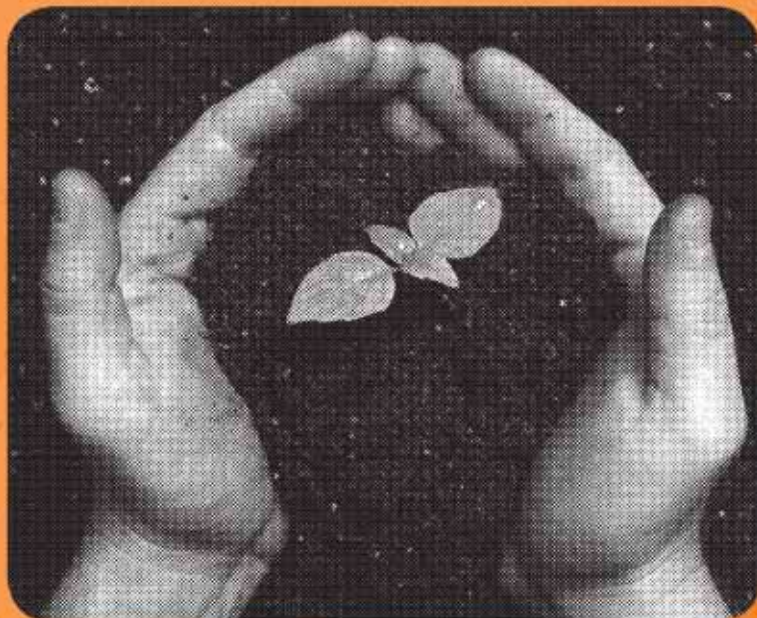
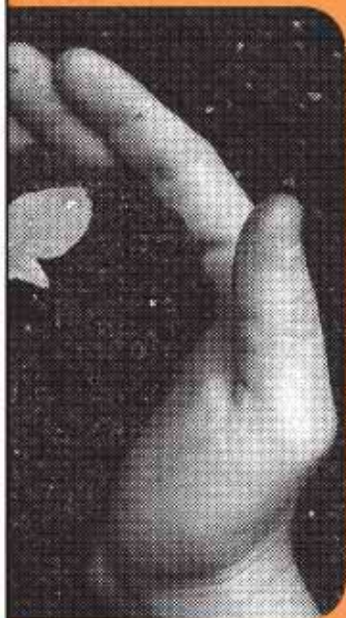




the future takes shape



Rochester and Elmore District Health Service - Annual and Quality of Care Report 2008

## Year In Brief – 2007-2008

### Highlights

- Appointments:
  - Dietitian (Aug 2007)
  - Occupational Therapist (Oct 2007)
  - Planned Activity Group Coordinator (April 2008)
  - Chief Executive Officer (June 2008)
  - Development Officer/Clinical Nurse Educator (June 2008)
  - District Nursing Unit Manager (June 2008)
  - Social Worker (June 2008)
- Achieving Gold Status in Grow Me The Money program (GMTM) (September 2007)
- Support Services staff complete Certificate III in Health Service Assistance (February 2008)
- Grant awarded for Nurse Practitioner Scoping Project and Project Officer appointed (March 2008)
- Completion of Stage 1 Redevelopment and commencement of Stage 2 (April 2008)
- Finalist in the Premier's Sustainability Awards (April 2008)
- Introduction of the Code of Conduct (May 2008)

### Challenges

- Resignations:
  - Planned Activity Group Coordinator (October 2007)
  - Physiotherapist (February 2008)
  - District Nursing Unit Manager (March 2008)
  - Chief Executive Officer (April 2008)
  - Director of Primary Care (May 2008)
  - Staff Development Officer/Clinical Support Nurse (May 2008)
  - Social Workers (November 2007, May 2008, June 2008)
- Maintenance of services and changes in work routines during redevelopment stages
- Recruitment and retention of allied health professionals

### The Future

- Successful recruitment and retention of qualified staff
- Completion of Stage 2 and commencement of Stage 3 Redevelopment
- Achieve Platinum status for GMTM
- Completion of the Nurse Practitioner Scoping Project (September 2008)

### 2007-2008

Acute Ward	
Total Acute Ward Separations	539
Acute Bed Days	2,719
Average Length of Stay (Days)	5.09
Total NHT (Days)	334
Total Non-admitted Occasions of Service	
Emergency	576
Radiology	1,356
District Nursing	6,470
Planned Activity Group	1,662
Meals on Wheels	1,1291
Community Health	
Dietitian	433
Fitness for Older Adults	438
Occupational Therapist	94
Physiotherapy (IP)	83
Physiotherapy (OP)	139
Physiotherapy (Aged Care)	57
Podiatry	570
Social Workers	789
Aged Care	
Nursing Home Bed Days	10890
Nursing Home Separations	18
Hostel Bed Days	10678
Hostel Separations	13

#### Services offered by REDHS

- Acute Services
- Dietetics
- District Nursing
- Health Promotion
- Men's Health/Drought Counselling
- Occupational Therapy
- Pathology Collection
- Physiotherapy
- Planned Activity Group (PAG)
- Podiatry
- Psychologist
- Radiology
- Residential Aged Care
- Social Work and Counselling
- Visiting drug/ alcohol counselling; diabetes education; Centre Against Sexual Assault (CASA)
- Women's Health/ Community Nurse



## Report From President and CEO

In accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations for the Rochester & Elmore District Health Service for the year ending 30 June 2008.

Rochester and Elmore District Health Service, like all contemporary organisations, has a commitment to a sustainable future. Implementation of the 2005 Strategic Plan has continued throughout a most challenging year for the Board of Management and staff, but the organisation has held its focus on seven key strategic goals:

- Our People (Attract and retain people of the highest calibre)
- Our Community (Actively and positively engage with the community)
- Our Service (Service delivery responsive to changing needs)
- Our Partnerships (Integrated, client focused care)
- Our Resources (Responsible and sustainable use of our financial resources)
- Our Culture (Continuous improvement is embedded in the work culture)
- Our Leadership (United, focused and proactive leadership at all levels)

The REDHS Management Team has continued to provide support and leadership for all staff within the organisation in the face of difficult circumstances, due to major disruptions resulting from the Building Program and from the resignation of Duane Attree, Chief Executive Officer, early in the year. Duane returned to Sydney for family reasons following only one year of service in the role. On behalf of the Board of Management I wish to thank each and every member of our staff for their dedication and support through this difficult time. In particular, I thank Ruth White, Director of Nursing, for her ongoing commitment to the organisation.

We were most fortunate to retain the services of Di Sullivan for a three month period as Interim CEO. She was able to guide the organisation through the commissioning of Stage One of the Redevelopment, along with the recruitment process for a new CEO. Michael Krieg was appointed at the end of June and we expect him to take up his role in July 2008.

### Our Achievements

Phase One of the Building Program met the timeframe and our Nursing Home residents are enjoying a lovely new building with very pleasing aesthetics and design. The rooms provide great privacy and are bright and spacious.

The staff team, led by Anne Chirnside, are to be highly commended for their endeavours, well beyond the call of duty, in the management and execution of the move into the new building at the end of April.

Likewise, our Support Services staff experienced a year of preparation and disruption through the planning for and the move into their new facility.

A number of staff upgraded their qualifications for new and expanded roles and they are to be congratulated for their efforts. The Support Services Building is a wonderful new state of the art facility with the capacity to extend our catering services within the district.

On behalf of the Board of Management, I thank Richard Beddell for his leadership in the development of this new service.

I also acknowledge the ongoing work of Mathew Dennis, Facilities Manager and Gayle Kerlin, Redevelopment Project Officer, for their roles in the overall Building Program.

### Accreditation

REDHS continues to maintain a high level of care and commitment to our patients, residents and community, as indicated by our continuing achievement in the various accreditation processes for both Acute and Aged Care.

### Sustainability

REDHS as a 'Small Rural Health Service' which is our category within the Department of Human Services, will continue to be challenged to provide a broad range of health services directed towards improving health of all people within the district as well as meeting the current health needs.

We will continue our commitment to this broad approach, subject to regular reviews directed towards the viability of services.

REDHS posted a loss prior to Capital and Depreciation of \$92,983.00 due to higher employee entitlements. This is of concern.

The Board has detected a lack of robustness in the financial processes within the organisation and new systems are to be introduced to enable in-depth cost analyses and improved financial management; a first phase of improving our financial position and a priority for the new CEO. The organisation has however, a relatively strong cash position and a solid investment strategy.

REDHS continues to maintain close liaison with the Regional Office of the Department of Human Services as they continue to support us in our quest to manage a sound financial business which meets the needs of the district in the provision of health care.

### Our Thanks

REDHS is a vibrant and dynamic organisation moving forward in the face of its many challenges. I thank all staff, health service providers, volunteers, auxiliary members and the many others who provide ongoing support. We are indebted to your services. We are also indebted to our community for their continuing support through donations, bequests and volunteer work.

Later in the year, REDHS will welcome the Hon Daniel Andrews, Minister for Health, as he opens the first stage of the Redevelopment. On behalf of the Board of Management I thank the Department of Human Services for their support throughout the year.

I thank my fellow board members for their contributions and acknowledge the service given to REDHS by outgoing board members Dot Moon, Graeme Nelson and Allison Shotton.



**Mary Magennis**  
Board President



**Michael Krieg**  
Chief Executive Officer

A handwritten signature in black ink, reading "M. Magennis".

**Mary Magennis**  
Board President

A handwritten signature in black ink, reading "M. Krieg".

**Michael Krieg**  
Chief Executive Officer



## Corporate Governance

### President



#### Mary Magennis, RN

B.App.Sc, MA (Sc)  
Consultant  
Term of Appointment:  
1.11.2004 to 30.6.2008

### Vice-President



#### Sonia Martin, RN

BNSci(Hons), Dip.App.Sci,  
Registered Nurse  
Agribusiness owner  
Term of Appointment:  
1.11.2005 to 31.10.2008

### Treasurer



#### Meeuwis Boelen

BSc (Neth), MSc (Neth),  
PhD (Neurophysiology)  
Assoc Prof Neuroscience &  
Pharmacology  
Academic Head, Higher Education  
Programs  
1.11.2006 to 31.10.2008

### REDHS Board of Management

The Rochester & Elmore District Health Service (REDHS) is an incorporated body listed under Schedule 1 of the Health Services Act 1988. Board members are recommended by the Minister for Health and appointed by the Governor-In-Council for a term of up to three years and act in a voluntary capacity.

The activities of REDHS are directed by the Board of Management, which meets regularly with the Chief Executive Officer and Executive staff to determine policy and strategic direction. The Board is supported in its decision-making by a number of sub-committees.

Subject to the requirements of government and the Health Service By-laws, the Board exercises decisions including the control of funds, determining the range of services to be provided, and the appointment of visiting medical officers and other senior staff.

### Members



#### Heather Acocks

Farm Management  
Term of Appointment:  
1.11.2005 to 31.10.2008



#### Stuart McDonald

M.Sc (Melb) AO  
Farm Management  
Retired  
Term of Appointment:  
1.11.2006 to 30.6.2009



#### Astrid O'Farrell

Business Network Officer,  
Economic Development  
B.Bus (Pub Rel)  
Term of Appointment:  
1.11.2006 to 30.6.2009



#### Allison Shotton, RN

Ante-Natal Shared Care  
Project Worker  
Grad Dip Midwifery,  
Term of Appointment:  
1.10.2004 to 30.6.2008

### Retiring Members



#### Dot Moon, RN

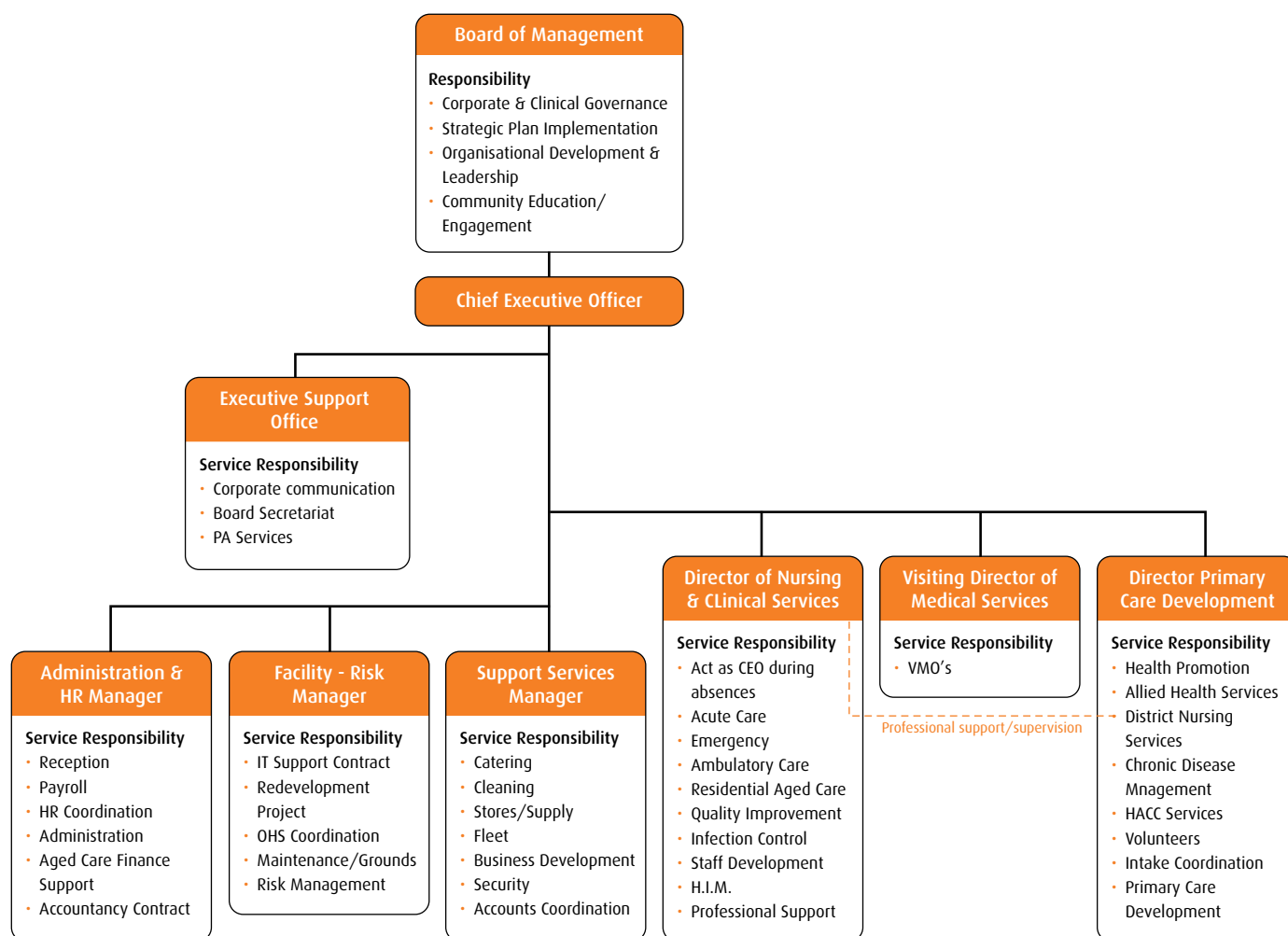
Dip AOD  
AOD Withdrawal Nurse  
Term of Appointment:  
1.11.2004 to 31.10.2007



#### Graeme Nelson

Retailer  
Term of Appointment:  
1.11.2004 to 31.10.2007

## Organisational Chart



REDHS Management Group is responsible for putting the Strategic Plan into action and consists of REDHS Executive and the following management staff:



Richard Beddell



Dianne Kenyon



Mathew Dennis



Gayle McConnell



Colin Jones



Anne Chirnside



Gayle Kerlin



Jenny Ellis



Helen Thomson



Lynn Wolfe

## Meeting Attendance

### Meeting Attendance

Meeting Attendance	Board Meetings												Total meetings attended	Other meetings *
	2007						2008							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
Mary Magennis	•	•	•	•	•	•	NA	•	•	•	•	•	10/11	7
Sonia Martin	•	•	•	•	•	•	NA	•	•	•	•	•	9/11	1
Meeuwis Boelen	•	•	•	•	•	•	NA	•	•	•	•	•	7/11	3
Heather Acocks	•	•	•	•	•	•	NA	•	•	•	•	•	11/11	1
Stuart McDonald	•	•	•	•	•	•	NA	•	•	•	•	•	11/11	6
Dot Moon	•	•	•	•									4/4	3
Graeme Nelson	•	•	•	•									2/4	2
Astrid O’Farrell	•	•	•	•	•	•	NA	•	•	•	•	•	7/11	4
Allison Shotton	•	•	•	•	•	•	NA	•	•	•	•	•	8/11	3

\* denotes Department, education, regional and extraordinary Board meetings.

### Committee Membership

	Risk Management and Planning	Audit Committee	Credentials and Medical Appointment Advisory Committee	Medical Consultative Committee	Credentials Appeal Tribunal	Quality of Care
Mary Magennis	• (3/3)	• (3/4)	•	•		
Sonia Martin	• (0/0)		•	•		• (2/4)
Meeuwis Boelen		• (2/4)	•			
Heather Acocks	• (0/0)					• (3/7)
Stuart McDonald	• (3/3)	• (1/1)			•	• (3/3)
Dot Moon (to 31.10.07)	• (3/3)					
Graeme Nelson (to 31.10.07)		• (2/3)				
Astrid O'Farrell		• (3/4)		•		
Allison Shotton	• (2/3)					
Mark Ryan (independent member)		• (2/2)				



## Key Personnel

### Executive

#### Chief Executive Officer

Ms D Sullivan, - (Interim CEO 18.3.08 – 30.6.08)

RN, RM, Grad Dip Hlth Admin, AFACHSE, GAICD

Mr D Attree – (Resigned April 2008)  
B.App.Sci (HIM), Grad.Cert (PH), CHE, AIMM

#### Director of Nursing

Ms R White

RN, RM, Dip N Ed, Bch App Sc, FRCNA, FNSWCN, FACNM, AFCHSE

#### Director of Medical Services

Prof I Brand

AM, MB, BS, FCPA, FRACMA, FCHSE, FSHP

#### Director of Primary Care Development

Ms S Rutherford (Resigned May 2008)  
Dip. Teach, B.Ed, M. Bus.Lead, Dip Qual. Aud, MBIT Accred.

### Department Heads

#### Clinical & Ambulatory Care Manager

Ms H Thomson

RN, BNursing, ICU Cert, MHA

#### Hostel Supervisor

Ms J Ellis

RN, RM, B Hlth Sc, Post Grad Diploma in Dementia

#### Nursing Home Unit Manager

Ms A Chirside

RN, Cert Onc Cert. Gerontology

#### District Nurse Unit Manager

Mr C Jones (appointed June 2008)

RN, BNursing

Ms K Eddy (Resigned March 2008)

RN, B Hlth Sc

#### Planned Activity Group Coordinator

Ms A Hewlett (from October 2007)

Ms G Howard (Resigned October 2007)  
RN Div 2

#### Quality Coordinator

Ms L Wolfe

Adv Dip Bus Man, Adv. Dip Bus Man (HR Bridging) Dip App Sci (Hort)

#### Infection Control Practitioner / Redevelopment Project Officer

Ms G Kerlin

RN, RM, Sterilization, Infection Control Cert.

#### Staff Development Officer/Clinical Support Nurse

Ms W Rogasch (appointed June 2008)RN, RM, Grad Cert Adv Nursing, Grad Dip Crit Care, Dip Bus Mgt.

