staff identify those patients who require additional infection control precautions from the environmental staff on a daily basis. This ensures that the infection control requirements of each patient are documented for the environmental staff without reliance on face to face communication.

Information Communication Technology (ICT)

In May 2015 we successfully transitioned and implemented Trak Community, an integrated patient system which brought community service in line with acute service via the same software system and database. The implementation of the software has enabled us to move towards a fully integrated electronic health record.

Throughout the year we continued to replace any end of lease computers with thin clients. Thin clients have their computational functions achieved on an external server which means that the hardware has a lot longer life span, reducing the outlay on hardware in order to maintain up to date equipment. Where possible TDHS will continue with the implementation of thin clients as computers reach the end of their lease cycle.

Maintenance

The TDHS Maintenance team continue to ensure that all of our physical assets remain in good condition and fully support the service delivery aims of the organisation. Maintenance staff work closely with the service providers who place maintenance requests via a software system known as BEIMS. This system enables staff to enter requests and receive ongoing feedback on the status of their requests until completed.

For the past three years our Maintenance department has continued to support students from Timboon P12 School with a second student currently completing Certificate II in Horticulture. Throughout their time at TDHS the students are required to complete a number of projects which are assessed towards successful completion of their certificate.

As part of a risk management and identification process it was identified that our outdoors staff were at risk of skin cancer if they did not take the necessary precautions. To ensure they remain at minimal risk the organisation has formalised control measures and the Maintenance team have their skin checked on a 6 monthly basis.

A focus of the Maintenance team this year has been working on the gardens at our offsite properties to create low maintenance gardens. The gardens whilst being low maintenance will still maintain the high standards that the organisation is known for however they will require fewer resources to maintain them.

Staff have this year commenced (under the guidance of the DHHS) an intensive Legionella treatment and testing regime. Water holding places are treated on a weekly basis with testing completed on a monthly basis. Tests to date have been clear however the treatment and testing regime will continue indefinitely.

Maintenance staff have completed training in the safe use of Chainsaws, a Chemical Users Course and also a Test and Tag course.

Environment and **Sustainability**

TDHS acknowledge that we have a role to play in making Victoria a more sustainable state for future generations.

Data	Measure	2011/12	2012/2013	2013/2014	2014/2015
Energy Consumption					
Electricity (Peak)	kWh	162452.55	171784.47	217712.369	182833.96
Electricity (Off Peak)	kWh	150244.02	167832.01	110755.766	169823.97
Unleaded Petrol	Litres	13980.02	15573.18	17391.25	19256
LPG	Litres	16504.8	57628.5	45284.5	17024.5
Diesel	Litres	1506.84	2866.13	4867.77	4247.72
Water Consumption					
Water Consumption	kL/ML	952	1167	1652	1721
Waste Management					
General Waste	# of bins	559	472	351	386
Recycled Cardboard	Kg's	1119	725	190	499
Confidential Paper	# of bins	2	5	6	5
Clinical Waste	Kg's	287	259	298	309
Paper Purchased	# of bins	400	239	350	333
B&W Photocopies	ea	148451	204622	197288	244326
Colour Photocopies	ea	47940	42724	53816	96306

NOTES

The decrease in peak electricity consumption is due to staff vigilance in turning off heating, cooling and lighting when not in use

The decrease in LPG consumption is due to the organisation removing the boilers

The increased water consumption is a result of the frequent flushing of TDHS water tanks due to our rigorous legionella prevention measures.

The decrease in diesel consumption is due in part to the change in work practices by our HACC maintenance staff

The increase in unleaded petrol is due to the increased travel by our community staff to outreach locations

Over the next 12 months there will be an even greater emphasis on improving the organisation's energy consumption and waste management

Environmental assistant Jodie Couch

Quality & Risk Management **Program**

Accreditation

TDHS has continued its relationship with Australian Council on Healthcare Standards (ACHS) and is annually assessed by their new EQuIP National program. This program is designed to meet the 10 National Standards as well as addressing the five extra Standards which will bring an organisation-wide approach to our Accreditation process.

Combining the Commonwealth Standards with the ACHS will ensure risk to our organisation is minimised.

National Standards:

STANDARD 1 -GOVERNANCE FOR SAFETY AND QUALITY IN HEALTH SERVICE ORGANISATIONS

- Increased awareness of consumer rights and responsibilities
- Support to document clear Advance Care Directives
- Additional avenues for patient feedback.

STANDARD 2 - PARTNERING WITH CONSUMERS

- Consumers will be encouraged to provide feedback on patient information available
- Participation in the design and redesign of health service
- Participation in planning and implementing quality improvements.

STANDARD 3 - PREVENTING AND CONTROLLING HEALTHCARE ASSOCIATED INFECTIONS

- On admission staff will be asking the consumers if they have any infectious or potentially infectious condition
- Continued hand hygiene awareness
- Decrease in the use of antibiotics
- Increase in information available.

STANDARD 4 - MEDICATION SAFETY

- Consumers will be required to provide a full medication history on admission. It comprises a list of all current medicines including all current prescription and non-prescription medicines, complementary healthcare products and medicines used intermittently; recent changes to medicines; past history of adverse drug reactions including allergies; and recreational drug use.

STANDARD 5 -PATIENT IDENTIFICATION AND PROCEDURE MATCHING

- Staff will be required to ask the consumer their name, date of birth, address (three identifiers) when they access the service or have any procedures performed.

STANDARD 6 - CLINICAL HANDOVER

- Increase involvement in clinical handover between staff, where relevant to the situation.

STANDARD 7 - BLOOD AND BLOOD PRODUCTS

- A signed (both patient and Doctor) Consent Form for each transfusion needs to be presented to the hospital on admission.

STANDARD 8 - PREVENTING AND MANAGING PRESSURE INJURIES

- Increased assessment and information on admission.

STANDARD 9 - RECOGNISING AND RESPONDING TO CLINICAL DETERIORATION IN ACUTE HEALTH CARE

- Education on admission re the importance of communicating concerns and signs of deterioration
- Increased use of Advance Care Plans.

STANDARD 10 - PREVENTING FALLS AND HARM FROM FALLS

- Increase in falls risk assessment and prevention plans made in consultation with patients

Quality & Risk Management **Program**

ACHS Additional Standards address:

STANDARD 11 - SERVICE DELIVERY

- Ensure that patients / consumers have access to safe, high quality care that is effective and meets their needs

STANDARD 12 – PROVISION OF CARE

- Ensure high quality of care is provided throughout the care continuum including assessment, handover, and discharge

STANDARD 13 –WORKFORCE PLANNING AND MANAGEMENT

- Ensure the organisation recruits and manages its workforce in a manner that supports the delivery of high quality and safe health care

STANDARD 14 - INFORMATION MANAGEMENT

- Ensure information and data are collected and used to meet the needs and support the delivery of safe, high quality health care and services and are based on good information management principles

STANDARD 15 - CORPORATE SYSTEMS AND SAFETY

- Ensure that systems facilitating the delivery of quality health care in a safe environment are implemented and governed appropriately

Type of Accreditation	Outcome
Australian Council of Healthcare Standards (EQuIP National)	Full accreditation status received – four (4) years provided in 2013 until 24 October 2017 • August 2013 – Organisational Wide Survey conducted against EQuIP National in August 2013. TDHS obtained full accreditation and met all mandatory and developmental standards in this accreditation process. TDHS met all criteria and received 27 met with merits • June 2015 – Periodic review against National Safety and Quality Health Service Standards 1, 2 and 3 and Mandatory Criteria for Standards 11 -15. TDHS met all criteria.
Community Care Common Standards (HACC)	• Results from August 2013 assessment demonstrated that TDHS met all 3 Common Care Standards and Community Care
National Respite for Carers Program (NRCP)	• Results from October 2013 assessment demonstrated that TDHS met all 3 Common Care Standards.

Consumer Satisfaction

The Victorian Healthcare Experience Survey (VHES) is a state wide survey of people's public healthcare experiences. The Ipsos Social Research Institute - an independent contractor - conducts the survey on behalf of the Victorian Department of Health using questionnaires based on the internationally recognised work of the Picker Institute.

The VHES allows a wide range of people to provide feedback on their experiences and provides specialised questionnaires for:

- adult and child inpatients, including parents/guardians.
- adult and child emergency department attendees, including parents/guardians.
- maternity consumers.

These questionnaires are distributed to a randomly selected group of eligible people from each health service in the month following their hospital discharge or emergency department attendance. TDHS currently receives data from this survey for our adult and child inpatients.

Results from this survey indicated in Oct - Dec 2014, 97% of patients from TDHS rated their overall hospital experience as either 'very good' or 'good'.

Clinical Governance, Quality and Credentialing Committee

Assists TDHS in fulfilling its responsibility for ensuring the continuous provision of high quality and safe patient care. This Committee operates in accordance with TDHS strategic directions and the safety, quality and risk management system which forms our clinical governance, quality and credentialing framework. The committee meets bi-monthly as a subcommittee of the Board of Governance.

Patient Safety and Quality Meeting

A review of the organisation's meeting structure determined that we required continuous monitoring of our clinical programs. The Patient Safety and Quality committee meets monthly focusing on clinical review, policy review, innovation and compliance with ACHS EQuiP National standards.

RiskManQ System

TDHS continues to use the RiskManQ Management system for the management of the organisations risk register, incident management system, feedback register, quality management system and legislative compliance program. The RiskManQ Management system enables the reporting and capturing of reactive risk management practices of incident management and complaints reporting along with the proactive risk and quality planning activities.

The organisation thoroughly reviewed its risk management program by an initial review of the risk management framework to embed the principles of the risk management standard AS/NZS ISO 31000:2009, followed by an upgrade of the risk register with rigorous ongoing monitoring of this register by both the Strategy Implementation Group and Audit Committee.

The organisation recently adopted the RiskManQ legislative compliance module to enable more thorough documentation, monitoring and review of our legislative compliance practices.

The benefits to the organisation of the RiskManQ system have enabled improved incident management, easier reporting and analysis and a single system for risk management, incident management, feedback, legislative compliance and quality reporting.

Infection Control **Compliance**

Hand Hygiene

Compliance Rate by Moment and Healthcare Worker - Timboon & District Healthcare Service

Audit Period: *NHHI Audit Two 2015* Organisation:: *Timboon & District Healthcare Service*

Name	Correct Moments	Total Moments	Compliance Rate	Lower Confidence Interval	Upper Confidence Interval
Timboon & District Healthcare Service	49	51	96.1%	86.8%	98.9%

Compliance Rate by Moment

Name	Correct Moments	Total Moments	Compliance Rate	Lower Confidence Interval	Upper Confidence Interval
1 - Before Touching A Patient	13	13	100.0%	77.2%	100.0%
3 - After a Procedure or Body Fluid Exposure Risk	4	4	100.0%	51.0%	100.0%
4 - After Touching a Patient	16	17	94.1%	73.0%	99.0%
5 - After Touching A Patient's Surroundings	16	17	94.1%	73.0%	99.0%

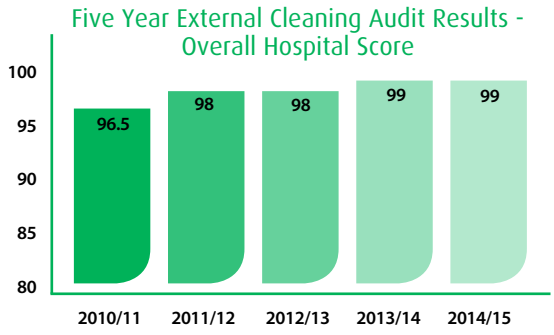
Achieved a score of 96.1% in the South West Region Hand Hygiene Audit against a target of 85%.

Infection Prevention and Control

VICNISS Hospital Acquired infection rates – TDHS complies with this data collection however has not had any infections that are included in these categories over the past five years.

Staff Immunisation
Achieved a staff participation rate of 80% for annual flu vaccination.

Cleaning Services



Achieved score of 99% in June 2015 against an acceptable quality score of 85%.

Food Services

Achieved certificate of compliance with Food Hygiene Australia's food safety audit.

Our **Workplace**

Workforce Planning

Workforce planning continues to be a priority for TDHS. With the recent determination of the organisation's Strategic Plan, TDHS can now determine the priorities for workforce planning into 2015/2016. Our focus will be on People and Culture which will include a long term plan aimed at increasing staff morale, improving HR processes and reducing employee turnover.

People Matter Survey

The *People Matter Survey* measures a range of aspects of workforce culture and climate in the Victorian public sector. The survey focuses on employees' perspectives on the application of the public sector values and employment principles. The survey also measures other aspects of the workplace such as job satisfaction and workplace wellbeing. TDHS complete the survey every second year with our last survey conducted in April 2014.

