



8,838

Babies born
at the Women's



70,775

Women cared for



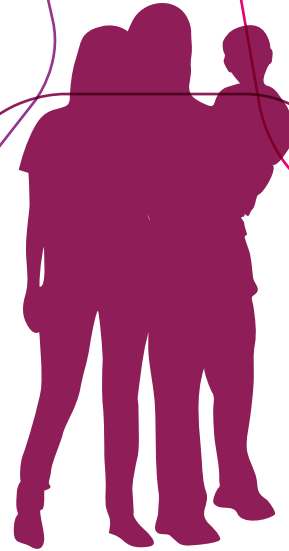
27,671

Emergency
presentations



34,364

Inpatient stays



184,364

Outpatient visits

ANNUAL
REPORT
2015



the women's
the royal women's hospital
victoria australia

THE
WOMEN'S
DECLARATION

In everything
we do, we value
courage, passion,
discovery
and respect.



We will be a voice
for women's health



We are committed
to the social model
of health



We will innovate
healthcare for women
and newborns



We will care
for women from
all walks of life



We will lead health
research for women
and newborns



We recognise that
sex and gender
affect women's health
and healthcare

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CHAIR'S & CHIEF EXECUTIVE OFFICER'S MESSAGE

Year in Review

On behalf of the Board, Executive and staff, we are pleased and proud to present the Royal Women's Hospital (the Women's) 2014/15 Annual Report.

We are pleased because it has been another year of benchmark achievements by the Women's, underscored by the hospital's continued commitment for best practice in clinical care and a deep-held conviction that we must continue to respond to the changing demands of the community we serve.

At the Women's we pride ourselves on putting women, babies and their families first. When measured, 90% of our patients responded positively to our questions about overall satisfaction ranging from good to very good. Women and families speak of their connection to the Women's for a lifetime.

We are indebted to our tremendously talented and engaged staff and volunteers who help make this hospital the pace-setting leader it has become in our clinical service areas of maternity, newborn services, gynaecology, sexual and reproductive health, oncology and mental health across two campuses, Parkville and Sandringham. We are equally grateful for how each of our people is committed to providing care that reflects our values: *In everything we do, we value courage, passion, discovery and respect.*

Our Patients

The Women's cares for patients from across the state, with 55 per cent from our primary catchment areas surrounding Parkville and Sandringham and 45 per cent from referrals for complex maternity and gynaecology services.

Our patients originate from 189 countries, speak 97 different languages, and follow 70 religious faiths.

This year 8,838 babies were born at the Women's and we cared for almost 1,700 babies in our Newborn Intensive and Special Care (NISC) unit. We cared for more than 70,000 women in total, provided more than 34,000 inpatient admissions, 184,000 out-patient visits and saw almost 28,000 emergency presentations.

Our People

The Women's has 2,233 staff and 250 hospital and community volunteers and auxiliary who contribute their valuable time and handmade items, all of whom are integral to the great work we do.

Our People Matters survey showed that staff engagement remains above average compared to other health workers.

Looking for Answers

The research teams at the Women's are led by internationally recognised experts across eight centres of excellence: The Centre for Women's Infectious Diseases, Centre for Women's Mental Health, Midwifery and Maternity Services, Women's Cancer Research Centre, Women's Gynaecology Research Centre, Women's Newborn Research Centre, Women's Pregnancy Research Centre, and Anaesthetics Research.

This year, the Women's along with other health and academic leaders was designated by the National Health and Medical Research Council as one of the country's first Advanced Health Research and Translation Centres. This designation recognises our leadership in innovative discovery research, research translational activities, the provision of health care and the training of doctors, nurses and other health professionals in an evidence-based environment, at international levels of excellence.

Some highlights of the Women's research include:

- » Our experts, and patients, were part of a world-first ovarian cancer study that has the potential to change treatment approaches for women with high-grade serous ovarian carcinoma.
- » Our neonatal research team was awarded the funds to conduct a three year trial investigating a new method of optimising early respiratory support for preterm infants.
- » Associate Professor Alicia Dennis attracted international acclaim with research into the cause of pre-eclampsia.
- » Our internationally recognised research teams published more than 250 papers that attracted local, national and international attention for ground breaking research work that has the potential to change lives.

Statewide Leadership

Sharing our expertise with the broader health sector across Victoria remains an integral role for the Women's.

Sexual Assault and Domestic Violence:

As a strong advocate that family violence is a women's health issue, the Women's made a solid submission to the Royal Commission into Family Violence. We have extensive expertise in addressing violence as a women's health issue, and best practice at the Women's recognises the impact of violence on women's health and on women's access to health care. This year, we have taken a leadership role in training clinicians – doctors, nurses, midwives and social workers – to sensitively inquire, assess and respond to domestic violence.

We continue to provide services at our Centre Against Sexual Assault (CASA House) where we cared for 754 women and men who have been sexually assaulted, and manage the Victorian Sexual Assault Crisis Line (SACL), a statewide, after-hours confidential telephone crisis counselling service for victims of sexual assault that attracted unprecedented demand this year with more than 13,000 calls. In addition, we continued to provide training in 10 secondary schools in Melbourne's northwest, to educate young people about respectful relationships and gender equality.

We are committed to working with others in the sector to ensure that women have access to support, healthcare professionals are given the knowledge and skills required to help those in need, and that school children are educated about respect as a way to prevent violence against women.

Maternity and Neonatal Services:

We cared for women who had "normal" deliveries as well as many who were high risk and required the advanced level of care that only our specialist doctors and midwives provide. For our tertiary services, we cared for women and babies from across the state and even the country.

As leaders in maternity and neonatal care, it is our responsibility to share best practice in care and treatment. It is a philosophy close to the hearts of everyone at the Women's: the strong belief that we are more than a hospital; we are a centre for excellence in women's and newborn's health and wellbeing. One example of how we support others is our Maternity Services Education Program (MSEP), training almost 200 health professionals across the state in many regional and rural areas in pregnancy workshops, and to be better prepared for maternity emergencies to provide the best care for women and newborns.

Gynaecology and Cancer Care:

The Women's provides nearly 30% of the state's public gynaecology care. As such, we are continually looking for ways to improve access to our services. This year we exceeded our total waiting list admissions by 5% providing greater access to care. We reduced the time women are waiting for care by 48%, to an average of 87 days.

We share the vision of the Victorian Comprehensive Cancer Centre (VCCC) – *to save lives through the integration of cancer research, education and patient care*. We have collaborated extensively with the VCCC and remain focused on better outcomes for women in the prevention, detection and treatment of cancer.

Community Partnerships and Engagement

Building partnerships and connecting with as many people in the community as possible for better health outcomes saw the Women's further extend its network this year with new or expanded agreements with Women with Disabilities Victoria, Barwon Health, East Grampians Health Service, Family Planning Victoria and Women's Health Victoria. We have committed to work with these organisations to improve the overall health of Victorian women and babies.

The Women's values the input of the Community Advisory Committee, which has representatives from a wide range of backgrounds reflective of the communities we serve. The committee advises the Women's on a range of issues, including the preparation of patient information and education activities, access issues and how best to ensure we meet the needs of our diverse and changing population.

Financial Performance

The Women's is committed to ensuring the sustainability of our health system. We are aware that the costs of healthcare are rising and we are constantly striving to find new ways to become more efficient whilst still providing the excellent care we are so well known for. This financial year, excluding capital and controlled entities results, the Women's recorded an operational surplus of \$1.52 million. This is a better than expected result with innovative approaches to maximise the returns from hospital assets and is a positive move towards improving the hospital's financial sustainability.

Our Supporters

If it were not for the generous support and philanthropy of individuals and organisations, the ongoing investment in the work we do and the equipment we use could not be achieved.

The Women's Foundation raises funds to support the vital work of the Women's and draws upon the wonderful backing of community supporters, donors, charitable trusts and patients past and present, who understand and appreciate the value of this unique hospital.

Some of our supporters are moved by personal experience, others by a desire to help the Women's in its leadership roles and specialised areas of treatment. To all our fund-raising champions we owe a great debt of thanks.

One example of donors who were moved by a personal experience with the Women's is Pete and Kristie Lockyer who founded the Lilyroo Fund to celebrate the short but beautiful life of their daughter Lily Mary Lockyer and raised \$157,583.66 for the Women's NISC.

Setting the Standards

By all measures, the quality of our health services received glowing endorsements this year. Our patients have higher levels of satisfaction compared to other Victorian hospitals with an overall satisfaction rate of 93% positive. In addition, the Women's received exceptional feedback from the Australian Council on Healthcare Quality Standards' (ACHQS) review of the safety and quality of all areas of the hospital. The survey team was impressed with the level of commitment and compassion displayed by staff during various on-site visits and focus group meetings, and specifically spoke to the Women's commitment to involving our community in the work we do.

In the final appraisal the survey team upgraded the rating to "met with merit" in 39 of our criteria, an overwhelmingly positive testimony to the work that we do.

But, we will not rest on our laurels. The Women's is committed to continuous improvement, leading the way in women's health and newborn care.

Acknowledgements

We would like to acknowledge our previous Board Chair Margaret Fitzherbert who vacated the position in December after being elected as the MLC for Southern Metropolitan at the Victorian election. We thank her for tireless support and wish her well in her new role.

Finally, we thank each and every one of our staff and volunteers for their commitment to the work of the Women's. The challenges of delivering the best care in the often-demanding health industry remains great, but the word great has many connotations. A great institution inspires those within it to meet and exceed expectations. We will continue to aspire to greatness.

We are immensely proud to lead such a strong, vibrant and innovative organisation. On behalf of the Women's Board and Executive, we acknowledge and thank everyone who has worked so hard for the Women's in this past year, and who are helping to push us above and beyond, to strive beyond excellent to exceptional.



A handwritten signature in black ink, appearing to read 'fipant'.

Ms Felicity Pantelidis
Board Chair (Acting)
The Royal Women's Hospital



A handwritten signature in black ink, appearing to read 'smatthews'.

Dr Sue Matthews
Chief Executive Officer
The Royal Women's Hospital

REPORT OF OPERATIONS

This section includes disclosures required by the *Health Services Act 1988*, *Financial Management Act 1994*. It also includes voluntary disclosures of additional regulatory compliance information.

Manner of Establishment and the Relevant Minister

The Royal Women's Hospital (the Women's) is a public health service and is incorporated pursuant to the provisions of the *Health Services Act 1988* (as amended). The Women's has provided health services to women and newborn babies of Victoria since 1856.

The Victorian Parliament passed legislation (disaggregating Women's and Children's Health after nine years) establishing the Women's as an independent health service with its own Board of Directors from 1 July 2004.

The Hon. David Davis MP then Hon. Jill Hennessy MP (from December 2014) were the responsible Ministers during the 2014/15 financial year.

Objectives, Functions, Powers and Duties

The core object of the Women's is to provide public health services in accordance with the principles established as guidelines for the delivery of public hospital services in Victoria, under section 17AA of the *Health Services Act 1988* (the Act).

The other objectives of the Women's as a public health service are to:

- a) Provide high quality health services to the community, which aim to meet community needs effectively and efficiently;
- b) Integrate care as needed across service boundaries in order to achieve continuity of care and promote the most appropriate level of care to meet the needs of individuals;
- c) Ensure that health services are aimed at improvements in individual health outcomes and population health status by allocating resources according to best practice health care approaches;
- d) Ensure that the hospital strives to continuously improve quality and foster innovation;
- e) Support a broad range of high quality health research to contribute to new knowledge and to take advantage of knowledge gained elsewhere;
- f) Operate in a business-like manner which maximises efficiency, effectiveness and cost effectiveness and ensure the financial viability of the hospital;
- g) Ensure that mechanisms are available to inform consumers and protect their rights and to facilitate consultation with the community;
- h) Operate a public health service as authorised by or under the Act; and
- i) Carry out any other activities that may be conveniently carried out in connection with the operation of a public health service or calculated to make more efficient use of the hospital's assets or activities.

The objectives of the Women's as a public health service are detailed in the by-laws of the Royal Women's Hospital, copies of which are available upon request. The powers and duties of the Royal Women's Hospital are prescribed by the Act.

Nature and Range of Services

The Women's is Australia's largest specialist hospital dedicated to improving the health of all women and newborns and has two campuses – Parkville and Sandringham.

For more than 159 years, the Women's has led the advocacy and advancement of women's health and wellbeing. Each year, we care for more than 70,000 women from 189 countries, who speak 97 different languages and follow 70 separate religious faiths.

The Women's at Parkville is a state-wide tertiary hospital for women and newborns with complex needs and a local hospital for those residing in inner north-west Melbourne. In October 2013, the Women's assumed responsibility for the maternity and gynaecology services at Sandringham Hospital.

The hospital is committed to a holistic philosophy of health and provides specialist women's health services to women and newborns from both our local area and across Victoria. The Women's clinical services can be broadly grouped into four streams:

- » Cancer (and pre-cancer) Services – includes breast, dysplasia and gynae-oncology services.
- » Gynaecology Services – includes specialist gynaecology, reproductive services and pregnancy termination.
- » Maternity Services – includes antenatal, birthing and postnatal care as well as specialist maternity services.
- » Neonatal Services – includes the newborn intensive and special care (NISC) nurseries.

In addition to these streams of care, the Women's provides a range of other services, which includes clinical, psychosocial, and supportive care services. These services include – but are not limited to: women's mental health, social support, Aboriginal women's health, services supporting women who have experienced sexual assault, domestic violence, and care for women in diverse and disadvantaged groups.

Supporting these four streams of care are Perioperative Services, the Pauline Gandel Women's Imaging Centre, Allied Health, and Women's Emergency Care.

We are a recognised international leader in research in areas of women's and newborn health including pregnancy, gynaecological disorders and infertility.

Our services are informed by research and are provided within an environment of innovation and education. The Women's is a major teaching hospital with academic affiliations with several universities and tertiary educational institutions, notably the University of Melbourne and La Trobe University.

Board of Directors

The Directors serving on the Board of the Women's Hospital during the 2014/15 reporting period:

Ms Margaret Fitzherbert – (Chair) resigned 17 December 2014, Ms Felicity Pantelidis (Deputy Chair) assumed Acting Chair role on 17 December 2014, Ms Sue Zablud, Dr Nicolas Radford, Ms Christina Liosis, Dr Catherine Hutton, Ms Lyn Swinburne AM, Mr Michael O'Neill, Professor David Copolov OAM

Board Committees

The following committees provided advice to the Women's Hospital Board of Directors during the 2014/15 financial year:

Please note as at October 2014 the following Board Committees merged:

- » Finance Committee, Investment Committee and Information Technology Committee merged to form the Finance, Investment and Information Technology Committee.
- » Human Resources Committee and Remuneration Committee merged to form the Human Resources, Governance and Remuneration Committee.

Finance Committee (concluded September 2014)

Chair: Ms Christina Liosis

Members: Ms Felicity Pantelidis, Mr Michael O'Neill, Debbie Goodin, Dr Sue Matthews, Ms Lisa Dunlop, Mr Zak Gruevski

Investment Committee (concluded September 2014)

Chair: Mr Michael O'Neill

Members: Dr Nicolas Radford, Ms Christina Liosis, Ms Sue Zablud, Dr Sue Matthews, Mr Zak Gruevski

Information Technology Committee (concluded September 2014)

Chair: Mr Michael O'Neill

Members: Ms Felicity Pantelidis, Ms Christina Liosis, Dr Sue Matthews, Mr Zak Gruevski, Mr Chris Gamble, Ms Christine Wigg

Finance, Investment and Information Technology Committee (commenced October 2014)

Chair: Mr Michael O'Neill

Members: Ms Felicity Pantelidis, Ms Christina Liosis, Ms Christine Wigg, Ms Debbie Goodin, Dr Sue Matthews, Mr Zak Gruevski, Mr Chris Gamble, Ms Lisa Dunlop, Mr Sam Garassi, Mr Denis Clare, Associate Professor Carl Kuschel, Ms Fiona Burgemeister (resigned February 2014)

Audit and Corporate Risk Management Committee

Chair: Ms Felicity Pantelidis

Members: Ms Christina Liosis, Mr Michael O'Neill, Ms Christine Wigg, Dr Sue Matthews, Mr Chris Gamble, Mr Zak Gruevski

Community Advisory Committee

Chair: Ms Christina Liosis

Members: Dr Catherine Hutton, Dr Sue Matthews, Dr Sarah White (resigned October 2014), Ms Tanya Farrell (appointed October 2014), Ms Jill Butty (appointed October 2014), Ms Deepa Mathews, Ms Heather Beanland, Ms Marija Groen, Ms Dua Maleken (resigned February 2014), Ms Jacinta Roberton, Ms Rebecca Harris, Ms Charlene Edwards, Ms Alison Soutar, Ms Ivy Wang

Board Research Committee

Chair: Dr Nicolas Radford (Chair appointment finished December 2014), Professor David Copolov OAM (appointed Chair January 2015)

Members: Dr Nicolas Radford, Dr Catherine Hutton, Professor David Copolov OAM, Ms Sue Zablud, Dr Sue Matthews, Dr Sarah White (resigned October 2014), Dr Mark Garwood (appointed February 2015), Professor Peter Rogers, Professor Lex Doyle (member during 2014)

Primary Care and Population Health Advisory Committee

Chair: Dr Catherine Hutton

Members: Professor David Copolov OAM, Professor Ann Kavanagh, Dr Sue Matthews, Ms Allison Kenwood, Ms Tanya Farrell, Ms Tanya Maloney (resigned February 2015), Professor Louise Newman, Dr Ines Rio, Dr Helen McLachlan, Ms Patty Kinnersly, Ms Tricia Malowney, Dr Adele Murdolo (appointed December 2014), Associate Professor Christopher Carter (appointed December 2014) and Ms Lyn Morgain (appointed December 2014)

Quality Committee

Chair: Dr Nicolas Radford

Members: Dr Catherine Hutton, Ms Lyn Swinburne AM, Ms Heather Beanland, Dr Sue Matthews, Ms Lisa Dunlop, Dr Christine Bessell (resigned February 2015), Dr Mark Garwood (appointed February 2015), Ms Tanya Farrell (appointed January 2015), Associate Professor Leslie Reti, Associate Professor Carl Kuschel, Ms Cvetka Sedmak, Ms Jenny Ryan, Ms Jill Butty

Human Resources Committee (concluded September 2014)

Chair: Ms Sue Zablud

Members: Ms Christina Liosis, Dr Sue Matthews, Mr Chris Gamble, Ms Fiona Burgemeister

Remuneration Committee (concluded September 2014)

Chair: Ms Margaret Fitzherbert

Members: Ms Felicity Pantelidis, Dr Sue Matthews, Mr Chris Gamble

Human Resources, Governance and Remuneration Committee (commenced September 2014)

Chair: Ms Sue Zablud

Members: Ms Christina Liosis (concluded Committee appointment December 2014), Dr Nicolas Radford (appointed December 2014), Dr Sue Matthews, Mr Chris Gamble, Ms Fiona Burgemeister (resigned February 2015), Ms Allison Kenwood (appointed February 2015)

RWH Foundation Board

Chair: Ms Lyn Swinburne AM (appointed Chair April 2014)

Directors: Ms Margaret Fitzherbert (resigned December 2014), Ms Sue Zablud, Associate Professor Leslie Reti, Associate Professor John McBain AO, Ms Lynda Jane Trembath (appointed July 2014), Ms Nicole Anne Long (appointed July 2014)

