

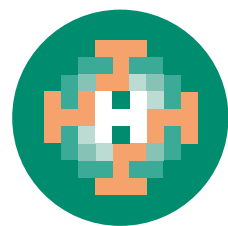
# GOULBURN VALLEY HEALTH

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Annual Report

2010  
/11



GOULBURN VALLEY  
**HEALTH**

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WORKING TOGETHER TO ACHIEVE HEALTHIER COMMUNITIES

# Vision

Working together to achieve healthier communities.

# Mission

In collaboration with the community, Goulburn Valley Health will continually strive to improve the quality of integrated services that achieve the best possible individual and community health outcomes.

# Values

**RESPECT:**

We consider the beliefs, dignity and rights of others

**COMPASSION:**

We are caring and considerate in our dealings with others

**INTEGRITY:**

We act ethically, openly, honestly and fairly

**EXCELLENCE:**

We strive for improvement by being innovative, professional and giving our all

**COLLABORATION:**

We communicate with and listen to our staff and community





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# Health Priorities

GV Health will provide safe, appropriate and effective services by:

1. exploring creative ways to deliver services
2. strengthening partnerships
3. ensuring service delivery achieves quality outcomes and cost effectiveness
4. ensuring person-centred care
5. ensuring clinician involvement in clinical governance
6. enhancing regional self sufficiency in the range of services provided

GV Health will have an effective workforce by:

1. increasing the self sufficiency of the workforce
2. expanding the skills and diversity of the workforce
3. developing innovative, flexible and create workforce practices, skills and opportunities
4. sustaining a caring and competent workforce

GV Health will communicate effectively by:

1. engaging effectively with consumers, staff and other key stakeholders
2. organisational culture supports open communication and a systems approach to learning and knowledge sharing
3. fostering interdepartmental and interdisciplinary communication to improve clinical and non-clinical outcomes

GV Health will develop leadership capacity by:

1. providing ongoing opportunities for future leaders to be involved in leadership development in governance, management and education
2. developing GV Health's role in health governance and service delivery across the region
3. recognising GV Health's achievements

GV Health will develop and improve facilities by:

1. progressing funding for capital redevelopments
2. maintaining and improving the capital infrastructure to meet organisational requirements
3. implementing integrated information management and technology systems
4. ensuring environmental considerations are incorporated into all future planning

## Introduction

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for Goulburn Valley Health for the year ended 30 June 2011.



**NOEL MAUGHAN**  
**CHAIR – BOARD OF DIRECTORS**  
**19 AUGUST 2011**

## Annual Reporting

Goulburn Valley Health reports on its annual performance in two separate documents. This Annual Financial and Performance Report fulfills the statutory reporting requirements to Government by way of an Annual Report and the Quality of Care Report reports on quality, risk management and performance improvement matters. Both documents are presented to the Annual General Meeting and then distributed to the community.

## Relevant Minister

The responsible Ministers during the reporting period were:

Hon. Daniel Andrews, MP, Minister for Health, from 1 July 2010 to 2 December 2010

Hon. David Davis, MP, Minister for Health, from 2 December 2010 to 30 June 2011

# GV Health Chair & CEO Report

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The 2010-11 financial year was a year of planning and the commencement of a number of change processes to deliver these plans.

GV Health launched its strategic plan for the next three years and has been putting it into action throughout this financial year. The plan has a clear vision for the future; working together to achieve healthier communities.

The plan sets out goals to advance the infrastructure of our facilities, improve clinical services, engage and connect with our communities and to recognise and support staff as they provide vital health services.

GV Health has re-evaluated its values in the new strategic plan to include respect, compassion, integrity, excellence and collaboration.

There have been many significant highlights during the year, including:

- The construction of the new Oncology facility on the Graham Street site has been a major achievement. The environment for users of our oncology and pathology collection services has been very much enhanced with this development.
- The Goulburn Valley Base Hospital Foundation was re-launched and re-invigorated as the GV Health Foundation. The Foundation has been working solidly to raise the \$1.9 million needed to fund the building of the new Oncology facility at the Graham St, Shepparton campus. We thank the Foundation for its ongoing support of this important project.
- Clem Furphy's term as Chair of the GV Health Board of Directors concluded 30 June 2011. After 15 years as a Board Director and 11 years at the helm, Clem handed over the reins to Mr Noel Maughan as the new Board Chair. Other Board members, including Rebecca Woolstencroft and Pam Dalgliesh, also completed their terms on the GV Health Board this year. Their ongoing commitment and dedication to their role as Board Directors has been outstanding and they will be sorely missed.
- GV Health was unsuccessful in its bid for funding to undertake the redevelopment of the acute facilities at the Graham St, Shepparton campus. The GV Health funding proposal was to build a new four-level inpatient facility [incorporating 28 extra beds], a new emergency department [increasing capacity by 50%], two additional operating theatres and an expanded Day Surgery and Medical Day Stay area and new main entry.
- A further disappointment was that no funding was approved for the proposed co-location of the two campuses in Rushworth to one location.
- In April, the Hon. David Davis, MP, Minister for Health officially opened the clinical teaching facility at the Graham St, Shepparton campus. This facility represents a strengthening of the partnership between GV Health and the Melbourne University Rural Clinical School and helps position us as a major teaching service.
- GV Health has maintained its accreditation status of all sites this year. An enormous amount of effort goes in to ensuring that we meet the numerous accreditation processes that we are required to undertake and all staff are to be congratulated on these results.



**KERRY HEALY**  
**CHIEF EXECUTIVE OFFICER**



**NOEL MAUGHAN**  
**CHAIR – BOARD OF DIRECTORS**

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GV Health continues to provide quality health services to the community we serve. Some of the highlights this year include:

- 23,934 acute admitted patients were treated, an increase of 2.1% utilising 16,476 WIES (3.8% increase)
- 34,432 emergency department attendances, an increase of 5.8%
- 7,591 surgeries were performed this year, of which 73% were elective and 27% emergency, consistent with last year
- 148,686 outpatient services, an increase of 3.6%

In conclusion, we would like to acknowledge the collaborative work of all GV Health directors, staff, contractors and volunteers throughout the year. We appreciate the assistance of the Department of Health, both centrally and regionally, the local media, our political representatives, both state and federal, and the many community organisations and individuals who assist in so many different ways.

A stylized, handwritten signature in black ink, appearing to read 'Kerry Healy'.

**KERRY HEALY**  
**CHIEF EXECUTIVE OFFICER**

A stylized, handwritten signature in black ink, appearing to read 'Noel Maughan'.

**NOEL MAUGHAN**  
**CHAIR – BOARD OF DIRECTORS**



# About GV Health

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Established under the *Health Services Act 1988*, GV Health is the major regional health provider for the Goulburn Valley. GV Health serves a catchment area of more than 150,000 people via more than 2,000 staff members.

The objectives, functions, powers and duties of GV Health are described in the Operational Practices and By-laws of the organisation.

GV Health is a multi-campus facility providing a broad range of hospital and community services through the Department of Health Hume Region. Campuses include:

- The Shepparton Campus is located at Graham Street, Shepparton and has 266 beds. Services include acute medical, surgical, obstetrics, paediatrics, rehabilitation, psychiatric, and intensive-coronary care. A number of non-admitted acute/sub acute services operate from this campus, including Emergency, Outpatients, HARP – Disease Management, Sub Acute Ambulatory Care etc. Community programs include Community Allied Health, Dental, Diabetes Education, Post Acute Care, Rural Health Team, Continence, Rural Withdrawal Service etc.
- The Tatura campus, known as the Tatura Annexe, maintains eight acute and 15 nursing home beds
- The Rushworth campus, known as the Waranga Annexe, maintains 12 acute and 10 nursing home beds. The Waranga Hostel is located on a separate site and has 32 resident places.
- Una House is located in Corio Street, Shepparton and is the base for Community Interlink and District Nursing.
- The Centre for Older Persons Health in Knight Street, Shepparton is the base for the Aged Care Assessment Program Service, GEM in the

Home, Transition Care and the Psychogeriatric Assessment and Treatment Team.

- The Centre Against Sexual Assault (CASA) is located in Shepparton.
- The Primary Mental Health and Early Intervention Team is located in Knight Street, Shepparton.
- Community programs also operate from outreach offices in Seymour, Cobram, Benalla and Wodonga.
- Community Mental Health Services operate from GV Health's Shepparton campus and offices located in Seymour.

GV Health also provides administrative assistance to Yea & District Memorial Hospital, and the Nathalia District Hospital.

The range of services provided by GV Health is described across nine clinical streams:

## **Emergency Medicine**

- Emergency Department
- Intensive Care Unit

## **Child and Adolescent**

- Paediatric Unit
- Maternal and Child Health Services
- Community Paediatric Services

## **Extended Care**

- Geriatric Evaluation and Management (GEM)
- Rehabilitation
- Community Rehabilitation Centre
- GEM In The Home

## **Surgical Services**

- Specialist Consulting Suite
- Pre-admission Clinic
- Day Procedure Unit (DPU)





- Operating Theatres
- Surgical Unit

#### **Women's Health**

- Maternity Unit
- Birthing Suite
- Domiciliary Midwifery
- Ante-Natal Outpatient Services
- Ante-Natal Day Stay Unit
- Neonatal Nursery
- Lactation Support Service

#### **Residential Care**

- Grutzner House, Shepparton
- Waranga Aged Care, Rushworth
- Parkvilla, Tatura

#### **General Medical**

- Medical Unit
- Oncology
- Haemodialysis
- Rheumatology
- Disease Management
- Hospital in The Home (HITH)
- Waranga Memorial Hospital
- Tatura Hospital

#### **Community Services**

- Aged Care Assessment Service
- Centre Against Sexual Assault
- Community Interlink
- Community Health
- Rural Health Team
- Diabetes Services
- Home Nursing Service
- Post Acute Care
- Rural Drug & Alcohol Withdrawal Program
- Community Dental Program

#### **Mental Health**

- Child and Adolescent Mental Health
- Adult Mental Health – Inpatient & Community Mental Health Services
- Aged Persons Mental Health Service
- Primary Mental Health & Early Intervention Service
- Preventative and Recovery Care (PARC)
- Early Psychosis Program (Hume Region)

Clinical streams are supported by a range of organisation-wide services including:

#### **Diagnostic and Other Clinical Services:**

Pathology, Medical Imaging, Dental and Pharmacy

#### **Allied Health Departments:**

Social Work, Speech Pathology, Nutrition & Dietetics, Occupational Therapy, Physiotherapy, Podiatry and Audiology

#### **Clinical Support and Corporate Services:**

Professional Library, Quality Improvement and Risk Management Unit, Finance Services, Business & Performance Unit, Clinical Business Unit, Supply Services, Human Resources, Payroll Services, Occupational Health & Safety, Security Services, Information Technology Services, Post-Graduate Nurse Training, Aboriginal Liaison Officer, Health Information Services, Communications, Hotel Services, Engineering Services and Biomedical Engineering Services, Court Liaison Service, Consumer/Carer Consultation.

All GV Health staff are required to abide by the GV Health Code of Conduct which is based on the Code of Conduct for Victorian Public Sector Employees.

In addition, approximately 220 volunteers support Goulburn Valley Health, some of whom are involved in the eight GV Health auxiliaries.

# Board Members

## **Board Chair**

**Mr. Clem Furphy, BE (Civil), C. P Eng, FIE Aust**

Appointed - 1996

Term Expired – 30 June 2011

Committees -

- Medical Consultative
- Patient Care Review
- Project Control Group
- Quality & Risk Management
- Remuneration

## **Senior Vice-Chair**

**Mr. Chris Hazelman, MBA**

Appointed – 2003

Term Expires – 30 June 2012

Committees -

- Audit
- Medical Consultative
- Patient Care Review
- Primary Care & Population Health
- Remuneration

## **Junior Vice-Chair**

**Mr. Noel Maughan**

Appointed – 2007

Term Expires – 30 June 2013

Committees -

- Aboriginal Health Taskforce
- Audit
- Patient Care Review
- Primary Care & Population Health
- Remuneration

## **Chair of Audit**

**Ms. Rebecca Woolstencroft, B. Com, CPA**

Appointed – 2008

Term Expired – 30 June 2011

Committees -

- Audit
- Patient Care Review
- Primary Care & Population Health

## **Director**

**Dr. Pamela Dalgliesh, B.DSc, FAICD, FAID**

Appointed – 2002

Term Expired – 30 June 2011

Committees -

- Aboriginal Health Taskforce
- Medical Appointments Advisory
- Patient Care Review
- Primary Care & Population Health

## **Director**

**Mr. Bryan Gurry, LLB**

Appointed – 2008

Term Expires – 30 June 2012

Committees -

- Patient Care Review
- Quality & Risk Management

## **Director**

**Ms. Roslyn Knaggs, B.Ed, Dip.Ed(Prim)**

Appointed – 2010

Term Expired – 30 June 2011

Committees -

- Ethics & Research
- Consumer Consultative
- Patient Care Review

## **Director**

**Mr. Ian McKinnon, TPTC, GDSE(HI),  
GDSE(Melb Uni)**

Appointed – 2009

Term Expires – 30 June 2012

Committees -

- Ethics & Research
- Patient Care Review

## **Director**

**Ms. Letizia Torres, LLB**

Appointed – 2004

Term Expires – 30 June 2012

Committees -

- Consumer Consultative
- Medical Appointments Advisory
- Patient Care Review



## ATTENDANCE AT BOARD MEETINGS

	2010						2011					
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
<b>Mr. C. Furphy</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Dr. P. Dalglish</b>	✓	✓	A	✓	✓	✓	✓	✓	A	✓	✓	✓
<b>Mr. B. Gurry</b>	✓	A	✓	A	✓	✓	✓	✓	✓	✓	✓	A
<b>Mr. C. Hazelman</b>	A	✓	✓	✓	✓	A	✓	✓	A	✓	✓	✓
<b>Ms. R. Knaggs</b>	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	✓
<b>Mr. I. McKinnon</b>	✓	✓	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Mr. N. Maughan</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Mr. L. Torres</b>	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	✓
<b>Ms. R. Woolstencroft</b>	✓	✓	A	✓	A	✓	✓	✓	✓	✓	A	A

✓ = IN ATTENDANCE

A = Apology

**Honorary Solicitors** - Felthams Lawyers

**Auditors** - Auditor-General, Victoria

**Banker** - Westpac Banking Corporation

# Senior Officers



## **Chief Executive Officer**

### **Ms. Kerryn Healy**

B. Bus (Acc), CPA, AFCHSE, CHE, FHFMM

The Chief Executive Officer (CEO) is responsible to the Board of Directors for the efficient and effective management of GV Health. Prime responsibilities include the development and implementation of operational and strategic planning, maximising service efficiency and quality improvement, and minimising risk. Kerryn is also CEO of the Nathalia District and Yea Memorial Hospitals and chairs the GV Health Executive. Kerryn represents GV Health on a number of State committees, chairs the Hume Regional Integrated Cancer Service and the Hume Rural Health Alliance Executive Committee, and is also a member of the Hume Health Partnership.

## **Executive Director of Finance & Corporate Services**

### **Mr. Shaun Eldridge**

B.Bus (Acc) MBA, CPA

The Director of Finance and Corporate Services role has responsibility for the financial management and reporting requirements to the Board of Directors, Managers and external bodies including the Department of Health. As well as financial and performance reporting, this position has operational responsibility for the majority of non-clinical support services provided to support the organisation.

## **Executive Director of Community and Integrated Care**

### **Ms. Leigh Rhode**

RPN, B.HlthSc (Nursing), Grad Dip Bus Studs (Health)

The Director of Community and Integrated Care has responsibility for Allied Health, Dental Services and a wide range of ambulatory care and community health services, including health promotion. With a special interest in population health planning and service

coordination, Leigh supports a range of partnership initiatives with health services across the Goulburn Valley and Hume region. Responsibilities include provision of executive support to GV Health's Primary Care and Population Health Advisory Committee, Aboriginal Health Task Force and Cultural Diversity Committee.

## **Executive Director of Clinical Services Chief Nursing and Midwifery Officer**

### **Ms. Wendy Lewis**

RN, RM, MHA, Bach App Sc. (Adv Nursing), ICC, Neo & Paed ICC, FRCNA

The Chief Nursing Officer has professional responsibility for nursing across all Clinical Streams and executive responsibility for Acute Nursing in Shepparton and the Tatura and Waranga campuses. Major responsibilities include Clinical Leadership and Standards of Practice, Nursing Credentialing, Resource Management, Service and Strategic Planning, Clinical Risk Management, and Quality Improvement.