Results of our last survey evidenced that our staff:

- consider human rights when making decisions and providing advice;
- understand how the Charter of Human Rights and Responsibilities applies to their work;
- felt the organisation provides high quality services to the Victorian community;
- felt comfortable in reporting any patient safety concerns;
- indicated that they don't see gender as a barrier to success; and,
- received help and support from other members of their workgroup.

Future Improvement opportunities have been identified around issues which include:

- Feedback;
- Bullying; and,
- Commitment and Retention.

People and Culture

Whilst the formalisation of the People and Culture plan will be rolled out in 2015/2016 for all staff, some significant work has already commenced during this year on the project within the leadership team. The leadership team, called the Strategy Implementation Group (SIG), commenced training and development via workshops and one-on-one coaching focusing on individual development, team effectiveness and implementation of positive culture. The aim of developing this group is to build their capability over the next 3 years to independently lead the cultural journey across the organisation.

The plan will progress for rollout to all staff over the coming months and will aim to achieve the following principles:

- Implement a program which is leader led;
- Educate the broader employee group on organisational culture matters
- Invest in developing the coaching skills of our leadership group to effectively drive and responsively support the cultural journey
- Leverage existing and create new organisational wide communication events to create a broad common knowledge base
- Identify opportunities to 'hardwire' the desired culture in supporting people systems
- Provide opportunities for leaders to 'retest' to allow individual application prior to completing initial culture assessment
- Establish a 'Culture Dashboard' to ensure progress is measured and return on investment quantified over 3 year period
- Ensure 2 culture measurements are completed to establish baseline and measure success
- Utilise external support where required however ensure this is owned and delivered by TDHS

Workforce **Profile**

Workforce profile has remained stable over the previous 12 months. Increase in administrative and clerical headcount is due to staff on leave and an increase in part time employees.

Department	Full Time Equivalent Average 2012/13	Current Staff Head Count June 2013	Full Time Equivalent Average 2013/14	Current Staff Head Count June 2014	Full Time Equivalent Average 2014/15	Current Staff Head Count June 2015
Nursing	30.02	48	29.74	41	26.28	42
Administration and Clerical	3.62	8	5.56	9	7.28	12
Medical Support	4.85	9	4.31	9	6.94	9
Hotel and Allied Services	10.5	14	10.32	12	9.36	14
Home and Community Care Services	8.22	17	9.02	20	9.11	23

Nursing comprises all Division 1 and 2 nurses including Community Health Nurses, District Nurses, Planned Activity Group Coordinators, and Home and Community Care Assessment Officer

Administrative and Clerical comprises Chief Executive Officer, Administration and Clerical staff

Medical Support comprises Health Professionals providing Health Promotion, Community Services and Allied Health Hotel/Allied comprises Food and Domestic Services and Maintenance Staff

Home and Community Care comprises Personal, Home and Garden Maintenance Workers for Home and Community Care clients.

Training

TDHS employed 13 new staff during the past 12 months. These staff underwent our orientation process which is continually being reviewed and improved to meet the changing requirements of our organisation.

4 face to face training sessions were conducted so that all TDHS staff fulfilled their mandatory training obligations. The following topics were covered:

- TDHS Mission, values and strategy
- Governance and legislation
- Infection Control
- Manual Handling
- Bullying and Harassment, Customer Service and Key HR policies (including Code of Conduct)
- Quality and Risk
- Occupational Health and Safety (OH&S)
- Finances, Salary Packaging

Sessions were compulsory for all staff and provided up-to-date information to ensure an appropriate understanding on matters directly effecting their employment and obligations.

SOLLE – online education

In February 2014 it was decided that to meet the increasing obligations in our staff education it was necessary to improve our online education system, SOLLE. A total of 73 courses were developed during the review and designated to the appropriate staffing positions within the organisation as mandatory training. The improved courses now include colour, images and more visual interaction to engage the learner. Some of the courses that were created are mandatory whilst others have been provided for staff to further develop their knowledge and skills. All courses link directly with TDHS policies or procedures. All staff attended SOLLE training prior to the new online system going live.

The system provides a range of reports for managers to monitor the status of their team members' progress and completed competencies.

Service Awards

TDHS have many staff who have served the Healthcare Service for many years.

Staff recognised for reaching milestones in the 2014/2015 financial year include:

- Kath Brown – 30 years
- Lyn Marr - 25 years
- Paula Till – 25 years
- Vicki Stevens – 10 years
- Sherryl Mueller – 10 years

Staff Credentialing and Statutory Compliance

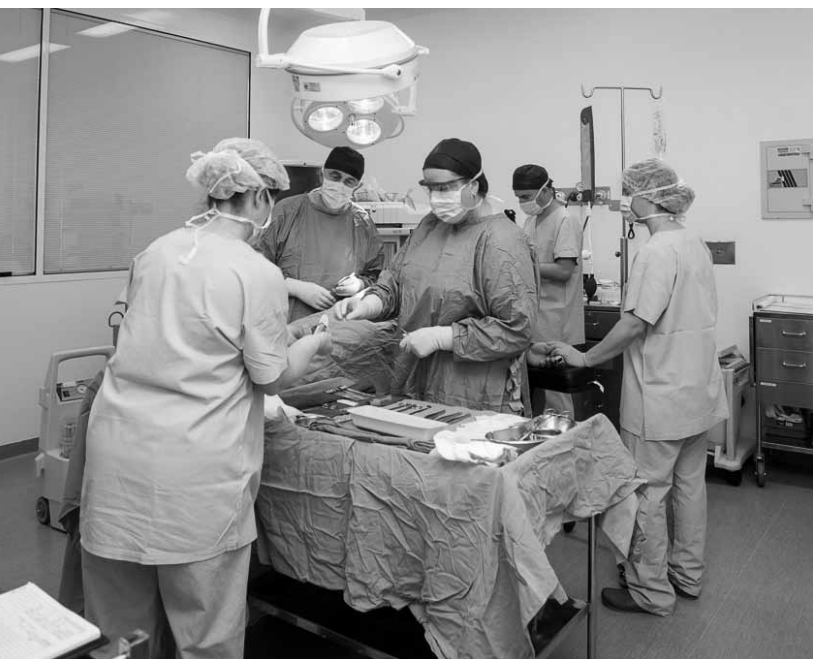
TDHS verifies the credentials of all registered practitioners annually through public access websites and via staff presenting their registrations.

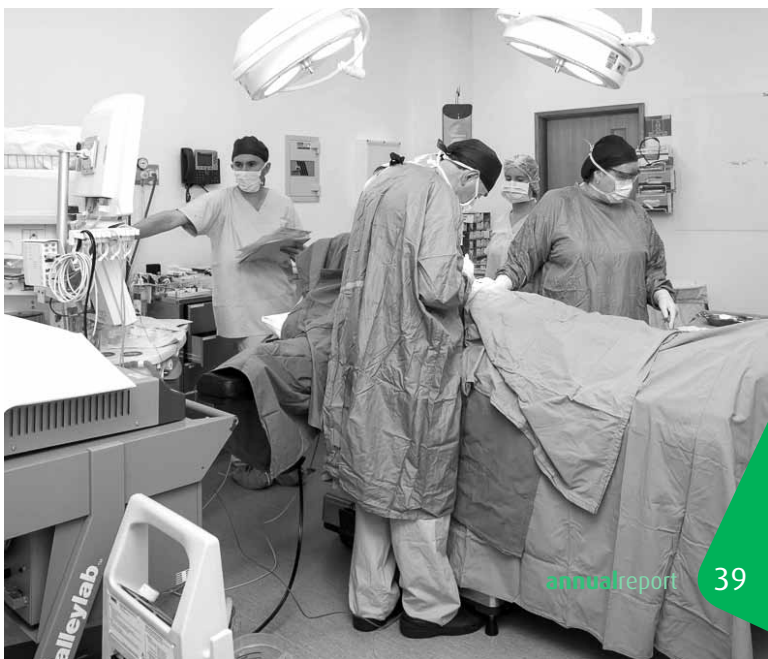
As of 30 June 2014:

- All Registered and Enrolled Nurses had registration through AHPRA
- Allied Health Staff were appropriately registered through AHPRA
- All Medical staff were appropriately credentialed with TDHS and registered through AHPRA
- All staff had a current Police Check.

No mandatory reports to AHPRA regarding health professionals were made by TDHS throughout the year, nor were there any complaints under the Protected Disclosure, Fairwork or the Equal Opportunity Acts.

TDHS continues to ensure legal compliance with occupational health and safety, equal employment opportunity, industrial law and protected compliance and any other relevant legislation. HR policies and procedures are continually monitored to ensure best practice.





Workforce **Profile**

Occupational Health and Safety

TDHS is committed to exemplary practices in Occupational Health and Safety (OH&S) towards all employees, visitors, patients, clients and contractors, and undertakes this as an important part of delivering high standards of health care services to our community.

Management is accountable for the implementation of TDHS Occupational Health and Safety Policy and this ensures we meet and exceed the Occupational Health and Safety Act 2004 (Vic) legislative requirements. Our OH&S policies and procedures form the foundation of our organisation and are reviewed regularly in consultation with employees and signed off by our Chief Executive Officer formalising our commitment to our legal and moral obligations.

TDHS has not had a WorkCover claim since 2005 and continues to be vigilant in monitoring occupational health and safety and safeguarding staff and contractors whilst at work.

In line with the DHHS guidelines TDHS have developed a Code Grey (Unarmed Personal Threat) Policy. This policy has been developed in consultation with the OH&S Committee and the Patient Safety and Quality Committee. The implementation of the policy includes staff training and education.

All members of the OH&S Committee have either attended a 1 day OH&S refresher course or the 5 day OH&S Representative's course during May this year. Attendance at these courses ensures that our staff maintain the most up to date knowledge enabling our organisation to remain a safe and effective workplace for both staff and volunteers.

Our OH&S committee recognised that we needed to further improve our documentation processes. Improving documentation of safety risks and injuries via the safety risk register facilitates improved surveillance and analysis of our safety risks and whether appropriate controls have been implemented to reduce risks to staff and consumer safety.

Fire and Emergency training was conducted with 14 senior staff trained as Fire and Emergency Wardens. This course covered the theoretical and practical elements of workplace fire and emergency situations as defined in Australian Standards 3745-2010. It provided the skills and knowledge for staff who are required to act as Fire and Emergency Wardens within a workplace's Emergency Control Organisation (ECO) and to be able to recognise and control small emergencies on-site.

Mandatory OH&S questionnaire was completed by staff covering all areas of the facility especially the newly reviewed emergency procedures which have been placed on TDHS online education system as part of staff annual mandatory training.

Equal Employment Opportunity

TDHS is committed to providing a workplace environment that ensures compliance with the merit and equity principles in accordance with Equal Opportunity legislation for fair and equal work opportunities. The 'Code of Conduct for Victorian Public Sector Employees' issued by the State Services Authority is integral to Human Resources policies. The Code of Conduct was updated during 2015 resulting in a review of TDHS Human Resources policies. Equal employment opportunity principles are included as standard practice for recruitment, training and promotion opportunities.

Leave Liability

Annual leave and long service leave support wellbeing and are provided so that employees can rest and recuperate in order to remain fully productive. As such, it is intended that employees will take leave as soon as practicable after the entitlement is due. In recent years there has been a substantial increase in leave liability at TDHS and this has been a focus for all managers to be proactive and support a reduction in excess leave accrual.

Annual leave liability has reduced by 4.6% % and Long Service Leave liability has reduced by 5.5% since 30th June 2014.

Social & **Community**

TDHS maintains a strong commitment to our communities and has an emphasis on community development and social responsibility.

Diversity Awareness

Whilst less than 2% of our catchment population is of Aboriginal and Torres Strait Islander descent, we make sure all community members have access to appropriate services. Our Cultural Diversity Plan ensures we are creating a welcoming environment and providing cross-cultural training for healthcare service staff. During planning and evaluation of our services we ensure cultural needs of the organisation are assessed and met.

We embrace cultural diversity which ensures we tailor our services to meet the needs of all the community irrespective of cultural background. Although only 5.2% of our community members were born overseas compared with 22% nationally, we view it as important to have actions in place that ensure we are able to accommodate particular health needs if they present to our healthcare service.

During 2014/2015 our Cultural Diversity Plan has focused on:

- Clients from Culturally and Linguistically Diverse (CALD) backgrounds, implementing an updated interpreter policy and process which is accessible to all staff.
- Goal directed care planning for clients accessing our services.
- Ensuring regular publications continue to be published and communicated to all consumers.
- A Primary Care Access Worker who assists each client entering the organisation and ensuring that their needs are met.
- Implementing online education for all staff in cultural diversity.
- Development of a cultural diversity policy and procedure for staff.