Management

Chief Executive Officer: Dr Sue Matthews

Executive Director Clinical Operations: Ms Lisa Dunlop

Executive Director Nursing & Midwifery: Ms Tanya Farrell

Executive Director Strategy & Planning: Ms Allison Kenwood

Chief Medical Officer: Mark Garwood

Chief Communications Officer: Ms Rose Gigliotti

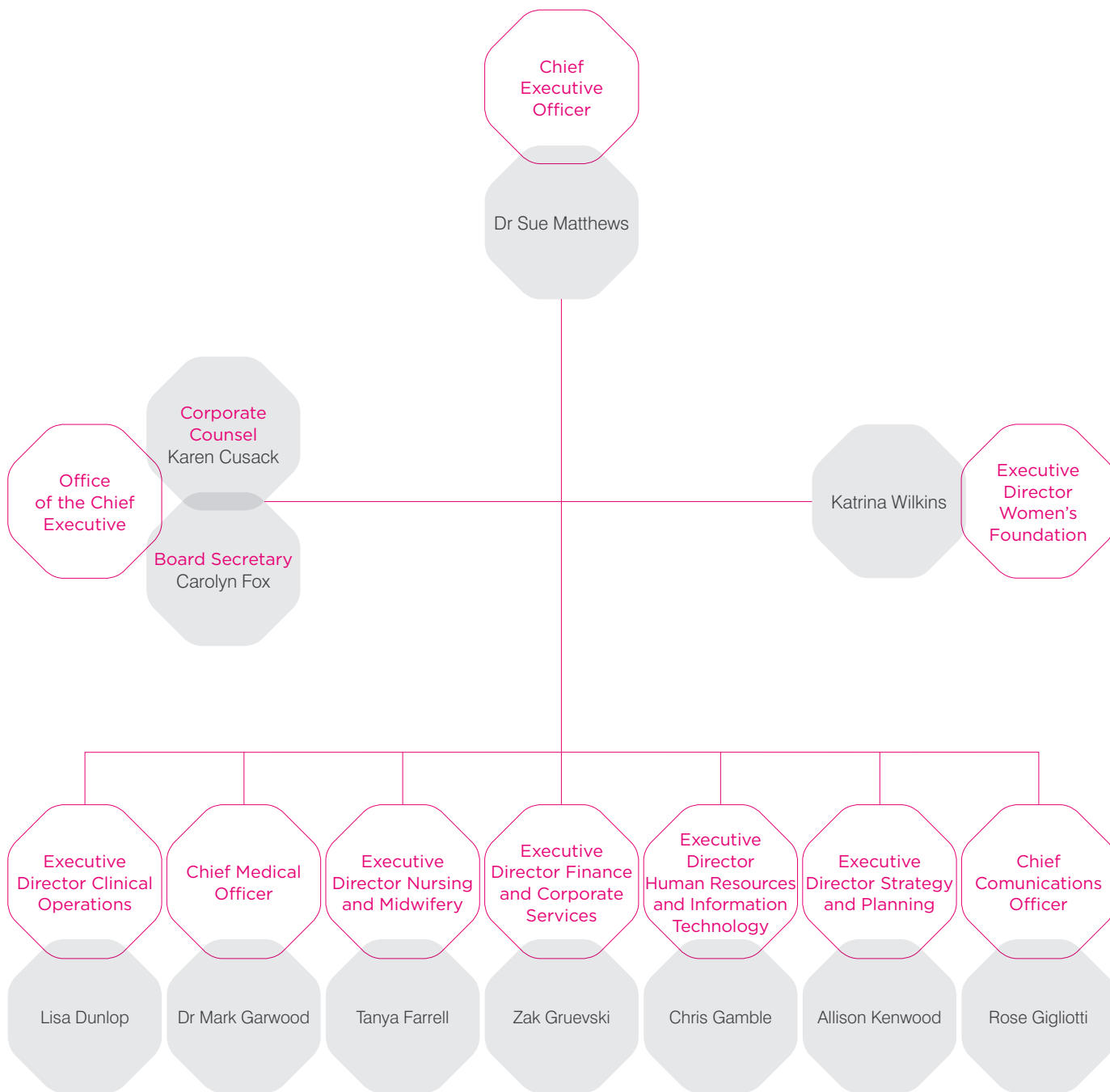
Executive Director Human Resources and Information Technology: Mr Chris Gamble

Executive Director Finance and Corporate Services: Mr Zak Gruevski

Executive Director Women's Foundation: Katrina Wilkins

Corporate Counsel: Ms Karen Cusack

Management and Organisational Structure



Workforce Data

Full Time Equivalent (FTE) Employees June 2015

Labour Category	Current Month FTE		Year to Date FTE	
	2014/15	2013/14	2014/15	2013/14
Nursing	706.4	703.4	703.8	685.1
Administration and Clerical	275.1	262.4	269.2	267.6
Medical Support	85.8	89.9	87.1	88.8
Hotel and Allied Health Services	10.1	10.3	10.0	10.0
Medical Officers	25.5	26.4	26.1	26.9
Hospital Medical Officers	110.7	108.8	110.3	107.5
Sessional Clinicians	50.4	48.8	49.1	48.0
Ancillary Staff (Allied Health)	63.2	57.6	62.2	58.3
TOTAL	1,327.5	1,307.6	1,317.8	1,292.2

Workforce Data Disclosures

Excludes: Overtime and Agency FTE (Per FRD 22F & FRD 29A)

Operational and Budgetary Objectives and Performance

The Statement of Priorities (SoP) is the hospital's key accountability agreement with the Minister for Health and sets out a number of financial, access and service performance priorities and agreed targets. One of these key measures relates to patient activity targets where the hospital's target was to achieve 100% of its inpatient services target and it finished the year achieving 96% of this measure.

From a financial perspective, the hospital's objective was to deliver a break-even operational result, against which it recorded an operating surplus of \$1.52 million.

Summary of Financial Results

For the year ending 30 June 2015, the Women's recorded a net deficit of \$6.41 million after taking into account the impact of capital, depreciation and net results from its controlled entities, the Royal Women's Hospital Foundation Limited and the Royal Women's Hospital Foundation Trust Fund.

The Victorian Government provides separately for depreciation costs via capital payments, in response to submissions by health services. Excluding capital payments and controlled entities results, the Women's recorded an operational surplus of \$1.52 million compared to an operational surplus of \$0.23 million the previous year.

Subsequent Events

Refer to Note 25: Events Occurring after the Balance Sheet Date.

Five Year Financial Summary

The Royal Women's Hospital and its Controlled Entities	2014/15 \$000	2013/14 Restated ⁱ \$000	2012/13 \$000	2011/12 \$000	2010/11 \$000
Total Revenue	264,337	249,172	230,576	225,984	219,275
Total Expenses	(270,749)	(258,036)	(239,944)	(236,328)	(231,233)
Net Result for the Year (incl. Capital and Specific items) *	(6,412)	(8,864)	(9,368)	(10,344)	(11,958)
Retained Surplus/(Accumulated Deficit)	(141,047)	(126,697)	(113,789)	(106,705)	(90,745)
Total Assets	425,997	435,691	341,936	364,351	375,344
Total Liabilities	300,458	303,377	303,784	308,129	308,108
Net Assets	125,539	132,314	38,152	56,222	67,236
Total Equity	125,539	132,314	38,152	56,222	67,236

ⁱ The Royal Women's Hospital has adopted a retrospective change in accounting policy, which has caused a restatement of Property, Plant and Equipment as at 30 June 2014. Total assets and accumulated deficit balances have been restated.

* For 2014/15, comprise the net surplus from operations \$1,522,490, net deficit from capital income, specific items and depreciation expense \$9,490,278 and controlled entities surplus of \$1,556,210.

* For 2013/14, comprise the net surplus from operations \$225,962, net deficit from capital income, specific items and depreciation expense \$9,367,679 and controlled entities surplus of \$277,448.

Disclosure of Ex-Gratia Payments

Nil to report for 2014/15.

Privacy

The Women's is committed to ensuring our organisation complies with relevant privacy, confidentiality and security legislation, to protect our clients, staff and organisation. All new employees are provided with the Privacy, Confidentiality & Security Agreement and are required to understand their obligations and responsibilities, including what it means to sign the Agreement. The employee retains the signed original and a copy is placed in their employee record retained in Human Resources.

Nominated Officer

Privacy Officer: Ms Annette Toohill

Additional Information

Consistent with the requirements of FRD 22F Standard Disclosures in the Report of Operations, details in respect of the items listed below have been retained by the Women's and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- a) A statement of pecuniary interest has been completed;
- b) Details of shares held by senior officers as nominee or held beneficially;
- c) Details of publications produced by the Department about the activities of the Health Service and where they can be obtained;
- d) Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- e) Details of any major external reviews carried out on the Health Service;
- f) Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the Report of Operations or in a document that contains the financial statements and Report of Operations;
- g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- h) Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;
- i) Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- j) General statement on industrial relations within the Health Service 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 Health Service, the purposes of each committee and the extent to which those purposes have been achieved;
- l) Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

Application and Operation of Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* commenced operation in August 2013. The Protected Disclosure Act repealed and replaced the *Whistleblowers Protection Act 2001*.

There were no Protected Disclosures made under the previous Whistleblowers Protection Act for the period up to the commencement of the Protected Disclosure Act.

In accordance with the *Protected Disclosure Act 2012* there were no matters referred to the Independent Broad-based Anti-corruption Commission (IBAC).

Employment and Conduct Principles (Application of Merit and Workplace Equity Principles)

The Women's is committed to the public sector values and workplace equity principles. This includes equal opportunity, creating and maintaining a work environment where all employees are treated with dignity and respect where there's freedom from all forms of discrimination, and where diversity and human rights are valued.

It is the hospital's objective to ensure that its procedures dealing with grievances such as discrimination, sexual harassment and workplace bullying are consistent, fair and equitable. The Women's Respectful Workplace Behaviours policy continues to be implemented and our managers trained in the policy and its practical implications. A program of peer support contact officers has been implemented as part of the policy. An internal expression of interest and interview process was undertaken to ensure that a balanced representation of the professional groups across the hospital were appointed.

Twelve Contact Officers have been appointed and provided with training from the Human Rights and Equal Opportunity Commission on the role of a Contact Officer as part of their substantive role within the Women's. Human Resources will continue to provide support to the contact officers and have established a network group that will meet regularly.

Occupational Health and Safety

During the 2014/15 financial year, the Women's Occupational Health and Safety (OH&S) program focused on several key areas. Progresses of some of the key initiatives included:

Hospital Accreditation March 2015

Preparation for and successful completion of the Hospital Accreditation Survey in March 2015 was the key Occupational Health and Safety objective for 2014/15.

The accreditation achievements for Occupational Health and Safety during this survey reflected the organisation's ongoing strong commitment to staff Health and Safety and the positive relationships between the Women's and our Private Public Partnerships (PPP) partners.

Workcover Performance

The hospital's Workcover Performance rating remains better than the industry standard and compares favourably to other comparable Victorian health services. Our three year performance rating is 38.4% better than the average for the rest of the industry.

The main focus of the Women's safety program for the coming year will include the development and implementation of a new manual handling strategy to reduce staff injuries from patient handling, introducing a new Code Grey model for the management of clinical aggression. The Women's will also expand the wellbeing program to include a mental health initiative aimed at supporting managers and staff in dealing with staff mental health issues.

Victorian Industry Participation Policy Disclosures

In accordance with the *Victorian Industry Participation Policy Act 2003*, there was a NIL return for the Royal Women's Hospital. No contracts commenced and/or were completed in the financial year.

Compliance with Building Act 1993

The Occupancy Permit for the hospital's Parkville building was issued in March 2008 and commissioned for use in June 2008. The hospital was built under the Government's 'Partnership Victoria' policy with the contract requiring the State's private sector partner, Royal Women's Health Partnership (RWHP) to design, build and maintain the new building to the commissioning standards for a period of 25 years.

Ongoing maintenance is the responsibility of DTZ, through its contractual obligations with RWHP. Performance is monitored via a suite of extensive key performance indicators.

An annual written report is required under the contract to confirm the following information:

- I. Confirmation that the facility complies with the minimum requirements of all relevant building and emergency services legislation relating to fire safety;
- II. Confirmation that procedures, including emergency procedures and contingency plans, (as these relate to the fire safety policies in the Emergency Procedures Manual), comply with the minimum requirements of all relevant building and emergency services legislation relating to fire safety;
- III. Current status of fire certification.

Freedom of Information

The Victorian *Freedom of Information (FOI) Act* 1982 provides members of the public the right to apply for access to information held by the Women's.

The Women's has obstetric medical records from 1960 onwards and gynaecology records from 1968 onwards. Prior to 1960, minimal birth details (for example time of birth, weight and length) are available from Birth Registers.

The majority of applications under Freedom of Information are requests by patients for access to their own personal medical records. In line with the Women's commitment to protecting patient privacy, all care is taken to ensure information is released only to the individual to whom it pertains or to a recognised guardian.

Nominated Officers

Freedom of Information Officer: Mr Neil Goodwin

Medico-legal officer: Dr Mark Garwood

Requests Received	2014/15	2013/14	2012/13	2011/12
Total	287	303	287	322

Request Outcomes	2014/15	2013/14	2012/13	2011/12
Access (Includes Partial)	230	238	230	279
No Information Available	17	25	14	10
Withdrawn	16	12	10	8
Denied in Full	1	1	0	14
Incomplete/Outstanding	23	28	11	N/A

Environmental Performance

The Women's continues its comprehensive recycling programs and initiatives in place, and continues to encourage staff to participate, identify and investigate further innovative recycling projects. The Women's reports its energy and water usage on a monthly basis to the Department of Health and Human Services and Sustainability Victoria.

For the second year in succession there was a small decrease in total electrical energy consumption. The main building is down 1.45% from last year to 8,540,272 kWh (30,745 GJ/pa).

The hospital's Environmental Management Plan is reviewed annually. The Environmental Management Committee oversees the action plan and acts as a forum to identify new initiatives.

Reporting of Office-based Environmental Impacts

The Women's Environmental Management Committee continuously seek opportunities from staff, contractors and suppliers to increase both the rate of recycling and identify new recycling waste streams.

Environmental specifications are incorporated into key service contracts, including cleaning. Waste trolleys have three separate bags to assist staff with segregation of general waste, paper and co-mingled waste.

Our Supply and Logistics ensure major tender documents refer to environmental impacts.

Consultancies

Consultant	Purpose of Consultancy	Start Date	End Date	Total Approved Project Fee (ex gst) \$ 000	Expenditure 2014/15 (ex gst) \$ 000	Future Expenditure (ex gst) \$ 000
Aquarius Projects Pty Ltd	Change management projects	9/11/14	16/02/15	17	17	15
Dr Helen Keleher	Strategic plan consultation	20/05/15	30/06/15	61	61	-
Hardygroup International Pty Ltd	Board governance	19/11/14	17/12/14	18	18	-
Health Informatics Society of Australia	IT strategic review	6/03/15	20/04/15	28	28	-
Nous Group Pty Ltd	Board strategic planning	12/06/15	24/06/15	16	16	-
Paxton Partners	Strategic partnership reviews	21/11/14	26/02/15	42	42	20
Gust and Associates Pty Ltd	Clinical services planning	2/11/14	29/11/14	16	16	-
Senate SHJ	Hospital executive planning	10/05/15	15/05/15	22	22	25
				219	219	60

The Royal Women's Hospital did not utilise any consultancy in excess of \$100,000 during the 2014/15 year.

Throughout the financial year, the Hospital engaged 4 consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$16,140 (excl. GST).

Disclosure of Major Contracts

Nil to report for 2014/15.

Competitive Neutrality/National Competition Policy

Competitive neutrality is about ensuring that the significant business activities of publicly owned entities compete fairly in the market when it is in the public interest for them to do so.

Competitive neutrality is about transparent cost identification and pricing in a way that removes net cost advantages arising from public ownership. Competitive neutrality does not apply to non-business, non-profit activities of government.

The Government of Victoria is a party to the intergovernmental Competition Principles Agreement (CPA), which is one of three agreements that collectively underpin National Competition Policy. The Victorian Government is committed to the ongoing implementation of the National Competition Policy in a considered and responsible manner.

This means that public interest considerations should be taken into account explicitly in any government decisions on the implementation of this policy.

Summary of Service Statistics	2014/15
Births	8,732
Inpatient Stays	34,364*
Outpatient Visits	184,364
Emergency Services – Attendances	27,671
Triage Percentage of Category 1–5 seen within recommended timeframes	77.3
NEAT Percentage of Emergency Presentations with length of stay less than 4 hours	89
Number of Patients with length of stay in the emergency department greater than 24 hours	0
Percentage of Triage Category 1 emergency patients seen immediately	100
Ambulance Percentage of Transfers within 40 minutes	96

* Interim data – Data as at 11 August, 2015

KEY FINANCIAL AND SERVICE PERFORMANCE REPORTING

PART A – Strategic Priorities for 2014/15

Victorian Health Priority Area	Action	The Women's Deliverables	Status as at 30 June 2015	Commentary
Developing a system that is responsive to people's needs	Mandatory: Develop an organisational policy for the provision of safe, high quality end of life care in acute and subacute settings, with clear guidance about the role of, and access to, specialist palliative care.	Work collaboratively with the Victorian Comprehensive Cancer Centre (VCCC) partners to develop a palliative model of care for women with cancer.	Achieved	The model of palliative care for women with cancer has been finalised. It will provide a single, comprehensive and coordinated precinct-wide palliative care service which will combine clinical, research and teaching programs across the VCCC precinct. It is now being implemented, ready for the Peter MacCallum Cancer Centre's move into the Precinct in mid-2016.
	Progress partnerships with other services to improve outcomes for regional and rural patients.	Continue to build sexual and reproductive health capacity in regional Victoria through education and training of health professionals.	Achieved	<p>With the Centre for Rural Sexual Health (CERSH) and Medicare Locals, the Women's provided a total of 34 General Practitioners and nurses in Goulburn Valley and Central Victoria with training, information and support in the development of medical termination of pregnancy (MTO) Services.</p> <p>Following training in Benalla about supporting rural women experiencing unplanned, participants were surveyed in September 2014. The survey found an increase in knowledge, the development of referral pathways and partnerships, and the establishment of some MTO services after the training.</p> <p>The Women's and CERSH presented a paper to the Public Health Association of Australia conference in November on decentralising abortion services in Victoria.</p>

Victorian Health Priority Area	Action	The Women's Deliverables	Status as at 30 June 2015	Commentary
Developing a system that is responsive to people's needs	Progress partnerships with other services to improve outcomes for regional and rural patients.	Undertake a project in conjunction with Bendigo Health to increase the capacity of health services to prevent and respond to family violence.	Achieved	<p>This project has now concluded and a final report and evaluation provided to DHHS on 26 June.</p> <p>All milestones in the project plan were achieved including; the development and implementation of policies and procedures to strengthen the hospital's responses to family violence, a comprehensive tool kit for other hospitals to identify, respond and appropriately refer patients who disclose family violence.</p>
Improving every Victorian's health status and experiences	Mandatory: Use consumer feedback to improve person and family centre care, health service practice and patient experience.	Implement a patient experience program which uses consumer feedback to improve performance against the eight dimensions of patient centred care.	Ongoing	<p>A Patient Experience Plan is being drafted and will be completed by December 2015. In June 2015, the Board identified patient centred care and patient experience as central elements of the Women's strategy.</p> <p>We have conducted research with the community to benchmark our patient's experience and to identify those areas that will be the focus of attention in the Patient Experience Plan. As part of VCCC we have participated in the patient experience survey for patients with cancer. The Women's scored higher than other services in most areas.</p>

