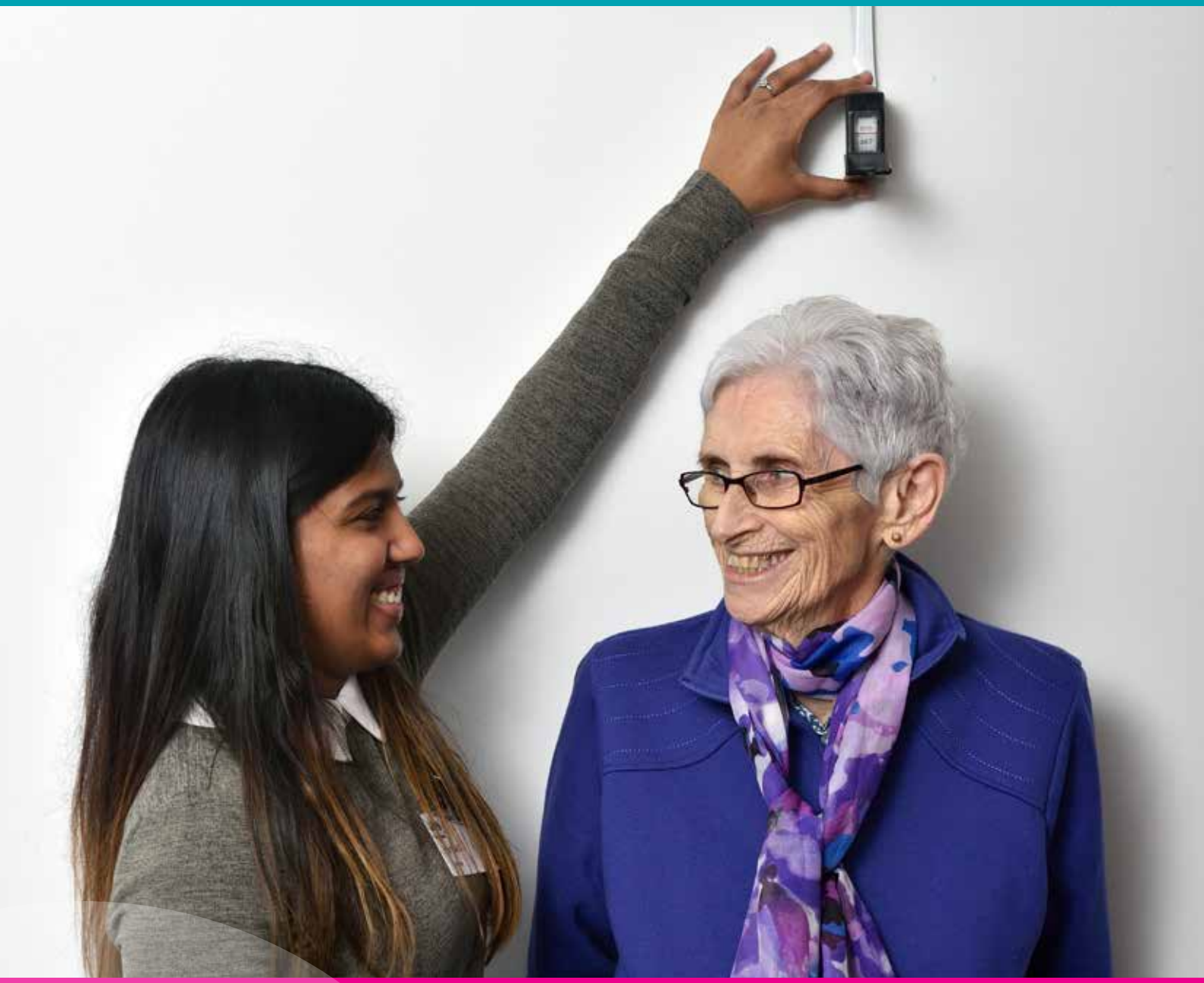
TERANG & MORTLAKE HEALTH SERVICE



ANNUAL REPORT

2015-16

OUR VISION

To be a leader in the development of a vibrant, healthier community.

WE VALUE

Compassion and responsiveness – We care for the needs of our patients, clients and each other

Equity and fairness – We make decisions objectively, without favouritism or bias

Ethical behaviour – We act in an honest, open and confidential way

Accountability – We use resources efficiently and acting responsibly

Excellence – We strive for excellence in the delivery of healthcare

Respect – We respect the rights of the individual

OUR STRATEGIC GOALS

Growth – Services that meet demand and support our community

Governance – Provide strong leadership to enact change

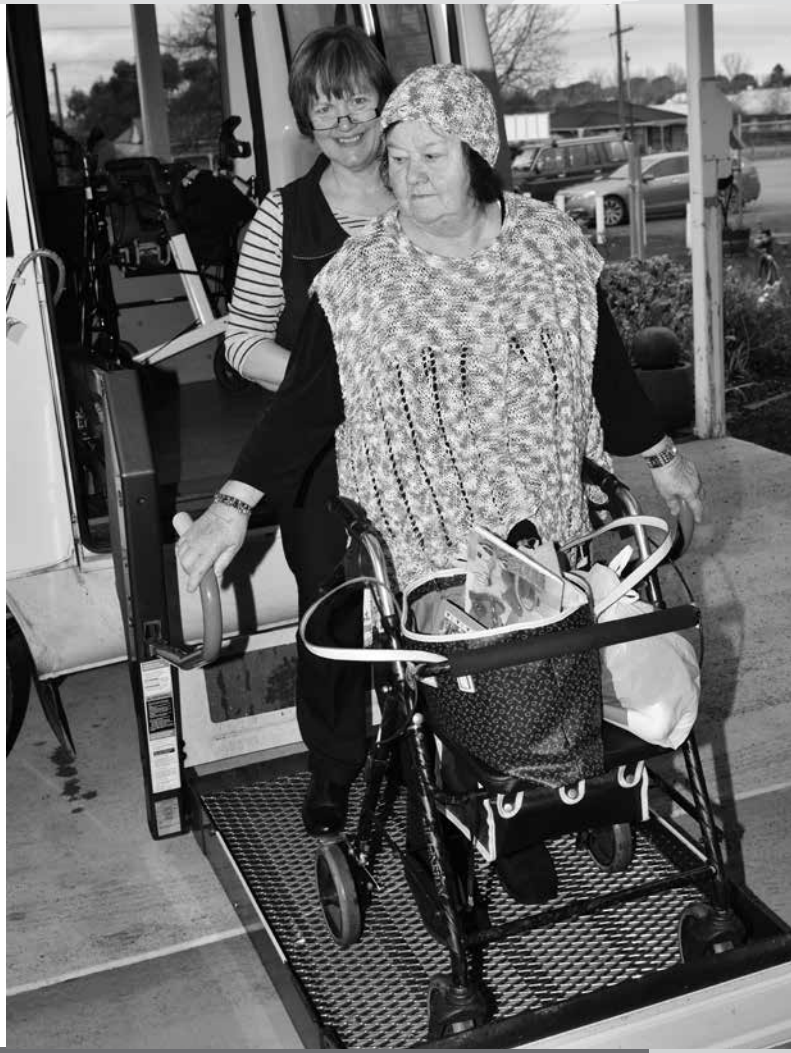
Culture & leadership – Build culture to deal with sector changes

Financial – Build models of sustainability

Innovation in service delivery – New ways to respond to a new environment

Marketing – Build awareness in the community

CONTENTS



HEALTH SERVICE PROFILE

The Terang & Mortlake Health Service was established on 1st November 1994, following the amalgamation of the Terang & District (Norah Cosgrave) Hospital and the Mortlake District Hospital.

The Terang Hospital Campus comprises 24 acute beds together with accommodation for 15 nursing home residents.

A wide range of health care services is provided from the Terang Campus. In addition to care provided by the General Practitioners, there are specialists in Obstetrics, Geriatrics and General Surgery who visit Terang on a regular basis.

The Terang Social Centre was established in 1985, and provides a focus for a variety of community based services which are of assistance to disabled, injured and elderly patients. Construction of the Josie Black Community Health Centre, at the front of the original Social Centre, was completed in May 2006. The Josie Black Community Health Centre now provides a modern venue for the delivery of services formerly provided at the Terang Hospital and at the Living Well Centre. These include District Nursing Services, Diabetes Education, Health Promotion and Allied Health Services such as Podiatry, Speech Pathology, Dietetics, Occupational Therapy and Physiotherapy.

The Terang and Tweddle Early Parenting day stay program began catering for the parenting needs of the South West in April 2001. The Terang Early Parenting Centre is operated in partnership with Tweddle Child and Family Health Services. The parenting centre provides a Day Program for families with babies and children up to 36 months old: education and help to manage parenting issues including feeding difficulties, unsettled/ irritable infants, infant/toddler sleeping problems, uncertainty with parenting issues, challenging toddler behaviour, maternal exhaustion, and postnatal anxiety & depression.

The former Mortlake District Hospital, which was established in March 1922, has undergone a significant role change following the amalgamation. Bed based services at Mortlake were de-commissioned, effective from 1st November 1994. The Mortlake Community Health Centre now provides a range of primary care, allied health, and chronic disease management and health promotion programs.

SERVICES PROVIDED

Primary Care

The Primary Care department provides allied health and medical support services in the following areas.

- Arthritis Education and Support Group
- Blood Pressure Checks
- Josie Black Community Health Centre available to community groups
- Community Network Meetings
- Counselling Services
- Diabetes Education
- Dietetics
- ECG Checks
- Health Education and Screening
- Health Promotion
- Immunisation Nurse Practitioner
- Live Life Well Program
- Mortlake Community Health Centre
- Outpatients Clinic
- Occupational Therapy
- Physiotherapy
- Podiatry
- Pre and Post Natal Care
- Smoking Cessation
- Speech Pathology
- Well Womens' Clinic – Breast Screen, Pap Smear Clinic

Services are also provided to Community members to assist them with maintaining and improving their health:

- Advanced Care Planning
- Community education programs and events
- Carers Support Group
- Men's Mobility Group
- Parenting Programs
- Planned Activity Group
- Presentations to Community Groups and other Health Agencies
- Respite Outings for care recipients
- Strength Training
- Walking and Exercise Groups
- Yoga

Terang and Mortlake Health Service offers Coordinated Care to assist community members to achieve maximum independence compatible with abilities.

- District Nursing Service
- Community Transport
- Meals on Wheels

Acute Hospital Care

The acute hospital services are provided in our 24 bed Acute Wing, Theatre and Urgent Care departments. These areas are accessed through the administration area in the front of the Health Service building facing Austin Avenue.

- 24 hour Urgent Care
- General Medicine
- Surgical Care
- Palliative Care
- Obstetrics / Gynaecology

Aged Care

Mount View Aged Care Facility

Mount View is a purpose built 15 bed Aged Care facility. It is considered to be an outstanding example of residential aged care. It is located adjacent the hospital facing Austin Avenue.

- Aged Residential Care
- Access to Aged Care Assessment Team, Home Assessments and Domiciliary Assessments

Other Services and Programs

- Tax Help
- Centrelink Access Point (Terang)
- Playgroup
- Early Parenting Centre
- Maternal and Child Health – Moyne Shire
- Planned Activity Groups – Moyne Shire

PRESIDENT, BOARD OF MANAGEMENT & CHIEF EXECUTIVE OFFICERS REPORT

The 2015-16 financial year has been another year of significant challenge and achievement for Terang & Mortlake Health Service as we strive to provide quality care to our community. The following information provides a summary of some of the year's highlights as we work towards embedding our organisation's vision which is *"To be a leader in the development of a vibrant, healthier community".*

The vision referred to above is based on the following beliefs and understanding:

- Terang & Mortlake Health Service (TMHS) is one of a number of organisations that plays a lead role in the community;
- As a leader in the community it is incumbent upon TMHS to foster innovation and challenge the status quo;
- That vibrant communities are characterised as empowered, having greater control over their destiny, a "can-do" attitude of self-belief and strong leadership;
- The healthier community envisaged adopts a social model of health and uses the World Health Organisation definition of health which is more than the absence of disease but 'a state of complete physical, mental and social wellbeing' *(W.H.O, 1946)*. Wellbeing is defined as 'the condition of being well, contented and satisfied with life. Wellbeing has several components, including physical, mental, social and spiritual' *(Environments for Health, Victorian Government, 2001)*

From a financial viewpoint it is pleasing to report an operating surplus before capital and specific items amounting to approximately $519,000. The comprehensive result for the year amounts to a small deficit of $209,000.

It should be noted however, that this amount includes funds provided by the State government for capital infrastructure and equipment amounting to approximately $299,000, interest on investments $135,000, donations and bequests $115,000 and depreciation on assets amounting to $956,000.

Government grants for capital improvements and equipment and, donations and bequests received are not used for funding day to day operations of the organisation but are required by accounting rules to be recorded in the accounts as contributing to the net result for the year.

A summary of the financial result may be found in the Financial Overview and of course, the Financial Report encompassing the Financial Statements and notes present a detailed record of the year's results.

Leadership and Governance

Terang & Mortlake Health Service is fortunate to have a high functioning and effective Board. The Health Service acknowledges the significant contributions made by retiring Board members, Mr. Graham Blain and Mr. Craig Coates. Graham's contribution to the Board has spanned over a 12 year period including 3 years as Board Chair. He has seen a great change in governance and health policy direction during this period and has been instrumental in ensuring that our Board has been kept abreast of governance best practice.

Both Graham and Craig are to be congratulated for their significant contributions to the Health Service and for sharing their expertise with other

Board members. We wish them luck in their future endeavours.

Terang & Mortlake has continued to lead for positive health change in the Corangamite Shire. The Chief Executive has chaired the Corangamite Health Collaborative since July 2015. This advisory committee reports directly to the Department of Health & Human Services and includes representatives from Cobden District Health Service, Timboon & District Health Service, South West Healthcare, and the Corangamite Shire. The primary focus of the CHC committee is to review the delivery of health services within the Corangamite Shire and develop improved service models for residents in our region. Terang & Mortlake Health Service has been instrumental in auspicing a Health Systems Coordination project officer who is responsible for improving systems and processes associated with the consumer's ability to confidently access health care and services across the Corangamite Shire as well as ensuring that agencies present both written and verbal health information to consumers in a way that is effective and easy to understand.
The Board of Management is the organisation's major policy making body and assumes overall responsibility for the strategic direction and operation of the Health Service. The Board is responsible for ensuring the service is well managed, provides high quality services that meet the needs of the community, and ensuring that objectives are met. To ensure the Board maintains its ability to undertake its role Board members participate in on-going education programmes. During the year Board members again undertook a self-assessment process to gauge their knowledge and understanding of governance matters and the maturity of governance systems and processes in place using a tool developed by the Australian Centre for Healthcare Governance (ACHG). Following the assessment an action plan has been implemented to further develop knowledge, systems and processes over the next year.

The Board of Management welcomed two new members in July. Mrs Elizabeth Clarke and Mr Colin Long were appointed for an initial 12 month term concluding on 30 June 2016. Both incumbents have offered new insights and perspectives and have added positively to the Board's skill mix and knowledge base.

We record our appreciation for the dedication and service to Terang & Mortlake Health Service by all of our Board members.

The Health Service's Vision, Values and Strategic goals are recorded on page 1 of this Annual Report. These provide direction and guidance to the Board of Management in the development of policy and plans and the delivery of services to our community.

Services to patients, residents and clients

Access to services has also been an achievement in the 2015-16 year. The Terang and Mortlake communities have been provided with increased access to dietetic and physiotherapy services as well as basic nail care and community dental services for school aged children through a productive partnership with Barwon Health. All of these initiatives aim to ensure that Terang & Mortlake Health Service create and lead opportunities to increase access to preventative health measures.

Late last year, Laura Stevenson our Health Promotion Officer, undertook a cultural audit of Terang & Mortlake Health Service.
This involved Laura observing all three campuses and surveying relevant staff. This process helped us to identify areas for improvement to ensure people from all cultures feel safe and welcome when accessing our services.

Since this audit, we have made a number of important changes. At the entrance of each campus building you will now notice a sign that displays both Aboriginal and Torres Strait Islander flags and states that we welcome these cultures in our health service. Also, for the first time, we had a 'welcome to country' at our Annual General Meeting.

Through the Chisolm Institute of TAFE, Ms. Stevenson was able to secure training for TMHS staff. The program was designed to build awareness of Aboriginal culture and issues affecting Aboriginal staff and service users.
It also provided staff with the opportunity to develop foundation skills and knowledge needed to become more culturally aware and responsive. Feedback from this training was overwhelmingly positive. Terang & Mortlake Health Service will continue to seek support to ensure our service is culturally appropriate.

Five of our nurses and two visiting medical officers gained radiology accreditation during the year, allowing them to operate the health service's new radiology equipment. This service improvement has allowed for more patients to

obtain radiology services in their local health service without the need to transfer to other facilities. With the installation of our new digital X-ray processor, diagnostic results have also been made available more quickly resulting in treatment plans being implemented in a timely and efficient manner.