Fundraising

The major donors for the year were:

Annual Appeal	$12,809.60
Timboon Opportunity Shop (TOPS)	$43,327.40
Timboon Hospital Auxiliary	$7,433.00
Ritchies Community benefit	$7,450.60
Timboon & District Cycle Relay Team (Timboon Cruisers)	$7,000.00
Timboon and District Dance Group	$1,100
Hermann Schulz	$10,100
General donations and bequests	$368.80
TOTAL	**$89,589.40**

Medical Equipment and Facilities

Timboon and District Healthcare purchases for 2014/2015:

4 x Motor Vehicles	$116,983.00
14 x Ward Chairs	$8,269.65
Gymnasium Equipment (bike, treadmill and elliptical trainer)	$11,985.00
2 x Vita Procedure carts	$4,578.20
2 x Blender bikes	$6,270.00
2 x Air-conditioning Units	$4,356.00
Palliative Care Single Sofa bed	$3,333.00
2 x Lawn movers for HACC services	$2,958.00
Chairs	$2,405.00
Wheelchair	$2,108.00
Lifting System Improvements	$1,149.40

Social & **Community**

Life Governors

A Life Governor is an award bestowed by the Board of Governance on those members of the community who have made a valuable and significant contribution to the TDHS in a voluntary capacity over a period of time.

Mrs. H. Bullen
Ms. J. Burkhalter
Mrs. M. Coe
Mrs. P. Couch
Mrs. J. Duro
Mr. A. Felmingham
Mrs. E. Finch
Mrs. E. Finnigan
Mr. N. Finnigan
Miss B. Fraser
Mrs. L. Giblett
Mrs. H. Herrin
Mrs. J. Hortin
Dr. D. Jackson
Mrs. N. Joiner
Mr. K. Jepson
Mrs. P. Lawson
Mrs. Y. Lawson
Miss R. McMeel
Mr. R. McVilly
Mrs. D. Merrett
Mrs. H. Morris
Mrs. B. Newey
Mrs. B. O'Brien
Mrs. E. Padbury
Mrs. S. Phillips
Mrs. K. Robbins
Mrs. E. Rundle
Mr. K. Serong
Mrs. M. Serong
Mrs. V. Sharp
Mrs. M. Symons
Mrs. D. Taylor
Mrs. J. Toller-Bond
Mrs. F. Thompson
Mr. D. Trigg
Mr. J.A. Vogels MP

VALE

Mr Les Joiner

4th September 1925 to 25th March 2015

Mr Les Joiner was a dedicated volunteer to TDHS from the late 1970's until 2015 when he became unwell.

Les and his family moved to Scott's Creek onto a settlement farm in 1961. He began his farming career as an Orchardist, moving into dairy farming when he moved South from Shepparton to Scott's Creek. Les and his wife Nell retired into Timboon in the early 1980's.

Les was a hard working volunteer to the community initially by being heavily involved in the Scott's Creek Football Club and Simpson Scouts. He was also a member of the Masonic Lodge for over 60 years.

In the late 1970's Les and Nell began volunteering for TDHS. Les initially joined the Meals on Wheels roster and delivered meals to local residents for over 35 years. Les and Nell were incredibly committed to their volunteering roles and provided last minute backup support when a Meals on Wheels driver was unavailable.

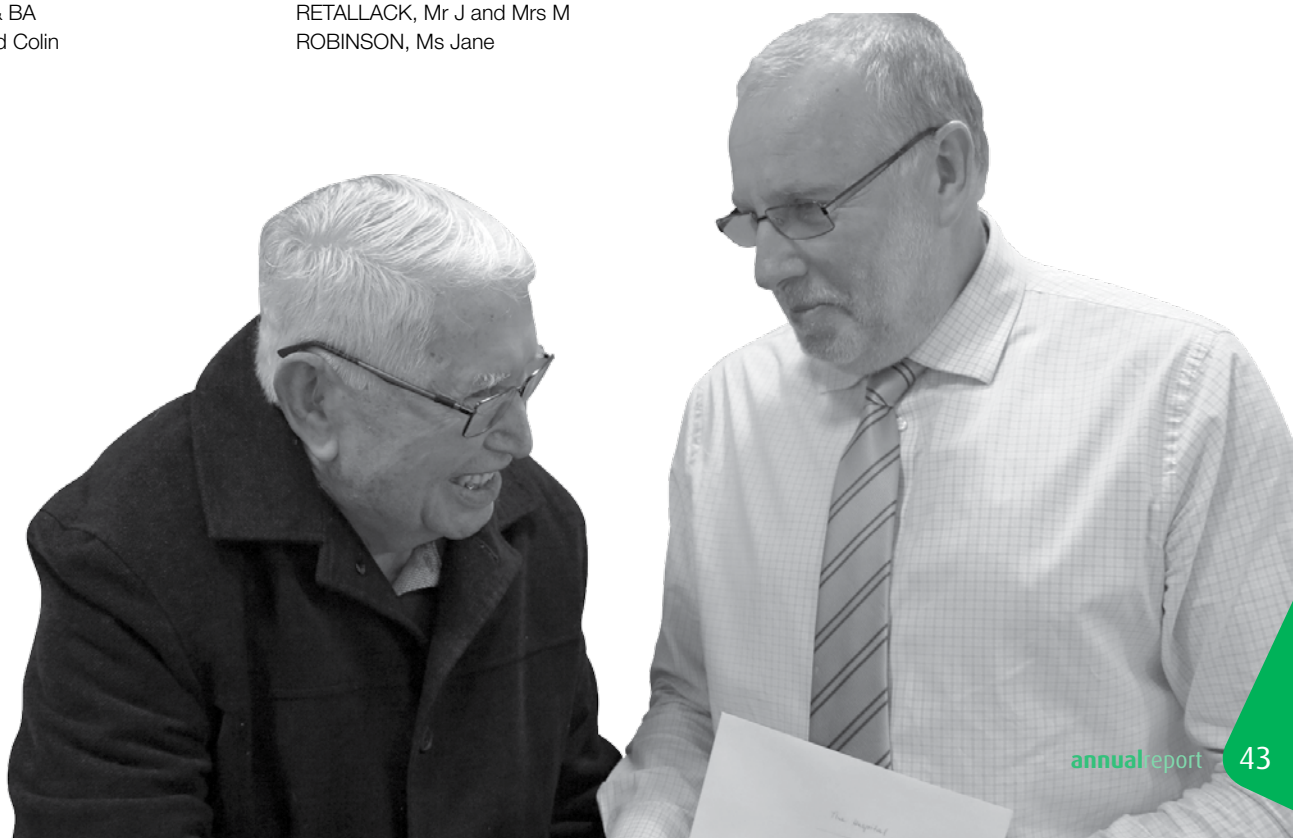
After establishing himself as a reliable volunteer, Les began volunteer driving as part of the TDHS community transport program continuing to drive community members to medical appointments for over 30 years. In the late 1980's Les joined the Murray to Moyne Cycle Relay team 'Timboon Cruisers' raising funds for TDHS and participating in the ride for over 7 years. Nell also volunteered for the riders being a backup driver for the years that Les rode.

Les and his wife Nell were awarded a Life Governor Certificate in 1999 due to their dedication to both fundraising and volunteering at TDHS.

The dedicated contribution to the betterment of the TDHS by Les Joiner prior to and during his 35 plus years of volunteering contributed to the facility that is available to our communities today.

Our **Donors**

ARUNDELL, Raelene
BAGLIN, Mr and Mrs IM
BAKER, Mrs Nancy A
BAKER, Peter
BARR, Gwen
BASSETT, Marilyn
BEAMON, Mr D
BEGELY, Max
BENTLEY, Valerie
BETTENS, Mr and Mrs H D
BOGNAR, John
BONGERS, Louis & Jenny
BROOMHALL, Michael
BROWN, Mr and Mrs Keith
BUFTON, RB & RM
BURKHALTER, Rae and Jan
CASHMORE, Mr and Mrs Bruce
CLARKE, Fred & Maree
COUCH, Mr and Mrs Tim
CUNNINGTON, Steven
CURRELL, Dennis and Heather
CURRELL, Nancy
DAFF, Mrs Lois
DENSLEY, Robert
FELMINGHAM, AA
FERRARI, Gary and Sue
FIMMEL, Kenneth A
FINCH, Peter and Kim
FOOTMAN, Mr and Mrs Ray
FRASER, Annie
GAY, Mrs W
GIBLIN, Jim and Marie
GLEDHILL, K & P
GLERUM, Dot
GORDON, Marion
GUY, Nancy
HANSON, Mrs Dorothy E
HAWKES, RA & BA
HEATLY, Ian and Colin
HESKETH, R
HICKEY, Mr and Mrs Pat
HOLLAND, Mr K and Mrs G
HOLLAND, Mrs Sheila
HORTIN, Mrs Dorothy "Joan"
HOWE, Mr & Mrs O L
HUNT, June
JOINER, MA & CM
KERR, Mr and Mrs Alan
KORS, G & J
KRUH, Miriam
LLEWELYN, Mr L and MRs N
LLOYD, Mr and Mrs K
MacLEOD, Jill
McDOWALL, A M
McKENZIE, Faye
McKENZIE, Heather
MCKENZIE, John and Joan
MCKENZIE, L and BA
McVILLY, Brendan and Yolanda
MAGILTON, Wes
MERRETT, Des & Sharyn
MITCHELL, Mr M and Mrs
MORTON, Colin and Melva
NEAL, GA and HM
NESSELER, Mr and Mrs
O'KEEFFE, Mr L F and Mrs D M
OLDFIELD, John
PATULLOCK, Lloyd and Betty
PERT, Cliff
PIKE, Bruce and Jane
PIKE, Jean
PLOZZA, SF & SJ
POUW, Mary
RANTALL, Neville
REALE, Rebecca
RENYARD, John and Heather
RETALLACK, Mr J and Mrs M
ROBINSON, Ms Jane
ROGERS C & W
ROHAN, Mr Jim
RUDOLPH, Gordon
RUNDLE, Gavin
RUNDLE, Leo and Ethel
RUNDLE, Rita
SCHULZ, Hermann
SCOTT, Mr and Mrs
SCOTT, Anita
SMETHURST, Bruce & Lorraine
STEEN, Paula
TARASIUK, Maria
Timboon Bakery
Timboon Taxi Service
TIMMINS, Sandra
TREGEA, Mr E W
TRIGG, Doug and Margaret
UEBERGANG, Mick & Nicole
UEBERGANG, Mrs Pat
van DEN BROEK, Marie
van DONK, Mrs Pieta
van RIJTHOVEN, P and S
VICKERS, Eva
VOGELS, Mr and Mrs F
WARD, Rose
WEEL, Nick
WETEMENS, Mr J
WETMORE, DS & M
WHITE, Russell and Vivienne
"WHITEHEAD FARMS" (John, Leeanne, Mat and Renee Whitehead)
WIGGINS, George
WILSON, Mr J and Mrs S
WOOLSTENCROFT, Mr and Mrs Stan
YEAMAN, Barbara



Donor Hermann Shulz and Gerry Sheehan (CEO)

Legislative **Compliance**

The activities of the TDHS are conducted in compliance with a range of government legislation, standards and regulations governing clinical, corporate and financial activities.

The following statements provide annual disclosures required under specific legislation and regulations.

BUILDING ACT

TDHS complies with the *Building Act* 1993 which encompasses the Building Code of Australia, and *Standards for Publicly Owned Buildings/November* 1994 in all redevelopment and maintenance issues.

- The buildings have been subject to a fire audit by a Fire Services Engineer.
- Building permits have been issued and regular maintenance carried out in accordance with the permits and reported annually in the Essential Safety Measures Report.

COMPETITIVE NEUTRALITY

TDHS has complied with the National Competition Policy and requirements of the *Competitive Neutrality Policy Victoria.*

CONSULTANCIES

Consultancies costing less than $10,000 per consultancy

Total number of consultancies – Three

- Life Mastery Pty Ltd
- Fi Mercer Consulting Pty Ltd
- CWH Mediation and Workplace Relations Pty Ltd

Consultancies costing more than $10,000 per consultancy

Total number of consultancies – One

- O'Malley Consulting $29,612

FEES

TDHS charges Inpatient, Primary Health and Home and Community Care (HACC) fees in accordance with the State Department of Health fee directives, and Aged Care fees in accordance with the directives of the Australian Government Department of Health and Ageing.