## **Executive Director of Mental Health Services**

### **Mr. Bill Brown**

MaMgt ACU, RN with MH Endorsement, AFRACN

The Executive Director of the Area Mental Health Service, in partnership with the Clinical Director of Psychiatry, is responsible for providing strong leadership to ensure the delivery of high quality public mental health services to the West Hume Region catchment area and private mental health services to Cobram. The programs provided by this service are Child and Adolescent Mental Health Services, Adult Community Mental Health, Acute In-patients services, Aged Mental Health Residential Services, Aged Acute In-patient and the Aged Psychiatry Assessment and Treatment Services, Primary Mental Health and Early Intervention and the Hume Region Early Psychosis Service.



**Executive Director of Clinical Services  
Chief Medical Officer**

**Dr. Bruce Warton (until 1 August 2010)**

RFD, MBBS, BHA, Grad Dip Health & Medical Law, DTM&H, AFCHSE, CHE, FRCSEd, FRCOG, FRANZCOG, FRACMA

**Dr. Peter Longmore (from 19 October 2010)**

MBBS (Monash), MRACOG, FRACOG, GDip Health Econ. (USyd), Master Health Serv. Management (Monash), Aust. Cert. Aviation Med. (Monash), DAME, AFRACMA, Cert H.P. Educ. (USQ), RANR.

The Chief Medical Officer has professional responsibility for visiting medical officers, staff specialists and hospital medical officers across all clinical streams and is directly responsible for the general medical, surgical, and emergency medicine clinical streams. The Chief Medical Officer also has clinical responsibility for pathology and medical imaging, and operational responsibility for pharmacy and biomedical engineering services. The Chief Medical Officer undertakes medical recruiting and credentialing, resource management, and strategic planning in conjunction with other members of the executive.

**Director of Quality & Risk**

**Ms. Annette Penney**

MQIHC, Grad Dip Bus Studs (Health), FAAQHC

The Director of Quality and Risk is responsible for Quality Improvement, Risk Management, Occupational Health and Safety, and Complaints Management services. The Director of Quality and Risk works closely with the Executive and Board of Directors to formulate and implement a strategic and systems driven approach to the management of Quality, Safety, and Risk at GV Health. This is done in consultation with Committees and individuals in relation to the development and implementation of clinical and corporate governance principles and activities to effectively manage risk, reduce patient harm, and improve the effectiveness of care provided.

**Director Human Resource**

**Mr Barry Hinton**

LLB, Grad Dip Bus Admin

The Director of Human Resources has responsibility for developing effective recruitment strategies that will attract and retain the best employees. The Human Resources Department provides advice to managers and staff on a variety of industrial and employment matters including legislative requirements. Barry also assists in resolving industrial disputes, provides advice on disciplinary matters and appears before the FWA Tribunal if required. The team effectively manage workers compensation claims and return to work plans. Non-clinical staff are provided with training and development opportunities as identified. Barry is responsible for the management of payroll services that are provided over multi sites.

**Chief Information Officer**

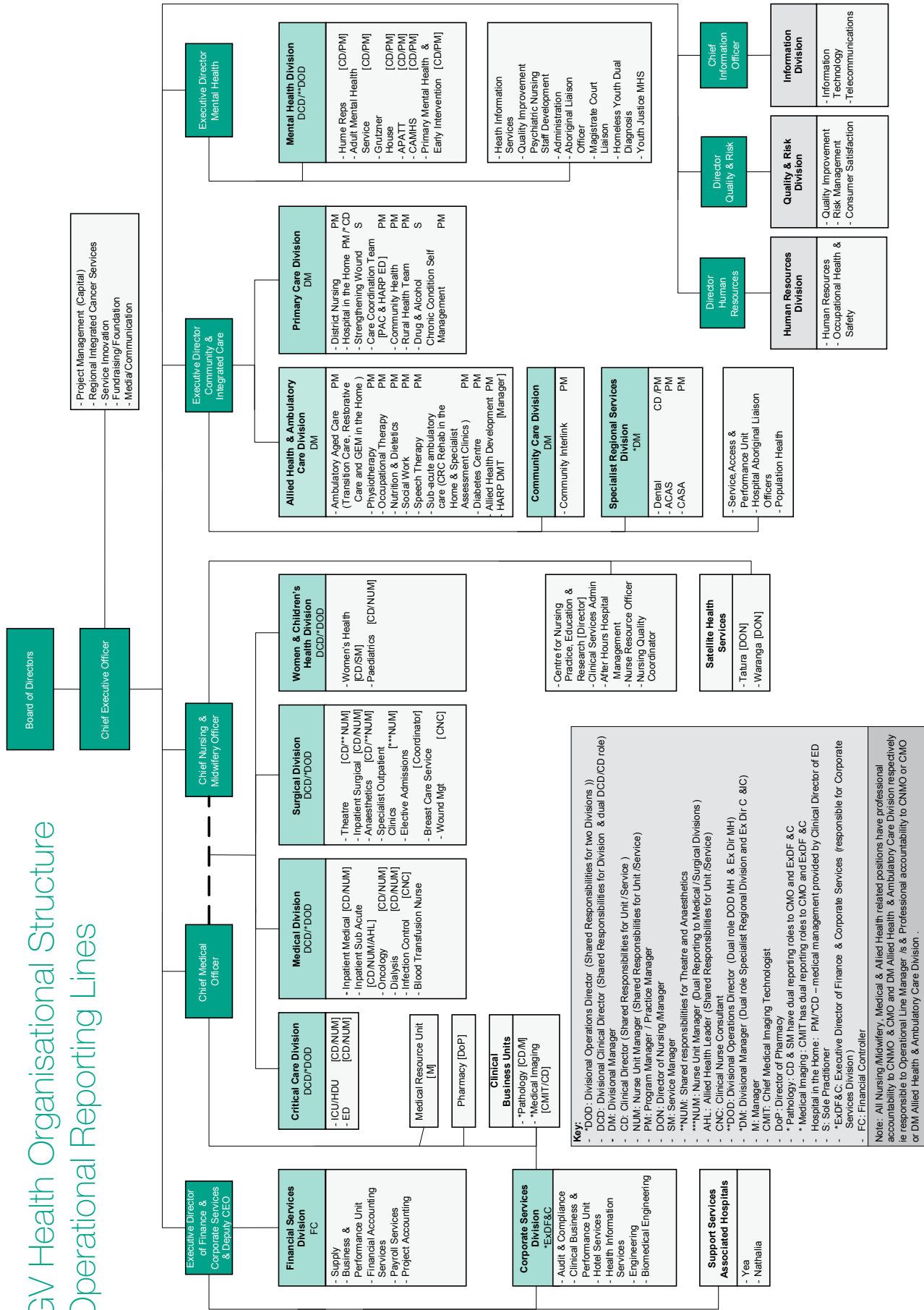
**Mr Ed Rhode**

Ph.D Information Technology Management, MEng, BSCP (Computer Sciences), BS (Mathematics)

The Chief Information Officer has responsibility for the design, development, and delivery of Information Technology infrastructure, communication, IT resource management, and related services. Ed is also the Executive Officer for the Hume Rural Health Alliance responsible for the provisioning of Information Technology Services along with providing strategic planning, representation, and advocacy for IT issues for the 21 member agencies representing Acute, Community Health and Aged Care in the Hume Region. Ed represents GV Health and the Hume Alliance on the State CIO committee and various statewide IT related Forums.



# GV Health Organisational Structure Operational Reporting Lines

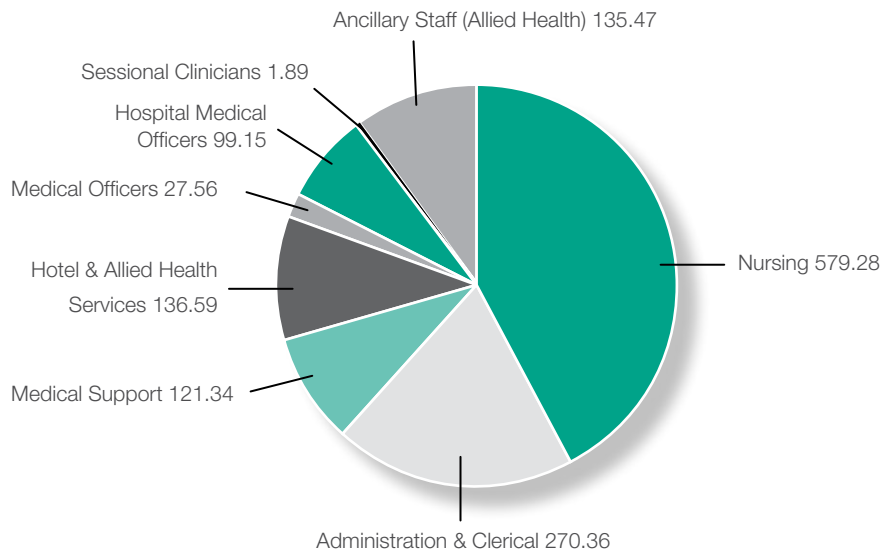


**Key:**

- \*DOD: Divisional Operations Director (Shared Responsibilities for two Divisions)
- DCD: Divisional Clinical Director (Shared Responsibilities for Division & dual DCD/CD role)
- DM: Divisional Manager
- CD: Clinical Director (Shared Responsibilities for Unit/Service)
- NUM: Nurse Unit Manager (Shared Responsibilities for Unit/Service)
- PM: Program Manager / Practice Manager
- DON: Director of Nursing/Manager
- SM: Service Manager
- \*\*NUM: Shared responsibilities for Theatre and Anaesthetics
- \*\*\*NUM: Nurse Unit Manager (Dual Reporting to Medical/Surgical Divisions)
- AHL: Allied Health Leader (Shared Responsibilities for Unit/Service)
- CNC: Clinical Nurse Consultant
- \*DOD: Divisional Operations Director (Dual role DOD WH & Ex Dir WH)
- M: Manager
- CMT: Chief Medical Imaging Technologist
- D&P: Director of Pharmacy
- \* Pathology: CD & SM have dual reporting roles to CMO and ExDF & C
- \* Medical Imaging: CMIT has dual reporting roles to CMO and ExDF & C
- Hospital in the Home: PM/\*\*CD – medical management provided by clinical Director of ED
- S: Sole Practitioner
- \*ExDF & C: Executive Director of Finance & Corporate Services (responsible for Corporate Services Division)
- FC: Financial Controller

**Note:** All Nursing/Midwifery, Medical & Allied Health related positions have professional accountability to CNMO & CMO and DM Allied Health & Ambulatory Care Division respectively ie responsible to Operational Line Manager, /s, & Professional accountability to CNMO or CMO or DM Allied Health & Ambulatory Care Division.

# Workforce Data



Labour Category	June Current Month FTE	June YTD FTE
Nursing	579.28	571.27
Administration & Clerical	270.36	263.08
Medical Support	121.34	118.01
Hotel & Allied Health Services	136.59	138.12
Medical Officers	27.56	25.90
Hospital Medical Officers	99.15	94.47
Sessional Clinicians	1.89	2.02
Ancillary Staff (Allied Health)	135.47	133.14
<b>Total</b>	<b>1371.64</b>	<b>1346.01</b>



# Statutory Requirements

## Consultancies

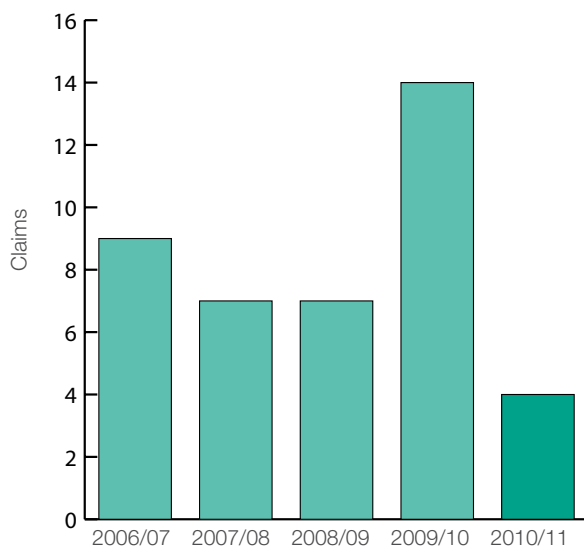
Goulburn Valley Health commissioned nine consultancies under \$100,000 during the year, at a total cost of \$333,722. No consultancies over \$100,000 during the year 2010-11 were commissioned.

## Occupational Health and Safety

A strong safety culture exists within all areas of GV Health. GV Health complies with the *Occupational Health and Safety Act 2004*. GV Health monitors safety through management systems to ensure the safety and well being of consumers, patients, staff, visitors and contractors.

All safety matters are reported to the Occupational Health and Safety Committee, which reports to the Safe Practice and Environment Committee.

## GV Health Standard Workcover Claims



Accurate and comprehensive reports are generated by the OH&S department to enable monitoring of GV Health's performance at an organisational, site and departmental level.

## Compliance with Building Act

GV Health complied fully with the building and maintenance provisions of the *Building Act 1993* – Guidelines issued by the Minister for Finance for publicly owned buildings.

During 2010-11, the following have been undertaken:

### Occupancy Permits and Certificates of Final Inspection

GV Health Occupancy Permits and Certificates of Final Inspection are all current.

### Building Works

A New Occupancy Permit was issued for the Oncology Building at the Graham Street, Shepparton campus.

### Essential Safety Measures

GV Health buildings constructed after 1994 have been designed to conform to *The Building Act 1993* and its Regulations, as well as to meet other statutory regulations that relate to health and safety matters. All have been issued with Occupancy Permits.

Buildings constructed prior to July 1994 were not subject to issue of Occupancy Permits. However, irrespective of the age of each building, GV Health is obliged to maintain essential safety measures, so far as is practicable, in accordance with the *Building Regulations 2006*.



Compliance involves ensuring that all essential safety measures covered by the Regulations are being maintained to fulfil their purpose. It also involves keeping records of maintenance checks, completing an Annual Essential Safety Measures Report, and retaining records and reports on the premises for inspection by the Municipal Building Surveyor or the Chief Fire Officer on request.

Essential Safety Measures Reports are prepared annually for properties owned by GV Health to confirm that all of the essential safety services are operating at the required level of performance.

### Fire Audit Compliance

The following Fire Audits are current for the following buildings:

- Goulburn Valley Health, Graham Street, Shepparton, June 2007
- Tatura Hospital & Nursing Home, Park Street, Tatura, December 2007
- Waranga Memorial Hospital & Nursing Home, Coyle Street, Rushworth, December 2007
- Waranga Aged Care Hostel, High Street, Rushworth, September 2007
- Ambermere, Knight Street, Shepparton, May 2007
- CASA, 130 Nixon Street, Shepparton, February 2008
- Nixon Street Pathology, 102 Nixon Street, Shepparton, February 2008
- UNA House, 102 Corio Street, Shepparton, February 2008

### Freedom of Information Requests

GV Health is an agency subject to the *Freedom of Information Act (Victoria) 1982*. A total of 353 formal requests for information were received by GV Health under the Act during 2010-11.

The GV Health Freedom of Information/Medico-Legal Officer is under the Clinical Services Division at GV Health.

A legislated fee of \$23.90 per application and an excess charge of \$20 is applicable for a search fee when required.

### Whistleblowers Protection Act

GV Health has a reporting framework for whistleblower disclosures, in accordance with the Victorian *Whistleblowers Protection Act 2001*.

The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. GV Health will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure. Under Section 68 of the Act, GV Health has established detailed procedures to facilitate the making of disclosures, for protecting whistleblowers and for investigating disclosures.

There were no protected disclosures under the Act during 2010-11.



## Competitive Neutrality

GV Health complied with all the government policies regarding competitive neutrality with regard to all tender applications.

## Victorian Industry Participation Policy

GV Health abides by the principles of the *Victorian Industry Participation Policy Act 2003*. In 2010-11, there were no procurement or project activities under the Victorian Industry Participation Policy above the threshold of \$1 million.

## Environmental Performance

Financial Year	09/10	10/11
Paper and Cardboard*	<b>51770kgs</b>	<b>50860kgs</b>
Secure Waste	<b>14360kgs</b>	<b>14300kgs</b>
General co-mingled recyclable waste**	-	<b>8330kgs</b>
Mobile Phone batteries	<b>45kg</b>	<b>8kg</b>

\*The recycling process has changed. Paper and cardboard are now combined.