Victorian Health Priority Area	Action	The Women's Deliverables	Status as at 30 June 2015	Commentary
Improving every Victorian's health status and experiences	Identify service users who are marginalised or vulnerable to poor health, and develop interventions that improve their outcomes relative to other groups, for example, Aboriginal people, people affected by mental illness, people at risk of elder abuse, people with disability, homeless people, refugees and asylum seekers.	Implement various initiatives to improve the health status of Aboriginal women and their babies, including: <ul style="list-style-type: none"> » The provision of Aboriginal specific Maternity services education to midwives from across Victoria » A review of the role and functions of the Aboriginal women's health Unit. 	Achieved	<p>The Aboriginal Newborn Identification Project was completed, with resources and an accompanying resource guide rolled out in March 2015 to maternity services across Victoria. An evaluation of resource implementation will be undertaken in 2015/16.</p> <p>Koori Maternity Services Pregnancy Care Workshops were delivered in Shepparton and Traralgon in partnership with the Victoria Aboriginal Community Controlled Health Organisation (VACCHO) to between 20 and 25 Aboriginal health workers and midwives from around Victoria. A Cultural Safety in Maternity Care workshop was delivered to 29 participants (GP's, midwives, nurses, students and Aboriginal Health Workers) in the Loddon Mallee region, in partnership with VACCHO, the birthing service and local Aboriginal community services.</p> <p>A funding application has been made for the continuation of these education programs.</p>
				<p>The roles and function of staff in Badjur Bulok Wilam, the Aboriginal Women's Health unit were restructured to strengthen the unit's role in supporting Aboriginal and Torres Strait Islander women and staff. A leadership position has been created with responsibility for coordinating the activities of the Unit including cultural awareness training to staff, supervision of the Aboriginal Hospital Liaison Officer (AHLO) and provision of direct service to Aboriginal women and their children. The focus for the AHLO will continue to be direct services to women by working closely with health professionals to ensure their health care needs are being met and Aboriginal women are able to participate fully in their health care decisions. The Coordinator commenced in the role in August 2014 and recruitment is underway to the AHLO role.</p>

Victorian Health Priority Area	Action	The Women's Deliverables	Status as at 30 June 2015	Commentary
Improving every Victorian's health status and experiences	Improve health literacy and support informed choice and shared decision-making by responding to the health information needs of service users.	Complete the development of a universal parenting kit for Victorian families and commence the pilot of the kit with 2,000 families in line with project milestones.	Achieved	Growing Together, the Victorian Parenting Kit was completed in February 2015; this included the print publication and the mobile phone app. The print publication, detail of the log in for the phone app and a baby book are being provided in a tailored carry case to families as part of a randomised control trial. The trial involves 1,000 families who are patients at the Women's and is being conducted by the Judith Lumley Centre at La Trobe University.
		<p>Improve the health literacy of the Victorian population through the delivery of the following key projects:</p> <ul style="list-style-type: none"> » Develop contraception information in multiple languages. » Produce audio files on key women's health issues in English and other languages for women with low literacy. » Distribution and promotion of an emergency contraception video developed for young women. 	Achieved	<p>Four fact sheets on contraception were developed in consultation with Family Planning Victoria and the Adult Migrant Education Service. The fact sheets were translated into four community languages (Arabic, Chinese, Hindi and Vietnamese), published on the Women's website in November 2014 and shared with Family Planning Victoria for distribution through their network in April 2015.</p> <p>The Women's emergency contraception video (Louna's Lowdown on Emergency Contraception) was completed in 2014, loaded onto YouTube in August and has been viewed more than 2,600 times.</p> <p>The Emergency contraception webpage, which includes the video, has been visited 8,845 times between 1 July 2014 and 30 June 2015. The vast majority of these visits were from an external user (only 320 from within the Women's network).</p> <p>Audio files about contraception are in progress and due to be finalised and available on our website in November 2015. Audio files on other women's health topics will be produced in 2016.</p>

Victorian Health Priority Area	Action	The Women's Deliverables	Status as at 30 June 2015	Commentary
Expanding service, workforce and system capacity	<p>Mandatory: Develop and implement a workforce immunisation plan that includes pre-employment screening and immunisation assessment for existing staff that work in high risk areas in order to align with Australian infection control and immunisation guidelines.</p>	Implement the Women's vaccination strategy to increase workforce vaccination uptake.	Achieved	<p>The Workforce Immunisation Program was reviewed in 2014/15 and the Staff Immunisation Procedure revised and updated, ready for publication on the intranet.</p> <p>New employees at the Women's receive a pre-employment immunisation assessment form and are contacted for follow up. The return rate of the assessment form is audited. Staff health records are stored on the human resources database. Vaccination reports from this database are used to provide vaccination rates to departments. Staff receive individual vaccination reminders using this system. The Women's provide the pertussis vaccine to all staff in contact with babies. Existing staff working in high risk areas are contacted when they are due for their 10 yearly vaccines. A recent pertussis vaccine campaign increased the rate from 60% to 78% in the Neonatal Intensive and Special Care Unit.</p> <p>The Women's exceeded the Department of Health and Human Services influenza vaccination targets in 2013/14 and 2014/15.</p>

Victorian Health Priority Area	Action	The Women's Deliverables	Status as at 30 June 2015	Commentary
Expanding service, workforce and system capacity	Build workforce capability and sustainability by supporting formal and informal clinical education and training for staff and health students, in particular inter-professional learning.	Implement a leadership program to build leadership capabilities at all levels of the organisation.	Achieved	<p>In October 2014, the Women's introduced a program of Executive walk arounds, where members of the Hospital Executive and Board Members visit clinical areas, meet with staff and talk to patients.</p> <p>Evaluation of Leadership Capability was implemented via a 360 degrees feedback to the Chief Executive, Executive Directors and Directors. This will be expanded to a broader cohort of managers in 2015/16.</p> <p>A Workforce Performance Scorecard (Management Performance Scorecard) was developed, implemented and expanded to include more key performance metrics.</p> <p>A range of interventions (including enhanced reporting, email reminders and manager training) resulted in Performance Development Review completion rates increasing from less than 25% to 77%, a 200% increase.</p> <p>Quarterly LEAD (Leadership Engagement and Development) forums, introduced by the Chief Executive for all people leaders in the organisation, are now well embedded and ongoing.</p> <p>The results of the VPSC 2015 People Matter Survey demonstrated that the Women's improved its performance once again in a number of key leadership areas, including staff engagement and a 37% increase in staff receiving formal feedback.</p> <p>During the successful hospital Accreditation survey in March 2015 surveyors recommended that a number of the Human Resources-led initiatives and objectives in the Women's Workforce Strategy 2013–2016 be assessed as "Met with Merit".</p>

Victorian Health Priority Area	Action	The Women's Deliverables	Status as at 30 June 2015	Commentary
Expanding service, workforce and system capacity	Optimise workforce productivity through identification and implementation of workforce models that enhance individual and team capacity and support flexibility.	Work collaboratively with the Parkville precinct partners and the VCCC service development team to complete the VCCC workforce transition model.	Achieved	The recruitment framework for the VCCC workforce transition model was agreed by the three CEOs in July 2014. The principles in this framework will inform all appointments. The appointment of senior positions has begun, with advertisements in May 2015 for Medical leaders in the Clinical Operating model. The recruitment of the VCCC workforce will be ongoing to June 2016.
		Implement an electronic rostering system to drive efficiencies in staff management.	Achieved	The system for electronic rostering has been selected and implementation is occurring in the nurseries and maternity services. The implementation of the system in these areas will be fully operational by August 2015.
	Increase employment of Aboriginal people in mainstream health services in line with the strategic objectives of Koolin Balit: Victorian Government strategic directions for Aboriginal Health 2012–2022 and Karreeta Yirramboi workforce participation targets.	Build on the Women's Aboriginal cadetship program through the extension of the program for non-clinical positions.	Achieved	With funding for a project officer, the Women's extended its relationships with universities to expand the range of professions available under our Aboriginal Cadetship Program. Through leveraging our current relationships with schools of Nursing and Midwifery, there are now more opportunities for Aboriginal students to gain work experience at the Women's within the parameters set by the contract for corporate support functions. As part of our Aboriginal Employment Plan, we have been notified of funding for an Indigenous Human Resources graduate for 12 months to embed a cultural lens in our HR recruitment practices.
Increasing the system's financial sustainability and productivity	Improve the financial stability of the hospital through a variety of revenue and expenditure initiatives (including a reduction in health service administrative costs).	Deliver year one of the Finance Strategy which includes the implementation of a number of revenue and expenditure initiatives.	Achieved	Against a break even financial target in the SoP, the hospital was able to implement a number of initiatives identified in the Finance Strategy resulting in \$1.4M of improvements, that have assisted the hospital in delivering an operating surplus of \$1.5M, which is in line with year 1 of the Finance Strategy.

Victorian Health Priority Area	Action	The Women's Deliverables	Status as at 30 June 2015	Commentary
Implementing continuous improvements and innovation	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.	Complete a review of gynaecology services and develop a revised woman centred model of care.	Achieved	The review has been completed and recommendations have been prioritised. A Steering Committee and a number of working committees have been established and project timelines agreed. As this is a major change management project it is expected that the recommendations will not be fully implemented until mid-2016.
	Develop a focus on 'systems thinking' to drive improved integration and networking across health care settings.	Develop an implementation plan for providing centralised administrative and clinical leadership for the Perinatal Autopsy Service.	Achieved	DHHS have agreed funding for 2015-16 for the development of a plan for the Perinatal Autopsy Service.
Increasing accountability & transparency	Mandatory: Undertake an annual board assessment to identify and develop board capability to ensure all board members are well equipped to effectively discharge their responsibilities.	Implement the board effectiveness actions from the annual Board assessment undertaken in May 2014, and conduct a Board assessment in May 2015.	Achieved	<p>The Board has established:</p> <ul style="list-style-type: none"> » KPIs for its performance and these are due for review in October. » A Board Meeting Assessment tool has been implemented. » Individual Board members have identified professional development programs in 2014/15. <p>This action will be finalised at the scheduled October 2015 Board Strategic Planning and Board Annual Performance meeting. Items for review include:</p> <ul style="list-style-type: none"> » Assess performance against the Board's KPI's for 2014/15. » Board Director Position Description – review and discuss the PD for amendments for 2015/16 in light of one position Director vacancy. » Board meeting Assessment Survey tool – analyse assessment survey process, results, standard questions and participation rates of Board Directors. Review and amend questions for 2015/16. » Summarise and review individual Board Directors completion of professional development programs in 2014/15.

Victorian Health Priority Area	Action	The Women's Deliverables	Status as at 30 June 2015	Commentary
Increasing accountability & transparency	Increase transparency and accountability in reporting of accurate and relevant information about the organisation's performance.	Hold a Community Board Meeting in 2014/15.	Achieved	The Women's Community Board meeting was held in November 2014.
Improving utilisation of e-health and communications technology	Ensure local ICT strategic plans are in place.	Deliver the Women's refreshed Clinical and Information Technology Strategy 2014 – 2018 that identifies the Women's strategic IT priorities over the next five years.	Achieved	The Women's Clinical and Information Technology Strategy 2015–2020 has been developed to ensure the Women's continually builds its capability and maturity in the use of information and technology. The final draft of the Strategy was presented to the Board for discussion and feedback at the May 2015 meeting and then for approval at its June 2015 meeting.
	Trial, implement and evaluate strategies that use e-health as an enabler of better patient care.	In partnership with Melbourne Health and Peter MacCallum Cancer Centre, develop a business case for a Parkville Precinct Electronic Medical Record.	Achieved	The Women's has collaborated with Melbourne Health and Peter MacCallum cancer Institute to establish a business case for a Parkville Precinct electronic medical record and sought to identify a funding stream to support it. A number of submissions have been made for funding including to DHHS, the Ministerial IT Innovation Fund and more recently the business case was subjected to Gateway Review Stage 1&2.

Part B – Performance Priorities

Safety and Quality Performance

Key Performance Indicator Patient Experience and Outcomes	Target	2014/15 Actuals
Victorian Health Experience Survey	Full compliance	Achieved Full compliance
Healthcare Associated Infection Surveillance	No outliers	No outliers for 2014/2015
ICU Central Line Associated Blood Stream Infections (ICU CLABSI)	No outliers	No outliers (July 1, 2014– March 31, 2015)
SAB (Staphylococcus Aureus Bacteraemia) rate per occupied bed days	<2/10,000	<2/10,000 (July 1, 2014– March 31, 2015)*
Maternity – Percentage of women with prearranged postnatal home care	100	Achieved 100*

Key Performance Indicator Governance, Leadership and Culture	Target	2014/15 Actuals
People Matter Survey	80	Achieved 92

Key Performance Indicator Safety and Quality	Target	2014/15 Actuals
Health Service Accreditation	Full compliance	Full compliance. Achieved full organisation-wide accreditation March 2015
Cleaning Standards (overall)	Full compliance	Achieved Full compliance
Cleaning Standards (AQL – A)	90	Achieved 97.1
Cleaning Standards (AQL – B)	85	Achieved 97.1
Cleaning Standards (AQL – C)	85	Achieved 97.8
Hand Hygiene (rate) – Quarter 2	75	Achieved 77
Hand Hygiene (rate) – Quarter 3	77	Achieved 77
Hand Hygiene (rate) – Quarter 4	80	Achieved 81
Health Care Worker Immunisation – Influenza	75	Achieved 76

* Interim data – Data as at 14 July 2015

Financial Performance

Key Performance Indicator Finance	Target	2014/15 Actuals
Annual Operating Result	0	\$1.5m
Creditors	<60 days	50 days
Debtors	<60 days	50 days
Percentage of WIES (Public & Private) Performance to Target	100	96 *

Key Performance Indicator Asset Management Plan	Target	2014/15 Actuals
Basic Asset Management Plan	Full Compliance	Compliant

Access Performance

Key Performance Indicator Emergency Care	Target	2014/15 Actuals
Percentage of Ambulance Transfers within 40 minutes	90	Achieved 96
Percentage of Triage Category 1 emergency patients seen immediately	100	Achieved 100
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended times	80	Not Achieved 77.3
NEAT – Percentage of Emergency Presentations to physically leave the emergency department for admissions to hospital, be referred to another hospital for treatment, or be discharged within four hours	81	Achieved 90
Number of Patients with Length of Stay in the emergency department greater than 24 hours	0	Achieved 0

* Interim data – Data as at 14 July 2015

Access Performance

Key Performance Indicator Elective Surgery	Target	2014/15 Actuals
NEST – Percentage of Urgency Category 1 elective surgery patients treated within 30 days	100	Achieved 100
NEST – Percentage of Urgency Category 2 elective surgery patients treated within 90 days	88	Achieved 89.5
NEST – Percentage of Urgency Category 3 elective surgery patients treated within 365 days	97	Not Achieved 85.4
Number of Patients on the elective surgery waiting list	998	611
Number of Hospital Initiated Postponements (HiP's) per 100 scheduled admissions	8.0	3.4
Number of Patients admitted from the elective surgery waiting list – quarter 1	1,150	1,197
Number of Patients admitted from the elective surgery waiting list – quarter 2	1,075	1,113
Number of Patients admitted from the elective surgery waiting list – quarter 3	1,050	1,134
Number of Patients admitted from the elective surgery waiting list – quarter 4	1,100	1,134
Number of Patients admitted from the elective surgery waiting list – annual total	4375	Achieved 4,579

Key Performance Indicator Critical Care	Target	2014/15 Actuals
Number of Days Operating below agreed Neonatal ICU minimum Operating Capacity	0	70

Part C – Activity and Funding

Funding Type		2014/15 Activity Achievement
WIES Public		27,426*
WIES Private		3,544*
Total WIES (Public and Private)		30,970*
WIES DVA		4.5*
WIES TAC		18*
WIES Total		30,992*

Acute Non-Admitted		2014/15 Activity Achievement
Emergency Services		4,342
Specialists Clinics		36,165

Mental Health and Drug Services		2014/15 Activity Achievement
Mental Health Ambulatory		353
Drug Services		836

Primary Health		2014/15 Activity Achievement
Community Health Other		249

Other		2014/15 Activity Achievement
Other Specified Funding		(2,201)

* Interim data – Data as at 14 July 2015

Compliance with DataVic Access Policy

The Women's complies with the DataVic Access Policy issued by the Victorian Government in 2012.

All data included in the Annual Report goes to the Department of Health and Human Services to publish, which is made available online at <http://www.datavic.gov.au/>.



Dr Sue Matthews

Chief Executive Officer
The Royal Women's Hospital
21 August 2015

Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for the Royal Women's Hospital for the year ending 30 June 2015.



Ms Felicity Pantelidis

Board Chair (Acting)
The Royal Women's Hospital
21 August 2015

Attestation on Data Integrity

I, Dr Sue Matthews, certify that the Royal Women's Hospital has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. The Royal Women's Hospital has critically reviewed these controls and processes during the year.



Dr Sue Matthews

Chief Executive Officer
The Royal Women's Hospital
21 August 2015

Attestation for Compliance with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes

I, Dr Sue Matthews certify that the Royal Women's Hospital has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes.



Dr Sue Matthews
Chief Executive Officer
The Royal Women's Hospital
21 August 2015

Attestation for Compliance with Australian/New Zealand Risk Management Standards

I, Ms Felicity Pantelidis, certify that the Royal Women's Hospital has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard ISO 31000:2009 and an internal control system is in place that enables the executives to understand, manage and satisfactorily control risk exposures. The audit committee verifies this assurance and that the risk profile of the Royal Women's Hospital has been critically reviewed within the last 12 months.



Ms Felicity Pantelidis
Board Chair (Acting)
The Royal Women's Hospital
21 August 2015

Disclosure Index

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

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FINANCIAL REPORT 2014/15



the women's
the royal women's hospital

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Board member's, Chief Executive Officer's and Executive Director, Finance & Corporate Services' Declaration

The attached financial statements for the Royal Women's Hospital and its Controlled Entities 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 2015 and the financial position of the Royal Women's Hospital and its Controlled Entities as at 30 June 2015.

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

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

Ms Felicity Pantelidis
Board Chair (Acting)
The Royal Women's Hospital
Melbourne
21 August 2015

Dr Sue Matthews
Chief Executive Officer
The Royal Women's Hospital
Melbourne
21 August 2015

Zak Gruevski
Executive Director, Finance & Corporate Services
The Royal Women's Hospital
Melbourne
21 August 2015

INDEPENDENT AUDITOR'S REPORT

To the Board Members, The Royal Women's Hospital

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of The Royal Women's Hospital 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, Chief Executive Officer's and Executive Director, Finance & Corporate Services' Declaration has been audited. The financial report is the consolidated financial statements of the consolidated entity, comprising The Royal Women's Hospital and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 26 to the consolidated financial statements.

The Board Members' Responsibility for the Financial Report

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

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

Independent Auditor's Report (continued)


Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of The Royal Women's Hospital and the consolidated entity as at 30 June 2015 and their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the Australian accounting profession.