In the year in review the demand for services delivered has continued to be strong across the entire range of services provided by Terang & Mortlake Health Service. The demand for hospital beds reduced marginally in comparison to the previous year and we treated a total of 1,012 inpatients resulting in 3,049 patient bed days. Occupancy of the nursing home was adversely affected by gender balance issues relating to shared room vacancies with the beds occupied at 95% throughout the year (down from the longer term average of 98%). The in-progress redevelopment of the Mount View Aged Care Facility Nursing Home will address this issue and will result in all residents having their own single room.

Demand for non-admitted services remained high. 2,939 clients presented for treatment at the Terang Hospital Urgent Care department whilst 2,091 clients presenting to the Outpatients department in Mortlake where 915 hours of direct care was provided

The demand for community based services continues to increase and place pressure on the available resources. At our two Community Health Centres based in Terang and Mortlake 4,912 hours of service were provided by Allied Health and Primary Care practitioners throughout the year to 1,379 clients. Our District nurses provided 8,706 hours of service to their 342 clients - an increase of 1,158 service hours in comparison to the previous year. The Terang Social Centre provided 18,901 hours of service to 113 clients.

Human Resources

Terang & Mortlake Health Service is supported by a highly skilled and dedicated workforce across all areas of operations including Nursing, Primary Care & Community Health, Cleaning and Domestic, Catering, Administration and Maintenance services staff. We employed over 150 people in the past year and continue to be a major employer in the Terang & Mortlake districts.

The Health Service has worked hard over the past 12 months to address workforce sustainability. One strategy that has been implemented is the employment of a Trainee in our Maintenance Department. This strategic appointment has aimed to encourage youth into the organisation with the view to grow a sustainable workforce from the roots up and to encourage training opportunities for locals.

Throughout the organisation there is a strong commitment toward the provision of services that are safe and of the highest quality.

During the year we welcomed 18 new members of staff; ten in nursing, four in hotel services, and one each in our primary care services, aged care, administration and maintenance departments.

Terang & Mortlake Health Service encourages and values a culture of continuous learning. In the past twelve months, we have had a staff member complete an apprenticeship (Certificate III in Commercial Cookery) and have enrolled three Managers in a Diploma of Leadership with the aim of increasing formalised skill growth and intellectual property within the organisation. Our two Clinical Nurse Education Managers have also successfully completed a Certificate IV in Workplace Training and Assessment.

All of our staff are encouraged to maintain and enhance their skills and to participate in in-service education sessions presented throughout the year. Our two-yearly face-to-face mandatory training days were held on 9 occasions over the 24 month period. A total of 147 staff attended equating to an attendance rate of 98%. Staff participated in a range of sessions and presentations including Infection Control; Occupational Health & Safety; Person Centred Care; Chronic Disease Management; Fire and Emergency Procedures; Quality Improvement; Risk Management; Environmental Management; Basic Life Support (BLS) and No-lift and Manual Handling.

Nursing staff also participate in the sub-regional Continuing Nurse Education program which provides education sessions on various topics chosen by the nursing workforce. In addition, our Mortlake nursing staff spent 2 days at the South West Healthcare Accident & Emergency Department in Warrnambool to ensure their skills are maintained at a high level.

The Collaborative Aged Care Graduate Nurse program is a joint initiative with South West Healthcare with two graduates rotating 6 monthly between the two facilities in order to gain valuable experience in both Aged Care and Acute nursing.

The Terang and Mortlake campuses continue to be well served by the local General Practitioners of the Terang and Mortlake based clinics, by General Surgeon Mr. Carl Murphy, General Practitioner Obstetrician Dr John Menzies, visiting Physicians from the Warrnambool Physicians Group and by visiting Obstetricians & Gynaecologists from the Greenwell Specialist Clinic.

Quality Improvement & Risk Management

The Quality Improvement Committee oversees the continuous development and improvement of our quality and risk management plans.

Our Health Service is subject to a number of periodic accreditation reviews which ensure that safety and quality benchmarks are achieved and that these factors remain a paramount focus.

The National Standards were developed by the Australian Commission on Safety and Quality in Healthcare (ACSQH) and have been adopted by the Health Minister in each State and Territory. The fundamental aim of the National Standards is to protect individuals from harm and improve the quality of health services delivered throughout the country.
The Standards are deigned to provide a quality assurance mechanism against which health services can be assessed to determine whether relevant systems and processes are in place to meet minimum standards of quality and safety, and a quality improvement tool against which improvement can be measured.

There are ten national Standards under the following headings:

1. Governance for safety and quality in health service organisations
2. Partnering with consumers
3. Preventing and controlling healthcare associated infections
4. Medication safety
5. Patient identification and procedure matching
6. Clinical handover
7. Blood and blood products
8. Preventing and managing pressure injuries
9. Recognising and responding to clinical deterioration in acute health care
10. Preventing falls and harm from falls.

In April 2016, Terang & Mortlake Health Service commenced a new three year accreditation cycle spanning from 2016 – 2019 and focussing on the 10 core National Standards.

The rationale behind this decision was to ensure a deeper and more comprehensive compliance to the standards.

During the year, the health service was selected to participate in a national pilot project trialling an updated Version 2 of the National Quality Standards from a small rural health service perspective. The project allowed for constructive feedback to be relayed to the organising body, the Australian Commission on Safety & Quality in Healthcare with the CEO being invited to Sydney in November to participate in a feedback workshop.

In the last 12 months, significant work has been done with reporting structures to the Board of Management in order to ensure that information relating to clinical governance is communicated clearly and effectively in adherence to best practice governance guidelines.

Two Aged Care Support Visits were conducted in the 12 month period by the Australian Aged Care Quality Agency at Mt View Residential Aged Care facility. One in April 2015 and the other in October 2015. The feedback from these visits was extremely positive with no recommendations received.

Terang & Mortlake Health Service has put in place a number of initiatives aimed at supporting staff in the past 12 months. The training of Contact Officers commenced with 7 staff members across the organisation receiving training. The project, funded by the Department of Health & Human Services Mature Workforce project, aims to provide staff with support and advice on various related issues. The organisation has also funded a part time education officer role, shared by Registered Nurses Julie Plummer and Lisa Urek. This role aims to assist in the support and training of nursing staff to access and undertake training opportunities to enhance their clinical skills. Both nurses have successfully completed their Certificate IV in Workplace Training and Assessment.

In November 2015, Terang & Mortlake Health Service through our Mount View Aged Care Facility was invited to participate in a new regional project called the *'Montessori Project'*.

The Montessori model of care was developed in Italy and is highly regarded as being 'best practice' for residents with dementia. The aim of the project is to promote independence to residents and to provide purposeful and meaningful activities.

To date, there have been six study days where *Alzheimers Australia* has presented to project facilitators along with three Mount View Aged Care facility visits to speak with residents, staff and family members. Education has included how to implement dementia friendly environments and interactions.
Mount View has been asked by Alzheimers Victoria to provide a summary of their implemented projects in order to showcase the outcomes to other facilities. This is indeed a testament to the success of the project.

Feedback received from residents and family members has been overwhelmingly positive. Results to date have indicated a decrease in challenging behaviours and specific medications. Our Mount View Aged Care staff look forward to continuing with the project and embedding it permanently as part of their standard practice.

Community Advisory Committee

The Community Advisory Committee formed in February 2010 continued to meet throughout the year to assist with the development of documentation for patients, consumers and carers.
Once again, a major achievement of the committee was the November publication of the 2014-15 Quality of Care Report. Committee members played lead roles in the development of the report drafting the human interest stories based on community members experience with the Health Service. We received 14 overwhelmingly positive responses to our survey which sought to find whether people who received the report found it useful and of interest. The Committee is currently involved in the development of the 2015-16 Quality of Care report which will be distributed throughout the TMHS catchment area toward the end of this year.
Mrs Eve Black continues to represent members of the Community Advisory Committee attending meetings of the Quality Improvement Committee and the monthly meeting of the Board of Management to provide a consumer perspective to the matters discussed. Eve also participates in the delivery of training sessions for staff providing a consumer perspective during discussion surrounding the Person Centred Care training module.
The Consumer Advisory Committee is made up by 7 members of the community, Mrs Eve Black, Mrs Susan Keane, Mrs Judy Blackburn, Mrs Judy Walters, Mrs Jean Edwards, Mrs Jillian Reid, and Mrs Julie Kenna. The Board is very appreciative of the role undertaken by the committee and looks forward to their on-going input and assistance.

Facilities & Equipment

In January 2016, after months of planning, the existing sitting area at Mt View Aged Care Facility was handed over to Nicholson's Builders in order to commence Stage 1 of the Health Service's building project. As at the end of the financial year, stage 1 was almost complete with the expansion of a new dining space, 3 new bedrooms, kitchenette and an expansive outdoor deck area maximising views over to Mt Noorat in the North. Residents, family members and staff are looking forward to the extra space and privacy that will be on offer when stage 1 is complete.

The project has been managed closely by the Project Control Group to ensure that timeframes and budget constraints have been adhered to.

Maintenance at both the Terang & Mortlake Campus' continue to provide us with an on-going challenge as we strive to provide modern day health care from ageing infrastructure.

Through fundraising activities, a generous bequest and a series of small capital grants provided by the Department of Health & Human Services we have been able to replace and acquire a number of important capital equipment items during the past year. These include:

- Purchase of new Toyota Hiace Mini Bus for the use of Mount View residents;
- New carpet in the Terang Hospital stairwell and administration zone;
- Replacement of blinds and vinyl flooring in Mortlake treatment rooms;
- New podiatry/physiotherapy treatment couch;
- Replacement of combi oven and six burner hotplates in catering department;
- 7 x new beds for acute ward including 1 x high/low bed for Mount View;
- 2 x new commode chairs for the Terang Hospital acute ward.

A number of significant maintenance projects have also been undertaken during the past year. These include:

- Repainting of Terang Hospital Administration offices and level 2 meeting room;
- Refurbishment of Terang Hospital acute ward rooms 4 and 5 including new cabinetry, painting and flooring;
- Line marking of Terang Hospital main carpark;
- Creation of a new kitchen stores area;
- Boundary fencing upgrades.

The members of the Terang Hospital Ladies Auxiliary group held a number of successful functions during the year. The auxiliary hosted an in-house music afternoon, which sold out well in advance, and an open garden weekend. The annual golf, bowls and croquet evening held in February was again a great success with over 90 participants taking part and enjoying the barbeque afterwards. We are extremely grateful for the untiring support of this dedicated band of ladies.

Community Support

The Health Service is well supported by our community, and we offer our sincere thanks to the members of the Terang Hospital Ladies Auxiliary, service clubs of Terang and Mortlake, the Terang Aged Care Trust, the Terang Op Shop, members of the Murray to Moyne Cycle Relay teams and individual community members who have assisted throughout the year by way of financial and in-kind support through volunteering.

During the year the Murray to Moyne Cycle Relay Teams in Terang and Mortlake raised in excess of $26,000. $5,000 of this amount was again provided by the Terang Op Shop and we are extremely grateful for their on-going support.

Funds raised by the Terang Murray to Moyne relay team were allocated toward the purchase of a new wheelchair accessible Toyota Hiace Mini Bus for the use of our Mount View aged care residents.

Our community rallied behind the Health Service's fundraising project raising $68,000. With Board of Management endorsement and support from committed staff members, the community has recognised the need to provide our aged care residents with opportunities to remain engaged with their broader community. It has been wonderful to see so many residents accessing these opportunities in recent months particularly whilst Mount View building works have been undertaken.

We extend our sincere appreciation to the 120 plus community volunteers who assist with the delivery of services to clients at Mount View Aged Care Facility, the Terang and Mortlake Community Health Centres, Terang Day Centre and people living in the community. Our Meals on Wheels service, which provides meals to Terang residents on behalf of the Corangamite Shire 7 days per week has continued to grow.

This service is reliant on the 60+ volunteers who deliver meals throughout the town and we thank them for, and look forward to, their on-going support.

Thanks also go to Tweddle Child and Family Health Service, South West Healthcare, Timboon and District Health Service, Cobden & District Health Service, Colac Area Health, the South West Alliance of Rural Health (SWARH), South West Primary Care Partnership for their assistance and support of the joint appointment of our Health Promotion Officer in partnership with Deakin University, Corangamite and Moyne Shires, South West Institute of TAFE, the Great South Coast Medicare Local and all other providers of health and health related services that have assisted TMHS throughout the year.

Conclusion

The Board of Management, whilst reflecting on the achievements of the financial year in review, will continue to focus on the long-term strategic goals of the organisation. We look forward to continuing our participation in the *Strengthening Rural Health Services* Project and the Corangamite Health Collaborative which will provide new and additional opportunities to work collaboratively with the other agencies and providers throughout the region, and to the on-going implementation of our Strategic Quality Improvement Plan that will assist us to meet the health and well-being needs of the community.

Whilst 2016-17 is shaping up to be another challenging year, it also promises to be an exciting one which will include the completion of construction works to redevelop our acute hospital ward and Mount View Aged Care Facility. We are confident that we will continue to build on and improve the services we provide to our community through the adoption of our "What can we do next?" attitude.

Responsible Bodies Declaration

Finally, in accordance with the *Financial Management Act 1994*, we are pleased to present the Report of Operations for the Terang & Mortlake Health Service for the year ending 30 June 2016.

Barry Philp
Chair

Julia Ogdin
Chief Executive Officer

Terang
22nd July 2016

STATEMENT OF PRIORITIES

Part A: Strategic Priorities for 2015-16

The Victorian Government's priorities and policy directions are outlined in the *Victorian Health Priorities Framework 2012-2022*.

In 2015-16 Terang & Mortlake Health Service contributed toward the achievement of these priorities by undertaking the following actions.

<table>
<tr><th>Priority</th><th>Action</th><th>Deliverable</th><th>Progress</th></tr>
<tr>
<td>Patient experience and outcomes</td>
<td>• Drive improved health outcomes through a strong focus on patient-centred care in the planning, delivery and evaluation of services, and the development of new models for putting patients first.</td>
<td>• Integrated Diabetes Clinic – evaluate outcomes to determine if initial clinical goals of clinic achieved, undertake client survey to determine satisfaction levels, review client goals and outcomes for achievement.</td>
<td>Achieved.

Integrated Diabetes Clinic: plan in December to collect data and compare it to the initial data collected; this data relates to the annual cycle of care for type 2 diabetes. A satisfaction survey re. client experience was completed in December 2015.

Of the 20 clients who received a survey, 60% responded with an overwhelming 100% satisfaction.

Comparison data since introduction of the Integrated Diabetes Clinic in 2014-15:
<table>
<tr><th>KPI's</th><th>2014-15</th><th>2015-16</th></tr>
<tr><td>Foot assessment within 12 months</td><td>26%</td><td>100%</td></tr>
<tr><td>S/B Dietician 6 monthly</td><td>37%</td><td>85%</td></tr>
<tr><td>S/B Diabetes Educator 6 monthly</td><td>37%</td><td>85%</td></tr>
<tr><td>HBA1C pathology indicator</td><td>26%</td><td>81%</td></tr>
</table>
• Extend the use of shared care plans within Allied Health, District Nursing and HACC programs
Shared person centred care plans for complex clients utilising DNS and Corangamite Shire HACC services in use.
To incorporate allied health clinicians commencing January 2016. Allied Health clinicians now included in shared care planning of complex clients

• Primary Healthcare committee meetings to utilise skype/conferencing facilities to enable participation by Podiatrist. Commenced April 2016

• Mortlake Community Health Centre community forum held Wednesday 13th April 2016 to gather feedback on client experiences. Feedback positive with community members present identifying that the MCHC needs to promote service availability more.</td>
</tr>
</table>

Priority	Action	Deliverable	Progress
			• Two staff undertaking health literacy training through the Centre for Culture Ethnicity and Health to address health literacy issues in regard to service access and delivery. • Health Literacy/Service Coordination Project Officer commenced through Corangamite Health Collaborative April 2016 • Basic Nail Care Clinic commenced March 2016 to provide care to clients assessed as low risk by the Podiatrist. This has reduced wait times to within recommended time frames. 41 more episodes of care provided.
		• Implement an organisation-wide approach to advance care planning including a system for identifying, documenting and/or receiving advance care plans in partnership with patients, carers and substitute decision makers so that people's wishes for future care can be activated when medical decisions need to be made.	Achieved. • Continue to embed an organisational approach to Advance Care Planning, aligning with the Department of Health & Human Services (DHHS) Advance Care Planning Strategy. Comparison of Advanced Care Plans completed: 2014: 19 2015: 30 Audit of total DNS clients with Advanced Care Plans: Terang: 2014: 16% 2015: 22% Mortlake: 2014: 11% 2015: 28%
		• Strengthen the response of health services to family violence. This includes implementing interventions, processes and systems to prevent, identify and respond appropriately to family violence at an individual and community level.	Achieved. • Developed and implemented a Family Violence policy and procedure that increases staff awareness and responsiveness to family violence both as an employee and community member. • Information brochures, sourced from Domestic Violence Resource Centre Victoria, made available to patients, and clients of Terang and Mortlake Health Service regarding identifying and reporting instances of family violence. • Provided education to clinical service staff in acute, Urgent Care Centre and community health settings on identifying and appropriately responding to suspected instances of family violence. Family Violence presentation included at November 2015 staff briefing. Domestic violence education/information included in two-yearly mandatory training cycle.