Ms D Kenyon (Resigned March 2008)  
RN, Grad Dip FET, Cert IV TAA, Cert IV Workplace Assessment and Training, Cert in Stomalthrapy

#### Support Services Manager

Mr R Beddell

Chef, Qualif in Catering Management.  
Adv Dip. Bus Man. Dip Support Services Management

#### Facilities Manager

Mr M Dennis

A Grade Electrical Mechanic

#### Supply Manager

Ms G McConnell

#### Visiting Medical Officers

#### General Practitioners

Dr AS Asaid, MBBS (Egypt), AMC, FRACGP, FACRRM

Dr ED Ekeanyanwu, MBBS (Nigeria), FRACGP

Dr N Fang, MBBS, DRANZCOG, FRACGP

Dr P Radrekusa, MBBH

Dr OT Shaw, MBBS

Dr K Thompson, MBBS

#### Visiting Radiology Service

Goulburn Valley Imaging

#### Radiographer

Ms D Levy

Dip Medical Radiography

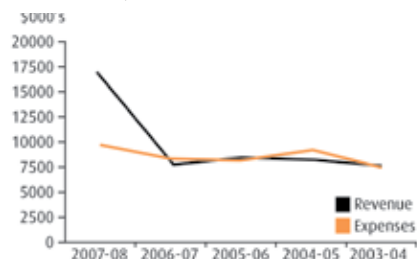
#### Staff Awards

##### 25 Years

- Margaret Stanford

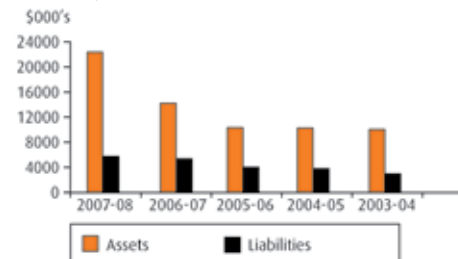
## Key Performance Indicators

### Revenue/Expenses



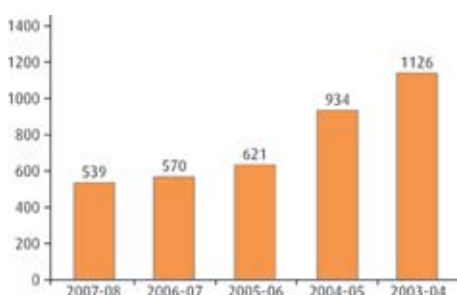
Revenue has increased significantly this year due to the impact of revenue generated by the redevelopment.

### Assets/Liabilities



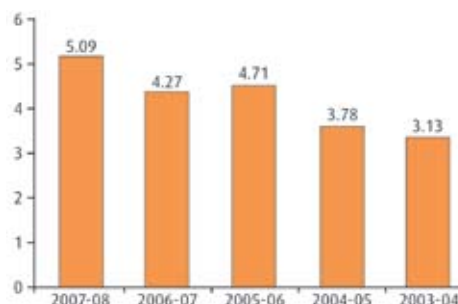
Assets have risen significantly because of the redevelopment.

### Acute Separations



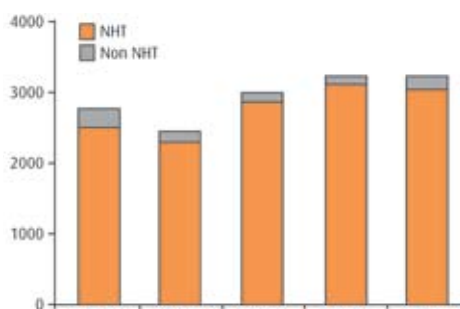
In late 2004, day procedures ceased. Separations have continued to decline since the closure of theatre and the associated bed number reduction from seventeen to twelve. Separations continue to meet the community's current needs.

### Acute Ward: Average Length of Stay(days)



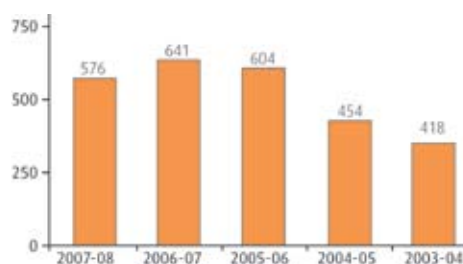
There has been an increase in the Average Length of Stay in the Acute Ward with a corresponding increase in NHT patients who are awaiting placement in an aged care facility.

### Acute Bed Days: Including Nursing Home Types



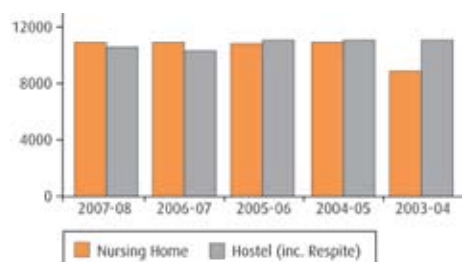
A patient is defined as being Nursing Home Type once they exceed a length of stay of 35 days. These figures show an increase on last year and reflect the growing number of people who are able to access community based services to support them living in the community longer and delaying the need for residential aged care.

### Accident & Emergency (A&E)



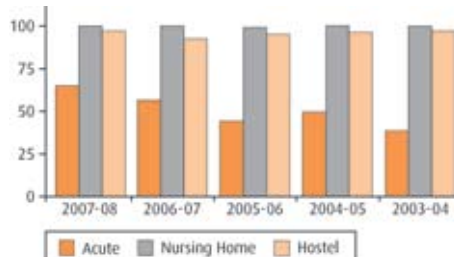
This is a non-government funded service where VMO attendances are based around an "On Call" arrangement involving both Rochester Medical Practice and Elmore Medical Practice and managed by the Acute Ward staff. There has been decrease in the number of presentations to A&E this year.

## Aged Care Bed Days



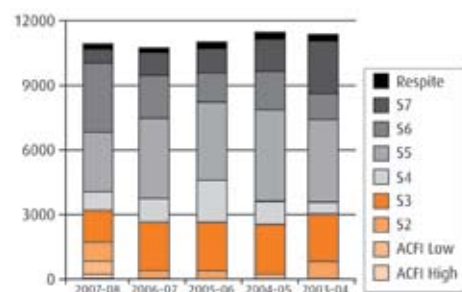
There are no major changes in total Aged Care bed days, as bed numbers have remained unchanged since April 2004 (except for temporary closures in the Hostel during redevelopment). Members of the community who are assessed as needing this type of support consistently use the Respite service. The Nursing Home had eighteen separations and the Hostel thirteen.

## Occupancy (%)



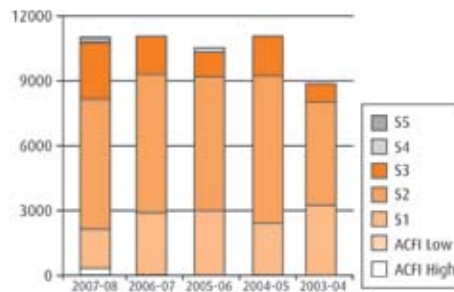
Aged Care occupancy is consistently high with almost 100% occupancy at all times. Hostel occupancy was slightly down last year due to temporary bed closure during Stage 1 redevelopment.

## Hostel Bed Days per Care Level



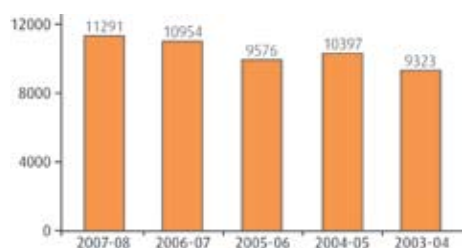
Residents who are entering the hostel are increasingly frail on admission and their conditions are often subject to decline. (S2 is a higher level of care than S7). The new ACFI Low and High categories began in March 2008.

## Nursing Home Bed Days per Care Level



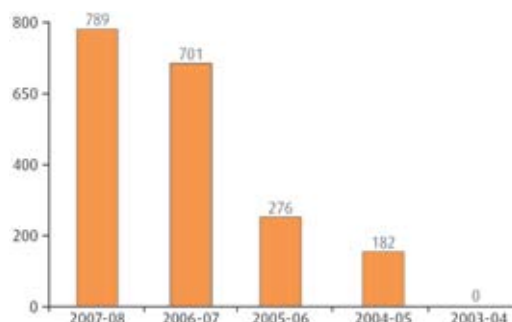
These results are the expected levels of care provision required in the Nursing Home. The new ACFI Low and High categories began in March 2008.

## Meals on Wheels



A modest increase in the number of meals has been recorded. Volunteers deliver the meals in the townships of Rochester, Elmore and Lockington.

## Social Workers: Occasions of Service



The increase in occasions of service continues to be mainly in response to ongoing drought conditions in the region.



## Performance Against Strategic Goals

Strategic Goals	Strategies	Achievements in 2007-08
Attract and retain skilled people of the highest calibre	Professional Development Opportunities	Training attended by staff from all departments.
	Staff conduct and consultation	<ul style="list-style-type: none"> <li>• Introduction of Code of Conduct</li> <li>• Participation in People Matter Survey 2008 and Change Management Survey</li> </ul>
Actively and positively engage with the community	Establish positive working relationships with community groups	<ul style="list-style-type: none"> <li>• Joint initiatives with Rochester Community House</li> <li>• Provide meeting space for local support groups</li> </ul>
	Increased opportunities for community input to REDHS planning	<ul style="list-style-type: none"> <li>• Community Survey</li> <li>• Self-management program forum</li> <li>• Volunteer orientation sessions conducted</li> </ul>
Service Delivery that is responsive to changing needs	Recruitment of Key Personnel for Primary Care development	Successful recruitment of Dietitian and Occupational Therapist
	Build flexibility into new facilities	Joining of two aged care facilities to improve resource sharing and resident interaction
Integrated client-focused care and client satisfaction	Develop service linkages and collaborative arrangements with other providers	Ongoing participation with Campaspe PCP
Responsible and sustainable use of financial and environmental resources	Develop a culture of financial accountability	<ul style="list-style-type: none"> <li>• Education sessions for managers</li> <li>• Formation of Environment Committee</li> </ul>
	Provision of skills, tools and processes for managers to manage budgets	"Introduction to Finance" sessions attended by managers
	Reduction of our environmental footprint by the responsible use of sustainable resources.	<ul style="list-style-type: none"> <li>• Formation of the Environment Committee</li> <li>• Increase in recycling</li> <li>• Purchase of chemical-free steam cleaners</li> <li>• Commission of Ozone Laundry</li> </ul>
Continuous Improvement is embedded in the work culture	Organisation-wide approach to OHS	<ul style="list-style-type: none"> <li>• Quality Improvement Plan reviewed and modelled on VQC Quality Framework.</li> <li>• Evaluation of Working groups</li> <li>• Quick reference emergency flip charts introduced.</li> </ul>
	Publish our successes	Newspaper articles, Community & Staff Newsletters published
United, focussed and proactive leadership at all levels	Organisational structure and reporting review	Review of reporting structure effectiveness
	Succession Planning	<ul style="list-style-type: none"> <li>• Identified, recruited and retained board members during nomination cycle</li> <li>• Identified opportunities for nursing and allied health career opportunities</li> </ul>
	Board Education Program and Performance Review	Education program in place

Status	Plans for the Coming Year
✓ Ongoing	Continuing support for professional development
✓ Ongoing	<ul style="list-style-type: none"> <li>Continuing staff consultation with strategic reviews, service planning and policy and procedure review and development.</li> <li>Participation in staff surveys</li> </ul>
✓ Ongoing	Continue to develop and establish working relationships.
✓ Ongoing	<ul style="list-style-type: none"> <li>Seek further feedback from the local community.</li> <li>Continue to recruit volunteers</li> </ul>
✓	Continue efforts to recruit a physiotherapist.
✓	Encourage an increase in combined activities in aged care facilities
✓ Ongoing	Collaborate with ERH in the recruitment of allied health professionals
✓ Ongoing	<ul style="list-style-type: none"> <li>Continue to provide staff education.</li> <li>Continue support of Environment Committee.</li> <li>Approve Environment Plan</li> </ul>
✓	<ul style="list-style-type: none"> <li>Budgeting training for managers</li> <li>Investigate benchmarking opportunities</li> </ul>
✓ ✓ ✓ ✓	<ul style="list-style-type: none"> <li>Further reduction in waste, water usage and energy usage</li> <li>Achieve Platinum status in GMTM program</li> </ul>
✓ Ongoing	<ul style="list-style-type: none"> <li>Continuing engagement of</li> <li>Continue training</li> </ul>
✓ Ongoing	Continue to submit articles for publishing
✓	Strategic Plan Review
✓ Ongoing	Continue to identify opportunities for career advancement
✓ Ongoing	Review and evaluate education program

## Clinical Care Report



**Professor Ian Brand**  
Director of Medical Services

### Director of Medical Services

In Victoria the rural health workforce is decreasing and despite the recruitment of large numbers of overseas trained doctors, there continues to be an overall shortage. There is a decline in the number of generalist, procedural and small-town services, solo practices, and doctors prepared to be on call after hours. While Victoria will have an additional 49 interns each year for the next five years, it is not clear where these doctors in their student years and internship will get quality clinical experience and exposure to rural lifestyle. There are not enough teachers, and existing practitioners are often too busy with patients to spend time on teaching.

The new requirement for national registration of doctors (instead of State registration) is making it more difficult to recruit overseas trained doctors. There were 1560 working in Victoria in 2005 and we

will need at least 4300 in 2014, or 300 additions each year, assuming they all stay. This is not going to happen.

REDHS is extremely fortunate in the doctors we have as visiting medical officers. The Rochester and Elmore practices are now providing a comprehensive out of hours emergency service.

The Rochester practice has continued to provide a first-class service during the building program at the hospital, and will be moving to temporary accommodation later in the year. The Elmore practice is planning to have a doctor consulting in Rochester before the end of the year, and the new hospital will be open in December 2009. My thanks to all the VMOs from both practices for their service to the community.

**Prof. Ian Brand**  
- Director of Medical Services



**Ruth White**  
Director of Nursing and Primary Care

### Director of Nursing and Primary Care

The challenges and changes for the year 2007/08 have remained in place for all areas of the facility. Despite the disruptions, dust and difficulties, the staff have been able to maintain a high level of service to the residents, patients and clients.

ACHS Accreditation for the Acute areas of the hospital was undertaken in September 2007 and REDHS was awarded accreditation for a four year period. This demonstrates the commitment of the staff in maintaining standards by the ongoing use of the cycle of continuous improvement.

In April 2008 Stage One of the redevelopment was completed and the High Care facility moved into the new 30-bed state of the art area. Staff and families who participated in the move ensured that the residents were moved with a minimum of fuss so that all were able to make the transition easily.

With the resignation of Shirley Rutherford, Director of Primary Care Development, I assumed the responsibility of Primary Care.

Staff have endeavoured to maintain the programs previously put in place, however the physiotherapy role remains unfilled following the resignation of Sarah Attree in February 2008. REDHS continues to provide a minimal physiotherapy outpatient service. We have worked in collaboration with Echuca Regional Health to try and recruit physiotherapy staff but have not been successful thus far. Support for drought affected farming families continues despite a brighter outlook with the changing weather outlook.

The upcoming year will see a number of changes to the buildings in line with the redevelopment and we are working hard to ensure that there will be minimal disruptions to the services REDHS offers to the community. The community will continue to be kept informed of the progress of Stage Two through the local press and with community newsletters.

All staff have continued to remain committed to our changing organisation in a positive and professional manner and I thank them all for their continued support.

**Ruth White - Director of Nursing**



### Acute Services

**The Acute Ward provides acute medical and palliative care services to the local community with twelve acute beds and one emergency trolley.**

Activity for 2007/2008 was slightly less than the previous year, with 539 separations and an average length of stay of just over five days. Bed occupancy was 66%. The Acute Ward also treated 576 patients in the Emergency Department.

The Acute Ward has a great team in place and participates in the Graduate Nurse Program with Bendigo Health Care Group. We welcomed two new members to our team this year - new graduate Paul Hughes and Rick O'Meara who has many years of experience. Staff provide nursing care for patients with many different health issues and updated and maintained their skills through attendance at various training workshops and seminars.

The major activities for 2007/2008 were the final preparations for the ACHS accreditation survey in September and preparation for the new acute facility. We achieved our four-year accreditation with input from all the staff who work in the Acute Ward.

Preparations for the new facility to open in 2009 have included workflow planning with minor refinements to the building plan and finalisation of details such as joinery specifications. A full equipment list has also been completed for the Acute Ward.

### Aged Care

**Aged Care facilities enter a new era**

It has been a year of great change for residents and staff with the construction of the new nursing home and the modifications to the hostel that allowed the two buildings to be joined. The joining of the aged care facilities increases the opportunity for residents to socialise with each other, more efficient sharing of resources and supply routes and increased support for care staff, especially at night. A

lot of time was spent choosing furnishings, fittings and equipment for the nursing home which would give a home-like atmosphere while being safe and able to be used for many years to come.

Thank you to the many community organisations who made donations towards furnishings.

Keeping residents and their families up to date was very important during all the changes. Residents were moved into the new nursing home over two days in late April, with additional staff allocated to assist the resident and/or their families to move their belongings and settle into their new surroundings.

Two of our hostel residents were temporarily relocated to our acute facility while the modifications took place. Hostel staff ensured that the relocated residents were still involved in hostel activities while our Acute Ward colleagues addressed their care needs.

The invitingly bright, cheery activities room in the new building is a central meeting place for residents of both facilities who were previously separated by a comparatively long exterior walk. It has already played host to a number of private family gatherings, clothing and African displays as well as some of the regular activities, including Secret Men's Business, Bingo and Concerts.

The new purpose-built hairdressing room is a hive of activity on a Thursday morning when residents have their hair done by Olive McMahon. The Administration and staff area is a very central and spacious area in which staff can complete their documentation and carry out handover at shift change while monitoring resident needs.

We are fortunate to have doctors and a number of allied health professionals able to assist in the provision of care for our residents. Visits by Alpha Dental, a mobile dentistry service, also allowed easy access for residents on-site and assisted in the maintenance of a high standard of oral care.



Resident Cliff Crilly enjoys lunch in one of the sunny corners of the new Nursing Home dining room.



Hairdresser Olive McMahon and resident Lucy Weeks enjoy using the purpose-built hairdressing room in the new nursing home.



At the sheep dog trials, resident Ross Bubb was introduced to a future working dog.



Stan Murdin with great-niece Angelika and niece Janice.



David Whitrow is one of the podiatrists who provides high quality foot care for older or disabled clients.

## Aged Care (continued).

A podiatrist continues to come on-site every six weeks to ensure that foot care is maintained to a high standard and an external pharmacist provides quarterly reviews of resident medications.

The software system that we are phasing in for aged care documentation and care assessment and planning will increase efficiency through the ability to transfer information between our facilities and reduce duplication. All information will be centralised with the availability of aged care reports via our internal network also an advantage.

Additional training is required to introduce more staff to the system. The introduction of the new funding model, ACFI, in March 2008 required training of staff for carrying out care assessments and for the financial changes that would follow.

We have an initiative called "Follow Your Dream" that aims to enhance quality of life for our residents by creating a trusting, supportive and encouraging environment to allow residents to share their hopes and thoughts for the future.

As part of this initiative, ninety-seven year old hostel resident Monica Buck became an Australian citizen on Australia Day, fifty-nine years after migrating from England. The ceremony was held at the hostel with Monica surrounded by dignitaries, family, friends and fellow residents.

Resident Stan Murdin wished that he could travel to Germany to visit his niece. Unbeknownst to him, his niece and her daughter were planning a trip to Australia, including a visit to Stan. An enjoyable family meal was held in the nursing home and although he didn't actually make it to Germany himself, his wish to see his niece was fulfilled.

Residents have been on a number of outings this year including field days and sheep dog trials and have been treated to concerts by local performers and visits by school children. The Knitting Club, Bingo and Happy Hour are very popular pastimes.

The Men's Club has been established for male residents to get together for activities and a chat. Nursing Home resident and RSL member Stan Peacock was kept busy in April selling ANZAC Day badges outside the doctor's surgery and in the nursing home.

Staff and residents have settled into their new, modern surroundings and are enjoying watching the progress being made with the gardens and courtyard.