MELBOURNE
21 August 2015


John Doyle
Auditor-General

COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Note	Parent Entity 2015 \$'000	Parent Entity 2014 \$'000	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Revenue from Operating Activities	2	234,695	221,869	236,651	223,016
Revenue from Non-Operating Activities	2	1,009	647	1,472	784
Employee Expenses	3	(154,379)	(145,436)	(154,886)	(145,991)
Non Salary Labour Costs	3	(5,685)	(5,715)	(5,699)	(5,738)
Supplies and Consumables	3	(22,644)	(21,672)	(22,649)	(21,722)
Other Expenses	3	(50,036)	(47,992)	(50,192)	(48,226)
Finance Costs	3,5	(1,438)	(1,475)	(1,438)	(1,475)
Net Result Before Capital & Specific Items		1,522	226	3,259	648
Capital Purpose Income	2	26,385	25,512	26,214	25,372
Impairment of Financial Assets	3	(109)	-	(115)	-
Depreciation and Amortisation	3,4	(15,679)	(14,585)	(15,683)	(14,589)
Finance Costs	3,5	(19,856)	(20,032)	(19,856)	(20,032)
Expenditure using Capital Purpose Income	3	(231)	(263)	(231)	(263)
NET RESULT FOR THE YEAR		(7,968)	(9,142)	(6,412)	(8,864)
Other Comprehensive Income					
Items that will not be reclassified to Net Result					
Changes in Physical Asset Revaluation Surplus	18a	-	101,533	-	101,533
Items that may be reclassified subsequently to Net Result					
Changes to Financial Assets Available-for-Sale Revaluation	18a	51	403	38	546
Total Other Comprehensive Income		51	101,936	38	102,079
COMPREHENSIVE RESULT FOR THE YEAR		(7,917)	92,794	(6,374)	93,215

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

BALANCE SHEET AS AT 30 JUNE 2015

	Note	Parent Entity 2015 \$'000	Parent Entity Restated ⁱ 2014 \$'000	Consolidated 2015 \$'000	Consolidated Restated ⁱ 2014 \$'000
Current Assets					
Cash and Cash Equivalents	6	2,569	3,463	4,272	5,322
Receivables	7	6,962	6,287	6,953	6,257
Investments and Other Financial Assets	8	1,500	843	1,500	843
Inventories	9	176	167	176	167
Non-Financial Physical Assets Classified as Held For Sale	10	6,400	-	6,400	-
Other Assets	11	320	224	324	229
Total Current Assets		17,927	10,984	19,625	12,818
Non-Current Assets					
Receivables	7	4,884	2,549	4,884	2,549
Investments and Other Financial Assets	8	9,045	9,175	11,778	10,624
Property, Plant and Equipment	12	371,310	390,583	371,325	390,601
Intangible Assets	13	18,347	19,062	18,348	19,062
Other Assets	11	37	37	37	37
Total Non-Current Assets		403,623	421,406	406,372	422,873
Total Assets		421,550	432,390	425,997	435,691
Current Liabilities					
Payables	14	13,157	13,207	13,224	13,298
Borrowings	15	5,473	4,969	5,473	4,969
Provisions	16	33,363	32,669	33,440	32,747
Total Current Liabilities		51,993	50,845	52,137	51,014
Non-Current Liabilities					
Payables	14	-	163	-	163
Borrowings	15	241,845	247,317	241,845	247,317
Provisions	16	6,464	4,864	6,476	4,883
Total Non-Current Liabilities		248,309	252,344	248,321	252,363
Total Liabilities		300,302	303,189	300,458	303,377
Net Assets		121,248	129,201	125,539	132,314
Equity					
Property, Plant and Equipment Revaluation Surplus	18a	127,308	127,308	127,308	127,308
Financial Assets Available-for-Sale Revaluation Surplus	18a	944	932	998	1,345
General Purpose Surplus	18a	56,431	49,082	56,431	49,082
Restricted Specific Purpose Surplus	18a	5,972	6,386	8,026	7,453
Contributed Capital	18b	73,823	73,823	73,823	73,823
Accumulated Deficits	18c	(143,230)	(128,330)	(141,047)	(126,697)
Total Equity	18d	121,248	129,201	125,539	132,314
Commitments	21				
Contingent Assets and Contingent Liabilities	22				

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

ⁱ Certain numbers above do not correspond to the 2014 audited financial statements and reflect adjustments made as a result of a change in accounting policy, refer Note 1(f). Where the individual line item is restated, this is also reflected in the corresponding individual note.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Note	Property, Plant and Equipment Revaluation Surplus \$'000	Financial Assets Available- for-Sale Revaluation Surplus \$'000	General Purpose Surplus \$'000	Restricted Specific Purpose Surplus \$'000	Contribution by Owners \$'000	Accumulated Deficits \$'000	Total \$'000
Consolidated								
Balance at 1 July 2013		25,775	799	42,899	8,155	74,313	(113,789)	38,152
Net result for the year		-	-	-	-	-	(8,864)	(8,864)
Retrospective change in accounting policy	18c	-	-	-	-	-	1,437	1,437
Other comprehensive income for the year	18a	-	546	-	-	-	-	546
Transfer to accumulated surplus	18a,c	-	-	6,183	(702)	-	(5,481)	-
Return of contributed capital	18b	-	-	-	-	(490)	-	(490)
Revaluation surplus	18a	101,533	-	-	-	-	-	101,533
Balance at 30 June 2014 – Restatedⁱ		127,308	1,345	49,082	7,453	73,823	(126,697)	132,314
Net result for the year		-	-	-	-	-	(6,412)	(6,412)
Other comprehensive income for the year	18a	-	(347)	-	-	-	-	(347)
Transfer to accumulated surplus	18a,c	-	-	7,349	573	-	(7,922)	-
Share of decrement in Joint Venture Membership	18c	-	-	-	-	-	(16)	(16)
Balance at 30 June 2015		127,308	998	56,431	8,026	73,823	(141,047)	125,539

	Note	Property, Plant and Equipment Revaluation Surplus \$'000	Financial Assets Available- for-Sale Revaluation Surplus \$'000	General Purpose Surplus \$'000	Restricted Specific Purpose Surplus \$'000	Contribution by Owners \$'000	Accumulated Deficits \$'000	Total \$'000
Parent								
Balance at 1 July 2013		25,775	529	42,899	7,456	74,313	(115,512)	35,460
Net result for the year		-	-	-	-	-	(9,142)	(9,142)
Retrospective change in accounting policy		-	-	-	-	-	1,437	1,437
Other comprehensive income for the year		-	403	-	-	-	-	403
Transfer to accumulated surplus		-	-	6,183	(1,070)	-	(5,113)	-
Return of contributed capital		-	-	-	-	(490)	-	(490)
Revaluation surplus		101,533	-	-	-	-	-	101,533
Balance at 30 June 2014 – Restatedⁱ		127,308	932	49,082	6,386	73,823	(128,330)	129,201
Net result for the year		-	-	-	-	-	(7,968)	(7,968)
Other comprehensive income for the year		-	12	-	-	-	-	12
Transfer to accumulated surplus		-	-	7,349	(414)	-	(6,935)	-
Balance at 30 June 2015		127,308	944	56,431	5,972	73,823	(143,230)	121,248

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

ⁱ Certain numbers above do not correspond to the 2014 audited financial statements and reflect adjustments made as a result of a change in accounting policy, refer Note 1(f). Where the individual line item is restated, this is also reflected in the corresponding individual note.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

Note	Parent Entity 2015 \$'000	Parent Entity 2014 \$'000	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Cash Flows from Operating Activities				
	179,306	169,246	179,305	169,246
	10,902	11,157	10,902	11,157
	2,679	2,602	2,679	2,602
	480	451	1,995	1,337
	3,621	3,209	3,636	3,204
	557	247	1,021	365
	8,191	7,596	8,191	7,596
	17,858	17,986	17,842	18,241
Total Receipts	223,594	212,494	225,571	213,748
	(157,194)	(147,808)	(157,718)	(148,369)
	(27,054)	(24,715)	(27,058)	(24,770)
	(12,502)	(12,474)	(12,502)	(12,474)
	(3,469)	(3,489)	(3,472)	(3,497)
	(1,438)	(1,475)	(1,438)	(1,475)
	(22,850)	(20,127)	(23,029)	(20,262)
Total Payments	(224,507)	(210,088)	(225,217)	(210,847)
Cash Generated from Operations	(913)	2,406	354	2,901
	1,963	1,458	1,963	1,458
	141	228	-	88
	40	8	40	8
Net Cash Flow from Operating Activities	1,231	4,100	2,357	4,455
Cash Flows from Investing Activities				
	-	-	(1,280)	-
	(1,113)	(1,795)	(1,115)	(1,798)
	(488)	(460)	(488)	(460)
	54	1	54	1
Net Cash Flow Used In Investing Activities	(1,547)	(2,254)	(2,829)	(2,257)
Cash Flows from Financing Activities				
	(578)	(540)	(578)	(540)
Net Cash Flow Used In Financing Activities	(578)	(540)	(578)	(540)
Net Increase in Cash and Cash Equivalents Held	(894)	1,306	(1,050)	1,658
Cash and Cash Equivalents at Beginning of Year ⁱ	3,463	2,157	5,322	3,664
Cash and Cash Equivalents at End of Year	2,569	3,463	4,272	5,322

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

ⁱ Cash and cash equivalents include salary packaging. In the prior year, salary packaging was disclosed as Monies Held in Trust and was excluded from the Cash Flow Statement.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for the Royal Women's Hospital for the year ended 30 June 2015. The purpose of the report is to provide users with information about the Royal Women's Hospital's 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 AASB 101 *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 Royal Women's Hospital is a not-for-profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" Health Services under the AASs.

The annual financial statements were authorised for issue by the Board of the Royal Women's Hospital on 21 August 2015.

(b) (i) Basis of Accounting Preparation and Measurement

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

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

These financial statements are presented in Australian dollars, the functional and presentation currency of the Royal Women's Hospital.

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 reassessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;
- Available-for-Sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised;
- The fair value of assets other than land is generally based on their depreciated replacement value.

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 underlying assumptions are reviewed on an ongoing basis. 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.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

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

Consistent with AASB 13 *Fair Value Measurement*, the Royal Women's Hospital determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments, 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For the purpose of fair value disclosures, the Royal Women's Hospital 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, the Royal Women's Hospital determines whether transfers have occurred between levels in the hierarchy by reassessing 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 the Royal Women's Hospital's independent valuation agency for land and buildings, except for, The Clinical Science Block at the old Carlton site which was independently valued by Ernst & Young. The Royal Women's Hospital, in conjunction with VGV monitors the changes in the fair value through relevant data sources to determine whether revaluation is required. For cultural assets, Menzies Fine Art Auctioneers & Valuers is the Royal Women's Hospital's independent valuer. The revaluation process is described in Note 1(k) Assets 'revaluation of non-current physical assets'.

For all other plant and equipment, the Royal Women's Hospital's valuation techniques and inputs used to determine fair value are disclosed in Note 12 Property, Plant and Equipment.

The Royal Women's Hospital's available-for-sale financial assets fair value measurement is described in Note 20(f) Financial Instruments.

(b) (ii) Going Concern

The financial statements are prepared on a going concern basis. The Royal Women's Hospital has obtained a letter from the State Government and in particular the Department of Health and Human Services (DHHS) confirming that the department will continue to provide the Royal Women's Hospital, adequate cash flow to meet its current and future obligations up to September 2016.

The hospital's current asset ratio continues to be below an adequate short term position (2015: 0.34 and 2014: 0.22) and cash generated from operations has deteriorated from \$2.4m (2014) to (\$0.9m) in 2015. A letter confirming adequate cash flow was also provided in the previous financial year. On that basis the financial statements have been prepared on a going concern basis.

(c) Reporting Entity

The financial statements include all the controlled activities of the Royal Women's Hospital.

Its principal address is:

Cnr Grattan Street and Flemington Road, Parkville, Victoria 3052

A description of the nature of the Royal Women's Hospital'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

The Royal Women's Hospital's overall objective is to provide quality health services that meet the needs of women and newborn babies; especially those requiring specialist care. These services are informed by research and are provided within an environment of innovation, education and advocacy. The contributions of our employees, consumers, diverse communities and other agencies that share our goals are fundamental to our success. Our resources are committed to health services that are ethically, socially and financially responsible.

The Royal Women's Hospital is predominantly funded by accrual based grant funding for the provision of outputs.

(d) Principles of Consolidation

In accordance with AASB 10 *Consolidated Financial Statements*:

- the consolidated financial statements of the Royal Women's Hospital incorporates the assets and liabilities of all entities controlled by the Royal Women's Hospital as at 30 June 2015, and their income and expenses for that part of the reporting period in which control existed.
- Control exists when the Royal Women's Hospital has the power to govern the financial and operating policies of an organisation so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The consolidated financial statements include the audited financial statements of the controlled entities listed in Note 26.

Where control of an entity is obtained during the financial period, its results are included in the Comprehensive Operating Statement from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Entities consolidated into the Royal Women's Hospital reporting entity include:

- The Royal Women's Hospital Foundation Trust Fund is a controlled entity of the Royal Women's Hospital by virtue of the existence of congruent objectives, exposure to variable returns and significant management control over the Trust Fund.
- The Royal Women's Hospital Foundation Limited is a controlled entity of the Royal Women's Hospital by virtue of the existence of congruent objectives, exposure to variable returns and significant management control over the Company.

Intersegment Transactions

Transactions between segments within the Royal Women's Hospital have been eliminated to reflect the extent of the Royal Women's Hospital's operations as a group.

Jointly Controlled Operation

Interests in jointly controlled operations are accounted for in accordance with the policy outlined in Note 1(f) Change in Accounting Policies, and Note 1(k) Assets.

(e) Scope and Presentation of Financial Statements

Fund Accounting

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

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

Activities classified as *Services Supported by Health Services Agreement* (HSA) are substantially funded by the Department of Health and Human Services and are also funded from other sources such as the Commonwealth and patients, while *Services Supported by Hospital and Community Initiatives* (H&CI) are funded by the Royal Women's Hospital's own activities, local initiatives and the Commonwealth.

Comprehensive Operating Statement

The Comprehensive Operating Statement includes the subtotal entitled 'Net Result Before Capital & Specific Items' to enhance the understanding of the financial performance of the Royal Women's Hospital. 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 & Specific Items' is used by the management of the Royal Women's Hospital, the Department of Health and Human Services and the Victorian Government to measure the ongoing performance of Health Services.

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

- Capital purpose income, which comprises tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. It also includes donations of plant and equipment (refer Note 1 (g)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided.
- Specific income/expense, comprises the following items, where material:
 - Non-current asset revaluation increments/decrements
 - Impairment of investments
- 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) and (k).
- Depreciation and amortisation, as described in Note 1(h).
- Assets provided or received free of charge (refer to Note 1(g) and Note 1(h)).
- Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold (Refer to Note 1 (h)), or does not 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other economic flows; are changes arising from market re-measurements. They include:

- Gains and losses from disposals of non-financial assets;
- Revaluations and impairments of non-financial physical and intangible assets; and
- Fair value changes of financial instruments.

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 the reporting period) and are disclosed in the notes where relevant.

The net result is equivalent to profit or loss derived in accordance with AASs.

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*.

Rounding

All amounts shown in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated.

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

Comparative Information

Salary packaging payable in the prior year has been reclassified from other liabilities to payables (Note 14 Payables) to reflect the nature of the transaction. The reclassification only affects current liabilities.

(f) Change in Accounting Policies

Depreciation of Public Private Partnership (PPP) Assets

In 2014, the Department of Health and Human Services reviewed its policy on the reporting of depreciation for PPP leased assets in the hospital sector due to the inconsistent reporting of depreciation in current PPP arrangements, and to ensure consistent treatment by planned PPP arrangements.

Under the Royal Women's Hospital's PPP arrangements, a lifecycle payment is included in the monthly service payment to the project company. The lifecycle payments are payments provided as compensation for expenditure incurred on programmed maintenance, asset refurbishment and asset replacement. The project company is expected to make replacements to the assets as required, to ensure that they are able to be used for their intended purpose over the term of the lease agreement plus five years.

Under the previous Royal Women's Hospital policy, leased assets were depreciated using the useful lives provided by the project company, while recording additions and disposals of leased assets.

Under the new policy, where the lifecycle payment arrangement exists, the estimate of the asset's useful life must take into consideration the impact of maintenance required under the PPP arrangement and the obligation on the project company to hand over the leased assets with five years of useful life remaining at the end of the 25 years lease period. Consequently, the effective useful lives for depreciation purposes is determined to be 30 years for those assets that would have a useful life shorter than 30 years without lifecycle type of maintenance. No additions or disposals will be recorded for PPP leased assets.

For buildings and building components which have useful lives of more than 30 years, the above policy does not apply and these assets are depreciated over the estimated useful lives of the buildings and building components.

Subsequent to the 2013–14 reporting period, the following new and revised Standards have been adopted for the first time in the current period with their financial impacts disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 10 Consolidated Financial Statements

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

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

Based on the new criteria prescribed in AASB 10, the Royal Women's Hospital has reviewed the existing arrangements and determined that no additional entities need to be consolidated into the group.

AASB 11 Joint Arrangements

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

The Royal Women's Hospital has reviewed its existing contractual arrangements with other entities to ensure they are aligned with the new classifications under AASB 11. The joint arrangement with the Victorian Comprehensive Cancer Centre has been classified as a joint operation.

AASB 12 Disclosure of Interests in Other Entities

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

The Royal Women's Hospital has disclosed information about its interest in joint ventures, including any significant judgements and assumptions used in determining the type of joint arrangement in which it has an interest.

(g) Income from Transactions

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to the Royal Women's Hospital 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, 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 Royal Women's Hospital gains control of the underlying assets irrespective of whether conditions are imposed on the Royal Women's Hospital's use of the contributions.

Contributions are deferred as income in advance when the Royal Women's Hospital has a present obligation to repay them and the present obligation can be reliably measured.

Indirect Contributions from the Department of Health and Human Services

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

Patient Fees

Patient fees are recognised as revenue on an accrual basis.

Private Practice Fees

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from Commercial Activities

Revenue from commercial activities such as car park and property rental income are recognised on an accrual basis.

Donations and Other Bequests

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

Dividend Revenue

Dividend revenue is recognised when the right to receive payment is established. Dividends represent the income arising from the Royal Women's Hospital and its controlled entities' investments in financial assets.

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset, which allocates interest over the relevant period.

Sale of Investments

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

Fair value of Assets and Services Received Free of Charge or for Nominal Consideration

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

Other Income

Other income includes recoveries for salaries and wages and external services provided.

(h) Expense Recognition

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

Employee Expenses

Employee expenses include:

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

Defined Benefit Superannuation Plans

The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by the Royal Women's Hospital to the superannuation plans in respect of the services of current Royal Women's Hospital 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 Royal Women's Hospital are entitled to receive superannuation benefits and the Royal Women's Hospital 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 the Royal Women's Hospital are disclosed in Note 17 Superannuation.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated. 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.

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.

	2014/15	2013/14
Non PPP Assets		
Buildings	5 to 35 Years	5 to 35 Years
Leasehold Improvements	5 Years	5 Years
Plant and Equipment	5 to 30 Years	5 to 30 Years ⁱ
Medical Equipment	3 to 25 Years	3 to 30 Years ⁱ
Computers and Communication Equipment	3 to 9 Years	3 to 9 Years
Furniture and Fittings	7 to 13 Years	7 to 13 Years
Motor Vehicles	10 Years	10 Years
PPP Assets		
Leased Buildings:		
• Structure / Shell/ Building Fabric	54 Years	54 Years
• Other (Site Engineering Services and Central Plant, Fit Out, Trunk Reticulated Building Systems)	19 to 34 Years	19 to 34 Years
• Building Leasehold Improvements	54 Years	54 Years
Leased Plant and Equipment	30 Years	30 Years ⁱ
Leased Audiovisual	30 Years	30 Years ⁱ
Leased Furniture and Fittings	30 Years	30 Years ⁱ
Leased Medical Equipment	30 Years	30 Years ⁱ
Leased Scientific Equipment	30 Years	30 Years ⁱ

ⁱ Restated from prior year.

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

Amortisation

Amortisation is allocated to intangible produced assets with finite useful lives on a straight-line basis over the asset's useful life.

Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least annually.

An assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

Intangible assets with finite useful lives are amortised over a 3–25 year period (2014: 3–25 years).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Finance Costs

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

Finance costs include:

- interest on short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred); and
- finance charges in respect of finance leases are recognised in accordance with AASB 117 *Leases*.

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 services 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 expensed when distributed.
- Bad and doubtful debts – Refer to Note 1(k) 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 its 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.

Borrowing Costs of Qualifying Assets

In accordance with the paragraphs of AASB 123 *Borrowing Costs* applicable to not-for-profit public sector entities, the Royal Women's Hospital continues to recognise borrowing costs immediately as an expense, to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset.

(i) Other Comprehensive Income

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

Net Gain/(Loss) on Non-Financial Assets

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

Revaluation Gains/(Losses) of Non-Financial Physical Assets

Refer to Note 1(k) Revaluations of non-financial physical assets.

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 the proceeds and the carrying value of the asset at that time.

Net Gain/(Loss) on Financial Instruments

Net gain/(loss) on financial instruments includes:

- Realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- Impairment and reversal of impairment for financial instruments at amortised cost (refer to Note 1 (k));
- Disposals of financial assets and derecognition of financial liabilities.

Revaluations of Financial Instrument at Fair Value

Refer to Note 1(j) Financial Instruments.