FREEDOM OF INFORMATION ACT – APPLICATION AND OPERATION

The Victorian *Freedom of Information Act* 1982 provides the right for members of the public to obtain information held by the TDHS in accordance with the Act. Consumers are entitled to access their medical record through the Freedom of Information process. A total of 6 valid requests for information were processed during this financial year, all related to medical record information.

Applications are to be directed to the Chief Executive Officer. A fee and charges for associated costs may apply in accordance with the Act.

POLICE RECORD CHECKS

It is a legislative requirement that all staff and volunteers have a current police record check. No one is employed or accepted as a volunteer at this Service without a valid police record check.

PUBLICATIONS

Publications such as the Annual Report, Quality of Care Report, Quarterly, What's On as well as patient information brochures are available from TDHS. Additional information and most publications are also available on our website www.timboonhealthcare.com.au

VICTORIAN INDUSTRY PARTICIPATION POLICY

TDHS abide by the principles of the Victorian Industry Participation Policy. There were no contracts undertaken requiring reporting in this category during 2014/2015.

PROTECTED DISCLOSURE ACT – APPLICATION AND OPERATION

The purpose of the Protected Disclosure Act 2012 is to provide an environment in which to encourage reporting of any improper conduct by the Service or its employees. TDHS has policies and procedures in place to enable compliance with the Act, and provide a safe environment in which disclosures can be made, people are protected from reprisal and the investigation process is clear and provides a fair outcome. The privacy of all individuals involved in a disclosure is assured of protection at all times.

The Service is committed to the principles of the Act and at no time will improper conduct by the Service or any of its employees be condoned.

A copy of the policy is available upon request. Websites of interest for complaint procedures regarding this Act are: http://www.ombudsman.vic.gov.au and http://www.health.vic.gov.au/hsc

DISCLOSURES

Since the introduction of the Act in 2012 there have been no disclosures received and no notification of disclosures to the Ombudsman or any other external agency.

Disclosures in writing will be received by Mr G. Sheehan, Chief Executive Officer or the Ombudsman, Level 22, 459 Collins Street, Melbourne Victoria 3000 Telephone 1800 806 314.

CARERS RECOGNITION ACT

Since the introduction of the *Carers Recognition Act* 2012, TDHS complies with all requirements under the act.

ADDITIONAL INFORMATION

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by TDHS and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

a. A statement of pecuniary interest has been completed.

b. Details of shares held by senior officers as nominee or held beneficially.

c. Details of publications produced by the Department about the activities of the entity and where they can be obtained.

d. Details of changes in prices, fees, charges, rates and levies charged by the entity.

e. Details of any major external reviews carried out on the entity.

f. Details of major research and development activities undertaken by the entity that are not otherwise covered either in the Report of Operations or in a document that contains the financial report and Report of Operations.

g. Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.

h. Details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services.

i. Details of assessments and measures undertaken to improve the occupational health and safety of employees.

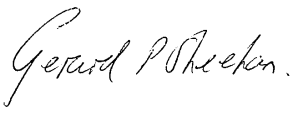
j. General statement on industrial relations within the entity and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations.

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

Attestations

Attestation on Data Integrity

I, Gerry Sheehan, certify that the Timboon and District Healthcare Service has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. The Timboon and District Healthcare Service has critically reviewed these controls and processes during the year.



Gerry Sheehan
Accountable Officer
Timboon
Date

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

I, Gerry Sheehan certify that the Timboon and District Healthcare Service has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes. The Timboon and District Healthcare Service Audit Committee verifies this.

Gerry Sheehan
Accountable Officer
Timboon
Date

Disclosure **Index**

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

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Financial Statements

30 June 2015

TIMBOON AND DISTRICT HEALTHCARE SERVICE

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Timboon and District Healthcare Service

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

The attached financial statements for Timboon and District Healthcare Service have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994, applicable Financial Reporting Directions,* Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirement

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2015 and the financial position of Timboon and District Healthcare Service at 30 June 2015.

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

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

Josh McKenzie
Board Member

Timboon

24/08/2015

Gerry Sheehan
Chief Executive Officer
Chief Finance & Accounting Officer

Timboon

24/08/2015

VAGO
Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Timboon and District Healthcare Service

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Timboon and District Healthcare Service which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officers and Chief Finance & Accounting Officer's Declaration has been audited.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on 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.

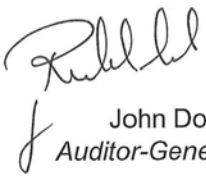
Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Timboon and District Healthcare Service as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.



John Doyle
Auditor-General

MELBOURNE
1 September 2015

TIMBOON AND DISTRICT HEALTHCARE SERVICE
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
Revenue from Operating Activities	2	7,001,400	6,879,462
Revenue from Non Operating Activities	2	4,617	3,180
Employee Expenses	3	(4,608,032)	(4,104,292)
Non Salary Labour Costs	3	(384,559)	(415,537)
Supplies and Consumables	3	(433,608)	(312,322)
Other Expenses	3	(1,525,855)	(2,112,724)
Share of Net Result of Associates and Joint Ventures Accounted for using the Equity Model	10	71,440	77,127
Net Result Before Capital and Specific Items		125,403	14,894
Capital Purpose Income	2	212,386	238,422
Depreciation	4a	(733,765)	(841,339)
Finance Costs	4b	(10,929)	0
NET RESULT FOR THE YEAR		(406,905)	(588,023)
Other Comprehensive Income			
Items that will not be classified to net result			
Changes in physical asset revaluation surplus	17(a)	0	892,968
Total other comprehensive income		0	892,968
COMPREHENSIVE RESULT FOR THE YEAR		**(406,905)**	**304,945**

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

TIMBOON AND DISTRICT HEALTHCARE SERVICE
BALANCE SHEET
AS AT 30 JUNE 2015

	Note	2015 $	2014 $
Current Assets			
Cash and Cash Equivalents	5	1,295,632	182,786
Receivables	6	257,764	304,034
Investments & other Financial Assets	7	2,000,000	2,871,594
Inventories	8	1,127	1,025
Other Current Assets	9	66,807	95,423
Total Current Assets		3,621,330	3,454,862
Non-Current Assets			
Receivables	6	236,276	191,758
Investments Accounted for Using the Equity Method	10	87,338	15,898
Property, Plant and Equipment	11	13,742,574	13,422,899
Investment Properties	12	0	585,000
Total Non-Current Assets		14,066,188	14,215,555
TOTAL ASSETS		17,687,518	17,670,417
Current Liabilities			
Payables	13	292,918	291,775
Borrowings	14	74,429	0
Provisions	15	1,000,837	871,177
Total Current Liabilities		1,368,184	1,162,952
Non-Current Liabilities			
Borrowings	14	158,962	0
Provisions	15	186,772	126,960
Total Non-Current Liabilities		345,734	126,960
TOTAL LIABILITIES		1,713,918	1,289,912
NET ASSETS		15,973,600	16,380,505
EQUITY			
Property, Plant and Equipment Revaluation Surplus	17a	5,500,097	5,500,097
Contributed Capital	17b	4,610,700	4,610,700
Accumulated Surpluses/(Deficits)	17c	5,862,803	6,269,708
TOTAL EQUITY	17	15,973,600	16,380,505
Commitments	20		
Contingent Assets and Contingent Liabilities	21		

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

TIMBOON AND DISTRICT HEALTHCARE SERVICE
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Property, Plant and Equipment Revaluation Surplus	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
	$	$	$	$
Balance at 1 July 2013	4,607,129	4,610,700	6,857,731	16,075,560
Net result for the year	0	0	(588,023)	(588,023)
Other Comprehensive income for the year	892,968	0	0	892,968
Balance at 30 June 2014	**5,500,097**	**4,610,700**	**6,269,708**	**16,380,505**
Net result for the year	0	0	(406,905)	(406,905)
Other Comprehensive income for the year	0	0	0	0
Balance at 30 June 2015	**5,500,097**	**4,610,700**	**5,862,803**	**15,973,600**

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

TIMBOON AND DISTRICT HEALTHCARE SERVICE
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	2015 $ Inflows / (Outflows)	2014 $ Inflows / (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		5,321,908	5,234,105
Patient and Resident Fees Received		597,021	499,635
Donations and Bequests Received		50,879	39,248
GST (Paid to)/received from ATO		3,243	(3,631)
Interest Received		10,982	8,133
Other Receipts		384,250	301,692
Total Receipts		***6,368,283***	***6,079,182***
Employee Expenses Paid		(4,176,823)	(4,030,788)
Fee for Service Medical Officers		(384,559)	(415,537)
Payments for Supplies and Consumables		(443,719)	(404,271)
Other payments		(1,176,839)	(1,272,736)
Total Payments		***(6,181,940)***	***(6,123,332)***
Cash Generated from/(used in) Operations		**186,343**	**(44,150)**
Capital Grants from Government		49,018	107,842
Interest on Capital Income		85,965	106,701
Dividends Received from Associates		45,000	75,000
NET CASH FLOW FROM /(USED IN) OPERATING ACTIVITIES	18	366,326	245,393
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Non-Financial Assets		(171,224)	(330,812)
Purchase of Investment Properties		0	(415,990)
Proceeds from sale of Non-Financial Assets		40,445	32,727
Proceeds from Sale of Investments		871,594	133,699
NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES		740,815	(580,376)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		1,107,141	(334,983)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		124,649	459,632
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5	1,231,790	124,649
Non-cash financing and investing activities	19		

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

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for Timboon and District Healthcare Service (ABN 44 836 142 460) for the period ended 30 June 2015. The purpose of the report is to provide users with information about the Health Services' stewardship of resources entrusted to it.

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act* 1994, and applicable Australian Accounting Standards (AASs), which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB101 *Presentation of Financial Statements.*

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

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

The annual financial statements were authorised for issue by the Board of Timboon and District Healthcare Service on 24th August, 2015.

(b) Basis of accounting preparation and measurement

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

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

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

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

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

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

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

- Derivative financial instruments, managed investment schemes, certain debt securities, and investment properties after initial recognition, which are measured at fair value with changes reflected in the comprehensive operating statement (fair value through profit and loss);

- Available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised (i.e. other comprehensive income - items that may be reclassified subsequent to net result); and

- The fair value of assets other than land is generally based on their depreciated replacement value.

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

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

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

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

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

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

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

The Valuer-General Victoria (VGV) is Timboon and District Healthcare Service's independent valuation agency.

Timboon and District Healthcare Service, in conjunction with VGV monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(k);
- superannuation expense (refer to Note 1(h)); and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(l)).

(c) Reporting Entity

The financial statements includes all the controlled activities of Timboon and District Healthcare Service.

Its principal address is:
21 Hospital Road
Timboon Vic 3268

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

Objectives and funding

Timboon and District Healthcare Service's overall objective is to be a leader in rural healthcare, providing a consumer-centred, multi-disciplinary service responding to the needs of the community, as well as improve the quality of life to Victorians.

Timboon and District Healthcare Service is predominantly funded by accrual based grant funding for the provision of outputs.

(d) Principles of Consolidation

Intersegment Transactions

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

Associates and joint ventures

Associates and joint ventures are accounted for in accordance with the policy outlined in Note 1(k) Financial Assets.

Jointly controlled assets or operations

Interest in jointly controlled assets or operations are not consolidated by Timboon and District Healthcare Service's, but are accounted for in accordance with the policy outlined in Note 1(j) Financial Assets.

Details of the joint venture are set out in note 10.

(e) Scope and presentation of financial statements

Fund Accounting

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

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

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

Comprehensive operating statement

The comprehensive operating statement includes the subtotal entitled 'net result before capital and specific items' to enhance the understanding of the financial performance of Timboon and District Healthcare Service. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, expenditure using capital purpose income and items of an unusual nature and amount such as specific income and expenses. The exclusion of these items is made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services. The 'net result before capital and specific items' is used by the management of Timboon and District Healthcare Service, the Department of Health and Human Services and the Victorian Government to measure the ongoing operating performance of Health Services.

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

* Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works and plant and equipment. It also includes donations of plant and equipment (refer note 1 (g)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided;

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

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

* Depreciation, as described in note 1 (h);

* Assets provided or received free of charge (refer to Note 1 (g)); and

* Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

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

Balance sheet

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

Statement of changes in equity

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

Cash flow statement

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

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

Rounding

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

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

Comparative Information

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

(f) Change in Accounting Policies

AASB 10 Consolidated financial statements

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

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

Based on the new criteria prescribed in AASB 10, Timboon and District Healthcare Service has reviewed the existing arrangements to determine if there are any additional entities that need to be consolidated into the group.

There were no additional entities requiring consolidation into the financial results of Timboon and District Healthcare Service.