\*\*This is the first year GV Health has used a co-mingled recycling system.

### Energy saving initiatives

GV Health is committed to reducing its energy usage by:

- installing power factor correction on our main electrical switch board, which has resulted in a more efficient use of energy
- installing sensor lighting in various areas of the hospital
- improving the efficiency of air conditioning performance

- introducing water-saving measures, including recycling water from particular areas for flushing of toilets
- recycling cooling water from our CSSD sterilisers to save energy and water
- introducing low voltage lighting in some departments
- harvesting storm water to re-use on gardens

### Goulburn Valley Health fleet vehicles

GV Health has a total of 182 fleet vehicles in its fleet. GV Health has made changes to the composition of the fleet by purchasing more diesel vehicles (to reduce fuel consumption) and reducing the size of the vehicles, whilst maintaining a high level of safety for staff. Fuel consumption and greenhouse gas emissions are monitored monthly by the GV Health Energy and Waste Committee.

Total GV Health vehicle emissions for the last financial year were 801.44 tonnes, compared to 961.64 tonnes 2009-10, which is a reduction of 160.20.

Each vehicle has an individual 'green' rating, which includes our air pollution and greenhouse ratings; our overall 'green' score for this financial year is 11.8 out of 20.

Description	Number	Percentage of fleet
4 cylinder vehicles	124	68%
6 cylinder vehicles	58	32%
Diesel vehicles	24	13%
LPG vehicles	3	1.65%
Hybrid vehicles	1	.55%
Unleaded vehicles	154	84.61%

# Financial & Service Performance Reporting

## Part A: Statement of Priorities 2010-11

Strategic Priority	Deliverables	Achievements
1. Physical Environment	<p><b>Undertake:</b></p> <ul style="list-style-type: none"> <li>Feasibility study, business case and stage 1 schematic design for Shepparton campus redevelopment.</li> </ul>	<ul style="list-style-type: none"> <li>Completed feasibility and business case. Awaiting approval to proceed to schematic design.</li> </ul>
	<p><b>Construct:</b></p> <ul style="list-style-type: none"> <li>Cancer Care Centre.</li> </ul> <p><b>Investigate:</b></p> <ul style="list-style-type: none"> <li>Options to house growing Community-based services.</li> </ul>	<ul style="list-style-type: none"> <li>Oncology Facility completed.</li> <li>A short to medium term site has been identified to relieve pressures on community-based programs.</li> <li>Working with the Department of Health on a Community Programs Service plan to inform longer-term planning.</li> </ul>
2. Clinical	<p><b>Undertake:</b></p> <ul style="list-style-type: none"> <li>Surgical Services Redesign Project and identify options for increased availability of theatre sessions in the short term.</li> </ul>	<ul style="list-style-type: none"> <li>Project recommendation progressively being implemented. New theatre allocations to commence from 5 September 2011.</li> </ul>
	<p><b>Implement:</b></p> <ul style="list-style-type: none"> <li>Midwife Model of Care.</li> </ul>	<ul style="list-style-type: none"> <li>Implemented.</li> </ul>
	<p><b>Develop:</b></p> <ul style="list-style-type: none"> <li>A Hume Enhanced Triage service for the region's mental health programs.</li> <li>Best practice models for stroke care and participate in the Victorian Stroke Clinical Network.</li> </ul>	<ul style="list-style-type: none"> <li>Data collection identified full-time service couldn't be justified. Alternative provision model being sought.</li> <li>Participation continues. TIA clinic established.</li> <li>Introduced Stroke Foundation Thrombolytic protocols.</li> </ul>




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### 3. Workforce *Develop:*

- Structured succession planning culture where knowledge sharing is expected.
- Work continues. Education sessions are being developed to educate managers/staff on succession planning.

#### *Improve:*

- Recruitment processes to attract and retain a high standard of employee.
- Advertising materials reviewed. Medical recruitment process reviewed and changes implemented.

---

### 4. Quality and Risk Management

#### *Develop and Implement:*

- A clinical governance plan to strengthen clinician involvement, improve quality of care and mitigate patient harm.
- Clinical Governance Review undertaken and recommendations currently being implemented.

#### *Implement:*

- Victorian Health Incident Management System (VHIMS).
- Implemented.

#### *Investigate:*

- Options for an organisation-wide document management system, with a recommended strategy identified by December 2011.
  - Investigations continue. The systems are complex and the strategy is unlikely to be identified by December 2011.
-

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**5. Leadership/ Establish:****Partnership**

- In partnership with the City of Greater Shepparton, a youth service network in preparation for the development of a Shepparton Headspace program.
- A regional approach to the development of sustainable rural maternity services with the support of the midwifery consultant support role.
- Consortia with local council, three youth services & University of Melbourne established to respond to EOI for Headspace Program later this year.
- Support being provided to Kyabram, Numurkah and Cobram Health Services.

**Develop:**

- New partnerships with the Shepparton Youth Accommodation sector to improve mental health and substance abuse assessment, treatment and referral outcomes.
- Our capacity as a Level 4 Sub-Acute service and facility in accordance with the Hume Region Sub Acute Services Plan inc development of ambulatory paediatric rehabilitation services.
- In conjunction with Hume Regional Integrated Cancer Service develop a cancer services plan for GV Health and the West Hume Region.
- Relationships with sector established and services provided well regarded by the Department of Health.
- Established Virtual Geriatrician project with Caulfield Medical Centre which will support implementation of increased sub-acute service levels.
- Funding has been advised for the implementation of an Ambulatory Paediatric Rehabilitation Service.
- Birru Health has been appointed to conduct the planning project and the report is expected in September this year.

**Develop and Implement:**

- The Respect, Resolve, Responsibility strategy to support GV Health's commitment to improving care for aboriginal patients and closing the gap in aboriginal health outcomes.
- Strategy implementation continues in conjunction with GV Health participation in Closing the Gap projects and the signing of the 4th Health Outcomes Agreement with Rumbalara.

**Implement:**

- Hume Integrated Oral Health Plan.
- Hume Integrated Oral Health Plan launched August 2011. Implementation continues.

---

**6. Financial****Maintain:**

- A healthy financial position whilst maintaining a high level of service.
  - High service levels maintained but financial position not achieved.
-

## Part B: Performance Priorities

### Financial performance

Operating result	2010-11 actuals
Annual Operating result (\$m)	(\$4.45)
Cash management/liquidity	2010-11 actuals
Creditors	< 23 days
Debtors	< 46 days

### Service performance

WIES activity performance	2010-11 actuals	2010-11 target
WIES (public and private) performance to target (%)	98-102%	98-102%
Elective Surgery	2010-11 actuals	2010-11 target
Elective surgery admissions – quarter 1	892	939
Elective surgery admissions – quarter 2	872	824
Elective surgery admissions – quarter 3	841	794
Elective surgery admissions – quarter 4	759	826
Critical Care	2010-11 actuals	2010-11 target
ICU minimum operating capacity	4 beds	4 beds
NICU usual operating capacity and flex capacity	N/A	N/A
Quality and Safety	2010-11 actuals	2010-11 target
Health service accreditation	100%	100%
Residential aged care accreditation	100%	100%
Cleaning standards	Shepparton - 94.8%	100%
	Tatura - 99.6%	100%
	Rushworth - 96.4%	100%
Submission of data to VICNISS (%)	100%	100%
VICNISS Infection Clinical Indicators	No outliers	No outliers
Hand Hygiene Program compliance (%)	August 2010 - 69.3%	65%
	November 2010 - 73.0%	65%
	March 2011 - 68.7%	65%
	June 2011 - 65.0%	65%
SAB rate (OBDs)	Quarter 1 - 1.5 per 10,000 OBD	<2 per 10,000 OBD
	Quarter 2 - 0.5 per 10,000 OBD	<2 per 10,000 OBD
	Quarter 3 - 1.6 per 10,000 OBD	<2 per 10,000 OBD
	Quarter 4 - Not available at time of writing	<2 per 10,000 OBD
Victorian Patient Satisfaction Monitor (VPSM)	73	
Maternity	2010-11 actuals	2010-11 target
Post natal home care	100%	90%



<b>Mental Health</b>	<b>2010-11 actuals</b>	<b>2010-11 target</b>
28 day readmission rate (%) - Wanyarra (Adult)	14.91%	14%
28 day readmission rate (%) - Rosewood (Aged)	1.89%	N/A
Post-discharge follow-up rate (%)	Not available at time of printing	75%
Seclusion rate (OBDs) - Wanyarra (Adult)	0.97	Less than 20/1,000
Seclusion rate (OBDs) - Rosewood (Aged)	0.36	Less than 20/1,000
ED presentation departing to a MH bed within 8 hours	90.56%	80%
<b>Access performance</b>	<b>2010-11 actuals</b>	<b>2010-11 target</b>
Percentage of operating time on hospital bypass	N/A	N/A
Percentage of emergency patients admitted to an inpatient bed within 8 hours	82.76%	80%
Percentage of non-admitted emergency patients with length of stay of less than 4 hours	82%	80%
Number of patients with length of stay in the emergency department greater than 24 hours	21	0
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 2 emergency patients seen within 10 minutes	82%	80%
Percentage of Triage Category 3 emergency patients seen within 30 minutes	77%	75%
<b>Elective surgery</b>	<b>2010-11 actuals</b>	<b>2010-11 target</b>
Percentage of Category 1 elective patients admitted within 30 days	100%	100%
Percentage of Category 2 elective surgery patients waiting less than 90 days	80.05%	80%
Percentage of Category 3 elective surgery patients waiting less than 365 days	0.47%	90%
Number of patients on the elective surgery waiting list	897	600
Number of Hospital Initiated Postponements (HiPs) per 100 scheduled admissions	7.63%	8%

## Part C: Activity and Funding

<b>Activity</b>	<b>2010-11 Activity Achievement</b>	<b>2010-11 Target</b>
<b>Weighted Inlier Equivalent Separations (WIES)</b>		
WIES Public	13,546	12,884
WIES Private	1,871	2,170
Total WIES (Public and Private)	15,417	15,054
WIES Renal	214	176
WIES DVA	500	448
WIES TAC	150	100
WIES TOTAL	16,476	15,818
Other compensable	196	0
<b>Sub Acute Inpatient</b>		
CRAFT	243	300
Rehab L1 (non DVA)	N/A	N/A
Rehab L2 (non DVA)	139 bed days	356 bed days
Rehab - Paediatric	N/A	N/A
GEM (non DVA)	4,798 bed days	550 bed days
Palliative Care - Inpatient	617	620
Transition Care (non DVA) – bed day	6,250 bed days	10,296 bed days
Restorative Care	1,289 bed days	1,460 bed days
Rehab 2 - DVA	488 bed days	906 bed days
GEM -DVA	700 bed days	850 bed days
Palliative Care – DVA	82 bed days	28 bed days
<b>Ambulatory</b>		
VACS – Allied Health	N/A	N/A
VACS – Variable	N/A	N/A
Transition Care (non DVA) – Homeday	11,446	10,977
SACS – Non DVA	9,351	10,500
SACS - Paediatric	N/A	N/A
Post Acute Care	1,149	940
VACS – Allied Health - DVA	N/A	N/A
VACS – Variable – DVA	N/A	N/A
SACS – DVA	196	325
Post Acute Care – DVA	1,146	800
<b>Aged Care</b>		
Aged Care Assessment Service	1,648	1,729
Residential Aged Care	27,336	28,105
<b>Community Health/Primary Care</b>		
Community Health – Direct Care	12,088	11,922

Non-Admitted Patients					Acute
Emergency Department Presentations					34,449
Outpatients Services - occasions of services (Non VACS clinics)					148,686
Total occasions of service					183,135
Admitted Patient	Acute	Sub-acute	Mental Health	Other	Total
<b>Separations</b>					
Same Day	13,038	1	8	40	13,087
Multi Day	12,210	797	410	0	1,341
<b>Total Separations</b>	25,248	798	418	40	26,504
Emergency	9,765	51	255	0	10,071
Elective	12,857	747	163	40	13,807
Other including Maternity	2,662	0	0	0	2,662
<b>Total Separations</b>	25,284	798	418	40	26,540
<b>Total WIES</b>	16,476.14	0	0	0	16,476.14
<b>Total Bed Days</b>	60,360	13,762	6,264	40	80,426

# Goulburn Valley Health

## Summary of Financial Results

For the Year Ended 30 June 2011

	2011 \$'000	2010 \$'000	2009 \$'000	2008 \$'000	2007 \$'000
Total Revenue	185,564	170,268	157,868	153,321	132,114
Total Expenses	194,019	178,215	161,045	143,927	130,626
<b>Net Result for the Year (Incl. Capital and Specific Items)</b>	(8,455)	(7,947)	(3,177)	9,394	1,488
Total Assets	123,202	130,795	140,894	110,871	94,774
Total Liabilities	42,158	41,296	43,448	36,120	28,743
<b>Net Assets</b>	<b>81,044</b>	<b>89,499</b>	<b>97,446</b>	<b>74,751</b>	<b>66,031</b>
Property, Plant & Equipment					
Revaluation Surplus	46,346	46,346	46,346	21,760	22,052
Available-For-Sale Revaluation Surplus	-	-	-	(1,286)	-
General Purpose Surplus	18,753	17,962	16,892	15,385	14,179
Restricted Purpose Surplus	5,324	5,256	5,256	4,326	2,888
Contributed Capital	46,821	46,821	46,821	46,821	45,929
(Accumulated Deficits)	(36,200)	(26,886)	(17,869)	(12,255)	(19,017)
<b>Total Equity</b>	<b>81,044</b>	<b>89,499</b>	<b>97,446</b>	<b>74,751</b>	<b>66,031</b>

### Revenue Indicators

### Average Days to Collect

	2010/11	2009/10	2008/09
Private Inpatients	88.25	95.52	87.69
Transport Accident Commission	398.15	233.75	117.81
Victorian Workcover Authority	127.41	118.06	96.78
All Other Patient Fees	167.32	141.45	96.07
Residential Aged Care (Exl. Commonwealth Benefits)	8.05	33.28	43.73

### Debtors Outstanding 30th June 2010

	Under 30 Days	31- 60 Days	61- 90 Days	Over 90 Days	Total 30/06/2011	Total 30/06/2010	Total 30/06/2009
Private Inpatients	324,997	91,754	37,526	227,370	681,647	816,842	816,841
Transport Accident Commission	78,554	22,178	9,070	54,957	164,759	144,205	144,205
Victorian Workcover Authority	94,522	26,686	10,914	66,128	198,249	200,288	200,288
All Other Patient Fees	142,598	40,259	16,465	99,762	299,084	313,986	433,987
Residential Aged Care (Exl. Commonwealth Benefits)	2,139	(5,616)	23,800	-	20,322	31,317	147,080
	<b>642,810</b>	<b>175,261</b>	<b>97,775</b>	<b>448,217</b>	<b>1,364,061</b>	<b>1,506,638</b>	<b>1,742,401</b>

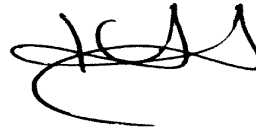
## ADDITIONAL INFORMATION

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by GV Health and are available to the relevant Minister, Members of Parliament and the public on request.

- a. Declarations of pecuniary interests have been completed;
- b. Details of shares held by senior officers as nominee or held beneficially;
- c. Details of publications produced by the Department about the activities of the Health Service and where they can be obtained.
- d. Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- e. Details of any major external reviews carried out on the Health Service;
- f. Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the Report of Operations or in a document that contains the financial statements and Report of Operations.
- g. Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- h. Details of major promotional, public relations and marketing activities undertaken to develop community awareness of GV Health and its services;
- i. Details of assessments and measures undertaken to improve occupational health and safety of GV Health employees;
- j. General statement on industrial relations within GV Health and details of time lost through industrial accidents and disputes; and
- k. A list of major committees sponsored by GV Health, the purpose of each committee and the extent to which the purposes have been achieved.

## ATTESTATION OF DATA INTEGRITY

I, Kerry Margaret Healy certify that Goulburn Valley Health has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. Goulburn Valley Health has critically reviewed these controls and processes during the year.



**Kerry Margaret Healy**  
**CHIEF EXECUTIVE OFFICER**  
**26 August 2011**

## ATTESTATION OF COMPLIANCE WITH AUSTRALIAN/NEW ZEALAND RISK MANAGEMENT STANDARD

I, Kerry Margaret Healy certify that Goulburn Valley Health 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 audit committee verifies this assurance and that the risk profile of Goulburn Valley Health has been critically reviewed within the last 12 months.