Share of Net Profits/(Losses) of Associates and Joint Entities, excluding Dividends

Refer to Note 1(d) Principles of Consolidation.

Other Gains/(Losses) from Other Comprehensive Income

Other gains/(losses) include:

- The revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- Transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial Instruments

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

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

The following refers to financial instruments unless otherwise stated.

Categories of Non-Derivative Financial Instruments

Loans and Receivables

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

Loans and receivables category includes cash and deposits (refer to Note 1(k)), trade receivables, loans and other receivables, but not statutory receivables.

Available-for-Sale Financial Assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, gains and losses arising from changes in fair value are recognised in 'Other Comprehensive Income' until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period. Fair value is determined in the manner described in Note 20(f).

Financial Liabilities at Amortised Cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of the Royal Women's Hospital's contractual payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

(k) Assets

Cash and Cash Equivalents

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

Receivables

Receivables consist of:

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

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

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

- Loans and receivables; and
- Available-for-sale financial assets.

The Royal Women's Hospital classifies its other financial assets between current and non-current assets based on the Board of Management's intention at balance date with respect to the timing of disposal of each asset. The Royal Women's Hospital assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

The investment portfolio of the Royal Women's Hospital is managed by Victorian Funds Management Corporation through specialist fund managers and a Master Custodian. The Master Custodian holds the investments and conducts settlements pursuant to instructions from the specialist fund managers.

The Royal Women's Hospital's controlled entities manage their investments in accordance with their own investment policy as approved by their Board and their investments are consolidated into the Royal Women's Hospital for reporting purposes as it is the ultimate beneficiary of the Royal Women's Hospital Foundation.

The Royal Women's Hospital Foundation is registered under the Australian Charities and Not-for-profits Commission and is not subject to reporting requirements under the *Financial Management Act 1994* or Standing Directions from the Minister for Finance or the directions from the Minister for Health under the *Health Services Act 1988*.

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

Inventories

Inventories include goods that are either held for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations.

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

Non-Financial Physical Assets Classified as Held for Sale

Non-financial physical assets are treated as current and are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the asset's sale is expected to be completed within 12 months from the date of classification, and the asset is available for immediate use in the current condition.

Non-financial physical assets classified as held for sale are treated as current and are measured at the lower of carrying amount and fair value less costs of disposal, and are not subject to depreciation or amortisation.

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 change are transferred at their carrying amounts.

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 12 Property, Plant and Equipment.

The initial cost for non-financial physical assets under finance lease (refer to Note 1(m)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

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.

Cultural Assets (Artworks) are recognised initially at cost and subsequently measured at fair value less impairment.

Restrictive Nature of Crown Land

During the reporting period, the Royal Women's Hospital held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

Leasehold Improvements

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

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 every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

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

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

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

Revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset, except where an asset is transferred via contributed capital.

In accordance with FRD 103F, the Royal Women's Hospital's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software and car park revenue recognition rights.

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

Expenditure on research activities is recognised as an expense in the period on which it is incurred.

Prepayments

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

Disposal of Non-Financial Assets

Any gain or loss on the sale of non-financial assets is recognised in the Comprehensive Operating Statement. Refer to Note 1(i), except where an asset is transferred via contributed capital.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Non-Financial Assets

All non-financial assets except for inventories are assessed annually for indications of impairment.

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 offset to an asset revaluation surplus amount applicable to that same class of asset.

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

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

Investments in Joint Operations

In respect of any interest in joint operations, the Royal Women's Hospital 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.

The Royal Women's Hospital is a Member of the Victorian Comprehensive Cancer Centre Joint Venture and retains joint control over the arrangement, which it has classified as a Joint Operation. The Royal Women's Hospital holds 11.1% interest in 2015 (2014: 12.5%).

The Member Entities have committed to the establishment of a world leading comprehensive cancer centre in Parkville, Victoria, through the Joint Venture, with a view to saving lives through the integration of cancer research, education and training and patient care.

The Royal Women's Hospital recorded net assets from its share in the joint operation of \$160k and net profit of \$31k in 2015 (2014: \$145k net assets, \$13k net profit).

Impairment of Financial Assets

At the end of each reporting period, the Royal Women's Hospital 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 or loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Bad debts considered as written off and allowances for doubtful receivables are expensed.

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

In order to determine an appropriate fair value as at 30 June 2015 for its portfolio of financial assets, the Royal Women's Hospital and its controlled entities used the market value of investments held provided by the portfolio managers.

The above valuation process was used to quantify the level of impairment (if any) on the portfolio of financial assets as at year end.

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;
- 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Liabilities

Payables

Payables consist of:

- Contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to the Royal Women's Hospital prior to the end of the financial year that are unpaid, and arise when the Royal Women's Hospital 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 60 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.

Borrowings

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs (refer Note 1(m) Finance Lease). Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method. Fair value is determined in the manner described in Note 20(f).

Provisions

Provisions are recognised when the Royal Women's Hospital 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 salaries and wages, annual leave and long service leave for services rendered to the reporting date.

Salaries and Wages, Annual Leave and Accrued Days Off

Liabilities for salaries and wages, annual leave and accrued days off are all recognised in the provision for employee benefits as 'current liabilities' because the Royal Women's Hospital does not have an unconditional right to defer settlements of these liabilities.

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

- Undiscounted value – if the Royal Women's Hospital expects to wholly settle within 12 months; or
- Present value – if the Royal Women's Hospital does not expect to wholly settle within 12 months.

Long Service Leave

The liability for long service leave (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 Royal Women's Hospital 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 Royal Women's Hospital expects to wholly settle within 12 months; or
- Present value – if the Royal Women's Hospital 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 (currently 10 years). This non current LSL liability is required to be measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction in the operating statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Termination Benefits

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

The Royal Women's Hospital 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.

Employee Benefit On-Costs

Employee benefits on-costs such as workers compensation and superannuation are recognised together with provisions for employee benefits.

Superannuation Liabilities

The Royal Women's Hospital does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the Royal Women's Hospital has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

(m) Leases

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

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

Finance Leases

Entity as lessor

The Royal Women's Hospital does not hold any finance lease arrangements with other parties.

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 assets under the PPP arrangement are accounted for as a non-financial physical asset and is depreciated over the term of the lease plus five years. 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.

The State of Victoria is obliged to fund monthly service payments for the site at Flemington Road, due under the Project Agreement for the life of that Agreement, a period of up to 25 years. The Royal Women's Hospital expects that it will continue to operate and control the hospital at the expiry of the lease. On this basis the building is being amortised over its estimated useful life of 54 years.

Operating Leases

Entity as lessor

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

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

In the event that lease incentives are given to the lessee, the aggregate cost of incentives is recognised as a reduction of rental income over the lease term, on a straight-line basis unless another systematic basis is more appropriate of the time pattern over which the economic benefit of the leased asset is diminished.

Entity as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the Comprehensive Operating Statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the Balance Sheet.

Leasehold Improvements

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Equity

Contributed Capital

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

Transfers of net assets arising from administrative restructurings are treated as contributions by owners. Transfers of net liabilities arising from administrative restructures are to go through the Comprehensive Operating Statement.

Property, Plant and Equipment Revaluation Surplus

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

Financial Assets Available-for-Sale Revaluation Surplus

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

General Purpose Surplus

The General Purpose Surplus represents the non-restrictive specific purpose surplus of the Royal Women's Hospital where the hospital has discretion to amend or vary the restrictions and/or conditions of the funds.

Specific Restricted Purpose Surplus

The Specific Restricted Purpose Surplus is established where the Royal Women's Hospital has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

(o) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 21) at their nominal value and are inclusive of the goods and services tax ("GST") payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

(p) Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of note (refer to Note 22) and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

(q) Goods and Services Tax (GST)

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

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

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

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

(r) Events after the Reporting Period

Refer to Note 25 Events Occurring after the Balance Sheet Date.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) AASs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2015 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises the Royal Women's Hospital of their applicability and early adoption where applicable.

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

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on the Royal Women's Hospital's Financial Statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2017 (Exposure Draft 263 – potential deferral to 1 Jan 2018)	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2014 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: <ul style="list-style-type: none"> establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; prohibit the use of revenue based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset. 	1 Jan 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on the Royal Women's Hospital's Financial Statements
AASB 2015 6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

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

- AASB 2010–7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- AASB 2013–9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments.
- AASB 2014 3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11].
- AASB 2014 5 Amendments to Australian Accounting Standards arising from AASB 15.
- AASB 2014 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014).
- AASB 2014 8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)].
- AASB 2015 2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049].
- AASB 2015 3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.

(t) Category Groups

The Royal Women's Hospital 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.

Mental Health Services (Mental Health) comprises all specialised mental health services providing a range of inpatient and ambulatory services which treat and support people with a mental illness and their families and carers. These services aim to identify mental illness early, and seek to reduce its impact through providing timely acute care services and support for those living with a mental illness.

Non Admitted Services comprises acute and subacute non admitted services, where services are delivered in public hospital clinics and provide models of integrated community care, which significantly reduces the demand for hospital beds and supports the transition from hospital to home in a safe and timely manner.

Emergency Department Services (EDs) comprises all emergency department services.

Primary and Community Health comprises services for Community Health including health promotion and counselling and physiotherapy.

Other Services excluded from National Health Care Agreement (NHCA) (Other) comprises services not separately classified above, including: sexually transmitted infections clinical services, Koori liaison officers, immunisation and screening services, drugs services and community care programs including sexual assault support, early parenting services and parenting assessment and skills development.

NOTE 2: ANALYSIS OF REVENUE BY SOURCE

	Admitted Patients 2015 \$'000	Non-Admitted 2015 \$'000	EDs 2015 \$'000	Mental Health 2015 \$'000	Primary Health 2015 \$'000	Other * 2015 \$'000	Total 2015 \$'000
Consolidated							
Government Grants	145,970	37,109	5,091	602	2,445	2,797	194,014
Indirect Contributions by Department of Health and Human Services **	2,404	11	4	1	1	4	2,425
Patient Fees	9,155	2,086	-	-	-	306	11,547
Commercial Activities and Specific Purpose Funds	437	140	10	2	4	20,787	21,380
Other Revenue from Operating Activities	2,287	824	92	117	44	3,921	7,285
Total Revenue from Operating Activities	160,254	40,170	5,197	722	2,494	27,815	236,651
Interest and Dividends	773	119	43	8	12	517	1,472
Total Revenue from Non-Operating Activities	773	119	43	8	12	517	1,472
Government Grants	20,090	3,083	1,111	216	324	1,385	26,209
Capital Purpose Income (excluding Interest)	4	1	-	-	-	-	5
Total Capital Purpose Income	20,094	3,084	1,111	216	324	1,385	26,214
Total Revenue	181,121	43,373	6,351	946	2,830	29,717	264,337
	Admitted Patients 2014 \$'000	Non-Admitted 2014 \$'000	EDs 2014 \$'000	Mental Health 2014 \$'000	Primary Health 2014 \$'000	Other * 2014 \$'000	Total 2014 \$'000
Consolidated							
Government Grants	139,280	36,106	4,746	513	2,348	2,270	185,263
Indirect Contributions by Department of Health and Human Services **	799	11	4	1	1	5	821
Patient Fees	9,423	1,629	-	-	-	315	11,367
Commercial Activities and Specific Purpose Funds	160	114	9	2	3	17,684	17,972
Other Revenue from Operating Activities	1,877	768	80	89	38	4,741	7,593
Total Revenue from Operating Activities	151,539	38,628	4,839	605	2,390	25,015	223,016
Interest and Dividends	488	81	28	5	9	173	784
Total Revenue from Non-Operating Activities	488	81	28	5	9	173	784
Government Grants	19,228	3,170	1,100	200	345	1,428	25,471
Capital Purpose Income (excluding Interest)	(75)	(13)	(4)	(1)	(1)	(5)	(99)
Total Capital Purpose Income	19,153	3,157	1,096	199	344	1,423	25,372
Total Revenue	171,180	41,866	5,963	809	2,743	26,611	249,172

* Commercial activities and Special Purpose Funds previously reported under Hospital and Community Initiatives revenue are now disclosed under "Other" programs.

** Indirect contributions by Department of Health (1 July 2014–31 December 2014)/Department of Health and Human Services (1 January 2015–30 June 2015).

Department of Health / Department of Health and Human Services makes certain payments on behalf of the Royal Women's Hospital. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses. Revenue has been classified across programs as defined in the Agency Information Management System (AIMS) guidelines. For clinical support, infrastructure and corporate and diagnostic laboratory and medical services, FTE has been used to allocate expenditure across the programs.

NOTE 2A: NET GAIN/(LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Proceeds from Disposal of Non-Financial Assets		
Medical Equipment	43	1
Motor Vehicles	4	-
Computers and Communication Equipment	7	-
Total Proceeds from Disposal of Non-Financial Assets	54	1
Less: Written Down Value of Non-Financial Assets Sold		
Medical Equipment	(64)	(225)
Furniture and Fittings	-	(97)
Motor Vehicles	(12)	-
Computers and Communication Equipment	(13)	-
Cultural Assets	-	(79)
Total Written Down Value of Non-Financial Assets Sold	(89)	(401)
Net Gains/(Losses) on Disposal of Non-Financial Assets	(35)	(400)

NOTE 3: ANALYSIS OF EXPENSES BY SOURCE

	Admitted Patients 2015 \$'000	Non-Admitted 2015 \$'000	EDs 2015 \$'000	Mental Health 2015 \$'000	Primary Health 2015 \$'000	Other * 2015 \$'000	Total 2015 \$'000
Consolidated							
Employee Expenses	117,452	19,394	6,384	1,693	1,541	8,422	154,886
Non Salary Labour Costs	3,663	886	101	417	30	601	5,699
Supplies and Consumables	17,582	2,705	778	118	178	1,288	22,649
Public Private Partnership Operating Expenses	11,690	1,794	647	126	188	806	15,251
Medical Indemnity Insurance	11,366	-	-	-	-	-	11,366
Fuel, Light, Power and Water	1,511	232	84	16	24	602	2,469
Repairs and Maintenance	1,835	323	99	19	28	576	2,880
Other Expenses	14,238	1,375	501	72	139	1,901	18,226
Finance Costs (refer Note 5)	-	-	-	-	-	1,438	1,438
Total Expenditure from Operating Activities	179,337	26,709	8,594	2,461	2,129	15,634	234,864
Expenditure for Capital Purposes	177	27	10	2	3	12	231
Impairment of Financial Assets	83	13	5	1	1	12	115
Depreciation and Amortisation (refer Note 4)	12,019	1,844	665	129	194	832	15,683
Finance Costs (refer Note 5)	15,220	2,335	842	164	245	1,050	19,856
Total Other Expenses	27,499	4,219	1,522	296	443	1,906	35,885
Total Expenses	206,836	30,928	10,116	2,757	2,572	17,540	270,749

	Admitted Patients 2014 \$'000	Non-Admitted 2014 \$'000	EDs 2014 \$'000	Mental Health 2014 \$'000	Primary Health 2014 \$'000	Other * 2014 \$'000	Total 2014 \$'000
Consolidated							
Employee Expenses	109,647	19,020	6,107	1,525	1,733	7,959	145,991
Non Salary Labour Costs	3,490	1,020	88	439	36	665	5,738
Supplies and Consumables	16,608	2,673	752	110	190	1,389	21,722
Public Private Partnership Operating Expenses	10,284	589	1,696	107	184	764	13,623
Medical Indemnity Insurance	11,340	-	-	-	-	-	11,340
Fuel, Light, Power and Water	2,446	403	140	25	44	182	3,240
Repairs and Maintenance	2,579	425	148	27	46	191	3,416
Other Expenses	10,948	3,397	(707)	65	137	2,766	16,606
Finance Costs (refer Note 5)	-	-	-	-	-	1,475	1,475
Total Expenditure from Operating Activities	167,342	27,527	8,224	2,298	2,370	15,391	223,152
Expenditure for Capital Purposes	200	32	11	2	4	14	263
Depreciation and Amortisation (refer Note 4)	11,011	1,815	630	114	197	822	14,589
Finance Costs (refer Note 5)	15,123	2,493	865	157	271	1,123	20,032
Total Other Expenses	26,334	4,340	1,506	273	472	1,959	34,884
Total Expenses	193,676	31,867	9,730	2,571	2,842	17,350	258,036

* Commercial activities previously reported under Hospital and Community Initiatives revenue are now disclosed under "Other" programs.

Expenditure has been classified across programs as defined in the Agency Information Management System (AIMS) guidelines. For clinical support, infrastructure and corporate and diagnostic laboratory and medical services, FTE has been used to allocate expenditure across the programs.

NOTE 3A: ANALYSIS OF EXPENSES AND REVENUE BY INTERNALLY MANAGED AND RESTRICTED SPECIFIC PURPOSE FUNDS

	Expense		Revenue	
	Consolidated 2015 \$'000	Consolidated 2014 \$'000	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Commercial Activities				
Private Practice and Other Patient Activities	325	267	266	273
Laboratory Medicine	138	140	304	313
Pharmacy Services	273	228	217	160
Car Park	540	631	2,411	2,275
Property	2,412	2,435	7,872	7,381
Other Activities				
Education and Training	304	319	324	371
Fundraising and Community Support	554	700	2,088	965
Research and Scholarship	3,025	3,233	2,600	2,208
Other	443	455	406	435
Total	8,014	8,408	16,488	14,381

NOTE 4: DEPRECIATION AND AMORTISATION

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Depreciation		
Buildings	4,347	1,016
Plant and Equipment	170	3
Medical Equipment	1,421	1,384
Computers and Communication Equipment	929	432
Furniture and Equipment	123	68
Motor Vehicles	4	6
Leased Assets ^{i,ii}	7,487	10,512
Total Depreciation	14,481	13,421
Amortisation		
Intangible Assets	1,202	1,168
Total Amortisation	1,202	1,168
Total Depreciation and Amortisation	15,683	14,589

ⁱ Of the balance disclosed under 'Depreciation Leased Assets', \$7.30m (\$8.90m in 2014) relates to leased buildings contracted under the public private partnership (PPP) arrangement.

ⁱⁱ Of the balance disclosed under 'Depreciation Leased Assets', \$0.19m (\$1.61m in 2014) relates to leased other assets contracted under the public private partnership (PPP) arrangement.

NOTE 5: FINANCE COSTS

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Finance Charges on Finance Leases *	19,856	20,032
Interest on Long Term Borrowings	1,438	1,475
Total Finance Costs	21,294	21,507

* Construction and fit out of the Royal Women's Hospital was funded as a Public Private Partnership under a Project Agreement between the State of Victoria and Royal Women's Health Partnership Pty Ltd. This amount represents the interest payments made during the financial year.

NOTE 6: CASH AND CASH EQUIVALENTS

For the purposes of the Cash Flow Statement, cash assets include 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.

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Cash on Hand	9	9
Cash at Bank	2,728	2,768
Deposits at Call	1,535	2,545
Total Cash and Cash Equivalents	4,272	5,322
Represented by:		
Cash as per Cash Flow Statement ⁱ	4,272	5,322
Total Cash and Cash Equivalents	4,272	5,322

ⁱ Cash and cash equivalents include salary packaging.

NOTE 7: RECEIVABLES

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Current		
Contractual		
Inter Hospital Debtors	465	623
Trade Debtors	1,320	1,447
Patient Fees	1,894	1,859
Accrued Investment Income	-	51
Accrued Revenue – Other	3,209	2,225
Less Allowance for Doubtful Debts		
Trade Debtors	(26)	(28)
Patient Fees	(255)	(161)
	6,607	6,016
Statutory		
GST Receivable	346	241
	346	241
Total Current Receivables	6,953	6,257
Non-Current		
Statutory		
Long Service Leave – Department of Health and Human Services	4,884	2,549
Total Non-Current Receivables	4,884	2,549
Total Receivables	11,837	8,806

(a) Movement in the Allowance for Doubtful Debts

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Balance at beginning of year	189	242
Amounts written off during the year	-	(298)
Increase/(decrease) in allowance recognised in net result	92	245
Balance at End of Year	281	189

(b) Ageing analysis of receivables

Please refer to Note 20(c) for the ageing analysis of contractual receivables.