Priority	Action	Deliverable	Progress
		• Improve the health outcomes of Aboriginal and Torres Strait Islanders by increasing accountability and cultural responsiveness of the Victorian health system.	Achieved. • In collaboration with Kirrae Health Services Inc. work on developing a Memorandum of Understanding between the two agencies to increase awareness the range of TMHS healthcare services available to the Kirrae community. • In collaboration with Kirrae Health Services Inc. a cultural audit of TMHS campuses was conducted in October 2015 by TMHS Health Promotion officer. Actions paper written up and engaged with local indigenous Elder to assist with implementation of findings from the audit. • Results of cultural audit and improvement plans presented at November staff briefing. • HACC Diversity plan developed and presented to Board of Management at October meeting. • Further engagement through CEO attendance at Kirrae art show (November) and Welcome to Country at Annual General Meeting. • "Building Aboriginal Cultural Competence" education seminar (May) - 7staff attended. Aboriginal Identity "Asking the Question" workshop held (June) - 11 staff attended.
Governance, leadership and culture	• Demonstrate an organisational commitment to Occupational Health and Safety, including mental health and wellbeing in the workplace. Ensure accessible and affordable support services are available for employees experiencing mental ill health. Work collaboratively with the Department of Health and Human Services and professional bodies to identify and address systemic issues of mental ill health amongst the medical professions	• Ensure that all staff are aware of how to access the TMHS counselling service. Raise at monthly staff briefing and highlight in TMHS '*The Goss*' staff newsletter	Achieved. • Topic on accessing staff counselling service presented at monthly staff briefing (November) and also included in '*The Goss*' staff newsletter (December).
		• Partner with South West Healthcare (SWH) Community Mental Health Services to provide Mental Health First Aid training to staff.	Achieved • Free Mental Health First Aid training to interested staff via online learning module followed by 3.5 hour face to face training sessions held over two days (July 2016) and facilitated by SWH Camperdown Mental Health team leader - 13 staff attending.
		• Promote to nursing staff the availability of and, how to access the Nursing & Midwifery Health Program Victoria which supports mental health and wellbeing	Achieved • Presentation delivered on this program at the November staff briefing and promoted the service to staff. This will also be an item in the TMHS "*GOSS*" Newsletter for December. • 7 staff members have completed Contact Officer Training as at March 2016

Priority	Action	Deliverable	Progress
	• Monitor and publicly report incidents of occupational violence. Work collaboratively with DHHS to develop systems to prevent the occurrence of occupational violence.		Achieved • WorkSafe engaged to facilitate staff education re. Occupational Violence Incident reporting; • Occupation Violence incident reporting included in TMHS Quality and Safety meeting, Staff briefings and '*Safety Snippets*' newsletter. • Reviewed the DHHS '*Preventing Occupational Violence*' framework and identified strategies applicable to TMHS. • Anti-violence/aggression in the workplace posters displayed at all sites. • Continue to progressively implement security audit recommendations (conducted 2015) where practicable.
	• Promote a positive workplace culture and implement strategies to prevent bullying and harassment in the workplace.	• Continue to raise the TMHS Employee Charter at staff briefings and at departmental meetings.	Achieved • We continue to raise the TMHS Employee Charter at staff briefings and at departmental meetings. All staff are required to sign-off their acceptance of the TMHS Employee Charter in conjunction with their annual performance & development review.
	Monitor trends of complaints of bullying and harassment and identify and address organisational units exhibiting poor workplace culture and morale.	• Bullying/harassment trends are monitored through internal reporting mechanisms and address through education.	Achieved. • Bullying and Harassment topic written into mandatory training program for TMHS staff for 2016/17. '*Anti-Bullying and Harassment in Healthcare Strategy*' disseminated to all Department Heads (April) for discussion at departmental staff meetings and May staff briefing • WorkSafe *Bullying & Harassment* education conducted in June 2016. 14 staff members in attendance. • No recorded incidents of bullying/harassment at TMHS recorded between January - June 2016.
	• Undertake an annual board assessment to identify and develop board capability to ensure all board members are well equipped to effectively discharge their responsibilities.	• Participate in the annual board assessment process through the Australian Centre of Healthcare Governance (ACHG) program and monitor education activities undertaken by Board members.	Achieved. • ACHG annual self-assessment process completed February 2016.

Priority	Action	Deliverable	Progress
	• Build workforce capability and sustainability by supporting formal and informal clinical education and training for staff and health students, in particular inter-professional learning	• Encourage a learning culture by promoting continuing education throughout the workplace through Staff Briefings and the Goss newsletter. • Measure the increase in education undertaken by staff in the 12 month period through monitoring of the Education spread sheet.	Achieved. • Education standing agenda item at monthly Staff Briefing, includes a report on education undertaken by staff for the month • Collaborative Graduate in Aged Care attending Barwon Aged Care Practise updates monthly • Mortlake nursing staff completed placement in Accident & Emergency at SWH in February and March.Successful application to DHHS to support nurses to complete Remote & Rural X-Ray course during May. • 3 Managers enrolled in Diploma of Leadership – (June); • Food Services staff member successfully completed *Certificate III in Commercial Cookery* – June 2016; • 2 staff completed Certificate IV in Workplace Training and Assessment – 2016; • *Education occasions: 2015-16* Summary for TMHS staff (excludes mandatory education requirements) - Registered Nurses – 64 - Enrolled Nurses – 35 - Midwifery - 27 - Administration – 8 - Executive staff– 18 - Maintenance – 5 - Environmental – 4 - Community Health - 12
Safety and quality	• Ensure management plans are in place to prevent, detect and contain Carbapenem Resistant Enterobacteriaceae as outlined in Hospital Circular 02/15 (issued 16 June 2015).	• Ensure strategies from the DHHS and Australian Commission on Safety & Quality in Healthcare recommendations are implemented and monitored across the organisation.	Achieved. • Information circulated from DHHS correspondence, for discussion at Regional Infection Control meeting. • The group met 4 times during the year comprising full-day events with appropriate educational sessions. Regional CRE action plan discussed and developed at February 2016 meeting.
	• Implement effective antimicrobial stewardship (AMS) practices and increase awareness of antimicrobial resistance, its implications and actions to combat it, through effective communication, education, and training.	• Monitor compliance and identify areas for improvement relating to appropriate antibiotic usage.	Achieved. • Dr Rod James, from the Royal Melbourne Hospital presented four education sessions to nine TMHS nurses, five VMO and three staff from the Terang Clinic. Rod discussed the AMS program in conjunction with the National Antibiotic Prescribing Survey. • 2015 National Antimicrobial Prescribing Survey Results 68% compliance, ongoing education with VMO's & Nursing staff (2014 72% compliance) • Influenza vaccination rate at the end of June 2016: = 92%

Priority	Action	Deliverable	Progress
	• Ensure that emergency response management plans are in place, regularly exercised and updated, including trigger activation and communication arrangements	Embed into the organisation through: • Desktop scenario in mandatory education session. • Aged Care scenario planned to ensure that staff are aware of altered emergency management procedures during the building redevelopment phase.	Achieved. • 2 fire drill scenarios undertaken in November 2015 at Mortlake CHC and Josie Black CHC. • Emergency Response Management presentation conducted at staff briefing • Communications in TMHS OH&S 'Safety Snippets' newsletter • Emergency response procedures included as a standard item on Quality and Safety meeting agenda. • TMHS Bushfire Plan distributed to all Staff in December 2015 and tabled at OH&S Meeting in February 2016 • Volunteer Drivers Education reviewed and change to protocol re: risk assessment prior to travelling • Policy relating to Bushfire Preparedness reviewed. DNS staff not to visit clients outside of town boundaries on Total Fire Ban days. • Memoranum circulated to staff re: Preparedness for bushfires when driving. • Critical Hospital Operating Contingencies (CHOC) plan reviewed and adopted at March 2016 OH&S Meeting. • Letter issued to Mount View residents & relatives in reference to emergency response management plans and discussed at December residents & relatives meeting. • Fire Evacuation packs for residents of Mount View reviewed and updated
Financial Sustainability	• Improve cash management processes to ensure that financial obligations are met as they are due.	• Monitor cash management processes and cash reserves in place to ensure that our financial obligations are met as and when they fall due.	Achieved • 2014/15 VAGO audit report concluded that TMHS maintains sound cash management processes and cash reserves in place which ensure that our financial obligations are met as and when they fall due. • Solvency ratios relating to current ratio; Receivables in Days and Creditors in Days maintained above DHHS benchmarks through the year. Sound cash reserves position has been maintained.
	• Identify opportunities for efficiency and better value service delivery.	• Continue to explore and implement collaborative joint appointments of allied health staff with regional health services via the Corangamite Health Collaborative and SWARH	Achieved. • Appointed a joint Speech Pathologist (0.4 EFT) in partnership with Timboon District Health Service to commence August 2016 • MoU developed for provision of Allied Health services to Abbeyfield Hostel Mortlake. Speech pathology services have commenced. • Allied Health Service Coordination Project Officer appointed by Corangamite Health Collaborative commenced 22nd April 2016. TMHS auspicing and supervising position.

Priority	Action	Deliverable	Progress
	• Work with Health Purchasing Victoria (HPV) to implement procurement savings initiatives	• Adopted and implemented Health Purchasing Victoria reforms and procurement policies to facilitate organisation wide compliance by 16th June 2016.	Achieved. • Integrated HPV procurement policies and standardised documentation developed by BSW Procurement Reform Steering Committee and adopted at March 2016 Audit & Compliance committee and Board of Management meeting. • HPV Q4/2016 compliance report submitted and compliance letter issued to HPV CEO 28th June 2016 confirming that TMHS have transitioned to the new HPV Purchasing policies.
Access	• Implement integrated care approaches across health and community support services to improve access and responses for disadvantaged Victorians.	• Further develop the current intake referral system to improve identification of need.	Achieved. • Participant in the Barwon Southwest Enhancing Care Coordination Project Roundtable Governance Group. Reviewed regional outcomes of Community Health Indicators. Round table forum held in November 2015. • Agreed key recommendations/actions for the region were developed around 5 community health indicators and consumer participation. • Small working parties were formed within the BSW region to action the recommendations to have consistency of effort and data capture.
	• Progress partnerships with other health services to ensure patients can access treatments as close to where they live when it is safe and effective to so, making the most efficient use of available resources across the system.	Expansion of existing shared care planning processes. • Promote opportunities for engagement in Telehealth consultancies with specialist practitioners outside the TMHS catchment area.	Achieved. • Telehealth equipment installed in Mortlake Outpatients & Terang Urgent Care departments with links to Ambulance Retrieval Victoria & Barwon ICU. Staff training in use of equipment conducted during October. • Telehealth link established with South West Health Care (SWH) Accident & Emergency Department in March.
		• Develop service delivery partnerships within the Corangamite Health Collaborative to deliver streamlined services closer to home.	Achieved. • TMHS CEO is Chair of the Corangamite Health Collaborative. The collaborative has appointed an Allied Health Service Coordination Project Officer who commenced in April 2016.

Priority	Action	Deliverable	Progress
	• Reduce unplanned readmissions – with a focus on identifying high risk patients; delivering coordinated and integrated responses; and reducing the use of avoidable acute care services, where practicable and safe to do so.	• Continue the identification of clients with a high risk of readmission and develop practicable improvements to reduce readmission rates, ensuring a positive client experience.	Achieved. Unplanned readmissions: • July: 3.8%; • August: 10.9%, (44% included palliative patients & complex chronic disease patient and 22% returned for ongoing treatment); • September: 5.6%. (Review of unplanned readmissions 100% of patients had services arranged prior to their initial discharge). • October: 7.1% (28% palliative; 14% unrelated diagnosis, 42% services in place/in care at another facility) • November: 7.4% (14% planned readmission, 57% services in place, 14% unrelated diagnosis) • December: 9.6%; • January: 2.4%; • February: 2.7%; • March: 5%; • April: 4% (50% services in place/in care another facility • May: 3%; • June: 4%.

STATEMENT OF PRIORITIES

Part B: Service Performance for 2015-16

Financial Performance

Key Performance Indicators	Target	2015-16 Actuals
Operating Result		
Annual operating result ($m)	0.007	0.519
Cash Management		
Creditors (average payments days)	< 60 days	54
Debtors (average collection days)	< 60 days	34
Asset Management		
Adjusted current asset ratio	0.70	2.04
Days of available cash	14	38

Service Performance

Key Performance Indicators	Target	2015-16 Actuals
Safety and Quality		
Health service accreditation	Full compliance	Achieved
Residential aged care accreditation	Full compliance	Achieved
Cleaning Standards (Overall)	Full compliance	Achieved
Cleaning Standards – Very High Risk (AQL – A)	90	Achieved
Cleaning Standards – High Risk (AQL – B)	85	Achieved
Cleaning Standards – Moderate Risk (AQL – C)	80	Achieved
Health care worker immunisation - influenza	75	Achieved - 90
Submission of data to VICNISS (1) Hospital acquired infection surveillance	Full compliance	Achieved
Hand Hygiene Program rate	80	Achieved - 92
Governance, Leadership and Culture		
People Matter Survey	80	Achieved
Patient Experience and Outcomes		
Maternity Services - Percentage of women with prearranged postnatal home care	100	Achieved
Victorian Health Experience Survey - data submission	Full compliance	Achieved
Victorian Health Experience Survey - Patient Experience Quarter 1	95% positive experience	100% Achieved
Victorian Health Experience Survey - Patient Experience Quarter 2	95% positive experience	98.1% Achieved
Victorian Health Experience Survey - Patient Experience Quarter 3	95% positive experience	Full compliance*

* less than 42 responses were received for the period due to the relative size of the Health Service.
(1) VICNISS is the Victorian Hospital Acquired Infection Surveillance System
(2) The Victorian Health Experience Survey (VHES) was formerly known as the Victorian Health Experience Measurement Instrument (VHEMI)

Part C: Activity and funding

Funding Type	2015-16 Activity Achievement
Small Rural	
Small Rural HACC (Service Hours)	30,621
Small Rural Primary Health (Service Hours)	1,897
Small Rural Residential Care (Bed Days)	5,226

OUR COMMITTEES

Principal Committees

The Principal Committees of the Board of Management oversee major areas of Health Service Management, Performance and Planning. Brief descriptions of each Committee, which are regularly reviewed against their respective terms of reference, are detailed as follows:-

Board of Management

The Board of Management is responsible for the overall direction of the Health Service including planning, staffing, patient care, safety and financial management.

The Board of Management is also responsible for the appointment of the Chief Executive Officer and whilst refraining from intervention in the day-to-day management entrusted to the Chief Executive Officer, the Board must be fully aware of the Health Services performance, needs and problems.

Senior staff are required to observe the Health Services by-laws and are responsible for the implementation and application of the established policies of the Board of Management and its committees.

Board Executive Committee

Includes the office bearers of the Board of Management. This Committee is empowered with the authority of the Board to act on its behalf on matters arising between meetings, but all decisions relating to policy must be referred to the next full meeting of the Board of Management.

Quality Improvement Committee

The Quality Improvement Committee is responsible for the co-ordination of the Quality Improvement Plan. Its functions include the assessment and evaluation of the quality services provided by the Health Service including the review of clinical practices or clinical competence of persons providing these services. Due to the sensitivity and confidentiality of this information the Committee has been granted statutory immunity under section 139 of the *Health Service Act 1988* (as amended).
Reports to the Board on the overall quality, effectiveness, appropriateness and use of services rendered to patients in the Health Service.

Medical Advisory/ Credentials Committee

Advises the Board on matters of a medical nature and provides an effective avenue of communication between the Visiting Medical Practitioners and the Board.

Assesses the suitability of applicants requesting appointment to the Health Service as Visiting Medical Practitioners and makes recommendations to the Board of Management. Delineates the privileges associated with such appointments and takes disciplinary action if necessary. Reviews all appointments every three years.

Physical Resources & Planning Committee

Monitors the maintenance of Health Service grounds, buildings and equipment, makes recommendations to the Board on major and minor works and replacements, plans for the future delivery of health services based on community need.

Audit & Compliance Committee

Assists the Health Service Board in fulfilling its financial oversight responsibilities in line with the requirements of the Financial Management Compliance framework.

This Committee monitors and oversees the following:

- Financial performance and the financial reporting process, including the annual financial statements.
- The scope of work, performance and independence of both internal and external auditors.
- The engagement and dismissal by management of any internal audit service providers.
- The operation and implementation of the financial risk management framework.
- Matters of accountability and internal control affecting the operations of the agency.
- The agency's process for monitoring compliance with laws and regulations and its own Code of Conduct and Code of Financial Practice.

Sub-committees

Clinical Services & Drug Advisory Committee

Develops recommendations and assists in implementing changes as required in policies and procedures. Monitors areas of concern in medical and nursing organisation and discusses matters pertinent to the managerial aspect of patients and staff.
Monitors the Pharmacy Service, formulates and recommends policies, and undertakes surveys to measure compliance in such areas a drug storage, administration and rationalisation. Drug incompatibilities are also monitored.
All findings are disseminated to relevant Departments and the Quality Improvement Committee, which acts as an advisory committee to the Board of Management.