AASB 11 Joint Arrangements

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

Timboon and District Healthcare Service has reviewed its existing contractual arrangements with other entities to ensure they are aligned with the new classifications under AASB 11.

Timboon and District Healthcare Service has accounted for the following interests in associates and joint ventures using the equity method:
- Timboon Medical Clinic

Timboon and District Healthcare Service has accounted for the following interests in associates and joint ventures using the joint operation method:
- Southwest Alliance of Rural Health

AASB 12 Disclosure of Interests in Other Entities

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

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

(f) Change in Accounting Policies (continued)

Early adoption of new Standards

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

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

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

(g) Income from transactions

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

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

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

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

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

Indirect Contributions from the Department of Health and Human Services

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

Patient and Resident Fees

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

Private Practice Fees

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

Revenue from commercial activities

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

Donations and Other Bequests

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

Interest Revenue

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

Sale of investments

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

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

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

(h) Expense recognition

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

Cost of goods sold

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

Employee expenses

Employee expenses include:

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

Defined contribution superannuation plans

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

Defined benefit superannuation plans

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

Employees of the Timboon and District Healthcare Service are entitled to receive superannuation benefits and the Timboon and District Healthcare Service contributes to both the defined benefit and defined contribution plans. The defined benefit plans 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 Timboon and District Healthcare Service are disclosed in Note 16: Superannuation.

Depreciation

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

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

(h) Expense recognition (Continued)
Depreciation (Continued)

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

	2015	2014
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 years
- Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	20 to 30 years	20 to 30 years
- Trunk Reticulated Building Systems	30 to 40 years	30 to 40 years
Plant & Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 years	3 years
Furniture & Fittings	13 years	13 years
Motor Vehicles	10 years	10 years
Intangible Assets	3 years	3 years
Leasehold Improvements	6 to 7 years	6 to 7 years

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

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

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

Finance costs include interest on bank overdrafts (Interest expense is recognised in the period in which it is incurred).

Grants and Other Transfers
Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies and personal benefit payments made in cash to individuals.

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

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

Bad and Doubtful Debts
Refer to note 1 (j) *Impairment of financial assets.*

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

(i) Other comprehensive income

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

Net Gain / (Loss) on Non-Financial Assets

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

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

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

Impairment of Non-Financial Assets

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

(j) Financial Instruments

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

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

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Reclassification of financial instruments at fair value through profit or loss

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

Loans and receivables

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

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

Reclassification of available-for-sale financial assets

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

(k) Assets

Cash and Cash Equivalents

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

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

Receivables

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

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

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

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Investments and other financial assets

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

Investments are classified in the following categories:
- held to maturity
- loans and receivables

The Timboon and District Healthcare 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.

Timboon and District Healthcare 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.

(k) Assets (Continued)

Property, Plant and Equipment

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

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 11 Property, plant and equipment.

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

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

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

Revaluations of Non-current Physical Assets

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

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

Revaluation decrements are recognised in 'other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

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

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

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

(k) Assets (Continued)

Prepayments

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

Disposal of Non-Financial Assets

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

Impairment of Non-Financial Assets

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

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

- inventories;
- financial assets;
- non-current physical assets held for sale; and
- assets arising from construction contracts.

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

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

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

Investments accounted for using the equity method

An associate is an entity over which Timboon and District Healthcare Service exercises significant influence, but not control.

The investment in the associate is accounted for using the equity method of accounting. Under the equity method for accounting, the investment in the associate is recognised at cost on initial recognition, and the carrying amount is increased or decreased in subsequent years to recognise Timboon and District Healthcare Service's share of the profits or losses of the associates after the date of acquistion. Timboon and District Healthcare Service's share of the associate's profit or loss is recognised in Timboon and District Healthcare Service's net result as 'other economic flows'. The share of post-acquisition changes in revaluation surpluses and any other reserves, are recognised in both the comprehensive operating statement and the statement of changes in equity. The cumulative post acquisition movements are adjusted against the carrying amount of the investment, including dividends received or receivable from the associate.

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

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

Investments in joint operations

In respect of any interest in joint operations, Timboon and District Healthcare Service recognises in the financial statements:

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

(k) Assets (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- the rights to receive cash flows from the asset have expired; or
- the Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Health Service has transferred its rights to receive cash flows from the asset and either:

(a) has transferred substantially all the risks and rewards of the asset; or
(b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of Financial Assets

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

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

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

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

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

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

Net gain/(loss) on financial instruments

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

Revaluations of financial instruments at fair value

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

(I) Liabilities

Payables

Payables consist of:

- contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to the Health Service prior to the end of the financial year that are unpaid, and arise when the Health Service becomes obliged to make future payments in respect of the purchase of those goods and services. The normal credit terms for accounts payable are usually Nett 30 days.

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

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

Provisions

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

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

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

Employee Benefits

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

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

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

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

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

Long Service Leave (LSL)

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the health service does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

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

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

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

(l) Liabilities (Continued)

Employee Benefits (Continued)

Termination Benefits

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

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

On-Costs

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

Superannuation Liabilities

The Timboon and District Healthcare 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.

(m) Leases

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

For service concession arrangements, the commencement of the lease term is deemed to be the date the asset is commissioned.

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 accounted for as a non-financial physical asset and is depreciated over the shorter of the estimated useful life of the asset or the term of the lease. If there is certainty that the health service will obtain the ownership of the lease asset by the end of the lease term, the asset shall be depreciated over the useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life. 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. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Timboon and District Healthcare has previously recognised the leasing arrangements for local area network equipment, workstations and peripherals (purchased through group buying arrangements with SWARH) as operating leases. These are now correctly reported as finance leases. Finance leases are regarded as a financial accommodation and under Section of *Health Services Act 1988* , the Minister for Health and the Treasurer must declare a registered funded agency to be an approved borrower for the purposes of this section. An approved borrower may, with the approval of the Minister and the Treasurer, obtain financial accommodation, whether within or outside Victoria, secured or arranged in a manner and for a period approved by the Treasurer. At this time Timboon and District Healthcare has not been declared an approved borrower in relation to these finance leases. The Department has advised they will ensure that Timboon and District Healthcare complies with Section 30 of *Health Services Act 1988* on or before 30 June 2016.

(n) Equity

Contributed Capital

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

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

Property, Plant and Equipment Revaluation Surplus

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

(o) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to note 20) at their nominal value and are inclusive of the goods and services tax ("GST") payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

(p) Contingent assets and contingent liabilities

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

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

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

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

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

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

(r) AASs issued that are not yet effective

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

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

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 9 *Financial Instruments*	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 15 *Revenue from Contracts with Customers*	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2017 (Exposure Draft 263 – potential deferral to 1 Jan 2018)	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2014-1 *Amendments to Australian Accounting Standards [Part E Financial Instruments]*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.

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

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 2014-4 Amendments to Australian Accounting *Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]*	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: - establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; - prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.	1 Jan 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2014-9 *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]*	Amends AASB 127 Separate Financial Statements to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 Jan 2016	The assessment indicates that there is no expected impact as the entity will continue to account for the investments in subsidiaries, joint ventures and associates using the cost method as mandated if separate financial statements are presented in accordance with FRD 113A.
AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]*	AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that: - a full gain or loss to be recognised by the investor when a transaction involves a business (whether it is housed in a subsidiary or not); and - a partial gain or loss to be recognised by the parent when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	1 Jan 2016	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.
AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]*	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

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

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

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

(s) Category Groups

Timboon and District Healthcare Service has used the following category groups for reporting purposes for the current and previous financial years.

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

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

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

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

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

Note 2: ANALYSIS OF REVENUE BY SOURCE	**Admitted Patients 2015 $**	**Residential Aged Care 2015 $**	**Aged Care 2015 $**	**Primary Health 2015 $**	**Other 2015 $**	**TOTAL 2015 $**
Government Grants	3,518,023	248,216	774,541	790,829	0	5,331,609
Indirect Contributions by Department of Health and Human Services	27,797	15,884	6,830	1,588	0	52,099
Patient and Resident Fees	210,462	103,845	76,065	139,393	84,819	614,584
Interest and Dividends	7,121	4,069	1,750	407	0	13,347
Catering	0	0	0	0	16,346	16,346
Diagnostic Imaging	0	0	0	0	29,257	29,257
South West Alliance of Rural Health	0	0	0	0	651,808	651,808
Property Income	0	0	0	0	36,643	36,643
Other Revenue from Operating Activities	33,133	5,706	64,951	103,943	47,974	255,707
Total Revenue from Operating Activities	3,796,536	377,720	924,137	1,036,160	866,847	7,001,400
Donations and Bequests (non capital)	0	0	4,617	0	0	4,617
Total Revenue from Non-Operating Activities	0	0	4,617	0	0	4,617
Capital Purpose Income (excluding interest)	27,900	21,118	0	0	77,403	126,421
Capital Interest	0	85,965	0	0	0	85,965
Total Capital Purpose Income	27,900	107,083	0	0	77,403	212,386
Share of Net Result of Associates & Joint Ventures Accounted for using the Equity Model (refer note 10)	0	0	0	0	71,440	71,440
TOTAL REVENUE	3,824,436	484,803	928,754	1,036,160	1,015,690	7,289,843

Note 2: ANALYSIS OF REVENUE BY SOURCE(Continued)	Admitted Patients 2014 $	Residential Aged Care 2014 $	Aged Care 2014 $	Primary Health 2014 $	Other 2014 $	TOTAL 2014 $
Government Grants	3,438,697	236,227	740,644	778,337	0	5,193,905
Indirect Contributions by Department of Health and Human Services	(59,300)	(33,886)	(14,571)	(3,389)	0	(111,146)
Patient and Resident Fees	90,706	96,539	176,201	54,836	73,315	491,597
Interest and Dividends	4,340	2,480	1,066	247	0	8,133
Catering	0	0	0	0	16,206	16,206
Diagnostic Imaging	0	0	0	0	34,546	34,546
South West Alliance of Rural Health	0	0	0	0	987,371	987,371
Property Income	0	0	0	0	45,370	45,370
Other Revenue from Operating Activities	35,416	8,471	75,866	44,942	48,785	213,480
Total Revenue from Operating Activities	3,509,859	309,831	979,206	874,973	1,205,593	6,879,462
Donations and Bequests (non capital)	0	0	3,157	23	0	3,180
Total Revenue from Non-Operating Activities	0	0	3,157	23	0	3,180
Capital Purpose Income (excluding interest)	92,900	0	9,942	5,000	16,266	124,108
Capital Interest	0	0	0	0	114,314	114,314
Total Capital Purpose Income	92,900	0	9,942	5,000	130,580	238,422
Share of Net Result of Associates & Joint Ventures Accounted for using the Equity Model (refer note 10)	0	0	0	0	77,127	77,127
TOTAL REVENUE	3,602,759	309,831	992,305	879,996	1,413,300	7,198,191

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

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

NOTE 2a: NET GAIN/(LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS	2015 $	2014 $
Proceeds from Disposal of Non Financial Assets		
- Motor Vehicles	40,445	32,
Total Proceeds from Disposal of Non-Financial Assets	40,445	32,
Less: Written Down Value of Non Financial Assets Sold		
- Motor Vehicles	(9,304)	(30,3
- Medical Equipment	0	(1,1
Total Written Down Value of Non-Financial Assets Sold	(9,304)	(31,5
NET GAIN/(LOSS) ON DISPOSAL OF NON FINANCIAL ASSETS	31,141	1,

Note 3: ANALYSIS OF EXPENSE BY SOURCE 2015	Admitted Patients 2015 $	Residential Aged Care 2015 $	Aged Care 2015 $	Primary Health 2015 $	Other 2015 $	TOTAL 2015 $
Employee Expenses	2,360,461	312,900	1,075,666	624,646	234,359	4,608,032
Non Salary Labour Costs	312,646	5,103	18,986	47,682	142	384,559
Supplies and Consumables	219,491	24,220	147,037	8,109	34,751	433,608
Other Expenses	537,271	196,161	237,735	121,123	433,565	1,525,855
Total Expenditure from Operating Activities	3,429,869	538,384	1,479,424	801,560	702,817	6,952,054
Depreciation (refer note 4a)	0	0	0	0	733,765	733,765
Total Other Expenses	0	0	0	0	733,765	733,765
TOTAL EXPENSES	3,429,869	538,384	1,479,424	801,560	1,436,582	7,685,819

2014	Admitted Patients 2014 $	Residential Aged Care 2014 $	Aged Care 2014 $	Primary Health 2014 $	Other 2014 $	TOTAL 2014 $
Employee Expenses	2,181,521	212,462	981,217	513,866	215,226	4,104,292
Non Salary Labour Costs	343,707	4,996	21,540	45,141	153	415,537
Supplies and Consumables	138,151	18,497	117,959	6,098	31,617	312,322
Other Expenses	624,402	228,443	227,975	142,744	889,160	2,112,724
Total Expenditure from Operating Activities	3,287,781	464,398	1,348,691	707,849	1,136,156	6,944,875
Depreciation (refer note 4a)	0	0	0	0	841,339	841,339
Total Other Expenses	0	0	0	0	841,339	841,339
TOTAL EXPENSES	3,287,781	464,398	1,348,691	707,849	1,977,495	7,786,214

NOTE 3a: ANALYSIS OF EXPENSE AND REVENUE BY INTERNALLY MANAGED AND RESTRICTED SPECIFIC PURPOSE FUNDS

	Expense		Revenue	
	2015 $	2014 $	2015 $	2014 $
Catering Services	24,770	24,770	16,346	16,206
Radiology	42,988	42,988	29,257	34,546
Opportunity Shop	4,230	4,230	43,327	46,588
Other Commercial Activities	78,792	78,792	47,974	45,785
TOTAL	150,780	150,780	136,904	143,125

NOTE 4a: DEPRECIATION

	2015 $	2014 $
Depreciation		
Buildings	454,273	596,313
Plant and Equipment		
- Plant	146,726	140,808
- Motor Vehicles	26,170	71,615
Furniture and Fittings	32,001	30,811
Plant - Southwest Alliance of Rural Health	1,458	1,792
Leased Assets - Southwest Alliance of Rural Health	73,137	0
TOTAL DEPRECIATION	733,765	841,339

NOTE 4b: FINANCE COSTS

	2015 $	2014 $
Finance Charges on Finance Leases	10,929	0
TOTAL FINANCE COSTS	10,929	0

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.