(c) Nature and extent of risk arising from receivables

Please refer to Note 20(c) for the nature and extent of credit risk arising from contractual receivables.

NOTE 8: INVESTMENTS AND OTHER FINANCIAL ASSETS

	Operating Fund		Specific Purpose Fund		Capital Fund		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Current								
Available-for-Sale								
Equities and Managed Investment Schemes								
- Managed Investment Schemes	-	-	-	-	1,500	843	1,500	843
Total Current	-	-	-	-	1,500	843	1,500	843
Non-Current								
Available-for-Sale								
Equities and Managed Investment Schemes								
- Managed Investment Schemes	7,189	4,882	4,589	4,862	-	-	11,778	9,744
- Listed Securities	-	880	-	-	-	-	-	880
Total Non-Current	7,189	5,762	4,589	4,862	-	-	11,778	10,624
Total Investments and Other Financial Assets	7,189	5,762	4,589	4,862	1,500	843	13,278	11,467
Represented by:								
Health Service Investments	4,456	4,313	4,589	4,862	1,500	843	10,545	10,018
Foundation Investments	2,733	1,449	-	-	-	-	2,733	1,449
Total Investments and Other Financial Assets	7,189	5,762	4,589	4,862	1,500	843	13,278	11,467

(a) Ageing analysis of investments and other financial assets

Please refer to Note 20(c) for the ageing analysis of investments and other financial assets.

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

Please refer to Note 20(c) for the nature and extent of credit risk arising from investments and other financial assets.

NOTE 9: INVENTORIES

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Pharmaceuticals		
At Cost	176	167
Total Inventories	176	167

NOTE 10: NON-FINANCIAL PHYSICAL ASSETS CLASSIFIED AS HELD FOR SALE

(a) Non-financial physical assets classified as held for sale

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Crown Land ⁱ	6,400	-
Total Non-Financial Physical Assets Classified as Held for Sale	6,400	-

ⁱ The Royal Women's Hospital intends to dispose of Crown Land it no longer utilises within the next 12 months. The land is currently occupied by another health service. The Royal Women's Hospital will transfer the Crown Land back to the Department of Health and Human Services. No impairment loss was recognised on reclassification of the Crown Land as held for sale at the end of the reporting period.

(b) Fair value measurement of non-financial physical assets held for sale

	Carrying amount 2015 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 ⁱ	Level 2 ⁱ	Level 3 ⁱ
Crown Land ⁱⁱ	6,400	-	-	6,400
Total Non-Financial Physical Assets Classified as Held for Sale	6,400	-	-	6,400

ⁱ Classified in accordance with the fair value hierarchy, refer Note 1(b).

ⁱⁱ Crown Land held for sale is carried at fair value less costs to disposal.

Ernst & Young performed the valuation for the Clinical Science Block on 29 November 2013. 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 valuation included a Community Service Obligation (CSO) adjustment of 20%.

NOTE 11: OTHER ASSETS

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Current		
Prepayments	324	229
Total Current Other Assets	324	229
Non-Current		
Deposits	37	37
Total Non-Current Other Assets	37	37
Total Other Assets	361	266

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

(a) Gross carrying amount and accumulated depreciation

	Consolidated 2015 \$'000	Consolidated Restated ⁱ 2014 \$'000
Land		
Land at Fair Value		
- Crown	57,834	64,234
- Freehold	40,606	40,606
Total Land	98,440	104,840
Buildings		
Buildings at Fair Value	29,079	29,031
Less Accumulated Depreciation	(4,347)	-
	24,732	29,031
Leasehold Improvements at Cost	1,040	1,040
Less Accumulated Depreciation	(1,040)	(1,040)
	-	-
Buildings Work in Progress at Cost	1	-
Total Buildings	24,733	29,031
Plant and Equipment		
Plant and Equipment at Fair Value	4,927	4,930
Less Accumulated Depreciation	(4,473)	(4,303)
Total Plant and Equipment	454	627
Medical Equipment		
Medical Equipment at Fair Value	29,242	29,332
Less Accumulated Depreciation	(23,823)	(24,003)
Total Medical Equipment	5,419	5,329
Computers and Communication Equipment		
Computers and Communication Equipment at Fair Value	7,597	7,549
Less Accumulated Depreciation	(7,074)	(6,155)
Total Computers and Communication Equipment	523	1,394
Furniture and Fittings		
Furniture and Fittings at Fair Value	1,310	1,308
Less Accumulated Depreciation	(955)	(833)
Total Furniture and Fittings	355	475
Motor Vehicles		
Motor Vehicles at Fair Value	-	64
Less Accumulated Depreciation	-	(47)
Total Motor Vehicles	-	17

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Consolidated 2015 \$'000	Consolidated Restated ⁱ 2014 \$'000
Cultural Assets		
Cultural Assets at Fair Value	287	287
Total Cultural Assets	287	287
Leased Assets Contracted under PPP Agreement		
Leased Buildings at Valuation	244,199	244,199
Less Accumulated Depreciation	(7,297)	-
	236,902	244,199
Plant and Equipment at Fair Value	1,034	1,034
Less Accumulated Depreciation	(244)	(208)
	790	826
Audiovisual Equipment at Fair Value	31	31
Less Accumulated Depreciation	(7)	(6)
	24	25
Furniture and Fittings at Fair Value	2,144	2,144
Less Accumulated Depreciation	(506)	(432)
	1,638	1,712
Medical Equipment at Fair Value	1,835	1,835
Less Accumulated Depreciation	(433)	(370)
	1,402	1,465
Scientific Equipment at Fair Value	469	469
Less Accumulated Depreciation	(111)	(95)
	358	374
Total Leased Assets	241,114	248,601
Total Property, Plant and Equipment	371,325	390,601

ⁱ The Royal Women's Hospital has adopted a retrospective change in accounting policy, which has caused a restatement of Property, Plant and Equipment as at 30 June 2014. For assets where there is no lifecycle payment as part of the PPP agreement, these assets have been transferred from leased assets to owned assets with no change to the asset useful lives. For assets where the PPP agreement includes a lifecycle payment, these asset useful lives have been changed, as outlined in Note 1(f).

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Consolidated	Land \$'000	Buildings \$'000	Plant & Equipment ¹ \$'000	Medical Equipment ¹ \$'000	Computers & Commnctn Equipment ¹ \$'000	Furniture & Fittings ¹ \$'000	Motor Vehicles \$'000	Cultural Assets \$'000	Leased Assets ¹ \$'000	Total \$'000
Balance at 1 July 2013	69,392	23,174	193	4,629	812	481	23	171	200,434	299,309
Additions	-	-	16	1,763	227	93	-	17	27	2,143
Disposals	-	-	-	(225)	-	(97)	-	(79)	-	(401)
Revaluation Increments/ (Decrements)	35,448	6,872	-	-	-	-	-	178	59,035	101,533
Depreciation and Amortisation (refer Note 4)	-	(1,016)	(3)	(1,384)	(432)	(68)	(6)	-	(10,512)	(13,421)
Balance at 1 July 2014	104,840	29,031	206	4,783	607	409	17	287	248,984	389,164
Retrospective change in accounting policy ⁱ	-	-	421	546	785	67	-	-	(382)	1,437
Restated Balance at 1 July 2014	104,840	29,031	627	5,329	1,394	475	17	287	248,601	390,601
Additions	-	49	(3)	1,575	71	3	-	-	-	1,695
Disposals	-	-	-	(65)	(13)	-	(12)	-	-	(89)
Classified as Held For Sale (refer Note 10)	(6,400)	-	-	-	-	-	-	-	-	(6,400)
Depreciation and Amortisation (refer Note 4)	-	(4,347)	(170)	(1,421)	(929)	(123)	(4)	-	(7,487)	(14,481)
Balance at 30 June 2015	98,440	24,733	454	5,419	523	355	-	287	241,114	371,325

ⁱ The Royal Women's Hospital has adopted a retrospective change in accounting policy, which has caused a restatement of Property, Plant and Equipment as at 30 June 2014. For assets where there is no lifecycle payment as part of the PPP agreement, these assets have been transferred from leased assets to owned assets with no change to the asset useful lives. For assets where the PPP agreement includes a lifecycle payment, these asset useful lives have been changed, as outlined in Note 1(f).

Land and Buildings and Leased Assets Carried at Valuation

The Valuer-General Victoria undertook to re-value all of the Royal Women's Hospital's owned and leased land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be 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.

In compliance with FRD 103F, in the year ended 30 June 2015, the Royal Women's Hospital's management conducted an annual assessment of the fair value of land and buildings and leased buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indices for the financial year ended 30 June 2015 and applied these indices to the individual assets' 2014 valuation. The indexed value was then compared to individual assets written down book value as at 30 June 2015 to determine the change in their fair values. There was no material financial impact on change in fair value of land and buildings and leased buildings.

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Fair value measurement hierarchy for assets

	Consolidated carrying amount as at 30 June 2015 \$'000	Consolidated carrying amount as at 30 June 2014 Restated \$'000	Fair value measurement at end of reporting period using:					
			Level 1 ⁱ		Level 2 ⁱ		Level 3 ⁱ	
			2015 \$'000	2014 Restated \$'000	2015 \$'000	2014 Restated \$'000	2015 \$'000	2014 Restated \$'000
Land at Fair Value								
- Non-Specialised Land	13,284	13,284	-	-	13,284	13,284	-	-
- Specialised Land	85,156	91,556	-	-	-	-	85,156	91,556
Total of Land at Fair Value	98,440	104,840	-	-	13,284	13,284	85,156	91,556
Buildings at Fair Value								
Non-Specialised Buildings	24,733	29,031	-	-	24,733	29,031	-	-
Total of Building at Fair Value	24,733	29,031	-	-	24,733	29,031	-	-
Plant and Equipment at Fair Value	454	627	-	-	-	-	454	627
Medical Equipment at Fair Value	5,419	5,329	-	-	-	-	5,419	5,329
Computers and Communication Equipment at Fair Value	523	1,394	-	-	-	-	523	1,394
Furniture and Fittings at Fair Value	355	475	-	-	-	-	355	475
Motor Vehicles at Fair Value	-	17	-	-	-	17	-	-
Cultural Assets at Fair Value	287	287	-	-	287	287	-	-
Leased Assets at Fair Value								
- Specialised Leased Buildings at Valuation	236,902	244,199	-	-	-	-	236,902	244,199
- Plant and Equipment at Fair Value	790	826	-	-	-	-	790	826
- Audiovisual Equipment at Fair Value	24	25	-	-	-	-	24	25
- Furniture and Fittings at Fair Value	1,638	1,712	-	-	-	-	1,638	1,712
- Medical Equipment at Fair Value	1,402	1,465	-	-	-	-	1,402	1,465
- Scientific Equipment at Fair Value	358	374	-	-	-	-	358	374
Total of Leased Assets at Fair Value	241,114	248,601	-	-	-	-	241,114	248,601
Total Property, Plant and Equipment	371,325	390,601	-	-	38,304	42,619	333,021	347,982

ⁱ Classified in accordance with the fair value hierarchy, refer Note 1(b).

There have been no transfers between levels during the period.

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) Reconciliation of Level 3 Fair Value ⁱ

Consolidated	Land \$'000	Plant & Equipment \$'000	Medical Equipment \$'000	Computers & Communication Equipment \$'000	Furniture & Fittings \$'000	Leased Assets \$'000
Balance at 1 July 2013	59,817	193	4,629	812	481	200,434
Additions (Disposals)	-	16	1,538	227	(4)	27
Gains or (Losses) recognised in Net Result - Depreciation and Amortisation	-	(3)	(1,384)	(432)	(68)	(10,512)
Items recognised in Other Comprehensive Income - Revaluation Increments	31,739	-	-	-	-	59,035
Balance at 1 July 2014	91,556	206	4,783	607	409	248,984
Retrospective change in accounting policy ⁱⁱ	-	421	546	785	67	(382)
Restated Balance at 1 July 2014	91,556	627	5,329	1,394	475	248,601
Additions (Disposals)	-	(3)	1,511	58	3	-
Classified as Held For Sale	(6,400)	-	-	-	-	-
Gains or (Losses) recognised in Net Result - Depreciation and Amortisation	-	(170)	(1,421)	(929)	(123)	(7,487)
Balance at 30 June 2015	85,156	454	5,419	523	355	241,114

ⁱ Classified in accordance with the fair value hierarchy, refer Note 1(b).

ⁱⁱ The Royal Women's Hospital has adopted a retrospective change in accounting policy, which has caused a restatement of Property, Plant and Equipment as at 30 June 2014. For assets where there is no lifecycle payment as part of the PPP agreement, these assets have been transferred from leased assets to owned assets with no change to the asset useful lives. For assets where the PPP agreement includes a lifecycle payment, these asset useful lives have been changed, as outlined in Note 1(f).

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

e) Description of significant unobservable inputs to Level 3 valuations:

	Valuation Technique	Significant Unobservable Inputs	2014–2015 Range (Weighted Average)	2013–2014 Range (Weighted Average) Restated	Sensitivity Of Fair Value Measurement To Changes In Significant Unobservable Inputs
Specialised Land					
Crown Land	Market approach	Community Service Obligation (CSO) adjustment	20% (20%) *	20% (20%) *	A significant increase (decrease) in the CSO adjustment would result in a significantly higher (lower) fair value.
Freehold Land	Market approach	Community Service Obligation (CSO) adjustment	20% (20%) *	20% (20%) *	A significant increase (decrease) in the CSO adjustment would result in a significantly higher (lower) fair value.
Specialised Buildings					
Leased	Depreciated replacement cost	Cost per sqm	\$4,160 – \$4,160 (\$4,160)	\$4,160 – \$4,160 (\$4,160)	A significant increase (decrease) in cost per sqm would result in a significantly higher (lower) fair value.
		Useful life of specialised buildings	19–54 yrs (40 yrs)	19–54 yrs (40 yrs)	A significant increase (decrease) in the estimated useful life of the asset would result in a significantly higher (lower) valuation.
Plant and Equipment at Fair Value					
	Depreciated replacement cost	Cost per unit	\$667 – \$2,214,014 (\$1,015,867)	\$667 – \$2,214,014 (\$1,017,287)	A significant increase (decrease) in gross replacement cost would result in a significantly higher (lower) fair value.
		Useful life of Plant and Equipment	5–30 yrs (16 yrs)	5–30 yrs (17 yrs)	A significant increase (decrease) in useful life would result in a significantly higher (lower) fair value.
Medical Equipment at Fair Value					
	Depreciated replacement cost	Cost per unit	\$552 – \$894,000 (\$90,862)	\$15 – \$894,000 (\$106,313)	A significant increase (decrease) in gross replacement cost would result in a significantly higher (lower) fair value.
		Useful life of Medical Equipment	3–25 yrs (7 yrs)	7–30 yrs (7 yrs)	A significant increase (decrease) in useful life would result in a significantly higher (lower) fair value.
Computers and Communication Equipment at Fair Value					
	Depreciated replacement cost	Cost per unit	\$30 – \$314,359 (\$61,792)	\$30 – \$314,359 (\$62,113)	A significant increase (decrease) in gross replacement cost would result in a significantly higher (lower) fair value.
		Useful life of Computers and Communication Equipment	3–9 yrs (5 yrs)	3–9 yrs (6 yrs)	A significant increase (decrease) in useful life would result in a significantly higher (lower) fair value.
Furniture and Fittings at Fair Value					
	Depreciated replacement cost	Cost per unit	\$1,126 – \$50,369 (\$18,895)	\$1,126 – \$50,369 (\$18,928)	A significant increase (decrease) in gross replacement cost would result in a significantly higher (lower) fair value.
		Useful life of Furniture and Fittings	7–13 yrs (11 yrs)	7–13 yrs (10 yrs)	A significant increase (decrease) in useful life would result in a significantly higher (lower) fair value.

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Valuation Technique	Significant Unobservable Inputs	2014–2015 Range (Weighted Average)	2013–2014 Range (Weighted Average) Restated	Sensitivity Of Fair Value Measurement To Changes In Significant Unobservable Inputs
Leased Plant and Equipment at Fair Value	Depreciated replacement cost	Cost per unit	\$1,060 – \$198,000 (\$88,355)	\$1,060 – \$198,000 (\$88,355)	A significant increase (decrease) in gross replacement cost would result in a significantly higher (lower) fair value.
		Useful life of Leased Plant and Equipment	30 yrs (30 yrs)	30 yrs (30 yrs)	A significant increase (decrease) in useful life would result in a significantly higher (lower) fair value.
Leased Audiovisual Equipment at Fair Value	Depreciated replacement cost	Cost per unit	\$1,190 – \$1,190 (\$1,190)	\$1,190 – \$1,190 (\$1,190)	A significant increase (decrease) in gross replacement cost would result in a significantly higher (lower) fair value.
		Useful life of Audiovisual Equipment	30 yrs (30 yrs)	30 yrs (30 yrs)	A significant increase (decrease) in useful life would result in a significantly higher (lower) fair value.
Leased Furniture and Fittings at Fair Value	Depreciated replacement cost	Cost per unit	\$1,175 – \$17,900 (\$8,219)	\$1,175 – \$17,900 (\$8,219)	A significant increase (decrease) in gross replacement cost would result in a significantly higher (lower) fair value.
		Useful life of Leased Furniture and Fittings	30 yrs (30 yrs)	30 yrs (30 yrs)	A significant increase (decrease) in useful life would result in a significantly higher (lower) fair value.
Leased Medical Equipment at Fair Value	Depreciated replacement cost	Cost per unit	\$1,341 – \$65,000 (\$26,651)	\$1,341 – \$65,000 (\$26,651)	A significant increase (decrease) in gross replacement cost would result in a significantly higher (lower) fair value.
		Useful life of Leased Medical Equipment	30 yrs (30 yrs)	30 yrs (30 yrs)	A significant increase (decrease) in useful life would result in a significantly higher (lower) fair value.
Leased Scientific Equipment at Fair Value	Depreciated replacement cost	Cost per unit	\$3,562 – \$68,575 (\$18,600)	\$3,562 – \$68,575 (\$18,600)	A significant increase (decrease) in gross replacement cost would result in a significantly higher (lower) fair value.
		Useful life of Leased Scientific Equipment	30 yrs (30 yrs)	30 yrs (30 yrs)	A significant increase (decrease) in useful life would result in a significantly higher (lower) fair value.

* CSO adjustment of 20% was applied to reduce the market approach value for the Royal Women's Hospital's specialised land.

NOTE 13: INTANGIBLE ASSETS

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Software	5,324	4,836
Less Accumulated Amortisation	(4,609)	(4,386)
	715	450
Revenue Rights Parkville Car Park	24,490	24,490
Less Accumulated Amortisation	(6,857)	(5,878)
	17,633	18,612
Total Intangible Assets	18,348	19,062

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

Consolidated	Software \$'000	Revenue Rights Parkville Car Park \$'000	Total \$'000
Balance at 1 July 2013	178	19,592	19,770
Additions	460	-	460
Amortisation (refer Note 4)	(188)	(980)	(1,168)
Balance at 1 July 2014	450	18,612	19,062
Additions	488	-	488
Amortisation (refer Note 4)	(223)	(979)	(1,202)
Balance at 30 June 2015	715	17,633	18,348

NOTE 14: PAYABLES

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Current		
Contractual		
Trade Creditors	2,881	4,116
Accrued Expenses	3,351	3,660
Salary Packaging ⁱ	709	609
Amounts Payable to Government and Agencies	3,804	3,374
Deposits	15	9
Revenue in Advance	1,094	700
	11,854	12,468
Statutory		
Victorian Health Funding Pool	-	779
Department of Health and Human Services	1,370	51
	1,370	830
Total Current Payables	13,224	13,298
Non-Current		
Amounts Payable to Government and Agencies	-	163
Total Non-Current Payables	-	163
Total Payables	13,224	13,461

ⁱ Salary packaging payable was previously disclosed under Other Liabilities. Refer to Note 1(e) Comparative Information.