Infection Control Committee

The Infection Control Committee makes recommendations to the Quality Improvement Committee on matters of policy, relating to the standards of practice regarding Health Service sanitation and medical asepsis in the promotion of a safe environment for patients, staff and visitors to the Health Service.

Primary Health Care Committee

The Primary Health Care Committee facilitates the development of philosophy, goals and objectives in the planning, development, implementation and evaluation of Population Health and Health Promotion programs.
This committee also promotes an understanding of population health and health promotion philosophy, goals and objectives throughout the organisation.
Provides a forum for health service planning and facilitate networking at a local, regional and state level.

Occupational Health and Safety Committee

The Occupational Health and Saftey Committee reviews and advises upon existing policies, programmes and practices of Health and Safety Issues and recommends solutions.

It examines and advises upon methods of reporting, recording, investigating and analysing hazardous acts, incidents, environment and work practices. It also considers written reports on incidents, accidents and injuries, formulating corrective and preventative guidelines.

Develops and initiates staff educational programmes.

Community Advisory Committee

The Community Advisory Committee provides direction and leadership to the integration of consumer, carer and community views toward the planning and delivery of services.

Department Heads Meeting

Provides a forum for fostering communication in relation to issues raised by departmental heads.

Information Management Committee

The Information Management Committee reviews client information, prior to it being made available for public distribution to ensure it is accurate, relevant and easily understandable. This committee is also responsible for ensuring that information is managed in a way that helps the organisation meet its goals in the provision of high quality care.

ORGANISATIONAL STRUCTURE

Board of Management

Principal Committees

Quality Improvement

Medical Advisory

Physical Resources and Planning

Audit & Compliance

Sub-committees

Reporting to Quality Improvement

Clinical Services/Drug Advisory

Infection Control

Primary Health Care

Community Advisory

Reporting to Physical Resources and Planning

Occupational Health & Safety

Information Management

Chief Executive Officer

Director of Nursing

Acute Inpatient Services

Aged Residential Services

Community Nursing

Urgent Care Nursing

Early Parenting Services

Infection Control

Director of Primary Healthcare

Mortlake Community Health

Day Centre

Primary Care Services

Health Promotion

Support Services

Quality & Risk Management

Catering Services

Environmental Services

Maintenance Services

Occupational Health & Safety

Manager Administration & Compliance

Administrative Services

Information Technology

OFFICE BEARERS AND COMMITTEE

For the year ended 30th June, 2016

President

Mr Barry Philp
First Appointed – 01.07.2012
Physical Resources & Planning Committee
Quality Improvement Committee
Medical Advisory Committee

Vice President

Mrs. Helen Kenna
B. Arts, Dip. Ed., Grad. Dip. Student Welfare
First Appointed – 01.07.2012
Physical Resources & Planning Committee
Quality Improvement Committee

Treasurer

Mr. Murray Whiting
B. Bus. (Acc.), C.P.A
First Appointed – 01.07.2014
Quality Improvement Committee
Audit & Compliance Committee

Committee Members

Mr. Craig Coates
First Appointed – 01.07.2013
Audit & Compliance Committee
Quality Improvement Committee

Mr. David Selman
First Appointed – 01.07.2010
Physical Resources & Planning Committee
Medical Advisory Committee

Mr. Graham Blain
First appointed - 01.11.2004
Physical Resources & Planning Committee
Quality Improvement Committee

Mr. Geoff Barby
First Appointed – 01.07.2008
Physical Resources & Planning Committee
Audit & Compliance Committee
Quality Improvement Committee

Ms. Elizabeth Clarke
First Appointed – 01.07.2015
Physical Resources & Planning Committee
Audit & Compliance Committee
Quality Improvement Committee

Mr. Colin Long
First Appointed – 01.07.2015
Medical Advisory Committee
Quality Improvement Committee

Independent Audit & Compliance Committee Members

Mr. Nigel Bruckner
B. Bus. (Acc.), C.A, F.T.I.A
First Appointed – 01.07.2013

Mr. Ken Davey
F. Inst. of Legal Executives (Vic)
First Appointed – 01.07.2010

Solicitors

Taits Legal

Bankers

Australia & New Zealand Banking Group Ltd.

Auditor-General's Agent

Coffey Hunt & Co.
Warrnambool

EXECUTIVE STAFF

For the year ended 30th June, 2016

Chief Executive Officer

Ms. J.C. Ogdin, B. HSc. (Speech Path.), Grad. Cert. Quality Management, MIHM, AFHSM

Director of Nursing

Mrs. J. Fitzgibbon, R.N., B Nursing

Primary Health Care Coordinator

Mrs. M. Mitchell, R.N.

Manager, Administration & Compliance

Mr. B.A. Williams, Adv. Dip. Bus (Accounting)

STAFF LISTING

For the year ended 30th June, 2016

Unit Manager

Mrs. S. Williams, R.N., R.M., Grad. Dip. FCHN (Parenting Centre) IBCLC, Immunisation Certificate

Maintenance Supervisor

Mr. I. Barrand Painter and Decorator

Catering Supervisor

Mrs. K. Dwyer Cert III in Hospitality (Operations); Dip Business Management; Dip Human Resources

Environmental Services Officer

Mrs. G. Saunders

Quality, Risk & Safety Manager

Mrs. L.G Sanderson, Dip. OH&S, Dip. HRM, Dip. Quality Auditing; Cert IV Workplace Assessment & Training; Cert. IV OH&S

Health Information Officer

Ms. M. Covey, Clinical Coder

Nursing

Mrs. T. Harris, R.N (Aged Care Nursing Unit Manager)

Ms. M. Finnigan, R.N (Aged Care Nursing Unit Manager)

Mrs. R. Barby, R.N. (District Nursing)

Ms. J. O'Brien R.N., Cert Infection Control (Nursing)

Mrs. M. Symons, R.N., Graduate Certificate of Diabetes Education (Diabetes Educator)

Visiting Allied Health Staff

Mr. C. McLachlan, B. App. Sc. (Phys.)

Ms J. Reddrop, B. App. Sc. (Phys.)

Ms Z. Douglas, B. App. Sc. (Phys.),

Ms J. Morgan, B. App. Sc. (Phys.),

Ms. R. Rundell, B. (Podiatry), M.A. (Podiatry).A.

Mr. A. Gray, B.A., B. Bus., Grad. Dip. Couns. Psych., Dip. Ed., M.A.P.S.

Mr. J. Hill, B. App. Sc. (Phys.), Hons. M.A.P.A.

Mr. B. Hoekstra, Dip. Physio, M. Physio, B. Psych.

Ms. E. Adams, B. App. Sc. (Speech Pathology)

Visiting Medical Staff

Dr. N. Bayley, M.B., B.S., F.R.A.C.P.

Dr. C. J. Beaton, M.B., Ch.B. (Edin), F.R.A.N.Z.C.O.G., M.R.C.O.G., M.R.C.G.P.

Dr. A. Brown, M.B., B.S., F.R.A.C.G.P., D.R.A.C.O.G, A.C.R.R.M.

Dr. C. Charnley, M.B., B.S., F.R.A.C.P.

Dr. T.R.C. Fitzpatrick, M.B., B.S., F.R.A.C.G.P., D.R.A.C.O.G., Master. Dip. Family Medicine, Member Sports Medicine Aust.

Dr. K.J. Gault, M.B., B.S.

Dr. N. H. Jackson, M.B., B.S., M.R.C.P. (U.K.), D.R.C.O.G., F.R.A.C.G.P.

Dr. A. Kishantha, M.B., B.S.

Dr. L. Martynova, M.B., B.S.

Dr. S. J. Menzies, M.B., B.S., M. Med. F.R.A.C.G.P., D.R.A.N.Z.C.O.G. (Advanced)

Dr. B. Morphett, M.B., B.S., F.R.A.C.G.P.

Mr. C. Murphy, M.B., Ch.B., F.R.A.C.S., F.R.C.S (Glasgow), F.R.C.S.I.

Dr. S. Nagarajah, M.B., B.S., F.R.A.C.G.P.

Dr. W. Rouse, M.B., B.S., F.R.A.C.G.P.

Dr. E. Uren, M.B, B.S, F.R.A.N.Z.C.O.G.

Dr. B. Shi, M.B., B.S.

Dr. S. Wu, M.B., B.S.

STATUTORY INFORMATION

In accordance with the Directions of the Minister for Finance under the *Financial Management Act 1994* Section 45 and 53Q(4) the following disclosures are made for the Responsible Ministers and the Accountable Officers.

Responsible Minister

The responsible Ministers during the reporting period were:

Current responsible Minister:

The Honourable Jill Hennessy MP,
Minister for Health

The Honourable Martin Foley MP,
Minister for Mental Health, Minister for Housing, Disability and Ageing

The Honourable Jenny Mikakos MP,
Minister for Families and Children,
Minister for Youth Affairs

Manner of Establishment

Terang and Mortlake Health Service is an incorporated body under, and regulated by, the Health Services Act 1988

Declaration of Pecuniary Interest

When pecuniary interests exist, declarations of pecuniary interest have been obtained from relevant members of the Board of Management and senior management staff.

Setting of Fees

The Health Services charges Acute Care, Community Health, and Home Nursing fees in accordance with Department of Health & Human Services fees directive and Aged Care fees are charged in accordance with those determined by the Commonwealth Department of Health and Ageing.

Requests Lodged Under the Freedom of Information Act

Requests for documents in the possession of Terang and Mortlake Health Service are directed to the Chief Executive Officer, the nominated Freedom of Information Officer, and all requests are processed in accordance with the *Freedom of Information Act 1982*. A legislation fee and associated charges per application may apply.

A total of 3 valid requests for information under the *Freedom of Information Act* were processed during the 2015/16 financial year.

Merit & Equity

TMHS is subject to the *Equal Opportunity Act 1995*

The Purpose of the Act is:-

- to provide for equal employment opportunity programs in Public Authorities;
- to establish reporting requirements in relation to these programs; and
- to require Public Authorities to observe personnel management principles in employment matters.

The Terang & Mortlake Health Service has adopted principles and procedures to ensure that recruitment, promotion, and advancement will be determined on the basis of fair and open competition between qualified individuals and decisions to recruit/promote/advance will be made solely on the basis of relative ability, knowledge and skills in relation to the promotion involved.
The Health Service is further committed to ensuring that all employees will receive fair and equitable treatment in all aspects of personnel management regardless of political affiliation, race, colour, religion, national origin, sex, marital status or physical disability.

Work Place Incidents (Occupational Health & Safety)

Terang & Mortlake Health Service has continued to review and develop policies and procedures in accordance with relevant legislative requirements. There was one (1) new reported Work Cover incident during the 2015-16 financial year. This was classified as a standard claim, 20 days lost time has been recorded.

Occupational Violence

Terang & Mortlake Health Service is committed to preventing and addressing incidences of occupational violence.

In 2015-16, there were no reported occupational violence incidents:

Occupational violence statistics		2015-16
1.	Workcover accepted claims with an occupational violence cause per 100 FTE	Nil
2.	Number of accepted claims with lost time injury with an occupational violence cause per 100,000 hours worked	Nil
3.	Number of occupational violence incidents reported	Nil
4.	Number of occupational violence incidents reported per 100 FTE	Nil
5.	Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0%

Definitions

For the purposes of the above statistics the following definitions apply:

Occupational Violence – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of the their employment.

Incident – occupational health and safety incidents reported in the health service incident reporting system (RiskMan). Code Grey reporting is not included.

Accepted Workcover claims – accepted workover claims that were lodged during the 2015-16 reporting period.

Lost time – is defined as greater than one day.

Consultancies

In 2015-16, there were no consultancies where the total fees payable to the consultant was $10,000 or greater.

In 2015-16, there were four (4) consultancies where the total fees payable to the consultants were less than $10,000. Details of individual consultancies can be viewed at www.tmhs.vic.gov.au

Building Act 1993

Terang and Mortlake Health Service complies with the Building Act 1993, which encompasses the Building Code of Australia, under the guidelines for publicly owned buildings issued by the Minister for Finance 1994 in all redevelopment and maintenance issues.

Protected Disclosure Act 2012

Terang and Mortlake Health Service has in place appropriate procedures for disclosures in accordance with the *Protected Disclosures Act 2012*. No protected disclosures were made under the Act in 2015-16.

Carers Recognition Act 2012

The *Carers Recognition Act 2012* recognises, promotes and values the role of people in care relationships. Terang and Mortlake Health Service understands the different needs of persons in care relationships and that care relationships bring benefits to the patients, their carers and to the community. Terang and Mortlake Health Service takes all practicable measures to ensure that its employees, agents and carers have an awareness and understanding of the care relationship principles and this is reflected in our commitment to a model of patient and family centred care and to involving carers in the development and delivery of our services.

Comments and Complaints

Comments, suggestions and complaints are valued as they provide us with feedback on whether our services are meeting community needs or whether action is required to improve or extend services. Patients/clients are encouraged to discuss issues with the senior staff member on duty. The designated Complaints Officer is Ms. Julia Ogdin, Chief Executive Officer or unresolved complaints may be directed to the Health Services Commissioner on: (03) 8601 5200 or toll free 1800 136 066.

Competitive Neutrality Policy Statement Victoria

Terang and Mortlake Health Service has implemented competitive neutral pricing principles for all new contracts for services provided to the private sector, to ensure a level playing field.

Statement of Availability of Other Information

The following information, where it relates to Terang and Mortlake Health Service and is relevant to the financial year 2015-16 is available upon request by relevant Ministers, Members of Parliament and the public.

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

Victorian Industry Participation Policy

In October 2003, the Victorian Parliament passed the *Victorian Industry Participation Policy Act 2003*, which requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy (VIPP). Departments and public bodies are required to apply VIPP in all tenders over $3 million in metropolitan Melbourne and $1 million in regional Victoria.

Terang and Mortlake Health Service abide by the principles of the Victorian Industry Participation Policy. In 2015/2016 there was one (1) contract commenced or completed by Terang and Mortlake Health Services under this Act.

Project Name	Acute ward & Mount View Aged Care facility redevelopment
Contractor	A.W Nicholson Construction
Total contract value (excluding GST)	$1,554,208
ICN reference number	2015/ICN39168
Local employee content committed under VIPP Plan	87% (8 employees – all regionally based)
No. of new local jobs created	1
No. of existing jobs to be retained	5
New apprenticeships/trainees created	0
Existing apprenticeships/trainees retained	2
Skills/technology outcomes committed to	General commitments were made for training and skill development of apprentices. However, no specific staff training, skills development or research & development programs have been designed for this tender.

Information and Communication Technology (ICT) expenditure

The total ICT expenditure incurred during 2015-16 is $226,439 (excluding GST) with details shown below:

Business As Usual (BAU) ICT expenditure (excluding GST)	Non-Business As Usual (non-BAU) ICT expenditure (excluding GST)	Operational Expenditure (excluding GST)	Capital Expenditure (excluding GST)
$176,974	$49,465	$30,078	$19,387

Environmental Sustainability Performance

Terang and Mortlake Health Service (TMHS) is genuinely committed to maintaining and improving the health and wellbeing of the people and communities we serve.
To that end, we recognise the need to use our resources wisely and effectively without compromising our standards of care.

We also acknowledge our responsibility to provide a leadership role for environmental sustainability. In this regard, TMHS has developed and implemented an organisation-wide Environmental Management Plan to reduce energy use, conserve water and reduce the volume of waste sent to landfill. It is an expectation that all members of the TMHS team play their part to minimize unnecessary energy waste and actively participate in recycling initiatives.

A comparison of the Health Services' environmental performance over a five year period is as follows:

Utility	2015/16	2014/15	+/- % change	2013/14	2012/13	2011/12
Electricity (kwh)	423,057	431,951	-2%	423,256	524,301	533,048
LP Gas	52,761	51,405	+3%	53,270	54,338	61,745
Diesel (litres)	0	0	-	0	0	0
Water (KiloLitres)	4,720	5,555	-15%	6,089	6,005	5,944

Notes:

Since 2010, Terang & Mortlake Health Service has implemented a number of initiatives to reduce its carbon footprint and reduce energy costs. These include:

- Replacement of Diesel fired boilers with split system heating/cooling units at both the Terang & Mortlake campuses in early 2011;
- Installation of a solar hot water pre-heating system at Terang Hospital designed to reduce LPG and electricity usage;
- Installation of automatic time clocks for more efficient controls of our heating systems;
- We have a general waste recycling program in place;
- Replacement of Pan-sanitizers with Macerators has reduced water consumption;
- Centralization of internal laundry services in December 2011 with new energy efficient washers and a gas fired commercial dryer will reduce both electricity and water consumption;
- All fixed and hand held shower heads were replaced with variable flow models in May 2013 which reduce water usage from 12.5 litres per minute to less than 9 litres per minute (28% reduction in water use);
- Replacement of six cylinder vehicles with fuel efficient four cylinder models (District Nursing and fleet vehicles);
- Implementation of battery recycling in 2010;
- Replacement of disposable sharps containers with re-usable containers;

Moving forward, our primary focus will be on a continued awareness program for staff, to educate all team members on the small actions they can take, both at work and in their own home that collectively make a positive impact.