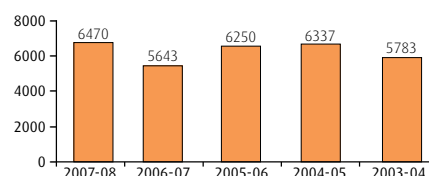
## Primary Care Services

### District Nursing Service

Our District Nursing team continued to provide their excellent service throughout 2007-2008, making 6458 visits to local clients, travelling over 40000 kilometres in the process.

This year saw some major changes in personnel following the resignations of team members Kerry Eddy (Nurse Unit Manager), Kim McGregor and Ruth Wood. Colin Jones was appointed to the Nurse Unit Manager's position and new staff members Gena Kidd and Nicky Close were welcomed to the team. Medical, nursing and pharmacy students accompanied our district nurses on their rounds throughout the year to get an idea of community nursing in a rural setting.

### District Nursing: Occasions of Service



### Dietetics

The recruitment of Dietitian Kristen Brown, in August 2007, allows REDHS to provide dietetic services to the Rochester district. Kristen has been kept busy, conducting 433 consultations with inpatients, aged care residents and outpatients, helping them to make informed and practical choices about food and their lifestyle to enhance their wellbeing and assist in the dietary treatment of disease.



People saw her for a wide range of reasons including their general health, diabetes, heart disease, poor appetite, weight loss, antenatal or postnatal nutrition, childhood nutrition or food allergy and intolerance. Kristen was also involved in some health promotion initiatives this year.

## Occupational Therapy

REDHS was fortunate to engage the services of an Occupational Therapist in October 2007. Leah Williams assists our aged care residents, inpatients and community members to identify easier ways to complete manual tasks and maintain as much independence as possible. She assesses physical ability, prescribes appropriate exercise and recommends equipment, both in residential care and peoples' own homes.

## Planned Activity Group (PAG)

Staff and volunteers continue to work together to provide a happy, safe and caring environment for clients to enjoy and to maintain social interaction with each other as well as with the local community. Ann-Maree Hewlett and Fiona Irwin were permanently appointed to their positions as PAG Co-ordinator and PAG Assistant respectively, following the retirements of Gwenda Howard and Thelma Walles.

The group's staff and clients are extremely fortunate to have a group of committed and enthusiastic volunteers who make it possible to offer a diverse range of activities for clients. We thank them for their energy and dedication. Together they enjoy outings to shopping complexes, cafes, the library, tenpin bowling, participate in a wide variety of craft activities, card/board games and an exercise program designed to assist in maintaining independence and daily living skills through strength building.

PAG clients and staff are grateful to the Salvation Army community who continue to make them welcome in their temporary home at the hall during the redevelopment.

## Physiotherapy

The demand for this service is constant and our physiotherapist was kept very busy with inpatients, aged care residents and outpatients until her resignation in February 2008.

As can be seen in the graph, services were drastically reduced this year owing to maternity leave in the first half of the year and a physiotherapist not being available after February.

## Podiatry

This is a HACC funded service for older adults and people with disabilities. With an ageing community and the increase in the rate of diabetes, foot care is a high priority and in demand. Podiatrists under contract to REDHS from Bendigo Community Health Services attend Rochester weekly and we also provide regular outreach podiatry services to Stanhope and Rushworth. Private podiatry through Shepparton Foot Clinic is available for non-HACC clients. Occasions of service this year are on a par with last year.

## Radiography

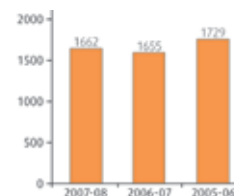
The demand for this twice-weekly service continues to grow. The average number of X-rays taken per client remains similar from this year to last (1.25 and 1.23 respectively).

## Social Work

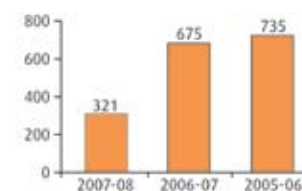
Consultation services to the local community were provided by social workers Pat Andruchow, Kevin Holmes and Kate McLindon throughout the year until their resignations throughout the year. Counsellor, Carmel Williams was appointed to continue this service with the recruitment of an additional social worker underway.

As Senior Social Worker, Pat Andruchow provided specialist support for aged inpatients and residents and their families. All social workers were involved with various health promotion activities throughout the year.

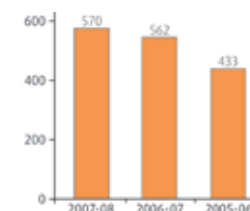
## Planned Activity Group Attendance



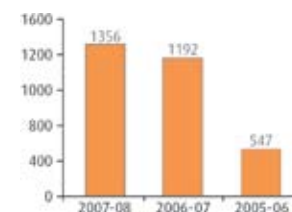
## Physiotherapy: Occasions of Service



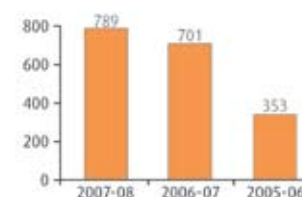
## Podiatry: Occasions of Service



## Radiography: Number of X-Rays



## Social Work: Occasions of Service







## Campaspe Primary Care Partnership

The Campaspe PCP Management Group chaired by Paul McKenzie (Shire of Campaspe) undertook a Governance and Portfolio Review this year investigating the Lead/fund organisation role; employing organisation role and portfolio holder roles held by members.

This review provided a great opportunity to reflect on the partnership successes and challenges and ensure that our governance structure provides a sustainability platform enhancing organisational ownership of the partnership.

### Health Promotion Strategic Planning

Another key achievement for this year has been the development of a Health Promotion Strategic Plan involving various organisations in Campaspe. Four key priority areas were identified with accompanying aims;

1. Applying agreed principles based on a common understanding of community development and health promotion
2. Working towards a creative and responsive health promotion workforce
3. Addressing health inequalities and injustice
4. Maximise use of health promotion resources through fair and transparent processes.



Bec Moroney prepares a meal in the new kitchen. Congratulations to Bec on the successful completion of her four-year commercial cookery apprenticeship this year.



Support Services staff members Elaine Brann, Irene Gill and Neisha Cricelli retired this year after providing many years of high quality service.

Nelson Consulting and Njernda Aboriginal Corporation with ninety-two attendees from sixteen member organisations.

### Drought Response

Campaspe has been well recognised as leaders in supporting our farming communities particularly through the Farm Gate Model and REDHS' Men's Link Project.

## Support Services

The move into the new Support Services building which houses the kitchen, laundry and stores areas has certainly been the highlight of the year for this department and has presented its own set of challenges and rewards. One of the biggest challenges has been familiarising all staff with the physical and logistical functionality of the new building. New equipment was selected and purchased, work routines had to be reviewed and revised and additional staff training was undertaken.

The successful completion of Certificate III in Health Services Assistance by twenty five Support Services staff was a wonderful achievement by all graduates.

The Support Services team have continued to work extremely hard to ensure that services were maintained to all our facilities and the community during this first stage of the redevelopment. The efficient delivery of meals has been challenging with access points and routes changing a number of times throughout the year and delivering meals to PAG who are currently located off-site. We are very proud of the excellent results we achieved in the Food Safety audits.

The new café for staff, patient, resident and community usage is currently being designed as part of Stage Two development.

### Campaspe PCP hosts Chronic Disease Training for Health Professionals

In late 2007, health professionals in Campaspe were fortunate to be able to participate locally in a two-day Flinders Model of Chronic Disease Self-Management Workshop facilitated by Flinders University (twenty-four attendees) and a three-day Better Health Self Management Leader training based on the Stanford University Model for chronic care (sixteen attendees).

### Aboriginal Cross Cultural Training

A total of six Aboriginal Cross Cultural Awareness Training sessions were held from June to August with Robynne

### Facilities Management

#### Maintenance

Our online maintenance system (BEIMS) continues to be a success with 1120 jobs requested at a completion rate of 87%. The aims for the coming year are to reduce the total number of requests through an increase in preventative maintenance (with the intention to reduce repairs and breakdowns) and to achieve a higher completion rate.

Once again the year has brought about some staff movements to accommodate the changing needs of our Facility. Just prior to Christmas, Brett Shotton was appointed to the position of Facilities Technician to ensure our preventative maintenance program was followed. His part time contract became full-time early this year to cope with the increased workload following the departure of Grounds Maintenance trainee Nathan Shaw.

A room refurbishment program has commenced in the Hostel this year. As rooms became vacant they are assessed for maintenance requirements including painting, electrical and plumbing checks and floor coverings/curtains assessment. The aim is to have all rooms assessed at least once every two years. Six rooms have been assessed and had work carried out in the last year providing continuous improvement in our low care facility.

#### Occupational Health & Safety

As a Health Service, REDHS has a duty to promote a healthy lifestyle and safe environment for its employees and consumers. On July 1st 2007, REDHS brought in the much-anticipated Smoke Free Workplace policy making it a completely Smoke Free campus with signs erected around the health service perimeter. Extensive staff consultation took place in the lead up to the introduction.

The OH&S Committee put a lot of work into the review of the Occupational Health & Safety Action Plan that will be signed off later in the year. A structure change was recommended that resulted in the disbanding of the two working groups who

had completed their allocated policy and operational tasks. The full committee meets six times a year with all departments being represented.

#### Information Technology

The introduction of new technology and the maintenance of current hardware and software has kept the IT Department very busy this year. On the completion of the new nursing home and support services building, the new wireless messaging system was rolled out.

This integrates the nurse call, fire panel and wireless phone into one messaging system. It is the first one of its kind in Healthcare and through further training will create some great outcomes for staff and more importantly, the public patients/residents.

Parts of the old system are still in use until the completion of Stage Two and still require monitoring.

### Building a Sustainable Future

#### Redevelopment and the Environment

We commenced this financial year with Stage One of the redevelopment well underway with the wall framing for the High Care facility (Nursing Home) in place and concreting of the Support Services Facility having just commenced.

In the past twelve months, we have seen the completion of Stage One with staff moving into the new Support Services building and residents being moved into the new Nursing Home in April 2008.

Kane Constructions began work on Stage Two of the program immediately Stage One was complete. The old kitchen was demolished to make way for the new ambulance and emergency entrance and operating theatre. The former Nursing Home has been altered internally to configure areas for the Acute Ward, Administration offices and staff amenities.



Mathew Dennis  
Facilities Manager



## Building a Sustainable Future



The original kitchen was demolished in May. Long time staff member Elaine Brann was on hand to turn off the lights for the last time.

At this point, the Redevelopment is half completed.

### Water and Energy Efficiencies

In the last 12 months REDHS has undergone significant change, both in newly constructed buildings and changes to work practices and equipment, in order to reduce our environmental impact, while continuing to provide high quality, sustainable services.

Recognition of the progress made so far has come in the form of acceptance as one of only three Victorian Gold Club members in the Grow Me The Money program (a joint initiative of the Environment Protection Authority and VECCI), being named one of three public sector finalists in the Premier's Sustainability Awards 2008 and achieving a very high accreditation rating of EA (Extensive Achievement) in Waste Management from ACHS. Through these initiatives and programs, REDHS has been recognised as a leading and innovative, small rural health service.

The design of the new buildings has incorporated many energy savings features and efficiencies and is purpose built with these initiatives in mind. Features include external cladding with superior insulation properties, positioning of buildings to maximise use of the sun's energy in winter and summer, Direct Digital Control systems (DDC) to remotely control lighting and temperature by computer and exhaust systems in the nursing home are connected to the heat recovery system.

The Environment Committee consists of representatives from all departments and has worked closely with senior management and staff to reduce environmental impact. A draft Environment Plan was developed and the committee has monitored organisational performance surrounding water, energy and resource usage.

One way that REDHS significantly reduced its water and chemical usage was through the introduction of steam cleaners that use very little water and no chemicals. Cleaning trials yielded impressive results with standards well exceeded. Five steam cleaning machines were purchased and have reduced our chemical use by eighty percent and water for cleaning by over ninety percent.

Significant increases in recycling have been achieved with cardboard recycling increasing from 50 tonnes last year to 120 tonnes this year.



The new Nursing Home.



## Community Involvement and Support

### Rochester and District Hospital Auxiliary

We have been busy over the past twelve months with participation in a variety of local functions and fundraising endeavours including an Anti-Cancer Council morning tea, Bev Lees' wonderful Open Garden, Christmas Cake and Melbourne Cup Day raffles and a Ploughman's Lunch. We also help with the Lolly Trolley that visits the aged care and acute facilities. Changing our meetings to daytime at the Council Chambers has been a great move.

We were very pleased to be able to donate \$4000 to buy items for the newly completed Nursing Home - a hairdryer on a stand, four floor lamps, two hall tables and six lamp tables.

This year we lost a wonderful, caring lady in Flo Anderson who was a part of the Auxiliary since its inception and is sadly missed.

President Yvonne Andrews thanks the committee, friends and husbands who help along the way and traders who give whenever we ask. I wish the incoming committee all the best for the coming year and trust it will continue to be successful.

### Diggora and Ballendella Hospital Auxiliary

This small, dedicated group continues to collect annually for the Health Service, covering many kilometres in the process as they call on rural residents. In spite of the continuing drought conditions, donors continue to be generous and raised \$2600 this year. It is intended that the money raised will be allocated at the completion of the redevelopment project.

President John Lees and Secretary/Treasurer Mrs. Grace Haines sincerely thank donors and collectors for their support.

### School Scholarship

We award a scholarship to a Rochester Secondary College student on an annual basis. In line with our policy of promoting health in the community, we request that the Scholarship be awarded to a student

who is working towards future study in a health related field. Last year's scholarship was awarded to Laura Maber.

### Volunteers

A celebration was held in May at Rochester Community House to acknowledge the contributions of our many volunteers. Volunteers were treated to a luncheon and entertainment. Shirley Rutherford (Director of Primary Care) and Di Sullivan (Interim CEO) passed on REDHS' gratitude for their continued support and tireless efforts.

### Life Governor

REDHS awards the title 'Life Governor' to individuals who have made an outstanding personal contribution to the health service.

This year, REDHS is awarding a Life Governorship to Val Griffith in appreciation of services so generously provided to the health service. Val has been with the Hospital Auxiliary for ten years, including two years as Secretary, and is a caring member who takes pride in helping others through her work on the Auxiliary. She has also supported the Murray to Moyne cycling team over many years.

### Certificates of Appreciation

Certificate of Appreciation is awarded to Marie Strickland who joined the staff at Rochester War Memorial Hospital on 24/1/57. She was appointed Matron in September 1978, retired on 15/3/84 and was awarded a Life Governorship in 1984.

Since then she has provided a further twenty-four years of voluntary service, especially in our Aged Care facilities.

Certificates have also been awarded to the following retiring board members who have served with great dedication:

- Dorothy Moon  
(6 years - 1.11.01 to 31.10.07)
- Graeme Nelson  
(6 years - 1.11.01 to 31.10.07)
- Allison Shotton  
(3 years - 1.11.04 - 30.6.08)



Rochester and District Hospital Auxiliary members. From left: Y. Andrews, M. Leahy, G. Haines, J. Christie, F. Latter, J. Browning, A. Teece, N. Lees, K. Bubb, M. McKee, L. Hyden, V. Griffiths, M. Carr, G. Macague.

### Donations and Bequests (over \$100)

Anonymous	299,739.03
Estate Agnes Pierce	291,905.97
Sidney Myer Fund	10,000.00
Shire of Campaspe	5,500.00
The late Robert Aitken	5,000.00
Rochester Hospital Auxiliary	4,000.00
Country Women's Association	3,000.00
Majors IGA	2,685.88
Echuca Stock Agents	1,362.52
Bryan Kelly and family	1,000.00
Elmore-Lockington Community Bank	1,000.00
Jewish Aid	727.00
Rotary Club of Rochester	500.00
Murray Dairy	500.00
Campaspe CWA	441.00
<b>Total Donations for 2007/08</b>	<b>\$628,022</b>

## Statutory Information

The Rochester & Elmore District Health Service Annual Report has been prepared in compliance with the requirement of the Financial Management Act 1994 and the Standing Directions of the Minister for Finance and the Financial Reporting Directions.

### Building Compliance

Rochester & Elmore District Health Service ensures that all buildings, plant and equipment in its control are maintained and operated according to the statutory requirements of the Building Act 1993 and the Minister for Finance Guideline Building Act 1993/ Standards for Publicly Owned Buildings November 1994. The new Nursing Home facility obtained Commonwealth Certification as a Class 9C building in June 2008.

### Competitive Neutrality

Rochester & Elmore District Health Service is committed to the principles of the Victorian Government Competitive Neutrality Policy, as set out in the guide to implementing better work practices and is continually reviewing market changes and conducting benchmarking against applicable tenders.

### Compliments, Suggestions & Complaints

We welcome your comments in regard to the quality of our service. Your suggestions are important to us as we develop our strategies for continuous improvement. Compliments, suggestions and complaints should be directed to:

Chief Executive Officer, REDHS,  
PO Box 202, Rochester, Victoria 3561  
or by telephoning (03) 5484 4451

### Consultants

There were six consultancies during the year, none of which exceeded \$100,000. The combined total of the consultancies was \$60,489.

### Equal Opportunity Employer

Rochester & Elmore District Health Service is an equal opportunity employer and is committed to a policy of equal opportunity based on the merit principle in employment in accordance with the Public Sector Management Act 1992, including the submission of an Annual Report to the Commissioner of Public Employment. REDHS employs a workforce of permanent, part time and casual staff throughout the year. At 30th June 2008, the Health Service employed 88.4 EFT.

### Freedom of Information

The Freedom of Information Act 1982 provides the public with a means to obtain information held by the Health Service. During the 2007/08 financial year, two requests for information were received. These requests were granted in full to the applicants. Freedom of Information Requests can be made by contacting the Health Service Freedom of Information Officer on (03) 5484 4451.

### Financial Management Compliance Framework (FMCf)

The Financial Management Compliance Framework (FMCf) was introduced from 1 July 2003 and applies to all Victorian Public Sector (VPS) entities. The Framework has been established to ensure that all VPS entities have implemented appropriate systems to ensure that public resources are used in an efficient, effective and responsible manner.

### Financial Management Compliance Framework (FMCF) cont.

REDHS was largely compliant with the framework when it was released and this opinion was endorsed via the Internal Audit Program. Work is continuing to ensure that full compliance is achieved. REDHS will continue to review its performance, policies and procedures to ensure that the Service is operating in an effective and responsible manner.

### Police Checks

New staff must have a current police check prior to commencement. All existing staff now have current police checks and these will be reviewed on a regular basis. All staff who may be working with children will be required to have a "Working With Children" check.

### Staff Analysis – Total EFT

Occupational Category	2007/08	2006/07	2005/06	2004/05	2003/04
Administration & Clerical Services	11.12	13.65	11.98	9.36	9.55
Hotel & Allied Services	24.8	24.36	37.2	24.14	18.07
Health Professional Services	1.71	2.89	2.62	0.77	0.32
Nursing Services	50.77	61.01	50.56	64.4	57.15
Medical Services	0	0	0	0	0
TOTAL	88.4	101.91	102.36	98.67	85.09

### Whistleblowers' Protection

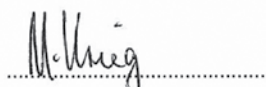
The Whistleblowers' Protection Act 2001 is designed to protect people who disclose information about serious wrongdoing within the Victorian Public Sector and to provide a framework for the investigation of these matters. The Act's key objectives are to promote a culture in which people feel safe to make disclosures; protect these people from discrimination; provide a clear process for investigating allegations, and ensure that investigated matters are dealt with properly.

Rochester & Elmore District Health Service has a prescribed procedure in place for dealing with disclosures made under the Act. A copy of the procedures is available from the Privacy Officer, to whom all enquiries on this matter should be directed.

In the year ended 30th June 2008 there were no disclosures made to the Rochester & Elmore District Health Service under the Whistleblowers' Protection Act 2001.