(a) Maturity analysis of payables

Please refer to Note 20(d) for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from payables

Please refer to Note 20(d) for the nature and extent of risks arising from contractual payables.

NOTE 15: BORROWINGS

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Current		
Australian Dollar Borrowings		
- Finance Lease Liability *	4,856	4,391
- Loan From Treasury Corporation Victoria	617	578
Total Australian Dollars Borrowings	5,473	4,969
Total Current Borrowings	5,473	4,969
Non-Current		
Australian Dollar Borrowings		
- Finance Lease Liability *	221,219	226,074
- Loan From Treasury Corporation Victoria	20,626	21,243
Total Australian Dollars Borrowings	241,845	247,317
Total Non-Current Borrowings	241,845	247,317
Total Borrowings	247,318	252,286

(a) Maturity analysis of borrowings

Please refer to Note 20(d) for the ageing analysis of borrowings.

(b) Nature and extent of risk arising from borrowings

Please refer to Note 20(d) 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 loans.

* (d) Finance Lease Repayments

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Finance Leases		
Repayments in relation to finance leases are payable as follows:		
Not later than one year	24,523	24,238
Later than 1 year and not later than 5 years	104,130	102,026
Later than 5 years	377,149	403,775
Minimum lease payments	505,802	530,039
Less future finance charges	(279,727)	(299,574)
Total	226,075	230,465

The weighted average interest rate implicit in the finance lease is 9.79% (2013/14: 9.79%).

The State of Victoria is obliged to fund Monthly Service Payments due under the Project Agreement for the life of that Agreement, a period of up to 25 years. The Royal Women's Hospital expects that it will continue to operate and control the hospital at the expiry of the lease. The building has been componentised into 4 major asset classes, of which their estimated useful lives are between 19 to 54 years.

NOTE 16: PROVISIONS

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Current Provisions		
Employee Benefits ⁱ		
Accrued Days Off – unconditional and expected to be settled within 12 months ⁱⁱ	247	268
Annual Leave – unconditional and expected to be settled within 12 months ⁱⁱ	9,409	8,842
Annual Leave – unconditional and expected to be settled after 12 months ⁱⁱⁱ	1,570	1,418
Long Service Leave – unconditional and expected to be settled within 12 months ⁱⁱ	2,125	2,176
Long Service Leave – unconditional and expected to be settled after 12 months ⁱⁱⁱ	14,688	12,921
	28,039	25,625
Provisions related to Employee Benefit On-Costs		
Unconditional and expected to be settled within 12 months ⁱⁱ	1,248	1,208
Unconditional and expected to be settled after 12 months ⁱⁱⁱ	1,773	1,534
	3,021	2,742
Accrued salaries and wages	2,380	4,380
Total Current Provisions	33,440	32,747
Non-Current Provisions		
Employee Benefits ⁱ	5,837	4,410
Provisions related to Employee Benefit On-Costs	639	473
Total Non-Current Provisions	6,476	4,883
Total Provisions	39,916	37,630
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and Related On-Costs		
Unconditional long service leave entitlements	18,655	16,712
Annual leave entitlements	12,131	11,358
Accrued salaries and wages	2,380	4,380
Accrued days off	274	297
Non-Current Employee Benefits and Related On-Costs		
Conditional long service leave entitlements ⁱⁱⁱ	6,476	4,883
Total Employee Benefits and Related On-Costs	39,916	37,630

ⁱ Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.

ⁱⁱ The amounts disclosed are nominal amounts.

ⁱⁱⁱ The amounts disclosed are discounted to present values.

NOTE 16: PROVISIONS (CONTINUED)

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
(b) Movement in Provisions		
Movement in Long Service Leave:		
Balance at start of year	21,595	19,282
Provision made during the year		
- Revaluations	1,901	2
- Expense recognising employee service	3,443	4,069
Settlement made during the year	(1,808)	(1,758)
Balance at End of Year	25,131	21,595

NOTE 17: SUPERANNUATION

Employees of the Royal Women's Hospital are entitled to receive superannuation benefits and it 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 Royal Women's Hospital does not recognise any defined benefit liability in respect of the plan(s) because the hospital 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 items.

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of the Royal Women's Hospital.

The name, details and amounts expense in relation to the major employee superannuation funds and contributions made by the Royal Women's Hospital are as follows:

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Consolidated 2015 \$'000	Consolidated 2014 \$'000	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Defined benefit Plans:ⁱ				
First State Super	355	410	63	65
Defined Contribution Plans:				
First State Super	7,855	7,621	883	858
Hesta	3,299	2,935	393	341
Other	615	598	71	73
Total	12,124	11,564	1,410	1,337

ⁱ The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

NOTE 18: EQUITY

	Consolidated 2015 \$'000	Consolidated Restated ⁱ 2014 \$'000
(a) Surpluses		
Property, Plant and Equipment Revaluation Surplus ⁱⁱ		
Balance at the beginning of the reporting period	127,308	25,775
Revaluation Increment/(Decrements)		
- Land (refer Note 12b)	-	35,448
- Buildings	-	6,872
- Leased Building	-	59,035
- Cultural Assets	-	178
Balance at the End of the Reporting Period [*]	127,308	127,308
* Represented by:		
- Land	53,801	53,801
- Buildings	6,872	6,872
- Leased Building	66,457	66,457
- Cultural Assets	178	178
	127,308	127,308
Financial Assets Available-for-Sale Revaluation Surplus ⁱⁱⁱ		
Balance at the beginning of the reporting period	1,345	799
Valuation gain/(loss) recognised	38	546
Cumulative (gain)/loss transferred to Comprehensive Operating Statement on sale of financial assets	(500)	-
Cumulative loss transferred to Comprehensive Operating Statement on impairment of financial assets	115	-
Balance at the End of the Reporting Period	998	1,345
General Purpose Surplus		
Balance at the beginning of the reporting period	49,082	42,899
Transfer from Accumulated Surplus/Deficit	7,349	6,183
Balance at the End of the Reporting Period	56,431	49,082
Restricted Specific Purpose Surplus		
Balance at the beginning of the reporting period	7,453	8,155
Transfer from/(to) Accumulated Surplus/Deficit	573	(702)
Balance at the End of the Reporting Period	8,026	7,453
Total Surpluses	192,763	185,188

NOTE 18: EQUITY (CONTINUED)

	Consolidated 2015 \$'000	Consolidated Restated ⁱ 2014 \$'000
(b) Contributed Capital		
Balance at the beginning of the reporting period	73,823	74,313
Return of Contributed Capital	-	(490)
Balance at the End of the Reporting Period	73,823	73,823
(c) Accumulated Deficits		
Balance at the beginning of the reporting period	(126,697)	(113,789)
Net Result for the Year	(6,412)	(8,864)
Transfers to General Purpose Surplus	(7,349)	(6,183)
Transfers from/(to) Restricted Specific Purpose Surplus	(573)	702
Share of decrement in Joint Venture Membership	(16)	-
Retrospective change in accounting policy ⁱ	-	1,437
Balance at the End of the Reporting Period	(141,047)	(126,697)
(d) Total Equity at End of Year	125,539	132,314

ⁱ Accumulated Deficits has been restated to include the cumulative effect of the leased plant and equipment balances relating to earlier year's asset carrying values.

ⁱⁱ Represents the revaluation of Property, Plant and Equipment including Crown Land classified as held for sale.

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

NOTE 19: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Net Result for the Year	(6,412)	(8,864)
Non-Cash Movements:		
Depreciation and Amortisation	15,683	14,589
Impairment of Financial Assets	115	-
Net movement in Finance Lease *	(4,390)	(3,981)
Provision for Doubtful Debts	92	(53)
Income from Managed Funds Reinvested	(501)	(458)
Management Fees for Managed Investments	9	5
Assets Received Free of Charge	(31)	(205)
Resources Received Free of Charge	-	(43)
Resources Provided Free of Charge	-	55
Movements included in Investing and Financing Activities:		
Net (Gain)/Loss from Disposal of Non Financial Physical Assets	35	400
Net (Gain)/Loss from Disposal of Financial Assets	(500)	-
Movements in Assets and Liabilities:		
Change in Operating Assets and Liabilities		
- (Increase)/Decrease in Receivables	(3,123)	(951)
- (Increase)/Decrease in Prepayments	(95)	493
- Increase/(Decrease) in Payables	(786)	367
- Increase/(Decrease) in Provisions	2,286	3,049
- Change in Inventories	(9)	52
- Change in membership Jointly Controlled Operations	(16)	-
Net Cash Inflow From Operating Activities	2,357	4,455

* Funded by and payments made by the Department of Health and Human Services to Royal Women's Health Partnership Pty Ltd.

NOTE 20: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Royal Women's Hospital principal financial instruments comprise:

- Cash Assets
- Receivables (excluding statutory receivables)
- Investments in Equities and Managed Investments Schemes
- Payables (excluding statutory payables)
- Finance Lease Payables
- Borrowings

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 Royal Women's Hospital's main financial risks include credit risk, liquidity risk, interest rate risk and equity price risk. The hospital manages these financial risks in accordance with its financial risk management policy.

The Royal Women's Hospital 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 management. The Board Finance and Board Investment Committees of the hospital are responsible for ensuring the appropriate risk frameworks are in place and for overseeing the effective implementation of these frameworks.

The main purpose in holding financial instruments is to prudentially manage the Royal Women's Hospital financial risks within the government policy parameters.

Categorisation of financial instruments

	Contractual Financial Assets - Loans and Receivables \$'000	Contractual Financial Assets - Available for Sale \$'000	Contractual Financial Liabilities at Amortised Cost \$'000	Total \$'000
Consolidated				
2015				
Contractual Financial Assets				
Cash and Cash Equivalents	4,272	-	-	4,272
Loans and Receivables				
- Trade Debtors	3,398	-	-	3,398
- Other Receivables	3,209	-	-	3,209
Available-for-Sale				
- Managed Investment Schemes	-	13,278	-	13,278
Total Financial Assetsⁱ	10,879	13,278	-	24,157
Financial Liabilities				
Payables	-	-	10,760	10,760
Borrowings	-	-	247,318	247,318
Total Financial Liabilitiesⁱ	-	-	258,078	258,078

ⁱ The carrying amount excludes statutory receivables (i.e. GST receivable and DHHS receivables) and statutory payables (i.e. Revenue in Advance, Victorian Health Funding Pool payable and DHHS payable).

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

Categorisation of financial instruments (continued)

Consolidated	Contractual Financial Assets - Loans and Receivables \$'000	Contractual Financial Assets - Available for Sale \$'000	Contractual Financial Liabilities at Amortised Cost \$'000	Total \$'000
2014				
Contractual Financial Assets				
Cash and Cash Equivalents	5,322	-	-	5,322
Loans and Receivables				
- Trade Debtors	3,740	-	-	3,740
- Other Receivables	2,276	-	-	2,276
Available-for-Sale				
- Managed Investment Schemes	-	10,587	-	10,587
- Listed Securities	-	880	-	880
Total Financial Assetsⁱ	11,338	11,467	-	22,805
Financial Liabilities				
Payables	-	-	11,931	11,931
Borrowings	-	-	252,286	252,286
Total Financial Liabilitiesⁱ	-	-	264,217	264,217

ⁱ The carrying amount excludes statutory receivables (i.e. GST receivable and DHHS receivables) and statutory payables (i.e. Revenue in Advance, Victorian Health Funding Pool payable and DHHS payable).

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

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

Consolidated	Net Holding Gain/(Loss) \$'000	Total Interest Income/(Expense) & Dividend Income \$'000	Fee Income/ (Expense) \$'000	Impairment Loss \$'000	Total \$'000
2015					
Financial Assets					
Cash and Cash Equivalents ⁱ	-	371	-	-	371
Available-for-Sale ⁱ	539	617	(10)	(115)	1,031
Total Financial Assets	539	988	(10)	(115)	1,402
Financial Liabilities					
At Amortised Cost ⁱⁱ	-	(21,294)	-	-	(21,294)
Total Financial Liabilities	-	(21,294)	-	-	(21,294)
2014					
Financial Assets					
Cash and Cash Equivalents ⁱ	-	270	-	-	270
Available-for-Sale ⁱ	546	514	(27)	-	1,032
Total Financial Assets	546	784	(27)	-	1,304
Financial Liabilities					
At Amortised Cost ⁱⁱ	-	(21,507)	-	-	(21,507)
Total Financial Liabilities	-	(21,507)	-	-	(21,507)

ⁱ For cash and cash equivalents, loans or receivables and financial assets available-for-sale, the net gain or loss is calculated by taking the movement in the fair value of the asset, 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 measured at amortised cost.

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit Risk

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

The Royal Women's Hospital's maximum exposure to credit risk at balance date in relation to each class of financial asset is the carrying amount of those assets as indicated in the Balance Sheet. The hospital minimises concentrations of credit risk in relation to accounts receivable by undertaking transactions with a large number of customers. However, the majority of customers are concentrated in Australia and the main debtor is the Victorian Government.

Credit risk in trade receivables is managed in the following ways:

- for patient receivables eligibility checks are performed to verify patients prior to commencing treatment
- for certain patients payments are required in advance of treatment
- for non-patient receivables other checks are performed prior to delivering services
- an ageing analysis of all receivables is performed on a monthly basis and this is reviewed by management
- payment terms are 30 days for the Department of Health and Human Services and large corporate clients, 14 days for all others
- debt collection policies and procedures, including use of debt collection agency after 90 days.

The Royal Women's Hospital policy is to only deal with financial institutions with high credit ratings of a minimum BBB rating.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Royal Women's Hospital will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments and debts which are more than 60 days overdue.

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 the Royal Women's Hospital's maximum exposure to credit risk without taking account of the value of any collateral obtained.

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

	Financial Institutions (AA – credit rating) \$'000	Fund Managers (AAA credit rating) \$'000	Fund Managers (Non rated) \$'000	Listed Securities (Non rated) \$'000	Total \$'000
2015					
Financial Assets					
Cash and Cash Equivalents	4,272	-	-	-	4,272
Financial Assets Available-for-Sale	-	10,545	2,733	-	13,278
Total Financial Assetsⁱ	4,272	10,545	2,733	-	17,550
2014					
Financial Assets					
Cash and Cash Equivalents	5,322	-	-	-	5,322
Financial Assets Available-for-Sale	-	10,587	-	880	11,467
Total Financial Assetsⁱ	5,322	10,587	-	880	16,789

ⁱ Loans and receivables have been excluded from total financial assets as the Royal Women's Hospital and its controlled entities do not obtain credit ratings. Credit risk management for trade receivables has been documented above. The loans and receivables balance predominantly relates to patient debtors, sundry debtors and accrued revenue which is too difficult to obtain credit ratings.

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

Ageing analysis of financial assets as at 30 June

	Consolidated Carrying Amount \$'000	Not Past Due and Not Impaired \$'000	Past Due But Not Impaired				Impaired Financial Assets \$'000
			Less than 1 Month \$'000	1-3 Months \$'000	3 months -1 Year \$'000	1-5 Years \$'000	
2015							
Financial Assets							
Cash and Cash Equivalents	4,272	4,272	-	-	-	-	-
Loans and Receivables							
- Trade Debtors	3,398	1,623	955	432	388	-	-
- Other Receivables	3,209	3,209	-	-	-	-	-
Available-for-Sale							
- Managed Investment Schemes	13,278	13,278	-	-	-	-	-
Total Financial Assets	24,157	22,382	955	432	388	-	-
2014							
Financial Assets							
Cash and Cash Equivalents	5,322	5,322	-	-	-	-	-
Loans and Receivables							
- Trade Debtors	3,740	1,537	1,108	735	360	-	-
- Other Receivables	2,276	2,276	-	-	-	-	-
Available-for-Sale							
- Managed Investment Schemes	10,587	10,587	-	-	-	-	-
- Listed Securities	880	880	-	-	-	-	-
Total Financial Assets	22,805	20,602	1,108	735	360	-	-

Ageing analysis of financial assets excludes statutory receivables (i.e. GST receivable and DHHS receivables).

There are no material financial assets which are individually determined to be impaired. Currently the Royal Women's Hospital does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

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

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity Risk

Liquidity risk is the risk that the Royal Women's Hospital would be unable to meet its financial obligations as and when they fall due. The hospital operates under the Government's fair payments policy of settling financial obligations within 60 days and in the event of a dispute, making payments within 60 days from the date of resolution.

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

The Royal Women's Hospital manages its liquidity risk as follows:

Cash Flow Forecast

A full year cash flow forecast is prepared and regularly adjusted to reflect actual and anticipated cash inflows and outflows.

Cash Advances from the Department of Health and Human Services

Cash advances are sought from the Department of Health and Human Services to assist with cash flow.

Withdrawal of Investments

Withdrawal of investments can be made on short notice to meet outflows that are outside the Department of Health and Human Services funding or not part of the current year's budget.

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

Maturity analysis of financial liabilities as at 30 June

	Consolidated Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates					
			Less than 1 Month \$'000	1-3 Months \$'000	3 Months-1 Year \$'000	1-5 Years \$'000	Over 5 Years \$'000	
2015								
Financial Liabilities								
At Amortised Cost								
Payables	10,760	10,760	4,154	6,558	48	-	-	
Borrowings *	247,318	247,318	443	884	4,146	27,833	214,012	
Total Financial Liabilities	258,078	258,078	4,597	7,442	4,194	27,833	214,012	
2014								
Financial Liabilities								
At Amortised Cost								
Payables	11,931	11,931	4,651	7,023	94	163	-	
Borrowings *	252,286	252,286	403	804	3,761	25,317	222,001	
Total Financial Liabilities	264,217	264,217	5,055	7,828	3,855	25,480	222,001	

* PPP Arrangement

In relation to the PPP arrangement, although the hospital has assumed the finance assets and liabilities in its accounts, the payments to the private provider are being made directly by the Department of Health and Human Services on a monthly basis, hence there is no cash flow impact on the Royal Women's Hospital. The Royal Women's Hospital will record the non-cash entries in its accounts in accordance with a financial model that has been developed by the Department of Health and Human Services.

Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. Revenue in Advance, Victorian Health Funding Pool payable and DHHS payable).

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

(e) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Since the Royal Women's Hospital does not have any significant transactions in foreign currencies, market risk for the hospital comprises interest rate risk and price risk. While the Royal Women's Hospital holds units in funds which may themselves hold investments in foreign securities, the Royal Women's Hospital does not have any direct foreign currency exposure to these securities.

Interest Rate Risk

The hospital's exposure to interest rate risk and the weighted average effective interest rate are disclosed within the interest rate exposure table. For interest rates applicable to each class of asset or liability refer to the individual notes in the financial statements. Exposure arises predominantly from cash holdings at variable interest rates.

Interest Rate Risk is managed by the hospital maintaining minimum cash balances to meet working capital needs. Excess funds are invested in managed investment schemes where interest rate risk is managed as part of the portfolio investment risk. In addition interest bearing liabilities have fixed interest rates and therefore no interest rate risk.

Other Price Risk (Investments)

The following measures are in place at the Royal Women's Hospital to reduce the impact of price risk on investments.

Finance, Investment and Information Technology Committee Role

The Finance, Investment and Information Technology Committee is a Board Sub-Committee with delegated responsibility from the Board for overseeing the development, monitoring and review of the Royal Women's Hospital investment strategy and policies. It has an agreed Terms of Reference which covers its objectives, membership, term of membership, meeting schedule and related information. The Committee meets on a biannual basis (or more frequently if required).