Attestation on Data Accuracy

I, Julia Ogdin, certify that the Terang & Mortlake Health Service has put in place appropriate internal controls and processes to ensure that reported data reflects actual performance. The Terang & Mortlake Health Service has critically reviewed these controls and processes during the year.

Attestation on Compliance with Risk Management Framework and Processes

I, Julia Ogdin, certify that the Terang and Mortlake Health Service has complied with Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes. The Terang & Mortlake Health Service Audit and Compliance Committee verifies this.

Julia Ogdin
Accountable Officer

Terang
22nd July 2016

FINANCIAL OVERVIEW

The results outlined in the Financial Statements represent the consolidated accounts of the Agency, including consolidated government funded sector, health service initiatives and capital funds. These accounts have been prepared in accordance with the provisions of the *Financial Management Act 1994*.

As part of the Health Service Agreement process, this agency negotiated service targets for the 2015-16 financial year in the following program areas:

- Acute Health
- Aged Care and HACC
- Primary Care and Community Health

The Health Service completed the financial year with an overall deficit of $209,334 after allowing for capital revenue; changes in physical asset revaluation surplus and depreciation of non-current assets.

A comparison of the Health Services' operating performance over a five year period is as follows:

	2015/16	2014/15	2013/14	2012/13	2011/12
Total Expenses	10,752,909	10,913,293	11,316,507	11,358,116	10,618,600
Total Revenue	10,543,575	10,992,304	11,437,957	11,277,749	10,503,595
Operating Surplus/ (deficit)	(209,334)	79,011	121,450	(80,367)	(115,005)
Retained Surplus/ (Accumulated deficit)	772,846	982,180	903,169	781,719	862,086
Total Assets	14,340,256	13,381,857	13,115,334	11,107,077	10,164,095
Total Liabilities	3,870,706	2,702,973	2,515,461	2,286,694	2,333,450
Net Assets	10,469,550	10,678,884	10,599,873	8,820,383	7,830,645
Total Equity	10,469,550	10,678,884	10,599,873	8,820,383	7,830,645

There have been no events subsequent to balance date which may have a significant effect on the operations of the entity in subsequent years.

Staffing Profile

	June Current Month EFT 2016	EFT YTD 2016 (Average)	June Current Month Head Count	EFT YTD 2015 (Average)
Nursing	38.65	39.01	90	37.02
Administration and Clerical	12.77	12.42	19	11.32
Hotel and Allied Services	19.65	19.73	32	19.01
Ancillary Support (Allied Health)	1.09	0.98	4	0.60
Other	1.79	1.67	5	1.39
TOTAL	73.95	73.81	**150**	**69.34**

Revenue Indicators

	Average Collection Days		
	2016	2015	2014
Private	43	36	45
TAC	0	0	0
VWA	0	0	0
Nursing Home	35	36	32

Debtors Outstanding as at 30th June 2016

	Current	Under 30 Days	31 – 60 Days	61-90 Days	Over 90 Days	Total 30/06/2016	Total 30/06/2015	Total 30/06/2014
Private	19,506	21,139	22,746	5,269	241	68,901	45,468	64,712
Residential Aged Care	35,026	1,626	-	-	-	36,652	34,924	26,369

SERVICE, ACTIVITY AND EFFICIENCY TARGETS

	2015-16	2014-15	2013-14	2012-13	2011-12
1. Admitted Patients					
1.1 Separations					
A. Acute	524	551	569	656	709
B. Non Acute	6	6	9	8	10
C. Same Day	482	549	442	340	430
D. Nursing Home	10	7	8	7	5
1.2 Patient Days					
A. Acute	2,480	2,563	2,531	3,103	3,467
B. Non Acute	87	134	417	344	400
C. Same Day	482	549	442	340	430
D. Nursing Home	5,226	5,050	5,366	5,326	5,444
2. Non Admitted Patients					
Emergency Patients - Terang	2,939	3,078	2,845	3,047	3,445
Emergency Patients - Mortlake	2,091	1,994	2,062	2,194	2,073
Terang Day Centre	3,524	3,691	3,475	3,671	4,043
District Nursing Service	12,258	13,445	12,402	11,963	10,069
Allied Health & Primary Care	4,912	3,602	3,630	4,274	4,872
3. Occupancy Rate					
Acute Hospital	34.7%	37.1%	38.7%	38.4%	43.5%
Mt View Nursing Home	95.2%	92.2%	98.0%	97.3%	99.2%

DISCLOSURE INDEX

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

Legislation	Requirement	Page
Ministerial Directions		
Report of Operations		
Charter and Purpose		
FRD 22E	Maintenance of establishment and relevant Ministers	26
FRD 22E	Objectives, functions, powers and duties	1, 2
FRD 22E	Nature and range of services provided	3
Management and Structure		
FRD 22E	Organisational structure	22
Financial and Other Information		
FRD 10		
FRD 11A	Disclosure Index	34, 35
	Disclosure of ex-gratia expenses	n/a
FRD 12A	Disclosure of major contracts	29
FRD 22E	Responsible person and executive officer disclosures	30
FRD 22E	Application and operation of *Protected Disclosure 2012*	27
FRD 22E	Application and operation of *Carers Recognition Act 2012*	28
FRD 22E	Application and operation of *Freedom of Information Act 1982*	26
FRD 22E	Compliance with building and maintenance provisions of *Building Act 1993*	27
FRD 22E	Details of consultancies over $10,000	27
FRD 22E	Details of consultancies under $10,000	27
FRD 22E	Employment and conduct principles	26, 27
FRD 22E	Major changes or factors affecting performance	33
FRD 22E	Occupational health and safety	27
FRD 22E	Operational and budgetary objectives and performance against objectives	11,12, 13, 14, 15, 16, 17, 18, 19, 31, 32, 33
FRD 24C	Reporting of office-based environmental impacts	29, 30
FRD 22E	Significant changes in financial position during the year	31
FRD 22E	Statement of availability of other information	28
FRD 22E	Statement on National Competition Policy	28
FRD 22E	Subsequent events	31
FRD 22E	Summary of the financial results for the year	31
FRD 22E	Workforce Data Disclosures including a statement on the application of employment and conduct principles	26, 27, 31
FRD 25B	Victorian Industry Participation Policy disclosures	29
FRD 29	Workforce Data Disclosures	31
SD 4.2 (g)	Specific information requirements	26
SD 4.2 (j)	Sign-off requirements	30
SD 3.4.13	Attestation on data integrity	30

DISCLOSURE INDEX

Requirement		Page
SD 4.5.5.1	Ministerial Standing Direction 4.5.5.1 compliance attestation	
SD 4.5.5	Risk management compliance attestation	30

Financial Statements

Legislation	Requirement	Page
Financial Statements required under Part 7 of the FMA		
SD 4.2 (b)	Statement of Changes in Equity	42
SD 4.2 (b)	Comprehensive operating statement	40
SD 4.2 (b)	Balance sheet	41
SD 4.2 (b)	Cash Flow Statement	43
SD 4.2 (c)	Accountable officer's declaration	37
SD 4.2 (a)	Compliance with Australian accounting standards and other Authoritative pronouncements	44
SD 4.2(c)	Compliance with Ministerial Directions	44
SD 4.2(d)	Rounding of amounts	47

Legislation	Page
Freedom of Information Act 1982	26
Protected Disclosure Act 2001	27
Carers Recognition Act 2012	28
Victorian Industry Participation Policy Act 2003	29
Building Act 1993	27
Financial Management Act 1994	10, 26, 31

TERANG & MORTLAKE HEALTH SERVICE

FINANCIAL STATEMENTS

2015-16

DECLARATION

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

The attached financial statements for Terang & Mortlake Health Service have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994,* applicable Financial Reporting Directions, Australian Accounting Standards including 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 accompanying notes, presents fairly the financial transactions during the year ended 30 June 2016 and the financial position of Terang & Mortlake Health Service at 30 June 2016.

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

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

Mr Barry Philp Board Member	Ms Julia Ogdin Accountable Officer	Mr Brendan Williams Chief Finance & Accounting Officer
Terang	Terang	Terang
11 /08/ 2016	11 /08/ 2016	11 /08/ 2016

VAGO
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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Terang and Mortlake Health Service

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Terang and Mortlake Health Service which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Terang and Mortlake Health Service as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
19 August 2016

Dr Peter Frost
Acting Auditor-General

Auditing in the Public Interest

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

TERANG & MORTLAKE HEALTH SERVICE
COMPREHENSIVE OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
Revenue from Operating Activities	2	10,232,195	9,708,345
Revenue from Non-Operating Activities	2	16,528	7,873
Employee Expenses	3	(7,163,423)	(6,973,561)
Non Salary Labour Costs	3	(544,682)	(522,807)
Supplies and Consumables	3	(409,767)	(415,028)
Administration Expenses	3	(980,255)	(771,102)
Other Expenses	3	(630,725)	(886,435)
Net Result Before Capital and Specific Items		519,871	147,285
Capital Purpose Income	2	299,533	822,472
Depreciation	4a	(955,661)	(883,601)
Finance Costs	4b	(19,919)	(12,984)
Expenditure Using Capital Purpose Income	3	(44,599)	(32,890)
Net Result After Capital and Specific Items		(200,775)	40,282
Other Economic Flows Included in Net Result			
Net gain/(loss) on non-financial assets	2, 2a	(4,681)	5,172
Revaluation of Long Service Leave	3, 13	(3,878)	33,557
Total Other Economic Flows Included in Net Result		(8,559)	38,729
NET RESULT FOR THE YEAR		(209,334)	79,011
Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	10	0	0
Total Other Comprehensive Income		0	0
COMPREHENSIVE RESULT		**(209,334)**	**79,011**

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

TERANG & MORTLAKE HEALTH SERVICE
BALANCE SHEET
AS AT 30 JUNE 2016

	Note	2016 $	2015 $
Current Assets			
Cash and Cash Equivalents	5	1,082,916	1,179,399
Receivables	6	977,840	283,299
Investments and other Financial Assets	7	3,350,000	3,350,000
Inventories	8	47,143	41,698
Prepayments and Other Assets	9	54,817	33,646
Total Current Assets		5,512,716	4,888,042
Non-Current Assets			
Receivables	6	334,245	346,174
Property, Plant and Equipment	10	8,493,295	8,147,641
Total Non-Current Assets		8,827,540	8,493,815
TOTAL ASSETS		14,340,256	13,381,857
Current Liabilities			
Payables	11	1,313,570	398,909
Borrowings	12	146,603	86,849
Provisions	13	1,883,907	1,740,988
Other Liabilities	15	135,000	1,908
Total Current Liabilities		3,479,080	2,228,654
Non-Current Liabilities			
Borrowings	12	199,567	221,535
Provisions	13	192,059	252,784
Total Non-Current Liabilities		391,626	474,319
TOTAL LIABILITIES		3,870,706	2,702,973
NET ASSETS		10,469,550	10,678,884
EQUITY			
Property, Plant and Equipment Revaluation Surplus	16(a)	6,367,935	6,367,935
Contributed Capital	16(b)	3,328,769	3,328,769
Accumulated Surplus	16(c)	772,846	982,180
TOTAL EQUITY		10,469,550	10,678,884
Commitments for Expenditure	19		
Contingent Liabilities and Contingent Assets	20		

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

TERANG & MORTLAKE HEALTH SERVICE
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIALYEAR ENDED 30 JUNE 2016

	Property, Plant and Equipment Revaluation Surplus	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
	$	$	$	$
Balance at 1 July 2014	6,367,935	3,328,769	903,169	10,599,873
Net result for the year	0	0	79,011	79,011
Other comprehensive income for the year	0	0	0	0
Balance at 30 June 2015	**6,367,935**	**3,328,769**	**982,180**	**10,678,884**
Net result for the year	0	0	(209,334)	(209,334)
Other comprehensive income for the year	0	0	0	0
Balance at 30 June 2016	**6,367,935**	**3,328,769**	**772,846**	**10,469,550**

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

TERANG & MORTLAKE HEALTH SERVICE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $ Inflows / (Outflows)	2015 $ Inflows / (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		8,412,440	8,126,293
Capital Grants from Government		82,256	611,608
Patient and Resident Fees Received		974,209	770,542
Donations and Bequests Received		115,489	79,980
GST (Paid to)/received from ATO		(69,319)	(10,854)
Interest Received		135,017	142,396
Other Receipts		388,366	137,931
Total Receipts		***10,038,458***	***9,857,896***
Employee Expenses Paid		(7,085,522)	(6,643,743)
Non Salary Labour Costs		(544,683)	(522,807)
Payments for Supplies and Consumables		(415,212)	(464,854)
Finance Costs		(19,919)	0
Other Payments		(801,395)	(1,542,492)
Total Payments		***(8,866,731)***	***(9,173,896)***
NET CASH FLOW FROM /(USED IN) OPERATING ACTIVITIES	17	1,171,727	684,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments		0	(250,000)
Purchase of Non-Financial Assets		(1,349,095)	(327,621)
Cash recognised from SWARH Alliance		96,741	0
Proceeds from sale of Non-Financial Assets		43,099	36,455
NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES		(1,209,255)	(541,166)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		37,786	0
Repayment of finance leases		0	0
NET CASHS FROM/(USED IN) FINANCING ACTIVITIES		37,786	0
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		258	142,834
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		1,082,658	939,824
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5	1,082,916	1,082,658
Non-cash financing and investing activities	18		

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

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for Terang & Mortlake Health Service (ABN 43 323 722 091) for the year ended 30 June 2016. The purpose of the report is to provide users with information about the Health Services' stewardship of resources entrusted to it.

(a) Statement of compliance

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

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

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

The annual financial statements were authorised for issue by the Board of Terang & Mortlake Health Service on 11th August, 2016.

(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 2016, and the comparative information presented in these financial statements for the year ended 30 June 2015.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Valuer-General Victoria (VGV) is Terang & Mortlake Health Service's independent valuation agency.

Terang & Mortlake Health Service, in conjunction with VGV monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

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

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

(c) Reporting Entity

The financial statements includes all the controlled activities of Terang & Mortlake Health Service.

Its principle address is:
13 Austin Avenue
Terang Vic 3264

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

Objectives and funding

Terang & Mortlake Health Service's overall objective is to provide healthcare services to the community surrounding Terang and Mortlake, as well as improve the quality of life to Victorians.

Terang & Mortlake Health Service is predominantly funded by accrual based grant funding for the provision of outputs.

(d) Principles of consolidation

Jointly controlled assets or operations

Interest in jointly controlled assets or operations are not consolidated by Terang and Mortlake Health Service, but are accounted for in accordance with the policy outlined in Note 1(j) Financial Assets.

(e) Scope and presentation of financial statements

Fund Accounting

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

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

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

Residential Aged Care Service

The Residential Aged Care Service operations are an integral part of Terang & Mortlake Health Service and shares its resources. An apportionment of land and buildings has been made based on floor space. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation in Note 2 & 3 to the financial statements.

Comprehensive operating statement

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

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

* Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works and plant and equipment. It also includes donations of plant and equipment (refer note 1 (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;
* Specific income/expense, comprises the following items, where material:
    - Voluntary departure packages
    - Write-down of inventories
    - Non-current asset revaluation increments/decrements
    - Non-current assets lost or found
    - Reversals of provisions
    - Voluntary changes in accounting policies (which are not required by an accounting standard or other authoritative pronouncement of the Australian Accounting Standards Board);
* Impairment of financial and non-financial assets, includes all impairment losses (and reversal of previous impairment losses), which have been recognised in accordance with note 1 (i);
* Depreciation and amortisation, as described in note 1 (g);
* Assets provided or received free of charge (refer to Note 1 (f); and
* Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

Other economic flows; are changes arising from market remeasurements. They include:

* gains and losses from disposals of non-financial assets;
* revaluations and impairments of non-financial physical and intangible assets;
* remeasurement arising from defined benefit superannuation plans; and
* fair value changes of financial instruments.

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

Balance sheet

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

Statement of changes in equity

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

Cash flow statement

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

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

Rounding

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

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

Comparative Information

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

(f) Income from transactions

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

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

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

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

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

Indirect Contributions from the Department of Health and Human Service

- Insurance is recognised as revenue following advice from the Department of Health and Human Services.
- Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 05/2013 (update for 2014-15).

Patient and Resident Fees

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

Revenue from commercial activities

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

Donations and Other Bequests

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

(f) Income from transactions (Continued)

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

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

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

(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 superannuation plans

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

Defined benefit superannuation plans

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

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

The name and details of the major employee superannuation funds and contributions made by Terang & Mortlake Health Service disclosed in Note 14: Superannuation.

(g) Expense recognition (Continued)

Depreciation

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

Intangible produced assets with finite lives are depreciated as an expense from transactions on a systematic basis over the asset's useful life. Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation charge is not funded by the Department of Health and Human Services.