### Risk Management

I, Michael Krieg certify that the Rochester & Elmore District Health Service has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executives to understand, manage and satisfactorily control risk exposures. The Risk Management Committee verifies this assurance and that the risk profile of the Rochester & Elmore District Health Service has been critically reviewed within the last 12 months.



Accountable Officer

Date: 26 September 2008



## Financial & Operational Performance Summary

Important note: The increase of salaries and wages due to changes in EBA entitlements had a significant impact on the 2007-08 Operating result of \$(93,000).

### Financials in Brief

	2007-08 \$000's	2006-07 \$000's	2005-06 \$000's	2004-05 \$000's	2003-04 \$000's
Total Revenue	16,803	7,937	8,493	8,250	7,592
Total Expenses	9,607	8,531	8,268	9,071	7,428
Operating Surplus (Deficit)	(93)	(27)	225	(821)	164
Net Cash Result	1,210	846	14	(130)	690
Total Assets	22,182	14,606	11,563	11,154	11,122
Total Liabilities	5,276	5,105	4,372	4,188	3,578
Net Assets	16,906	9,501	7,191	6,966	7,544
Total Equity	16,906	9,501	7,191	6,966	7,544

### Debtors Outstanding as at 30 June, 2008

	Under 30 days	31-60 days	61-90 days	Over 90 days	Total 30/6/08	Total 30/6/07
Private	23,775	5,104	-	3,610	32,489	16,458
TAC	-	-	-	-	-	-
VWA	-	-	-	-	-	-
Other Compensable	-	-	-	-	-	-
Psychiatric	-	-	-	-	-	-
Nursing Home	28,163	9,208	3,020	17,863	58,254	54,450
TOTAL	51,938	14,312	3,020	21,473	90,743	70,908

### Revenue Indicators

Revenue Indicators	Average Collection Days		
	2008	2007	2006
Private	39	29	91
TAC	-	-	-
VWA	-	-	-
Other Compensable	-	-	-
Psychiatric	-	-	-
Nursing Home	47	44	45

## Quality of Care Report

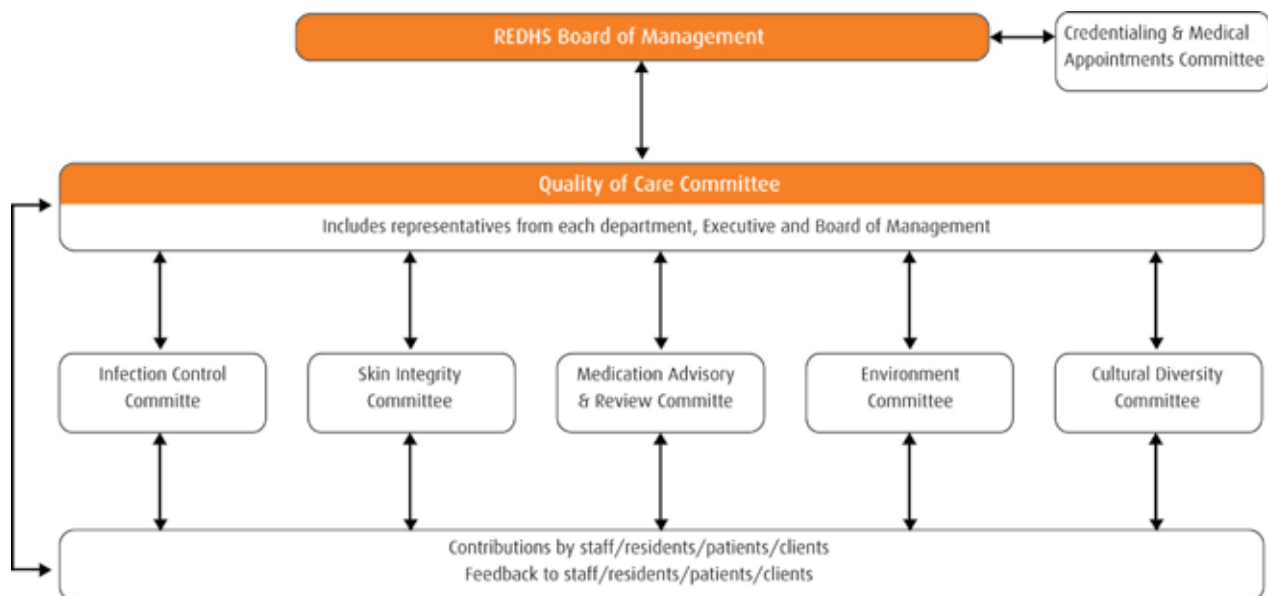
Rochester & Elmore District Health Service (REDHS) is committed to providing safe, high quality health care and services to its local community. A high level of quality care can only be achieved through an integrated approach that involves you (the consumer), health service and medical staff, allied health professionals, government agencies and effective monitoring systems.

This report will illustrate the way that REDHS works with its consumers, monitors and strives to continually improve its performance, ensures that appropriately qualified staff are available and that systems are in place to maintain full accreditation status in the acute and primary care departments as well as both of the aged care facilities. REDHS is constantly reviewing and monitoring its performance to aid in the continuous improvement of its services to the community.

Last year's report was submitted to the Department of Human Services' Victorian Public Healthcare Awards Panel for evaluation. Feedback was also sought from the local community and staff members. The Panel considered that our report had improved on the previous year and suggested that we include more information on accreditation and provide more detailed explanations of the improvement process and medical terminology. Feedback from the community was that the report was very informative.

### Providing High Quality, Safe Healthcare

Clinical Governance refers to the system by which the REDHS Board of Management, Executive and clinicians share responsibility and are held accountable for continuously improving the quality of the services provided and for maintaining safe services to high standards.



## Managing the Risks

- Safety and Quality are monitored by staff and reported through the various committees as shown in the Clinical Governance Framework. When the need for improvement in a particular area is identified, a course of action is planned, tasks are allocated to staff and completed, then results are studied to see if it has worked. If it hasn't, an alternative plan of action is developed and the cyclical process continues until a successful outcome is achieved.
- The Quality Improvement Plan was reviewed this year and sets out the activities and measures by which REDHS monitors its performance based on the VQC Quality Framework and enables us to identify and work on areas where improvements are most needed.
- Incidents and near misses involving consumers are addressed individually at the departmental level and recorded on a database. They are de-identified and collectively analysed by the Quality of Care Committee for trends and areas where action should be taken and actions for improvement are developed. A major improvement has been the installation of overhead tracking in all nursing home bedrooms to prevent injury to residents or staff when residents are unable to move around unassisted.
- REDHS also has policies and guidelines in place as part of the Sentinel Event Program should an incident occur that results in serious, unnecessary outcomes for patients. No sentinel events occurred this year. Publications such as the Coronial Communiqué are reviewed to determine if any findings and recommendations can be applied or introduced.
- REDHS is involved in the statewide Limited Adverse Occurrence Screening (LAOS) program. De-identified patient medical records that may contain a clinical incident are examined against a set of criteria and submitted for peer review by other GPs in similar rural settings. Feedback provides advice and makes suggestions to health services to assist them in improving safety and quality. None of the six recommendations made were acted upon as REDHS either had effective and appropriate processes in place (such as documentation audits to monitor legibility) or they were not relevant to the services we currently provide.

- Our Acute Ward has admission criteria that must be met prior to admission to ensure that REDHS is able to provide the necessary level of care for that patient. If the patient does not meet the criteria, they will be moved to a facility better able to provide appropriate care. There are also guidelines for actions to be taken if an admitted patient's condition deteriorates.

## REDHS meets nationally recognised standards

In September 2007, REDHS (Acute and Primary Care) was awarded the maximum four-year accreditation for the first time, and is accredited for the period January 2008 – January 2012. Accreditation serves to reassure our patients and clients that we are meeting all of the nationally recognised standards.

Independent surveyors from the Australian Council of Healthcare Standards (ACHS) conducted the "Organisation Wide Survey" in September 2007 in which the services and performances of the acute and primary care departments were measured against forty-five criteria. The survey covered clinical care, health promotion, support services (including human resources and information management) and corporate considerations such as occupational health and safety, emergency management, waste management, policies and procedures and credentialing of medical officers.

The surveyors toured the facility, spoke with Board members, Executive, staff members and volunteers and reviewed documentation. They recognised the significant improvements that REDHS had made in a comparatively short amount of time. They were particularly impressed with the move towards "seamless care" where care is co-ordinated across the health service and with external providers.

Thirteen recommendations were made and have been listed in our improvement database to enable tracking of progress, with staff who have been allocated to the identified tasks. Most of the recommendations centred on the measuring of performance and the evaluation of data. Progress on improvements is regularly reported at Quality of Care Committee meetings and will be reported to ACHS in September 2008.

The Rochester Nursing Home and Rochester and District Hostel, accredited under a different system, were found to be compliant in all forty-four outcomes and awarded three-year accreditation in 2006.



## An unannounced visit by the Aged Care Standards Agency to our Nursing Home and Hostel.

All Aged Care facilities have at least one unannounced visit per year by the Aged Care Standards Agency of Australia (ACSAA). An assessor visited our facilities in October 2007 and was particularly focussing on Infection Control, Waste Management and Continuous Improvement. The assessor observed interactions between staff and residents, equipment and supply storage areas, activities in progress and the living environment. She noted the quality improvement, waste management and infection control systems we have in place and the level of teamwork across the organisation. In the report it said:

Both residents and staff stated that it was both an excellent place to live and work. Residents spoke highly of the care and service provided by the organisation and stated they feel supported and secure in the home.

During these visits, the assessor is able to provide suggestions and advice. We received some regarding the monitoring of performance and the development of some new measurements. These were taken into consideration when the Quality Improvement Plan was reviewed earlier this year.

## Cultural Diversity

The community we serve has only a small range of cultural diversity (see table) and the Cultural Diversity Committee has a plan in place that is appropriate to the organisation.

Country of Birth	%
Australia (incl. Indigenous)*	91
UK / Ireland	2
Europe	1.1
Oceania	0.7
Asia	0.2
Other (or not stated)	5.5

Age Group (yrs)	%
0 - 14	22
15 - 29	14
30 - 44	19
45 - 59	21
60 - 74	16
75 & over	8

(Source: Australian Bureau of Statistics Census 2006)

\*Indigenous population: 80 people (0.1%)

Indigenous Admissions  
2007-08 - 0    2006-07 - 0  
2005-06 - 1    2004-05 - 5

Staff have access to an interpreter service if required and the Centre for Cultural Diversity in Ageing (CCDA) provides a service whereby our Resident Handbook can be translated into other languages should the need arise. Two staff members attended a presentation by the CCDA that showcased the services they offer and the Aged Care Assessors' Course attended also encompassed providing care to non-English speaking residents.

REDHS has a relationship with the Njernda Aboriginal Corporation in Echuca through membership of the Campaspe Primary Care Partnership.

Local clergy provided input into an area in the new Activities Room to ensure that it would be suitable for church services and other ceremonies for our residents. The clergy, Director of Nursing and Unit Manager developed concept plans for a multi-purpose altar table.

The use of international signage throughout the health service ensures that non-English speaking residents and/or visitors can find the Exits and Toilet Facilities, the latter also featuring Braille in the new nursing home.



Dutch-born resident Aaltje Kuiper and staff member Fransisca Morris enjoy many conversations in Dutch. Multilingual Fransisca also converses in Italian with another resident.



Local Clergy and REDHS staff - From left: Pastor M. Lyons, Capt. G. Moyle, Rev. Canon G. Traill, Capt. J. Moyle, A Chirnside (Nurse Unit Manager), R. White (Director of Nursing) and Father. P. Austin.

## Meeting Community Needs Through Teamwork

To provide effective health services, it is essential that REDHS works with its consumers at both individual and community levels and encourages active participation in health service delivery. Providing effective health care is also about the promotion of health and wellbeing in the community.

REDHS has conducted a variety of health promotion activities with community and education groups. An ever-increasing number of people, both in the wider community and residential aged care, are being diagnosed with chronic diseases such as diabetes and cardiovascular and respiratory conditions, many having a combination of these complex conditions.

To assist in maintaining independence and quality of life, the development of self-management programs is essential. Our Primary Care Department invited community members to a discussion forum regarding the range of self-management programs. Their responses were taken into consideration for the next planning stage.

A very popular program held twice this year was "Women on the Move". Up to seventeen women attended the six sessions held at Rochester Community House and were provided with a range of information on various health and other issues as well as providing an opportunity for networking. Speakers included a podiatrist, pharmacist, chiropractor, psychologist and a solicitor.

Participants made suggestions for topics and speakers they would like in any future programs. At the end of the program some women decided to continue meeting together at the same time and place.

Some comments were:

**"Just wonderful to come to the sessions. They were all so interesting, I loved it all."**

**"Good to have time away from home."**

**"I have found this group to be great for me and have enjoyed the speakers and company of the other ladies."**



Members of the Co-ordinated Care Committee.  
From left: Wendy Kneebone (Hostel), Colin Jones (District Nursing), Ruth White (Director of Nursing), Ali Moorhouse (Aged Care Admin), Anne Chirnside (Nursing Home). Absent: Helen Thomson (Clinical & Ambulatory Care).

Other health initiatives have included a Community Kitchen and a Healthy Eating Promotion held at Rochester Kindergarten during Fruit and Vegetable Week when the children created and ate fruit and vegetable characters. REDHS joined with the Rochester Arthritis Support Group in conducting a Joint Walk for Arthritis Week with thirty-two people enjoying a walk along the banks of the Campaspe River.

Whilst in our care, all patients and residents have individual care plans drawn up and they and/or their families are encouraged to be involved in their development and regular review processes.

In order to further enhance the development of individual programs, REDHS has this year recruited a dietitian and an occupational therapist to complement the other health professionals already in place.

REDHS gives high priority to meeting the nutritional requirements of our residents and patients so that as high a quality of life as possible is maintained. Our dietitian also works with our patients and residents on referral from the Unit Managers or general practitioners. Owing to a variety of conditions, some patients/residents may have difficulty meeting their nutritional requirements, which can lead to poor health outcomes.

A Nutritional Support Improvement Project is being co-ordinated by our Dietitian with an aim to providing patients and residents with appropriate nutritional supplements when required.



It involves representatives from Acute, Residential Aged Care, Primary Care and our Catering Department as well as residents. We are currently investigating and trialling methods to enhance the nutrient content of existing foods and beverages that patients/residents like, along with being cost effective and sustainable over the long term.

A 'Mini Nutritional Assessment' (MNA) tool is being trialled in the Hostel to identify residents who may require nutritional supplements.

The Co-ordinated Care Committee consists of representatives from District Nursing, Acute and Aged Care who meet weekly to discuss care needs both in the community and in the health service to ensure that care is continuous and integrated. District Nurses check with Acute colleagues on a daily basis to co-ordinate the needs of patients prior to discharge.

### **Nurse Practitioner Scoping Project**

REDHS is currently undertaking a Nurse Practitioner Scoping Project. Nurse Practitioners are registered nurses who are authorised to practice in an expanded nursing role to include aspects of care that may have traditionally been performed by other health professionals such as prescribing medicines and ordering and interpreting investigations and tests. A report will be submitted to DHS in September 2008.

### **Drought Initiatives**

Our counsellors and social workers continue to support community members, with much of the demand being driven by the continuing drought. Two drought initiatives were made possible by a generous grant from the Geoffrey Gardiner Dairy Foundation for which we are very grateful.

The first was the Beyond the Gate program where 450 community members (mostly farming families) were treated to a free three-course sit down dinner and entertainment in September. Guest speakers included Beaconsfield Mine collapse survivors Todd Russell and Brant Webb, who spoke of the need to speak with friends and family when times were difficult and not try to deal with things alone.

Attendees were highly complimentary of the event and found it provided a wonderful opportunity to socialise and gain inspiration and encouragement from the guest speakers. The second initiative was the Men's Link peer support project.

Congratulations to District Nurses Leanne Rankin and Colin Jones who undertook training in the Western District Community Health Sustainable Farm Families Education Program and then conducted their own very successful program at REDHS in April.

Twenty-two farming participants attended the two-day course which included men's and women's health screening as well as information sessions by Registered Nurse facilitators about diabetes, cardiovascular disease, cancer and farm safety. The feedback from participants was very positive and follow-up health checks will be made next year.



## Encouraging your comments and responding to them

We aim to meet or exceed your expectations of your care and we need you to tell us if we are achieving this aim.

Some of the best sources of feedback and ideas for the improvement of safety and quality care is through your verbal or written comments, compliments, suggestions and complaints. Feedback forms are readily available throughout all areas and information is also available in the Patient and Resident Handbooks.

## Complaints

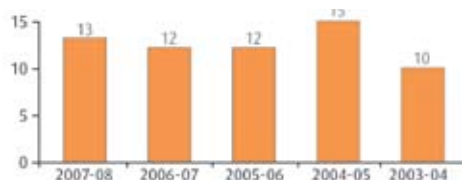
Thirteen formal complaints were received this year. Ten were resolved within the stipulated timeframe. One complainant was not immediately available, one could not be contacted and our reply was delayed in another, but was resolved to the satisfaction of the complainant.

Complaints were concerning staff attitude, food (mainly caused by changes to work routines and equipment in the new kitchen area), poor television reception and the temporary entrance to the new nursing home during the redevelopment.

A new keypad was installed in the nursing home and there have been no further complaints, all aspects of meal provision are constantly under review and staff counselling is provided as required.

Technological problems in the older buildings continue to be a challenge however they are being addressed as the redevelopment progresses.

### Complaints: Number of Complaints



## Compliments and Suggestions

Compliments allow us to give recognition to staff members for their dedication and commitment to high quality care while suggestions and complaints give us an opportunity to improve our services. REDHS received seventy-eight formal compliments this year.

Two suggestions were received- one regarding the temporary entrance to the new nursing home (see also complaints section) and one regarding food provision. Menus are now being placed on patient trays for the reference of patients and staff.

## Rating our Performance

Responding to surveys is one way that our consumers can judge us on our performance. Three satisfaction surveys were conducted this year: Aged Care Residents (July 2007), District Nursing Clients (March 2008) and Planned Activity Group Clients (May 2008). Overall the performance of all of these departments was rated very highly.

Aged care residents expressed their satisfaction with the home-like atmosphere, general cleanliness, the respect for privacy, and the welcome received from staff when family or friends visit. All care and medical staff rated highly

The desire for the provision of more activities was indicated, especially on weekends. The opening of the new Activities Room since the survey has created more opportunities for activities, but weekends continue to be a challenge with limited resources available.

Some of the outside areas were rated lower but the gardens have since been remodelled and new pathways and seating have been installed as part of the site redevelopment. Meals and laundry services rated highly but will continue to be monitored as work routines change because of the relocation of the laundry and kitchen to the new facility.

Some comments were:

**Professional, understanding staff who are maintaining quality care while upgrading of the facilities is taking place.**

**Dedicated, caring staff who are providing excellent care.**

**Staff and facilities of the hostel are excellent with my loved one being treated with respect in that the hostel is really home. Could not ask for a better service.**

District Nursing clients rated the professionalism, knowledge, skills and friendliness of the staff very highly, liked being treated in their own homes and felt involved in their care plans.

**It's always nice to see someone smiling when they greet you. It sets your mind at ease right from the first visit. Nurses always give you help and explain things fully.**

**It (the service) was always prompt. They were always willing to change times to suit me if required and listened to what I had to say. Thank you.**

Planned Activity Group clients also rated the staff highly with 100% agreeing that staff always treat them with respect, listen to them and are quick to meet their needs. Meals also rated highly, especially meal temperature, portion size and variety. The lack of comfort in the minibus was a source of dissatisfaction. Clients, volunteers and staff were pleased to hear that a new bus was being fitted out with delivery expected soon.

Acute patients may respond to a survey called the Victorian Patient Satisfaction Monitor (VPSM) that is conducted independently of the health service by DHS. Reports are received by REDHS twice a year and provide a comparison to other health services of a similar size.