Investment Principles

The broad direction for the Royal Women's Hospital's investments established by the Committee and endorsed by the Board is to ensure:

- The real value of funds invested is maintained;
- Investments are structured to meet the hospital's short term liquidity requirements for capital and/or operational purposes;
- Investments comply with relevant legislative requirements;
- The value of funds invested grows over time to meet the hospital's long term requirements for capital. Investments are made in a prudent manner that diversifies the spread of risk whilst maximising the potential for capital appreciation and income; and
- Due consideration is given to environmental, social and governance criteria by the Investment Manager in the selection and management of investments.

Role of Victorian Funds Management Corporation

The role of Victorian Funds Management Corporation is to:

- Provide strategic investment advice to the Royal Women's Hospital;
- Provide management and investment services to the hospital in accordance with:
 - Established investment objectives and guidelines;
 - Proper instructions given by the Royal Women's Hospital; and
 - Relevant laws applicable from time to time.

To mitigate operational risk, Victorian Funds Management Corporation is required to:

- Maintain proper internal control structures and compliance systems;
- Ensure that there is a separation of powers, functions and responsibilities between its officers and staff; and
- Provide annual independent external audits of compliance with, and the effectiveness of, the structures and systems referred to above.

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

Role of approved Fund Managers

The Royal Women's Hospital does not interact directly with fund managers. Under the arrangements with Victorian Funds Management Corporation, that role is performed by Victorian Funds Management Corporation staff.

Monthly Performance report (Performance v Benchmarks/investment objectives)

Victorian Funds Management Corporation provides monthly and quarterly performance reports which measure performance against industry benchmarks and provide details such as:

- Fund performance;
- Asset allocation, with details of performance of each category; and
- Compliance.

These reports are provided to the Royal Women's Hospital senior management and subsequently to the members of the Investment Committee for review and comment.

In addition, to enable the Royal Women's Hospital to properly account for movements in investments, a monthly reconciliation report is provided which includes details such as:

- The book value of investments;
- The market value of investments;
- Realised gains/losses;
- Unrealised gains/losses; and
- Income earned in the period.

This provides regular (detailed) monitoring of performance of the funds invested.

Controlled Entities

The broad objective for the Royal Women's Hospital Foundation Trust Fund is to invest the Trust Fund's assets to increase the real value of the portfolio over the medium-long term while providing income to meet the liquidity needed to offset operational costs of the Foundation. Risk exposure is limited through prudent financial management and diversification by asset class, sector and security.

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate exposure of financial assets and liabilities as at 30 June

	Weighted Average Effective Interest Rates (%)	Consolidated Carrying Amount \$'000	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non Interest Bearing \$'000
2015					
Financial Assets					
Cash and Cash Equivalents	1.97	4,272	-	3,553	719
Loans and Receivables ⁱ					
- Trade Debtors		3,398	-	-	3,398
- Other Receivables		3,209	-	-	3,209
Available-for-Sale					
- Managed Investment Schemes	2.01	13,278	1,270	615	11,393
		24,157	1,270	4,168	18,719
Financial Liabilities					
At Amortised Cost					
Payables ⁱ		10,760	-	-	10,760
Borrowings	9.52	247,318	247,318	-	-
		258,078	247,318	-	10,760
2014					
Financial Assets					
Cash and Cash Equivalents	1.93	5,322	-	4,704	618
Loans and Receivables ⁱ					
- Trade Debtors		3,740	-	-	3,740
- Other Receivables		2,276	-	-	2,276
Available-for-Sale					
- Managed Investment Schemes	2.16	10,587	-	301	10,286
- Listed Securities		880	-	-	880
		22,805	-	5,005	17,800
Financial Liabilities					
At Amortised Cost					
Payables ⁱ		11,931	-	-	11,931
Borrowings	9.52	252,286	252,286	-	-
		264,217	252,286	-	11,931

ⁱ The carrying amount excludes statutory financial assets and liabilities (i.e. GST receivable, DHHS receivables, Revenue in Advance, Victorian Health Funding Pool payable and DHHS payable).

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Royal Women's Hospital believes the following movements are 'reasonably possible' over the next 12 months (Base rates for Interest Rate Risk and Other Price Risk are sourced from external parties):

- A movement of +0.25% and -0.25% (2014: +0.75% and -0.75%) in market interest rates (AUD);
- A movement of +20% and -20% in managed investment schemes prices.

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

	Consolidated Carrying Amount \$'000	Interest Rate Risk				Other Price Risk			
		-0.25%		+0.25%		-20%		+20%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2015									
Financial Assets									
Cash and Cash Equivalents ⁱ	4,272	(9)	(9)	9	9	-	-	-	-
Financial Assets Available-for-Sale									
- Managed Investment Schemes ⁱ	13,278	(2)	(2)	2	2	-	(2,279)	-	2,279

	Consolidated Carrying Amount \$'000	Interest Rate Risk				Other Price Risk			
		-0.75%		+0.75%		-20%		+20%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2014									
Financial Assets									
Cash and Cash Equivalents ⁱ	5,322	(40)	(40)	40	40	-	-	-	-
Financial Assets Available-for-Sale									
- Managed Investment Schemes ⁱ	10,587	(2)	(2)	2	2	-	(2,057)	-	2,057
- Listed Securities	880	-	-	-	-	-	(176)	-	176

ⁱ (Carrying Value * Current Weighted Average Interest Rate plus % Movement Interest Rate) - (Carrying Value * Current Weighted Average Interest Rate)

Financial Liabilities

- Sensitivity analysis is not performed for the finance lease liability as it is governed by the Government bond rate.
- Sensitivity analysis is not performed for the borrowings obtained from Treasury Corporation Victoria as the interest rate is fixed.

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

(f) 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 Royal Women's Hospital considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

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

Comparison between carrying amount and fair value

	Consolidated Carrying Amount 2015 \$'000	Fair Value 2015 \$'000	Consolidated Carrying Amount 2014 \$'000	Fair Value 2014 \$'000
Financial Assets				
Cash and Cash Equivalents	4,272	4,272	5,322	5,322
Loans and Receivables ⁱ				
- Trade Debtors	3,398	3,398	3,740	3,740
- Other Receivables	3,209	3,209	2,276	2,276
Available-for-Sale				
- Managed Investment Schemes	13,278	13,278	10,587	10,587
- Listed Securities	-	-	880	880
Total Financial Assets	24,157	24,157	22,805	22,805
Financial Liabilities				
At Amortised Cost				
Payables ⁱ	10,760	10,760	11,931	11,931
Borrowings	247,318	247,318	252,286	252,286
Total Financial Liabilities	258,078	258,078	264,217	264,217

ⁱ The carrying amount excludes statutory financial assets and liabilities (i.e. GST receivable, DHHS receivables, Revenue in Advance, Victorian Health Funding Pool payable and DHHS payable).

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets measured at fair value

	Consolidated Carrying Amount as at 30 June \$'000	Fair value measurement at end of reporting period using:		
		Level 1 * \$'000	Level 2 * \$'000	Level 3 \$'000
2015				
Financial Assets at Fair Value through Profit and Loss				
Available-for-Sale				
- Managed Investment Schemes	13,278	1,876	11,236	166
Total Financial Assets	13,278	1,876	11,236	166
2014				
Financial Assets at Fair Value through Profit and Loss				
Available-for-Sale				
- Managed Investment Schemes	10,587	98	10,489	-
- Listed Securities	880	880	-	-
Total Financial Assets	11,467	978	10,489	-

* There is no significant transfer between Level 1 and Level 2.

The fair value of the financial assets is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value:

Listed Securities

The Australian listed share assets are valued at fair value with reference to a quoted (unadjusted) market price from an active market. The Royal Women's Hospital categorises these instruments as Level 1.

Managed Investment Schemes

The Royal Women's Hospital invests in managed funds of which a portion may not be quoted in an active market and which may be subject to restrictions on redemptions. The Royal Women's Hospital obtains from its Fund Managers, the fair value classification for each asset class of funds held within its portfolio. These funds are either Level 1, 2 or 3.

The fair value of unlisted investment is based on the discounted cash flow technique. Significant inputs in applying this technique include growth rates applied for cash flows and discount rates used.

Reconciliation of Level 3 Fair Value Movements

	Available-for-Sale Managed Investment Schemes	
	2015 \$'000	2014 \$'000
Opening Balance	-	-
Transfer to Level 3	274	-
Impairment in Net Result	(109)	-
Closing Balance	166	-
Total Loss for the Period included in Profit or Loss for Assets Held at the End of the Period	(109)	-

NOTE 21: COMMITMENTS

(a) Commitments other than Public Private Partnerships

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Capital Expenditure Commitments		
<i>Payable</i>		
Plant and Equipment	783	125
Intangible assets	823	-
Total Capital Expenditure Commitments	1,606	125
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	2,641	3,553
Total Lease Commitments	2,641	3,553
Operating Leases		
<i>Cancelable</i>		
Not later than one year	1,621	1,756
Later than 1 year and not later than 5 years	1,020	1,797
Total Lease Commitments	2,641	3,553
Total Commitments other than Public Private Partnerships (inclusive of GST)	4,247	3,678
Less GST recoverable from the Australian Tax Office	(386)	(334)
Total Commitments other than Public Private Partnerships (exclusive of GST)	3,861	3,344

All amounts shown in the commitments note are nominal amounts inclusive of GST.

NOTE 21: COMMITMENTS (CONTINUED)

(b) Public Private Partnerships ^{i,ii}

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Commissioned Public Private Partnerships – Other Commitments	Nominal Value	Nominal Value
Facilities Management *		
<i>Payable</i>		
Not later than one year	15,707	13,664
Later than 1 year and not later than 5 years	55,419	53,003
Later than 5 years	252,049	270,171
Total Facilities Management	323,175	336,838
Asset Replacement *		
<i>Payable</i>		
Not later than one year	25	1,050
Later than 1 year and not later than 5 years	10,854	10,854
Later than 5 years	26,373	26,398
Total Asset Replacement	37,252	38,302
Total Commitments for Public Private Partnerships	360,427	375,140

* Amounts shown are exempt from GST.

ⁱ The present values of the minimum lease payments for commissioned Public Private Partnerships (PPP) are recognised on the balance sheet and are not disclosed as commitments.

ⁱⁱ The year on year reduction in the nominal amounts of the other commitments reflects the payments made.

Basis for calculation of Contingent Rental on Finance Lease

The contract with the Royal Women's Health Partnership Pty Ltd provides for adjustments to the monthly finance lease payments. The adjustments are based upon the movement in the Australian Bureau of Statistics measurement of quarterly price changes. The ABS CPI data series Index Numbers; All groups; Australia – Ref A2325846C is used. The initial base quarter index is December 2004 (146.5). The schedule of future payments (unadjusted) are as at time of financial close (June 2005).

The Australian Bureau of Statistics have re-based their published Consumer Price Index (CPI) back to 100 for the 2011/12 financial year. This has led to the publication of a new adjusted historical CPI series which has been applied to the monthly finance lease payments since November 2012 at 81.56.

The finance lease schedule is broken into three components which reflect the consortium's financing arrangements. One component (fixed bond debt service) is not indexed by any means. The two other components (indexed annuity bonds and the consortium's own costs and provisions) are indexed by ABS data series as above.

The value of the contingent rental recognised as an expense in the operating statement for the period 2014/15 is \$2.55m (2013/14: \$2.36m).

NOTE 21: COMMITMENTS (CONTINUED)

(c) Commitments Payable

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Capital Expenditure Commitments		
Less than 1 year	1,606	125
Total Capital Expenditure Commitments	1,606	125
Lease Commitments Payable		
Less than 1 year	1,621	1,756
Longer than 1 year but not longer than 5 years	1,020	1,797
Total Lease Commitments	2,641	3,553
Public Private Partnership Commitments (commissioned) *		
Less than 1 year	15,732	14,714
Longer than 1 year but not longer than 5 years	66,273	63,857
5 years or more	278,422	296,569
Total Public Private Partnership Commitments	360,427	375,140
Total Commitments (inclusive of GST)	364,674	378,818
Less GST recoverable from the Australian Tax Office	(386)	(334)
TOTAL COMMITMENTS (exclusive of GST)	364,288	378,484

Future finance lease payments are recognised on the balance sheet, refer to Note 15 Borrowings.

* Amounts shown are exempt from GST.

Lease Receivable Commitments

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Commitments in relation to leases receivable are as follows:		
Not later than one year	3,333	3,296
Later than 1 year and not later than 5 years	5,628	9,026
TOTAL	8,961	12,322
Total Receivable Commitments (inclusive of GST)	8,961	12,322
Less GST payable to the Australian Tax Office	(815)	(1,120)
Total Receivable Commitments (exclusive of GST)	8,146	11,202

NOTE 22: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Details of maximum estimates for contingent assets or contingent liabilities are as follows:

	Consolidated 2015 \$'000	Consolidated 2014 \$'000
Contingent Liabilities		
Quantifiable		
Contribution to Parkville facility	18,220	18,220
Total Quantifiable Contingent Liabilities	18,220	18,220

Contribution to Parkville facility

During the year ended 30 June 2008, the Royal Women's Hospital relocated to a new facility. Construction and fit out of the new Royal Women's Hospital was funded as a Public Private Partnership under a Project Agreement between the State of Victoria and Royal Women's Health Partnership Pty Ltd. The hospital has recognised the Leased Assets (Note 12) and associated Borrowings (Note 15). The State of Victoria has an expectation that the Royal Women's Hospital will contribute \$61.40m (in cash or in kind) from the disposal of properties at the Carlton site to the cost of constructing the Parkville facility. Settlement of the contingent liability is dependent upon the timing and manner of the disposal of certain properties at the Carlton site.

The former hospital's main block and the Kathleen Symes Education Centre have been sold. The total amount of \$43.18m has been deducted from the \$61.40m contribution required of the hospital, reducing the contribution to \$18.22m.

There were no contingent assets for the Royal Women's Hospital or its Controlled Entities as at 30 June 2015 (2013/14: Nil).

NOTE 23A: RESPONSIBLE PERSONS' DISCLOSURES

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

	Period
Responsible Ministers:	
The Honourable David Davis, MLC, Minister for Health and Minister for Ageing	01/07/2014–03/12/2014
The Honourable Mary Wooldridge, MP, Minister for Mental Health	01/07/2014–03/12/2014
The Honourable Jill Hennessy, Minister for Health and Minister for Ambulance Services	04/12/2014–30/06/2015
The Honourable Martin Foley, Minister for Housing, Disability and Ageing and Minister for Mental Health	04/12/2014–30/06/2015
Governing Boards	
Ms Margaret Fitzherbert (Chair)	01/07/2014–17/12/2014
Ms Felicity Pantelidis (Deputy Chair)	01/07/2014–17/12/2014
Ms Felicity Pantelidis (Acting Chair)	17/12/2014–30/06/2015
Ms Lyn Swinburne AM (appointed Chair of the Board on 1 July 2015)	01/07/2014–30/06/2015
Ms Christina Liosis	01/07/2014–30/06/2015
Dr Nicolas Radford	01/07/2014–30/06/2015
Ms Sue Zablud	01/07/2014–30/06/2015
Dr Catherine Hutton	01/07/2014–30/06/2015
Mr Michael O'Neill	01/07/2014–30/06/2015
Professor David Copolov OAM	01/07/2014–30/06/2015
Accountable Officers	
Dr Sue Matthews (Chief Executive Officer)	01/07/2014–30/06/2015

Remuneration of Responsible Persons

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

INCOME BAND	Consolidated 2015 No.	Consolidated 2014 No.
\$0–\$9,999 *	4	3
\$10,000–\$19,999	-	2
\$20,000–\$29,999	8	6
\$30,000–\$39,999	1	-
\$40,000–\$49,999	-	1
\$90,000–\$99,999 **	-	1
\$120,000–\$129,999 **	-	1
\$150,000–\$159,999 **	-	1
\$390,000–\$399,999	1	-
Total Numbers	14	15
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	\$616,301	\$567,855

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

* Consolidated position includes Directors of the Royal Women's Hospital Foundation who are not paid for their services.

** The Responsible Persons in 2013/14 included the Chief Executive who resigned on 5 July 2013. For the period 6 July 2013 to 17 February 2014 an Acting Chief Executive was in place, with the replacement commenced duties effective 17 February 2014.

NOTE 23A: RESPONSIBLE PERSONS' DISCLOSURES (CONTINUED)

Other Transactions of Responsible Persons and their Related Parties

	Consolidated 2015 \$	Consolidated 2014 \$
Ms Fitzherbert is a Trustee Member of Queen Victoria Women's Trust which provides the facility used by the hospital's CASA House program on normal commercial terms and conditions.	126,503	124,818
Mr O'Neill is a Director of CoHealth Ltd which provides premises for hospital pregnancy care clinics on normal commercial terms and conditions.	12,500	2,060

Controlled Entities Related Party Transactions

The Royal Women's Hospital Foundation

Ms Sue Zablud and Ms Lyn Swinburne AM are Directors of the Royal Women's Hospital and the Royal Women's Hospital Foundation.

Ms Margaret Fitzherbert was a Director of the Royal Women's Hospital and the Royal Women's Hospital Foundation. Ms Fitzherbert resigned from both Boards on 17 December 2014.

Associate Professor Leslie Reti is a Clinical Director at the Royal Women's Hospital and is also a Director of the Royal Women's Hospital Foundation.

Associate Professor John McBain AO heads the Reproductive Services Department at the Royal Women's Hospital and is also a Director of the Royal Women's Hospital Foundation.

The transactions between the two entities relate to reimbursements made by the Royal Women's Hospital Foundation to the Royal Women's Hospital for goods and services and the transfer of funds by way of distributions made to the hospital. All dealings are in the normal course of business and are on normal commercial terms and conditions.

	2015 \$	2014 \$
Distribution of funds by the Royal Women's Hospital Foundation	651,307	558,096
Intercompany receivable at 30 June	37,053	58,037

NOTE 23B: EXECUTIVE OFFICERS' DISCLOSURES

Executive Officers' Remuneration

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

	Consolidated			
	Total Remuneration		Base Remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
\$0–\$69,999	-	-	-	-
\$70,000–\$79,999	2	-	2	-
\$80,000–\$89,999	-	-	-	1
\$90,000–\$99,999	-	1	-	-
\$150,000–\$159,999	-	1	-	1
\$160,000–\$169,999	-	-	-	1
\$170,000–\$179,999	-	2	-	1
\$180,000–\$189,999	-	-	-	1
\$190,000–\$199,999	-	1	1	-
\$210,000–\$219,999	1	-	-	1
\$220,000–\$229,999	-	-	1	-
\$230,000–\$239,999	-	1	1	1
\$240,000–\$249,999	2	-	-	-
\$250,000–\$259,999	-	1	2	-
\$260,000–\$269,999	1	-	-	-
\$270,000–\$279,999	1	-	-	-
Total	7	7	7	7
Total Annualised Employee Equivalentⁱ	5.7	5.7	5.7	5.7
Total Remuneration	\$1,385,648	\$1,276,156	\$1,309,107	\$1,208,213

ⁱ Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

NOTE 24: REMUNERATION OF AUDITORS

	2015 \$'000	2014 \$'000
Victorian Auditor-General's Office		
Audit and Review of Financial Statements		
Parent		
The Royal Women's Hospital	75	73
Controlled Entities		
The Royal Women's Hospital Foundation Limited	1	1
The Royal Women's Hospital Foundation Trust Fund	4	4
	80	78

NOTE 25: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no events occurring after the Balance Sheet Date.

NOTE 26: CONTROLLED ENTITIES

Name of Entity	COUNTRY OF INCORP- ORATION	EQUITY HOLDING
The Royal Women's Hospital Foundation Trust Fund	Australia	n/a
The Royal Women's Hospital Foundation Limited	Australia	Limited by Guarantee

	2015 \$'000	2014 \$'000
Controlled Entities Contribution to the Consolidated Results Net Result for the Year		
The Royal Women's Hospital Foundation Trust Fund	1,526	264
The Royal Women's Hospital Foundation Limited	-	-



australian
made



carbon
neutral



mill
certified



elemental
chlorine
free



processed
chlorine
free



recycled



renewable
energy



sustainable
forest



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