**Kerry Margaret Healy**  
**CHIEF EXECUTIVE OFFICER**  
**26 August 2011**

## Disclosure Index

The annual report of the GV Health is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
<b>Ministerial Directions</b>		
<b>Report of Operations</b>		
<b>Charter and purpose</b>		
FRD 22B	Manner of establishment and the relevant Ministers	3
FRD 22B	Objectives, functions, powers and duties	6
FRD 22B	Nature and range of services provided	6
<b>Management and structure</b>		
FRD 22B	Organisational structure	12
<b>Financial and other information</b>		
FRD 10	Disclosure index	26
FRD 11	Disclosure of ex-gratia payments	81
FRD 15B	Executive officer disclosures	81
FRD 21A	Responsible person and executive officer disclosures	80
FRD 22B	Application and operation of <i>Freedom of Information Act 1982</i>	15
FRD 22B	Application and operation of <i>Whistleblowers Protection Act 2001</i>	15
FRD 22B	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	14
FRD 22B	Details of consultancies over \$100,000	14
FRD 22B	Details of consultancies under \$100,000	14
FRD 22B	Major changes or factors affecting performance	29
FRD 22B	Occupational health and safety	14
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	<i>Building Act 1993</i>	14
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GOULBURN  
VALLEY  
HEALTH

ANNUAL  
FINANCIAL  
REPORT  
2010/11





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## Significant Changes in Financial Position

The cash and investment assets of GV Health have decreased this financial year. As a growing organisation, our operating grant cashflows from Department of Health were higher than the previous year. Employee entitlements payments were also higher, given the growing nature of our organisation, the employment of more medical staff, and the filling of a number of long-term vacancies in our nursing division. The Board also agreed to cash flow the building of our oncology unit, prior to receiving all of the cash required to undertake construction.

GV Health continues to struggle to reduce its amount of employee leave liabilities, a problem faced by many rural health service providers, caused by difficulties in attracting replacement clinical and other professional staff.

Equity has decreased during the year by the entity result for 2010-2011 of \$8.455m deficit, which compares to the \$7.947m deficit recorded during 2009-2010.

## Operational & Budgetary Objectives & Factors Affecting Performance

As a Public Health Service, GV Health is required to negotiate a Statement of Priorities with the Department of Health (DH) each year. This document is a key accountability agreement between GV Health and the Minister for Health and recognises that resources are limited and that the allocation of these scarce resources needs to be prioritised. The Statement incorporates both system-wide priorities set by Government and locally generated agency specific priorities.

The Board budgeted for a break-even financial position before capital items and depreciation for the 2010-2011 year.

The final result for the year was a deficit of \$4.462m before capital items and depreciation. Major factors contributing to this result included:

- an increased requirement from the Government for productivity and efficiency savings (\$2.522m reduction in grant revenue per annum),
- a failure to meet sub-acute inpatient targets due in part to being unable to attract a permanent Geriatrician (\$1.2m grant recall),
- changes to our inpatient mix (between medical, surgical and emergency patients) and
- losses in our mental health inpatient and aged residential care areas (\$2.6m).

This organisation and DH both focus on the result before capital and depreciation, as depreciation is not a funded item. Funding for capital redevelopment and major equipment purchases are sourced from DH and such funding is allocated according to need and after consideration of a supporting submission.

The Board of Directors again allocated funds from prior year surpluses to the purchase of equipment and minor improvements to facilities.

The current year result is of concern as it is recognised that a surplus result equivalent to 2% of operating revenue is required to maintain a viable cash position and to allow the organisation to fund the replacement of medical and other equipment.

## Events subsequent to balance date

There have been no events subsequent to balance date that will have a significant effect on the operations of the health service in subsequent years.

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Goulburn Valley Health

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2011 of Goulburn Valley Health which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a statement of significant accounting policies and other explanatory information, and the Board Members, Accountable Officer's and Chief Finance and Accounting Officer's Declaration has been audited.

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

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

#### *Auditor's Responsibility*

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

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

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

#### *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.

## Independent Auditor's Report (continued)

### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of Goulburn Valley Health as at 30 June 2011 and of its financial performance and its 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*.

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

This auditor's report relates to the financial report of Goulburn Valley Health for the year ended 30 June 2011 included both in Goulburn Valley Health's annual report and on the website. The Board Members of Goulburn Valley Health are responsible for the integrity of Goulburn Valley Health's website. I have not been engaged to report on the integrity of Goulburn Valley Health's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE  
29 August 2011



D D R Pearson  
Auditor-General

## **Goulburn Valley Health**

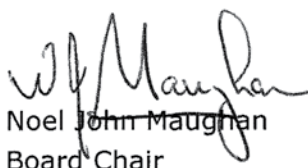
### **Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration**

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2011 and the financial position of Goulburn Valley Health at 30 June 2011.

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

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

  
Noel John Maughan  
Board Chair

  
Kerry Margaret Healy  
Accountable Officer

  
Shaun Andrew Eldridge  
Chief Finance & Accounting  
Officer

Shepparton  
26<sup>th</sup> August 2011

Shepparton  
26<sup>th</sup> August 2011

Shepparton  
26<sup>th</sup> August 2011



Goulburn Valley Health  
**Comprehensive Operating Statement**  
 For the Year Ended 30 June 2011

	Note	Total 2011 \$'000	Total 2010 \$'000
Revenue From Operating Activities	2	179,353	167,371
Revenue From Non-Operating Activities	2	840	936
Employee Expenses	3	(121,106)	(112,028)
Non-Salary Labour Costs	3	(9,913)	(10,012)
Supplies and Consumables	3	(27,756)	(24,618)
Other Expenses From Continuing Operations	3	(25,880)	(22,115)
<b>Net Result Before Capital &amp; Specific Items</b>		<b>(4,462)</b>	<b>(466)</b>
Capital Purpose Income	2	5,371	1,961
Depreciation	4	(9,120)	(9,274)
Finance Costs	5	(30)	-
Expenditure Using Capital Purpose Income	3	(214)	(168)
<b>Net Result for the Year</b>		<b>(8,455)</b>	<b>(7,947)</b>
<b>Comprehensive Result For The Year</b>		<b>(8,455)</b>	<b>(7,947)</b>

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

# Goulburn Valley Health

## Balance Sheet

As At 30 June 2011

	Note	Total 2011 \$'000	Total 2010 \$'000
<b>Current Assets</b>			
Cash & Cash Equivalents	6	8,926	1,441
Receivables	7	5,018	4,687
Other Financial Assets	8	-	10,500
Inventories	9	1,812	1,595
Other Current Assets	10	863	1,035
<b>Total Current Assets</b>		<b>16,619</b>	<b>19,258</b>
<b>Non Current Assets</b>			
Receivables	7	2,322	1,989
Other Financial Assets	8	-	846
Property, Plant & Equipment	11	104,261	108,702
<b>Total Non Current Assets</b>		<b>106,583</b>	<b>111,537</b>
<b>TOTAL ASSETS</b>		<b>123,202</b>	<b>130,795</b>
<b>Current Liabilities</b>			
Payables	12	9,204	10,838
Provisions	13	22,038	20,344
Other Liabilities	14	5,776	5,471
<b>Total Current Liabilities</b>		<b>37,018</b>	<b>36,653</b>
<b>Non Current Liabilities</b>			
Provisions	13	5,140	4,643
<b>Total Non Current Liabilities</b>		<b>5,140</b>	<b>4,643</b>
<b>TOTAL LIABILITIES</b>		<b>42,158</b>	<b>41,296</b>
<b>NET ASSETS</b>		<b>81,044</b>	<b>89,499</b>
<b>EQUITY</b>			
Property, Plant and Equipment Revaluation Surplus	15a	46,346	46,346
General Purpose Surplus	15a	18,753	17,962
Restricted Specific Purpose Surplus	15a	5,324	5,256
Contributed Capital	15b	46,821	46,821
Accumulated Deficits	15c	(36,200)	(26,886)
<b>TOTAL EQUITY</b>		<b>81,044</b>	<b>89,499</b>
Contingent Assets and Contingent Liabilities	22		
Commitments for Expenditure	18		

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



# Goulburn Valley Health

## Statement of Changes in Equity

For the Year Ended 30 June 2011

	Note	Property, Plant & Equipment Revaluation Surplus	General Purpose Surplus	Restricted Specific Purpose Surplus	Contributions by Owners	Accumulated Surpluses/ (Deficits)	Total
<b>Balance at 1 July 2009</b>		<b>46,346</b>	<b>16,892</b>	<b>5,256</b>	<b>46,821</b>	<b>(17,869)</b>	<b>97,446</b>
Net Result for the year		-	-	-	-	(7,947)	(7,947)
Transfer to accumulated surplus	<b>15(a) (c)</b>	-	1,070	-	-	(1,070)	-
<b>Balance at 30 June 2010</b>		<b>46,346</b>	<b>17,962</b>	<b>5,256</b>	<b>46,821</b>	<b>(26,886)</b>	<b>89,499</b>
Net result for the year		-	-	-	-	(8,455)	(8,455)
Transfer to accumulated surplus	<b>15(c)</b>	-	791	68	-	(859)	-
<b>Balance at 30 June 2011</b>		<b>46,346</b>	<b>18,753</b>	<b>5,324</b>	<b>46,821</b>	<b>(36,200)</b>	<b>81,044</b>

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

# Goulburn Valley Health

## Cash Flow Statement

For the Year Ended 30 June 2011

	Total 2011 \$'000	Total 2010 \$'000
<b>Cash Flows from Operating Activities</b>		
Operating Grants from Government	146,635	136,772
Patient and Resident Fees Received	6,465	5,692
Diagnostic Patient Fees Received	9,398	8,861
Private Practice Fees Received	1,721	1,142
Donations Received	167	370
Interest Received	845	940
Other Receipts	11,594	10,028
Employee Benefits Paid	(119,380)	(109,231)
Non-Salary Labour Costs	(9,828)	(10,012)
Payments for Supplies, Consumables and Services	(56,108)	(52,941)
GST Received from/(Paid to) ATO	4,444	4,387
<b>Cash Generated from Operations</b>	<b>(4,047)</b>	<b>(3,992)</b>
Capital Grants from Government	3,899	1,002
Capital Donations Received	850	42
Other Capital Receipts	-	740
Expenditure Using Capital Purpose Income	(80)	(168)
<b>Net Cash Inflow from Operating Activities</b>	<b>16 (622)</b>	<b>(2,376)</b>
<b>Cash Flows from Investing Activities</b>		
Payments for Non-Financial Assets	(5,355)	(6,102)
Proceeds from Sale of Non-Financial Assets	752	268
Proceeds from Sale of Investments	6,029	4,333
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>1,426</b>	<b>(1,501)</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>2,048</b>	<b>(3,877)</b>
Cash & Cash Equivalents at Beginning of Period	1,102	4,979
<b>Cash &amp; Cash Equivalents at End of Period</b>	<b>6 3,150</b>	<b>1,102</b>

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

## **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

### **a) Statement of compliance**

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

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

The Health Service is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to “not-for-profit” Health Services under the AASs.

The annual financial statements were authorised for issue by the Board of Goulburn Valley Health on 26 August 2011.

### **b) Basis of accounting preparation and measurement**

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011, and the comparative information presented in these financial statements for the year ended 30 June 2010.

The going concern basis was used to prepare the financial statements. Goulburn Valley Health has secured a letter of comfort from the Department of Health, dated 23 August 2011, which details that they will provide adequate cash flow support to enable the Health Service to meet its current and future obligations, as and when they fall due, for a period up to September 2012, should it be required.

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

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

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

- Non-current physical assets, which subsequent to acquisition, are measured at valuation and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values; and
- Available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised.

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

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

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

**c) Reporting Entity**

The financial statements include all the controlled activities of Goulburn Valley Health.

Its principal address is:

Graham Street  
Shepparton  
Victoria 3630

A description of the nature of Goulburn Valley Health's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

**d) Principles of Consolidation**

**Intersegment Transactions**

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

**Jointly controlled assets**

Interests in jointly controlled assets are accounted for by recognising in Goulburn Valley Health's financial statements, its proportionate share of the assets, liabilities and any income and expenses of such assets.

**e) Scope and Presentation of Financial Statements**

**Fund Accounting**

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

**Services Supported By Health Services Agreement and Services Supported By Hospital and Community Initiatives**

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

**Residential Aged Care Service**

Goulburn Valley Health's Residential Aged Care Service operations are an integral part of Goulburn Valley Health and shares its resources. An apportionment of land and buildings has been made based on floor space. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation in Note 2b to the financial statements.

Goulburn Valley Health's Residential Aged Care does not have a separate Committee of Management and is substantially funded from Commonwealth bed-day subsidies.

**Comprehensive operating statement**

The comprehensive operating statement includes the subtotal entitled 'Net result Before Capital & Specific Items' to enhance the understanding of the financial performance of Goulburn Valley Health. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, and items of an unusual nature and amount such as specific income and expenses. The exclusion of these items is made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services. The 'Net result Before Capital & Specific Items' is used by the management of Goulburn Valley Health, the Department of Health and the Victorian Government to measure the ongoing performance of Health Services in operating hospital services.

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

- Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. It also includes donations of plant and equipment (refer note 1 (f)). 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.
- Depreciation and amortisation, as described in Note 1 (g)
- Assets provided or received free of charge, (refer to Note 1 (f) and (g))
- Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold, or doesn't

meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

### **Balance sheet**

Assets and liabilities are categorised either as current or non-current.

### **Statement of changes in equity**

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

### **Cash flow statement**

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

## **f) Income Recognition**

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to Goulburn Valley Health and the income can be reliably measured. Unearned income at reporting date is reported as income received in advance.

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

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

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

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

### **Indirect Contributions from the Department of Health**

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

### **Patient and Resident Fees**

Patient fees are recognised as revenue at the time 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 the 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.

### **Sale of investments**

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

### **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 Health Service or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

## **g) Expense Recognition**

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

### Cost of Goods Sold

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

### Employee expenses

Employee expenses include:

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

### Defined contribution plans

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

### Defined benefit plans

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

Employees of Goulburn Valley Health are entitled to receive superannuation benefits and Goulburn Valley Health 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 Goulburn Valley Health are as follows:

Fund	Contributions Paid or Payable for the year	
	2011 \$'000	2010 \$'000
<b>Defined benefit plans:</b>		
Health Super – revised and new	430	480
Vic Super	-	8
<b>Defined contribution plans:</b>		
Health Super	6235	6100
Hesta	2339	1919
Other	130	125
<b>Total</b>	<b>9134</b>	<b>8632</b>

### Depreciation

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

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

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

	2011	2010
Buildings	30 to 40 Years	30 to 40 Years
Plant & Equipment	10 Years	10 Years
Medical Equipment	5 to 8 Years	5 Years
Computers & Communications	3 Years	3 Years
Furniture & Fittings	5 Years	5 Years
Motor Vehicles	7 Years	7 Years



**h) Financial assets****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 three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

**Receivables**

Receivables consist of:

- Statutory receivables, which includes predominantly amounts owing from the Victorian Government and GST input tax credits recoverable; and
- Contractual receivables, which includes of mainly debtors in relation to goods and services and accrued investment income.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

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

**Investments and Other Financial Assets**

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

Investments are classified in the following categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables; and
- Available-for-sale financial assets.

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

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

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

**Held-to-maturity investments**

Where the Health Service has the positive intent and ability to hold investments to maturity, they are measured at amortised cost less impairment losses.

**Available-for-sale financial assets**

Other financial assets held by the Health Service are classified as being available-for-sale and are measured 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 net result for the period. Fair value is determined in the manner described in Note 17.

**Impairment of Financial Assets**

At the end of each reporting period Goulburn Valley Health assesses whether there is objective evidence that a financial asset or group of financial asset is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial instruments assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off and allowance for doubtful receivables are recognised as expenses in the net result.

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

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 per cent or more than its cost price or where its fair value has been less than its cost price for a period

of 12 or more months, the financial asset is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2011 for its portfolio of financial assets, Goulburn Valley Health obtained a valuation based on the best available advice using an estimated market value through a reputable financial institution. This value was compared against valuation methodologies provided by the issuer as at 30 June 2011. These methodologies were critiqued and considered to be consistent with standard market valuation techniques.