	2015 $	2014 $
Cash on Hand	70	70
Cash at Bank	1,231,720	124,579
Cash at Bank - Southwest Alliance of Rural Health	63,842	58,137
TOTAL CASH AND CASH EQUIVALENTS	1,295,632	182,786
Represented by:		
Cash for Health Service Operations (as per cash flow statement)	1,231,790	124,649
Cash at South West Alliance of Rural Health	63,842	58,137
TOTAL CASH AND CASH EQUIVALENTS	1,295,632	182,786

The Health Service was in breach of Standing Direction 4.5.6 as at 30 June, 2015.

NOTE 6: RECEIVABLES	2015	2014
CURRENT	$	$
Contractual		
Trade Debtors	77,459	106,867
Patient Fees	63,185	45,622
Medical Clinic	0	45,000
South West Alliance of Rural Health	60,539	32,198
Accrued Investment Income	45,508	43,143
Accrued Revenue - Other	0	16,888
	246,691	289,718
Statutory		
GST Receivable - Health Service	11,073	14,316
	11,073	14,316
TOTAL CURRENT RECEIVABLES	257,764	304,034
NON CURRENT		
Statutory		
Long Service Leave - Department of Health/Department of Human Services	236,276	191,758
TOTAL NON-CURRENT RECEIVABLES	236,276	191,758
TOTAL RECEIVABLES	494,040	495,792

(a) Ageing analysis of receivables
Please refer to note 19(b) for the ageing analysis of receivables.

(b) Nature and extent of risk arising from receivables
Please refer to note 19(b) for the nature and extent of credit risk arising from receivables.

NOTE 7: INVESTMENTS AND OTHER FINANCIAL ASSETS	Capital		Total	
	2015	2014	2015	2014
CURRENT	$	$	$	$
Loans and Receivables				
Term Deposit				
Aust. Dollar Term deposits > 3 Months	2,000,000	2,871,594	2,000,000	2,871,594
TOTAL CURRENT OTHER FINANCIAL ASSETS	2,000,000	2,871,594	2,000,000	2,871,594
Represented by:				
Health Service Investments	2,000,000	2,871,594	2,000,000	2,871,594
TOTAL	2,000,000	2,871,594	2,000,000	2,871,594

(a) Ageing analysis of other financial assets
Please refer to note 19(b) for the ageing analysis of other financial assets.

(b) Nature and extent of risk arising from other financial assets
Please refer to note 19(b) for the nature and extent of credit risk arising from other financial assets.

NOTE 8: INVENTORIES	Total	
	2015	2014
CURRENT	$	$
South West Alliance of Rural Health - at Cost	1,127	1,025
TOTAL OTHER ASSETS	1,127	1,025

NOTE 9: PREPAYMENTS AND OTHER ASSETS	Total	
	2015	2014
CURRENT	$	$
Prepayments	66,807	86,469
Prepayments - South West Alliance of Rural Health	0	8,954
TOTAL OTHER ASSETS	66,807	95,423

NOTE 10: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

			Ownership Interest		Published Fair Value	
Name of Entity	**Principal Activity**	**Country of Incorp'n**	**2015 %**	**2014 %**	**2015 $**	**2014 $**
Associates						
Timboon Medical Clinic	Medical Services	Australia	50%	50%	87,338	15,898

Summarised financial information in respect of the agency's material associate and joint venture is set below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with AASB's, adjusted by the agency for equity accounting purposes.

Table 10.1: Summarised Financial Information for the Associate

	2015	2014
Summarised Balance Sheet:	$	$
Current Assets	147,385	144,875
Non-Current Assets	0	1,000
Total Assets	147,385	145,875
Current Liabilities	60,047	129,977
Total Liabilities	60,047	129,977
Net Assets	87,338	15,898
Summarised Operating Statement:		
Total income from transaction	1,292,768	1,269,916
Net Result from Continuing Operation	149,168	147,976
Net result from discounting operation	0	0
Net Result	149,168	147,976
Other comprehensive income	0	0
Total Comprehensive Income	0	0
Share of Associates' Result After Income tax Dividends received from associates.	71,440	77,127
Share of Joint Venture's Other Comprehensive Income	0	0
Dividends received from Associates	0	120,000

Movements in carrying amount of interests in the Joint Venture

	2015	2014
	$	$
Carrying amount at the beginning of the year	15,898	58,771
Share of the joint venture's net result after tax	71,440	77,127
Share of the joint venture's other comprehensive income	-	-
Dividends received/receivable from the joint venture	-	(120,000)
Carrying amount at the end of the year	**87,338**	**15,898**

NOTE 11: PROPERTY, PLANT AND EQUIPMENT	2015	2014
(a) Gross carrying amount and accumulated depreciation	$	$
Land		
- Land at fair value (Crown Land)	1,495,000	1,225,000
Total Land	1,495,000	1,225,000
Buildings		
- Buildings at fair value	11,560,000	11,245,000
Less Accumulated Depreciation	454,050	0
	11,105,950	11,245,000
- Buildings at cost	8,368	0
Less Accumulated Depreciation	222	0
	8,146	0
Total Buildings	11,114,096	11,245,000
Plant and Equipment		
South West Alliance of Rural Health	7,771	9,238
- Plant and Equipment at fair value	2,153,585	2,102,696
Less Accumulated Depreciation	1,549,246	1,402,520
Total Plant and Equipment	612,110	709,414
Furniture and Fittings		
- Furniture and Fittings at fair value	242,564	234,679
Less Accumulated Depreciation and Impairment	157,049	125,047
Total Furniture and Fittings	85,515	109,632
Motor Vehicles		
- Motor Vehicles at fair value	384,313	394,078
Less Accumulated Depreciation	181,852	260,225
Total Motor Vehicles	202,461	133,853
Leased Assets		
- Information Technology	306,529	0
Less Accumulated Amortisation	73,137	0
Total Leased Assets	233,392	0
TOTAL	13,742,574	13,422,899

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

	Land	Buildings	Plant & Equipment	Motor Vehicles	Furniture & Fittings	Leased Assets	Total
	$	$	$	$	$	$	$
Balance at 1 July 2013	1,328,965	10,957,092	643,574	198,734	133,212	0	13,261,577
Additions	0	77,288	209,182	37,111	7,231	0	330,812
Revaluation Increments/(Decrements)	(18,965)	911,933	0	0	0	0	892,968
Southwest Alliance of Rural Health Movements	0	0	420	0	0	0	420
Disposals	0	0	(1,162)	(30,377)	0	0	(31,539)
Transfer to Investment Properties	(85,000)	(105,000)	0	0	0	0	(190,000)
Depreciation	0	(596,313)	(142,600)	(71,615)	(30,811)	0	(841,339)
Balance at 1 July 2014	1,225,000	11,245,000	709,414	133,853	109,632	0	13,422,899
Additions	0	8,369	50,880	104,082	7,884	0	171,215
Southwest Alliance of Rural Health Movements	0	0	0	0	0	306,529	306,529
Disposals	0	0	0	(9,304)	0	0	(9,304)
Transfer from Investment Properties	270,000	315,000	0	0	0	0	585,000
Depreciation	0	(454,273)	(148,184)	(26,170)	(32,001)	(73,137)	(733,765)
Balance at 30 June 2015	1,495,000	11,114,096	612,110	202,461	85,515	233,392	13,742,574

Land and buildings carried at valuation

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

The effective date of the valuation is 30 June 2014.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair value measurement hierarchy for assets as at 30 June 2015

	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using: Level 1 (1)	Level 2 (1)	Level 3 (1)
Land at fair value				
Non-specialised land	800,000	0	800,000	0
Specialised land	695,000	0	0	695,000
Total of land at fair value	1,495,000	0	800,000	695,000
Buildings at fair value				
Non-specialised buildings	698,125	0	698,125	0
Specialised buildings	10,415,971	0	0	10,415,971
Total of building at fair value	11,114,096	0	698,125	10,415,971
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles (ii)	202,461	0	202,461	0
- Plant and equipment	612,110	0	0	612,110
Total of plant, equipment and vehicles at fair value	814,571	0	202,461	612,110
Furniture & Fittings at fair value				
Total furniture & Fittings at fair value	85,515	0	0	85,515

Note
(i) Classified in accordance with the fair value hierarchy, see Note 1
(ii) Vehicles are categorised to Level 3 assets if the depreciated replacement cost is used in estimating the fair value. Where a market approach is considered appropriate due to an active resale market, a Level 2 categorisation for such vehicles is applied.

There have been no transfers between levels during the period.

Fair value measurement hierarchy for assets as at 30 June 2014

	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period using: Level 1 (1)	Level 2 (1)	Level 3 (1)
Land at fair value				
Non-specialised land	530,000	0	530,000	0
Specialised land	695,000	0	0	695,000
Total of land at fair value	1,225,000	0	530,000	695,000
Buildings at fair value				
Non-specialised buildings	400,000	0	400,000	0
Specialised buildings	10,845,000	0	0	10,845,000
Total of building at fair value	11,245,000	0	400,000	10,845,000
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles (ii)	68,972	0	68,972	0
- Plant and equipment	775,254	0	0	775,254
Total of plant, equipment and vehicles at fair value	844,226	0	68,972	775,254
Furniture & Fittings at fair value				
Total furniture & Fittings at fair value	86,052	0	0	86,052

Note
(i) Classified in accordance with the fair value hierarchy, see Note 1
(ii) Vehicles are categorised to Level 3 assets if the depreciated replacement cost is used in estimating the fair value. Where a market approach is considered appropriate due to an active resale market, a Level 2 categorisation for such vehicles is applied.

There have been no transfers between levels during the period.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)
Non-specialised land and non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by independent valuers Valuer General Victoria to determine the fair value using the market approach.

Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2015.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land and specialised buildings

The market approach is also used for specialised land and specialised buildings although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 under the market based direct comparison approach.

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

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

An independent valuation of the Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2015.

Vehicles

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

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

There were no changes in valuation techniques throughout the period to 30 June 2014.

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

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)
(d) Reconciliation of Level 3 fair value as at 30 June 2015

	Land	Buildings	Plant and equipment	Furniture & Fittings
Opening Balance	1,225,000	11,245,000	709,414	109,632
Purchases (sales) & reclassifications	270,000	323,369	50,880	7,884
Transfers in (out) of Level 3	0	0	0	0
Gains or losses recognised in net result				
- Depreciation	0	(454,273)	(148,184)	(32,001)
- Impairment loss	0	0	0	0
Subtotal	1,495,000	11,114,096	612,110	85,515
Items recognised in other comprehensive income				
- Revaluation	0	0	0	0
Subtotal	0	0	0	0
Closing Balance	1,495,000	11,114,096	612,110	85,515
Unrealised gains/(losses) on non-financial assets	0	0	0	0
	1,495,000	11,114,096	612,110	85,515

There have been no transfers between levels during the period.