Measure	REDHS Sept 07 – Feb 08	Similar hospitals Sept 07 – Feb 08
Overall Care	82	85
Access & Admission	81	84
General Patient Information	84	88
Treatment & Related Information	80	84
Complaints Management	83	85
Physical Environment	82	85
Discharge & Follow Up	76	81

These most recent VPSM results are not as favourable as previous results but are still at an acceptable level and provide us with information regarding areas for further improvement.

Post Discharge Phone Calls are made by Acute nurses to patients a few days after discharge to check on their progress, whether all appropriate services were in place at home and if they felt our services were satisfactory. No major issues were identified.

Results from these and other surveys are considered and actions taken where appropriate and possible. Many of the improvements that have and will be made are being made possible through staff education and the comprehensive redevelopment of the health service site.

## Community Engagement

REDHS has used many methods to communicate with its community throughout the year. The Community Newsletter was published quarterly and available in local shops, the Rochester Community House and from the Health Service and provided updates on the redevelopment, board member profiles and seasonal health issues such as Influenza. A full-page "What's Happening" feature was published in the local newspaper each month detailing current activities and the available services as well as a monthly column with the latest updates.

Letters were sent to residents and families on a number of occasions, keeping them up to date with the redevelopment and how it would affect the residents. Both aged care facilities also have their own resident newsletters.

A community survey was conducted externally this year on our behalf with just over 2500 surveys distributed directly to local households. There was only a 15% response rate (379) but it provided some indications of community opinion. Some responded with Don't Know or Neither Agree nor Disagree because they had not had experience with our services.

REDHS provides quality services	84%
REDHS' service improved since last year	76%
Staff are friendly	85%
Had a positive experience with REDHS	91%

## Our Staff are able to help

So that you can be assured that REDHS has the right people available to help you when you need assistance, all staff must continue to meet certain minimum requirements. All nursing staff must present proof of current registration to the Director of Nursing annually. Our Division 1 Nurses must also complete annual competencies in Management of Blood and Blood Products, Advanced Life Support and Medication Management.

All Support Services staff must have current Food Handling Certificates as well as Chemical and Cleaning Audit Training.



Marita Chappel's training provides her with the appropriate knowledge and skills to ensure that Bill Bray's blood transfusion is completed successfully.

All staff are required to have current police checks and must attend a Training/Orientation Day annually at which some competencies and other important organisational topics are covered: Privacy, Quality Improvement, Basic Life Support, Infection Control, Occupational Health and Safety, Risk Management, Emergency Responses, Waste Management and Environmental Sustainability and No Lift.

In addition, REDHS strongly supports the professional development of staff to maintain a competent and fully trained workforce. Some education sessions are provided on-site and staff also attend many courses/education sessions off-site. These have included study days for Palliative Care, Dementia, Parkinson's Disease and Wound Management.

Twenty-five Support Services staff successfully completed a Certificate III in Health Services Assistance this year, with some staff returning to study for the first time in many years. Two staff members also successfully completed the Aged Care Assessors' course. Management Staff have attended a number of leadership education sessions around human resource management, mentoring, budgeting and change management. Aged Care and Administration staff attended ACFI training.



Traineeships in Health Support /Maintenance and Administration were also undertaken and a four-year commercial cookery apprenticeship was completed.

Division 2 nurses have had their scope of practice changed and can now obtain a Medication Administration Endorsement. Nine REDHS Division 2 nurses have completed their study and can now administer medications to residents in conjunction with the Division 1 nurse on duty.

The final year medical students on placement undertake a project that is relevant to REDHS and present their findings and recommendations in an information/education session for staff and community members. This year the projects have been:

- Introduction to Evidence Based Practice - The practice of finding the best available evidence and using it to aid in making decisions regarding individual patients and
- Diabetes Management – Current and Future Issues and recommendations.

Staff involved in policy development found the Evidence Based Practice presentation very useful and the recommendations made in the Diabetes presentation will be considered as future plans for integrated chronic disease management are being developed.

## What about future needs?

As in most industries today, the workforce is getting older and REDHS is certainly no exception with 68% of the staff over forty-five years of age. One of the ways we are addressing this problem is the support of students through the provision of placement opportunities at the health service.

Institution (No of Placements)	Student type
Melbourne University (6)	Medical (Final year – doing rural health placements)
La Trobe University (12 & 3)	Nursing & Pharmacy
Wodonga TAFE (20)	Nursing (Both Division 2 and Division 2 Medication Endorsed Students)
Go TAFE Shepparton (8)	Nursing
Rochester Secondary College (4)	Work experience students - Spend one week at REDHS in various departments.
Goulburn Valley Grammar (2)	

## Credentialing Visiting Medical Officers

All REDHS' Visiting Medical Officers (VMO) go through a credentialing process to ensure that they are competent to fulfil their role and have their scope of clinical practice defined according to their skill and experience. The process also ensures that the services they provide are within the capability of the health service. All VMOs must be fully credentialed every three years. Current VMOs are credentialed until 2009, however they are required to present their registration and public liability insurance to REDHS Executive annually.

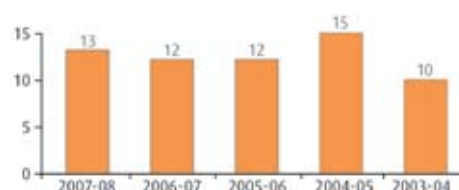
## Medication safety

The safe administration of medications is crucial to the provision of quality care, especially since they are administered on over 65000 occasions per year across the health service. Medication errors are monitored closely with the number, causes, and impact on the patient/resident and what was happening at the time of the errors examined. Action taken to address the errors is monitored for effectiveness.

In 2007-08, there were thirty-eight errors recorded compared with forty in the previous twelve months. No errors resulted in any major adverse outcomes for our patients or residents.

The most common of the error types was omission (10). The omissions occurred for a variety of reasons so the actions taken varied. Eight out of the ten omissions occurred in the first half of the year with two occurring in the second half. Various measures put in place significantly reduced this type of error in the latter half of the year.

### Medication Errors: Number of Incidents



The Medication Advisory and Review Committee was formed this year to ensure that a continuous quality improvement program for medication management is implemented and monitored.

## Keeping the Health Service Environment Clean

REDHS has an Infection Control Practitioner who oversees the education of staff in practices to prevent the spread of infection, monitor staff vaccinations, ensure REDHS complies with infection control standards and monitor and report data required by the Department of Human Services.

It is well accepted that poor hand hygiene is a major cause of infection spread in health care.

At REDHS we introduced a Hand Hygiene program in 2006 and have now enhanced this by changing to the World Health Organisation's program - "Five Moments for Hand Hygiene". The program indicates appropriate times to clean hands in a clinical setting and will enable benchmarking as directed by the Victorian Hand Hygiene Co-ordinating Centre.

Hand Hygiene education is given at the annual mandatory training day. We also encourage all visitors to the Health Service to clean their hands on arrival, when moving between rooms and/or facilities and when leaving.

Whilst we have not had any gastroenteritis outbreaks in our aged care facilities, we have precautions and guidelines in place should one occur. We have admitted patients suffering from gastroenteritis to our acute ward during the year who have been successfully isolated, rehydrated and discharged without infecting others due to the teamwork of the care and support services staff.

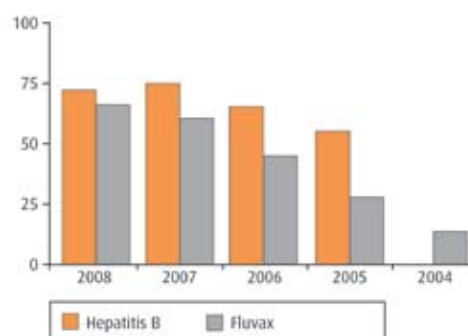
We continue to participate in the Victorian Nosocomial (Hospital Acquired) Infection Surveillance System that collects data in areas of multi resistant organism infections eg Methicillin Resistant Staphylococcus Aureus (MRSA), blood stream infections, occupational exposures, surgical infection reports and staff influenza vaccine uptake. There were no major adverse outcomes in any of these categories.

Each year we have endeavoured to increase staff uptake of influenza vaccine, not only to protect themselves but also others, such as co-workers, residents and patients, they could infect prior to symptoms becoming clearly evident. We are very pleased to report an increase each year on staff influenza vaccinations since 2004. Hepatitis B vaccinations have also increased each year.



Father Peter Austin washing his hands as he departs the Acute Ward.

## Staff Immunisation (%)





Dot Smith making sandwiches in the new kitchen. All food is handled according to the Food Safety Plan.

Cleaning audits are used to ensure that our level of cleanliness remains at the acceptable high standard. REDHS carries out a minimum of six internal audits quarterly per department with a required result of at least 95%. Our Acute Ward must meet this standard and has met or exceeded it all year. Although it is not a requirement, we expect our aged care facilities to also reach this standard and they have also done so this year. Monthly spot audits were also carried out with consistently high results.

An independent external auditor also carries out the same audit annually. The required 85% standard was exceeded with a result of 90%.

With thousands of meals being prepared at the health service each year, we must ensure that food is stored and handled correctly. All of the processes involving food are closely monitored both internally and externally. Support Services staff carry out internal audits on a quarterly basis, checking storage and cooking temperatures, calibrations of ovens, refrigerators and freezers and that all documentation is current and correct. An independent external auditor comes once a year to do a very thorough check of the processes in place from the time the food is delivered to the health service until it is delivered to consumers.

The auditor checks the condition of equipment and the associated service agreements, storage procedures, food temperatures and documentation and also tests staff knowledge of food safety.

This audit must be passed in order for us to continue operating the kitchen. This year we achieved 99% having achieved 98% in each of the previous two years.

### Pressure Ulcer Prevention and Management

Pressure ulcers are caused by unrelieved pressure over a bony area. On admission, all patients and residents are assessed for the presence of, or the risk of developing, pressure ulcers. Regular reassessments are made as required. The type of treatment given is determined by the severity of the ulcer. The severity is determined by a set of criteria from Stage 1 to Stage 4 with Stage 1 being the least severe and indicates reddened, unbroken skin over a bony area.

REDHS has a low incidence of pressure ulcers in spite of a significant percentage of patients/ residents being in the high-risk group (over 75 yrs). In 2007-08, there were eight ulcers reported in the Acute Ward – four of which were present on admission. The four that were acquired while in hospital were of low severity and individually managed to ensure a favourable outcome. In aged care, REDHS is well below the state average for pressure ulcer rates.

One of the improvements in pressure ulcer management is that all aged care and hospital beds now have specialised pressure-relieving mattresses. When required, the nursing home hires air mattresses to further relieve pressure areas. Regular visits by the podiatrist addresses problems with many of the Stage 1 ulcers that are mostly present as corns on toes. Another improvement was the formation of the Skin Integrity Committee in July 2007 which oversees the management of pressure ulcers along with other wound care issues.



## Falls Prevention

Falls are a major cause of injury, loss of confidence and independence especially for people aged over sixty-five years. The majority of people in our care are not only in this age bracket but many also have issues surrounding loss of eyesight, balance, muscle strength, bone density and/or medications, thereby further increasing the risk. The definition of a fall is very broad and includes falling down while standing or walking, sliding from a chair to the floor, rolling out of bed – (even if the bed is down at ground level) and more.

There is a comprehensive Falls Prevention and Management program in place but, unfortunately, falls do still occur and are the most common incident recorded at REDHS. Falls, their causes, time of day and the activity being carried out at the time are recorded so that we can see if there is a pattern either for the individual or for residents and patients as a whole.

All patients and residents have a Falls Risk Assessment completed on admission and reviewed on a regular basis. They also have individualised care plans. The care, catering and activities staff, in conjunction with general practitioners and allied health professionals such as the pharmacist, occupational therapist, dietitian, podiatrist and physiotherapist, work together to try to prevent falls from occurring. Bedroom audits are carried out in our aged care facilities to check for clutter and the correct bed height. Footwear is also checked for suitability.



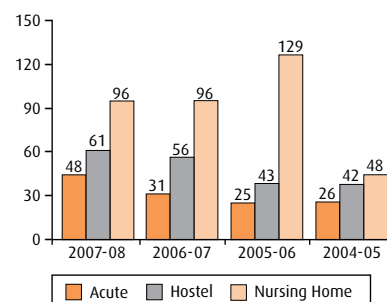
Resident Lloyd Bowles demonstrates the use of a grab rail installed in ensuites to assist residents in maintaining their balance.

Sunshine Week was held in June 2008 in the Hostel. Residents were encouraged to spend some time in the sun each day to assist in strengthening bones through increased Vitamin D aiding calcium absorption. Regular exercise sessions are held at PAG and the Hostel to increase strength and wellbeing as well as community members attending the weekly Fitness for Older Adults sessions at Community Health.

In spite of increased frailty of residents in the nursing home, the number of falls has not risen this year and is less than in 2005-06. In the Acute Ward, there was an increase in patients with "Nursing Home Type" status and a corresponding increase in falls. Falls in hospitals are a challenge to prevent owing to the condition of patients and their unfamiliarity with the surroundings. In all areas we find that there are a small number of individuals who fall frequently while most others fall rarely or not at all. Changes in medication can have a dramatic effect on falls, in both their prevention and cause. Residents and patients are monitored closely when changes have been made.

There were six fractures recorded as a result of falls, all of which were fractures of the hip or pelvis. All falls are reviewed and those resulting in fractures are fully audited to check that all possible falls prevention supports and strategies were in place for the particular resident. Families and/or representatives are always informed of any falls experienced by a resident.

## Falls by Department



## Report Distribution

The Annual Report/ Quality of Care Report 2007-08 is forwarded to the Department of Human Services for tabling in State Parliament. It will be available to the wider community at the Annual General Meeting and may be distributed to other interested parties on request thereafter, directly from the Health Service or from our website. Readers will be invited to provide written and/or electronic feedback on the report.

## ROCHESTER & ELMORE DISTRICT HEALTH SERVICE

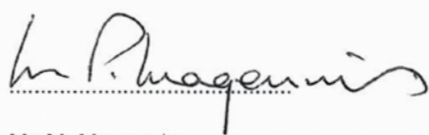
### BOARD MEMBER'S, ACCOUNTABLE OFFICERS AND CHIEF FINANCE & ACCOUNTING OFFICER'S DECLARATION

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

We further state that, in our opinion, the information set out in the operating statement, balance sheet, statement of changes in equity, cash flow statement, and notes forming part of the financial report, presents fairly the financial transactions during the year ended 30 June 2008 and financial position of the Rochester & Elmore District Health Service as at 30 June 2008.

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

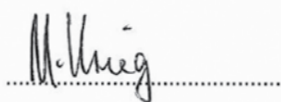
We authorise the attached financial report for issue on this day.



Ms M. Magennis  
Chairperson

Rochester

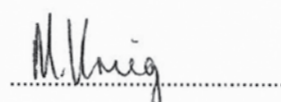
15/09/08



Mr M. Krieg  
Accountable Officer

Rochester

15/09/08



Mr M. Krieg  
Chief Finance & Accounting  
Officer

Rochester

15/09/08





Victorian Auditor-General's Office

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members of Rochester and Elmore District Health Service

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2008 of Rochester and Elmore District Health Service which comprises the operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the board member's, accountable officer's, chief finance & accounting officer's declaration, has been audited.

#### *The Board Members Responsibility for the Financial Report*

The Board Members of Rochester and Elmore District Health Service are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to 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 obtained is sufficient and appropriate to provide a basis for my audit opinion.



# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial statements published in both the annual report and on the website of Rochester and Elmore District Health Service for the year ended 30 June 2008. The Board Members of Rochester and Elmore District Health Service are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Rochester and Elmore District Health Service web site.

### *Independence*

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

### *Auditor's Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of Rochester and Elmore District Health Service as at 30 June 2008 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE  
22 September 2008



D D R Pearson  
Auditor-General

## Operating Statement for the year ended 30 June 2008

	Note	2008 \$	2007 \$
Revenue from Operating Activities	2	8,539,852	7,818,567
Revenue from Non-operating Activities	2	325,087	216,891
Employee Benefits	3	(6,839,986)	(6,229,930)
Non Salary Labour Costs	3	(301,561)	(234,967)
Supplies and Consumables	3	(496,144)	(430,383)
Other Expenses from Continuing Operations	3	(1,320,231)	(1,167,888)
<b>Net Result Before Capital &amp; Specific Items</b>		<b>(92,983)</b>	<b>(27,710)</b>
Capital Purpose Income	2	7,937,945	(97,864)
Depreciation and Amortisation	4	(427,848)	(397,477)
Finance Costs	5	(20,180)	(17,471)
Expenditure Using Capital Purpose Income	3	(201,531)	(53,829)
<b>NET RESULT FOR THE PERIOD</b>		<b>7,195,403</b>	<b>(594,351)</b>

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

## Balance Sheet as at 30 June 2007

	Note	2008 \$	2007 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6	3,402,878	3,996,824
Receivables	7	414,662	158,342
Other Financial Assets	8	1,867,374	0
Inventories	9	42,119	47,313
Prepayments		49,805	28,943
<b>Total Current Assets</b>		<b>5,776,838</b>	<b>4,231,422</b>
<b>Non-Current Assets</b>			
Receivables	7	65,959	20,256
Property, Plant & Equipment	10	16,338,850	10,354,075
<b>Total Non-Current Assets</b>		<b>16,404,809</b>	<b>10,374,331</b>
<b>TOTAL ASSETS</b>		<b>22,181,647</b>	<b>14,605,753</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	11	292,886	374,302
Interest Bearing Liabilities	12	104,160	97,094
Provisions	13	1,426,223	1,329,440
Other Liabilities	14	3,153,787	3,093,354
<b>Total Current Liabilities</b>		<b>4,977,056</b>	<b>4,894,190</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Liabilities	12	82,793	34,341
Provisions	13	215,905	176,497
<b>Total Non-Current Liabilities</b>		<b>298,698</b>	<b>210,838</b>
<b>TOTAL LIABILITIES</b>		<b>5,275,754</b>	<b>5,105,028</b>
<b>NET ASSETS</b>		<b>16,905,893</b>	<b>9,500,725</b>
<b>EQUITY</b>			
Asset Revaluation Reserve	15a	2,658,650	2,554,074
Restricted Specific Purpose Reserve	15a	181,933	181,933
Contributed Capital	15b	7,369,839	7,264,650
Accumulated Deficits	15c	6,695,471	(499,932)
<b>TOTAL EQUITY</b>		<b>16,905,893</b>	<b>9,500,725</b>
Commitments for Expenditure	18		
Contingent Liabilities and Contingent Assets	19		

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

### Statement of Changes in Equity for the year ended 30 June 2008

	Note	2007 \$	2006 \$
<b>Total Equity at beginning of financial year</b>		9,500,725	7,191,145
Gain/(loss) on Asset Revaluation	15a	104,576	0
<b>NET INCOME RECOGNISED DIRECTLY IN EQUITY</b>		104,576	0
Net result for the year		7,195,403	(594,351)
<b>TOTAL RECOGNISED INCOME AND EXPENSES FOR THE YEAR</b>		7,299,979	(594,351)
Transactions with the State in its capacity as owner	15b	105,189	2,903,931
<b>Total Equity at the end of financial year</b>		16,905,893	9,500,725

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

### Cash Flow Statement for the year ended 30 June 2008

	Note	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		Inflows/Outflows	Inflows/Outflows
Operating Grants from Government		6,758,142	6,291,627
Patient and Resident Fees Received		1,184,834	1,161,538
Donations and Bequests Received		627,948	73,593
GST (Paid to)/received from ATO		(217,089)	75,260
Interest Received		203,340	155,106
Other Receipts		337,745	292,653
Employee Benefits Paid		(6,777,950)	(6,208,261)
Fee for Service Medical Officers		(301,561)	(234,967)
Payments for Supplies and Consumables		(490,950)	(430,383)
Finance Costs		(20,180)	(17,471)
Other Payments		(1,158,251)	(979,201)
<b>Cash Generated from Operations</b>		146,028	179,494
Capital Grants from Government		7,218,105	3,500
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	16	7,364,133	182,994
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant & Equipment		(6,407,100)	(1,352,035)
Proceeds from Sale of Property, Plant & Equipment		92,727	126,449
Purchase of Investments		0	58,245
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>		(6,314,373)	(1,167,341)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Borrowings		55,518	16,275
Contributed Capital from Government		105,189	1,814,800
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>		160,707	1,831,075
<b>NET INCREASE IN CASH HELD</b>		1,210,467	846,728
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		1,561,247	714,519
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	6	2,771,714	1,561,247

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



## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

**Note 1 : Statement Of Significant Accounting Policies****(a) Statement of Compliance**

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the Financial Management Act 1994, applicable Australian Accounting Standards (AAS), which includes the Australian accounting standards issued by the Australian Accounting Standards Board (AASB), Interpretations and other mandatory professional requirements.