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

#### **Net Gain/(Loss) on Financial Instruments**

Net gain/(loss) on financial instruments includes:

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

#### **Revaluations of Financial Instruments at Fair Value**

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

### **i) Non-Financial Assets**

#### **Inventories**

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

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

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

functions the way it did when it was first acquired.

Cost 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.

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

#### **Property, Plant and Equipment**

***All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.***

***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 and impairment.

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

#### **Revaluations of Non-current Physical Assets**

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

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



recognised as an expense in net result, the increment is recognised as income in the net result.

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

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

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

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

### **Other Non-Financial Assets**

#### **Prepayments**

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

#### **Disposal of Non-Financial Assets**

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

#### **Impairment of Non-Financial Assets**

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

- inventories; and
- assets arising from construction contracts.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off as an expense except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset. If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised,

the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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

### **j) Liabilities**

#### **Payables**

These amounts consist predominantly of liabilities for goods and services.

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

The normal credit terms are usually Nett 30 days.

#### **Provisions**

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

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

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is

recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

### **Employee Benefits**

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

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

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

#### **Long Service Leave**

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

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

The components of this current LSL liability are measured at:

- present value – component that Goulburn Valley Health does not expect to settle within 12 months; and
- nominal value – component that Goulburn Valley Health 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.

#### **Termination Benefits**

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

Liabilities for termination benefits are recognised when a detailed plan for 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, such workers compensation and superannuation are recognised together with provisions for employee benefits.

### **k) Leases**

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

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

#### **Finance Leases**

##### **Entity as lessor**

- The Health Service does not hold any finance lease arrangements with other parties.

##### **Entity as lessee**

##### **Operating Leases**

- Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.
- Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative

of the time pattern of the benefits derived from the use of the leased asset.

**Lease Incentives**

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

**l) Equity**

**Contributed Capital**

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

**Property, Plant & Equipment Revaluation Surplus**

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

**General Reserves**

These are accumulated funds of surplus revenue over expenditure from fund-raising activities, community support programs and private practice clinics.

**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.

**m) Commitments for Expenditure**

Commitments for expenditure are not recognised on the balance sheet. Commitments for expenditure are disclosed at their nominal value and are inclusive of GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

**n) Contingent Assets and Contingent Liabilities**

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

**o) 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 an operating cash flow. Commitments for expenditure and contingent assets and liabilities are presented on a gross basis.

**p) Rounding Of Amounts**

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

Figures in the financial statements may not be equal due to rounding.

**q) New Accounting Standards and Interpretations**

Certain new Australian accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting period.

As at 30 June 2011, the following standards and interpretations had been issued but were not mandatory for the reporting period ending 30 June 2011. Goulburn Valley Health has not and does not intend to adopt these standards early.

<b>Standard/ Interpretation</b>	<b>Summary</b>	<b>Applicable for Annual Reporting periods beginning on</b>	<b>Impact on Health Services Financial Statements</b>
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i> ).	1 Jan 2013	Detail of impact is still being assessed.
AASB 124 <i>Related Party Disclosures</i> (Dec 2009)	Government related entities have been granted partial exemption with certain disclosure requirements.	1 Jan 2011	
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.
AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This Standard gives effect to consequential changes arising from the issuance of AASB 9.	1 Jan 2013	Detail of impact is still being assessed.

**New Accounting Standards and Interpretations (continued)**

<b>Standard/ Interpretation</b>	<b>Summary</b>	<b>Applicable for Annual Reporting periods beginning on</b>	<b>Impact on Health Services Financial Statements</b>
AASB 2009-12 <i>Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052]</i>	<p>This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures.</p> <p>This standard also makes numerous editorial amendments to other AASs.</p>	1 Jan 2011	<p>The amendments only apply to those entities to whom AASB 8 applies, which are for-profit entities except for-profit government departments.</p> <p>Detail of impact is still being assessed.</p>
AASB 2009-14 <i>Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]</i>	Amendments to Interpretation 14 arise from the issuance of prepayments of a minimum funding requirement.	1 Jan 2011	Expected to have no significant impact.
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	1 July 2013	Does not affect financial measurement or recognition, so is not expected to have any impact on financial result or position. May reduce some note disclosures in financial statements.
AASB 2010-4 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 &amp; AASB 134 and Interpretation 13]</i>	This Standard makes numerous improvements designed to enhance the clarity of standards.	1 Jan 2011	No significant impact on the financial statements.

**New Accounting Standards and Interpretations (continued)**

<b>Standard/ Interpretation</b>	<b>Summary</b>	<b>Applicable for Annual Reporting periods beginning on</b>	<b>Impact on Health Services Financial Statements</b>
AASB 2010-5 <i>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 &amp; 1038 and Interpretations 112, 115, 127, 132 &amp; 1042]</i>	This amendment contains editorial corrections to a range of Australian Accounting Standards and Interpretations, which includes amendments to reflect changes made to the text of IFRSs by the IASB.	1 Jan 2011	No significant impact on the financial statements.
AASB 2010-6 <i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 &amp; AASB 7]</i>	This amendment adds and changes disclosure requirements about the transfer of financial assets. This includes the nature and risk of the financial assets.	1 July 2011	This may impact on departments and public sector entities as it creates additional disclosure for transfers of financial assets.  Detail of impact is still being assessed.
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Interpretations 2, 5, 10, 12, 19 &amp; 127]</i>	These amendments are in relation to the introduction of AASB 9.	1 Jan 2013	This amendment may have an impact on departments and public sector bodies as AASB 9 is a new standard and it changes the requirements of numerous standards.  Detail of impact is still being assessed.
AASB 2010-8 <i>Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]</i>	This amendment provides a practical approach for measuring deferred tax assets and deferred tax liabilities when measuring investment property by using the fair value model in AASB 140 Investment Property.	1 Jan 2012	This amendment provides additional clarification through practical guidance.
AASB 2010-9 <i>Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]</i>	This amendment provides guidance for entities emerging from severe hyperinflation who are going to resume presenting Australian Accounting Standards financial statements or entities that are going to present Australian Accounting Standards financial statements for the first time. It provides relief for first-time adopters from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.	1 July 2011	Amendment unlikely to impact on public sector entities.



**New Accounting Standards and Interpretations (continued)**

<b>Standard/ Interpretation</b>	<b>Summary</b>	<b>Applicable for Annual Reporting periods beginning on</b>	<b>Impact on Health Services Financial Statements</b>
AASB 2011-1 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i> [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]	This amendment affects multiple Australian Accounting Standards and AASB Interpretations for the objective of increased alignment with IFRSs and achieving harmonisation between both Australian and New Zealand Standards. It achieves this by removing guidance and definitions from some Australian Accounting Standards, without changing their requirements.	1 July 2011	This amendment will have no significant impact on public sector bodies.
AASB 2011-2 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements</i> [AASB 101 & AASB 1054]	The objective of this amendment is to include some additional disclosure from the Trans-Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented to Victorian Public Sector.
AASB 2011-3 <i>Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments</i> [AASB 1049]	This amends AASB 1049 to clarify the definition of the ABS GFS Manual, and to facilitate the adoption of changes to the ABS GFS Manual and related disclosures.	1 July 2012	This amendment provides clarification to users on the version of the GFS Manual to be used and what to disclose if the latest GFS Manual is not used.  No impact on performance measurements will occur.

**r) Category Groups**

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

**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 alcohol and drug treatment units or hospitals specialising in dental services, hearing and ophthalmic aids.

**Mental Health Services (Mental Health)**

comprises all recurrent health revenue/expenditure on specialised mental Health Services (child and adolescent, general and adult, community

and forensic) managed or funded by the state or territory health administrations, and includes: Admitted patient services (including forensic mental health), outpatient services, emergency department services (where it is possible to separate emergency department mental Health Services), community-based services, residential and ambulatory services.

**Outpatient Services (Outpatients)** comprises all recurrent health revenue/expenditure on public hospital type outpatient services, where services are delivered in public hospital outpatient clinics, or free standing day hospital facilities, or rehabilitation facilities, or alcohol and drug treatment units, or outpatient clinics specialising in ophthalmic aids or palliative care.

**Emergency Department Services (EDS)**

comprises all recurrent health revenue/expenditure on emergency department services that are available free of charge to public patients.

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

**Off Campus, Ambulatory Services**

**(Ambulatory)** comprises all recurrent health revenue/expenditure on public hospital type services including palliative care facilities and rehabilitation facilities, as well as services provided under the following agreements: Services that are provided or received by hospitals (or area health services) but are delivered/received outside a hospital campus, services which have moved from a hospital to a community setting since June 1998, services which fall within the agreed scope of inclusions under the new system, which have been delivered within hospital's i.e. in rural/remote areas.

**Residential Aged Care including Mental**

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

**Other Services (Other) excluded from Australian Health Care Agreement (AHCA)**

**(Other)** comprises revenue/expenditure for services not separately classified above, including: Public Health Services including Laboratory testing, Blood Borne Viruses / Sexually Transmitted Infections clinical services, Koori 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.

**Included in Australian Health Care Agreement**

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



**NOTE 2: REVENUE**

	<b>HSA 2011 \$'000</b>	<b>HSA 2010 \$'000</b>	<b>H&amp;CI 2011 \$'000</b>	<b>H&amp;CI 2010 \$'000</b>	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Revenue from Operating Activities</b>						
<b>Government Grants</b>						
Department of Health	129,098	93,509	-	-	129,098	93,509
Department of Human Services	2,623	31,026	-	-	2,623	31,026
Dental Health Services Victoria	2,809	2,632	-	-	2,809	2,632
State Government - Other	455	481	-	-	455	481
Commonwealth Government:						
Commonwealth Grants	10,381	8,510	-	-	10,381	8,510
Residential Aged Care Subsidy	2,975	2,839	-	-	2,975	2,839
<b>Total Government Grants</b>	<b>148,341</b>	<b>138,997</b>	<b>-</b>	<b>-</b>	<b>148,341</b>	<b>138,997</b>
<b>Indirect Contributions by Department of Health</b>						
Insurance	2,746	2,091	-	-	2,746	2,091
Long Service Leave	298	954	-	-	298	954
<b>Total Indirect Contributions by Department of Health</b>	<b>3,044</b>	<b>3,045</b>	<b>-</b>	<b>-</b>	<b>3,044</b>	<b>3,045</b>
<b>Patient and Resident Fees</b>						
Patient & Resident Fees (Refer Note 2b)	4,655	4,538	-	-	4,655	4,538
Residential Aged Care (Refer Note 2b)	1,171	978	-	-	1,171	978
<b>Total Patient and Resident Fees</b>	<b>5,826</b>	<b>5,516</b>	<b>-</b>	<b>-</b>	<b>5,826</b>	<b>5,516</b>
<b>Business Units and Specific Purpose Funds</b>						
Private Practice Clinics	-	-	1,805	1,134	1,805	1,134
Laboratory Medicine	-	-	5,855	5,519	5,855	5,519
Diagnostic Imaging	-	-	3,913	3,642	3,913	3,642
Caf�eteria and Catering	-	-	1,071	1,031	1,071	1,031
Car Park	-	-	494	320	494	320
Regional Services	-	-	2,060	2,498	2,060	2,498
Retail Aids & Equipment Outlet	-	-	293	256	293	256
Special Purpose Funds	-	-	8	53	8	53
<b>Total Business Units and Specific Purpose Funds</b>	<b>-</b>	<b>-</b>	<b>15,499</b>	<b>14,453</b>	<b>15,499</b>	<b>14,453</b>
Donations & Bequests	6	8	160	336	166	344
Recoupment Private Practice - Hospital Facilities	35	34	-	-	35	34
Other Revenue from Operating Activities	6,442	4,982	-	-	6,442	4,982
<b>Sub-Total Revenue from Operating Activities</b>	<b>163,694</b>	<b>152,582</b>	<b>15,659</b>	<b>14,789</b>	<b>179,353</b>	<b>167,371</b>

**NOTE 2: REVENUE (CONTINUED)**

	<b>HSA 2011 \$'000</b>	<b>HSA 2010 \$'000</b>	<b>Non HSA 2011 \$'000</b>	<b>Non HSA 2010 \$'000</b>	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Revenue from Non-Operating Activities</b>						
Interest	12	10	828	926	840	936
<b>Revenue from Capital Purpose Income</b>						
State Government Capital Grants:						
Targeted Capital Works and Equipment	-	-	4,022	1,002	4,022	1,002
Other Capital Grants	-	-	-	740	-	740
Commonwealth Government Capital Grants	-	-	10	-	10	-
Donations	-	-	850	-	850	-
Assets Received Free of Charge (Refer Note 2d)	-	-	8	20	8	20
Net Gain on Disposal of Non-Current Assets (Refer Note 2c)	-	-	92	(36)	92	(36)
Reversal of Impairment Loss on Financial Assets	-	-	154	-	154	-
Residential Accommodation Payments (Refer Note 2b)	-	-	235	235	235	235
<b>Sub-Total Revenue from Capital Purpose Income</b>	<b>-</b>	<b>-</b>	<b>5,371</b>	<b>1,961</b>	<b>5,371</b>	<b>1,961</b>
<b>Total Revenue (Refer Note 2a)</b>	<b>163,706</b>	<b>152,592</b>	<b>21,858</b>	<b>17,676</b>	<b>185,564</b>	<b>170,268</b>

**Indirect contributions by Department of Health:** Department of Health makes insurance and long-service leave payments on behalf of Goulburn Valley Health. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

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

Goulburn Valley Health **Notes to the Financial Statements 30 June 2011**

**NOTE 2A: ANALYSIS OF REVENUE BY SOURCE**

	Admitted Patients 2011 \$'000	Outpatients 2011 \$'000	EDS 2011 \$'000	Ambulatory 2011 \$'000	Mental Health 2011 \$'000	RAC Incl. Mental Health 2011 \$'000	Aged Care 2011 \$'000	Other 2011 \$'000	Total 2011 \$'000
<b>Revenue from Services Supported by Health Service Agreement</b>									
Government Grants	72,053	8,356	5,808	19,645	17,175	4,569	5,826	14,909	148,341
Indirect Contributions by Department of Health	2,525	-	-	-	251	17	132	119	3,044
Patient and Resident Fees (Refer Note 2b)	3,005	23	233	903	2	-	277	212	4,655
Residential Aged Care (Refer Note 2b)	-	-	-	-	-	1,171	-	-	1,171
Recoupment Private Practice - Hospital Facilities	-	35	-	-	-	-	-	-	35
Interest	-	-	-	-	-	-	-	12	12
Donations (Non Capital)	-	-	-	6	-	-	-	-	6
Property Income	-	-	-	-	-	-	-	-	-
Other	604	1	2	284	216	5	32	5,298	6,442
<b>Sub-Total Revenue From Services Supported By Health Service Agreement</b>	<b>78,187</b>	<b>8,415</b>	<b>6,043</b>	<b>20,838</b>	<b>17,644</b>	<b>5,762</b>	<b>6,267</b>	<b>20,550</b>	<b>163,706</b>
<b>Revenue from Services Supported by Hospital and Community Initiatives</b>									
Business Units & Specific Purpose Funds	-	-	-	-	-	-	-	15,499	15,499
Donations (Non Capital)	-	-	-	-	-	-	-	160	160
Interest	-	-	-	-	-	-	-	828	828
Capital Purpose Income (Refer Note 2)	-	-	-	-	-	-	-	5,371	5,371
<b>Sub-Total Revenue From Services Supported By Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,858</b>	<b>21,858</b>
<b>Total Revenue</b>	<b>78,187</b>	<b>8,415</b>	<b>6,043</b>	<b>20,838</b>	<b>17,644</b>	<b>5,762</b>	<b>6,267</b>	<b>42,408</b>	<b>185,564</b>

**Indirect contributions by Department of Health:** Department of Health makes insurance and long service leave payments on behalf of Goulburn Valley Health. 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 (CONTINUED)**