(d) Reconciliation of Level 3 fair value as at 30 June 2014

	Land	Buildings	Plant and equipment	Furniture & Fittings
Opening Balance	1,328,965	10,957,092	643,574	133,212
Purchases (sales) & reclassifications	(85,000)	(27,712)	208,440	7,231
Transfers in (out) of Level 3	0	0	0	0
Gains or losses recognised in net result				
- Depreciation	0	(596,313)	(142,600)	(30,811)
- Impairment loss	0	0	0	0
Subtotal	1,243,965	10,333,067	709,414	109,632
Items recognised in other comprehensive income				
- Revaluation	(18,965)	911,933	0	0
Subtotal	(18,965)	911,933	0	0
Closing Balance	1,225,000	11,245,000	709,414	109,632
Unrealised gains/(losses) on non-financial assets	0	0	0	0
	1,225,000	11,245,000	709,414	109,632

There have been no transfers between levels during the period.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)
(e) Description of significant unobservable inputs to Level 3 valuations:

	Valuation technique [(i)]	Significant unobservable inputs [(i)]
Specialised land	Market Approach	Community Service Obligation (CSO)
Specialised Buildings	Depreciated Replacement Cost	Direct cost per square metre Useful life of specialised buildings
Plant and equipment at fair value	Depreciated Replacement Cost	Cost per Unit Useful life of PPE
Furniture & Fittings at fair value	Depreciated Replacement Cost	Cost per Unit Useful life of PPE

NOTE 12: INVESTMENT PROPERTIES

(a) Movements in carrying value for investment properties as at 30 June 2015

	2015 $	2014 $
Balance at Beginning of Period	585,000	0
Additions	0	415,990
Net Loss from Fair Value Adjustments	0	(20,990)
Transfers	(585,000)	190,000
Balance at End of Period	0	585,000

(b) Fair value measurement hierarchy for investment properties as at 30 June 2015

	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using: Level 1 (1)	Level 2 (1)	Level 3 (1)
Investment Properties	0	0	0	0
	0	0	0	0

Fair value measurement hierarchy for investment properties as at 30 June 2014

	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period using: Level 1 (1)	Level 2 (1)	Level 3 (1)
Investment Properties	585,000	0	585,000	0
	585,000	0	585,000	0

(i) Classified in accordance with the fair value hierarchy

Properties previously recognised as investment properties have now been reclassified to Land & Buildings due to ther recognition as being held for strategic purposes only and do not form part of strategy to return capital growth.

For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

The fair value of the Health Service's investment properties at 30 June 2014 have been arrived on the basis of an independent valuation carried out by the Valuer General Victoria. The valuation was determined by reference to market evidence of transaction process for similar properties with no significant unobservable adjustments, in the same location and condition and subject to similar lease and other contracts.

NOTE 13: PAYABLES

	2015 $	2014 $
CURRENT		
Contractual		
Trade Creditors	116,260	126,371
Payables - South West Alliance of Rural Health	52,721	38,605
Accrued Audit Fees	8,700	8,500
Accrued Expenses	44,447	105,399
	222,128	278,875
Statutory		
Australian Taxation Office - PAYG	67,590	0
Department of Health and Human Services	3,200	12,900
	70,790	12,900
TOTAL	292,918	291,775

(a) Maturity analysis of payables
Please refer to Note 19c for the ageing analysis of payables.

(b) Nature and extent of risk arising from payables
Please refer to note 19c for the nature and extent of risks arising payables.

NOTE 14: BORROWINGS	2015	2014
CURRENT	$	$
Australian Dollar Borrowings		
- Finance Lease Liability (South West Alliance of Rural Health)	74,429	0
TOTAL CURRENT	74,429	0
NON CURRENT		
Australian Dollar Borrowings		
- Finance Lease Liability (South West Alliance of Rural Health)	158,962	0
TOTAL NON CURRENT	158,962	0
TOTAL BORROWINGS	233,391	0

Finance leases are held by the South West Alliance of Rural Health and are secured by the rights to the leased assets being held by the lessor.

(a) Maturity analysis of borrowings
Please refer to note 19(c) for the ageing analysis of borrowings

(b) Nature and extent of risk arising from borrowings
Please refer to note 19(c) for the nature and extent of risks arising from borrowings

(c) Defaults and breaches
During the current and prior year, there were no defaults and breaches of any of the borrowings

NOTE 15: PROVISIONS	2015	2014
Current Provisions	$	$
Employee Benefits (Note 15(a))		
Accrued Wages, ADO & Annual Leave (Note 14(a))		
- unconditional and expected to be settled within 12 months (ii)	444,532	376,218
- unconditional and expected to be settled after 12 months (iii)	0	0
Long Service Leave (Note 15(a))		
- unconditional and expected to be settled within 12 months (ii)	60,000	60,000
- unconditional and expected to be settled after 12 months (iii)	339,477	343,124
	844,009	779,342
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (ii)	63,067	54,527
- unconditional and expected to be settled after 12 months (iii)	42,435	37,308
	105,501	91,835
Total Current Provisions	949,510	871,177
Non-Current Provisions		
Employee Benefits (i) (Note 15(a))	154,709	113,973
Provisions related to employee benefit on-costs (Note 15(a) and Note 15(b))	19,339	12,987
Total Non-Current Provisions	174,048	126,960
Total Provisions	1,123,558	998,137
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and Related On-Costs		
Employee Entitlements - South West Alliance of Rural Health	51,327	44,663
Unconditional Long Service Leave Entitlements	449,412	453,514
Annual Leave Entitlements	360,037	280,761
Accrued Salaries and Wages	137,431	85,843
Accrued Days Off	2,630	6,396
	1,000,837	871,177
Non-Current Employee Benefits		
Employee Entitlements - South West Alliance of Rural Health	12,724	10,074
Conditional Long Service Leave Entitlements (present value)	174,048	116,886
	186,772	126,960
Total Employee Benefits and Related On-Costs	1,187,609	998,137

NOTE 15: PROVISIONS (Continued)	2015 $	2014 $

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

(b) Movements in Provisions		
Movement in Long Service Leave		
Balance at start of year	570,400	634,984
Provision made during the year		
- Revaluations	14,913	(8,431)
- Expense Recognising Employee Service	138,071	(225)
Settlement made during the year	(99,924)	(55,928)
Balance at end of year	623,460	570,400

NOTE 16: SUPERANNUATION

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

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

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

Fund		Paid Contributions for the year		Outstanding Contributions at Year End	
		2015 **$**	**2014** **$**	**2015** **$**	**2014** **$**
Defined Benefit Plans:	Health Super	12,572	12,367	0	0
Defined Contribution Plans:	Health Super	313,244	297,261	43,492	0
	HESTA	28,864	24,390	0	0

NOTE 17: EQUITY	2015 $	2014 $
(a) Surpluses		
Property, Plant and Equipment Revaluation Surplus [1]		
Balance at beginning of the reporting period	5,500,097	4,607,129
Revaluation Increment/(Decrement)		
- Land	0	(18,965)
- Buildings	0	911,933
Balance at the end of the reporting period	5,500,097	5,500,097
Represented by:		
- Land	551,035	551,035
- Buildings	4,949,062	4,949,062
	5,500,097	5,500,097
(b) Contributed Capital		
Balance at the beginning of the reporting period	4,610,700	4,610,700
Balance at the end of the reporting period	4,610,700	4,610,700

(1) The property, plant & equipment asset revaluation reserve arises on the revaluation of property, plant & equipment.

(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	6,269,708	6,857,731
Net Result for the Year	(406,905)	(588,023)
Balance at the end of the reporting period	5,862,803	6,269,708
Total Equity at end of financial year	15,973,600	16,380,505

NOTE 18: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	2015 $	2014 $
NET RESULT FOR THE YEAR	(406,905)	(588,023)
Non-cash movements		
Depreciation (net of SWARH)	659,170	839,547
Fair Value Movement of Investment Properties	0	20,990
Non Cash Joint Venture Transactions	(298)	(203)
Movements included in investing and financing activities		
Net (Gain)/Loss from Sale of Plant and Equipment	(31,141)	(1,188)
Movements in assets and liabilities		
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	(41,347)	132,168
(Increase)/Decrease in Prepayments	19,662	(6,292)
Increase/(Decrease) in Payables	(12,973)	(61,181)
Increase/(Decrease) in Employee Benefits	180,158	(90,425)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	366,326	245,393

NOTE 19: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Timboon & District Healthcare Service's principal financial instruments comprise of:

- *Cash Assets*
- *Term Deposits*
- *Receivables (excluding statutory receivables)*
- *Payables (excluding statutory payables)*

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

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

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

The main purpose in holding financial instruments is to prudentially manage Timboon and District Healthcare Services financial risk within the government policy parameters.

(a) Financial Risk Management Objectives and Policies (Continued)

Categorisation of financial instruments

2015	Contractual financial assets/liabilities designated at fair value through profit/loss $	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss $	Contractual financial assets - loans and receivables $	Contractual financial assets - available for sale $	Contractual financial liabilities at amortised cost $	Total $
Contractual Financial Assets						
Cash and cash equivalents	0	0	1,295,632	0	0	1,295,632
Receivables	0	0	246,691	0	0	246,691
Other Financial Assets						
- Term Deposits	0	0	2,000,000	0	0	2,000,000
Total Financial Assets (i)	0	0	3,542,323	0	0	3,542,323
Financial Liabilities						
Payables	0	0	0	0	222,128	222,128
Borrowings	0	0	0	0	233,391	233,391
Total Financial Liabilities(ii)	0	0	0	0	455,519	455,519

2014	Contractual financial assets/liabilities designated at fair value through profit/loss $	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss $	Contractual financial assets - loans and receivables $	Contractual financial assets - available for sale $	Contractual financial liabilities at amortised cost $	Total $
Contractual Financial Assets						
Cash and cash equivalents	0	0	182,786	0	0	182,786
Receivables	0	0	289,718	0	0	289,718
Other Financial Assets						
- Term Deposits	0	0	2,871,594	0	0	2,871,594
Total Financial Assets (i)	0	0	3,344,098	0	0	3,344,098
Financial Liabilities						
At amortised cost	0	0	0	0	278,875	278,875
Total Financial Liabilities(ii)	0	0	0	0	278,875	278,875

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit recoverable)
(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable)

NOTE 19: FINANCIAL INSTRUMENTS (Continued)
(a) Financial Risk Management Objectives and Policies (Continued)

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

	Net holding gain/(loss) $	Total interest income/ (expense) $	Fee income / (expense) $	Impairment loss $	Total $
2015					
Financial Assets					
Loans and Receivables(i)	0	85,965	0	0	85,965
Total Financial Assets	0	85,965	0	0	85,965
Financial Liabilities					
At amortised cost (ii)	0	10,929	0	0	10,929
Total Financial Liabilities	0	10,929	0	0	10,929
2014					
Financial Assets					
Loans and Receivables(i)	0	122,447	0	0	122,447
Total Financial Assets	0	122,447	0	0	122,447
Financial Liabilities					
At amortised cost (ii)	0	0	0	0	0
Total Financial Liabilities	0	0	0	0	0

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

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

(b) Credit Risk

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

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

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

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

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

NOTE 19: FINANCIAL INSTRUMENTS (Continued)
(b) Credit Risk (Continued)

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

2015	Financial Institutions (Min BBB credit rating) $	Government agencies (AAA credit rating) $	Government agencies (BBB credit rating) $	Other (Unrated) $	Total $
Financial Assets					
Cash and Cash Equivalents	1,295,632	0	0	0	1,295,632
Loans and Receivables					
- Trade Debtors	0	0	0	140,644	140,644
- Other Receivables (i)	0	0	0	106,047	106,047
- Term Deposit	2,000,000	0	0	0	2,000,000
Total Financial Assets	3,295,632	0	0	246,691	3,542,323
2014					
Financial Assets					
Cash and Cash Equivalents	182,786	0	0	0	182,786
Loans and Receivables					
- Trade Debtors	0	0	0	152,489	152,489
- Other Receivables (i)	0	0	0	137,229	137,229
- Term Deposit	2,871,594	0	0	0	2,871,594
Total Financial Assets	3,054,380	0	0	289,718	3,344,098

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

Ageing analysis of financial asset as at 30 June

2015	Total Carrying Amount $	Not Past due and not impaired $	Past due but not impaired: Less than 1 Month $	1 - 3 Months $	3 Months - 1 Year $	1 - 5 Years $	Impaired Financial Assets $
Financial Assets							
Cash and Cash Equivalents	1,295,632	1,295,632	0	0	0	0	0
Loans and Receivables (i)							
- Trade Debtors	140,644	125,758	2,957	11,623	306	0	0
- Other Receivables	106,047	106,047	0	0	0	0	0
- Term Deposit	2,000,000	2,000,000	0	0	0	0	0
Total Financial Assets	3,542,323	3,527,437	2,957	11,623	306	0	0
2014							
Financial Assets							
Cash and Cash Equivalents	182,786	182,786	0	0	0	0	0
Loans and Receivables (i)							
- Trade Debtors	152,489	72,168	7,382	64,000	8,939	0	0
- Other Receivables	137,229	137,229	0	0	0	0	0
- Term Deposit	2,871,594	2,871,594	0	0	0	0	0
Total Financial Assets	3,344,098	3,263,777	7,382	64,000	8,939	0	0

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

Contractual financial assets that are neither past due or impaired
There are no material financial assets which are individually determined to be impaired. Currently the Health Service does not hold any collateral as security nor credit enhancements relating to its financial assets.