**(b) Basis of preparation**

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 report for the year ended 30 June 2008, and the comparative information presented in these financial statements for the year ended 30 June 2007.

**(c) Reporting Entity**

The financial statements include all the controlled activities of Rochester and Elmore District Health Service. The Health Service is a not-for profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" entities under the AAS's.

**(d) Rounding Of Amounts**

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

**(e) Cash and Cash Equivalents**

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

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

**(f) Receivables**

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

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

**(g) Inventories**

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

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

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

Cost for all other inventory is measured on the basis of weighted average cost.

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

**(h) Other Financial Assets**

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

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

Rochester and Elmore District Health Service assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

## Note 1 : Statement Of Significant Accounting Policies (cont)

## (h) Other Financial Assets (cont)

**Available-for-sale financial assets**

Other financial assets held by the entity are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the period. Fair value is determined in the manner described in Note 17.

## (i) Property, Plant and Equipment

**Freehold and Crown Land** is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the 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 restrictions will no longer apply.

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

**Plant, Equipment and Vehicles** are measured at cost less accumulated depreciation and impairment.

## (j) Revaluations of Non-current Physical Assets

Non-Current physical assets measured at fair value are revalued in accordance with FRD103C. This revaluation process normally occurs every five years, as dictated by timelines in FRD103C which sets the next revaluation to occur on 30 June 2009, or earlier should there be an indication that fair values are materially different from the carrying value. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net result, the increment is recognised as revenue in the net result.

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

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

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

## (k) Non-Current Assets Classified as Held for Sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is expected to be completed within one year from the date of classification.

## (l) Depreciation

Assets with a cost in excess of \$1,000 (2006-07 and 2007-8) are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost - or valuation - over their estimated useful lives using the straight-line method. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually. This depreciation charge is not funded by the Department of Human Services.

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

	2008	2007
Buildings	30 to 40 Years	30 to 40 Years
Plant & Equipment	8 to 10 Years	8 to 10 Years
Medical Equipment	4 to 5 Years	4 to 5 Years
Furniture & Fittings	3 to 5 Years	3 to 5 Years
Motor Vehicles	2 to 3 Years	2 to 3 Years
Other	3 to 5 Years	3 to 5 Years

## (m) Impairment of Assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for:

- inventories;
- assets arising from employee benefits;
- financial instrument assets;
- investment property that is measured at fair value;
- non-current assets held for sale.

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 by a charge to the Operating Statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

**Note 1 : Statement Of Significant Accounting Policies****(m) Impairment of Assets (cont)**

It is deemed that, in the event of the loss off 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.

**(n) Payables**

These amounts consist predominantly of liabilities for goods and services.

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

The normal credit terms are usually Nett 30 days.

**(o) Provisions**

Provisions are recognised when Rochester and Elmore District 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.

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

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

**(q) Interest Bearing Liabilities**

Interest bearing liabilities in the Balance Sheet are recognised at fair value upon initial recognition. Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost with any

**(q) Interest Bearing Liabilities (cont)**

difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability using the effective interest rate method. Fair value is determined in the manner described in Note 17.

**(r) Functional and Presentation Currency**

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

**(s) Goods and Services Tax**

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

**(t) Employee Benefits****Wages and Salaries, Annual Leave, Sick Leave and Accrued Days Off**

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

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

**Long Service Leave Current Liability - unconditional**

**LSL** (representing 10 or more years of continuous service) is disclosed as a current liability even where Rochester and Elmore District Health Service does not expect to settle the liability within 12 months as it does not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.



## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

## Note 1 : Statement Of Significant Accounting Policies (cont)

## (t) Employee Benefits (cont)

The components of this current LSL liability are measured at:

present value - component that the Rochester and Elmore District Health Service does not expect to settle within 12 months; and

nominal value - component that the Rochester and Elmore District Health Service expects to settle within 12 months.

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

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

**Superannuation Defined contribution plans**

Contributions to defined contribution superannuation plans are expensed when incurred.

**Defined benefit plans**

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

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

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

Fund		Contributions Paid or Payable for the year	
		2008 \$	2007 \$
Defined Benefit Plans:	Health Super	25,512	30,907
Defined Contribution Plans:	Health Super	511,894	488,543
	HESTA	6,925	4,527

## (t) Employee Benefits (cont)

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

**Termination Benefits**

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

**On-Costs**

Employee benefits on-costs (workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

## (u) Finance Costs

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

Finance costs include:

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

## (v) Residential Aged Care Service

The Residential Aged Care Service operations are an integral part of Rochester and Elmore District Health Service and shares its resources. An apportionment of land and buildings has been made based on floor space. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation.

## (w) Intersegment Transactions

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

**Note 1 : Statement Of Significant Accounting Policies****(x) Leases**

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. There were no finance leases in existence during the year.

**Entity as lessor**

Amounts due from lessees under finance leases are recorded as receivable. Finance lease receivables are initially recorded at amounts equal to the present value of the minimum lease payments receivable plus the present value of any un-guaranteed residual value expected to accrue at the end of the lease term. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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

**Entity as lessee**

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum lease payments are allocated between the principal component of the lease liability, and the interest expense calculated using the interest rate implicit in the lease, and charged directly to the operating statement.

Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

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

**Lease Incentives**

All incentives for the agreement of a new or renewed operating lease shall be recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**(x) Leases (cont)**

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

**(y) Income Recognition**

Income is recognised in accordance with AASB 118 Revenue and is recognised as to the extent it is earned. Unearned income at reporting date is reported as income received in advance.

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

**Government Grants**

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

**Indirect Contributions**

- Insurance is recognised as revenue following advice from the Department of Human Services
- Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL
- Liability in line with the arrangements set out in the Acute Health Division Hospital Circular 13/2008.

**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.

**Donations and Other Bequests**

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

**Interest Revenue**

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

**(z) Fund Accounting**

Rochester and Elmore District Health Service operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

**Note 1 : Statement Of Significant Accounting Policies (cont)****(z) Fund Accounting (cont)**

The Rochester and Elmore District Health Service's Capital and Specific Purpose Funds include unspent capital donations and receipts from fundraising activities conducted solely in respect of these funds.

**(aa) Services Supported by Health Services Agreement and Services Supported by Hospital and Community Initiatives.**

Activities classified as Services Supported by Health Services Agreement (HSA) are substantially funded by the Department of Human Services and 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 (Non HSA) are funded by the Health Service's own activities or local initiatives and/or the Commonwealth.

**(ab) Comparative Information**

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

**(ac) Asset Revaluation Reserve**

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

**(ad) General Reserves**

No General Reserves are in existence at the date of this report.

**(ae) Specific Restricted Purpose Reserve**

A specific restricted purpose reserve is established where the Health Service has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

**(af) Contributed Capital**

Consistent with UIG Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities and FRD 2A 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.

**(ag) Net Result Before Capital & Specific Items**

The subtotal entitled 'Net Result Before Capital & Specific Items' is included in the Operating Statement to enhance the understanding of the financial performance of Rochester and Elmore District Health Service. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, and items of unusual nature and amount such as specific revenues and expenses. The exclusion of these items are made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services.

**(ag) Net Result Before Capital & Specific Items (cont)**

The Net result Before Capital & Specific Items is used by the management of Rochester and Elmore District Health Service, the Department of Human Services and the Victorian Government to measure the ongoing result of the Health Services in operating hospital services. Capital and specific items, which are excluded from this sub-total comprise:

- Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. It also includes donations of plant and equipment (refer note 1 (p)). 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
  - Diminution of investments
  - Restructuring of operations (disaggregation/aggregation of health services)
  - Litigation settlements
  - 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 non current assets, includes all impairment losses (and reversal of previous impairment losses), related to non current assets only which have been recognised in accordance with note 1 (m)
- Depreciation and amortisation, as described in note 1 (i) and (l)
- Assets provided or received free of charge, as described in note 1 (p)
- Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold (note 1 (i)), 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.

**(ah) Category Groups**

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



## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

## Note 1 : Statement Of Significant Accounting Policies

## (ah) Category Groups (cont)

**Admitted Patient Services (Admitted Patients)**

comprises all recurrent health revenue/expenditure on admitted patient services, where services are delivered in public hospitals, or free standing day hospital facilities, or palliative care facilities, or rehabilitation facilities, or alcohol and drug treatment units or hospitals specialising in dental services, hearing and ophthalmic aids.

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

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

**Other Services excluded from Australian Health Care Agreement (AHCA) (Other)** comprises revenue/expenditure for services not separately classified above, including: Public health services including Laboratory testing, Blood Borne Viruses/ Sexually Transmitted

## (ah) Category Groups (cont)

Infections clinical services, Kooris liaison officers, immunisation and screening services, Drugs services including drug withdrawal, counselling and the needle and syringe program, Dental Health services, including general and specialist dental care, school dental services and clinical education. Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including sexual assault support, early parenting services, parenting assessment and skills development, and various support services. Health and Community Initiatives also falls in this category group.

## (ai) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting period. As at 30 June 2008, the following standards and interpretations had been issued but were not mandatory for financial years ending 30 June 2008. Rochester and Elmore District Health Service has not and does not intend to adopt these standards early.

## (ai) New Accounting Standards and Interpretations (cont)

Standard / Interpretation	Summary	Applicable for reporting periods beginning on or ending on	Impact on Health Service's Annual Statements
AASB 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12.	Amendments arise from the release in February 2007 of Interpretation 12 Service Concession Arrangements.	Beginning 1 July 2008	The impact of any changes that may be required cannot be reliably estimated and is not disclosed in the financial report.
AASB8 Operating Segments	Supersedes AASB 114 Segment Reporting.	Beginning 1 January 2009	Not applicable
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038]	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 January 2009	Impact expected to be not significant.
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and interpretations 1 & 12]	Option to expense borrowing cost related to a qualifying asset had been removed. Entities are now required to capitalise borrowing costs relevant to qualifying assets.	Beginning 1 January 2009	All Australian government jurisdictions are currently still actively pursuing an exemption for government from capitalising borrowing costs.
AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101	Editorial amendments to Australian Accounting Standards to align with IFRS terminology.	Beginning 1 January 2009	Impact expected to be not significant.
Interpretation 12 Service Concession Agreements	Amendments arising from the release of AASB 2007-6	Beginning 1 January 2009	Impact expected to be not significant.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

## Note 1 : Statement Of Significant Accounting Policies (cont)

## (ai) New Accounting Standards and Interpretations (cont)

Standard / Interpretation	Summary	Applicable for reporting periods beginning on or ending on	Impact on Health Service's Annual Statements
AASB 1004 (Revised) Contributions	Relocation of requirements on contributions from AASs 27, 29 and 31, into AASB 1004.	Beginning 1 July 2008	Impact expected to be not significant.
AASB 1050 Administered Items	Relocation of the requirements for the disclosure of administered items from AAS 29 into a new topic-based Standard.	Beginning 1 July 2008	Impact expected to be not significant.
AASB 1051 Land Under Roads	Relocation of the requirements for the disclosure into a new topic-based Standard.	Beginning 1 July 2008	Impact expected to be not significant.
AASB 1052 Disaggregated Disclosures	Relocation of the requirements relating to reporting of disaggregated information from AAS 27 and AAS 29, into a new topic-based Standard.	Beginning 1 July 2008	Impact expected to be not significant.
Interpretation 1038 (Revised) Contributions by Owners Made to Wholly-Owned Public Sector Entities	Relocation of the requirements on contributions from AASs 27 29 and 31, into AASB 1004.	Beginning 1 July 2008	Impact expected to be not significant.
AASB 2007-9 Amendments to Standards arising from the Review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137]	Relocation of certain relevant requirements from AASs 27, 29 and 31, into existing topic-based Standards. In particular, this Standard addresses: (a) the notion of reporting entity as it applies to local governments, governments and government departments; (b) restructures of local governments; (c) infrastructure, cultural, community and heritage assets; (d) control in the public sector; and (e) obligations arising from local government and government existing public policies, budget policies, election promises or statements or intent. This Standard also makes consequential amendments, arising from the short-term review of the requirements in AASs 27, 29 and 31, to AASB 5, AASB 8, AASB 101 and AASB 114.	Beginning 1 July 2008	Impact expected to be not significant.

## Note 2: Revenue

### Revenue from Operating Activities

Government Grants

- Department of Human Services
- Commonwealth Government
  - Residential Aged Care Subsidy
  - Other

### Total Government Grants

Indirect Contributions by Department of Human Services

- Insurance
- Long Service Leave

### Total Indirect Contributions by Department of Human Services

Patient and Resident Fees

- Patient and Resident Fees (refer note 2b)
- Residential Aged Care (refer note 2b)

### Total Patient & Resident Fees

### Business Units & Specified Purposes Funds

Catering

Property Income

### Total Business Units & Specific Purpose Funds

Interest & Dividends

Other Revenue from Operating Activities

### Sub-Total Revenue from Operating Activities

### Revenue from Non-Operating Activities

Interest and Dividends

Other Revenue from Non-Operating activities

### Sub-Total Revenue from Non-Operating Activities

### Revenue from Capital Purpose Income

State Government Capital Grants

- Targeted Capital Works and Equipment
- Other

Residential Accommodation Payments (refer note 2b)

Net Gain/(Loss) on Disposal of Non-Current Assets (refer note 2c)

Donations and Bequests

### Sub-Total Revenue from Capital Purpose Income

### Total Revenue from Continuing Operations (refer note 2a)

### Indirect Contributions by Department of Human Services

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



## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

HSA 2008 \$	HSA 2007 \$	Non HSA 2008 \$	Non HSA 2007 \$	TOTAL 2008 \$	TOTAL 2007 \$
4,877,136	4,285,955	0	0	4,877,136	4,285,955
1,928,246	1,937,880	0	0	1,928,246	1,937,880
73,451	73,451	0	0	73,451	73,451
<b>6,878,833</b>	<b>6,297,286</b>	<b>0</b>	<b>0</b>	<b>6,878,833</b>	<b>6,297,286</b>
225,256	274,950	0	0	225,256	274,950
58,720	(16,545)	0	0	58,720	(16,545)
<b>283,976</b>	<b>258,405</b>	<b>0</b>	<b>0</b>	<b>283,976</b>	<b>258,405</b>
270,351	304,941	0	0	270,351	304,941
816,265	749,550	0	0	816,265	749,550
<b>1,086,616</b>	<b>1,054,491</b>	<b>0</b>	<b>0</b>	<b>1,086,616</b>	<b>1,054,491</b>
0	0	90,511	82,700	90,511	82,700
0	0	18,808	19,330	18,808	19,330
<b>0</b>	<b>0</b>	<b>109,319</b>	<b>102,030</b>	<b>109,319</b>	<b>102,030</b>
124,710	57,325	0	0	124,710	57,325
56,398	49,030	0	0	56,398	49,030
<b>8,430,533</b>	<b>7,716,537</b>	<b>109,319</b>	<b>102,030</b>	<b>8,539,852</b>	<b>7,818,567</b>
0	0	116,164	93,666	116,164	93,666
0	0	208,923	123,225	208,923	123,225
0	0	325,087	216,891	325,087	216,891
7,218,105	0	0	0	7,218,105	0
0	3,500	0	0	0	3,500
98,218	104,363	0	0	98,218	104,363
0	0	(6,326)	(279,320)	(6,326)	(279,320)
829	0	627,119	73,593	627,948	73,593
<b>7,317,152</b>	<b>107,863</b>	<b>620,793</b>	<b>(205,727)</b>	<b>7,937,945</b>	<b>(97,864)</b>
<b>15,747,685</b>	<b>7,824,400</b>	<b>1,055,199</b>	<b>113,194</b>	<b>16,802,884</b>	<b>7,937,594</b>

## Note 2a: Analysis of revenue by source

### Revenue from Services Supported by Health Services Agreement

Government Grants  
Indirect Contributions by Department of Human Services  
Patient and Resident Fees (refer note 2b)  
Interest and Dividends  
Other  
Capital Purpose Income (refer note 2)

### Sub-Total Revenue from Services Supported by Health Services Agreement

### Revenue from Services Supported by Hospital and Community Initiatives

Catering  
Bank & Investment Income  
Property Income

### Other Activities

Capital Purpose Income (refer note 2)  
Other

### Sub-Total Revenue from Services Supported by Hospital and Community Initiatives

### TOTAL REVENUE FROM ALL SOURCES

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

## Note 2a: Analysis of revenue by source

### Revenue from Services Supported by Health Services Agreement

Government Grants  
Indirect Contributions by Department of Human Services  
Patient and Resident Fees (refer note 2b)  
Interest and Dividends  
Recoupment from Private Practice for Use of Hospital facilities  
Other  
Capital Purpose Income (refer note 2)

### Sub-Total Revenue from Services Supported by Health Services Agreement

### Revenue from Services Supported by Hospital and Community Initiatives

Catering  
Bank & Investment Income  
Property Income

### Other Activities

Capital Purpose Income (refer note 2)  
Other

### Sub-Total Revenue from Services Supported by Hospital and Community Initiatives

### TOTAL REVENUE FROM ALL SOURCES

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

<b>Admitted Patients 2008</b>	<b>Residential Aged Care 2008</b>	<b>Aged Care 2008</b>	<b>Primary Health 2008</b>	<b>Other 2008</b>	<b>TOTAL 2008</b>
\$	\$	\$	\$	\$	\$
3,697,943	2,678,608	480,624	6,767	14,891	6,878,833
283,976	0	0	0	0	283,976
226,365	816,265	43,923	63	0	1,086,616
124,710	0	0	0	0	124,710
11,421	22,061	2,235	20,681	0	56,398
7,218,569	98,527	35	21	0	7,317,152
<b>11,562,984</b>	<b>3,615,461</b>	<b>526,817</b>	<b>27,532</b>	<b>14,891</b>	<b>15,747,685</b>
0	0	0	0	90,511	90,511
0	0	0	0	116,164	116,164
0	0	0	0	18,808	18,808
0	0	0	0	620,793	620,793
0	0	0	0	208,923	208,923
0	0	0	0	1,055,199	1,055,199
<b>11,562,984</b>	<b>3,615,461</b>	<b>526,817</b>	<b>27,532</b>	<b>1,070,090</b>	<b>16,802,884</b>

<b>Admitted Patients 2007</b>	<b>Residential Aged Care 2007</b>	<b>Aged Care 2007</b>	<b>Primary Health 2007</b>	<b>Other 2007</b>	<b>TOTAL 2007</b>
\$	\$	\$	\$	\$	\$
3,206,375	2,612,645	463,434	14,832	0	6,297,286
258,405	0	0	0	0	258,405
252,315	749,550	52,626	0	0	1,054,491
57,325	0	0	0	0	57,325
0	0	0	0	0	0
9,742	11,886	5,364	22,038	0	49,030
3,500	104,363	0	0	0	107,863
<b>3,787,662</b>	<b>3,478,444</b>	<b>521,424</b>	<b>36,870</b>	<b>0</b>	<b>7,824,400</b>
0	0	0	0	82,700	82,700
0	0	0	0	93,666	93,666
0	0	0	0	19,330	19,330
0	0	0	0	(205,727)	(205,727)
0	0	0	0	123,225	123,225
0	0	0	0	113,194	113,194
<b>3,787,662</b>	<b>3,478,444</b>	<b>521,424</b>	<b>36,870</b>	<b>113,194</b>	<b>7,937,594</b>