Assets with a cost in excess of $1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

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

	2016	2015
Buildings		
- Structure Shell Building Fabric	10 to 47 years	10 to 47 years
- Site Engineering Services and Central Plant	10 to 12 years	10 to 12 years
Central Plant		
- Fit Out	5 to 10 years	5 to 10 years
- Trunk Reticulated Building Systems	6 to 7 years	6 to 7 years
Plant and Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 years	3 years
Furniture and Fittings	13 years	13 years
Motor Vehicles	10 years	10 years
Intangible Assets	3 years	3 years
Leasehold Improvements	6 to 7 years	6 to 7 years

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

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

Grants and Other Transfers

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

Other operating expenses

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

Supplies and Consumables

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

Bad and Doubtful Debts

Refer to note 1 (j) *Impairment of financial assets.*

Fair value of assets, services and resources provided free of charge or for nominal consideration

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

(h) Other Economic Flows Included in Net Result

Other economic flows are changes in the volume or value of assets or liabilities that do not result from transactions.

Net Gain / (Loss) on Non-Financial Assets

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

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

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

Impairment of Non-Financial Assets

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

Other gains/(losses) from Other Economic Flows

Other gains/(losses) include:

a. The revaluation of the present value of the long service leave liability due to changes in the bond interest rates, this will include the impact of changes related to the impact of moving from the 2004 long service leave model; and

b. Transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

(i) Financial Instruments

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

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

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Reclassification of financial instruments at fair value through profit or loss

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

Loans and receivables

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

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

Reclassification of available-for-sale financial assets

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

(j) Assets

Cash and Cash Equivalents

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

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

Receivables

Receivables consist of:

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

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

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

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

Investments and other financial assets

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

Investments are classified in the following categories:

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

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

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

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

(j) Assets (Continued)

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, including land held for sale, are measured at the lower of cost and net realisable value.

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

The basis 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.

Property, plant and equipment

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

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 10 *Property, plant and equipment* .

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

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

Plant, equipment and vehicles are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for 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 103F Non-current *physical assets.* This revaluation process normally occurs at least every five years, based upon the asset's Government Purpose Classification but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

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

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

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

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

(j) Assets (Continued)

Revaluations of non-current physical assets (Continued)

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

Prepayments

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

Disposal of non-financial assets

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

Impairment of non-financial assets

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

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

- inventories;
- investment properties that are measured at fair value;
- non-current physical assets held for sale; and
- assets arising from construction contracts.

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

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

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

(j) Assets (Continued)

Investments in joint operations

In respect of any interest in joint operations, Terang & Mortlake Health Service recognises in the financial statements:

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

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Health Service has transferred its rights to receive cash flows from the asset and either:
  (a) has transferred substantially all the risks and rewards of the asset; or
  (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

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

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

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

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

In order to determine an appropriate fair value as at 30 June 2016 for its portfolio of financial assets, Terang and Mortlake Health Service obtained a valuation based on the best available advice using an estimated market value through a reputable financial institution. This value was compared against valuation methodologies provided by the issuer as at 30 June 2016. These methodologies were critiqued and considered to be consistent with standard market valuation techniques.

(j) Assets (Continued)

Impairment of financial assets (Continued)

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

Net gain/(loss) on financial instruments

Net Gain/(Loss) on financial instruments includes:

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

Revaluations of financial instruments at fair value

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

(k) Liabilities

Payables

Payables consist of:

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

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

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

Provisions

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

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

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

Employee benefits

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

Wages and Salaries, Annual Leave and Accrued Days Off

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

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

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

(k) Liabilities (Continued)

Long Service Leave (LSL)

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

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

The components of this current LSL liability are measured at:

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

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

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

Termination Benefits

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

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

On-Costs

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

Superannuation Liabilities

The Terang & Mortlake Health Service does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the Health Service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

(l) Leases

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

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

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

All other leases are classified as operating leases.

(l) Leases (Continued)

Finance leases

Entity as lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is accounted for as a non-financial physical asset and is depreciated over the shorter of the estimated useful life of the asset or the term of the lease. If there is certainty that the health service will obtain the ownership of the lease asset by the end of the lease term, the asset shall be depreciated over the useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life. Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Finance leases are regarded as a financial accommodation and under Section 30 of the Health Services Act 1988, the Minister for Health and the Treasurer must declare a registered funded agency to be an approved borrower for the purposes of this section.

Terang & Mortlake Health Service has received such approval prior to 30 June 2016, in a joint letter for all Health Services impacted by finance leases either directly or via a Jointly Controlled entity. The specific values approved for Terang & Mortlake Health Service total $527,737.

(m) 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 to or distributions by owners, that have been designated as contributed capital are also treated as contributed capital.

Property, plant and equipment revaluation surplus

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

(n) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to note 19) at their nominal value and are inclusive of the goods and services tax ("GST") payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

(o) 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.

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

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

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

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

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

(q) AASs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2016 reporting period. DTF assesses the impact of all these new standards and advises the Health Service of their applicability and early adoption where applicable.

As at 30 June 2016, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Terang and Mortlake Health Service has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 9 *Financial Instruments*	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: - The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and - Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 January 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.
AASB 15 *Revenue from Contracts with Customers*	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 January 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.

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

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 2014-1 *Amendments to* Australian Accounting Standards *[Part E Financial Instruments]*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 January 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-4 *Amendments to* Australian Accounting *Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]*	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: - establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; - prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.	1 January 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018	The assessment has indicated there will be no significant impact for the public sector.
AASB 2014-9 *Amendments to* Australian Accounting *Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]*	Amends AASB 127 Separate Financial Statements to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 January 2016	The assessment indicates that there is no expected impact as the entity will continue to account for the investments in subsidiaries, joint ventures and associates using the cost method as mandated if separate financial statements are presented in accordance with FRD 113A.

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

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]*	AASB 2014-10 amends *AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates* to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that: - a full gain or loss to be recognised by the investor when a transaction involves a business (whether it is housed in a subsidiary or not); and - a partial gain or loss to be recognised by the parent when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	1 January 2016	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.
AASB 2015-6 *Amendments to* Australian Accounting *Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]*	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 January 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.
AASB 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15	This standards defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 January 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 16 *Leases*	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 January 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors.

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

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2015-16 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]
- AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]
- AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128
- AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative - Amendments to AASB107

(r) Category Groups

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 2: ANALYSIS OF REVENUE BY SOURCE	Admitted Patients 2016 $	Residential Aged Care 2016 $	Aged Care 2016 $	Primary Health 2016 $	Other 2016 $	TOTAL 2016 $
Government Grants	5,064,308	1,313,004	797,338	1,177,916	0	8,352,566
Indirect Contributions by Department of Health and Human Services	(7,597)	1,285	1,285	2,450	0	(2,577)
Patient and Resident Fees	463,106	382,072	95,561	53,461	0	994,200
Catering	0	0	0	0	51,972	51,972
South West Alliance of Rural Health	0	0	0	0	670,731	670,731
Other Revenue from Operating Activities	48,865	9,485	15,005	22,472	69,476	165,303
Total Revenue from Operating Activities	**5,568,682**	**1,705,846**	**909,189**	**1,256,299**	**792,179**	**10,232,195**
Interest & Dividends	47	27	14	14	0	102
Donations & Bequests	0	1,000	1,426	0	14,000	16,426
Total Revenue from Non-Operating Activities	**47**	**1,027**	**1,440**	**14**	**14,000**	**16,528**
Capital Purpose Income (excluding interest)	0	0	0	0	177,775	177,775
Capital Interest	0	0	0	0	117,077	117,077
Total Capital Purpose Income	**0**	**0**	**0**	**0**	**294,852**	**294,852**
TOTAL REVENUE	**5,568,729**	**1,706,873**	**910,629**	**1,256,313**	**1,101,031**	**10,543,575**

Note 2: ANALYSIS OF REVENUE BY SOURCE(Continued)	Admitted Patients 2015 $	Residential Aged Care 2015 $	Aged Care 2015 $	Primary Health 2015 $	Other 2015 $	TOTAL 2015 $
Government Grants	5,023,741	1,312,207	785,400	1,149,797	0	8,271,145
Indirect Contributions by Department of Health and Human Services	5,269	2,979	1,562	1,562	0	11,372
Patient and Resident Fees	267,821	353,196	109,394	29,442	0	759,853
Catering	0	0	0	0	54,920	54,920
South West Alliance of Rural Health	0	0	0	0	539,582	539,582
Other Revenue from Operating Activities	27,795	4,259	11,894	27,334	191	71,473
Total Revenue from Operating Activities	**5,324,626**	**1,672,641**	**908,250**	**1,208,135**	**594,693**	**9,708,345**
Interest & Dividends	23	13	7	7	0	50
Donations & Bequests	0	3,212	4,611	0	0	7,823
Total Revenue from Non-Operating Activities	**23**	**3,225**	**4,618**	**7**	**0**	**7,873**
Capital Purpose Income (excluding interest)	0	150,000	0	0	543,239	693,239
Capital Interest	0	0	0	0	134,405	134,405
Total Capital Purpose Income	**0**	**150,000**	**0**	**0**	**677,644**	**827,644**
TOTAL REVENUE	**5,324,649**	**1,825,866**	**912,868**	**1,208,142**	**1,272,337**	**10,543,862**

NOTE 2a: NET GAIN/(LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS	2016 $	2015 $
Proceeds from Disposal of Non Financial Assets		
- Motor Vehicles	43,099	36,455
Total Proceeds from Disposal of Non-Financial Assets	43,099	36,455
Less: Written Down Value of Non Financial Assets Sold		
- Motor Vehicles	(47,780)	(29,686)
- Medical Equipment	0	(1,597)
Total Written Down Value of Non-Financial Assets Sold	(47,780)	(31,283)
NET GAINS/(LOSSES) ON DISPOSAL OF NON FINANCIAL ASSETS	(4,681)	5,172

Note 3: ANALYSIS OF EXPENSE BY SOURCE	Admitted Patients 2016 $	Residential Aged Care 2016 $	Aged Care 2016 $	Primary Health 2016 $	Other 2016 $	TOTAL 2016 $
Employee Expenses	2,883,670	2,181,803	1,107,826	826,300	167,702	7,167,301
Non Salary Labour Costs	412,753	43,410	39,510	49,009	0	544,682
Supplies and Consumables	233,650	90,238	35,361	16,654	33,864	409,767
Administration Expenses	433,862	236,242	155,671	149,830	4,650	980,255
Other Expenses	353,576	118,618	59,664	83,427	15,440	630,725
Total Expenditure from Operating Activities	**4,317,511**	**2,670,311**	**1,398,032**	**1,125,220**	**221,656**	**9,732,730**
Depreciation (refer note 4a)	0	0	0	0	955,661	955,661
Finance Costs (refer note 4b)	0	0	0	0	19,919	19,919
Expenditure Using Capital Purpose Income	0	0	0	0	44,599	44,599
Total Other Expenses	**0**	**0**	**0**	**0**	**1,020,179**	**1,020,179**
TOTAL EXPENSES	**4,317,511**	**2,670,311**	**1,398,032**	**1,125,220**	**1,241,835**	**10,752,909**

	Admitted Patients 2015 $	Residential Aged Care 2015 $	Aged Care 2015 $	Primary Health 2015 $	Other 2015 $	TOTAL 2015 $
Employee Expenses	2,713,470	2,013,963	1,055,343	716,226	441,002	6,940,004
Non Salary Labour Costs	403,325	7,241	38,582	73,659	0	522,807
Supplies and Consumables	234,244	90,582	40,838	15,253	34,111	415,028
Administration Expenses	337,986	122,405	132,661	175,515	2,535	771,102
Other Expenses	379,795	186,983	61,314	68,291	190,052	886,435
Total Expenditure from Operating Activities	**4,068,820**	**2,421,174**	**1,328,738**	**1,048,944**	**667,700**	**9,535,376**
Depreciation (refer note 4a)	0	0	0	0	883,601	883,601
Finance Costs (refer note 4b)					12,984	12,984
Expenditure Using Capital Purpose Income	0	0	0	0	32,890	32,890
Total Other Expenses	**0**	**0**	**0**	**0**	**929,475**	**929,475**
TOTAL EXPENSES	**4,068,820**	**2,421,174**	**1,328,738**	**1,048,944**	**1,597,175**	**10,464,851**

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

	Expense		Revenue	
	2016 $	2015 $	2016 $	2015 $
Catering Services	182,181	181,956	51,972	54,920
Community Projects	39,475	33,651	72,000	0
Property Expenses	0	21,744	0	0
TOTAL	221,656	237,351	123,972	54,920

NOTE 4a: DEPRECIATION & AMORTISATION

	2016 $	2015 $
Depreciation		
Buildings	514,773	513,355
Plant and Equipment		
- Plant	201,263	204,524
- Motor Vehicles	75,308	69,923
Plant - South West Alliance of Rural Health	2,195	2,209
Leased Assets - South West Alliance of Rural Health	162,122	93,590
TOTAL DEPRECIATION	955,661	883,601

NOTE 4b: FINANCE COSTS

	2016 $	2015 $
Finance Charges on Finance Leases	19,919	12,984
TOTAL FINANCE COSTS	19,919	12,984

NOTE 5: CASH AND CASH EQUIVALENTS

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

	2016 $	2015 $
Cash on Hand	270	270
Cash at Bank	982,713	1,082,388
Cash at Bank - South West Alliance of Rural Health	99,933	96,741
TOTAL CASH AND CASH EQUIVALENTS	1,082,916	1,179,399
Represented by:		
Cash for Health Service Operations (as per cash flow statement)	1,082,916	1,082,658
Cash at Bank - South West Alliance of Rural Health	0	96,741
TOTAL	1,082,916	1,179,399

NOTE 6: RECEIVABLES	2016 $	2015 $
CURRENT		
Contractual		
Trade Debtors	25,625	17,423
Patient Fees	100,384	80,393
Accrued Investment Income	14,279	32,117
Other Accrued Income	2,211	0
Receivables - South West Alliance of Rural Health	715,223	91,767
Less allowance for Doubtful Debts	0	0
	857,722	221,700
Statutory		
GST Receivable - Health Service	120,118	50,799
Department of Health and Human Services - Grant Funding	0	10,800
	120,118	61,599
TOTAL CURRENT RECEIVABLES	977,840	283,299
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	334,245	346,174
TOTAL NON-CURRENT RECEIVABLES	334,245	346,174
TOTAL RECEIVABLES	1,312,085	629,473
(a) Movement in the allowance for doubtful debts		
Balance at beginning of year	0	0
Increase/(Decrease) in allowance recognised in net result	0	0
Balance at end of year	0	0

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

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

NOTE 7: INVESTMENTS AND OTHER FINANCIAL ASSETS	2016 $	2015 $
CURRENT		
Loans and receivables		
Term Deposit		
Aust. Dollar Term Deposits > 3 Months	3,350,000	3,350,000
Total Current Other Financial Assets	3,350,000	3,350,000
TOTAL OTHER FINANCIAL ASSETS	3,350,000	3,350,000
Represented by:		
Health Service Investments	3,350,000	3,350,000

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

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

The Health Service holds its investments in accordance with the requirements of Standing Direction 4.5.6.

NOTE 8: INVENTORIES

	2016 $	2015 $
CURRENT		
Pharmaceuticals - at cost	12,558	12,669
Catering Supplies - at cost	3,036	1,024
Housekeeping Supplies - at cost	4,832	3,991
Medical and Surgical Lines - at cost	19,010	17,777
Administration Stores - at cost	4,260	4,529
South West Alliance of Rural Health - at Cost	3,447	1,708
TOTAL INVENTORIES	47,143	41,698

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

NOTE 9: PREPAYMENTS AND OTHER ASSETS

	2016 $	2015 $
Prepaid Expenses	41,048	33,646
Prepayments - South West Alliance of Rural Health	13,769	0
TOTAL	54,817	33,646

NOTE 10: PROPERTY, PLANT AND EQUIPMENT
(a) Gross carrying amount and accumulated depreciation

	2016 $	2015 $
Land		
- Land at Fair Value		
Freehold Land	935,000	935,000
- Land Improvements at Fair Value	17,487	17,487
Less Accumulated Depreciation	2,816	1,068
	14,671	16,419
Total Land	949,671	951,419
Buildings		
- Buildings Under Construction at Cost	931,470	63,734
	931,470	63,734
- Buildings at Fair Value	5,963,194	5,952,000
Less Accumulated Depreciation	1,025,312	512,287
	4,937,882	5,439,713
Total Buildings	5,869,352	5,503,447
Plant and Equipment		
Plant - South West Alliance of Rural Health	10,696	11,779
- Plant and Equipment at Fair Value	2,930,529	2,810,649
Less Accumulated Depreciation	1,929,837	1,728,574
Total Plant and Equipment	1,011,388	1,093,854
Motor Vehicles		
- Motor Vehicles at Fair Value	484,277	424,549
Less Accumulated Depreciation	167,563	134,012
Total Motor Vehicles	316,714	290,537
Leased Assets		
- Information Technology	601,882	401,974
Less Accumulated Amortisation	255,712	93,590
Total Leased Assets	346,170	308,384
TOTAL	8,493,295	8,147,641

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)
(b) Reconciliations of the carrying amounts of each class of asset

	Land	Buildings	Plant & Equipment	Motor Vehicles	Leased Assets	Under Construction	Total
	$	$	$	$			$
Balance at 1 July 2014	935,000	5,952,000	1,142,332	303,595	0	0	8,332,927
Additions	17,487	0	159,849	86,551	0	63,734	327,621
South West Alliance of Rural Health	0	0	3	0	401,974	0	401,977
Revaluation Increment	0	0	0	0	0	0	0
Disposals	0	0	(1,597)	(29,686)	0	0	(31,283)
Depreciation	(1,068)	(512,287)	(206,733)	(69,923)	(93,590)	0	(883,601)
Balance at 30 June 2015	951,419	5,439,713	1,093,854	290,537	308,384	63,734	8,147,641
Additions		942,664	119,879	149,265		(63,734)	1,148,074
South West Alliance of Rural Health	0	0	1,113	0	199,908	0	201,021
Revaluation Increment	0	0	0	0	0	0	0
Disposals	0	0	0	(47,780)	0	0	(47,780)
Depreciation	(1,748)	(513,025)	(203,458)	(75,308)	(162,122)	0	(955,661)
Balance at 30 June 2016	949,671	5,869,352	1,011,388	316,714	346,170	0	8,493,295

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

The effective date of the valuation is 30 June 2014.