	Admitted Patients 2010 \$'000	Outpatients 2010 \$'000	EDS 2010 \$'000	Ambulatory 2010 \$'000	Mental Health 2010 \$'000	RAC Incl. Mental Health 2010 \$'000	Aged Care 2010 \$'000	Other 2010 \$'000	Total 2010 \$'000
<b>Revenue from Services Supported by Health Service Agreement</b>									
Government Grants	69,311	8,120	5,383	16,823	15,714	4,453	5,432	13,761	138,997
Indirect Contributions by Department of Health	2,652	-	-	-	197	12	96	88	3,045
Patient and Resident Fees (Refer Note 2b)	2,801	21	203	1,013	15	-	237	248	4,538
Residential Aged Care (Refer Note 2b)	-	-	-	-	-	978	-	-	978
Recoupment Private Practice - Hospital Facilities	-	34	-	-	-	-	-	-	34
Interest	-	-	-	-	-	-	-	10	10
Donations (Non Capital)	-	7	-	-	-	1	-	-	8
Property Income	-	-	-	-	-	-	-	688	688
Other	488	-	1	37	180	-	33	3,555	4,294
<b>Sub-Total Revenue From Services Supported By Health Service Agreement</b>	<b>75,252</b>	<b>8,182</b>	<b>5,587</b>	<b>17,873</b>	<b>16,106</b>	<b>5,444</b>	<b>5,798</b>	<b>18,350</b>	<b>152,592</b>
<b>Revenue from Services Supported by Hospital and Community Initiatives</b>									
Business Units & Specific Purpose Funds	-	-	-	-	-	-	-	14,453	14,453
Donations	-	-	-	-	-	-	-	336	336
Interest	-	-	-	-	-	-	-	926	926
Capital Purpose Income (Refer Note 2)	-	-	-	-	-	-	-	1,961	1,961
<b>Sub-Total Revenue From Services Supported By Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,676</b>	<b>17,676</b>
<b>Total Revenue</b>	<b>75,252</b>	<b>8,182</b>	<b>5,587</b>	<b>17,873</b>	<b>16,106</b>	<b>5,444</b>	<b>5,798</b>	<b>36,026</b>	<b>170,268</b>

**Indirect contributions by Department of Health:** Department of Health makes insurance and long service leave payments on behalf of Goulburn Valley Health. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

**NOTE 2B: PATIENT AND RESIDENT FEES**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Patient and Resident Fees Raised</b>		
<b>Recurrent:</b>		
Acute:		
Inpatients	3,005	2,817
Sub Acute	818	935
Outpatients	261	242
Residential Aged Care:		
Generic	886	727
Mental Health	285	251
Mental Health	2	-
Other	569	544
<b>Total Recurrent</b>	<b>5,826</b>	<b>5,516</b>
<b>Capital Purpose:</b>		
Residential Accommodation Payments	235	235

**NOTE 2C: NET GAIN ON DISPOSAL OF NON-CURRENT ASSETS**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Proceeds from Disposals of Non Current Assets</b>		
Computers & Communication	-	10
Hume Rural Health Alliance Assets	-	2
Medical Equipment	-	-
Motor Vehicles	752	258
Plant & Equipment	-	-
<b>Total Proceeds from Disposal</b>	<b>752</b>	<b>270</b>
<b>Written Down Value of Non-Current Assets Disposed</b>		
Computers & Communication	1	6
Hume Rural Health Alliance Assets	-	3
Medical Equipment	23	43
Motor Vehicles	603	248
Plant & Equipment	33	6
<b>Total Written Down Value of Non-Current Assets Disposed</b>	<b>660</b>	<b>306</b>
<b>Net Gains/(Losses) on Disposal of Non-Current Assets</b>	<b>92</b>	<b>(36)</b>

**NOTE 2D: ASSETS RECEIVED FREE OF CHARGE**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
During the reporting period the fair value of assets received free of charge was as follows:		
Plant & Equipment	8	20

**NOTE 3: EXPENSES**

	<b>HSA 2011 \$'000</b>	<b>HSA 2010 \$'000</b>	<b>H&amp;CI 2011 \$'000</b>	<b>H&amp;CI 2010 \$'000</b>	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Employee Benefits</b>						
Salaries & Wages	98,760	89,957	9,297	9,301	108,057	99,258
Long Service Leave	2,720	3,026	249	424	2,969	3,450
Superannuation	8,417	7,760	771	796	9,188	8,556
Workcover Premium	730	564	67	53	797	617
Departure Packages	94	106	1	41	95	147
<b>Total Employee Benefits</b>	<b>110,721</b>	<b>101,413</b>	<b>10,385</b>	<b>10,615</b>	<b>121,106</b>	<b>112,028</b>
<b>Non Salary Labour Costs</b>						
Fees for Visiting Medical Officers	5,940	6,167	2,094	2,027	8,034	8,194
Agency Costs - Nursing	1,154	1,238	-	-	1,154	1,238
Agency Costs - Other	719	573	6	7	725	580
<b>Total Non Salary Labour Costs</b>	<b>7,813</b>	<b>7,978</b>	<b>2,100</b>	<b>2,034</b>	<b>9,913</b>	<b>10,012</b>
<b>Supplies &amp; Consumables</b>						
Drug Supplies	5,637	5,180	41	39	5,678	5,219
Drug Supplies - S100	1,355	1,392	-	-	1,355	1,392
Medical, Surgical Supplies and Prosthesis	7,760	7,837	3,856	3,182	11,616	11,019
Food Supplies	1,060	1,034	767	667	1,827	1,701
Patient and Client Services	7,211	5,283	69	4	7,280	5,287
<b>Total Supplies &amp; Consumables</b>	<b>23,023</b>	<b>20,726</b>	<b>4,733</b>	<b>3,892</b>	<b>27,756</b>	<b>24,618</b>
<b>Other Expenses From Continuing Operations</b>						
Transfer Pricing	5,751	4,944	(5,751)	(4,944)	-	-
Insurance Cost Funded by DHS	2,747	2,091	-	-	2,747	2,091
Administrative Expenses	9,810	7,932	713	714	10,523	8,646
Domestic Services	1,596	1,587	225	220	1,821	1,807
Fuel, Light, Power and Water	1,566	1,451	6	6	1,572	1,457
Motor Vehicle Expenses	800	666	86	81	886	747
Repairs and Maintenance	1,404	1,289	532	502	1,936	1,791
Maintenance Contracts	783	663	746	607	1,529	1,270
Patient Transport	1,666	1,454	-	-	1,666	1,454
Bad & Doubtful Debts	(3)	11	112	29	109	40
Lease Expenses	2,316	2,030	616	579	2,932	2,609
Audit Fees - VAGO Audit of Financial Statements	47	49	-	-	47	49
Audit Fees - Other	111	153	1	1	112	154
<b>Total Other Expenses From Continuing Operations</b>	<b>28,594</b>	<b>24,320</b>	<b>(2,714)</b>	<b>(2,205)</b>	<b>25,880</b>	<b>22,115</b>
Equipment Purchases using Capital Purpose Income	-	-	214	168	214	168
Finance Cost	2	-	28	-	30	-
Depreciation and Amortisation (Refer Note 4)	-	-	9,120	9,274	9,120	9,274
<b>Total Expenses</b>	<b>170,153</b>	<b>154,437</b>	<b>23,866</b>	<b>23,778</b>	<b>194,019</b>	<b>178,215</b>

**NOTE 3A: ANALYSIS OF EXPENSES BY SOURCE**

	Admitted Patients 2011 \$'000	Outpatients 2011 \$'000	EDS 2011 \$'000	Ambulatory 2011 \$'000	Mental Health 2011 \$'000	RAC Incl. Mental Health 2011 \$'000	Aged Care 2011 \$'000	Other 2011 \$'000	Total 2011 \$'000
<b>Services Supported By Health Service Agreement</b>									
Employee Benefits	36,807	1,370	8,994	9,029	12,724	5,509	5,803	30,485	110,721
Non Salary Labour Costs	6,311	173	182	145	632	40	23	307	7,813
Supplies & Consumables	6,089	1,604	487	2,787	176	238	3,054	8,588	23,023
Other Expenses from Continuing Operations	5,076	95	907	1,502	3,092	274	538	11,361	22,845
Transfer Pricing	14,002	3,594	5,604	4,071	2,103	1,655	970	(26,248)	5,751
<b>Sub-Total Expenses from Services Supported by Health Service Agreement</b>	<b>68,285</b>	<b>6,836</b>	<b>16,174</b>	<b>17,534</b>	<b>18,727</b>	<b>7,716</b>	<b>10,388</b>	<b>24,493</b>	<b>170,153</b>
<b>Services Supported By Hospital &amp; Community Initiatives</b>									
Employee Benefits	-	-	-	-	-	-	-	10,385	10,385
Non Salary Labour Costs	-	-	-	-	-	-	-	2100	2100
Supplies & Consumables	-	-	-	-	-	-	-	4,733	4,733
Other Expenses from Continuing Operations	-	-	-	-	-	-	-	3,037	3,037
Transfer Pricing	-	-	-	-	-	-	-	(5,751)	(5,751)
<b>Sub-Total Expenses from Services Supported by Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,504</b>	<b>14,504</b>
<b>Expenditure Using Capital Purpose Income</b>									
Equipment Purchases	-	-	-	-	-	-	-	214	214
Finance Costs	-	-	-	-	-	-	-	28	28
Depreciation	-	-	-	-	-	-	-	9,120	9,120
<b>Sub-Total Expenses from Services Supported by Health Service Agreement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,866</b>	<b>23,866</b>
<b>Total Expenses</b>	<b>68,285</b>	<b>6,836</b>	<b>16,174</b>	<b>17,534</b>	<b>18,727</b>	<b>7,716</b>	<b>10,388</b>	<b>48,359</b>	<b>194,019</b>



**NOTE 3A: ANALYSIS OF EXPENSES BY SOURCE**

	Admitted Patients 2010 \$'000	Outpatients 2010 \$'000	EDS 2010 \$'000	Ambulatory 2010 \$'000	Mental Health 2010 \$'000	RAC Incl. Mental Health 2010 \$'000	Aged Care 2010 \$'000	Other 2010 \$'000	Total 2010 \$'000
<b>Services Supported By Health Service Agreement</b>									
Employee Benefits	33,573	1,200	8,644	7,579	11,775	5,458	5,367	27,817	101,413
Non-Salary Labour Costs	6,431	148	240	173	645	27	13	301	7,978
Supplies & Consumables	5,895	1,624	461	1,574	89	238	2,860	7,985	20,726
Other Expenses from Continuing Operations	4,029	83	879	1,008	2,396	317	407	10,257	19,376
Transfer Pricing	12,482	2,987	5,763	3,655	1,519	1,728	1,085	(24,275)	4,944
<b>Sub-Total Expenses from Services Supported by Health Service Agreement</b>	<b>62,410</b>	<b>6,042</b>	<b>15,987</b>	<b>13,989</b>	<b>16,424</b>	<b>7,768</b>	<b>9,732</b>	<b>22,085</b>	<b>154,437</b>
<b>Services Supported By Hospital &amp; Community Initiatives</b>									
Employee Benefits	-	-	-	-	-	-	-	10,615	10,615
Non-Salary Labour Costs	-	-	-	-	-	-	-	2,034	2,034
Supplies & Consumables	-	-	-	-	-	-	-	3,892	3,892
Other Expenses from Continuing Operations	-	-	-	-	-	-	-	2,739	2,739
Transfer Pricing	-	-	-	-	-	-	-	(4,944)	(4,944)
<b>Sub-Total Expenses from Services Supported by Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,336</b>	<b>14,336</b>
<b>Expenditure Using Capital Purpose Income</b>									
Equipment Purchases	-	-	-	-	-	-	-	168	168
Depreciation (Refer Note 4)	-	-	-	-	-	-	-	9,274	9,274
<b>Sub-Total Expenses from Services Supported by Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,778</b>	<b>23,778</b>
<b>Total Expenses</b>	<b>62,410</b>	<b>6,042</b>	<b>15,987</b>	<b>13,989</b>	<b>16,424</b>	<b>7,768</b>	<b>9,732</b>	<b>45,863</b>	<b>178,215</b>

**NOTE 3B: ANALYSIS OF EXPENSES BY INTERNAL AND RESTRICTED SPECIFIC PURPOSE FUNDS FOR SERVICES SUPPORTED BY HOSPITAL AND COMMUNITY INITIATIVES**

	<b>Expenses 2011 \$'000</b>	<b>Transfer Pricing 2011 \$'000</b>	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
Private Practice Fees	654	88	742	460
Laboratory Medicine	8,829	(2,736)	6,093	6,029
Diagnostic Imaging	6,326	(2,547)	3,779	3,656
Cafeteria and Catering Services	1,239	18	1,257	1,235
Patient Transport	85	(172)	(87)	(57)
Car Park	89	-	89	68
Regional Services	2,259	(280)	1,979	2,533
Retail Medical Outlet	522	3	525	261
	20,003	(5,626)	14,377	14,185
<b>Other Activities</b>				
Fund Raising & Community Support	166	(124)	42	151
<b>Total</b>	<b>20,169</b>	<b>(5,750)</b>	<b>14,419</b>	<b>14,336</b>

**NOTE 4: DEPRECIATION**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
Buildings	5,778	6,165
Computers & Communications	710	600
Furniture & Fittings	46	54
Medical Equipment	1,552	1,460
Motor Vehicles	647	688
Plant & Equipment	381	302
Hume Rural Health Alliance Equipment	6	5
<b>Total</b>	<b>9,120</b>	<b>9,274</b>

**NOTE 5: FINANCE COSTS**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
Interest on Overdrawn Bank Account	2	-
Interest on Refundable Accommodation Bonds	28	-
<b>Total</b>	<b>30</b>	<b>-</b>

**NOTE 6: CASH AND CASH EQUIVALENTS**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash 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>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
Cash on Hand	37	35
Cash at Bank	1,873	1,406
Deposits at Call	7,016	-
<b>Total</b>	<b>8,926</b>	<b>1,441</b>
<b>Represented by:</b>		
Cash for Health Service Operations	2,957	1,102
Hume Rural Health Alliance - GVH Share	193	-
<b>Total Cash for Health Service Operations (as per Cash Flow Statement)</b>	<b>3,150</b>	<b>1,102</b>
Hume Rural Health Alliance - GVH Share	-	339
<b>Monies Held In Trust:</b>		
Patient Monies Held in Trust	5	-
Accommodation Bonds (Refundable Entrance Fees)	3,217	-
Government Grants - Hume Region Programs	1,931	-
Rural & Outer Metro United Alliance	340	-
Research Funding	99	-
Reichstein Foundation	8	-
Community Fundraising - GVBH Foundation	176	-
<b>Total Monies In Trust</b>	<b>5,776</b>	<b>-</b>
<b>Total</b>	<b>8,926</b>	<b>1,441</b>

**NOTE 7: RECEIVABLES**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Current</b>		
<b>Contractual</b>		
Trade Debtors	1,365	1,251
Patient Fees - Health Service Agreement	1,382	1,507
Patient Fees - Hospital & Community Initiatives	974	920
Patient Fees - Private Practice	184	106
Accrued Investment Income	19	21
Other Accrued Revenue	510	225
	<b>4,434</b>	<b>4,030</b>
<b>Less Allowance for Doubtful Debts</b>		
Trade Debtors	7	44
Patient Fees	132	134
Patient Fees - Hospital & Community Initiatives	156	57
<b>Total Current Contractual Receivables</b>	<b>4,139</b>	<b>3,795</b>
<b>Statutory</b>		
Dental Health Services Victoria Accrued Grants	311	323
Commonwealth Government Grants	33	9
GST Receivable	535	560
<b>Total Current Statutory Receivables</b>	<b>879</b>	<b>892</b>
<b>Total Current Receivables</b>	<b>5,018</b>	<b>4,687</b>

**NOTE 7: RECEIVABLES (CONTINUED)**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Non Current</b>		
<b>Contractual</b>		
Debtor - Residential Tenancy Board	109	74
<b>Statutory</b>		
Debtor - Department Human Services Long Service Leave	2,213	1,915
<b>Total Non-Current Receivables</b>	<b>2,322</b>	<b>1,989</b>
<b>Total Receivables</b>	<b>7,340</b>	<b>6,676</b>
<b>Note 7(a): Movement in the Allowances for Doubtful Debts</b>		
Balance at Beginning of Year	235	236
Amounts Written Off During the Year	-	-
Amounts Recovered During the Year	-	-
Increase/(Decrease) in Allowance Recognised in Net Result	60	(1)
<b>Balance at End of Year</b>	<b>295</b>	<b>235</b>