## Note 2b: Patient and resident fees

	2008 \$	2007 \$
<b>Patient and Resident Fees Raised</b>		
<b>Recurrent:</b>		
Acute		
- Inpatients	226,365	252,315
Residential Aged Care		
- Nursing Home	433,724	393,763
- Hostel	382,541	355,787
Aged Care & Primary Health		
- District Nursing	43,923	52,626
Primary Health	63	0
<b>TOTAL RECURRENT</b>	<b>0</b>	<b>1,054,491</b>
<b>Capital Purpose:</b>		
Residential Accommodation Payments (*)	98,218	104,363
<b>TOTAL CAPITAL</b>	<b>98,218</b>	<b>104,363</b>

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

## Note 2c: Net gain/(loss) on disposal of non-current assets

	2008 \$	2007 \$
<b>Proceeds from Disposal of Non Current Assets</b>		
- Motor Vehicles	92,727	96,256
- Plant & Equipment	0	30,193
<b>Total Proceeds from Disposal of Non-Current Assets</b>	<b>92,727</b>	<b>126,449</b>
<b>Less: Written Down Value of Non Current Assets Sold</b>		
- Motor Vehicles	(99,053)	(114,430)
- Plant & Equipment	0	(38,409)
- Buildings	0	(242,226)
- Leasehold Equipment	0	(9,072)
- Furniture & Fittings	0	(1,632)
<b>Total Written Down Value of Non-Current Assets Sold</b>	<b>(99,053)</b>	<b>(405,769)</b>
<b>NET GAINS/(LOSSES) ON DISPOSAL OF NON CURRENT ASSETS</b>	<b>(6,326)</b>	<b>(279,320)</b>

## Note 3: Expenses

### Employee Benefits

Salaries & Wages  
WorkCover Premium  
Long Service Leave  
Superannuation

### Total Employee Benefits

### Non Salary Labour Costs

Fee for Service Medical Officers  
Purchased Services

### Total Non Salary Labour Costs

### Supplies and Consumables

Drug Supplies  
Medical, Surgical Supplies and Prothesis  
Pathology Supplies  
Special Services  
Food Supplies

### Total Supplies and Consumables

### Other Expenses from Continuing Operations

Domestic Services & Supplies  
Fuel, Light, Power and Water  
Insurance costs funded by DHS  
Motor Vehicle Expenses  
Repairs & Maintenance  
Maintenance Contracts  
Patient Transport  
Bad & Doubtful Debts  
Administrative Expenses  
Audit Fees  
- VAGO - Audit of Financial Statements  
- Other

### Total Other Expenses from Continuing Operations

### Expenditure Using Capital Purpose Income

#### Employee Benefits

Salaries & Wages  
WorkCover Premium  
Long Service Leave  
Superannuation

### Other Expenses from Continuing Operations

Repairs & Maintenance  
Administrative Expenses

### Total Expenditure using Capital Purpose Income

Depreciation and Amortisation  
Finance Costs

### Total

### Total Expenses

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

<b>HSA 2008 \$</b>	<b>HSA 2007 \$</b>	<b>Non HSA 2008 \$</b>	<b>Non HSA 2007 \$</b>	<b>TOTAL 2008 \$</b>	<b>TOTAL 2007 \$</b>
5,760,277	5,248,735	292,684	250,587	6,052,961	5,499,322
94,983	85,152	4,812	2,879	99,795	88,031
130,336	112,505	12,563	6,095	142,899	118,600
520,212	504,267	24,119	19,710	544,331	523,977
6,505,808	5,950,659	334,178	279,271	6,839,986	6,229,930
216,785	151,678	0	0	216,785	151,678
72,522	80,972	12,254	2,317	84,776	83,289
289,307	232,650	12,254	2,317	301,561	234,967
38,889	42,633	0	0	38,889	42,633
152,456	120,653	3,793	906	156,249	121,559
16,352	9,328	0	0	16,352	9,328
0	0	2,166	2,605	2,166	2,605
237,525	216,085	44,963	38,173	282,488	254,258
445,222	388,699	50,922	41,684	496,144	430,383
116,562	123,718	7,558	5,837	124,120	129,555
108,085	106,732	0	0	108,085	106,732
225,256	274,950	0	0	225,256	274,950
42,412	36,439	0	686	42,412	37,125
53,698	65,256	5,968	0	59,666	65,256
40,220	45,008	0	3,312	40,220	48,320
37,897	31,556	0	0	37,897	31,556
4,257	3,636	0	0	4,257	3,636
647,519	461,358	14,206	0	661,725	461,358
10,380	9,400	0	0	10,380	9,400
6,213	0	0	0	6,213	0
1,292,499	1,158,053	27,732	9,835	1,320,231	1,167,888
0	0	66,732	0	66,732	0
0	0	1,023	0	1,023	0
0	0	1,832	0	1,832	0
0	0	4,568	0	4,568	0
0	0	74,155	0	74,155	0
0	0	51,027	53,829	51,027	53,829
0	0	76,349	0	76,349	0
0	0	201,531	53,829	201,531	53,829
427,848	397,477	0	0	427,848	397,477
20,180	17,471	0	0	20,180	17,471
448,028	414,948	0	0	448,028	414,948
8,980,864	8,145,009	626,617	386,936	9,607,481	8,531,945

### Note 3a: Analysis of expenses by source

#### Services Supported by Health Service Agreement

Employee Benefits  
Non Salary Labour Costs  
Supplies and Consumables  
Other Expenses  
Depreciation and Amortisation (refer note 4)  
Finance Costs (refer note 5)

#### Sub-Total Expenses from Services Supported by Health Services Agreement

#### Services Supported by Hospital and Community Initiatives

Employee Benefits  
Non Salary Labour Costs  
Supplies and Consumables  
Other Expenses

#### Sub-Total Expense from Services Supported by Hospital and Community Initiatives

#### Services Supported by Capital Sources

Other Expenses

#### TOTAL EXPENSES

### Note 3a: Analysis of expenses by source

#### Services Supported by Health Service Agreement

Employee Benefits  
Non Salary Labour Costs  
Supplies and Consumables  
Other Expenses  
Depreciation and Amortisation (refer note 4)  
Finance Costs (refer note 5)

#### Sub-Total Expenses from Services Supported by Health Services Agreement

#### Services Supported by Hospital and Community Initiatives

Employee Benefits  
Non Salary Labour Costs  
Supplies and Consumables  
Other Expenses

#### Sub-Total Expense from Services Supported by Hospital and Community Initiatives

#### Services Supported by Capital Sources

Other Expenses

#### TOTAL EXPENSES



## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

<b>Admitted Patients 2008</b>	<b>Residential Aged Care 2008</b>	<b>Aged Care 2008</b>	<b>Primary Health 2008</b>	<b>Other 2008</b>	<b>TOTAL 2008</b>
\$	\$	\$	\$	\$	\$
1,851,182	3,627,902	459,270	567,454	0	6,505,808
218,819	28,926	2,758	38,804	0	289,307
119,836	295,149	16,915	13,321	0	445,221
393,269	675,626	88,445	135,161	0	1,292,501
0	0	0	0	427,848	427,848
6,807	3,990	8,586	796	0	20,179
2,589,913	4,631,593	575,974	755,536	427,848	8,980,864
0	0	0	0	334,179	334,179
0	0	0	0	12,254	12,254
0	0	0	0	50,921	50,921
0	0	0	0	27,732	27,732
0	0	0	0	425,086	425,086
0	0	0	0	201,531	201,531
2,589,913	4,631,593	575,974	755,536	1,054,465	9,607,481

<b>Admitted Patients 2007</b>	<b>Residential Aged Care 2007</b>	<b>Aged Care 2007</b>	<b>Primary Health 2007</b>	<b>Other 2007</b>	<b>TOTAL 2007</b>
\$	\$	\$	\$	\$	\$
1,730,979	3,212,155	490,471	517,054	0	5,950,659
170,064	24,210	2,399	35,977	0	232,650
108,205	253,234	16,874	10,386	0	388,699
341,259	642,313	81,218	93,263	0	1,158,053
0	0	0	0	397,477	397,477
3,881	6,802	4,610	2,178	0	17,471
2,354,388	4,138,714	595,572	658,858	397,477	8,145,009
0	0	0	0	279,271	279,271
0	0	0	0	2,317	2,317
0	0	0	0	41,684	41,684
0	0	0	0	9,835	9,835
0	0	0	0	333,107	333,107
0	0	0	0	53,829	53,829
2,354,388	4,138,714	595,572	658,858	784,413	8,531,945

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

**Note 3b: Analysis of expenses by internal and restricted specific purpose funds for services supported by hospital and community initiatives**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Radiology	51,873	32,204
Property Maintenance	20,348	13,688
Meals on wheels	189,980	139,926
Redevelopment Expenditure	183,074	96,423
Primary Care Partnership	181,342	104,695
<b>TOTAL</b>	<b>626,617</b>	<b>386,936</b>

**Note 4: Depreciation**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>Depreciation</b>		
Buildings	203,505	208,015
Land Improvements	4,050	4,050
Plant & Equipment		
- Plant	146,344	119,605
- Motor Vehicles	49,474	34,123
Furniture and Fittings	24,475	31,684
<b>TOTAL DEPRECIATION</b>	<b>427,848</b>	<b>397,477</b>

**Note 5: Finance costs**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Interest on Short Term Borrowings	20,180	17,471
<b>TOTAL FINANCE COSTS</b>	<b>20,180</b>	<b>17,471</b>

**Note 6: 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.

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Cash on Hand	650	650
Cash at Bank	3,395,148	3,989,475
Deposits at Call	7,080	6,699
<b>TOTAL</b>	<b>3,402,878</b>	<b>3,996,824</b>

**Represented by:**

Cash for Health Service Operations (as per Cash Flow Statement)	2,771,714	1,561,247
Cash for Monies Held in Trust		
- Cash at Bank	631,164	2,435,577

<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>3,402,878</b>	<b>3,996,824</b>
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**Note 7: Receivables**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade Debtors	79,917	21,266
Patient Fees	187,830	115,820
GST Receivable	62,381	0
Accrued Investment Income	37,534	0
Accrued Revenue - Grants	47,500	0
Accrued Revenue - Other	13,500	35,256
<b>TOTAL</b>	<b>428,662</b>	<b>172,342</b>
<b>Less Allowance for Doubtful Debts</b>		
Patient fees	(14,000)	(14,000)
<b>TOTAL CURRENT RECEIVABLES</b>	<b>414,662</b>	<b>158,342</b>
<b>NON CURRENT</b>		
Bond Debtors	3,749	6,277
DHS - Long Service Leave	62,210	13,979
<b>TOTAL NON-CURRENT RECEIVABLES</b>	<b>65,959</b>	<b>20,256</b>
<b>TOTAL RECEIVABLES</b>	<b>480,621</b>	<b>178,598</b>

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

**Note 7: Receivables (cont)**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Movement in the Allowance for doubtful debts</b>		
Balance at beginning of the year	(14,000)	(14,000)
Amounts written off during the year	0	0
Amounts recovered during the year	0	0
Increase/(decrease) in allowance recognised in profit or loss	0	0
<b>Balance at end of the year</b>	<b>(14,000)</b>	<b>(14,000)</b>

**(b) Ageing analysis of receivables**

Please refer to note 17(c) for the ageing analysis of receivables

**(c) Nature and extent of risk arising from receivables**

Please refer to note 17(c) for the nature and extent of credit risk arising from receivables

**Note 8: Other financial assets**

	<b>Capital</b>		<b>Total</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>				
Loans & Receivables				
Aust. Dollar Term deposits	1,867,374	0	1,867,374	0
<b>TOTAL CURRENT OTHER FINANCIAL ASSETS</b>	<b>1,867,374</b>	<b>0</b>	<b>1,867,374</b>	<b>0</b>
<b>Represented by:</b>				
Health Service Investments	0	0	0	0
Accommodation Bonds (Refundable Entrance Fees)	1,867,374	0	1,867,374	0
<b>TOTAL</b>	<b>1,867,374</b>	<b>0</b>	<b>1,867,374</b>	<b>0</b>

**Note 9: Inventories**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Pharmaceuticals - at cost	14,035	13,708
Catering Supplies - at cost	7,503	7,375
Housekeeping Supplies - at cost	5,269	7,069
Medical and Surgical Lines - at cost	8,973	13,257
Administration Stores - at cost	6,339	5,904
<b>TOTAL INVENTORIES</b>	<b>42,119</b>	<b>47,313</b>

Inventories held by the Health Service are held for short periods of time with regular turnover. There is no material loss of service potential in inventories held at the end of the year.



## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

**Note 10: Property, plant & equipment**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>Land</b>		
Land at Valuation	534,576	430,000
	<u>534,576</u>	<u>430,000</u>
Land Improvements at Cost	3,000	3,000
Less Accumulated Depreciation	799	499
	<u>2,201</u>	<u>2,501</u>
Land Improvements at Valuation	75,000	75,000
Less Impairment	19,250	15,500
	<u>55,750</u>	<u>59,500</u>
<b>Total Land</b>	<u>592,527</u>	<u>492,001</u>
<b>Buildings</b>		
Buildings Under Construction	8,103,904	2,553,928
	<u>883,666</u>	<u>883,666</u>
Buildings at Cost	883,666	883,666
Less Accumulated Depreciation	140,171	104,825
	<u>743,495</u>	<u>778,841</u>
Buildings at Valuation	11,094,046	11,094,046
Less Accumulated Depreciation	5,553,574	5,385,415
	<u>5,540,472</u>	<u>5,708,631</u>
<b>Total Buildings</b>	<u>14,387,871</u>	<u>9,041,400</u>
<b>Plant &amp; Equipment at Cost</b>		
Plant and Equipment	1,772,724	1,283,669
Less Accumulated Depreciation	902,131	755,787
<b>Total Plant and Equipment</b>	<u>870,593</u>	<u>527,882</u>
<b>Furniture and Fittings at Cost</b>		
Furniture and Fittings	659,180	467,101
Less Accumulated Depreciation	384,605	360,130
<b>Total Furniture and Fittings</b>	<u>274,575</u>	<u>106,971</u>
<b>Motor Vehicles at Cost</b>		
Motor Vehicles	310,887	261,923
Less Accumulated Depreciation	97,603	76,102
<b>Total Motor Vehicles</b>	<u>213,284</u>	<u>185,821</u>
<b>TOTAL</b>	<u>16,338,850</u>	<u>10,354,075</u>

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

## Note 10: Property, plant &amp; equipment (cont)

	Land \$	Buildings & Land Improv. \$	Plant & Equipment \$	Furniture & Fittings \$	Motor Vehicles \$	Total \$
<b>Balance at 1 July 2006</b>	430,000	7,318,438	638,869	138,655	190,193	8,716,155
Additions	0	2,239,253	57,731	0	144,179	2,441,163
Disposals	0	(242,225)	(49,113)	0	(114,428)	(405,766)
Transfers	0	0	0	0	0	0
Net transfers free of charge	0	0	0	0	0	0
Depreciation and Amortisation	0	(212,065)	(119,605)	(31,684)	(34,123)	(397,477)
<b>Balance at 1 July 2007</b>	430,000	9,103,401	527,882	106,971	185,821	10,354,075
Additions	0	5,549,976	489,055	192,079	175,990	6,407,100
Disposals	0	0	0	0	(99,053)	(99,053)
Revaluation Increments/ (Decrements)	104,576	0	0	0	0	104,576
Net transfers free of charge	0	0	0	0	0	0
Depreciation and Amortisation	0	(207,555)	(146,344)	(24,475)	(49,474)	(427,848)
<b>Balance at 30 June 2008</b>	534,576	14,445,822	870,593	274,575	213,284	16,338,850

## Land and buildings carried at valuation

An independent valuation of the Health Service's land and buildings was performed by Mr S.F. Eishold to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2005.

The value of Land has been indexed at 30 June 2008 to reflect fair value based on indices provided by the Valuer General of Victoria.

## Note 11: Payables

	2008 \$	2007 \$
<b>CURRENT</b>		
Trade Creditors	155,109	107,953
GST Payable	0	154,708
Accrued Expenses	124,263	91,301
Accrued Audit Fees	9,800	7,400
Accrued Grant Recall	0	11,670
Other Payable	3,714	1,270
<b>TOTAL</b>	<b>292,886</b>	<b>374,302</b>

## (a) Maturity analysis of payables

Please refer to Note 17(d) for the ageing analysis of payables

## (b) Nature and extent of risk arising from payables

Please refer to note 17(d) for the nature and extent of risks arising payables

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

**Note 12: Interest bearing liabilities**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Bank Overdraft		
Australian Dollar Borrowings		
- Hire Purchase Liability	104,160	97,094
<b>Total Current Australian Dollars Borrowings</b>	<u>104,160</u>	<u>97,094</u>
<b>NON CURRENT</b>		
Australian Dollar Borrowings		
- Hire Purchase Liability	82,793	34,341
<b>Total Non Current Australian Dollars Borrowings</b>	<u>82,793</u>	<u>34,341</u>
<b>TOTAL INTEREST BEARING LIABILITIES</b>	186,953	131,435
<b>CURRENT</b>		
Secured		
- Hire Purchase Liability	104,160	97,094
<b>NON CURRENT</b>		
Secured		
- Hire Purchase Liability	82,793	34,341

Borrowings are secured by motor vehicles to which the agreements relate. Eight hire purchase agreements exist with terms of up to 24 monthly payments followed by a residual payout. Interest rates vary between 8.85% and 13.30%.

The approved Bank Overdraft limit is \$150,000

Finance costs of the Health Service incurred during the year are accounted for as follows:

Amount of Finance Costs recognised as expenses	20,180	17,471
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**(a) Maturity analysis of interest bearing liabilities**

Please refer to note 17(d) for the ageing analysis of interest bearing liabilities.

**(b) Nature and extent of risk arising from interest bearing liabilities**

Please refer to note 17(d) for the nature and extent of risks arising from interest bearing liabilities

**(c) Defaults and breaches**

During the current and prior year, there were no defaults and breaches of any of the loans.



## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

**Note 13: Provisions**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Employee Benefits (refer note 13a)		
- unconditional and expected to be settled within 12 months	769,855	740,376
- unconditional and expected to be settled after 12 months	515,031	457,318
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (nominal value)	84,684	81,441
- unconditional and expected to be settled after 12 months (present value)	56,653	50,305
<b>TOTAL</b>	<b>1,426,223</b>	<b>1,329,440</b>
<b>NON-CURRENT</b>		
Employee Benefits (refer note 13a)	194,509	159,006
Provisions related to employee benefit on-costs	21,396	17,491
<b>TOTAL</b>	<b>215,905</b>	<b>176,497</b>

**Note 13a: Employee benefits**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Unconditional Long Service Leave Entitlements	453,155	440,213
Annual Leave Entitlements	582,381	563,987
Accrued Salaries and Wages	238,623	184,491
Accrued Days Off	10,726	9,003
<b>TOTAL</b>	<b>1,284,886</b>	<b>1,197,694</b>
<b>*Current Employee benefits that:</b>		
Expected to be utilised within 12 months (nominal value)	777,783	821,817
Expected to be utilised after 12 months (present value)	507,103	375,877
	<b>1,284,886</b>	<b>1,197,694</b>
<b>NON-CURRENT (refer note 1(t))</b>		
Conditional Long Service Leave Entitlements (present value)	194,509	159,006
<b>TOTAL</b>	<b>194,509</b>	<b>159,006</b>
<b>Movement in Long Service Leave:</b>		
<b>Balance at start of year</b>	<b>599,219</b>	<b>614,120</b>
Provision made during the year	142,899	118,600
Settlement made during the year	(94,454)	(133,501)
<b>Balance at end of year</b>	<b>647,664</b>	<b>599,219</b>

\* The following assumptions were adopted in measuring present value:

- Wage inflation rate of 4.75%
- Bond rates applied to future values are as advised by the Department of Treasury and Finance and range from 6.565% to 7.075%

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

**Note 14: Other liabilities**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Monies Held in Trust*		
- Patient Monies Held in Trust	28,257	25,271
- Accommodation Bonds (Refundable Entrance Fees)	3,125,530	3,068,083
<b>Total Current</b>	<b>3,153,787</b>	<b>3,093,354</b>
<b>* Total Monies Held in Trust</b>	<b>3,153,787</b>	<b>3,093,354</b>
<b>Represented by the following assets:</b>		
Cash Assets (refer to Note 6)	631,164	2,435,577
Receivables (refer to Note 7)	3,749	6,277
Other Financial Assets (refer to Note 8)	1,867,374	0
Land and Buildings	651,500	651,500
<b>TOTAL</b>	<b>3,153,787</b>	<b>3,093,354</b>

**Note 15: Equity**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>Asset Revaluation Reserve</b>		
Balance at beginning of the reporting period		
- Land	244,325	244,325
- Buildings	2,309,749	2,309,749
Revaluation Increment/Decrement		
- Land	104,576	0
Balance at the end of the reporting period	2,658,650	2,554,074
Represented by:		
- Land	348,901	244,325
- Buildings	2,309,749	2,309,749
	2,658,650	2,554,074
<b>Restricted Specific Purpose Reserve</b>		
Balance at the beginning of the reporting period	181,933	181,933
Balance at the end of the reporting period	181,933	181,933
<b>Total Reserves</b>	<b>2,840,583</b>	<b>2,736,007</b>
<b>(b) Contributed Capital</b>		
Balance at the beginning of the reporting period	7,264,650	4,360,719
Capital Contribution received from Victorian Government	105,189	2,903,931
Balance at the end of the reporting period	7,369,839	7,264,650
<b>(c) Accumulated Surpluses/(Deficits)</b>		
Balance at the beginning of the reporting period	(499,932)	94,419
Net Result for the Year	7,195,403	(594,351)
Balance at the end of the reporting period	6,695,471	(499,932)
<b>(d) Total Equity at end of financial year</b>	<b>16,905,893</b>	<b>9,500,725</b>

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

**Note 16: Reconciliation of net result for the year to net cash flows from operating activities**

	2008 \$	2007 \$
<b>NET RESULT FOR THE PERIOD</b>	7,195,403	(594,351)
Depreciation & Amortisation	427,848	397,477
Net (Gain)/Loss from Sale of Plant and Equipment	6,326	279,320
Change in Operating Assets & Liabilities, Net of Effect from Restructuring		
(Increase)/Decrease in Receivables	(242,170)	76,196
(Increase)/Decrease in Prepayments	(20,862)	26,929
(Increase)/Decrease in Stores	5,194	1,363
Increase/(Decrease) in Payables	(143,797)	(25,609)
Increase/(Decrease) in Employee Benefits	136,191	21,669
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<u>7,364,133</u>	<u>182,994</u>

**Note 17: Financial instruments****(a) Significant accounting policies**

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.

**(b) Categorisation of financial instruments**

	Note	Category	Carrying Amount 2008 \$	Carrying Amount 2007 \$
<b>Financial Assets</b>				
Cash and cash equivalents	6	N/A	3,402,878	3,996,824
Receivables	7	Loans & Receivables	418,240	178,598
Other Financial assets	8	Loans & Receivables	1,867,374	0
<b>Financial Liabilities</b>				
Payables	11	Financial Liabilities measured at amortised cost	292,886	219,594
Interest Bearing Liabilities	12	Financial Liabilities measured at amortised cost	186,953	131,435
Other Liabilities	14	Financial Liabilities measured at amortised cost	3,153,787	3,093,354



## Note 17: Financial instruments (cont)

### (c) Credit Risk

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

#### Interest rate exposure and ageing analysis of financial asset as at 30/6/2008.

	Weighted Average Effective Interest Rates %	Total Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$
<b>2008</b>				
<b>Financial Assets</b>				
Cash and Cash Equivalents	7.52	3,402,878	0	3,402,878
Receivables	0.00	418,240	0	0
Other Financial Assets	7.85	1,867,374	1,867,374	0
<b>Total Financial Assets</b>		5,688,492	1,867,374	3,402,878
<b>2007</b>				
<b>Financial Assets</b>				
Cash and Cash Equivalents	5.90	3,996,824	0	3,996,824
Receivables	0.00	178,598	0	0
Other Financial Assets	0.00	0	0	0
<b>Total Financial Assets</b>		4,175,422	0	3,996,824

### (d) Liquidity Risk

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

#### Interest rate exposure and ageing analysis of financial asset as at 30/6/2008.

	Interest Rate Exposure			
	Total Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
<b>2008</b>				
<b>Payables</b>				
Trade creditors and accruals	292,886	0	0	292,886
Interest Bearing Liabilities	186,953	186,953	0	0
Other Financial Liabilities	3,153,787	0	0	3,153,787
<b>Total Financial Liabilities</b>	3,633,626	186,953	0	3,446,673
<b>2007</b>				
<b>Payables</b>				
Trade creditors and accruals	374,302	0	0	374,302
Interest Bearing Liabilities	131,435	131,435	0	0
Other Financial Liabilities	3,093,354	0	0	3,093,354
<b>Total Financial Liabilities</b>	3,599,091	131,435	0	3,467,656

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

Non Interest Bearing \$	Not Past due and not impaired \$	Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	Impaired Financial Assets \$
0	3,402,878	0	0	0	0
418,240	206,279	150,476	35,307	26,178	
0	1,867,374	0	0	0	0
418,240	5,476,531	150,476	35,307	26,178	0
0	3,996,824	0	0	0	0
178,598	53,841	88,502	18,156	18,099	0
0	0	0	0	0	0
178,598	4,050,665	88,502	18,156	18,099	0

Weighted Average Effective Interest Rates %	Contractual Cash Flows \$	Maturity Dates			
		Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	1 - 5 Years \$
0.00	292,886	292,886			
	186,953	4,018	23,731	69,717	89,487
0.00	3,153,787	0	0	3,153,787	0
	3,633,626	296,904	23,731	3,223,504	89,487
0.00	374,302	374,302	0	0	0
	131,435	3,159	9,650	84,285	34,341
0.00	3,093,354	0	0	3,093,354	0
	3,599,091	377,461	9,650	3,177,639	34,341

## Note 17: Financial instruments (cont)

### (e) Market Risk

#### Currency Risk

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

#### Interest Rate Risk

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

#### 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.

### Sensitivity Disclosure Analysis

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

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 6%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 4%

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

## Note 17: Financial instruments (cont)

### (e) Market Risk (cont)

	Carrying Amount \$	Interest Rate Risk			
		-1%		+1%	
		Profit \$	Equity \$	Profit \$	Equity \$
<b>2008</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	3,402,878	(34,029)	(34,029)	34,029	34,029
Receivables	418,240	0	0	0	0
Other Financial Assets	1,867,374	(18,674)	(18,674)	18,674	18,674
<b>Financial Liabilities</b>					
Trade Creditors and Accruals	292,886	0	0	0	0
Interest Bearing Liabilities	186,953	1,870	1,870	(1,870)	(1,870)
Other Liabilities	3,153,787	0	0	0	0
<b>2007</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	3,996,824	(39,968)	(39,968)	39,968	39,968
Receivables	178,598	0	0	0	0
Other Financial Assets	0	0	0	0	0
<b>Financial Liabilities</b>					
Trade Creditors and Accruals	374,302	0	0	0	0
Interest Bearing Liabilities	131,435	1,314	1,314	(1,314)	(1,314)
Other Liabilities	3,093,354	0	0	0	0

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

**Note 18: Commitments**

	2008	2007
	\$	\$
<b>Capital Commitments</b>		
Land & Buildings	13,000,000	19,000,000
<b>Total Capital Commitments</b>	13,000,000	19,000,000
Not Later than one year	10,000,000	10,000,000
Later than one year and not later than 5 years	3,000,000	9,000,000
<b>Total</b>	13,000,000	19,000,000

Total capital commitments for the hospital redevelopment will be met by the Department of Human Services.

**Note 19: Contingent liabilities and contingent assets**

There are no known contingent assets or liabilities for Rochester & Elmore District Health Service as at the date of this report.

**Other Price Risk**

-1%		+1%	
Profit	Equity	Profit	Equity
\$	\$	\$	\$
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0



## Note 20: Segment reporting

	<b>HEALTH SERVICES</b>	
	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
External Segment Revenue	12,946,549	4,308,159
Intersegment Revenue	0	0
Total Revenue	12,946,549	4,308,159
External Segment Expenses	(4,959,699)	(4,382,562)
Unallocated Expense	0	0
<b>Segment Result</b>	7,986,850	(74,403)
<b>Net Result from ordinary activities</b>	7,986,850	(74,403)
Interest Expense	(16,189)	(10,669)
Interest Income	124,710	57,325
<b>Net Result for Year</b>	8,095,371	(27,747)
<b>OTHER INFORMATION</b>		
Segment Assets	5,212,987	3,525,878
Unallocated Assets	0	0
<b>Total Assets</b>	5,212,987	3,525,878
Segment Liabilities	1,231,181	1,083,318
Unallocated Liabilities	0	0
<b>Total Liabilities</b>	1,231,181	1,083,318
Acquisition of property, plant and equipment and intangible assets	832,419	184,609
Depreciation & amortisation expense	(288,404)	(244,251)
Non cash expenses other than depreciation	283,976	258,405

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

<b>Business Segments</b>	<b>Services</b>
Acute	Acute Hospital services Aged Care services Primary Health services
Residential Aged Care	Nursing Home facilities Hostel facilities

### Geographical Segment

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

RACS		OTHER SERVICES		TOTAL	
2008	2007	2008	2007	2008	2007
\$	\$	\$	\$	\$	\$
3,615,461	3,478,444	0	0	16,562,010	7,786,603
0	0	0	0	0	0
3,615,461	3,478,444	0	0	16,562,010	7,786,603
(4,627,603)	(4,131,912)	0	0	(9,587,302)	(8,514,474)
0	0	0	0	0	0
(1,012,142)	(653,468)	0	0	6,974,708	(727,871)
(1,012,142)	(653,468)	0	0	6,974,708	(727,871)
(3,990)	(6,802)	0	0	(20,179)	(17,471)
116,164	93,666	0	0	240,874	150,991
(899,968)	(566,604)	0	0	7,195,403	(594,351)
7,471,676	6,894,721	0	0	12,684,663	10,420,599
0	0	9,496,984	4,185,154	9,496,984	4,185,154
7,471,676	6,894,721	9,496,984	4,185,154	22,181,647	14,605,753
3,751,687	3,647,408	0	0	4,982,868	4,730,726
0	0	292,886	374,302	292,886	374,302
3,751,687	3,647,408	292,886	374,302	5,275,754	5,105,028
25,405	17,301	5,549,276	2,239,253	6,407,100	2,441,163
(134,543)	(145,399)	(4,901)	(7,827)	(427,848)	(397,477)
0	0	0	0	283,976	258,405

## Notes to and forming part of the Financial Statements for the year ended 30 June 2008

**Note 21: 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
<b>Responsible Ministers:</b>	
The Honourable Bronwyn Pike, MLA, Minister for Health	01/07/2007 - 3/08/2007
The Honourable Daniel Andrews, MLA, Minister for Health	03/08/2007 - 30/06/2008
<b>Governing Boards</b>	
Mrs H. Acocks	01/07/2007 - 30/06/2008
Mr G. Nelson	01/07/2007 - 31/10/2007
Mrs M. Magennis	01/07/2007 - 30/06/2008
Mrs D.H. Moon	01/07/2007 - 31/10/2007
Mr S. McDonald	01/07/2007 - 30/06/2008
Mrs A. Shotton	01/07/2007 - 30/06/2008
Mrs S. Martin	01/07/2007 - 30/06/2008
Assoc Prof M. Boelen	01/07/2007 - 30/06/2008
Ms A. O'Farrell	01/07/2007 - 30/06/2008
<b>Accountable Officers</b>	
Mr Duane Attree	01/07/2007 - 18/03/2008
Ms Diane Sullivan	18/03/2008 - 30/06/2008
Mr Michael Krieg	Appointed 14/07/2008

**(b) Remuneration of Responsible Persons**

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

Income Band	Total Remuneration		Base Remuneration	
	2008 No.	2007 No.	2008 No.	2007 No.
\$40,000 - \$49,000	-	1	-	1
\$110,000 - \$120,000	-	1	-	1
\$140,000 - \$149,000	1	-	1	-
Total Numbers	1	2	1	2

**(c) Retirement Benefits of Responsible Persons**

No responsible person received any retirement benefits during the year.

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

No responsible person or their related parties received any remuneration or retirement benefits during the year.

(e) Other Receivables from and Payments to Responsible Persons and their Related Parties.	2008	2007
	\$	\$
Aggregate amounts payable at balance date:	0	0

(f) Amounts Attributable to Other Transactions With Responsible Persons and their Related Parties.	2008	2007
	\$	\$
The result of the period includes aggregate amounts attributable to transactions with Responsible Persons and Responsible Persons Related Parties in respect of:		
Nil	0	0

**(g) Executive Officer Remuneration**

No executive officers received greater than \$100,000 during the financial year.

## Glossary

<b>A &amp; E</b>	Accident & Emergency Department
<b>ACHS</b>	Australian Council of Healthcare Standards
<b>ACFI</b>	Aged Care Funding Instrument
<b>ACSAA</b>	Aged Care Standards and Accreditation Agency
<b>ALOS</b>	Average Length of Stay
<b>AOD</b>	Alcohol and Other Drugs
<b>CEO</b>	Chief Executive Officer
<b>DHA</b>	Department of Health and Ageing
<b>DHS</b>	Department of Human Services
<b>DVA</b>	Department of Veterans' Affairs
<b>EBA</b>	Enterprise Bargaining Agreement
<b>EEO</b>	Equal Employment Opportunity
<b>EFT</b>	Equivalent Full Time - Staff
<b>ERH</b>	Echuca Regional Health
<b>FOI</b>	Freedom of Information
<b>HACC</b>	Home & Community Care
<b>HR</b>	Human Resources
<b>IC</b>	Infection Control
<b>IP</b>	Inpatient
<b>NHT</b>	Nursing Home Types (Acute)
<b>Occupancy</b>	Percentage of Beds filled per nominated period
<b>OP</b>	Out Patient
<b>PAG</b>	Planned Activity Group
<b>PCP</b>	Primary Care Partnership
<b>TAC</b>	Transport Accident Commission
<b>TAFE</b>	Technical and Further Education
<b>REDHS</b>	Rochester & Elmore District Health Service
<b>Separation/</b>	
<b>Discharge</b>	The completion of an episode of care and the patient/client leaves the organisation
<b>VMO</b>	Visiting Medical Officer
<b>VPSM</b>	Victorian Patient Satisfaction Monitor
<b>VQC</b>	Victorian Quality Council
<b>VWA</b>	Victorian Workcover Authority



## Your Community – Your Health Service You Can Help In Many Ways

Donations and Bequests are a vital part in the provision of services to Residents in our community.

Our service relies on the generosity of individuals and organisations within our community.

You can help by:

- Making a Donation towards a specific item
- By defraying the cost of much needed equipment
- By remembering the Health Service in your Will
- By joining one of the Health Service Auxiliaries

Donations in memory of loved one or in lieu of flowers is also appreciated. Envelopes are available for this purpose from the Health Service. Receipts are issued, acknowledgement letters are written, and when known, summary letters are mailed to the deceased next of kin.

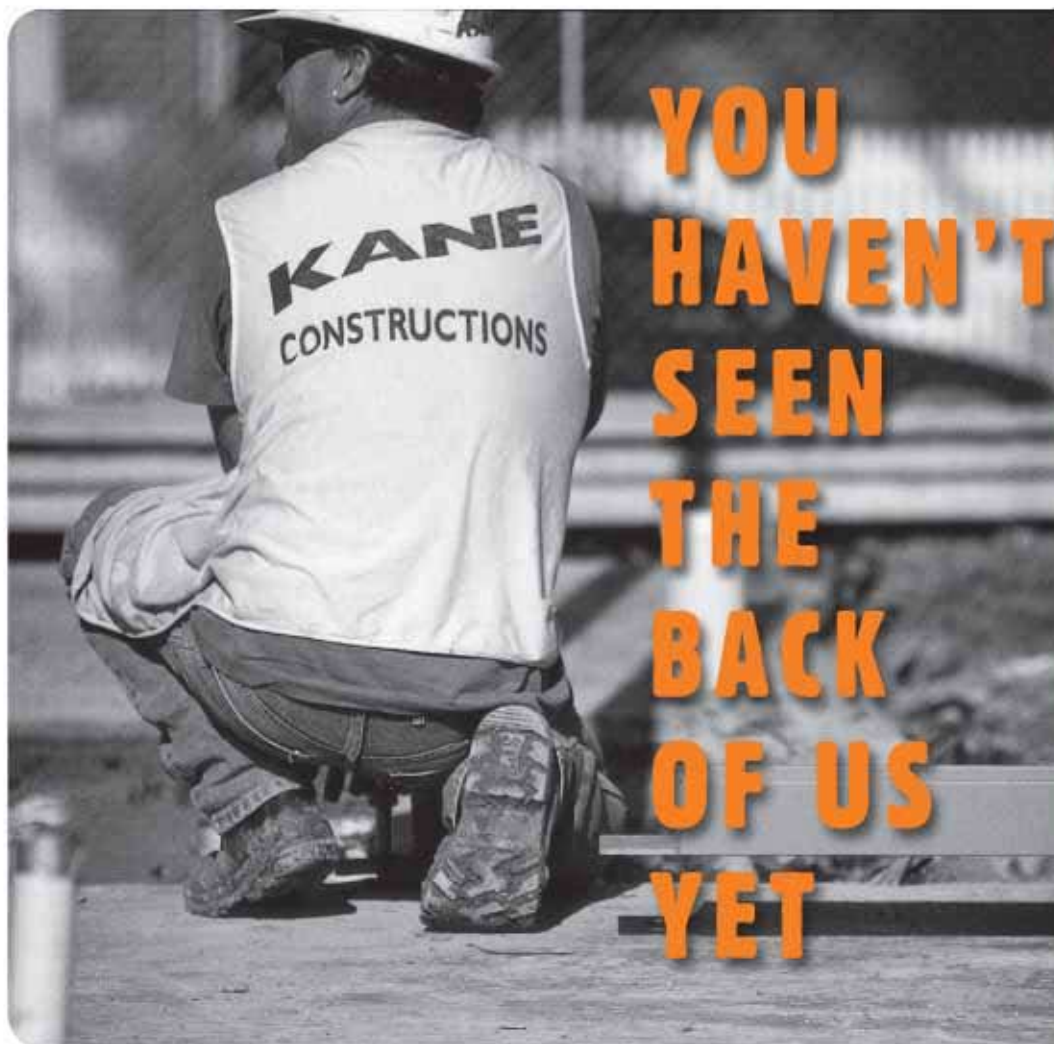
## Your Help Is Needed - And Will Be Appreciated



## REDHS - The Future



An artist's impression of the redevelopment of the REDHS premises, currently underway.



Our team is honoured and enjoying working with Rochester and Elmore District Health Service and with many skilled, enthusiastic and experienced local employees and local subcontractors in re-building a new Rochester Hospital.

Thanks for the opportunity and trust.



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