(c) Fair value measurement hierarchy for assets as at 30 June 2016

	Carrying amount as at 30 June 2016	**Fair value measurement at end of reporting period using:** Level 1 [(1)]	Level 2 [(1)]	Level 3 [(1)]
Land at fair value				
Specialised land	949,671	0	0	949,671
Total of land at fair value	949,671	0	0	949,671
Buildings at fair value				
Specialised buildings	5,869,352	0	0	5,869,352
Total of building at fair value	5,869,352	0	0	5,869,352
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles (ii)	316,714	0	316,714	0
- Plant and equipment	1,011,388	0	0	1,011,388
Total of plant, equipment and vehicles at fair value	1,328,102	0	316,714	1,011,388

Note
(i) Classified in accordance with the fair value hierarchy, see Note 1
(ii) Vehicles are categorised to Level 3 assets if the depreciated replacement cost is used in estimating the fair value. However entities should consult with independent valuers in determining whether a market approach is appropriate for vehicles with an active resale market available. If yes, a Level 2 categorisation for such vehicles would be appropriate.

There have been no transfers between levels during the period.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)
Fair value measurement hierarchy for assets as at 30 June 2016

	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using: Level 1 (1)	Level 2 (1)	Level 3 (1)
Land at fair value				
Specialised land	951,419	0	0	951,419
Total of land at fair value	951,419	0	0	951,419
Buildings at fair value				
Specialised buildings	5,439,713	0	0	5,439,713
Total of building at fair value	5,439,713	0	0	5,439,713
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles (ii)	290,537	0	290,537	0
- Plant and equipment	1,093,854	0	0	1,093,854
Total of plant, equipment and vehicles at fair value	1,384,391	0	290,537	1,093,854

Note
(i) Classified in accordance with the fair value hierarchy, see Note 1
(ii) Vehicles are categorised to Level 3 assets if the depreciated replacement cost is used in estimating the fair value. However entities should consult with independent valuers in determining whether a market approach is appropriate for vehicles with an active resale market available. If yes, a Level 2 categorisation for such vehicles would be appropriate.

There have been no transfers between levels during the period.

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

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

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

An independent valuation of the Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2014.

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

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

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

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

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)
(d) Reconciliation of Level 3 fair value as at 30 June 2016

	Land	Buildings	Plant and equipment
Opening Balance	951,419	5,439,713	1,093,854
Purchases (sales)	0	942,664	120,992
Transfers in (out) of Level 3	0	0	0
Gains or losses recognised in net result			
- Disposals	0	0	0
- Depreciation	(1,748)	(513,025)	(203,458)
Subtotal	949,671	5,869,352	1,011,388
Items recognised in other comprehensive income			
- Revaluation	0	0	0
Subtotal	0	0	0
Closing Balance	949,671	5,869,352	1,011,388
Unrealised gains/(losses) on non-financial assets	0	0	0
	949,671	5,869,352	1,011,388

There have been no transfers between levels during the period.

Reconciliation of Level 3 fair value as at 30 June 2015

	Land	Buildings	Plant and equipment
Opening Balance	935,000	5,952,000	1,142,332
Purchases (sales)	17,487	0	159,852
Transfers in (out) of Level 3	0	0	0
Gains or losses recognised in net result			
- Disposals	0	0	(1,597)
- Depreciation	(1,068)	(512,287)	(206,733)
Subtotal	951,419	5,439,713	1,093,854
Items recognised in other comprehensive income			
- Revaluation	0	0	0
Subtotal	0	0	0
Closing Balance	951,419	5,439,713	1,093,854
Unrealised gains/(losses) on non-financial assets	0	0	0
	951,419	5,439,713	1,093,854

There have been no transfers between levels during the period.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)
(e) Description of significant unobservable inputs to Level 3 valuations:

	Valuation technique [(i)]	Significant unobservable inputs [(i)]	Range (weighted average) [(i)]	Sensitivity of fair value measurement to changes in
Specialised land	Market Approach	Community Service Obligation (CSO)	20%	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value
Specialised Buildings	Depreciated Replacement Cost	Direct cost per square metre	$792 - $2450 ($1,565)	A significant increase or decrease in direct cost per square metre adjustment would result in a signficantly higher or lower fair value
		Useful life of specialised buildings	25 - 60 Years	A significant increase or decrease in the estimated useful life of the asset would result in a signficantly higher or lower valuation
Plant and equipment at fair value	Depreciated Replacement Cost	Cost per Unit	$10 - $40,000 ($2,300)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of PPE	2-20 Years (7 Years)	A significant increase or decrease in the estimated useful life of the asset would result in a signficantly higher or lower valuation

NOTE 11: PAYABLES	2016 $	2015 $
CURRENT		
Contractual		
Trade Creditors	410,993	201,103
Accrued Expenses	54,619	33,399
Payables - South West Alliance of Rural Health	714,508	79,915
Accrued Audit Fees	9,000	8,700
	1,189,120	323,117
Statutory		
Amounts payable to Government - PAYG	69,250	69,666
Aged Care Funding - Department of Health & Ageing	0	6,126
Department of Health and Human Services	55,200	0
	124,450	75,792
TOTAL	1,313,570	398,909

(a) Maturity analysis of payables
Please refer to Note 18(c) for the ageing analysis of payables.

(b) Nature and extent of risk arising from payables
Please refer to note 18(c) for the nature and extent of risks arising payables.

NOTE 12: BORROWINGS	2016	2015
CURRENT	$	$
Australian Dollar Borrowings		
- Finance Lease Liability (South West Alliance of Rural Health)	146,603	86,849
TOTAL CURRENT	146,603	86,849
NON CURRENT		
Australian Dollar Borrowings		
- Finance Lease Liability (South West Alliance of Rural Health)	199,567	221,535
TOTAL NON CURRENT	199,567	221,535
TOTAL BORROWINGS	346,170	308,384

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

(a) Maturity analysis of borrowings
Please refer to note 18(c) for the ageing analysis of borrowings

(b) Nature and extent of risk arising from borrowings
Please refer to note 18(c) for the nature and extent of risks arising from borrowings

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

NOTE 13: PROVISIONS	2016	2015
	$	$
Current Provisions		
Employee Benefits (i)		
Accrued Wages, ADO & Annual Leave (Note 13(a))		
- unconditional and expected to be settled within 12 months (ii)	688,194	634,248
- unconditional and expected to be settled after 12 months (iii)	90,000	0
Long Service Leave (Note 13(a))		
- unconditional and expected to be settled within 12 months (ii)	100,000	100,000
- unconditional and expected to be settled after 12 months (iii)	895,964	821,942
	1,774,158	1,556,190
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (nominal value) (ii)	64,005	69,556
- unconditional and expected to be settled after 12 months (present value) (iii)	135,745	115,243
	199,749	184,799
Total Current Provisions	1,973,907	1,740,989
Non-Current Provisions		
Employee Benefits (i) (Note 13(a))	172,589	226,840
Provisions related to employee benefit on-costs (Note 13(a) and Note 13(b))	19,470	25,944
Total Non-Current Provisions	192,059	252,784
Total Provisions	2,165,966	1,993,773
(a) Employee Benefits and Related On Costs		
Current Employee Benefits		
South West Alliance of Rural Health Entitlements	86,153	77,802
Annual Leave Entitlements	438,253	445,497
Accrued Salaries and Wages	229,907	165,677
Accrued Days Off	9,135	14,827
Unconditional Long Service Leave Entitlements	1,120,459	1,037,185
Total Current Employee Benefits	1,883,907	1,740,988
Non-Current Employee Benefits		
South West Alliance of Rural Health Entitlements	16,826	19,287
Conditional Long Service Leave Entitlements (ii)	175,233	233,497
Total Non Current Employee Benefits	192,059	252,784
Total Employee Benefits and Related On-Costs	2,075,966	1,993,772

NOTE 13: PROVISIONS (Continued)	2016 $	2015 $
(b) Movements in Provisions		
Movement in Long Service Leave:		
Balance at start of year	1,270,682	1,218,472
Provision made during the year		
- Revaluations	(3,878)	33,557
- Expense recognising Employee Service	151,660	117,363
Settlement made during the year	(122,772)	(98,710)
Balance at end of year	1,295,692	1,270,682

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

NOTE 14: SUPERANNUATION

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

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

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

Fund		Paid Contributions for the year		Outstanding Contributions at Year End	
		2016 $	**2015 $**	**2016 $**	**2015 $**
Defined Benefit Plans:	Health Super	28,724	37,968	0	0
Defined Contribution Plans:	Health Super	506,537	499,526	0	0
	HESTA	52,519	48,141	0	0
Total		587,780	585,635	0	0

NOTE 15: OTHER LIABILITIES	2016 $	2015 $
Staff Funds Held	0	1,908
Other Monies Held in Trust	135,000	0
TOTAL	135,000	1,908

NOTE 16: EQUITY	2016 $	2015 $
(a) Surpluses		
Property, Plant and Equipment Revaluation Surplus [1]		
Balance at beginning of the reporting period	6,367,935	6,367,935
- Revaluation increment for land	0	0
- Revaluation increment for Buildings	0	0
Balance at the end of the reporting period	6,367,935	6,367,935
Represented by:		
- Land	938,215	938,215
- Buildings	5,429,720	5,429,720
	6,367,935	6,367,935
(1) The property, plant & equipment asset revaluation reserve arises on the revaluation of property, plant & equipment.		
Total Surpluses	6,367,935	6,367,935
(b) Contributed Capital		
Balance at the beginning of the reporting period	3,328,769	3,328,769
Capital Contribution received from Victorian Government	0	0
Balance at the end of the reporting period	3,328,769	3,328,769
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	982,180	903,169
Net Result for the Year	(209,334)	79,011
Balance at the end of the reporting period	772,846	982,180
Total Equity at end of financial year	10,469,550	10,678,884

NOTE 17: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES	2016 $	2015 $
NET RESULT FOR THE PERIOD	(209,334)	79,011
Non-cash movements		
Depreciation	955,661	787,802
Non Cash Joint Venture Transactions	0	(450)
Movements included in investing and financing activities		
Net (Gain)/Loss from Sale of Plant and Equipment	4,681	(5,172)
Movements in assets and liabilities		
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	(682,612)	(10,699)
(Increase)/Decrease in Prepayments	(21,171)	(7,039)
(Increase)/Decrease in Stores	(5,445)	(2,879)
Increase/(Decrease) in Payables	914,661	(173,821)
Increase/(Decrease) in Employee Benefits	82,194	15,990
Increase/(Decrease) in Other Liabilities	133,092	1,257
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1,171,727	684,000

NOTE 18: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Terang & Mortlake Healthcare Service's principal financial instruments comprise of:

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

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

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

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

The main purpose in holding financial instruments is to prudentially manage Terang and Mortlake Health Service financial risk within the government policy parameters.

Categorisation of financial instruments

2016	Contractual financial assets/liabilities designated at fair value through profit/loss $	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss $	Contractual financial assets - loans and receivables $	Contractual financial assets - available for sale $	Contractual financial liabilities at amortised cost $	Total $
Contractual Financial Assets						
Cash and cash equivalents	0	0	1,082,916	0	0	1,082,916
Receivables	0	0	857,722	0	0	857,722
Investments and Receivables	0	0	4,207,722	0	0	4,207,722
Total Financial Assets (i)	0	0	6,148,360	0	0	6,148,360
Financial Liabilities						
Payables	0	0	0	0	1,189,120	1,189,120
Borrowings	0	0	0	0	346,170	346,170
Total Financial Liabilities(ii)	0	0	0	0	1,535,290	1,535,290

Categorisation of financial instruments

2015	Contractual financial assets/liabilities designated at fair value through profit/loss $	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss $	Contractual financial assets - loans and receivables $	Contractual financial assets - available for sale $	Contractual financial liabilities at amortised cost $	Total $
Contractual Financial Assets						
Cash and cash equivalents	0	0	1,179,399	0	0	1,179,399
Receivables	0	0	221,700	0	0	221,700
Investments and Receivables	0	0	3,571,700	0	0	3,571,700
Total Financial Assets (i)	0	0	4,972,799	0	0	4,972,799
Financial Liabilities						
Payables	0	0	0	0	323,117	323,117
Borrowings	0	0	0	0	308,384	308,384
Total Financial Liabilities(ii)	0	0	0	0	631,501	631,501

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

NOTE 18: FINANCIAL INSTRUMENTS (Continued)
(a) Financial Risk Management Objectives and Policies (Continued)

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

	Net holding gain/(loss) $'000	Total interest income/ (expense) $'000	Fee income / (expense) $'000	Impairment loss $'000	Total $'000
2016					
Financial Assets					
Cash and cash equivalents(i)	0	0	0	0	0
Loans and Receivables(i)	0	117,179	0	0	117,179
Total Financial Assets	0	117,179	0	0	117,179
Financial Liabilities					
At amortised cost (ii)	0	19,919	0	0	19,919
Total Financial Liabilities	0	19,919	0	0	19,919
2015					
Financial Assets					
Cash and cash equivalents(i)	0	0	0	0	0
Loans and Receivables(i)	0	134,455	0	0	134,455
Total Financial Assets	0	134,455	0	0	134,455
Financial Liabilities					
At amortised cost (ii)	0	12,984	0	0	12,984
Total Financial Liabilities	0	12,984	0	0	12,984

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

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

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

Credit risk associated with the Health Service's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Health Service's policy to only deal with entities with high credit ratings of a minimum Triple-B 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 Terang & Mortlake Health Service's maximum exposure to credit risk without taking account of the value of any collateral obtained.

NOTE 18: FINANCIAL INSTRUMENTS (Continued)
(b) Credit Risk (Continued)

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

2016	Financial Institutions (Min BBB credit rating) $	Government Agencies (Min AA credit rating) $	Other $	Total $
Financial Assets				
Cash and Cash Equivalents	1,082,916	0	0	1,082,916
Loans and Receivables				
- Trade Debtors	0	0	126,009	126,009
- Other Receivables	0	0	14,279	14,279
- Term Deposit	1,750,000	1,600,000	0	3,350,000
Total Financial Assets	2,832,916	1,600,000	140,288	4,573,204
2015				
Financial Assets				
Cash and Cash Equivalents	1,179,399	0	0	1,179,399
Loans and Receivables				
- Trade Debtors	0	0	97,816	97,816
- Other Receivables	0	0	32,117	32,117
- Term Deposit	1,750,000	1,600,000	0	3,350,000
Total Financial Assets	2,929,399	1,600,000	129,933	4,659,332

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

Ageing analysis of financial asset as at 30 June

2016	Carrying Amount $	Not Past due and not impaired $	Past due and not impaired: Less than 1 Month $	1 - 3 Months $	3 Months - 1 Year $	1 - 5 Years $	Impaired Financial Assets $
Financial Assets							
Cash and Cash Equivalents	1,082,916	1,082,916	0	0	0	0	0
Loans and Receivables (i)							
- Trade Debtors	126,009	70,739	22,776	22,846	9,648	0	0
- Other Receivables	14,279	14,279	0	0	0	0	0
- Term Deposit	3,350,000	3,350,000	0	0	0	0	0
Total Financial Assets	4,573,204	4,517,934	22,776	22,846	9,648	0	0
2015							
Financial Assets							
Cash and Cash Equivalents	1,179,399	1,179,399	0	0	0	0	0
Loans and Receivables							
- Trade Debtors	97,816	80,310	8,616	6,137	2,753	0	0
- Other Receivables	32,117	32,117	0	0	0	0	0
- Term Deposit	3,350,000	3,350,000	0	0	0	0	0
Total Financial Assets	4,659,332	4,641,826	8,616	6,137	2,753	0	0

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

NOTE 18: FINANCIAL INSTRUMENTS (Continued)
(b) Credit Risk (Continued)

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

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

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

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

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

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

Maturity analysis of financial liabilities as at 30 June

			Maturity Dates			
	Total Carrying Amount	Nominal Amount	Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
2016	$	$	$	$	$	$
Financial Liabilities						
At amortised cost						
Payables (i)	1,189,120	1,189,120	1,189,120	0	0	0
Borrowings	346,170	346,170	0	0	0	346,170
Total Financial Liabilities	1,535,290	1,535,290	1,189,120	0	0	346,170
2015						
Financial Liabilities						
At amortised cost						
Payables (i)	323,117	323,117	323,117	0	0	0
Borrowings	308,384	308,384	0	0	0	308,384
Total Financial Liabilities	631,501	631,501	323,117	0	0	308,384

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

(d) Market Risk
Terang and Mortlake Health Service's has insignificant exposure to interest rate, foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

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

NOTE 18: FINANCIAL INSTRUMENTS (Continued)
(d) Market Risk (Continued)

Interest Rate Risk
Exposure to interest rate risk is insignificant. Minimisation of risk is achieved by mainly holding fixed rate or non-interest bearing financial instruments. For financial liabilities the Health Service mainly undertake financial liabilities with relatively even maturity profiles.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Health Service has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

The Health Service manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate without necessarily exposing the Health Service to significant bad risk, management monitors movements in interest rates on a daily basis.