**Note 7(b): Ageing Analysis of Receivables**

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

**Note 7(c): Nature and Extent of Risk Arising from Receivables**

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

**NOTE 8: INVESTMENTS AND OTHER FINANCIAL ASSETS**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Current</b>		
<b>Available-for-Sale Financial Assets</b>		
Australian Dollar Term Deposits	-	5,029
Australian Dollar Term Deposits - Monies In Trust	-	5,471
<b>Total Current</b>	<b>-</b>	<b>10,500</b>
<b>Non Current</b>		
<b>Available-for-Sale Financial Assets</b>		
Floating Rate Subordinated Debt	-	846
<b>Total Non Current</b>	<b>-</b>	<b>846</b>
<b>Total Other Financial Assets</b>	<b>-</b>	<b>11,346</b>
<b>Represented by:</b>		
Health Service Investments	-	5,875
<b>Monies Held In Trust:</b>		
Patient Monies Held In Trust	-	15
Refundable Entrance Fees	-	3,227
Regional Programs Monies	-	2,229
<b>Total Monies In Trust</b>	<b>-</b>	<b>11,346</b>

**NOTE 8: INVESTMENTS AND OTHER FINANCIAL ASSETS (CONTINUED)****(b): Ageing Analysis of Other Financial Assets**

Please refer to note 17(b) for the ageing analysis of Other Financial Assets

**(c): Nature and Extent of Risk Arising from Other Financial Assets**

Please refer to note 17(b) for the nature and extent of risk arising from Other Financial Assets

**NOTE 9 : INVENTORIES**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Current (at cost)</b>		
Main Store	504	359
Theatre	515	395
Pathology	167	216
Engineering	45	55
Pharmaceuticals	538	525
Cafeteria Supplies	11	11
Retail Outlet Medical Equipment	32	34
<b>Total Inventories</b>	<b>1,812</b>	<b>1,595</b>

**NOTE 10: OTHER ASSETS**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
Prepayments	863	1,035

**NOTE 11: PROPERTY, PLANT & EQUIPMENT**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Land at Valuation</b>	<b>8,351</b>	<b>8,351</b>
<b>Land at Cost</b>	<b>165</b>	<b>165</b>
<b>Buildings at Valuation</b>	<b>197,468</b>	<b>197,468</b>
Less Accumulated Depreciation	119,848	114,256
<b>Total Buildings at Valuation</b>	<b>77,620</b>	<b>83,212</b>
<b>Buildings at Cost</b>	<b>7,812</b>	<b>5,081</b>
Less Accumulated Depreciation	186	-
<b>Total Buildings at Cost</b>	<b>7,626</b>	<b>5,081</b>
<b>Buildings Under Construction at Cost</b>	<b>137</b>	<b>204</b>
<b>Plant &amp; Equipment at Fair Value</b>	2,269	1,870
Less Accumulated Depreciation	658	300
<b>Total Plant &amp; Equipment at Fair Value</b>	<b>1,611</b>	<b>1,570</b>
<b>Motor Vehicles at Fair Value</b>	3,941	3,317
Less Accumulated Depreciation	932	642
<b>Total Motor Vehicles at Fair Value</b>	<b>3,009</b>	<b>2,675</b>
<b>Medical Equipment at Fair Value</b>	7,715	7,280
Less Accumulated Depreciation	2,999	1,459
<b>Total Medical Equipment at Fair Value</b>	<b>4,716</b>	<b>5,821</b>
<b>Computers &amp; Communication at Fair Value</b>	2,188	2,038
Less Accumulated Depreciation	1,297	589
<b>Total Computers &amp; Communication at Fair Value</b>	<b>891</b>	<b>1,449</b>
<b>Furniture &amp; Fittings at Fair Value</b>	215	204
Less Accumulated Depreciation	100	54
<b>Total Furniture &amp; Fittings at Fair Value</b>	<b>115</b>	<b>150</b>
<b>Rural Health Alliance - Share of Plant and Equipment at Fair Value</b>	<b>20</b>	<b>24</b>
<b>Total at Cost</b>	<b>7,928</b>	<b>5,450</b>
<b>Total at Valuation</b>	<b>85,971</b>	<b>91,563</b>
<b>Total at Fair Value</b>	<b>10,362</b>	<b>11,689</b>
<b>Total Property, Plant and Equipment</b>	<b>104,261</b>	<b>108,702</b>

**NOTE 11: PROPERTY, PLANT & EQUIPMENT (CONTINUED)**

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

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Medical Equipment \$'000	Computers & Communic'n \$'000	Furniture & Fittings \$'000	Motor Vehicles \$'000	Hume Rural Health Alliance \$'000	Work in Progress \$'000	Total \$'000
<b>Balance at 1 July 2009</b>	8,351	89,377	1,374	6,190	1,650	197	2,997	14	2,019	112,169
Additions	165	-	492	1,128	404	7	612	19	3,266	6,093
Disposals	-	-	(7)	(44)	(5)	-	(246)	(4)	-	(306)
Work in Progress Transferred	-	5,081	-	-	-	-	-	-	(5,081)	-
Assets Received Free of Charge	-	-	13	7	-	-	-	-	-	20
Depreciation (note 5)	-	(6,165)	(302)	(1,460)	(600)	(54)	(688)	(5)	-	(9,274)
<b>Balance at 1 July 2010</b>	<b>8,516</b>	<b>88,293</b>	<b>1,570</b>	<b>5,821</b>	<b>1,449</b>	<b>150</b>	<b>2,675</b>	<b>24</b>	<b>204</b>	<b>108,702</b>
Additions	-	7	395	462	151	12	1,584	2	2,718	5,331
Disposals	-	-	(33)	(23)	-	(1)	(603)	-	-	(660)
Work in Progress Transferred	-	2,724	60	-	1	-	-	-	(2,785)	-
Assets Received Free of Charge	-	-	-	8	-	-	-	-	-	8
Depreciation (note 5)	-	(5,778)	(381)	(1,552)	(710)	(46)	(647)	(6)	-	(9,120)
<b>Balance at 30 June 2011</b>	<b>8,516</b>	<b>85,246</b>	<b>1,611</b>	<b>4,716</b>	<b>891</b>	<b>115</b>	<b>3,009</b>	<b>20</b>	<b>137</b>	<b>104,261</b>

**Land and buildings carried at valuation**

An independent valuation of the Health Service's land and buildings was performed by the Valuer-General Victoria to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be replaced using depreciated replacement cost. The valuation was based on independent assessments. The effective date of valuation was 30th June 2009.

**Plant and Equipment carried at fair value**

An independent valuation of the Health Service's major medical equipment was performed by the Dominion Group to determine their fair value. An independent valuation was also performed on motor vehicles by the Health Service's fleet manager Webfleet Management Services to determine their fair value. The valuations, 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 valuation was 30th June 2010.



**NOTE 12: PAYABLES**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Current</b>		
<b>Contractual</b>		
Trade Creditors	4,734	5,469
Capital Creditors	-	23
Accrued Expenses	2,309	1,452
Income In Advance - Other	61	80
	<b>7,104</b>	<b>7,024</b>
<b>Statutory</b>		
GST Payable	110	130
FBT Payable	31	32
DHS Car Park Advance	1,200	1,800
Income In Advance - DHS	759	1,852
	<b>2,100</b>	<b>3,814</b>
<b>TOTAL</b>	<b>9,204</b>	<b>10,838</b>

**NOTE 13: PROVISIONS**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Current Provisions</b>		
<b>Employee Benefits</b>		
- unconditional and expected to be settled within 12 months	11,138	10,716
- unconditional and expected to be settled after 12 months	9,304	8,172
	<b>20,442</b>	<b>18,888</b>
<b>Provisions related to employee benefit on-costs</b>		
Unconditional and expected to be settled within 12 months (nominal value)	1,310	1,207
Unconditional and expected to be settled after 12 months (present value)	286	249
	<b>1,596</b>	<b>1,456</b>
<b>Total Current Provisions</b>	<b>22,038</b>	<b>20,344</b>
<b>Non-Current Provisions</b>		
Employee Benefits	4,690	4,236
Provisions related to employee benefit on-costs	450	407
<b>Total Non-Current Provisions</b>	<b>5,140</b>	<b>4,643</b>
<b>Total Provisions</b>	<b>27,178</b>	<b>24,987</b>

**NOTE 13: PROVISIONS (CONTINUED)**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>(a) Employee Benefits and Related On-Costs</b>		
<b>Current Employee Benefits and Related On-Costs</b>		
Accrued Salaries & Wages	2,505	2,331
Accrued Days Off	333	341
Annual Leave Entitlements	9,610	9,252
Unconditional Long Service Leave Entitlements	9,590	8,420
<b>Non-Current Employee Benefits and Related On-Costs</b>		
Conditional Long Service Leave Entitlements (present value)	5,140	4,643
<b>Total Employee Benefits and Related on-Costs</b>	<b>27,178</b>	<b>24,987</b>
	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Movement in Long Service Leave:</b>		
<b>Balance at start of year</b>	13,065	11,016
Provision made during the year		
- Expense recognising employee service	2,970	3,450
Settlement made during the year	(1,305)	(1,401)
<b>Balance at end of year</b>	<b>14,730</b>	<b>13,065</b>

**NOTE 14: OTHER LIABILITIES**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Current</b>		
<b>Monies Held in Trust</b>		
Patient Monies Held in Trust	5	15
Accommodation Bonds (Refundable Entrance Fees)	3,217	3,227
Government Grants - Hume Region Programs	1,931	2,229
Rural & Outer Metro United Alliance	340	-
Research Funding	99	-
Reichstein Funding	8	-
Community Fundraising - GVBH Foundation	176	-
<b>Total Current</b>	<b>5,776</b>	<b>5,471</b>
<b>Total Monies Held in Trust</b>		
<b>Represented by the following assets:</b>		
Australian Dollar Term Deposits	5,776	5,471
Cash at Bank	-	-
<b>Total</b>	<b>5,776</b>	<b>5,471</b>

**NOTE 15: EQUITY & RESERVES**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>(a) Reserves</b>		
<b>Property, Plant and Equipment Revaluation Reserve</b>		
Balance at the Beginning of the Reporting Period	46,346	46,346
Increase in the Value of Land	-	-
Increase in the Value of Buildings	-	-
<b>Balance at the End of the Reporting Period</b>	<b>46,346</b>	<b>46,346</b>
<b>Represented by:</b>		
Land	5,218	5,218
Buildings	41,128	41,128
<b>Total</b>	<b>46,346</b>	<b>46,346</b>
<b>General Purpose Reserve</b>		
Balance at the Beginning of the Reporting Period	17,962	16,892
Transfer to and from Accumulated Deficit	791	1,070
<b>Balance at the End of the Reporting Period</b>	<b>18,753</b>	<b>17,962</b>
<b>Restricted Specific Purpose Reserve</b>		
Balance at the Beginning of the Reporting Period	5,256	5,256
Transfer to and from Accumulated Deficit	68	-
<b>Balance at the End of the Reporting Period</b>	<b>5,324</b>	<b>5,256</b>
<b>Total Reserves</b>	<b>70,423</b>	<b>69,564</b>
<b>(b) Contributed Capital</b>		
Balance at the Beginning of the Reporting Period	46,821	46,821
Capital Contributions received from Victorian Government	-	-
<b>Balance at the End of the Reporting Period</b>	<b>46,821</b>	<b>46,821</b>
<b>(c) Accumulated (Deficit)</b>		
Balance at the Beginning of the Reporting Period	(26,886)	(17,869)
Net Result for the Year	(8,455)	(7,947)
Transfers to and from General Reserves	(791)	(1,070)
Transfers to and from Restricted Purpose Reserves	(68)	-
<b>Balance at the End of the Reporting Period</b>	<b>(36,200)</b>	<b>(26,886)</b>
<b>(d) Total Equity At End Of Financial Year</b>	<b>81,044</b>	<b>89,499</b>

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

(2) The financial assets available-for-sale revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, that portion of the reserve which relates to the financial asset, and is effectively realised, is recognised in the profit and loss. Where a revalued financial asset is impaired that portion of the reserve which relates to that financial asset is recognised in profit and loss.

**NOTE 16: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOWS FROM OPERATING ACTIVITIES**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Net Result for the Year</b>	(8,455)	(7,947)
Depreciation	9,120	9,274
Assets Received Free of Charge - Other	(8)	(20)
Reversal of Impairment of Financial Assets	(154)	-
Provision for Doubtful Debts	60	(1)
Net (Profit)/Deficit from the Sale of Property, Plant & Equipment	(92)	36
Change in Operating Assets and Liabilities, Net of Effect of Restructuring		
Increase/(Decrease) in Payables	(1,611)	(4,383)
Increase/(Decrease) in Other Liabilities	305	(472)
Increase/(Decrease) in Employee Benefits	2,192	2,797
(Increase)/Decrease in Inventory	(217)	(173)
(Increase)/Decrease in Other Assets	34	596
(Increase)/Decrease in Prepayments	172	(492)
(Increase)/Decrease in Receivables	(724)	(1,591)
<b>Net Cash Inflow/Outflow from Operating Activities</b>	<b>622</b>	<b>(2,376)</b>

## NOTE 17: FINANCIAL INSTRUMENTS

### 17(a) Financial Risk Management Objectives and Policies

Goulburn Valley Health's principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory Payables)
- Accommodation Bonds

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

The main purpose in holding financial instruments is to prudentially manage Goulburn Valley Health's financial risks within the government policy parameters.

### Categorisation of Financial Instruments

	Carrying Amount 2011 \$'000	Carrying Amount 2010 \$'000
<b>Financial Assets</b>		
Cash and Cash Equivalents	8,926	1,441
Loans and Receivables	4,248	3,869
Available for Sale	-	11,346
<b>Total Financial Assets</b>	<b>13,174</b>	<b>16,656</b>
<b>Financial Liabilities</b>		
At Amortised Cost	12,880	12,495
<b>Total Financial Liabilities</b>	<b>12,880</b>	<b>12,495</b>

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

	Carrying Amount 2011 \$'000	Carrying Amount 2010 \$'000
<b>Financial Assets</b>		
Cash & Cash Equivalents	176	327
Loans and Receivables	-	-
Available for Sale	667	609
<b>Total Financial Assets</b>	<b>843</b>	<b>936</b>
<b>Financial Liabilities</b>		
At Amortised Cost	30	-

**NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)****17(b) Credit Risk**

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

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

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

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

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

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

	<b>Financial Institutions (AAA credit rating) \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
<b>2011</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	1,873	7,016	8,889
Receivables:			
Debtors and Patient Fees	-	3,719	3,719
Other Receivables	-	529	529
Other Financial Assets:			
Australian Dollar Term Deposits	-	-	-
Floating Rate Subordinated Debt	-	-	-
<b>Total Financial Assets</b>	<b>1,873</b>	<b>11,264</b>	<b>13,137</b>
<b>2010</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	1,406	-	1,406
Receivables:			
Debtors and Patient Fees	-	3,848	3,848
Other Receivables	-	21	21
Other Financial Assets:			
Australian Dollar Term Deposits	-	5,029	5,029
Floating Rate Subordinated Debt	-	846	846
<b>Total Financial Assets</b>	<b>1,406</b>	<b>9,744</b>	<b>11,150</b>

**NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)****17(b) Credit Risk (Continued)**

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

**Ageing Analysis of Financial Assets as at 30 June**

<b>2011</b>	<b>Carrying Amount \$'000</b>	<b>Not Past Due and Not Impaired \$,000</b>	<b>1-3 Months \$'000</b>	<b>3 Months - 1 Year \$'000</b>	<b>1-5 Years \$'000</b>
<b>Financial Assets</b>					
Cash and Cash Equivalents	8,926	8,926	-	-	-
Receivables:					
Debtors and Patient Fees	3,719	1,813	1,017	852	37
Accrued Revenue	529	529	-	-	-
Other Financial Assets:					
Australian Dollar Term Deposits	-	-	-	-	-
Floating Rate Subordinated Debt	-	-	-	-	-
<b>Total Financial Assets</b>	<b>13,174</b>	<b>11,268</b>	<b>1,017</b>	<b>852</b>	<b>37</b>

**2010**

<b>Financial Assets</b>					
Cash and Cash Equivalents	1,441	1,441	-	-	-
Receivables:					
Debtors and Patient Fees	3,623	1,880	930	779	34
Accrued Revenue	246	246	-	-	-
Other Financial Assets:					
Australian Dollar Term Deposits	10,500	10,500	-	-	-
Floating Rate Subordinated Debt	846	846	-	-	-
<b>Total Financial Assets</b>	<b>16,656</b>	<b>14,913</b>	<b>930</b>	<b>779</b>	<b>34</b>

There are no material financial assets which are individually determined to be impaired. Currently Goulburn Valley Health does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

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



**NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)****17(c) Liquidity Risk**

Liquidity risk is the risk that the Health Service would be unable to meet its financial obligations as and when they fall due.