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

NOTE 19: FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity Risk

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

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

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

The following table discloses the contractual maturity analysis for Timboon and District Healthcare 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

			Maturity Dates			
2015	Total Carrying Amount $	Nominal Amount $	Less than 1 Month $	1 - 3 Months $	3 Months - 1 Year $	1 - 5 Years $
Financial Liabilities						
At amortised cost						
Payables (i)	222,128	222,128	222,128	0	0	0
Borrowings	233,391	233,391	0	0	0	233,391
Total Financial Liabilities	455,519	455,519	222,128	0	0	0
2014						
Financial Liabilities						
At amortised cost						
Payables (i)	278,875	278,875	278,875	0	0	0
Total Financial Liabilities	278,875	278,875	278,875	0	0	0

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

(d) Market Risk

Timboon and District Healthcare 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 paragraphs below.

Currency Risk

Timboon and District Healthcare 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

Timboon and District Healthcare Service is exposed to insignificant interest rate risk with no outstanding interest bearing liabilities.

Other Price Risk

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

NOTE 19: FINANCIAL INSTRUMENTS (Continued)
(d) Market Risk (Continued)

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

	Weighted Average Effective Interest Rate (%)	Carrying Amount	Interest Rate Exposure		
2015			Fixed Interest Rate $	Variable Interest Rate $	Non - Interest Bearing $
Financial Assets					
Cash and Cash Equivalents	2.10	1,295,632	0	1,295,632	0
Loans and Receivables (i)					
- Trade Debtors		140,644	0	0	140,644
- Other Receivables		106,047	0	0	106,047
- Term Deposit	2.95	2,000,000	2,000,000	0	0
Total Financial Assets		3,542,323	2,000,000	1,295,632	246,691
Financial Liabilities					
At amortised cost					
Payables (i)	0.00	222,128	0	0	222,128
Borrowings	9.40	233,391	233,391	0	0
Total Financial Liabilities		222,128	233391	0	222,128
2014					
Financial Assets					
Cash and Cash Equivalents	2.60	182,786	0	182,786	0
Loans and Receivables (i)					
- Trade Debtors		152,489	0	0	152,489
- Other Receivables		137,229	0	0	137,229
- Term Deposit	3.53	2,871,594	2,871,594	0	0
Total Financial Assets		3,344,098	2,871,594	182,786	289,718
Financial Liabilities					
At amortised cost					
Payables (i)	0.00	278,875	0	0	278,875
Total Financial Liabilities		278,875	0	0	278,875

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

NOTE 19: FINANCIAL INSTRUMENTS (Continued)
(d) Market Risk (Continued)

Sensitivity Disclosure Analysis
Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Timboon and District Healthcare 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 100 basis points up and down in market interest rates (AUD) from year-end rates of 3.53%; and
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2.5%.

Sensitivity Disclosure Analysis (continued)
The following table discloses the impact on net operating result and equity for each category of interest bearing financial instrument held by Timboon and District Healthcare Service at year end as presented to key management personnel, if changes in the relevant risk occur.

	Carrying Amount	Interest Rate Risk				Other Price Risk			
		-1%		+1%		-1%		+1%	
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
2015	$	$	$	$	$	$	$	$	$
Financial Assets									
Cash and Cash Equivalents	1,295,632	(12,956)	(12,956)	12,956	12,956	0	0	0	0
Loans and Receivables									
- Trade Debtors	140,644	0	0	0	0	0	0	0	0
- Other Receivables	106,047	0	0	0	0	0	0	0	0
- Term Deposit	2,000,000	0	0	0	0	0	0	0	0
Financial Liabilities									
At amortised cost									
Payables	222,128	0	0	0	0	0	0	0	0
Borrowings	233,391	0	0	0	0	0	0	0	0
		(12,956)	(12,956)	12,956	12,956	0	0	0	0
2014									
Financial Assets									
Cash and Cash Equivalents	182,786	(1,828)	(1,828)	1,828	1,828	0	0	0	0
Loans and Receivables									
- Trade Debtors	152,489	0	0	0	0	0	0	0	0
- Other Receivables	137,229	0	0	0	0	0	0	0	0
- Term Deposit	2,871,594	0	0	0	0	0	0	0	0
Financial Liabilities									
At amortised cost									
Payables	278,875	0	0	0	0	0	0	0	0
		(1,828)	(1,828)	1,828	1,828	0	0	0	0

(e) Fair Value

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:
- the fair value of financial instrument assets and liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial instrument assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The financial assets include holdings in unlisted shares. Fair value of these is determined by projecting future cash inflows from expected future dividends and subsequent disposals of the securities.

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

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

NOTE 19: FINANCIAL INSTRUMENTS (Continued)
(e) Fair Value (Continued)

Comparison between carrying amount and fair value

	Total Carrying Amount 2015 $	Fair Value 2015 $	Total Carrying Amount 2014 $	Fair Value 2014 $
Financial Assets				
Cash and Cash Equivalents	1,295,632	1,295,632	182,786	182,786
Loans and Receivables (i)				
- Trade Debtors	140,644	140,644	152,489	152,489
- Other Receivables	106,047	106,047	137,229	137,229
-Term Deposits	2,000,000	2,000,000	2,871,594	2,871,594
Total Financial Assets	**3,542,323**	**3,542,323**	**3,344,098**	**3,344,098**
Financial Liabilities				
At amortised cost				
Payables (i)	222,128	222,128	278,875	278,875
Borrowings	233,391	233,391	0	0
Total Financial Liabilities	**455,519**	**455,519**	**278,875**	**278,875**

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

NOTE 20: COMMITMENTS FOR EXPENDITURE	2015 $	2014 $
Capital Expenditure Commitments		
Nil		
Lease commitments		
Commitments in relation to leases contracted for at the reporting date:		
Finance Leases (South West Alliance of Rural Health)	233,391	0
Total lease commitments	233,391	0
Finance Leases		
Commitments in relation to finance leases are payable as follows:		
Current	100,894	0
Non-current	215,486	0
Minimum lease payments	316,380	0
Less future finance charges	82,989	
Total finance lease commitments	233,391	0
Total lease commitments	233,391	0

NOTE 21: CONTINGENT ASSETS AND CONTINGENT LIABILITIES
There are no known contingent liabilities for Timboon and District Healthcare Service as at the date of this report.

NOTE 22: OPERATING SEGMENTS
Business Segments
Timboon & District Healthcare Service is a multipurpose service providing a range of health related services to the general public. Whilst the Healthcare Service provides varying services, they are all within the one segment being provision of health care services.

Geographical Segment
Timboon & District Healthcare Service operates predominantly in Timboon, Victoria. More than 90% of revenue, net surplus from ordinary activities and segment assets relate to operations in Timboon, Victoria.

NOTE 23: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	Principal Activity	Ownership Interest 2015 %	Ownership Interest 2014 %
South West Alliance of Rural Health	Information Systems	3.16	3.16

Timboon & District Healthcare Service's interest in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the financial statements and consolidated financial statements under their respective asset categories:

	2015 $	2014 $
Current Assets		
Cash and Cash Equivalents	63,843	58,137
Receivables	60,539	32,198
Inventories	1,127	1,025
Prepayments	0	8,954
Total Current Assets	125,509	100,314
Non Current Assets		
Property, Plant and Equipment	7,771	9,238
Total Non Current Assets	7,771	9,238
Total Assets	133,280	109,552
Current Liabilities		
Payables	52,721	38,605
Employee Provisions	51,327	44,663
Total Current Liabilities	104,048	83,268
Non Current Liabilities		
Employee Provisions	12,724	10,074
Total Non Current Liabilities	12,724	10,074
Total Liabilities	116,772	93,342
Net Assets	16,508	16,210

Timboon & District Healthcare Service's interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

	2015 $	2014 $
Revenues		
Operating Activities	651,808	987,371
Total Revenue	651,808	987,371
Expenses		
Employee Expenses	183,461	163,929
Maintenance Contracts and IT Support	295,841	292,161
Operating Lease Costs	147,921	105,005
Other Expenses	22,830	424,281
Total Operating Expenses	650,053	985,376
Depreciation	1,458	1,792
Total Non Operating Expenses	1,458	1,792
Total Expenses	651,511	987,168
Net Result	297	203

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

NOTE 24a: RESPONSIBLE PERSON DISCLOSURES

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

	Period
Responsible Ministers:	
The Honourable David Davis, MLC, Minister for Health and Minister for Ageing	01/07/2014 - 03/12/2014
The Honourable Mary Wooldridge, MLA, Minister for Mental Health and Community Services	01/07/2014 - 03/12/2014
The Honourable Mary Wooldridge, MP, Minister for Disability Services and Reform	01/07/2014 - 03/12/2014
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	04/12/2014 - 30/06/2015
The Honourable Jenny Mikakos, MLC, Minister for Families and Children	04/12/2014 - 30/06/2015
Governing Boards	
Mrs M. Bull	01/07/2014 - 30/06/2015
Mrs N. Johnson	01/07/2014 - 30/06/2015
Mr. J. McKenzie	01/07/2014 - 30/06/2015
Mrs. C. Marr	01/07/2014 - 30/06/2015
Mr. J. Renyard	01/07/2014 - 30/06/2015
Mr R. Smith	01/07/2014 - 30/06/2015
Dr T. Walsh	01/07/2014 - 30/06/2015
Mr M. Izzo	01/07/2014 - 30/06/2015
Mrs K. Clough	01/07/2014 - 30/06/2015
Accountable Officers	
Mr G. Sheehan	01/07/2014 - 30/06/2015

Remuneration of Responsible Persons

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

	Total Remuneration		Base Remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
$0 - $9,999	9	8	9	8
$150,000 - $159,999	1	0	1	0
$160,000 - $169,999	0	0	0	1
$180,000 - $189,999	0	1	0	0
	10	9	10	9
Total remuneration for the reporting period for Responsible Persons included above amounted to:	$158,956	$189,321	$158,956	$163,868

NOTE 24b: EXECUTIVE OFFICER DISCLOSURES

Executive Officers' Remuneration

No Executive Officer, other than accountable officers received remuneration in excess of $100,000 during the year.

Note 25: REMUNERATION OF AUDITORS

	2015 $	2014 $
Victorian Auditor-General's Office		
Audit or review of financial statement	8,700	8,500
	8,700	8,500

NOTE 26: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no material events which have occurred subsequent to the reporting date which require further disclosure.

APPENDIX A - ALTERNATIVE PRESENTATION OF COMPREHENSIVE OPERATING STATEMENT

	2015 $	2014 $
Interest	99,312	122,447
Sales of goods and services	660,187	542,349
Grants	5,383,708	5,082,759
Other	1,115,495	1,449,448
Total Revenue	**7,258,702**	**7,197,003**
Employee expenses	4,608,032	4,104,292
Depreciation	733,765	841,339
Other operating expenses	2,354,951	2,840,583
Total Expenses	**7,696,748**	**7,786,214**
Net result from transactions - Net Operating Balance	**(438,046)**	**(589,211)**
Net gain/ (loss) on sale of non-financial assets	31,141	1,188
Other gains/ (losses) from other economic flows included in net result	-	892,968
Total Other Economic flows included in Net Result	**31,141**	**894,156**
Net Result	**(406,905)**	**304,945**

Information contained in this page do not form part of the audited financial statements.

Notes

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Notes

Concerns or compliments

Timboon and District Healthcare Service invites any comment you may have about the care or service provided by our health service; this provides an opportunity for service improvement.

Concerns or compliments may be directed to the Chief Executive Officer on 03 5558 6000.

If the matter is not resolved to your satisfaction, the Health Services Commissioner who assists with complaint resolution, can be contacted on 03 9655 5200.

TIMBOON
AND DISTRICT
HEALTHCARE
SERVICE

TIMBOON
AND DISTRICT
HEALTHCARE
SERVICE

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