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

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

	Weighted Average Effective Interest Rate (%)	Carrying Amount	Interest Rate Exposure		
2016			Fixed Interest Rate $	Variable Interest Rate $	Non - Interest Bearing $
Financial Assets					
Cash and Cash Equivalents	1.90	1,082,916	0	1,082,916	0
Loans and Receivables (i)					
- Trade Debtors		126,009	0	0	126,009
- Other Receivables		14,279	0	0	14,279
- Term Deposit	2.61	3,350,000	3,350,000	0	0
Total Financial Assets		4,573,204	3,350,000	1,082,916	140,288
Financial Liabilities					
At amortised cost					
Payables (i)		1,189,120	0	0	1,189,120
Borrowings	9.40	346,170	346,170	0	0
Total Financial Liabilities		1,535,290	346,170	0	1,189,120
2015					
Financial Assets					
Cash and Cash Equivalents	2.10	1,179,399	0	1,179,399	0
Loans and Receivables (i)					
- Trade Debtors		97,816	0	0	97,816
- Other Receivables		32,117	0	0	32,117
- Term Deposit	2.59	3,350,000	3,350,000	0	0
Total Financial Assets		4,659,332	3,350,000	1,179,399	129,933
Financial Liabilities					
At amortised cost					
Payables (i)		323,117	0	0	323,117
Borrowings	9.40	308,384	308,384	0	0
Total Financial Liabilities		631,501	308,384	0	323,117

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

NOTE 18: FINANCIAL INSTRUMENTS (Continued)
(d) Market Risk (Continued)

Sensitivity Disclosure Analysis
Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Terang and Mortlake Health Service believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Reserve Bank of Australia).
- A shift of 100 basis points up and down in market interest rates (AUD) from year-end rates of 1.9%; and
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2.5%.

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

	Carrying Amount	Interest Rate Risk				Other Price Risk			
		-1%		+1%		-1%		+1%	
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
2016	$	$	$	$	$	$	$	$	$
Financial Assets									
Cash and Cash Equivalents	1,082,916	(10,829)	(10,829)	10,829	10,829	0	0	0	0
Loans and Receivables (i)									
- Trade Debtors	126,009	0	0	0	0	0	0	0	0
- Other Receivables	14,279	0	0	0	0	0	0	0	0
- Term Deposit	3,350,000	0	0	0	0	0	0	0	0
Financial Liabilities									
At amortised cost									
Payables (i)	1,189,120	0	0	0	0	0	0	0	0
Borrowings	346,170	0	0	0	0	0	0	0	0
		(10,829)	(10,829)	10,829	10,829	0	0	0	0
2015									
Financial Assets									
Cash and Cash Equivalents	1,179,399	(11,794)	(11,794)	11,794	11,794	0	0	0	0
Loans and Receivables (i)									
- Trade Debtors	97,816	0	0	0	0	0	0	0	0
- Other Receivables	32,117	0	0	0	0	0	0	0	0
Other Financial Assets									
- Term Deposit	3,350,000	0	0	0	0	0	0	0	0
Financial Liabilities									
At amortised cost									
Payables (i)	323,117	0	0	0	0	0	0	0	0
Borrowings	308,384	0	0	0	0	0	0	0	0
		(11,794)	(11,794)	11,794	11,794	0	0	0	0

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

NOTE 18: FINANCIAL INSTRUMENTS (Continued)

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

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

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

Comparison between carrying amount and fair value

	Carrying Amount 2016 $	Fair Value 2016 $	Carrying Amount 2015 $	Fair Value 2015 $
Financial Assets				
Cash and Cash Equivalents	1,082,916	1,082,916	1,179,399	1,179,399
Loans and Receivables (i)				
- Trade Debtors	126,009	126,009	97,816	97,816
- Other Receivables	14,279	14,279	32,117	32,117
-Term Deposits	3,350,000	3,350,000	3,350,000	3,350,000
Total Financial Assets	**4,573,204**	**4,573,204**	**4,659,332**	**4,659,332**
Financial Liabilities				
At amortised cost				
Payables (i)	1,189,120	1,189,120	323,117	323,117
Borrowings	346,170	346,170	308,384	308,384
Total Financial Liabilities	**1,535,290**	**1,535,290**	**631,501**	**631,501**

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

NOTE 19: COMMITMENTS	2016 $	2015 $
Capital Expenditure Commitments		
Nil		
Lease commitments		
Commitments in relation to leases contracted for at the reporting date:		
Finance Leases (South West Alliance of Rural Health)	346,170	308,384
Total lease commitments	346,170	308,384
Finance Leases		
Commitments in relation to finance leases are payable as follows:		
Current	109,822	109,822
Non-current	280,137	280,137
Minimum lease payments	389,959	389,959
Less future finance charges	43,789	81,575
Total finance lease commitments	346,170	308,384
Total lease commitments	346,170	308,384

NOTE 20: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

NOTE 21: OPERATING SEGMENTS

	HEALTH SERVICES		RACS		OTHER SERVICES		TOTAL	
	2016	2015	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$	$	$
REVENUE								
External Segment Revenue	8,695,873	9,025,609	1,706,873	1,825,866	0	0	10,402,746	10,851,475
Total Revenue	**8,695,873**	**9,025,609**	**1,706,873**	**1,825,866**	**0**	**0**	**10,402,746**	**10,851,475**
EXPENSES								
External Segment Expenses	(8,082,598)	(8,492,119)	(2,670,311)	(2,421,174)	0	0	(10,752,909)	(10,913,293)
Total Expenses	(8,082,598)	(8,492,119)	(2,670,311)	(2,421,174)	0	0	(10,752,909)	(10,913,293)
Net Result from ordinary activities	613,275	533,490	(963,438)	(595,308)	0	0	(350,163)	(61,818)
Interest Income	0	0	0	0	140,829	140,829	140,829	140,829
Net Result for Year	**613,275**	**533,490**	**(963,438)**	**(595,308)**	**140,829**	**140,829**	**(209,334)**	**79,011**
OTHER INFORMATION								
Segment Assets	8,772,346	7,855,434	1,781,578	1,912,890	0	0	10,553,924	9,768,324
Unallocated Assets	0	0	0	0	3,786,332	3,613,533	3,786,332	3,613,533
Total Assets	**8,772,346**	**7,855,434**	**1,781,578**	**1,912,890**	**3,786,332**	**3,613,533**	**14,340,256**	**13,381,857**
Segment Liabilities	3,353,575	2,150,150	318,435	354,127	0	0	3,672,010	2,504,277
Unallocated Liabilities	0	0	0	0	198,696	198,696	198,696	198,696
Total Liabilities	**0**	**0**	**0**	**0**	**198,696**	**198,696**	**3,870,706**	**2,702,973**
Acquisition of property, plant and equipment and intangible assets	255,400	276,765	892,674	50,856	0	0	1,148,074	327,621
Depreciation	(823,350)	(752,448)	(132,311)	(131,153)	0	0	(955,661)	(883,601)
Non cash expenses other than depreciation	11,929	11,373	0	0	0	0	11,929	11,373

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

Business Segments	**Services**
Acute	Acute Hospital services
	Aged Care services
	Primary Health services
Residential Aged Care	Nursing Home facilities
	Hostel facilities

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

NOTE 22: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	Principal Activity	Ownership Interest 2016 %	Ownership Interest 2015 %
South West Alliance of Rural Health	Information Systems	4.79	4.79

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

	2016 $	2015 $
Current Assets		
Cash and Cash Equivalents	99,933	96,741
Receivables	715,223	91,767
Inventories	3,447	1,708
Prepayments	13,769	0
Total Current Assets	832,372	190,216
Non Current Assets		
Property, Plant and Equipment	356,865	11,779
Total Non Current Assets	356,865	11,779
Total Assets	1,189,237	201,995
Current Liabilities		
Payables	714,508	79,915
Borrowings	146,603	0
Employee Provisions	86,153	77,802
Total Current Liabilities	947,264	157,717
Non Current Liabilities		
Borrowings	199,567	0
Employee Provisions	16,826	19,287
Total Non Current Liabilities	216,393	19,287
Total Liabilities	1,163,657	177,004

Terang and Mortlake Health Service's interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

Revenues		
Operating Activities	1,075,278	988,024
Total Revenue	1,075,278	988,024
Expenses		
Employee Expenses	293,014	278,095
Maintenance Contracts and IT Support	565,578	448,442
Operating Lease Costs	0	224,222
Other Expenses	31,875	34,606
Total Operating Expenses	890,467	985,365
Finance Lease Charges	19,919	0
Depreciation	164,317	2,209
Total Non Operating Expenses	184,236	2,209
Total Expenses	1,074,703	987,574
Net Result	575	450

The financial results included for SWARH are unaudited at the date of signing the financial statements.

NOTE 23: RESPONSIBLE PERSON DISCLOSURES

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

	Period
Responsible Ministers:	
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	01/07/2015 - 30/06/2016
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health	01/07/2015 - 30/06/2016
Governing Boards	
Mr Geoff Barby	01/07/2015 - 30/06/2016
Mr Graham Blain	01/07/2015 - 30/06/2016
Mrs Elizabeth Clarke	01/07/2015 - 30/06/2016
Mr Craig Coates	01/07/2015 - 30/06/2016
Mrs Helen Kenna	01/07/2015 - 30/06/2016
Mr Colin Long	01/07/2015 - 30/06/2016
Mr Barry Philp	01/07/2015 - 30/06/2016
Mr David Selman	01/07/2015 - 30/06/2016
Mr Murray Whiting	01/07/2015 - 30/06/2016
Accountable Officers	
Ms Julia Ogdin-Gubbins	01/07/2015 - 30/06/2016

Remuneration of Responsible Persons

Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:

	Total Remuneration		Base Remuneration	
	2016	2015	2016	2015
Income Band	No.	No.	No.	No.
$0 - $9,999	9	7	9	7
$40,000 - $49,999	0	2	0	2
$70,000 - $79,999	0	1	0	1
$150,000 - $159,999	1	0	1	0
	10	10	10	10
Total remuneration for the reporting period for Responsible Persons included above amounted to:	$155,736	$166,077	$155,736	$166,077

Other Transactions of Responsible Persons and their Related Parties

There were no transactions with Responsible Persons or their Related Parties.

NOTE 23a: EXECUTIVE OFFICER REMUNERATION

Executive Officers' Remuneration

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

	Total Remuneration		Base Remuneration	
	2016	2015	2016	2015
	No.	No.	No.	No.
$100,000 - $109,999	0	0	0	0
$110,000 - $119,999	1	1	1	1
$120,000 - $129,999	1	1	1	1
Total	2	2	2	2
Total Remuneration	247,550	238,803	247,550	238,803

No Executive Officers, other than Ministers and Accountable Officers received remuneration in excess of $100,000 during the year.

Note 24: REMUNERATION OF AUDITORS

	2016	2015
Victorian Auditor-General's Office	**$**	**$**
Audit or review of financial statement	9,000	8,700
	9,000	8,700

NOTE 25: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

NOTE 26: ALTERNATIVE PRESENTATION OF COMPREHENSIVE OPERATING STATEMENT	**2016**	**2015**
	$	**$**
Interest	117,179	134,455
Sales of goods and services	1,046,172	814,773
Grants	8,349,989	8,282,517
Other	1,034,916	1,306,945
Total Revenue	**10,548,256**	**10,538,690**
Employee expenses	7,163,423	6,973,561
Depreciation	955,661	883,601
Other operating expenses	2,629,947	2,641,246
Total Expenses	**10,749,031**	**10,498,408**
Net result from transactions - Net Operating Balance	**(200,775)**	**40,282**
Net gain/ (loss) on sale of non-financial assets	(4,681)	5,172
Other gains/ (losses) from other economic flows included in net result	(3,878)	33,557
Total Other Economic flows included in Net Result	**(8,559)**	**38,729**
Net Result	**(209,334)**	**79,011**

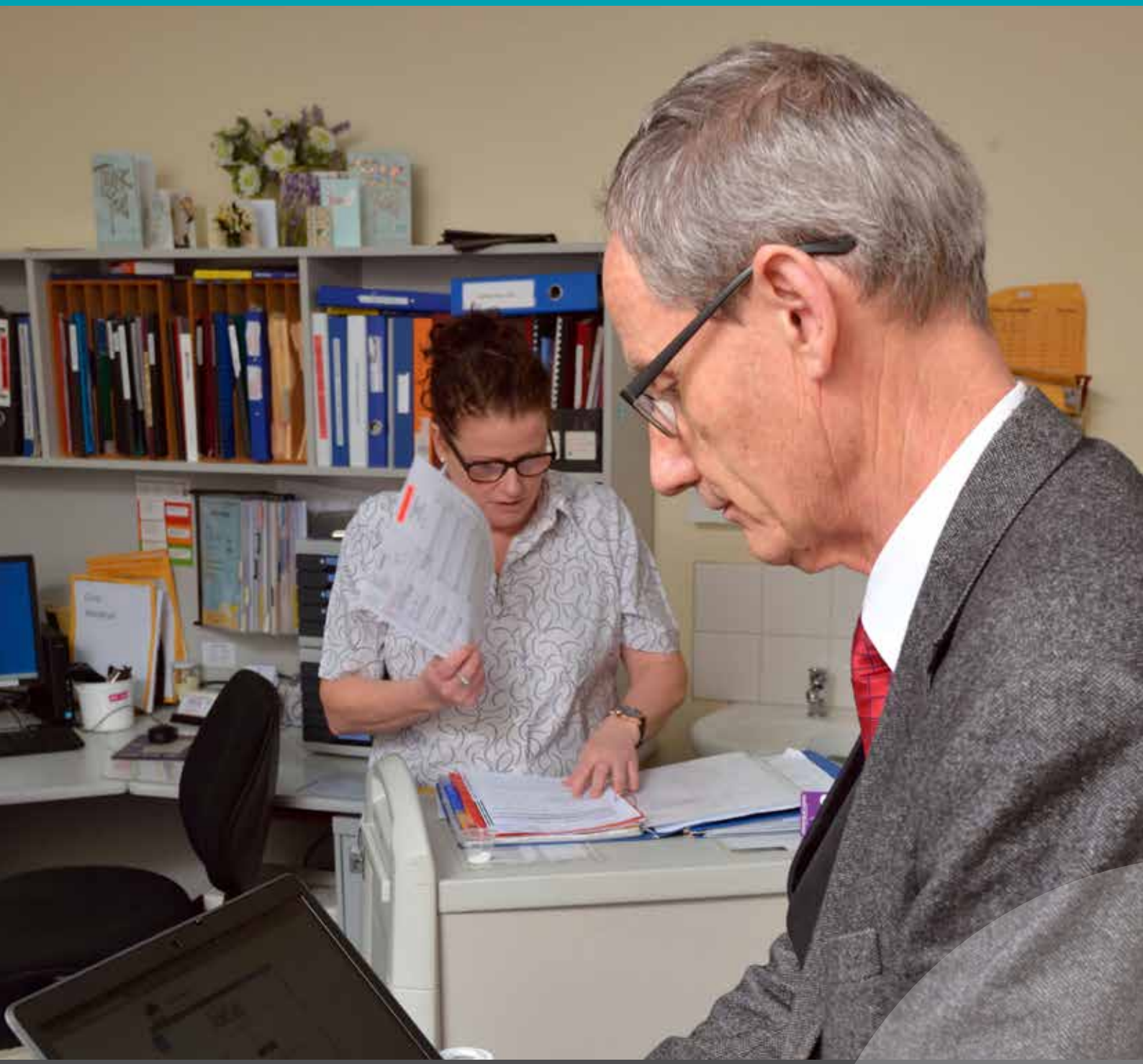
NOTES

NOTES

TERANG & MORTLAKE
HEALTH
SERVICE

General Enquiries

(03) 5592 0222 **Terang Hospital**
(03) 5558 7000 **Mortlake Community Health Centre**
(03) 5592 0300 **Josie Black Community Health Centre (Terang)**
(03) 5592 0284 **Early Parenting Centre**



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