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

The following table discloses the contractual maturity analysis for Goulburn Valley Health's financial liabilities.

**Maturity Analysis of Financial Liabilities as at 30 June**

	Carrying Amount \$'000	Contractual Cash Flows \$'000	Maturity Dates		
			1-3 Months \$'000	3 Months - 1 Year \$'000	1 - 5 Years \$'000
<b>2011</b>					
<b>Financial Liabilities</b>					
Payables	7,104	7,104	7,104	-	-
Other Financial Liabilities					
- Accomodation Bonds	3,217	3,217	-	3,217	-
- Other	2,559	2,559	-	2,559	-
<b>Total Financial Liabilities</b>	<b>12,880</b>	<b>12,880</b>	<b>7,104</b>	<b>5,776</b>	<b>-</b>
<b>2010</b>					
<b>Financial Liabilities</b>					
Payables	7,024	7,024	7,024	-	-
Other Financial Liabilities					
- Accomodation Bonds	3,227	3,227	-	3,227	-
- Other	2,244	2,244	-	2,244	-
<b>Total Financial Liabilities</b>	<b>12,495</b>	<b>12,495</b>	<b>7,024</b>	<b>5,471</b>	<b>-</b>

**17(d) Market Risk**

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

**Currency Risk**

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

**Interest Rate Risk**

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

**NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)****17(d) Market Risk (continued)****Interest Rate Exposure of Financial Assets and Liabilities as at 30 June**

	Weighted Average Effective Interest Rate (%)	Carrying Amount \$'000	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non Interest Bearing \$'000
<b>2011</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	5.66%	8,926	7,016	1,873	37
Receivables:					
Patient Fees and Trade Debtors	-	3,719	-	-	3,719
Other Receivables	-	529	-	-	529
<b>Total Financial Assets</b>		<b>13,174</b>	<b>7,016</b>	<b>1,873</b>	<b>4,285</b>
<b>Financial Liabilities</b>					
Payables	-	7,104	-	-	7,104
Other Financial Liabilities					
- Accommodation Bonds	-	3,217	-	-	3,217
- Other	-	2,559	-	-	2,559
<b>Total Financial Liabilities</b>		<b>12,880</b>	<b>-</b>	<b>-</b>	<b>12,880</b>
<b>2010</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	2.93%	1,441	-	1,406	35
Receivables:					
Patient Fees and Trade Debtors	-	3,848	-	-	3,848
Other Receivables	-	21	-	-	21
Other Financial Assets:					
Term Deposits	3.95%	5,029	-	5,029	-
Shares in Other Entities	5.95%	846	-	846	-
<b>Total Financial Assets</b>		<b>11,185</b>	<b>-</b>	<b>7,281</b>	<b>3,904</b>
<b>Financial Liabilities</b>					
Payables	-	7,024	-	-	7,024
Other Financial Liabilities					
- Accommodation Bonds	-	3,227	-	-	3,227
- Other	-	2,244	-	-	2,244
<b>Total Financial Liabilities</b>		<b>12,495</b>	<b>-</b>	<b>-</b>	<b>12,495</b>

**NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)****(d) Market Risk (continued)****Sensitivity Disclosure Analysis**

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

- A Shift of +1% and -1% in markets interest rates (AUD) from year-end rates of 6%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%;

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

	Carrying Amount \$'000	Interest Rate Risk			
		-1%	Equity \$'000	+1%	Equity \$'000
<b>2011</b>		<b>Profit \$'000</b>	<b>Equity \$'000</b>	<b>Profit \$'000</b>	<b>Equity \$'000</b>
<b>Financial Assets</b>					
Cash & Cash Equivalents	1,873	(19)	(19)	19	19
Receivables					
- Trade Debtors	3,719	-	-	-	-
- Other Receivables	529	(5)	(5)	5	5
<b>Financial Liabilities</b>					
Payables	7,104	-	-	-	-
Other Financial Liabilities					
- Accomodation Bonds	3,217	-	-	-	-
- Other Financial Liabilities	2,559	-	-	-	-
		<b>(24)</b>	<b>(24)</b>	<b>24</b>	<b>24</b>
<b>2010</b>					
<b>Financial Assets</b>					
Cash & Cash Equivalents	1,441	(14)	(14)	14	14
Receivables					
- Trade Debtors	3,623	-	-	-	-
- Other Receivables	246	(2)	(2)	2	2
Other Financial Assets					
- Term Deposits	10,500	(105)	(105)	105	105
- Shares in other Entities	846	(8)	(8)	8	8
<b>Financial Liabilities</b>					
Payables	7,024	-	-	-	-
Other Financial Liabilities					
- Accomodation Bonds	3,227	-	-	-	-
- Other Financial Liabilities	2,244	-	-	-	-
		<b>(129)</b>	<b>(129)</b>	<b>129</b>	<b>129</b>

**NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)****17(e) Fair Value**

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

\*Level 1 - the fair value of financial instrument assets and liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;

\* Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and

\* Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

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

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

**Comparison between carrying amount and fair value**

<b>2011</b>	<b>Carrying Amount 2011</b>	<b>Fair Value 2011</b>	<b>Carrying Amount 2010</b>	<b>Fair Value 2010</b>
<b>Financial Assets</b>				
Cash and Cash Equivalents	8,926	8,926	1,441	1,441
Receivables:				
- Patient Fees and Trade Debtors	3,719	3,719	3,623	3,623
- Other Receivables	529	529	246	246
Other Financial Assets:				
- Term Deposits	-	-	10,500	10,500
- Shares in other Entities	-	-	846	846
<b>Total Financial Assets</b>	<b>13,174</b>	<b>13,174</b>	<b>16,656</b>	<b>16,656</b>
<b>Financial Liabilities</b>				
Payables	7,104	7,104	7,024	7,024
Other Financial Liabilities				
- Accommodation Bonds	3,217	3,217	3,227	3,227
- Other	2,559	2,559	2,244	2,244
<b>Total Financial Liabilities</b>	<b>12,880</b>	<b>12,880</b>	<b>12,495</b>	<b>12,495</b>

**NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)****17(e) Fair Value (continued)****Financial Assets Measured at Fair Value**

	Carrying Amount as at 30 June \$'000	Fair Value Measurement at end of Reporting Period Using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>2011</b>				
<b>Financial Assets Measured at Fair Value Through Profit and Loss</b>				
Available for Sale Financial Assets				
- Equities and Managed Funds	-	-	-	-
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**2010****Financial Assets Measured at Fair Value  
Through Profit and Loss**

Available for Sale Financial Assets

- Equities and Managed Funds	846	846	-	-
<b>Total Financial Assets</b>	<b>846</b>	<b>846</b>	<b>-</b>	<b>-</b>

**NOTE 18: COMMITMENTS FOR EXPENDITURE**

	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Capital Expenditure Commitments</b>		
<b>Buildings</b>		
Car Park Upgrade	-	1,353
Medical Staff Office Accommodation	-	319
Rushworth Medical Clinic	-	330
8 New Sub Acute Beds	1,500	-
<b>Total Building Commitments</b>	<b>1,500</b>	<b>2,002</b>
<b>Buildings</b>		
Commitments due not later than one year	<b>1,500</b>	<b>2,002</b>
<b>Lease Commitments</b>		
<b>Operating Lease Commitments</b>		
Major Medical Equipment	1,260	1,764
Non Medical Equipment	967	1,115
Motor Vehicles	237	178
<b>Total Lease Commitments</b>	<b>2,464</b>	<b>3,057</b>
<b>Lease Commitments</b>		
Not later than one year	1,142	1,316
Later than one year and not later than 5 years	1,322	1,741
Later than 5 years	-	-
<b>Total Lease Commitments</b>	<b>2,464</b>	<b>3,057</b>
<b>Total Commitments for Expenditure (Inclusive of GST)</b>	<b>3,964</b>	<b>5,059</b>
Less GST Recoverable from the Australian Taxation Office	(360)	(460)
<b>Total Commitments for Expenditure (Exclusive of GST)</b>	<b>3,604</b>	<b>4,599</b>

**NOTE 19: JOINTLY CONTROLLED OPERATIONS AND ASSETS**

Goulburn Valley Health controls 20% share of the Hume Rural Health Alliance, whose principal activity is to provide information systems to Health Service Providers in the Department of Health's Human Services' Hume region. Interests in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the financial statements under their respective asset categories.

	<b>Ownership</b>	<b>Interest</b>
	<b>2011</b>	<b>2010</b>
	<b>20.24%</b>	<b>20.24%</b>
	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Current Assets</b>		
Cash and Cash Equivalents	193	339
Receivables	442	244
Other Assets	12	12
<b>Total Current Assets</b>	<b>647</b>	<b>595</b>
<b>Non-Current Assets</b>		
Plant and Equipment	<b>20</b>	<b>24</b>
<b>Current Liabilities</b>		
Payables	282	160
<b>Total Liabilities</b>	<b>282</b>	<b>160</b>
Goulburn Valley Health's interest in revenue and expenses resulting from jointly controlled operations and assets is detailed below		
<b>Revenues</b>		
Operating Revenue	467	336
Non-Operating Revenue	11	10
<b>Total Revenue</b>	<b>478</b>	<b>346</b>
<b>Expenses</b>		
Non-Salary Labour Costs	291	192
Operating Expenses	715	550
Depreciation	6	5
Capital Expenditure	-	68
<b>Total Expenses</b>	<b>1,012</b>	<b>815</b>



**NOTE 20: SEGMENT REPORTING**

	Residential Aged Care Services		Other HSA & H&CI Services		Total 2011	Total 2010
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	\$'000	\$'000
<b>REVENUE</b>						
<b>Total Revenue (External Segment Revenue)</b>	<b>5,762</b>	<b>5,445</b>	<b>178,866</b>	<b>163,887</b>	<b>184,628</b>	<b>169,332</b>
<b>EXPENSES</b>						
External Segment Expenses	6,062	6,041	187,957	172,174	194,019	178,215
Intersegment Expenses	1,655	1,728	(1,655)	(1,728)	-	-
<b>Total Expenses</b>	<b>7,717</b>	<b>7,769</b>	<b>186,302</b>	<b>170,446</b>	<b>194,019</b>	<b>178,215</b>
<b>Net Result From Ordinary Activities</b>	<b>(1,955)</b>	<b>(2,324)</b>	<b>(7,436)</b>	<b>(6,559)</b>	<b>(9,391)</b>	<b>(8,883)</b>
Interest Income	-	-	936	936	936	936
<b>Net Result for Year</b>	<b>(1,955)</b>	<b>(2,324)</b>	<b>(6,500)</b>	<b>(5,623)</b>	<b>(8,455)</b>	<b>(7,947)</b>
<b>Other Information</b>						
Segment Assets	20	33	-	-	20	33
Unallocated Assets	-	-	123,182	130,762	123,182	130,762
<b>Total Assets</b>	<b>20</b>	<b>33</b>	<b>123,182</b>	<b>130,762</b>	<b>123,202</b>	<b>130,795</b>
Segment Liabilities	2	13	-	-	2	13
Unallocated Liabilities	-	-	42,156	41,283	42,156	41,283
<b>Total Liabilities (Unallocated)</b>	<b>2</b>	<b>13</b>	<b>42,156</b>	<b>41,283</b>	<b>42,158</b>	<b>41,296</b>

**The major services from which the above segments derive income are:**

- Residential Aged Care Services
- Other HSA & H&CI Services - Acute and Community Services

Pricing between inter-segments is at cost.

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

## NOTE 21 (A): RESPONSIBLE PERSON RELATED DISCLOSURES

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

	Period	
	From	To
<b>Responsible Ministers:</b>		
The Honourable Daniel Andrews, MP, Minister for Health	1/07/2010	2/12/2010
The Honourable David Davis, MP, Minister for Health and Ageing	2/12/2010	30/06/2011
The Honourable Mary Wooldridge, MLA, Minister for Mental Health	2/12/2010	30/06/2011
<b>Board of Directors</b>		
Mr. C. Furphy	1/07/2010	30/06/2011
Mr. C. Hazelman	1/07/2010	30/06/2011
Mr. N. Maughan	1/07/2010	30/06/2011
Dr. P. Dalgliesh	1/07/2010	30/06/2011
Ms. L. Torres	1/07/2010	30/06/2011
Ms. R. Woolstencroft	1/07/2010	30/06/2011
Mr. B. Gurry	1/07/2010	30/06/2011
Mr. I. McKinnon	1/07/2010	30/06/2011
Ms R. Knaggs	1/07/2010	30/06/2011
<b>Accountable Officer</b>		
Ms. K. M. Healy		

### Remuneration of Responsible Persons

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

Income Band	2011 No.	2010 No.
0 - \$9,999	0	1
\$10,000 - \$19,999	8	7
\$30,000 - \$39,999	1	1
\$270,000 - \$279,999	0	1
\$300,000 - \$309,999	1	0
<b>Total Numbers</b>	<b>10</b>	<b>10</b>
	<b>Total 2011 \$'000</b>	<b>Total 2010 \$'000</b>
<b>Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:</b>	<b>488</b>	<b>445</b>

Amounts relating to Responsible Ministers are reported in the financial statements of the Department of Premier and Cabinet.

**NOTE 21(B): EXECUTIVE OFFICER DISCLOSURES****Executive Officers' Remuneration**

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

	<b>ENTITY Total Remuneration 2011 No.</b>	<b>2010 No.</b>	<b>Base Remuneration 2011 No.</b>	<b>2010 No.</b>
\$130,000 - \$139,999	-	1	1	2
\$140,000 - \$149,999	2	1	1	-
\$150,000 - \$159,999	-	-	-	2
\$160,000 - \$169,999	2	2	2	-
\$170,000 - \$179,999	-	1	-	1
\$180,000 - \$189,999	-	-	1	-
\$190,000 - \$199,999	-	-	2	2
\$200,000 - \$209,999	2	2	-	-
\$210,000 - \$219,999	1	-	-	-
\$260,000 - \$269,999	-	-	-	1
\$270,000 - \$279,999	-	1	-	-
\$290,000 - \$299,999	-	-	1	-
\$310,000 - \$319,999	1	-	-	-
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Total Remuneration \$'000</b>	<b>1,559</b>	<b>1,471</b>	<b>1,500</b>	<b>1,415</b>

**NOTE 22: CONTINGENT ASSETS AND LIABILITIES**

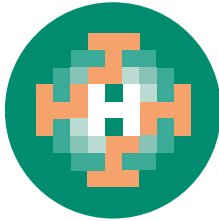
There are no known contingent liabilities or assets at the date of this report.

**NOTE 23: EX-GRATIA PAYMENTS**

There were no ex-gratia payments made by Goulburn Valley Health during the 2010/2011 financial year.

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## GOULBURN VALLEY HEALTH

### Goulburn Valley Health Shepparton Campus

Graham Street, Shepparton, Victoria, 3630

Tel: (03) 5832 2322

Fax: (03) 5821 1648

### Mental Health Campus

Monash Street, Shepparton, Victoria, 3630

Tel: (03) 5832 2111

Fax: (03) 5832 2100

### Tatura Campus

64-68 Park Street, Tatura, Victoria, 3616

Tel: (03) 5824 8400

Fax: (03) 5824 8444

### Waranga Campus

Coyle Street, Rushworth, Victoria, 3612

Tel: (03) 5851 8000

Fax: (03) 5856 1916

### UNA House Campus

Corio Street, Shepparton, Victoria 3630

Tel: (03) 5823 6555

Fax: (03) 5822 2584

### Centre Against Sexual Assault Campus

Nixon Street, Shepparton, Victoria, 3630

Tel: (03) 5831 2343

Fax: (03) 5831 1996

### Centre for Older Person's Health Campus

80 Orr Street, Shepparton, Victoria, 3630

Tel: (03) 5823 6000

Fax: (03) 5831 8500

## ASSOCIATED HOSPITALS

### Nathalia District Hospital

Elizabeth Street, Nathalia, Victoria, 3638

Tel: (03) 5866 9444

Fax: (03) 5866 2042

### Yea & District Memorial Hospital

Station Street, Yea, Victoria, 3717

Tel: (03) 5736 0400

Fax: (03) 5797 2391

[www.gvhealth.org.au](http://www.gvhealth.org.au)

